

2001-02 BUDGET PAPER No. 2

BUDGET MEASURES 2001-02

CIRCULATED BY
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FOR THE INFORMATION OF HONOURABLE MEMBERS
ON THE OCCASION OF THE BUDGET 2001-02

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Foreword

Budget Paper No. 2 — Budget Measures 2001-02 ensures that the Budget Papers provide comprehensive information on all Government decisions announced in the Budget that involve changes to its revenue, expense and investing activities.

Budget Paper No. 2 comprises three parts:

- Part I: Revenue Measures
- Part II: Expense Measures
- Part III: Capital Measures

Revenue measures are defined as those measures that affect taxation or non-taxation revenues (on a Government Finance Statistics (GFS) basis).

Expense measures are defined as those measures that affect expenses (on a GFS basis).

Capital measures are defined as those measures that affect net capital investment, defined as the change in non-financial assets. Capital measures that fall outside of this definition, such as equity injections or loans used for purposes other than investment in non-financial assets, are shown as having a zero impact on the fiscal balance.

A summary of all measures introduced since the 2000-01 Budget is included in each part. Measures introduced since the *2000-01 Mid-Year Economic and Fiscal Outlook (MYEFO)*, including measures in this Budget, are described in detail. Detailed descriptions of measures up to the time of the MYEFO are contained in that document.

Notes

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation;
 - real growth in expenses is measured by the non-farm Gross Domestic Product deflator;
 - Budget year refers to 2001-02, while the forward years refer to 2002-03, 2003-04 and 2004-05; and
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:
- estimates under \$100,000 are rounded to the nearest thousand;
 - estimates \$100,000 and over are generally rounded to the nearest tenth of a million;
 - estimates midway between rounding points are rounded up; and
 - the percentage changes in statistical tables are calculated using unrounded data.
- (c) The following notations are used:
- | | |
|---------|---|
| NEC/nec | not elsewhere classified |
| AEST | Australian Eastern Standard Time |
| - | nil |
| .. | not zero, but rounded to zero |
| na | not applicable (unless otherwise specified) |
| nfp | not for publication |
| \$m | \$ million |

- (d) References to the 'States' or 'each State' include the Territories, because from 1993-94 onwards, general purpose funding has been on the same basis for all jurisdictions. The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. The following abbreviations are used for the names of the States, where appropriate:

NSW	New South Wales
VIC/Vic	Victoria
QLD/Qld	Queensland
WA	Western Australia
SA	South Australia
TAS/Tas	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

Budget Measures 2001-02 is one of a series of Budget Papers, the purpose of which is to provide information supplementary to that in the Budget Speech. A full list of the series is printed on the inside cover of this paper.

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Part I: Revenue Measures

Table 1: Revenue Measures since the 2000-01 MYEFO^(a)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
Agriculture, Fisheries and Forestry				
Australia's response to foot and mouth disease and other quarantine risks	17.2	18.0	18.0	18.0
Extension of dairy industry adjustment levy	-	-	-	-
Portfolio total	17.2	18.0	18.0	18.0
Attorney-General's				
Australia's response to foot and mouth disease and other quarantine risks	82.7	82.7	82.7	82.7
Government response to the Productivity Commission report on general tariffs	-	-40.5	-41.4	-42.4
Portfolio total	82.7	42.2	41.3	40.3
Communications, Information Technology and the Arts				
Increase in GSM 900 licence fees	32.1	32.1	32.1	32.1
Radiocommunications licensing arrangements	-1.6	-1.6	-1.6	-1.6
Strategy on electromagnetic public health issues	1.0	1.0	1.0	1.0
Portfolio total	31.5	31.5	31.5	31.5
Education, Training and Youth Affairs				
Backing Australia's Ability - 2,000 additional targeted university places	-	0.1	0.4	0.8
Backing Australia's Ability - Postgraduate Education Loans Scheme	-	2.4	8.1	12.1
Higher education places for regional universities and campuses	-	..	0.1	0.2
Income-contingent loans for bridging courses for overseas trained professionals	-	-	0.1	0.1
Portfolio total	-	2.5	8.7	13.2
Family and Community Services				
New social security arrangements between Australia and New Zealand	-	-16.3	-32.6	-49.2
Portfolio total	-	-16.3	-32.6	-49.2
Immigration and Multicultural Affairs				
Backing Australia's Ability - attracting information and communications technology workers	0.8	0.8	0.9	0.9
Increase in the permanent migrant intake	1.4	1.4	1.4	1.4
New social security arrangements between Australia and New Zealand	13.1	13.2	13.3	13.4
Onshore processing of students in points tested categories	2.4	2.5	2.7	2.8

Table 1: Revenue Measures since the 2000-01 MYEFO^(a) (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
Immigration and Multicultural Affairs (continued)				
Reform of independent executives visa arrangements	1.5	2.4	2.4	2.5
Strategy to strengthen Australia's immigration services to priority areas - extension of Electronic Travel Authority arrangements	-0.3	-1.5	-1.5	-1.6
Portfolio total	18.9	18.9	19.2	19.4
Treasury				
Income tax				
Allowing participants in the Simplified Tax System to account for the value of stock under existing methods	*	*	*	*
Apportionment of deductions for donations of property	-	-	-2.0	-4.0
Backing Australia's Ability - 175 per cent 'premium' tax concession for additional research and development expenditure	-30.0	-90.0	-105.0	-110.0
Backing Australia's Ability - changes to the definition of research and development activities	*	*	*	*
Backing Australia's Ability - effective life write-off for research and development plant	25.0	95.0	115.0	95.0
Backing Australia's Ability - research and development tax offset for small companies	-	-6.0	-3.0	-2.0
Capital gains tax relief for shareholders of listed investment companies	-5.0	-20.0	-20.0	-20.0
Capital gains tax rollover relief for shares from insurance company demutualisations	-	-	-	-
Capital gains tax treatment of shares held in trust under employee share schemes	*	*	*	*
Changes to prepayment arrangements for non-business and small business taxpayers	-20.0	-	-	-
Changes to the overseas defence forces rebate and the United Nations (UN) armed forces rebate	*	*	*	*
Deductibility of certain gifts	*	*	*	*
Depreciation of second hand assets where the end user does not change	15.0	40.0	65.0	70.0
Extended lodgement date for Business Activity Statements	-	-	-	-
Extension of income tax exemption for not-for-profit organisations to include the information and communications technology industry	..	..	..	..
Foreign branch access to funds free of interest withholding tax	-9.0	-9.0	-9.0	-9.0
Fringe benefits reporting - exclusion of benefits associated with Australian Defence Force (ADF) removals	*	*	*	*
GDP-adjusted method for PAYG instalments for individuals and some companies and superannuation funds	-200.0	-10.0	-10.0	-10.0

Table 1: Revenue Measures since the 2000-01 MYEFO^(a) (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
Treasury (continued)				
Increase in the Medicare levy low income thresholds	-35.0	-20.0	-20.0	-20.0
Increasing the depreciating assets threshold for the Simplified Tax System	-2.0	-5.0	-5.0	-10.0
Not proceeding with the early refunding of excess imputation credits	185.0	-	10.0	10.0
Pensioners below seniors age: increase in rebates	-35.0	-36.0	-33.0	-34.0
Reduction in surcharge on certain termination payments	-14.0	-21.0	-17.0	-21.0
Refining the uniform capital allowance system	*	*	*	*
Reformed debt/equity tax borderline	*	*	*	*
Reform of thin capitalisation - amendments to the proposed rules	-70.0	-45.0	-60.0	-70.0
Relaxing the 'grouping' rule for the Simplified Tax System	*	*	*	*
Retrospective changes to the exclusive use intention test for research and development	*	*	*	*
Revised business tax reform implementation timetable	215.0	255.0	-145.0	-95.0
Senior Australians and pensioners: increase in Medicare levy threshold	-44.0	-46.0	-43.0	-45.0
Senior Australians: increase in rebates	-306.0	-315.0	-298.0	-307.0
Taxation treatment of datacasting transmitter licences	*	*	*	*
Withdrawal of entity taxation exposure draft legislation	-110.0	-450.0	-265.0	-300.0
Indirect tax				
Abolition of petroleum fuels excise indexation	-150.0	-425.0	-785.0	-1135.0
Funding for Airservices Australia and aviation industry compliance	11.7	11.7	4.7	4.7
Reduced excise and customs duty on petroleum fuels	-485.0	-505.0	-525.0	-545.0
Reduction of excise on draught beer	-150.0	-160.0	-160.0	-160.0
Non-tax revenue				
Increase in financial sector levy for the Superannuation Complaints Tribunal	0.7	0.7	0.7	0.7
Portfolio total	-1212.6	-1760.6	-2309.6	-2716.6
Total impact of revenue measures(b)	-1062.3	-1663.8	-2223.5	-2643.4

* The nature of the measure is such that a reliable estimate cannot be provided.

(a) A minus sign before an estimate indicates a reduction in revenue, no sign before an estimate indicates a gain to revenue.

(b) Measures may not add due to rounding.

Table 2: Revenue Measures up to the 2000-01 MYEFO^{(a)(b)}

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
Agriculture, Fisheries and Forestry				
Wool Industry - changes in wool levy arrangements	-32.2	-33.0	-32.1	-32.1
Portfolio Total	-32.2	-33.0	-32.1	-32.1
Attorney-General's				
Extension of the Import Credit Scheme	-	-	-	-
Portfolio Total	-	-	-	-
Treasury				
Income tax				
Amendment to transitional measures for the merging of share premium and share capital accounts	-	-	-	-
Amendments to Pay As You Go instalments for certain beneficiaries of trusts	5.0	5.0	5.0	5.0
Change in the status of constitutionally protected superannuation funds	nfp	nfp	nfp	nfp
Changes to the Simplified Tax System	2.0	-2.0	-1.0	3.0
Deductibility of certain gifts	*	*	*	*
Double taxation agreements	*	*	*	*
Eligibility for immediate deductibility for GST-related expenditure	-	-	-	-
Entity taxation	10.0	-60.0	-25.0	-25.0
Exemption for artists from the non-commercial losses measures	-7.0	-7.0	-3.0	-3.0
Income tax exemption for local government businesses	-	-	-	-
Medicare levy surcharge - treatment of high front end deductibles	*	*	*	*
No Australian Business Number withholding on input taxed supplies	-	-	-	-
Removal of capital gains tax changes for life insurers and superannuation funds	-60.0	-70.0	-90.0	-100.0
Rollover relief for merger of companies under Part 9 of the <i>Life Insurance Act 1995</i>	-	-	-	-
Taxation aspects of the restructure of the Australian Wool Research and Promotion Organisation	-	-	-	-
Tax benefits for organisations promoting prevention or control of disease or illness in people	*	*	*	*
Indirect tax				
Excise concession for micro-breweries	-0.3	-0.3	-0.3	-0.3
Petrol and diesel excise reduction - increase in reduction to 6.7 cents per litre	-100.0	-102.0	-105.0	-109.0
Removing campervans, motor homes and commercial vehicles from luxury car tax	-5.0	-5.0	-5.0	-5.0
Removing the excise-free status of methanol blended with petrol	-	-	-	-

Table 2: Revenue Measures up to the 2000-01 MYEFO^{(a)(b)} (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
Treasury (continued)				
Fringe benefits tax				
Converting rebates to a fringe benefits tax exemption for non-profit hospitals	-15.0	-15.0	-15.0	-15.0
Fringe benefits reporting - exclusion for emergency vehicles	*	*	*	*
Fringe benefits tax exemption for police housing in regional areas	*	*	*	*
Fringe benefits tax exemption for free travel on public transport by police officers	-5.0	-5.0	-5.0	-5.0
Non-tax revenue				
Additional payments from the States and Territories for GST administration	141.0	-	-	-
Superannuation Complaints Tribunal	-	-	-	-
Portfolio total	-34.3	-261.3	-244.3	-254.3
Decisions taken but not reported in MYEFO	nfp	nfp	nfp	nfp
Total impact of revenue measure(c)	-66.5	-294.3	-276.4	-286.4

* The nature of the measure is such that a reliable estimate cannot be provided.

(a) A minus sign before an estimate indicates a reduction in revenue, no sign before an estimate indicates a gain to revenue.

(b) These estimates are as published in MYEFO. Descriptions of the measures are provided in MYEFO.

(c) Measures may not add due to rounding.

Agriculture, Fisheries and Forestry

Extension of dairy industry adjustment levy

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry:	-	-	-	-

Explanation

The Government has agreed to extend the dairy industry adjustment levy of 11 cents per litre on market milk sales to fund additional assistance for the dairy industry.

The levy was introduced on 1 July 2000 as a part of the dairy industry adjustment package to assist dairy farmers following full deregulation of the dairy industry, and is now expected to conclude during 2008-09.

See also related expense measures titled *Additional assistance for dairy farmers* in the Agriculture, Fisheries and Forestry Portfolio, and *Expansion of the Dairy Regional Assistance Programme* in the Employment, Workplace Relations and Small Business Portfolio.

Attorney-General's

Australia's response to foot and mouth disease and other quarantine risks

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Customs Service:	82.7	82.7	82.7	82.7
Department of Agriculture, Fisheries and Forestry:	17.2	18.0	18.0	18.0
Total:	99.9	100.7	100.7	100.7

Explanation

The Government has agreed to an increase in the passenger movement charge of \$8 to \$38 per passenger from 1 July 2001 to offset the increased cost of inspecting passengers, mail and cargo at Australia's international airports. An additional \$72 million per annum will be collected from this charge. It is anticipated that \$10.7 million per annum will be collected from the extension of existing commercial clearance fees.

See related expenses measure titled *Australia's response to foot and mouth disease and other quarantine risks* in the Agriculture, Fisheries and Forestry portfolio.

Government response to the Productivity Commission report on general tariffs

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Customs Service:	-	-40.5	-41.4	-42.4

Explanation

The Government will expand the current Policy and Project By-Laws (PBL) from 1 July 2002. PBL duty concessions and exemptions provide a concessional tariff rate where this contributes to industry policy objectives. The new scheme will roll five current By-laws into one new expanded By-law for projects, allowing a streamlined application process and widening tariff exemption for certain industry sectors. This will benefit local manufacturers by reducing business input costs, making Australian industry more efficient and competitive.

The Government has ensured that major projects benefiting from the new arrangements will offer full, fair and reasonable access to contracts and tenders for local Australian manufacturers.

See also the related expense measure titled *Government response to the Productivity Commission report on general tariffs* in the Industry Science and Resources portfolio.

Communications, Information Technology and the Arts

Increase in GSM 900 licence fees

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Communications Authority:	32.1	32.1	32.1	32.1

Explanation

The current annual apparatus licence fees for spectrum held by Telstra, Optus and Vodafone to provide GSM mobile telephony services have been increased in order to align the licence fees more closely with the market value of the spectrum. The carriers will be permitted to delay payment of the additional component of their 2001-02 fee from June 2001 until August 2001. This delay will boost cash receipts by a further \$32.1 million in 2001-02, but will have no impact on accrual revenue.

Further information

Telstra, Optus and Vodafone were awarded apparatus licences in the 900 MHz radiofrequency band in the early 1990s to operate GSM mobile telephony services. They have paid annual licence fees since then. They were granted an extra 10 MHz of spectrum in 1996, for which they paid a one-off charge of \$110 million in addition to their annual licence fee. Subsequent licence allocations for mobile telephony have been price-based, usually through auctions.

The average prices paid at auction for spectrum licences for mobile telephony purposes are considerably higher (on a per MHz basis) than the equivalent annual fees currently paid by Telstra, Optus and Vodafone.

Radiocommunications licensing arrangements

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Communications Authority:	-1.6	-1.6	-1.6	-1.6

Explanation

The Australian Communications Authority will abolish individual licensing for radio-transmitters for most small boats and aircraft from July 2001. The individual licensing arrangements are not essential for the purpose of managing the radio frequency spectrum or personal/equipment safety. By removing this cost impost on

the operators of aircraft and small boats, this measure should encourage the wider installation of equipment that could improve personal and equipment safety.

See also the related expense measure *Radiocommunications licensing arrangements* in the Communications, Information Technology and the Arts portfolio.

Strategy on electromagnetic public health issues

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Communications Authority:	1.0	1.0	1.0	1.0

Explanation

The Government will continue the electromagnetic energy levy on radiocommunications apparatus licences. The levy will fund research into the possible health effects of electromagnetic energy emission from radio communication devices, including mobile phones.

See also the related expense measure titled *Strategy on electromagnetic public health issues* in the Health and Aged Care portfolio.

Education, Training and Youth Affairs

Backing Australia's Ability — 2,000 additional targeted university places

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs:	-	0.1	0.4	0.8

Explanation

The Government will fund 2,000 additional targeted university undergraduate places per year from 2002. These places rise to nearly 5,500 a year by 2005 as students continue through the system.

This measure shows the impact on Commonwealth revenue arising from the indexation of student debts for those students benefiting from the expansion of undergraduate places who participate in the Higher Education Contribution Scheme (HECS).

Australian students undertaking higher education courses funded by the Commonwealth may elect to accept an income contingent, interest-free loan from the Commonwealth under the HECS.

HECS debts which are older than 12 months are indexed by the Consumer Price Index. The indexation component of student debt is classified as non-tax revenue to the Commonwealth.

See also the related expense measure titled *Backing Australia's Ability — 2,000 additional targeted university places* in the Education, Training and Youth Affairs portfolio.

Backing Australia's Ability — Postgraduate Education Loans Scheme

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs:	-	2.4	8.1	12.1

Explanation

The Government will provide, from the commencement of the 2002 academic year, an income contingent loan facility similar to the Higher Education Contribution Scheme for eligible students enrolled in fee-paying postgraduate non-research courses. In 2002, almost 45,000 continuing and commencing students are expected to take up loans as a result of this initiative.

This measure shows the impact on Commonwealth revenue arising from the indexation of student debts under the Postgraduate Education Loans Scheme for students enrolled in eligible courses.

Student Postgraduate Education Loans Scheme debts which are older than 12 months are indexed to the Consumer Price Index. The indexation component of student debt is classified as non-tax revenue to the Commonwealth.

See also the related expense measure titled *Backing Australia's Ability – Postgraduate Education Loans Scheme* in the Education, Training and Youth Affairs portfolio.

Higher education places for regional universities and campuses

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs:	-	..	0.1	0.2

Explanation

The Government will fund 670 additional university undergraduate places per year from 2002. These places rise to 1,832 places per year by 2005 as students continue through the system. The new places will be allocated to regional universities and campuses to increase access to higher education and address increased demand due to demographic growth.

This measure shows the impact on Commonwealth revenue arising from the indexation of student debts for those students benefiting from the expansion of undergraduate places who participate in the Higher Education Contribution Scheme (HECS).

Australian students undertaking higher education courses funded by the Commonwealth may elect to accept an income contingent, interest-free loan from the Commonwealth under HECS.

HECS debts which are older than 12 months are indexed by the Consumer Price Index. The indexation component of student debt is classified as non-tax revenue to the Commonwealth.

See also the related expense measure titled *Higher education places for regional universities and campuses* in the Education, Training and Youth Affairs portfolio.

Income-contingent loans for bridging courses for overseas trained professionals

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs:	-	-	0.1	0.1

Explanation

The Government has decided that eligible overseas trained permanent resident professionals who are preparing to meet formal recognition requirements will be liable to pay full course costs for bridging courses, but will be eligible to receive a Higher Education Contribution Scheme style income-contingent loan.

Outstanding debts under the new loan scheme will be indexed by the Consumer Price Index. The component of these debts which results from indexation is classified as non-tax revenue to the Commonwealth.

See also the related expense measure titled *Income-contingent loans for bridging courses for overseas trained professionals* in the Education, Training and Youth Affairs portfolio.

Family and Community Services

New social security arrangements between Australia and New Zealand

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services:	-	-16.3	-32.6	-49.2

Explanation

Following a joint review with the New Zealand Government, the Commonwealth announced that from 26 February 2001, changed arrangements would apply to New Zealand citizens seeking to claim social security payments in Australia. Most New Zealand citizens who move to Australia after that date will only be able to access the full range of income support payments and employment assistance if they have permanent resident status in Australia.

In addition, a new social security agreement with New Zealand (replacing the existing agreement) will commence from 1 July 2002. The new agreement will cover age pensions, disability support pensions and carer payments. Australia and New Zealand will share financial responsibility for these pensions, each paying a proportion of the pension based on the length of time that recipients have spent in each country.

Under the previous agreement, the New Zealand Government reimbursed to Australia a proportion of social security payments paid to New Zealand citizens resident in Australia. Under the new agreement, the revenue from this reimbursement will decline from that which would have otherwise been received, as each country will pay benefits in accordance with the period of time a person has lived in each country.

See also the related expense measure titled *New social security arrangements between Australia and New Zealand* in the Family and Community Services portfolio, and related expense, capital and revenue measures titled *New social security arrangements between Australia and New Zealand* in the Immigration and Multicultural Affairs portfolio.

Immigration and Multicultural Affairs

Backing Australia's Ability — attracting information and communications technology workers

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs:	0.8	0.8	0.9	0.9

Explanation

The Government's initiatives to attract and retain more information and communications technology workers from overseas will result in additional revenue. Additional revenue is expected as a higher visa application charge is applied to applications lodged in Australia compared to applications lodged outside Australia.

From 1 July 2001, successful Australian-educated overseas students with information and communications technology qualifications will be able to apply for visas for permanent residence under the Skilled-Independent and related categories without leaving Australia.

See also the related expense measure titled *Backing Australia's Ability — attracting information and communications technology workers* in the Immigration and Multicultural Affairs portfolio.

Increase in the permanent migrant intake

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs:	1.4	1.4	1.4	1.4

Explanation

The Government will increase the Permanent Migration (Non-Humanitarian) Programme to 85,000 places with an additional reserve of 8,000 places in 2001-02.

Additional revenue for the Department of Immigration and Multicultural Affairs relates to the visa application charge for health and adult English education purposes.

The increase in the permanent migrant intake also increases expenses in a number of portfolios for services accessed by migrants. See also the related expense measure titled *Increase in the permanent migrant intake* in the Immigration and Multicultural Affairs portfolio.

New social security arrangements between Australia and New Zealand

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs:	13.1	13.2	13.3	13.4

Explanation

The Government has identified additional revenue flowing from an expected increase in New Zealand citizens applying for permanent residence in Australia. This expected increase in applications is a result of new bilateral social security arrangements agreed between Australia and New Zealand in early 2001.

Under the new arrangements, most New Zealand citizens arriving in Australia after 26 February 2001 will be able to access the broad range of income support payments only if they become a permanent resident.

See also the related capital and expense measures titled *New social security arrangements between Australia and New Zealand* in the Immigration and Multicultural Affairs portfolio and related expense and revenue measures titled *New social security arrangements between Australia and New Zealand* in the Family and Community Services portfolios.

Onshore processing of students in points tested categories

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs:	2.4	2.5	2.7	2.8

Explanation

The Government will reform the processing of student visas in points tested categories, to allow students who have completed their study in Australia to apply for migration onshore. These reforms will improve Australia's competitiveness in attracting skilled migrants.

The additional revenue for this measure results from the higher visa application charge for applications lodged in Australia.

This reform provides broader access to the opportunities offered to information and communication technology overseas students announced by the Government as part of *Backing Australia's Ability*.

See also the related expense measure titled *Onshore processing of students in points tested categories* in the Immigration and Multicultural Affairs portfolio.

Reform of independent executives visa arrangements

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs:	1.5	2.4	2.4	2.5

Explanation

The Government will reform the visa arrangements for independent executives. The reforms will include enhanced monitoring to ensure compliance with the conditions of the new arrangements.

The reform is in response to recommendations by the Business Advisory Panel (established by the Minister for Immigration and Multicultural Affairs) following a review of the business entry programme by the Australian National Audit Office.

Additional revenue for this measure flows from increased visa application charges that coincide with additional scrutiny of visa applications and additional monitoring processes.

See also the related expense measure titled *Reform of independent executives visa arrangements* in the Immigration and Multicultural Affairs portfolio.

Strategy to strengthen Australia's immigration services to priority areas — extension of Electronic Travel Authority arrangements

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs:	-0.3	-1.5	-1.5	-1.6

Explanation

The Government will improve Australia's immigration services to priority areas by increasing the use of Electronic Travel Authority arrangements which allow for short term visitors from selected countries to be issued with visas electronically. This approach will facilitate the ready entry of tourists to Australia, without compromising entry criteria.

The Minister for Immigration and Multicultural Affairs will approve the extension of these arrangements after considering the security and other risk factors for the countries concerned.

The reduction in revenue is due to the forgone visa application charges for visitor visas (currently \$60 each) in lieu of Electronic Travel Authorities, which are issued free of charge.

See also the related expense measure titled *Strategy to strengthen Australia's immigration services to priority areas — extension of Electronic Travel Authority arrangements* in the Immigration and Multicultural Affairs portfolio.

Treasury

Income tax

Allowing participants in the Simplified Tax System to account for the value of stock under existing methods

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

The Simplified Tax System accounting method, with certain exceptions, uses cash-based values rather than accrual-based values to calculate assessable income and deductions. However, in order to reduce complexity and administration costs, the requirement to convert accrual-based stock values into cash-based stock values will be removed.

This measure was announced on 7 December 2000 and will commence on 1 July 2001.

Further information

This measure will enable new participants in the Simplified Tax System to continue to account for the change in value of their trading stock on the same basis that they may have used before joining.

Apportionment of deductions for donations of property

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-	-	-2.0	-4.0

Explanation

On 30 March 2001, the Government announced new arrangements to allow deductions to be spread over five years for all donations of property greater than \$5,000 made to deductible gift recipients. The new arrangements will apply from 1 July 2002.

This measure builds upon the package of measures announced by the Government in March 1999 that allowed, among other things, the apportionment over five years of deductions for certain gifts to cultural, environmental and heritage organisations. Extending eligibility for apportionment of deductions to all deductible gift recipients will encourage property donations for other worthwhile activities such as health, medical research and education.

Further information

Apportionment, or allowing income tax deductions to be spread over five years, will assist potential donors of property who might otherwise be unable to realise the full benefit of the income tax deduction in a single year.

Backing Australia's Ability — 175 per cent 'premium' tax concession for additional research and development expenditure

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-30.0	-90.0	-105.0	-110.0

Explanation

Companies that improve their research and development (R&D) effort are eligible to receive a 175 per cent concession.

This incentive was announced in *Backing Australia's Ability* on 29 January 2001 and is available for expenditure incurred after 30 June 2001.

Further information

The 175 per cent premium covers all R&D expenditure excluding plant, pilot plant, contracted plant, plant leases, core technology, R&D related interest and items excluded from the 125 per cent R&D tax concession. Grouping and other anti-avoidance rules will apply to the concession.

Further information on this concession may be found in *Backing Australia's Ability* or at www.innovation.gov.au.

Backing Australia's Ability — changes to the definition of research and development activities

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

The definition of 'research and development activities' is being changed to require that core research and development (R&D) activities contain both innovation **and** high levels of technical risk. The change will also ensure that expenditure on the list of activities defined as not being R&D in nature will not qualify for the R&D tax

concession. In addition, R&D projects will need to have a documented plan before the core activities of the project are commenced.

This change was announced in *Backing Australia's Ability* on 29 January 2001 and has effect from that date.

Further information

The definition of 'research and development activities' is being changed in response to recent Federal Court and Administrative Appeals Tribunal decisions which have broadened the definition beyond its intended scope. It is expected that these changes will exclude only a small number of projects. The measure protects the revenue base and its impact is expected to be small.

Further information on this concession may be found in *Backing Australia's Ability* or at www.innovation.gov.au.

Backing Australia's Ability — effective life write-off for research and development plant

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	25.0	95.0	115.0	95.0

Explanation

This measure provides for research and development (R&D) plant to be written off over its effective life. The eligible depreciation deduction will be increased by 25 per cent for the period in which the plant is used for R&D activities. Plant partially used in R&D activities from the time of commencement may receive a partial concession.

Before the time of commencement, R&D plant was written off over three years, provided that it was exclusively used for R&D activities.

This change was announced in *Backing Australia's Ability* and has effect from 29 January 2001. The above costing reflects this start date.

Further information

See also the related revenue measure titled *Retrospective changes to the exclusive use intention test for research and development* in the Treasury portfolio.

Backing Australia's Ability — research and development tax offset for small companies

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-	-6.0	-3.0	-2.0

Explanation

Companies with an annual turnover of less than \$5 million per year and research and development (R&D) expenditure of \$1 million or less per year are eligible to receive a tax offset equivalent to the value of the R&D tax concession. The offset reduces existing tax liabilities to the Commonwealth. If the company has no tax liability remaining it receives a cash refund.

The rebate was announced in *Backing Australia's Ability* on 29 January 2001 and is available for expenditure incurred after 30 June 2001.

Further information

Further information on this concession may be found in *Backing Australia's Ability* or at www.innovation.gov.au.

Capital gains tax relief for shareholders of listed investment companies

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-5.0	-20.0	-20.0	-20.0

Explanation

This measure will provide shareholders in listed investment companies (LICs) with comparable tax treatment to investors in managed funds for distributions sourced from eligible capital gains.

That is, shareholders in LICs can directly benefit from the 50 per cent capital gains tax discount on assets realised by LICs which have been held for more than 12 months.

The measure is to commence from 1 July 2001.

Capital gains tax rollover relief for shares from insurance company demutualisations

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-	-	-	-

Explanation

On 21 March 2001, the Government announced that if a demutualised insurance company is taken over before shares can be transferred to members who could not be located at the time of the demutualisation, the capital gains tax (CGT) rollover relief for that transfer will continue to apply.

This measure will apply to shares held by a trust on behalf of members who could not be located at the time of the demutualisation, on the condition that the shares held by the trust would otherwise qualify for the CGT scrip-for-scrip rollover relief provisions. It applies to scrip-for-scrip transactions that occur from 10 December 1999 onwards.

Further information

The scrip-for-scrip rollover provisions, introduced as part of *The New Tax System*, allow CGT rollover relief where original equity interests in one entity are exchanged for replacement equity interests in another entity. This rollover defers recognition of any capital gain until the disposal of the replacement equity interests.

Further details may be found in the Assistant Treasurer's Press Release No. 9 of 21 March 2001.

Capital gains tax treatment of shares held in trust under employee share schemes

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

For employee share schemes where the plan has a trust structure and the employee is taxed up front, the cost base of the shares or rights for capital gains tax (CGT) purposes will be their market value when acquired by the employee, for the purposes of Division 13A of the *Income Tax Assessment Act 1936*. This applies to employee acquisitions for Division 13A purposes that occur after 5:00 p.m. eastern daylight savings time, 27 February 2001.

Typically, this cost base will be the market value at the time a trustee acquires the share or right on behalf of the employee. The measure will also ensure that the 12 month qualifying period for the 50 per cent CGT discount begins at that time.

Changes to prepayment arrangements for non-business and small business taxpayers

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-20.0	-	-	-

Explanation

As part of the New Business Tax System (Simplified Tax System) Bill 2000, the Government introduced a new rule for determining deductions for the prepaid expenditures of Simplified Tax System (STS) taxpayers, and the non-business prepayments of individuals. The new rule will allow an immediate deduction for prepayments for things to be done (for example, the provision of services, insurance or rental accommodation) over a period not exceeding 12 months and that are to be completed by the end of the next income year. The new rule will come into effect on 1 July 2001 and will apply from the taxpayer's first income year commencing on or after that date.

Small business taxpayers that do not enter the STS and non-individual entities (companies and trusts) with deductible non-business expenditure will apportion their prepayments over the period during which the services are provided. These changes will, from 1 July 2001, give effect to the Government's 21 September 1999 announcement on prepayments for these taxpayers. The balance of the transitional provisions that were announced on 21 September 1999 will apply to these taxpayers.

Further information

The transitional provisions have the effect of phasing in the up-front tax impact of moving to an apportionment basis for deducting prepayments.

Changes to the overseas defence forces rebate and the United Nations (UN) armed forces rebate

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

The *Income Tax Assessment Act 1936* is to be amended to prevent periods of overseas service qualifying for both the taxation exemption available under Section 23AG and either the taxation rebate available under Section 23AB (UN armed forces rebate) or the taxation rebate available under Section 79B (overseas defence forces rebate).

Further information

The proposed treatment is consistent with existing arrangements whereby periods of overseas service cannot qualify for both the Section 79B rebate and the taxation exemption available under Section 23AD for Australian Defence Force (ADF) members engaged in 'warlike service'.

Deductibility of certain gifts

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

The Government has announced that donations and gifts of \$2 or more to the following organisations have been made tax deductible:

- The Foundation for Young Australians (a merger of the Queen Elizabeth II Silver Jubilee Trust for Young Australians and the Australian Youth Foundation);
- The Voluntary Service to Indigenous Communities Foundation; and
- Reconciliation Australia Limited.

The following organisations were listed in the 2000-01 MYEFO as being approved by the Government for gift deductibility status, subject to meeting the public fund requirements. As these requirements have now been met, donations and gifts of \$2 or more to these organisations have been made tax deductible:

- The Sir Earle Page Memorial Trust Public Fund;

- The Australian Nuffield Farming Scholars Public Fund;
- The Dymocks Literacy Foundation Limited;
- The Australian Chinese Ex-Services National Reunion War Memorial Fund (for donations to 15 December 2002); and
- The Royal Australian Airforce (RAAF) Memorial Trust Fund.

In addition, since the 2000-01 MYEFO there have been:

- 14 admissions to the Register for Cultural Organisations and 4 deletions; and
- 13 additions to the Register for Environmental Organisations.

Depreciation of second hand assets where the end user does not change

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	15.0	40.0	65.0	70.0

Explanation

This measure ensures that where ownership of a depreciating asset changes but the end user of the asset remains the same, the new owner must use the same depreciation method as the previous owner. Where the prime cost method of write-off is used, the new owner must use the same remaining effective life as the previous owner, while the same effective life must be used if the diminishing value method is used.

This measure will ensure that some taxpayers are not able to obtain an increased rate of write off for second hand assets while continuing to use the assets.

This measure was announced on 9 May 2001, and will be effective from that date. The commencement date of a similar measure in the uniform capital allowance system, in cases where assets are acquired from an associate, was also brought forward to 9 May 2001.

Further information

Further details may be found in the Treasurer's Press Release No. 31 of 9 May 2001.

Extended lodgment date for Business Activity Statements

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-	-	-	-

Explanation

The due dates for lodging quarterly activity statements, such as the Business Activity Statement (BAS), and associated payments have been extended permanently. The due dates for the March, June and September quarters have been extended by 7 days, and the due date for the December quarter has been extended by one month and 7 days. The new lodgement dates are 28 April, 28 July, 28 October and 28 February.

In addition, if the due dates for these obligations as well as obligations to report and/or pay all other tax debts fall on a weekend or public holiday, the lodgment and payment may now be made on the next working day, without the taxpayer incurring a penalty or general interest charge.

This measure was announced on 22 February 2001 and took effect on 1 April 2001.

Further information

The extended due dates apply to businesses that are required to report and pay their GST, PAYG withholding, PAYG instalment, deferred company instalment or FBT instalment obligations on a quarterly basis (that is, businesses with a turnover of less than \$20 million). The extended due dates do not apply to businesses that are required to pay GST monthly or that have chosen to do so.

Extension of income tax exemption for not-for-profit organisations to include the information and communications technology industry

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:

Explanation

Not-for-profit organisations established to develop information and communications technology (ICT) resources in Australia will be exempt from income tax, and will also obtain a fringe benefits tax (FBT) rebate. This measure will enable the ICT industry to benefit from taxation treatment similar to that accorded to certain other industries including primary industries, manufacturing, tourism and aviation.

Further information

The measure was announced on 29 March 2001 and applies from the start of the 2000-01 income and FBT years.

Foreign branch access to funds free of interest withholding tax

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-9.0	-9.0	-9.0	-9.0

Explanation

The *Income Tax Assessment Act 1936* will be amended to exempt from interest withholding tax debentures issued by non-resident companies operating in Australia through permanent establishments. The exemption will apply to interest on debentures issued after 30 June 2001. The amendment will reduce compliance costs and reduce reliance on special rules under the proposed thin capitalisation rules. The measure will be enacted as part of the New Business Tax System (Thin Capitalisation and Other Measures) Bill 2001, and was announced in the press release giving details of the Bill on 21 February 2001.

Further information

Further details may be found in the Treasurer's Press Release No. 6 of 21 February 2001.

Fringe benefits reporting — exclusion of benefits associated with Australian Defence Force (ADF) removals

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

Regulations have been made to exclude fringe benefits associated with the removal or storage of household effects of ADF members from the fringe benefits reporting requirement. To be eligible for the exclusion, the removal or storage must be as a result of a move undertaken at the direction of the Department of Defence. The exclusion applies to group certificates issued for the year of income ending 30 June 2001 and later years.

Further information

Further details may be found in the Minister for Veterans' Affairs' Press Release No. 18 of 16 February 2001.

GDP-adjusted method for PAYG instalments for individuals and some companies and superannuation funds

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-200.0	-10.0	-10.0	-10.0

Explanation

All individuals, as well as some companies and superannuation funds, will now pay PAYG instalments based on an amount notified to them by the Australian Taxation Office (ATO). In addition, certain primary producers and special professionals (such as authors, entertainers and sportspersons) will now pay only two GDP-adjusted PAYG instalments at the third and fourth quarters of the income year.

This measure also allows taxpayers to opt out of this method and choose to either pay annually (if eligible) or to use the instalment rate times instalment income method.

This measure was announced on 22 February 2001. It generally applies to PAYG instalments for quarters ending on or after 31 March 2001, with the two instalment elements of the measure applying from the start of the 2001-02 income year.

Further information

This measure applies to all individuals, including those who are partners in GST-registered partnerships, and companies and superannuation funds with ordinary business and investment income from the previous year of \$1 million or less. The measure applies irrespective of taxpayers' GST status.

The quarterly instalments for eligible taxpayers will be calculated by the ATO on the basis of their business and investment income for the previous year, adjusted by a GDP factor. If taxpayers consider the amount calculated by the ATO to be too high, they continue to have the same rights to vary the instalment (and are subject to the same penalty and general interest charge provisions) as under the existing law.

Increase in the Medicare levy low income thresholds

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-35.0	-20.0	-20.0	-20.0

Explanation

The Medicare levy low income thresholds have been increased in line with CPI movements. The Medicare levy low income thresholds ensure that low income families and individuals are exempt from paying the levy. The thresholds to apply from the 2000-01 income year have been increased to \$13,807 for individuals and to \$23,299 for families. The additional amount of threshold for each dependent child or student has been increased to \$2,140. The legislation giving effect to the changes received Royal Assent on 22 March 2001.

Increasing the depreciating assets threshold for the Simplified Tax System

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-2.0	-5.0	-5.0	-10.0

Explanation

The Simplified Tax System (STS) has been designed to deliver benefits to small businesses and features turnover and assets tests to exclude larger businesses. The threshold to qualify for the STS was set at \$2 million of depreciating assets. To enable further businesses to take advantage of the STS, this threshold will be increased to \$3 million.

This measure was announced on 7 December 2000 and will commence on 1 July 2001.

Not proceeding with the early refunding of excess imputation credits

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	185.0	-	10.0	10.0

Explanation

The Government had previously announced that from 1 July 2001, an early refund mechanism would be introduced so that refunds of excess imputation credits would be available to members of closely held trusts and companies on distribution rather than

just on assessment. This was designed to reduce the cash flow impact on members arising from taxing trusts like companies.

On 27 February 2001 the Government announced that it would not be legislating the New Business Tax System (Entity Taxation) Bill Exposure Draft released in October 2000. Accordingly, on 22 March 2001 the Government announced that, as the entity taxation exposure draft would not be legislated, the refunding of early imputation credits for closely held trusts and companies was not required.

Further information

Further details may be found in the Treasurer's Press Releases No. 8 of 27 February 2001 and No. 16 of 22 March 2001.

Pensioners below seniors age: increase in rebates

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-35.0	-36.0	-33.0	-34.0

Explanation

In 1999-2000 the maximum pensioner rebate was \$1,358 for individuals and \$980 for each member of a couple, providing an effective tax free threshold of \$12,652 for individuals and up to \$21,524 for couples.

In *A New Tax System (Income Tax Laws Amendment) Act 1999*, the maximum rebate was increased to \$1,443 for individuals and \$1,026 for each member of a couple with effect from 1 July 2000. This provided an effective tax free threshold of \$14,998 for individuals and up to \$25,090 for couples.

Regulations gazetted on 11 May 2001 had the effect of increasing the maximum pensioner rebate for pensioners below seniors age to \$1,608 for individuals and \$1,155 for each member of a couple, providing an effective tax free threshold of \$15,970 for individuals and up to \$26,606 for couples. These regulations take effect from the 2000-01 income year.

Further Information

The Budget also provides an increase in the Medicare levy threshold for pensioners below seniors age and entitled to the pensioner rebate to \$15,970. This will ensure that such pensioners with incomes up to \$15,970 will be completely free from paying tax and completely free from the Medicare levy.

These rebates cut out at \$28,323 for individuals and \$22,035 for each member of a couple such that persons with taxable incomes up to those amounts pay less tax as a result of this measure.

See related revenue measures titled *Senior Australians and pensioners: increase in Medicare levy threshold* and *Senior Australians: increase in rebates* in the Treasury portfolio.

Reduction in surcharge on certain termination payments

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-14.0	-21.0	-17.0	-21.0

Explanation

The Government will amend the *Termination Payments Tax (Assessment and Collection) Act 1997* and the *Superannuation Contributions Tax (Assessment and Collection) Act 1997*:

- to make the existing transitional arrangements permanent, so that after 19 August 2001 only the portion of an employer eligible termination payment that accrued after 20 August 1996 will be liable to the termination payments surcharge if the termination payment is retained by the taxpayer, or the superannuation contributions surcharge if the termination payment is rolled over into a superannuation fund;
- to include only the amount of the employer eligible termination payment divided by the taxpayer's years of service in the taxpayer's adjusted taxable income for surcharge purposes — for such payments less than the upper surcharge threshold (\$98,955 for the 2000-01 income year, indexed to average weekly ordinary times earnings); and
- so that the excessive component of an employer eligible termination payment is not liable to the termination payments surcharge, while retaining its liability to the Medicare levy and tax at 47 per cent as the excessive component of taxable income.

The first two amendments will apply from 20 August 1996 and the third will apply from 7:30pm AEST, 22 May 2001.

Refining the uniform capital allowance system

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

A range of minor modifications will be made to the uniform capital allowance (UCA) system to clarify and enhance the UCA system and provide appropriate taxation treatment.

The UCA system, which represents a significant simplification of the tax law covering amortisation of capital expenditure, was announced by the Government on 11 November 1999. The commencement of the UCA system from 1 July 2001 was confirmed by the Government on 22 March 2001.

These modifications arose during the drafting process, and as a result of consultation with business groups and comments received on the exposure draft. They will improve the simplicity and consistency of the UCA system and include:

- providing greater certainty to taxpayers using the 'safe harbour' effective life schedule; and
- introducing a *de minimus* rule to reduce compliance costs for taxpayers who incur additional costs on a depreciating asset.

Further information

Further details may be found in the Treasurer's Press Release No. 31 of 9 May 2001 and in the draft legislation and explanatory statement which can be obtained from the Treasury website (www.treasury.gov.au/businesstax).

Reformed debt/equity tax borderline

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

On 21 February, the Government announced that it will implement a new test to distinguish 'debt' from 'equity' for tax purposes.

Under this reform, an instrument will be classified as 'debt' if there is an obligation for the issuer to return the initial outlay to an investor. The cost of servicing debt generally will be deductible to the issuer for tax purposes. The servicing costs on other funding instruments will be treated as 'equity', and will generally be frankable. Under these rules, hybrid (part debt/part equity) instruments will be classified as either all debt or all equity. The commencement date of this measure is 1 July 2001.

Reform of thin capitalisation – amendments to the proposed rules

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-70.0	-45.0	-60.0	-70.0

Explanation

On 21 February 2001, the exposure draft of the New Business Tax System (Thin Capitalisation and Other Measures) Bill 2001 was released for public comment. Following close consultation with taxpayers and their representatives, the draft thin capitalisation legislation will be amended to ensure the new rules operate as intended, and in particular do not prevent financial institutions undertaking normal business. As a result, the draft legislation will be amended to:

- afford greater transitional assistance to taxpayers. The new rules will now apply for their first full income year commencing after 30 June 2001;
- ensure transitional assistance granted under the reform of the debt/equity borderline is preserved in the application of the new thin capitalisation rules;
- modify the safe harbour calculation for authorised deposit-taking institutions (for example, banks), by lowering the safe harbour capital amount (as outlined in the draft legislation) to 4 per cent of risk weighted assets, coupled with several adjustments to the calculation itself;

- introduce a *de minimis* exemption from the new rules for taxpayers with total debt deductions below an annual amount of \$250,000; and
- classify leases and certain other like financing arrangements as eligible for the 'on-lending' rule, to ensure that lending arrangements do not obtain a tax-induced competitive advantage over leasing.

Further information

Thin capitalisation rules aim to ensure multinational companies pay their fair share of tax in Australia. These rules prevent taxpayers from allocating a disproportionate amount of debt to their Australian operations, given the preferential tax treatment of debt compared to equity. The rules achieve this by disallowing tax deductions relating to excessive debt financing. After allowing for the changes, the overall measure is expected to raise around \$1.1 billion over four years to 2004-05.

Relaxing the 'grouping' rule for the Simplified Tax System

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

The grouping rules of the Simplified Tax System (STS) ensure that businesses that are part of a larger group of entities do not inappropriately gain access to STS benefits. Under the grouping rules, an entity's turnover will be grouped with that of another entity in certain circumstances, including where either entity controls the other.

Legislative tests of the control of an entity will be modified to reduce the possibility that an entity without actual control of another entity could incorrectly be deemed to have control. This measure will reduce the possibility of inadvertent grouping of such entities.

This measure was announced on 7 December 2000 and will commence on 1 July 2001.

Further information

The modifications will also reduce the possibility of inadvertent grouping of, among others, persons granted powers of attorney, where such persons would not benefit from their control of an entity.

Retrospective changes to the exclusive use intention test for research and development

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

The Government has moved to retrospectively amend legislation to ensure that plant initially used for research and development (R&D) is eligible for the 125 per cent R&D tax concession. The measure ensures that companies obtain the concession when items of plant are used exclusively for R&D, before obtaining normal taxation treatment when the plant is then used for normal commercial purposes.

This measure was announced on 26 April 2001.

Further information

An ATO draft ruling was issued in 1999 which led to uncertainty for businesses claiming the R&D tax concession for plant used in R&D which was later used for commercial purposes. The amendment will ensure that legislation is in line with industry practice and provide certainty for businesses involved in the R&D process.

See also the related revenue measure titled *Backing Australia's Ability — effective life write-off for research and development plant* in the Treasury portfolio.

Revised business tax reform implementation timetable

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	215.0	255.0	-145.0	-95.0

Explanation

On 22 March 2001, the Government announced a revised timetable for the implementation of remaining business tax reforms. The revised timetable will allow an orderly phasing of the further reforms, thereby assisting business to adjust to the reforms to date.

The revised timetable will see some measures, originally to commence from 1 July 2001, now commence from 1 July 2002. These include the consolidation regime, general value shifting rules, foreign income account and the non-resident withholding tax regime.

The Government also announced that recognition of 'blackhole' expenditures will be addressed in a staged manner. The term 'blackhole' expenditure generally refers to expenditure undertaken for the purpose of earning assessable income that is not recognised by the tax system.

Some 'blackhole' expenditures will be addressed in the new capital allowance system that will take effect on 1 July 2001, while other 'blackhole' expenditures that can be separately identified and addressed in the law will be considered on a case by case basis, with possible commencement prior to 1 July 2002. The remaining 'blackhole' expenditures will be considered as part of the development of the tax value method.

Other measures, such as the taxation of financial arrangements and the taxation of leases, will not commence prior to 1 July 2002.

Further information

Further information on the revised timetable for business tax reform implementation can be found in the Treasurer's Press Release No. 16 of 22 March 2001.

Senior Australians and pensioners: increase in Medicare levy threshold

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-44.0	-46.0	-43.0	-45.0

Explanation

This measure will increase the Medicare levy thresholds so that senior Australians and pensioners do not pay Medicare levy until they start to incur a tax liability. This is achieved by increasing the Medicare levy threshold to \$15,970 for pensioners below seniors age who are entitled to the pensioner rebate and to \$20,000 for senior Australians who are entitled to the low income aged persons rebate or pensioner rebate. These regulations take effect from the 2000-01 income year.

Further Information

Rebates for pensioners below pension age were increased under regulations gazetted on 11 May 2001, so that no income tax is payable on incomes up to \$15,970 from 2000-01. Rebates for persons of age pension age have been increased in this Budget, so that no income tax is payable on incomes up to \$20,000. The increase in the Medicare levy thresholds complement these rebate increases to ensure that persons up to the thresholds pay no Medicare levy and no income tax.

See also the related revenue measures titled *Senior Australians: increase in rebates* and *Pensioners below seniors age: increase in rebates* in the Treasury portfolio.

Senior Australians: increase in rebates

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-306.0	-315.0	-298.0	-307.0

Explanation

In 1999-00 the maximum pensioner rebate and maximum low income aged persons rebate were \$1,358 for individuals and \$980 for each member of a couple, providing an effective tax free threshold of \$12,652 for individuals and up to \$21,524 for couples.

In *A New Tax System (Income Tax Laws Amendment) Act 1999*, the maximum rebates were increased to \$1,443 for individuals and \$1,026 for each member of a couple with effect from 1 July 2000. This provided an effective tax free threshold of \$14,998 for individuals and up to \$25,090 for couples.

Under regulations gazetted on 11 May 2001, the maximum rebates were further increased to \$1,608 for individuals and \$1,155 for each member of a couple, providing an effective tax free threshold of \$15,970 for individuals and up to \$26,606 for couples.

This Budget measure increases the maximum low income aged persons rebate and pensioner rebate for age and service (age) pensioners to \$2,230 for individuals and \$1,602 for each member of a couple with effect from the 2000-01 income year. This will provide an effective tax free threshold of \$20,000 for individuals and up to \$32,612 for couples.

Further Information

The Medicare levy threshold increase for senior Australians also announced in this Budget will ensure that individual senior Australians with incomes up to \$20,000 are completely free from the Medicare levy as well, and therefore pay no income tax up to that level.

These rebates cut out at \$37,840 for singles and \$29,122 for each member of a couple such that all eligible persons with taxable incomes up to those amounts will pay less tax as a result of this measure.

See related revenue measures titled *Senior Australians and pensioners: increase in Medicare levy threshold* and *Pensioners below seniors age: increase in rebates* in the Treasury portfolio.

Taxation treatment of datacasting transmitter licences

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	*	*	*	*

Explanation

From 1 July 2001, holders of datacasting transmitter licences will be able to write them off over their effective lives. Prior to this change deductions would not have been allowed over the life of this type of licence, rather, a capital loss would have been available once the licence expired.

Further information

Further details may be found in the Treasurer's Press Release No. 2 of 24 January 2001, titled *Taxation treatment of datacasting transmitter licences*.

Withdrawal of entity taxation exposure draft legislation

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-110.0	-450.0	-265.0	-300.0

Explanation

On 27 February 2001 the Government withdrew the entity taxation exposure draft it released for public comment in October 2000 and will no longer be legislating it.

The Government withdrew the draft in response to issues raised through consultations and submissions. In particular, the submissions identified technical concerns and compliance issues.

The Government, assisted by the Board of Taxation, will commence a new round of consultations based on principles that will protect legitimate small business and farming arrangements whilst addressing any tax abuse in the trust area.

The revenue impact shown above reflects taxing non-fixed trusts under the current law rather than on an entity basis.

Further information

Further details may be found in the Treasurer's Press Releases No. 95 of 11 October 2000, No. 8 of 27 February 2001 and No. 16 of 22 March 2001.

Indirect tax

Abolition of petroleum fuels excise indexation

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-150.0	-425.0	-785.0	-1135.0

Explanation

On 1 March 2001, the Government announced the abolition of all future half-yearly indexation of fuel excise.

The indexation of excise rates for excisable products (including petroleum fuels) was introduced in 1983. Since August 1983, excise rates have been indexed in line with increases in the Consumer Price Index during a previous six month period. This measure removes these automatic increases.

These changes will also apply to the customs duty on imported fuels.

Further information

See also the related revenue measure titled *Reduce excise and customs duty on petroleum fuels* in the Treasury portfolio.

The abolition of indexation of fuel excise results in a reduction in expenses under the Diesel Fuel Rebate Scheme (DFRS) of around \$20 million in 2001-02, \$70 million in 2002-03, \$140 million in 2003-04, and \$200 million in 2004-05.

Funding for Airservices Australia and aviation industry compliance

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	11.7	11.7	4.7	4.7

Explanation

The Government will continue the excise and customs duty on aviation gasoline and aviation turbine fuel that is directed to the funding of the Civil Aviation Safety Authority (CASA) and the Airservices Australia Location Specific Pricing Subsidy.

While there will be no overall change to the duty levied on the aviation industry, the Government is altering the respective shares paid to Airservices Australia and CASA. The duty directed to the funding of CASA will increase by 0.18 cents per litre to 2.548 cents per litre in order to partially fund the Government's aviation safety

initiatives. The temporary surcharge, announced in the 1998-99 Budget, to offset the Airservices Australia Location Specific Pricing Subsidy will continue for a further two years. The rate of duty, however, will be reduced by 0.18 cents per litre to 0.26 cents per litre.

Further information

See also the related expense and capital measures titled *Aviation industry compliance* and the related expense measure titled *Airservices Australia — Extension of Location Specific Pricing Subsidy* in the Transport and Regional Services portfolio.

Reduced excise and customs duty on petroleum fuels

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-485.0	-505.0	-525.0	-545.0

Explanation

On 1 March 2001, the Government announced reductions in excise and customs duty on petroleum fuels as part of a package of cuts to fuel taxes.

With effect from 2 March 2001, excise and customs duties were reduced by 1.5 cents per litre for unleaded petrol, leaded petrol and other petroleum products that attract equivalent rates of duty. Duty on aviation fuels and on those petroleum products attracting concessional rates of duty were reduced by a proportional amount.

The new rates for key petroleum products are:

Leaded petrol	\$0.40516 per litre
Unleaded petrol and diesel	\$0.38143 per litre
Aviation gasoline (avgas)	\$0.02808 per litre
Aviation turbine fuel (avtur)	\$0.02845 per litre
Fuel oil, heating oil, kerosene	\$0.07557 per litre

The ACCC is monitoring fuel prices to ensure that the reduction in excise is being fully passed on to motorists. The ACCC is also examining the feasibility of limiting price fluctuations of petrol and diesel.

Further information

In addition to the excise reductions, the Prime Minister announced on 1 March 2001 that an inquiry will be established into the structure of fuel taxation in Australia.

The reduction in excise and customs duty on petroleum fuels results in a reduction in expenses under the Diesel Fuel Rebate Scheme (DFRS) of around \$20 million in

2000-01, \$80 million in 2001-02, \$90 million in 2002-03, \$90 million in 2003-04, and \$90 million in 2004-05.

See also the related revenue measure titled *Abolition of petroleum fuels excise indexation* in the Treasury portfolio.

Reduction of excise on draught beer

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Tax Office:	-150.0	-160.0	-160.0	-160.0

Explanation

On 3 April 2001, the Parliament passed legislation to reduce excise and customs duty on draught beer from 4 April 2001.

The excise applying to beer products sold in containers of greater than 48 litres was reduced. Excise rates on beer products that apply from 4 April 2001 are:

	Not exceeding 48 litres	Greater than 48 litres
Low strength (1.15% to 3%)	\$44.08	\$15.96
Mid strength (3% to 3.5%)	\$37.42	\$17.33
Full strength (above 3.5%)	\$32.22	\$22.68

Excise on beer products is calculated at the above rates on the volume of alcohol exceeding 1.15 per cent.

The ACCC is monitoring draught beer prices to ensure that the reduction in excise is being fully passed on to consumers.

Non-tax revenue

Increase in financial sector levy for the Superannuation Complaints Tribunal

Revenue (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Prudential Regulation Authority:	0.7	0.7	0.7	0.7

Explanation

From 1 July 2001 the financial sector levy payable by superannuation funds to meet the administrative costs of the Superannuation Complaints Tribunal is to be adjusted to

offset an increase in the Tribunal's base funding of the same amount. The increased base funding flows from the Commonwealth's successful High Court appeal restoring the Tribunal's determinative function.

Further information

The Tribunal's review function was curtailed in 1998 as a result of a Federal court decision that held that this function involved an invalid exercise of a judicial power by an administrative review body. As a result the Tribunal's role was curtailed and in consequence its funding and the financial sector levy were reduced accordingly.

Part 2: Expense Measures since the 2000-01 MYEFO

Table 1: Expense Measures since the 2000-01 MYEFO

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
AGRICULTURE, FISHERIES AND FORESTRY				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Additional assistance to dairy farmers	-	-	-	-
Agricultural Development Partnerships	3.7	6.6	7.7	8.4
Australia's response to Foot and Mouth Disease and other quarantine risks	61.9	73.5	73.5	73.5
Backing Australia's Ability - New Industries Development Programme Mark II	5.1	5.2	5.2	5.2
Commonwealth contribution to the Murray Darling Basin Commission	-	-	-	-
Commonwealth Flood Assistance Package for central and northern New South Wales and southern Queensland	29.5	-	-	-
Continuation of Nairn funding for quarantine activities	5.3	13.8	13.8	13.8
Exceptional Circumstances - Western Australia	6.1	4.1	-	-
Flood assistance for dairy farmers in northern New South Wales	-	-	-	-
National Food Industry Strategy	1.5	-	-	-
Pricing review of the Department of Agriculture, Fisheries and Forestry	7.0	-	-	-
Rural Financial Counselling Services	5.8	5.8	5.8	-
Savings from Farmbis - Skilling Farmers for the Future programme	-6.7	-12.4	-13.5	-8.4
Portfolio total	119.2	96.6	92.5	92.5
ATTORNEY-GENERAL'S				
<i>Attorney General's Department</i>				
Additional resourcing for Native Title	5.5	5.1	3.3	2.0
Diplomatic guarding	7.8	8.0	-	-
Improving security within the Australian intelligence community	0.7	0.6	0.6	0.6
Pricing review of the Attorney-General's Department	-1.0	-1.0	-1.0	-1.0
Pro Bono secretariat	0.3	0.3	0.3	0.3
Protection of the National Information Infrastructure	0.6	-	-	-
<i>Australian Customs Service</i>				
Australia's response to Foot and Mouth Disease and other quarantine risks	53.7	56.5	59.4	62.5
<i>Australian Federal Police</i>				
Australian Federal Police Reform Programme Stage 2	28.3	28.7	28.2	25.3
Back-capture of DNA samples from federal prisoners	-	-	-	-
Payment for Australian Federal Police East Timor Peacekeepers	3.1	-	-	-
Protection of the National Information Infrastructure	0.2	-	-	-

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
ATTORNEY-GENERAL'S (continued)				
<i>Australian Security Intelligence Organisation</i>				
Improving security within the Australian intelligence community	2.5	1.8	1.9	1.9
Protection of the National Information Infrastructure	0.6	-	-	-
<i>Federal Court of Australia</i>				
Additional resourcing for Native Title	5.3	4.6	4.1	3.0
<i>National Native Title Tribunal</i>				
Additional resourcing for Native Title	6.0	10.5	10.3	8.9
Portfolio total	113.5	115.1	107.0	103.4
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
<i>Australia Council</i>				
Renewed support to the Regional Arts Fund, Young and Emerging Artists Initiative, and the Major Festivals Initiative	4.5	2.5	2.6	-
Reprioritisation of expenditure - Australia Council	-1.5	-1.5	-1.5	-1.5
<i>Australian Broadcasting Corporation</i>				
Australian Broadcasting Corporation - additional funding	17.8	17.8	17.8	17.8
<i>Australian Communications Authority</i>				
Radiocommunications licensing arrangements	-0.7	-0.7	-0.7	-0.7
<i>Department of Communications, Information Technology and the Arts</i>				
Additional funding for the National Council for the Centenary of Federation for promoting Federation Fund projects	-	-	-	-
Australian Film Finance Corporation - continuation of funding	-	-	-	-
Australia's response to Foot and Mouth Disease and other quarantine risks	20.0	13.2	8.0	8.2
Backing Australia's Ability - Innovation Access Programme	1.0	3.0	3.0	3.0
Backing Australia's Ability - National Innovation Awareness Strategy	0.7	1.2	1.2	0.6
Backing Australia's Ability - World Class Centres of Excellence	4.5	8.8	12.0	17.7
Department of Communications, Information Technology and the Arts - reallocation of surplus funds	-	-5.0	-5.0	-5.0
Digital interference subsidy	10.0	-	-	-
Maintenance of the base funding of elements of the Cultural Development Programme	7.4	5.7	4.9	1.4
Pricing review of the Department of Communications, Information Technology and the Arts	-	-	-	-
Savings from the National Transmission Network residual pool	-2.0	-2.0	-2.0	-2.0

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS (continued)				
Telecommunications Service Inquiry response - Contribution to a national Online Technical Assistance Programme	0.4	1.8	3.8	-
Telecommunications Service Inquiry response - extend mobile phone coverage to communities of less than 500 people	4.5	17.1	19.9	-
Telecommunications Service Inquiry response - Extend mobile phone coverage to communities of more than 500 people	15.5	12.2	10.0	-
Telecommunications Service Inquiry response - Funding consumer representation and research	-	0.9	0.9	0.9
Telecommunications Service Inquiry response - Improving community awareness	6.7	0.2	-	-
Telecommunications Service Inquiry response - Improving Services for Aboriginal and Torres Strait Islander Communities	0.4	-	-	-
Telecommunications Service Inquiry response - National Communications Fund	0.7	13.4	25.4	12.7
Telecommunications Service Inquiry response - Savings from the Telstra Social Bonus	nfp	nfp	nfp	nfp
Portfolio total	89.9	88.6	100.3	53.1
DEFENCE				
<i>Department of Defence</i>				
Defence and surplus East Timor funds	100.0	70.0	-	-
Defence Capital Investment Programme	-	-	-	-
Defence White Paper	507.0	1039.4	1464.7	2042.1
Enhancement of the Australian Defence Force Cadets	-	-	-	-
Improving security within the Australian Intelligence Community	-	-	-	-
Protection of the National Information Infrastructure	0.5	-	-	-
Supplementation for commercial rents	16.0	16.0	16.0	16.0
Portfolio total	623.5	1125.4	1480.7	2058.1
EDUCATION, TRAINING AND YOUTH AFFAIRS				
<i>Australians Working Together</i>				
A better deal for people with disabilities - Better access to education and training	-	7.3	14.6	15.0
A fair go for mature age workers - More assistance	0.2	1.6	4.9	7.4
Getting people the right help - Improved information technology	0.3	-	-	-
Helping parents return to work	1.2	7.7	18.0	22.4
Helping people to find jobs - Better employment services	-	1.7	3.4	3.5
Promoting self-reliance for indigenous people - Increased educational and training assistance	0.2	3.5	4.3	2.2

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
EDUCATION, TRAINING AND YOUTH AFFAIRS (continued)				
<i>Department of Education, Training and Youth Affairs</i>				
Adjustment to Department of Education, Training and Youth Affairs resourcing	-2.1	-2.2	-2.2	-2.3
Backing Australia's Ability - 2,000 additional targeted university places	13.9	24.8	33.4	40.3
Backing Australia's Ability - Additional funding for project-specific research infrastructure	26.8	47.7	68.7	89.3
Backing Australia's Ability - Additional funding for systemic research and research training infrastructure in universities	26.3	53.2	54.4	55.5
Backing Australia's Ability - Double funding for national competitive research grants	19.2	92.5	142.8	205.4
Backing Australia's Ability - Fostering scientific, mathematical and technological skills and innovation in government schools	33.1	34.9	36.8	38.7
Backing Australia's Ability - Online curriculum content	4.5	7.2	7.4	7.5
Backing Australia's Ability - Postgraduate Education Loan Scheme	0.7	0.4	0.4	0.4
Career and Transitions pilots - enhancing young peoples' transition from school to further education or work	-	-	-	-
Expand the geographic coverage of enterprise and career education foundation work-placement coordinators	1.2	2.7	3.1	2.6
Fringe Benefits Tax supplementation for Aboriginal and Torres Strait Islander organisations	1.0	0.8	0.8	0.8
Higher Education places for regional Universities and campuses	4.3	7.8	10.5	12.6
Improving schooling outcomes	-	-	-	-
Income-contingent loans for bridging courses for overseas trained professionals	-	-2.1	-2.1	-2.2
Increase in the permanent migrant intake	11.2	14.7	18.4	22.4
Innovative and collaborative pilots for youth-related programmes	-	-	-	-
Job Placement, Employment and Training Programme - Employment support for homeless young people	4.2	4.0	4.1	4.5
Jobs Pathway Programme - support for the transition from school to work	12.1	10.9	11.2	12.6
The Mentor Marketplace	-	-	-	-
Training for Innovation - growth funding for the Australian National Training Authority Agreement	50.0	76.5	104.1	-
Portfolio total	208.4	395.6	536.9	538.6

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
EMPLOYMENT, WORKPLACE RELATIONS AND SMALL BUSINESS				
<i>Australians Working Together</i>				
A Fair Go for Mature Age Workers - More encouragement to participate	0.4	0.4	-	-
Getting people the right help - Improved information technology	0.4	-	-	-
Getting people the right help - Personal Support Programme	-	-29.1	-28.0	-26.7
Helping people to find jobs - Better employment services	7.9	55.6	55.8	57.7
Helping people to find jobs - Training credits	0.3	36.4	36.7	37.5
Promoting self-reliance for indigenous people - Better support to get a job	2.6	4.6	9.7	14.2
<i>Department of Employment, Workplace Relations and Small Business</i>				
Development and enhancement of the Business Entry Point internet site	8.2	8.4	8.5	8.7
Expansion of the Dairy Regional Assistance Programme	10.0	10.0	-	-
Pricing review of the Department of Employment, Workplace Relations and Small Business	-8.2	-8.4	-8.5	-8.7
<i>Equal Opportunity for Women in the Workplace Agency</i>				
Equal Opportunity for Women in the Workplace Agency on-line services	1.1	0.9	0.7	0.4
<i>National Occupational Health and Safety Commission</i>				
Relocation of the National Occupational Health and Safety Commission	-1.2	-1.1	-0.8	-0.1
Portfolio total	21.5	77.7	74.1	83.0
ENVIRONMENT AND HERITAGE				
<i>Australian Greenhouse Office</i>				
Domestic greenhouse policy development	-	-	-	-
Greenhouse international policy and reporting, and greenhouse sinks	-	-	-	-
Pricing review of the Australian Greenhouse Office	-0.7	-0.6	-	-
<i>Department of the Environment and Heritage</i>				
Administration of the fuel quality legislation	-	-	-	-
Conservation of rural and regional historic hotels	5.0	-	-	-
Goondiwindi Serpentine Water Park	5.0	-	-	-
Greenhouse Gas Abatement Programme	-	-	-	-
National Pollutant Inventory	1.2	1.3	1.3	1.3
Natural Heritage Trust extension (a)	-	100.0	233.0	233.0
Pricing review of the Australian Antarctic Division	-	-	-	-
Pricing review of the Bureau of Meteorology	-	-	-	-
Queensland East Coast Trawl Restructure Programme	-	-	-	-
Sydney Harbour Federation Trust	-	-	-	-
Wildlife programmes and biodiversity conservation responsibilities	0.8	0.7	0.7	0.6

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
ENVIRONMENT AND HERITAGE (continued)				
<i>Great Barrier Reef Marine Park Authority</i>				
Funding to offset the reduction in revenue related to the Environmental Management Charge	0.5	0.6	0.3	0.3
Management of aquaculture impacts	0.5	0.5	0.4	0.4
Townsville Aquarium - Reef Headquarters	1.8	0.5	0.5	0.5
Portfolio total	14.1	103.0	236.2	236.1
FAMILY AND COMMUNITY SERVICES				
<i>Australians Working Together</i>				
A Fair Go for Mature Age Workers - More encouragement to participate	1.7	17.6	40.4	42.0
A Fair Go for Mature Age Workers - More assistance	0.3	2.4	10.9	16.2
Helping people find jobs - Mutual obligation requirements	3.0	10.6	7.3	7.2
Helping parents return to work	5.7	50.8	64.5	69.6
Getting people the right help - Personal Support Programme	2.7	36.8	45.7	60.5
Getting people the right help - Better assessments	0.2	10.1	10.6	10.7
Getting people the right help - Improved information technology	2.9	16.5	15.0	15.0
A better deal for people with disabilities - Better assessment	2.3	34.1	14.3	13.9
A better deal for people with disabilities - Better access to employment assistance	0.7	13.2	20.3	22.8
A better deal for people with disabilities - Quality assurance of employment assistance	3.2	4.7	5.3	5.3
Promoting self-reliance for indigenous people - Community Participation Agreements and capacity building	-	0.5	0.6	0.6
Promoting self-reliance for indigenous people - Remote area servicing	0.6	2.0	2.9	3.7
Help to participate - Working Credit	8.9	125.6	176.8	189.0
Help to participate - Literacy and Numeracy Training Supplement	0.8	5.8	6.8	7.0
More child care places	2.3	5.4	4.2	4.4
Community and Business Engagement	9.0	7.7	2.6	2.7
Planning for the Future	1.0	1.0	2.0	1.0
<i>Department of Family and Community Services</i>				
Acknowledging Older Australians - exempt superannuation from Social Security Means Test for people aged between 55 and Age Pension age	88.8	88.2	89.9	91.7
Acknowledging Older Australians - Extend eligibility for the Commonwealth Seniors Health Card	1.5	-	-	-
Acknowledging Older Australians - One-off payment to the aged	10.1	-	-	-
Acknowledging Older Australians - telephone allowance to Commonwealth Seniors Health Card holders	30.5	23.8	24.5	24.9

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
FAMILY AND COMMUNITY SERVICES (continued)				
Compliance package - detection	-19.3	-37.9	-35.1	-33.4
Compliance package - prevention	0.8	-2.6	-0.3	-0.3
Compliance package - research and development	-3.7	-10.2	-1.1	-
Department of Family and Community Services pricing review of services delivered through Non-Government Organisations	-	-	-	-
Exceptional Circumstances - Western Australia	0.4	0.4	0.1	-
Expanding the supply of healthy Indigenous housing	3.0	23.0	24.5	24.5
Family homelessness and early intervention pilots	1.2	2.3	1.3	-
Family Tax Benefit shared care and Child Support Agency liability	2.6	0.2	-	-
Further simplification of international payments	-0.3	-6.1	-6.6	-7.3
Increase in the permanent migrant intake	11.7	29.9	60.4	94.5
Introduce discretion for parents who have shared care to waive eligibility for Family Tax Benefit	1.1	0.6	0.6	0.6
National research and education strategy to prevent problem gambling	2.2	5.0	0.6	0.6
New and revised international social security agreements	4.1	3.4	2.5	2.6
New social security arrangements between Australia and New Zealand	-22.9	-57.3	-164.9	-269.5
Provide Health Care Cards to foster children	0.4	-	-	-
Restore War Widows pensions relinquished upon remarriage prior to 1984	-5.6	-23.8	-26.0	-27.7
Supplementation for employment assistance and other services	2.7	-	-	-
The Mentor Marketplace	-	0.9	1.5	2.3
Transition to Independent Living Allowance	-	1.0	2.6	2.6
Portfolio total	154.5	385.5	404.9	377.9
FINANCE AND ADMINISTRATION				
<i>Department of Finance and Administration</i>				
Early payout of AvSuper superannuation liabilities	-4.0	-5.0	-	-
Establishing a private financing unit	2.0	1.9	1.9	1.9
Indexation of Commonwealth superannuation benefits	30.0	30.0	30.0	30.0
Information Technology upgrade in electorate offices	4.0	3.0	3.0	3.0
Mapping of the Australian Antarctic Territory extended continental shelf	11.8	0.8	0.1	0.1
<i>Office of Asset Sales and Commercial Support</i>				
Continuation of Office of Asset Sales and Commercial Support resourcing for the asset sales programme	5.8	-	-	-
Deferral of the further sale of the Commonwealth's shareholding of Telstra Corporation - sale costs	-218.0	-218.0	218.0	-
Sale of Kingsford Smith Airport - sale costs	16.5	-	-	-
Scoping study for the future ownership of Sydney Airports Corporation Limited	-	-	-	-
Portfolio total	-152.0	-187.3	253.0	35.0

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
FOREIGN AFFAIRS AND TRADE				
<i>Australian Agency for International Development</i>				
Commitment to Polio Eradication	2.5	2.5	2.5	2.5
<i>Australian Secret Intelligence Service</i>				
Improving security within the Australian intelligence community	0.9	0.7	0.7	0.8
<i>Australian Trade Commission</i>				
Opening of Australian Consulate-General in Chicago	0.8	0.7	0.7	0.7
<i>Department of Foreign Affairs and Trade</i>				
Opening of Australian Consulate-General in Chicago	3.1	2.4	2.5	2.7
Portfolio total	7.3	6.3	6.4	6.7
HEALTH AND AGED CARE				
<i>Australian Radiation Protection and Nuclear Safety Agency</i>				
Strategy on electromagnetic public health issues	-	-	-	-
<i>Department of Health and Aged Care</i>				
Acknowledging Older Australians - exempt superannuation from Social Security Means Test for people aged between 55 and Age Pension age	9.7	10.6	11.6	12.6
Acknowledging Older Australians - Extend eligibility for the Commonwealth Seniors Health Care Card	22.5	24.7	27.0	29.3
Additional Practice Nurses for rural Australia and other areas of need	15.1	27.8	29.6	31.8
After hours/emergency primary medical care	8.8	10.4	11.6	12.6
Alcohol Education and Rehabilitation Foundation	10.4	24.1	40.1	41.1
Better targeting of medical workforce reform	-	-6.1	-6.2	-6.4
Carers information and support	-	-	-	-
Cervical screening incentives for general practitioners	5.1	15.6	23.1	27.7
Clarifying the funding arrangements for the provision of methadone to private patients	-21.8	-22.3	-22.7	-23.2
Dementia Education and Support Programme	-	-	-	-
Electronic commerce for Medicare claiming	-	-	-	-
Ensuring Quality Care for Older Australians - Checks of aged care homes	5.0	5.0	-	-
Ensuring Quality Care for Older Australians - Community Visitors Scheme and the Residential Aged Care Advocacy Services Programme	0.6	1.5	1.6	1.6
Ensuring Quality Care for Older Australians - Complaints Resolution Scheme	0.7	1.0	1.0	1.1
Ensuring Quality Care for Older Australians - Information management for quality care	0.6	2.4	2.3	2.3
Ensuring Quality Care for Older Australians - Quality Care Communication Strategy	0.5	1.5	-	-
Exceptional Circumstances - Western Australia	0.2	0.1	-	-
Fringe Benefits Tax supplementation for Aboriginal and Torres Strait Islander organisations	4.6	3.6	3.7	3.8

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
HEALTH AND AGED CARE (continued)				
Funding for the Office of the Gene Technology Regulator	7.9	8.0	-	-
Greater scrutiny of aged care homes' funding claims	-10.7	-16.4	-16.8	-17.2
Health and Other Services (Compensation) Act 1995 review implementation	-5.2	-6.5	-6.7	-6.8
HealthConnect: A Health Information Network for Australia - Development Phase	8.3	7.5	-	-
Hospital Innovation	3.7	3.7	-	-
Hospital safety initiatives	6.2	6.6	6.6	6.6
Improved primary health care for Aboriginal and Torres Strait Islander communities	-	-	19.7	20.5
Improving the use of cholesterol lowering medicines on the Pharmaceutical Benefits Scheme	-18.8	-23.9	-26.6	-29.0
Increase in the permanent migrant intake	4.2	12.4	20.6	28.9
Increases in patient funding for general practitioner services	49.3	82.6	82.6	86.1
Increasing care and diversity for older Australians - culturally appropriate (ethnic) care	1.5	1.5	1.5	1.6
Increasing care and diversity for older Australians - Day Therapy Centres	0.3	1.3	1.4	1.3
Increasing care and diversity for older Australians - Extended aged care at home	0.3	1.6	-	-
Increasing care and diversity for older Australians - Safe at Home Pilot	0.3	0.3	0.3	0.3
Increasing care and diversity for older Australians - The Continence Aids Assistance Scheme	0.7	3.0	3.1	4.1
Integrated National Diabetes Programme	9.3	12.5	12.6	15.4
Investment to upgrade the Health Insurance Commission technical infrastructure to improve service	-	2.0	-13.0	-19.7
Mental Health - More Options, Better Services	4.1	24.4	39.7	51.5
National Immunisation Strategy	-	-	-	-
National Rural and Remote Health Support Programme	-	-	-	-
New Medicare items for Domiciliary Medication Management Review	1.8	4.3	5.5	6.5
Pricing review of the Department of Health and Aged Care	-	-2.0	-4.0	-6.0
Proactive GP management of asthma - the 3+ Visit Plan	7.5	12.2	13.9	14.2
Provide full access to the Repatriation Pharmaceutical Benefits Scheme for British, Commonwealth and Allied Veterans aged 70 years and over with World War II qualifying service	-12.1	-25.3	-25.8	-27.2
Provide Health Care Cards to Foster children	0.4	0.8	1.4	1.5
Quality Use of Medicines Package - Consumer education	2.0	4.0	4.2	4.4

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
HEALTH AND AGED CARE (continued)				
Quality Use of Medicines Package - Enhancement of the National Prescribing Service	-8.6	-8.0	-8.0	-8.0
Quality Use of Medicines Package - National Medicines Disposal Programme	1.3	1.3	1.3	1.3
Reduction in wholesalers' remuneration under the Pharmaceutical Benefits Scheme	nfp	nfp	nfp	nfp
Replacement of speech processors for children with cochlear implants	-	-	-	-
Restore War Widows pensions relinquished upon remarriage prior to 1984	-2.3	-10.4	-12.7	-14.1
Restructuring rural and urban fringe aged care homes	5.0	-	-	-
Rural Nursing Scholarships	1.8	2.9	4.1	4.2
Safety of Australia's blood supply	2.0	-	-	-
Strategy on electromagnetic public health issues	-	-	-	-
The National Childhood Pneumococcol Vaccination Programme	7.4	7.4	4.2	4.2
Westmead Childrens Hospital	-	-	-	-
Portfolio total	129.5	207.8	231.9	258.8
IMMIGRATION AND MULTICULTURAL AFFAIRS				
<i>Department of Immigration and Multicultural Affairs</i>				
Backing Australia's Ability - attracting information and communication technology workers	0.3	0.3	0.3	0.3
Citizenship - media campaign	2.0	-	-	-
Extension of Living in Harmony Programme	2.5	-	-	-
Funding for the New Agenda for Multicultural Australia	1.0	1.0	-	-
Increase in the permanent migrant intake	2.1	3.9	3.9	3.9
New social security arrangements between Australia and New Zealand	8.4	7.9	7.7	7.4
Onshore processing of students in points tested categories	0.8	0.8	0.8	0.9
Pricing Review of the Department of Immigration and Multicultural Affairs	-6.2	-12.8	-11.6	-12.9
Reform of Independent Executive visa arrangements	0.8	1.2	1.2	1.2
Strategy to strengthen Australia's immigration services to priority areas - extension of Electronic Travel Authority arrangements	-	-0.2	-0.2	-0.2
Strategy to strengthen Australia's immigration services to priority areas - increased Australia-based representation in Brasilia	0.7	0.3	0.3	0.3
Unauthorised boat arrivals - review of processing and detention arrangements	24.9	32.8	40.8	49.2
Portfolio total	37.3	35.2	43.2	50.1

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
INDUSTRY, SCIENCE AND RESOURCES				
<i>Australian Nuclear Science and Technology Organisation</i>				
Pricing review of the Australian Nuclear Science Technology Organisation	8.4	9.3	9.4	8.9
<i>Australian Sports Commission</i>				
Backing Australia's Sporting Ability - a more active Australia	36.5	38.8	38.8	40.1
<i>Department of Industry, Science and Resources</i>				
Assistance for the Melbourne 2006 Commonwealth Games	-	-	60.0	30.0
Backing Australia's Ability - 175 per cent premium rate - R&D tax concession	1.0	2.8	3.3	3.5
Backing Australia's Ability - Biotechnology Innovation Fund	5.0	5.0	10.0	-
Backing Australia's Ability - business advice on regulatory environment	-	-	-	-
Backing Australia's Ability - expansion of the COMET Program	10.0	10.0	10.0	10.0
Backing Australia's Ability - expansion of the Cooperative Research Centres Programme	-	-	55.0	57.0
Backing Australia's Ability - improvements to the management awareness of intellectual property	-	-	-	-
Backing Australia's Ability - Innovation Access Programme	-	16.6	19.2	24.3
Backing Australia's Ability - major national research facilities	5.0	20.0	30.0	50.0
Backing Australia's Ability - monitoring Venture Capital Investments	-	-	-	-
Backing Australia's Ability - National Innovation Awareness Strategy	4.3	5.8	5.8	6.4
Backing Australia's Ability - Pre-seed Fund	6.4	16.9	21.8	21.8
Backing Australia's Ability - R&D Start	-	33.9	102.6	159.7
Backing Australia's Ability - rebate for small companies	-	0.2	0.1	0.1
Backing Australia's Ability - World Class Centres of Excellence	1.5	3.8	5.0	6.2
Backing Australia's Sporting Ability - a more active Australia	1.9	1.9	1.9	1.9
Commonwealth contribution to the Bradman Memorial Fund	-	-	-	-
Commonwealth support of the Prime Minister's XI vs the Aboriginal and Torres Strait Islander Commission Chairman's XI cricket match	-	-	-	-
Commonwealth support for the 2001 Goodwill Games	-	-	-	-
Continued resourcing for the Australian Building Codes Board	-	-	-	-
Continued Support for National Recreation Safety Organisations	0.4	0.4	0.4	0.4

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
INDUSTRY, SCIENCE AND RESOURCES (continued)				
Corporatisation of the Snowy Mountains Hydro-Electric Authority and environmental flows into the Snowy and Murray Rivers	-	7.5	7.5	7.5
Facilitation of small and medium enterprises - Supplier access to major projects	-	-	-	-
Support for training of automotive industry employees and the development of industry relevant technology	4.0	4.0	-	-
Government response to Productivity Commission's report on general tariffs	-	5.0	4.7	4.0
The Indigenous Communities / Mining Industry Regional Partnership Programme	-	-	-	-
<i>National Standards Commission</i>				
Pricing review of the National Standards Commission	2.2	2.4	2.4	2.5
Portfolio total	86.5	184.3	387.9	434.3
PARLIAMENTARY DEPARTMENTS				
<i>Department of the House of Representatives</i>				
Additional funding for the Citizenship Visits Programme	0.1	..	..	-
Additional two Members in Parliament	0.5	0.4	0.4	0.4
<i>Department of the Senate</i>				
Additional funding for the Citizenship Visits Programme	0.1	..	..	-
Portfolio total	0.6	0.4	0.4	0.4
PRIME MINISTER AND CABINET				
<i>Department of the Prime Minister and Cabinet</i>				
Informed choices for Australian women	1.0	1.5	1.5	1.5
National initiative to combat sexual assault	2.1	4.8	4.8	4.8
Women's Development Programme	1.4	1.4	1.4	1.4
Women's National Leadership Initiative	0.6	0.6	0.6	0.6
<i>Office of National Assessments</i>				
Improving security within the Australian intelligence community	-	-	-	-
<i>Office of the Commonwealth Ombudsman</i>				
Enhanced complaint management for the New Tax System	-	-	-	-
Portfolio total	5.1	8.4	8.4	8.4
RECONCILIATION AND ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS				
<i>Aboriginal and Torres Strait Islander Commission</i>				
Additional resourcing for Native Title	2.9	4.7	6.1	3.7
Fringe Benefits Tax supplementation for Aboriginal and Torres Strait Islander organisations	7.1	5.7	5.8	6.0
Improvement of major infrastructure in the Torres Strait	-5.0	-5.1	-5.2	-
Pricing Review of the Aboriginal and Torres Strait Islander Affairs Commission	-1.5	-1.0	-0.7	-

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
RECONCILIATION AND ABORIGINAL AND TORRES STRAIT ISLANDER AFFAIRS (continued)				
<i>Australians Working Together</i>				
Promoting self reliance for Indigenous people - Community Participation Agreements and capacity building	1.0	4.5	10.0	15.0
<i>Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs</i>				
Extension of support for Community Housing Infrastructure Programme and Native Title claimants	-	-	-	-
Separated Indigenous families - Government response to 'Bringing Them Home'	-	-	-	-
<i>Torres Strait Regional Authority</i>				
Improvement of major infrastructure in the Torres Strait	5.0	5.1	5.2	-
Portfolio total	9.5	13.9	21.2	24.7
TRANSPORT AND REGIONAL SERVICES				
<i>Australian Maritime Safety Authority</i>				
Improvements in search and rescue arrangements	1.2	1.1	0.7	0.7
<i>Civil Aviation Safety Authority</i>				
Aviation industry compliance	5.7	5.7	5.7	7.1
<i>Department of Transport and Regional Services</i>				
Airservices Australia - extension of location specific pricing subsidy	7.0	7.0	-	-
Alice Springs - Darwin Railway	-	5.1	8.9	-
Australia's response to Foot and Mouth Disease and other quarantine risks	19.4	-	-	-
Commonwealth Flood Assistance Package for central and northern New South Wales and southern Queensland	-	-	-	-
Construction of a new Scorseby Freeway	5.3	14.4	13.3	7.0
East Coast Very High Speed Train Scoping Study	15.0	5.0	-	-
Federal Flood Mitigation Programme	0.8	10.0	10.0	10.0
Flood Recovery Fund	-	-	-	-
Newcastle Structural Adjustment Fund	-	-	-	-
Roads in outer metropolitan areas	50.0	100.0	125.0	125.0
Roads to Recovery Programme	300.0	300.0	300.0	150.0
Roads to Recovery Programme funding for the Indian Ocean Territories and unincorporated areas	2.2	2.2	2.2	2.1
Savings from the Upgrade of Mainline Interstate Railway Track Programme	-111.0	-	-	-
Telecommunications Service Inquiry response - extend mobile phone coverage to communities of less than 500 people	-	-	-	-
Upgrade of Canberra Airport	-	-	-	-
Portfolio total	295.5	450.4	465.7	301.8

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
TREASURY				
<i>Australian Competition and Consumer Commission</i>				
Pricing Review of the Australian Competition and Consumer Commission	21.4	16.6	11.8	17.0
<i>Australian Securities and Investments Commission</i>				
ASIC supplementary funding for HIH investigations	2.5	2.5	-	-
Financial Services Reform Implementation	2.6	-	-	-
Managed Investment	2.9	-	-	-
Superannuation Complaints Tribunal	0.7	0.7	0.7	0.7
<i>Australian Taxation Office</i>				
Backing Australia's Ability - 175 per cent premium rate - R&D tax concession	-	-	-	-
Education campaign and other information initiatives for choice of superannuation fund and related measures				
Simplification of Business Activity Statements	38.0	-	-	-
<i>Department of the Treasury</i>				
Additional funding for the First Home Owners Scheme	90.0	-	-	-
Consumer Information Programme	-	-	-	-
Renewed Funding of Axiss Australia	3.8	3.8	3.8	-
Funding for secretariat support to the fuel tax inquiry	4.0	-	-	-
GST - Allowing entities with substituted accounting periods to lodge GST returns quarterly	80.0	5.0	5.0	5.0
GST - Allowing full input tax credits for motor vehicles	570.0	80.0	-	-
GST - Flexible administration of GST errors	-	-	-	-
GST - GDP-adjusted method for calculating GST remittances	140.0	5.0	15.0	15.0
HIH Policyholder Hardship Assistance	nfp	nfp	nfp	nfp
Information and implementation of 1 July 2001 tax changes	5.0	-	-	-
<i>National Competition Council</i>				
Continued funding for legal matters relation to Part IIIA of the Trade Practices Act 1974	0.3	0.3	0.3	0.3
National Competition Policy communication and education	0.2	0.2	0.2	0.2
Portfolio total	961.4	114.1	36.8	38.2

Table 1: Expense Measures since the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
VETERANS' AFFAIRS				
<i>Department of Veterans' Affairs</i>				
Acknowledging Older Australians - One-off payment to the aged	-	-	-	-
Australian Memorials in London and Crete	4.1	2.1	0.1	0.1
Cervical screening incentives for general practitioners	0.1	0.1	0.1	0.1
Greater scrutiny of aged care homes' funding claims	-2.0	-2.7	-2.7	-2.8
Improving the use of cholesterol lowering medicines on the Pharmaceutical Benefits Scheme	-1.1	-1.3	-1.5	-1.7
Maintain Rural and Remote Service Delivery arrangements	0.5	0.5	0.5	0.5
Make a one-off payment of \$25,000 to those former PoWs, civilian detainees of the Japanese or their surviving widows/ers	-	-	-	-
Mental Health - More Options, Better Services	0.1	0.1	0.2	0.2
Output Pricing Review - reduction in treatment population	-0.3	-1.9	-3.6	-5.6
Output Pricing Review - review of efficient delivery of outputs	2.4	-2.5	-7.0	-7.0
Proactive GP management of asthma - the 3+ Visit Plan	0.1	0.2	0.2	0.2
Provide full access to the Repatriation Pharmaceutical Benefits Scheme for British, Commonwealth and Allied Veterans aged 70 years and over with World War II qualifying service	19.5	33.1	31.6	30.2
Quality Use of Medicines Package - Enhancement of the National Prescribing Service	-1.1	-1.1	-1.1	-1.1
Reduce overpayments and improve debt recovery	-0.7	-1.4	-1.3	-1.3
Residential Care Development Scheme	6.0	-	-	-
Restore war widows pensions relinquished upon remarriage prior to 1984	14.3	56.9	66.4	71.6
Portfolio total	41.9	82.1	81.9	83.4
Total expense measures	2767.4	3303.0	4569.3	4784.4

Table 2: Expense Measures up to the 2000-01 MYEFO

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
AGRICULTURE, FISHERIES AND FORESTRY				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Creation of a single pork industry company	-	-	-	-
Exceptional Circumstances assistance for farmers in Tasmania - Central Highlands	1.0	-	-	-
Exceptional Circumstances assistance for farmers in Tasmania - Southern Midlands	-	-	-	-
Exceptional Circumstances assistance in Monaro B and C, and East Gippsland	-	-	-	-
Forest and Wood Products Industry Action Agenda	-	-	-	-
Inland Marketing Corporation	-	-	-	-
National Action Plan for dryland salinity and water quality(a)	65.0	150.0	190.0	170.0
Sugar Industry Assistance Package	17.0	-	-	-
West 2000 Plus	-	-	-	-
Wool Industry - Changes in Wool Levy Arrangements	-32.2	-33.0	-32.1	-
Wool Industry - Establishment of Australian Wool	-	-	-	-
Portfolio total	50.8	117.0	157.9	170.0
ATTORNEY-GENERAL'S				
<i>Attorney General's Department</i>				
Protective security for Diplomatic and Consular missions	-	-	-	-
<i>Australian Customs Service</i>				
Storage of imported handguns prior to sale	0.4	0.4	0.4	0.4
<i>Department of the House of Representatives</i>				
Citizenship Visits Programme	-	-	-	-
<i>Department of the Senate</i>				
Citizenship Visits Programme	-	-	-	-
<i>High Court of Australia</i>				
Additional funding for the High Court	0.1	0.1	0.1	0.1
<i>National Native Title Tribunal</i>				
Increased National Native Title Tribunal workload in the Northern Territory and Queensland	-	-	-	-
Portfolio total	0.5	0.5	0.5	0.5
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
<i>Australian Broadcasting Corporation</i>				
Strengthening Radio Australia's shortwave and Internet services to the Asia-Pacific region	2.8	2.9	0.2	0.2
<i>Australian Communications Authority</i>				
Advice and promotion of the third generation mobile phone and datacasting spectrum auctions	-	-	-	-
<i>Department of Communications, Information Technology and the Arts</i>				
Additional funding for the Centre for Quantum Computer Technology	-	-	-	-
Centenary of Federation	-	-	-	-
St John's Cathedral Completion Fund	-	-	-	-
Portfolio total	2.8	2.9	0.2	0.2

Table 2: Expense Measures up to the 2000-01 MYEFO (continued)

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
DEFENCE				
<i>Department of Defence</i>				
Acquisition of the Australian Submarine Corporation	-	-	-	-
Additional funding for the Centre for Quantum Computer Technology	-	-	-	-
Portfolio total	-	-	-	-
EDUCATION, TRAINING AND YOUTH AFFAIRS				
<i>Department of Education, Training and Youth Affairs</i>				
Additional funding for the Centre for Quantum Computer Technology	-	-	-	-
Education Services for Overseas Students Assurance Fund	-	-	-	-
Eligibility of distance education students at non-government schools for General Recurrent Grant Funding	-	-	-	-
Establishment grants for new non-government schools	1.4	1.5	1.6	1.7
Funding for students with disabilities attending non-government schools	4.1	4.3	4.6	4.8
Portfolio total	5.5	5.8	6.2	6.5
EMPLOYMENT, WORKPLACE RELATIONS AND SMALL BUSINESS				
<i>Department of Employment, Workplace Relations and Small Business</i>				
Regional Solutions Programme	-10.0	-12.0	-	-
Portfolio total	-10.0	-12.0	-	-
ENVIRONMENT AND HERITAGE				
<i>Department of the Environment and Heritage</i>				
National Action Plan for dryland salinity and water quality	-	-	-	-
Portfolio total	-	-	-	-
FAMILY AND COMMUNITY SERVICES				
<i>Department of Family and Community Services</i>				
A ceiling on the rate of Australian pension paid under International Social Security Agreements	-0.3	-0.4	-0.4	-0.4
Aged Persons Savings Bonus 'Top-Up'	-	-	-	-
Ex Gratia payments and savings provisions for Department of Veterans' Affairs pensioners receiving Family Tax Benefit A and Child Care Benefit	0.5	0.5	0.5	0.6
Exceptional Circumstances assistance for farmers in Tasmania - Central Highlands	0.1	..	-	-
Exceptional Circumstances assistance for farmers in Tasmania - Southern Midlands	-	-	-	-
Exceptional Circumstances assistance in Monaro B and C, and East Gippsland	-	-	-	-
Increase the maximum rate of Rent Assistance to 10%	33.5	34.0	34.7	35.3
Social Security Agreement with Germany	0.4	1.4	0.3	0.3
Portfolio total	34.1	35.5	35.1	35.7

Table 2: Expense Measures up to the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
FINANCE AND ADMINISTRATION				
<i>Department of Finance and Administration</i>				
Commonwealth Property Strategic Alliance	-	-	-	-
Contribution to Childers Memorial Fund	-	-	-	-
Sugar Industry Assistance Package	0.1	-	-	-
<i>Office of Asset Sales and Information Technology</i>				
<i>Outsourcing</i>				
Australian Submarine Corporation - acquisition, restructuring and sale	-	-	-	-
Extension of Information Technology Outsourcing Initiative	-	-	-	-
Sale costs - Divestment of Commonwealth interest in Australian Technology Group Limited	-	-	-	-
Sale costs - Essendon Airport Limited	-	-	-	-
Wool Industry - Establishment of Australian Wool Services Ltd	-	-	-	-
Portfolio total	0.1	-	-	-
FOREIGN AFFAIRS AND TRADE				
<i>Australian Agency for International Development</i>				
Increase the contribution to the United Nations Relief and Works Agency	1.0	1.0	1.0	1.0
<i>Department of Foreign Affairs and Trade</i>				
Continuation of Export Market Development Grants scheme	-	-	-	-
Solomon Islands: International Peace Monitoring Team	-	-	-	-
Portfolio total	1.0	1.0	1.0	1.0
HEALTH AND AGED CARE				
<i>Department of Health and Aged Care</i>				
Establishment of the Office of the Commissioner for Complaints	-	-	-	-
Exceptional Circumstances assistance for farmers in Tasmania - Central Highlands	..	-	-	-
Exceptional Circumstances assistance for farmers in Tasmania - Southern Midlands	-	-	-	-
Exceptional Circumstances assistance in Monaro B and C, and East Gippsland	-	-	-	-
Increased Medicare Rebate for Other Medical Practitioners	8.5	9.3	9.9	-
Introduction of Parity Pricing by Australian Hearing Services	8.5	8.9	8.9	8.9
List celecoxib on the Pharmaceutical Benefits Scheme	49.6	63.0	65.5	65.5
Measles, mumps and rubella vaccine for young adults	-	-	-	-
Modified Clawback Arrangements under the Australian Health Care Agreements	-	-	-	-
New Community Pharmacy Agreement	-3.0	-3.3	-12.3	2.3
Prevention of Q Fever in Meat and Agricultural Workers	3.0	0.5	-	-
Research Bio21	-	-	-	-
Subsidy of Medical Foods	2.7	2.7	2.8	-
Portfolio total	69.3	81.0	74.9	76.7

Table 2: Expense Measures up to the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
INDUSTRY, SCIENCE AND RESOURCES				
<i>Australian Sports Drug Agency</i>				
Tough on Drugs in Sport - blood tests as part of our anti-doping programme	-	-	-	-
<i>Department of Industry, Science and Resources</i>				
Additional funding for the Centre for Quantum Computer Technology	-	-	-	-
Assistance for the Sydney Paralympic Organising Committee	-	-	-	-
Commonwealth Contribution to Olympic Aid	-	-	-	-
Investment Incentive for IBM Australia	-	-	-	-
Olympic and Paralympic Games goods and services tax Liability Payments	-	-	-	-
Paralympic Games Entry Fees	-	-	-	-
Payment of Gas Royalty Commitment to Western Australia	-18.5	-21.3	-21.6	-26.4
Reduction in funding for the Textiles, Clothing and Footwear Strategic Investment Programme	-	-	-	-
School Children Attending the Paralympic Games	-	-	-	-
Portfolio total	-18.5	-21.3	-21.6	-26.4
TRANSPORT AND REGIONAL SERVICES				
<i>Department of Transport and Regional Services</i>				
Inland Marketing Corporation	-	-	-	-
Regional Solutions Programme	25.0	25.0	25.1	-
Special Structural Adjustment Package for the South West Forests Region of Western Australia	-	-	-	-
Portfolio total	25.0	25.0	25.1	-
TREASURY				
<i>Australian Securities and Investments Commission</i>				
Superannuation Complaints Tribunal	-	-	-	-
<i>Australian Taxation Office</i>				
Additional fuels sales grants in remote areas	5.0	5.0	5.0	-
Additional funding for the ATO to cover the increased costs of administering the GST	141.0	-	-	-
Extension of Diesel and Alternative Fuels Sales Grants Scheme	17.3	17.7	18.0	-
<i>Department of the Treasury</i>				
Inquiry into charitable and related organisations	-	-	-	-
Portfolio total	163.3	22.7	23.0	-
VETERANS' AFFAIRS				
<i>Department of Veterans' Affairs</i>				
New Community Pharmacy Agreement	-2.9	-4.1	-5.2	-6.4
Portfolio total	-2.9	-4.1	-5.2	-6.4
Total expense measures	321.1	254.1	297.1	257.8

(a) All funding for this measure, including funding for the Agriculture, Fisheries and Forestry portfolio, is listed under the Environment and Heritage portfolio.

Agriculture, Fisheries and Forestry

Additional assistance for dairy farmers

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	-	-	-	-

Explanation

The Government has agreed to provide an additional \$142.4 million in assistance to the dairy industry, targeted at those farmers and communities hardest hit by the price reductions for market milk that have followed industry deregulation on 1 July 2000. The additional funding will provide for \$99.5 million of individual payments to dairy farmers who were heavily reliant on market milk premiums before deregulation, up to \$20 million in discretionary payments to dairy entities, and an additional allocation of \$20 million to the Dairy Regional Assistance Programme. An additional \$2.9 million will be provided to the Dairy Adjustment Authority to administer the measure. These payments will be made once enabling legislation has been passed.

The assistance package is designed to complement the \$1.78 billion Dairy Structural Adjustment Package already assisting dairy farmers throughout Australia and will be funded by an extension of the retail levy on milk.

As the payments are levy funded and delivered by the Australian Dairy Corporation, outside the General Government sector, this measure has no net impact on the fiscal balance.

See also the related revenue measure titled Extension of dairy industry adjustment levy and the expense measure titled *Expansion of the Dairy Regional Assistance Programme* in the Employment, Workplace Relations and Small Business portfolio.

Agricultural Development Partnerships

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	3.7	6.6	7.7	8.4

Explanation

The Government will provide \$26.4 million from 2001-02 to 2004-05 for the Agricultural Development Partnerships Programme.

The programme will provide assistance for structural adjustment, targeted to specific agricultural industries and regions experiencing significant problems affecting farm profitability and sustainability.

The States will provide matching funding over the life of the programme.

See also the related expense measure titled *Savings from Farmbis — Skilling Farmers for the Future* in the Agriculture, Fisheries and Forestry portfolio.

Australia's response to foot and mouth disease and other quarantine risks

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	61.9	73.5	73.5	73.5
Australian Customs Service	53.7	56.5	59.4	62.5
Department of Communications, Information Technology and the Arts	20.0	13.2	8.0	8.2
Department of Transport and Regional Services	19.4	-	-	-

Explanation

The Government will provide \$592.8 million over five years (\$6.4 million in 2000-01) to provide additional resourcing and infrastructure to strengthen Australia's defence against the introduction of exotic pests and diseases, including foot and mouth disease. This amount includes \$6.7 million in 2001-02 for Australian Customs Service infrastructure costs.

This funding will be used to implement a heightened quarantine inspection regime to cover 100 per cent of all goods and mail entering Australia and approximately 80 per cent of all passenger baggage entering Australia via airports except for some passengers arriving at peak times from certain low risk countries, such as New Zealand. Increased monitoring of airline and ship waste disposal will be undertaken. Infrastructure costs at international airports and mail facilities required to implement the increased inspection regime will be met by the Government.

This is a cross portfolio measure between the Department of Agriculture, Fisheries and Forestry, the Attorney General's Department, the Department of Communications Information Technology and the Arts and the Department of Transport and Regional Services.

See also the related expense measure *Continuation of Nairn funding for quarantine measures* and the related revenue and capital measures for *Australia's response to foot and mouth disease and other quarantine risks* under the Attorney General's portfolio.

**Backing Australia's Ability — New Industries Development Programme
Mark II**

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	5.1	5.2	5.2	5.2

Explanation

The Government will provide \$21.7 million over five years to expand and enhance the existing New Industries Development Programme. The expanded programme will support Australian agribusiness in gaining the business skills and resources required to successfully commercialise new agribusiness products, technologies and services.

Commonwealth contribution to the Murray-Darling Basin Commission

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	-	-	-	-

Explanation

The Government will provide an additional \$2.4 million in 2001-02 from the Natural Heritage Trust as part of the Commonwealth contribution to the Murray-Darling Basin Commission. The funding will contribute to ongoing maintenance and refurbishment of the Murray-Darling Basin Commission assets, investigation activities and administrative costs of the Commission.

This funding is in addition to \$4.3 million per annum currently being provided and another \$5.1 million in 2001-02 from the Natural Heritage Trust.

Commonwealth Flood Assistance Package for central and northern New South Wales and southern Queensland

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	29.5	-	-	-
Department of Transport and Regional Services	-	-	-	-

Explanation

The Government is providing \$151.7 million over two years for flood assistance, with amounts of \$116.2 million and \$6 million provided in 2000-01 through the Departments of Agriculture, Fisheries and Forestry and Transport and Regional Services respectively.

The Flood Assistance Package is aimed at agricultural enterprises in central and northern New South Wales and southern Queensland, which have suffered hardship as a result of the November 2000 floods on top of a series of crop losses in the previous two harvesting seasons.

This is a cross portfolio measure between the Department of Agriculture, Fisheries and Forestry and the Department of Transport and Regional Services, with assistance administered by Centrelink.

Continuation of Nairn funding for quarantine activities

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	5.3	13.8	13.8	13.8

Explanation

The Government will provide \$46.7 million from 2001-02 to 2004-05 to maintain quarantine related activities at the higher level of resourcing established following the 1996 Nairn report: *Australian Quarantine – A Shared Responsibility*. The additional funding will enable the Import Risk Analysis Programme, Border Processing, Animal and Plant Health activities, the Quarantine Awareness Campaign and the Quarantine Exports Advisory Council to continue at their current capacity.

Exceptional circumstances — Western Australia

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	6.1	4.1	-	-
Department of Family and Community Services	0.4	0.4	0.1	-
Department of Health and Aged Care	0.2	0.1	-	-

Explanation

The Government will provide \$23.1 million over four years, (including \$4 million in 2000-01) as exceptional circumstances assistance to nominated shires in the south-eastern wheat belt of Western Australia.

This is a cross portfolio measure between the Department of Agriculture, Fisheries and Forestry, the Department of Family and Community Services and the Department of Health and Aged Care.

The Department of Agriculture, Fisheries and Forestry will absorb \$9.5 million of the total cost within its existing resourcing.

Flood assistance for dairy farmers in northern New South Wales

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	-	-	-	-

Explanation

The Government is providing \$18 million in 2000-01 for assistance to dairy farmers in northern New South Wales adversely affected by recent heavy rains and floods. The grants of up to \$15,000 per applicant will enable eligible dairy farmers to purchase fodder or replant improved pasture damaged by rain or flooding.

The cost will be met from within existing funds allocated for the November 2000 floods.

This assistance is administered by Centrelink.

See also the related expense measure titled *Commonwealth flood assistance package for central and northern New South Wales and southern Queensland* in the Agriculture, Fisheries and Forestry portfolio.

National Food Industry Strategy

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	1.5	-	-	-

Explanation

The Government will provide \$3 million (\$1.5 million in each of 2000-01 and 2001-02) for the development of a National Food Industry Strategy. The aim is to develop a strategic framework to underpin the future growth of an innovative and globally competitive Australian processed food and beverage industry.

Pricing review of the Department of Agriculture, Fisheries and Forestry

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	7.0	-	-	-

Explanation

The Government has endorsed the outcome of a pricing review for the Department of Agriculture, Fisheries and Forestry. This review has resulted in agreement to provide up to \$20 million in 2001-02 as a line of credit, to be drawn against as required, to strengthen the Department's financial position in the longer term. The line of credit will consist of a \$7 million increase in expenses (shown above) and a \$13 million equity injection in 2001-02.

See also the related capital measure *Pricing review of the Department of Agriculture, Fisheries and Forestry* in the Agriculture, Fisheries and Forestry portfolio.

Rural Financial Counselling Services

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	5.8	5.8	5.8	-

Explanation

The Government will provide \$17.4 million from 2001-02 to 2003-04 to extend the Rural Financial Counselling Services Programme. The programme assists businesses in rural Australia, particularly farm businesses, to deal with a range of financial pressures and adjustment issues by providing free financial advice on request.

Funding for each counselling service typically comprises a 50 per cent contribution from the Commonwealth, and 25 per cent each from the State Government and the local community.

See also the related measure titled *Savings from Farmbis — Skilling Farmers for the Future* in the Agriculture, Fisheries and Forestry portfolio.

Savings from Farmbis — Skilling Farmers for the Future Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	-6.7	-12.4	-13.5	-8.4

Explanation

The Government will reallocate \$41.0 million over four years from the Farmbis — Skilling Farmers for the Future Programme to fund the new Agricultural Development Partnerships Programme (\$26.4 million from 2001-02 to 2004-05).

The reallocation of funds will lead to the provision of services that are better targeted to regions and industries in need. The Farmbis programme will continue with funding of \$135.9 million over four years.

See also the related expense measures titled *Agricultural Development Partnerships*, *Rural Financial Counselling Services* and *National Food Industry Strategy* in the Agriculture, Fisheries and Forestry portfolio.

Attorney-General's

Additional resourcing for Native Title

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	5.5	5.1	3.3	2.0
Aboriginal and Torres Strait Islander Commission	2.9	4.7	6.1	3.7
National Native Title Tribunal	6.0	10.5	10.3	8.9
Federal Court of Australia	5.3	4.6	4.1	3.0

Explanation

The Government will provide additional funding of \$85.9 million over four years to the National Native Title Tribunal, the Federal Court, Aboriginal and Torres Strait Islander Commission and the Attorney-General's Department to enable the enhanced delivery of services for native title issues. The measure will provide for more timely decisions on native title disputes, the establishment of a body of precedents and a more efficient handling of native title cases.

Actual workloads are expected to increase as the number of active native title applications are not expected to peak until 2002-03. A review of the funding requirements for this programme will occur in 2003-04.

This is a cross portfolio measure between the Attorney-General's Department, the Aboriginal and Torres Strait Islander Commission, the National Native Title Tribunal and the Federal Court of Australia.

Diplomatic guarding

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	7.8	8.0	-	-

Explanation

The Government will provide additional funding of \$15.8 million over 2001-02 and 2002-03 towards protective security services for diplomatic and consular missions overseas. The Government has a responsibility under international law to protect foreign diplomatic and consular missions in Australia.

As part of this package the Australian Protective Service will develop an on-call surge capacity for use when required at diplomatic and consular missions.

Pricing review of the Attorney-General's Department

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	-1.0	-1.0	-1.0	-1.0

Explanation

The Government has endorsed the outcomes of the second stage of the pricing review for the Attorney-General's Department which began in 2000-01. This has resulted in an adjustment in resourcing to reflect the delivery of ongoing savings for the Attorney-General's Department of \$1 million per annum.

The Department will pursue efficiencies in the delivery of its corporate services activities to enable it to meet best practice benchmarks. To help achieve these efficiencies the Department is market testing its corporate services activities, including its information technology infrastructure.

The reduction in resourcing will be accommodated through efficiency measures identified as part of the review. The reduction will not result in any changes to the quantity or quality of the outputs produced by the Attorney-General's Department.

Pro bono secretariat

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	0.3	0.3	0.3	0.3

Explanation

New funding will provide the Attorney-General's Department with \$0.3 million per annum between 2001-02 and 2004-05 to establish a secretariat that will promote, expand and coordinate pro bono legal services across Australia, including regional areas. This initiative supports the Government's commitment for improved access to justice by encouraging private legal firms to provide greater amounts of pro bono services thereby optimising the benefits of legal aid services.

Protection of the National Information Infrastructure

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	0.6	-	-	-
Australian Federal Police	0.2	-	-	-
Department of Defence	0.5	-	-	-
Australian Security Intelligence Organisation	0.6	-	-	-

Explanation

The Government will provide total funding of \$2 million in 2001-02 to enhance Australia's capability to protect National Information Infrastructure from unauthorised access and use. The type of information available on the National Information Infrastructure includes telecommunications, banking and finance, transport and distribution, energy and utilities (electricity, gas and water), information services, and other critical government services including defence and emergency services.

This is a cross portfolio measure between the Attorney-General's Department, the Australian Security Intelligence Organisation, the Department of Defence and the Australian Federal Police. Cooperation between these agencies will provide a coordinated approach to addressing the risks associated with access to highly sensitive information.

See also the related capital measure titled *Protection of the National Information Infrastructure* in the Attorney General's portfolio.

Australian Federal Police Reform Programme Stage 2

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Federal Police	28.3	28.7	28.2	25.3

Explanation

The Government will provide \$110.5 million over four years to the Australian Federal Police for Stage 2 of its Reform Programme to improve staffing levels, enhance facilities and equipment, and improve financial management.

This funding will enable the Australian Federal Police to continue the progress it has made in improving operational performance under Stage 1 of the Reform Programme. Resources will continue to be directed to fighting organised crime and illicit drug activities while maintaining current policing capacity.

Back-capture of DNA samples from federal prisoners

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Federal Police	-	-	-	-

Explanation

New measures will be introduced to allow the Australian Federal Police to collect DNA samples from convicted serious offenders for case analysis and to establish a DNA database. The cost of these measures will be \$0.7 million and will be reallocated from existing resources.

Payment to Australian Federal Police East Timor peacekeepers

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Federal Police	3.1	-	-	-

Explanation

The Government will provide \$3.1 million in 2001-02 for an East Timor Adjustment Payment to Australian Federal Police (AFP) officers who served in the first three detachments of peacekeepers in East Timor. 174 AFP officers will receive the payment to compensate them for tax exemptions to which they have not previously been entitled. These exemptions were available to later detachments of AFP Officers.

Communications, Information Technology and the Arts

Renewed support to the Regional Arts Fund, the Young and Emerging Artists Initiative and the Major Festivals Initiative

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australia Council	4.5	2.5	2.6	-

Explanation

The Government will provide additional funding of \$9.6 million over three years to the Australia Council for:

- the Regional Arts Fund, to make a significant and sustainable contribution to regional arts development;
- the Young and Emerging Artists Initiative, to assist Australian artists (across all art forms) at the formative stages of their careers; and
- the Major Festivals Initiative, to provide support to Australia's major international festivals to enable them to develop and present large scale commissioned works.

This extends the commitment given in the Government's 1998 election policy statement *Arts for Australia's Sake*.

Reprioritisation of expenditure — Australia Council

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australia Council	-1.5	-1.5	-1.5	-1.5

Explanation

Reprioritising expenditure for the Australia Council will allow support for the Regional Arts Fund, the Young and Emerging Artists Initiative and the Major Festivals Initiative without affecting existing grant programmes.

Australian Broadcasting Corporation — additional funding

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Broadcasting Corporation	17.8	17.8	17.8	17.8

Explanation

The Government will provide \$71.2 million over four years to the Australian Broadcasting Corporation to provide additional regional and local programming across all media. This will allow the Australian Broadcasting Corporation to broaden its coverage of regional and local events, present regional perspectives to a national audience and convert regional radio stations to multimedia broadcast centres.

The Government anticipates that the largest component of these funds will be applied to additional regional and rural programmes.

Additional funding for the National Council for the Centenary of Federation for promoting Federation Fund projects

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	-	-	-	-

Explanation

The Government provided an additional \$6.5 million in 2000-01 to the National Council for the Centenary of Federation to fulfil its public information campaign and to produce additional communications material. The campaign aims to raise awareness across the community of the Centenary and the associated celebrations.

The Government also provided \$0.5 million in 2000-01 to supplement existing funds for the promotion of Federation Fund projects. Promotion initiatives include media advertising, web page development and the production and distribution of newsletters.

Australian Film Finance Corporation — continuation of funding

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	-	-	-	-

Explanation

The Government has confirmed its in-principle decision (announced in the 2000-01 Budget) to provide triennial funding for the period 2001-02 to 2003-04 of \$50 million

per year to the Australian Film Finance Corporation. This measure will maintain the Government's funding for Australian film and television productions, and provide long term certainty for investors in the Australian film and television industry.

Provision for this funding has already been included in the forward estimates.

Backing Australia's Ability – Innovation Access Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	1.0	3.0	3.0	3.0

Explanation

As part of the Innovation Access Programme, the Government will extend the Information Technology Online Programme, facilitating e-commerce take-up in key sectors, including small and medium enterprise. The Innovation Access Programme is designed to increase access by Australian researchers and firms to global research and technologies.

See also the related expense measure titled *Backing Australia's Ability – Innovation Access Programme* in the Industry, Science and Resources portfolio.

Backing Australia's Ability – National Innovation Awareness Strategy

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.7	1.2	1.2	0.6

Explanation

As part of the National Innovation Awareness Strategy, the Government will provide \$3.7 million over four years to support the rural and regional programme *Smart Moves*, administered by the National Science and Technology Centre (Questacon). This programme will deliver innovative ways to increase the awareness of school students and their teachers of science and innovation, by touring presentations, exhibits, a website and media presentations. The aim is to encourage students to be innovative, creative and entrepreneurial, and to consider careers in science and technology.

This funding is part of the \$35 million provided to raise awareness of innovation and the role it plays in our society. The strategy includes support for activities included in

the existing Science and Technology Awareness Programme, and business-led innovation awareness initiatives.

See also the related expense measure titled *Backing Australia's Ability — National Innovation Awareness Strategy* in the Industry, Science and Resources portfolio.

Backing Australia's Ability — World-Class Centres of Excellence

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	4.5	8.8	12.0	17.7

Explanation

The Government will create World-Class Centres of Excellence in research, including funding to set up a Centre focussing on information and communications technology. The Centre will build a critical mass in research expertise and develop networks into existing research organisations. It will receive \$129.5 million from the Government over five years. Of this total, \$62.5 million will be provided through the Australian Research Council's Competitive Grants in the years 2002-03 to 2005-06. The Centre will recruit Australian and overseas research leaders and is expected to attract substantial investment.

See the related expense measures titled *Backing Australia's Ability — World-Class Centres of Excellence* and *Backing Australia's Ability — Expansion of the Cooperative Research Centres Programme* in the Industry, Science and Resources portfolio, and *Backing Australia's Ability — Double funding for national competitive research grants* in the Education, Training and Youth Affairs portfolio.

Department of Communications, Information Technology and the Arts — reallocation of surplus funds

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	-	-5.0	-5.0	-5.0

Explanation

Savings arise in the Department of Communications, Information Technology and the Arts from lower than expected take up of information technology related activities.

Reallocation of surplus funds will support other priority areas. See also the expense measures titled *Maintenance of the funding base of elements of the Cultural Development Programme, Renewed support to the Regional Arts Fund, the Young and Emerging Artists Initiative and the Major Festivals Initiative* in the Communications, Information Technology and the Arts portfolio.

Digital interference subsidy

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	10.0	-	-	-

Explanation

The Australian broadcasting industry has established a digital interference management strategy. The introduction of digital television from 1 January 2001 may give rise to interference with the operation of video cassette recorders and pay television set top boxes in some areas. The interference can be eliminated by retuning. This interference management strategy involves a comprehensive public information campaign, a telephone hotline service which can provide detailed technical advice, a website, and other technical assistance to viewers where required.

Additional funds will be made available as the Australian Broadcasting Corporation and Special Broadcasting Service make their contribution to this strategy.

Maintenance of the base funding of elements of the Cultural Development Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	7.4	5.7	4.9	1.4

Explanation

The Government will provide additional funding of \$19.4 million over four years to the Cultural Development Programme for:

- Regional Access Programmes, to improve access to cultural activities particularly in rural and regional areas;

- National Training Centres of Excellence, such as the Australian Ballet School and the National Institute of Dramatic Art, supporting Australia's most talented young performers in pursuit of excellence in their chosen fields; and
- Australia Business Arts Foundation, to encourage private sector support for the arts.

This extends the commitment given in the Government's 1998 election policy statement *Arts for Australia's Sake*, to help maintain the higher funding level of the Cultural Development Programme.

Pricing review of the Department of Communications, Information Technology and the Arts

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	-	-	-	-

Explanation

The Government conducted a pricing review for the Department of Communications, Information Technology and the Arts. This resulted in no overall change in the Department's resourcing, subject to the Department working with the Department of Finance and Administration to refine its benchmarking and continuous improvement programme.

Radiocommunications licensing arrangements

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Communications Authority	-0.7	-0.7	-0.7	-0.7

Explanation

The Government will remove annual licence fees for radio equipment for small boat and marine leisure craft licence holders and aircraft licence holders. Removal of the need to administer the licence fee arrangements will result in an estimated \$0.7 million per annum administrative saving from the Australian Communications Authority.

Implementation of this measure is subject to Parliamentary approval.

See also the related revenue measure titled *Radiocommunications licensing arrangements* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – Savings from the Telstra Social Bonus

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	nfp	nfp	nfp	nfp

Explanation

The Government will reallocate a proportion of the funding from the Rural Internet Access reserve to fund telecommunications and internet initiatives as part of the Government's response to the Telecommunications Service Inquiry. The reallocation of funds is possible because the objectives of the programme have already been met and will lead to the provision of better targeted assistance in priority areas in rural and remote communities.

See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Savings from the National Transmission Network residual pool

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	-2.0	-2.0	-2.0	-2.0

Explanation

The National Transmission Network residual pool was created after the sale of the National Transmission Network to ensure that a number of Government commitments in relation to the transmission arrangements for national, community and remote commercial broadcasters, as well as Radio for the Print Handicapped, were met. As ongoing transmission funding or grant deed payments have now been put in place to meet these commitments, surplus funds are not required. Funds can be reallocated to other priority areas.

See also the related expense measure titled *Maintenance of the funding base of elements of the Cultural Development Programme* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response — contribution to a national Online Technical Assistance Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.4	1.8	3.8	-

Explanation

An Online Technical Assistance Programme will provide online help and technical support to internet users, especially rural and remote users. The objective is to help ensure that all users can achieve, on demand, a connection speed equivalent to 19.2 kilobits per second.

This is a joint initiative with Telstra and the Commonwealth's contribution will be \$12 million over three years. As part of this initiative the Government will allocate \$6 million from the Rural Internet Access Fund, an existing Telstra Social Bonus programme.

See also the related expense measures titled *Telecommunications Service Inquiry response* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response — extend mobile phone coverage to other areas

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	4.5	17.1	19.9	-
Department of Transport and Regional Services	-	-	-	-

Explanation

The Government will make available \$50.5 million over three years for further extensions in mobile phone service access in smaller communities, more remote areas and along major roads. The Government has already committed \$7 million to projects in Western Australia for this purpose. Funding will be provided through the States and Territories, and the Commonwealth will invite them to make matching contributions.

As part of this initiative the Government will allocate \$9 million from within the Rural Transaction Centres Programme to fund greater rural access to mobile telephony

technology and services. This is consistent with the purpose of the Rural Transaction Centres Programme to enable people in rural areas to have access to services and technology that allow them to obtain information or carry out transactions, including telephone and internet services. The \$9 million is already included in the forward estimates, and therefore no additional funding is included for the Transport and Regional Services portfolio in the table above.

See also the related expense measures titled *Telecommunications Service Inquiry response* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response — extend mobile phone coverage to communities of more than 500 people

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	15.5	12.2	10.0	-

Explanation

The Government will provide up to \$37.7 million over three years to ensure that all communities in Australia with more than 500 people have terrestrial mobile phone coverage, subject to confirmation of community needs and ongoing commercial viability.

See also the related expense measures titled *Telecommunications Service Inquiry response* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response — funding consumer representation and research

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	-	0.9	0.9	0.9

Explanation

The Government will provide \$3.4 million over four years, starting in 2002-03, for consumer representation and telecommunications research. Funding guidelines will be modified to give greater priority to proposals relating to services for people with disabilities and also regional, rural and remote consumers.

See also the related expense measures titled *Telecommunications Service Inquiry response* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – improving community awareness

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	6.7	0.2	-	-

Explanation

Consistent with the findings of the Telecommunications Service Inquiry, an extensive campaign will be conducted to improve community awareness in regional areas of the rights of telecommunications consumers, new advanced service options, and Government funding programmes.

See also the related expense measures titled *Telecommunications Service Inquiry response* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – improving services for Aboriginal and Torres Strait Islander communities

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.4	-	-	-

Explanation

The Government will fund additional research into the unmet telecommunications needs of indigenous communities. In addition, there will be an enhancement of the payphone obligation in relation to indigenous communities under the Universal Service Obligation.

See also the related expense measures titled *Telecommunications Service Inquiry response* in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response — National Communications Fund

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.7	13.4	25.4	12.7

Explanation

A new National Communications Fund will allocate \$50 million in competitive grants over three years to assist significant regional communications projects, particularly for the provision of education, health and community services in regional areas. Priority will be given to applicants demonstrating effective integration with broader regional community initiatives. A further \$2.2 million will be provided to administer the grant programme.

See also the related expense measures titled *Telecommunications Service Inquiry response* in the Communications, Information Technology and the Arts portfolio.

Defence

Defence and surplus East Timor funds

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Defence:	100.0	70.0	-	-

Explanation

Australia's successful involvement in INTERFET and early conclusion of that mission resulted in an underspend of monies budgeted for the East Timor mission. Out of this underspend, \$100 million in 2001-02 and \$70 million in 2002-03 will be allocated to Defence, in addition to the forward estimates and in addition to White Paper funding increases.

Defence Capital Investment Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Defence:	-	-	-	-

Explanation

Consistent with the strategic priorities announced as part of the Defence White Paper, *Defence 2000: Our Future Defence Force*, the Government has approved a significant capital acquisition programme to increase the capability of Australia's armed forces.

Major capital investment projects include the purchase of airborne early warning and control aircraft and the upgrading of the Collins class submarines to a high level of capability. Estimated expenditure is \$509.1 million in 2001-02, \$829.0 million in 2002-03, \$1,180.6 million in 2003-04. Provision for funding has been made in the forward estimates under the measure titled *Defence White Paper*.

Defence White Paper

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Defence:	507.0	1039.4	1464.7	2042.1

Explanation

The Government has provided an increase in Defence funding of \$5.1 billion over four years, with \$507 million in 2001-02. The military enhancements announced in the White Paper follow a major review of Australia's defence requirements.

The Government's Defence White Paper, *Defence 2000: Our Future Defence Force*, provides Defence with a Capability Plan and funding projection for the development of Australia's armed forces over the next decade. It lays down the most specific funding commitment given by any Australian Government in over 25 years. In all, defence spending over the next ten years is expected to increase by a total of \$27.6 billion, averaging around 3 per cent per annum growth in real terms bringing total spending over the period to around \$160 billion.

Enhancement of the Australian Defence Force Cadets

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Defence:	-	-	-	-

Explanation

Consistent with the Defence White Paper, *Defence 2000: Our Future Defence Force*, the Government will allocate an additional \$6 million per annum to enhance the Australian Defence Force Cadets, bringing total funding to \$30 million per annum. This will provide greater opportunities for young people around Australia to participate as cadets and access the benefits of youth development programmes in a military context.

Provision for funding has already been made in the forward estimates under the measure titled *Defence White Paper*.

Supplementation for commercial rents

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Defence:	16.0	16.0	16.0	16.0

Explanation

The Government has agreed to a programme of Defence property sales. The sales mainly involve metropolitan facilities that will be sold in accordance with the Commonwealth property principles. Certain properties will be leased back. This

measure will provide Defence with rental supplementation in respect of the commercial rental rates charged to maintain its capacity to deliver agreed capabilities.

See also the related capital measure titled *Defence assets sales* in the Defence portfolio.

Education, Training and Youth Affairs

Adjustment to Department of Education, Training and Youth Affairs resourcing

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	-2.1	-2.2	-2.2	-2.3

Explanation

This measure provides for a reduction in the cost of outputs for the Department of Education, Training and Youth Affairs. The reduction is to be taken into account in the context of a pricing review scheduled to report in the 2002-03 Budget context.

This adjustment does not reflect any change in the quality or quantity of the Department's outputs. The pricing review is to benchmark best practice in the delivery of government services.

Backing Australia's Ability — 2,000 additional targeted university places

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	13.9	24.8	33.4	40.3

Explanation

The Government will fund 2,000 additional targeted university undergraduate places per year from 2002. These places rise to nearly 5,500 a year by 2005 as students continue through the system. The new places will be allocated to universities on a competitive basis with priority on programmes in the area of information and communications technology, mathematics and science.

See also the related revenue measure titled *Backing Australia's Ability — 2,000 additional targeted university places* in the Education, Training and Youth Affairs portfolio.

Backing Australia's Ability — additional funding for project-specific research infrastructure

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	26.8	47.7	68.7	89.3

Explanation

The Government will provide an additional \$337.0 million over five years for project-specific research infrastructure. University infrastructure comprises the overhead resources essential for undertaking high quality research and training projects or programmes. It includes the operation of facilities such as libraries, computing centres, animal housing, herbaria, experimental farms, telecommunications and other equipment, and salaries for support staff.

This initiative will maintain current levels of infrastructure support provided through the Research Infrastructure Block Grants Scheme at twenty cents in the national competitive research grant dollar.

Backing Australia's Ability — additional funding for systemic research and research training infrastructure in universities

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	26.3	53.2	54.4	55.5

Explanation

The Government will provide an additional \$246.0 million over five years to upgrade the systemic infrastructure of universities. Systemic infrastructure covers resources which link or expand access to shared facilities across the higher education system, such as libraries, information and communications technologies, specialised equipment and technical and administrative assistance. Universities will be required to submit applications for funding which will be allocated for innovative approaches and on the basis of demonstrated need. It is expected that there will be an element of collaboration between universities to ensure the most effective use of the resources provided.

Backing Australia's Ability — double funding for national competitive research grants

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	19.2	92.5	142.8	205.4

Explanation

The Government will provide an additional \$736.4 million over five years to double funding for the national competitive research grants administered by the Australian Research Council by 2006. This measure will ensure the continuing supply of new ideas, new applications of knowledge and the identification of new areas of inquiry which are essential to innovation.

Backing Australia's Ability — fostering scientific, mathematical and technological skills and innovation in government schools

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	33.1	34.9	36.8	38.7

Explanation

The Government will contribute an additional \$184.3 million over five years to government schools for the purposes of achieving better scientific, mathematical and technological skills, developing school based innovation and building supportive school environments.

Backing Australia's Ability — online curriculum content

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	4.5	7.2	7.4	7.5

Explanation

The Government will provide \$34.1 million over five years to support national collaboration to make high quality online curriculum resources available to Australian school systems so that they can fulfil their responsibility of ensuring that young Australians have essential skills and knowledge for the twenty-first century. A body of

curriculum content will be developed which addresses agreed national priorities, supports Australia's cultural identity and nurtures innovative skills in young people.

This initiative will also stimulate a competitive educational online content market and enable Australian curriculum content developers to exploit global opportunities.

Part of the Government's funding will be directed towards the development, implementation and maintenance of standards and frameworks required for joint development and shared use of online curriculum resources among Australian schools.

Backing Australia's Ability – Postgraduate Education Loans Scheme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	0.7	0.4	0.4	0.4

Explanation

The Government will provide, from the commencement of the 2002 academic year, an income contingent loan facility similar to the Higher Education Contribution Scheme for eligible students enrolled in fee-paying postgraduate non-research courses. In 2002, almost 45,000 continuing and commencing students are expected to take up loans as a result of this initiative. The loans scheme will help in removing barriers to national investment in education, training and skills development, and is expected to increase enrolments in fee-paying postgraduate non-research courses. The loan facility will be available to eligible students enrolled at institutions that receive operating grant funding under the *Higher Education Funding Act 1988*.

It is expected that the cash value of loans to students will amount to some \$995 million over five years. Under accepted accounting practice, the actual amount loaned to students is treated as a financial asset and therefore does not impact on expenses.

The impact of this measure on expenses represents \$2.3 million over five years for the cost of administering the scheme.

See also the related revenue measure titled *Backing Australia's Ability – Postgraduate Education Loans Scheme* in the Education, Training and Youth Affairs portfolio.

Career and transition pilots — enhancing young peoples' transition from school to further education or work

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	-	-	-	-

Explanation

This measure will pilot initiatives that test new approaches to providing enhanced career and transition information and support to young people aged 13 to 19 years and their families. Pilots will provide funding for around 30 career and transition advisers, who will work collaboratively in participating communities with schools, families, the community, industry and the Enterprise and Career Education Foundation work placement coordinators. The outcome of the pilots will inform future good practice and policy development. The cost of the pilots will be \$3.6 million over 2001-02 and 2002-03, and will be met from within existing resourcing.

This measure forms part of the Government's initial response to the Prime Minister's Youth Pathways Action Plan Taskforce Report *Footprints to the Future*.

Expand the geographic coverage of Enterprise and Career Education Foundation Work Placement Coordinators

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	1.2	2.7	3.1	2.6

Explanation

The Government will provide an additional \$9.7 million to the Enterprise and Career Education Foundation to extend its Work Placement Coordinator arrangements into remote areas of central and northern Australia, ensuring national coverage. This measure is in addition to ongoing base funding. The Work Placement Coordinator activities involve partnerships between industry and education at the local level. They foster greater involvement by local enterprises and industry bodies in enterprise and career education activities, and also maintain important linkages between schools and the community.

This measure forms part of the Government's initial response to the Prime Minister's Youth Pathways Action Plan Taskforce Report *Footprints to the Future*.

Higher education places for regional universities and campuses

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	4.3	7.8	10.5	12.6

Explanation

The Government will provide 670 additional university undergraduate places per year from 2002. These places rise to 1,832 a year from 2005 as students continue through the system. The new places will be allocated to regional universities and campuses to increase access to higher education and address increased demand due to demographic growth.

See also the related revenue measure titled *Higher education places for regional universities and campuses* in the Education, Training and Youth Affairs portfolio.

Improving schooling outcomes

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	-	-	-	-

Explanation

Resourcing of \$36.9 million over the period 2001-02 to 2002-03 will be provided for educational support delivered through the Commonwealth's Strategic Assistance for Improving Student Outcomes Programme and the National Literacy and Numeracy Strategies and Projects Programme.

The resources will be used to improve the learning outcomes of educationally disadvantaged students, particularly in the key areas of literacy and numeracy.

This will maintain the level of resourcing provided in the 1999-2000 Budget measures *Improvement of School Students' Literacy and Numeracy Skills* and *Literacy and Numeracy in the Middle Years of Schooling* for a full four-year period. Provision for 2001-02 and 2002-03 was already made in the forward estimates. Consistent with normal budgeting practice, provision for additional resourcing of \$99.4 million over 2003-04 and 2004-05 has also been made in the forward estimates.

Income-contingent loans for bridging courses for overseas trained professionals

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	-	-2.1	-2.1	-2.2

Explanation

The Government has decided that eligible overseas trained permanent resident professionals who are preparing to meet formal recognition requirements will be liable to pay full course costs for bridging courses, but will be eligible to receive a Higher Education Contribution Scheme-style income-contingent loan. The above table reflects the savings that arise from the replacement of the current arrangements with loans from 1 July 2002.

The Bridging Courses for the Overseas Trained Programme helps overseas trained professionals meet or prepare to meet specific academic or professional requirements for their profession.

In 2000-01, approximately 500 people will participate in bridging courses.

See also the related revenue measure *Income-contingent loans for bridging courses for overseas trained professionals* in the Education, Training and Youth Affairs portfolio.

Innovative and collaborative pilots for youth-related programmes

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	-	-	-	-

Explanation

This measure will pilot cross-portfolio and cross-government collaborative approaches to the delivery of government services and encourage greater community involvement in the development of local strategies to deliver more effective services and outcomes for young people. Approximately 18 pilot projects will test new ways to support approximately 1,500 young people including early intervention and prevention approaches. Improved coordination and integration of Commonwealth and State/Territory activities will be a focus of the pilots. The cost of the pilot will be \$3.7 million over 2001-02 and 2002-03, and will be met from within existing resources.

This measure forms part of the Government's initial response to the Prime Minister's Youth Pathways Action Plan Taskforce Report *Footprints to the Future*.

Job Placement, Employment and Training Programme — employment support for homeless young people

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	4.2	4.0	4.1	4.5

Explanation

The Government will provide an additional \$16.8 million over four years to the Job Placement, Employment and Training Programme to ensure that the programme can continue to provide services to around 14,000 young people per year through approximately 138 providers. This builds on the ongoing funding base of \$59 million over the period from 2001-02 to 2004-05. Funding is provided to contracted organisations that deliver a range of services to assist young people aged 15 to 21 years who are homeless or at risk of becoming homeless. This measure will help overcome barriers preventing young people from maintaining stable accommodation and participating in education, training or employment.

This measure forms part of the Government's initial response to the Prime Minister's Youth Pathways Action Plan Taskforce Report *Footprints to the Future*.

Jobs Pathway Programme — support for transition from school to work

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	12.1	10.9	11.2	12.6

Explanation

The Government will provide an additional \$46.7 million over four years to the Jobs Pathway Programme to ensure the maintenance of the current level of service to over 1,600 secondary schools and up to 70,000 young people aged 15 to 19 years each year. This funding is in addition to ongoing base funding of \$53.3 million over the period 2001-02 to 2004-05. The programme seeks to ensure that young people have a smooth transition from school to work. Funding is provided to contracted service providers that work closely with schools and local communities.

This measure forms part of the Government's initial response to the Prime Minister's Youth Pathways Action Plan Taskforce Report *Footprints to the Future*.

Training for Innovation — growth funding for the Australian National Training Authority Agreement

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	50.0	76.5	104.1	-

Explanation

The Government has agreed to make available up to \$231 million over the period 2001-02 to 2003-04 under a new Australian National Training Authority Agreement to support the operations of the vocational education and training sector. This funding is expected to enable the States to expand New Apprenticeship training opportunities and to further develop the broad skill base needed to support innovation in industry. It is in addition to annual Commonwealth funding of over \$950 million in 2001 (rising to over \$1 billion by 2004) provided to the Australian National Training Authority under the *Vocational Education and Training Funding Act 1992*.

The growth funding forms part of the Commonwealth's proposal for a new Australian National Training Authority Agreement for the period 2001 to 2003 and will be available to those States and Territories that endorse the proposed Agreement, including a requirement that States and Territories match the Commonwealth's growth funding on a dollar for dollar basis.

Employment, Workplace Relations and Small Business

Development and enhancement of the Business Entry Point internet site

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Employment, Workplace Relations and Small Business	8.2	8.4	8.5	8.7

Explanation

The Government will provide \$33.8 million over four years for the continuation and enhancement of the Business Entry Point. The Business Entry Point comprises an Internet-based service (www.business.gov.au) supported by a telephone hotline, which provides free access for business to all levels of government through a single entry point.

The enhanced Business Entry Point will allow businesses to undertake more of their government-related transactions online.

Expansion of the Dairy Regional Assistance Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Employment, Workplace Relations and Small Business	10.0	10.0	-	-

Explanation

The Dairy Regional Assistance Programme is part of the Dairy Structural Adjustment Package provided following the deregulation of the dairy industry. The Dairy Regional Assistance Programme commenced on 1 July 2000 and is specifically aimed at assisting dairy dependent communities to create employment opportunities and to address the social dislocation that may arise from the deregulation of the dairy industry. The Government will expand the programme with additional funding totalling \$20 million over the next two years to be targeted specifically at the most disadvantaged dairy regions bringing total funding to \$50 million over the next two years.

See also the related revenue measure titled Extension of dairy industry adjustment levy and expense measure titled *Additional assistance for dairy farmers* in the Agriculture, Fisheries and Forestry portfolio.

Pricing review of the Department of Employment, Workplace Relations and Small Business

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Employment, Workplace Relations and Small Business	-8.2	-8.4	-8.5	-8.7

Explanation

The Government has endorsed the outcomes of a joint pricing review between the Department of Employment, Workplace Relations and Small Business and the Department of Finance and Administration. This review has identified potential for efficiency improvements in the Department totalling \$33.8 million over four years. This will be achieved through implementing a number of efficiencies, mainly in corporate overhead activity.

The reduction will not result in any change to the quantity or quality of the outputs produced by the Department.

Equal Opportunity for Women in the Workplace Agency on-line services

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Equal Opportunity for Women in the Workplace Agency	1.1	0.9	0.7	0.4

Explanation

The Government will provide \$3 million over four years to support on-line lodgement and information for businesses meeting obligations under the *Equal Opportunity for Women in the Workplace Act 1999*. This initiative will reduce compliance costs and the paperwork burden on business.

See also the related capital measure titled *Equal Opportunity for Women in the Workplace Agency on-line services* in the Employment, Workplace Relations and Small Business portfolio.

Relocation of the National Occupational Health and Safety Commission

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
National Occupational Health and Safety Commission	-1.2	-1.1	-0.8	-0.1

Explanation

The office of the National Occupational Health and Safety Commission is relocating from Sydney to Canberra. The move will allow the Commission to develop stronger links with other relevant institutions and enhance its contribution to national occupational health and safety. The Government is providing the Commission with \$3 million in 2000-01 to assist with one-off expenses incurred in the relocation. The figures in the table above represent savings to the Budget.

Environment and Heritage

Domestic greenhouse policy development

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Greenhouse Office	-	-	-	-

Explanation

The Government will provide funding of \$24.2 million over four years, commencing in 2001-02, to enable the Australian Greenhouse Office to continue the development of domestic greenhouse policies. The funding will support the analysis and development of cost-effective greenhouse gas abatement policies, including the reduction of emissions from key energy supply and transport sectors. This will continue implementation of Government commitments under the National Greenhouse Strategy.

This measure will be funded through the Greenhouse Gas Abatement Programme.

See related expense measures *Greenhouse international policy and reporting, and greenhouse sinks* and *Greenhouse Gas Abatement Programme* in the Environment and Heritage portfolio.

Greenhouse international policy and reporting, and greenhouse sinks

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Greenhouse Office	-	-	-	-

Explanation

The Government will provide funding of \$21.7 million over four years, commencing in 2001-02, to enable the Australian Greenhouse Office to continue to advance Australia's involvement in the development of the international climate change agenda. The funding provides for capacity to evaluate progress towards Australia's commitments under the United Nations Framework Convention on Climate Change and targets under the Kyoto Protocol.

This measure will be funded through the Greenhouse Gas Abatement Programme.

See related expense measures *Domestic greenhouse policy development and Greenhouse Gas Abatement Programme* in the Environment and Heritage portfolio.

Pricing review of the Australian Greenhouse Office

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Greenhouse Office	-0.7	-0.6	-	-

Explanation

The Government has endorsed the outcomes of a pricing review for the Australian Greenhouse Office resulting in a reduction in the Australian Greenhouse Office's resourcing by \$0.7 million in 2001-02 and \$0.6 million in 2002-03. The Australian Greenhouse Office will have total resourcing of \$217.8 million in 2001-02. An important element of the review was the collection of performance information to identify better practices in the delivery of government services.

The reduction in resourcing will be accommodated through efficiency measures identified as part of the review. The reduction will not result in any change to the quantity or quality of the outputs produced by the Australian Greenhouse Office.

Administration of the fuel quality legislation

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	-	-	-	-

Explanation

The Government will allocate \$8 million in funding over four years, commencing in 2001-02, to support the establishment and maintenance of a monitoring and compliance programme to administer the *Fuel Quality Standards Act 2000*. This Act prescribes uniform national standards for fuel supplied in Australia. Changes to standards will have environmental benefits through the reduction of pollutant emissions.

This measure is being fully absorbed within the existing resourcing of the Department of the Environment and Heritage.

Conservation of rural and regional historic hotels

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	5.0	-	-	-

Explanation

In 2001-02, the Government will provide \$5 million in grants to hotels in rural and regional Australia to meet up to 50 per cent of costs incurred to preserve their historic features or attributes. Grants will only be paid to hotels without gaming machines, and the social, economic and regional benefits of hotel restoration will be taken into account in determining eligibility for grants.

See also the related revenue measure titled *Reduction of excise on draught beer* in the Treasury portfolio.

Goondiwindi Serpentine Water Park

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	5.0	-	-	-

Explanation

The Government will provide a grant of up to \$5 million in 2001-02 to the Goondiwindi Town Council to develop a recreational facility at Serpentine Lagoon, Goondiwindi. The facility is needed because Boobera Lagoon is to be closed to current facilities as a result of a declaration of protection under the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984*. The new facility will satisfy relevant Commonwealth, State and local legislative requirements.

Greenhouse Gas Abatement Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Greenhouse Office	-	-	-	-

Explanation

Funding of \$45.9 million over five years, commencing 2001-02, is to be provided from within the Greenhouse Gas Abatement Programme to support the Australian

Greenhouse Office's activities in developing international and domestic greenhouse policies. Funding for these activities is consistent with the Greenhouse Gas Abatement Programme's primary objective which is to reduce Australia's net greenhouse emissions by supporting activities that are likely to result in substantial emissions reductions or sink enhancements.

Current funding for the Greenhouse Gas Abatement Programme is \$400 million over five years, commencing in 2000-01.

See related expense measures *Greenhouse international policy and reporting, and greenhouse sinks* and *Domestic greenhouse policy development* in the Environment and Heritage portfolio.

National Pollutant Inventory

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	1.2	1.3	1.3	1.3

Explanation

The Government will provide \$5.1 million in funding for the extension of the National Pollutant Inventory Programme for four years, commencing in 2001-02. The National Pollutant Inventory is designed to provide all sectors of the Australian community with information on the types and amounts of pollutants being emitted to the air, land and water in Australia.

Natural Heritage Trust Extension

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage and Department of Agriculture, Fisheries and Forestry	-	100.0	233.0	233.0

Explanation

The Government will provide over \$1 billion in funding for the extension of the Natural Heritage Trust from 2002-03 to 2006-07. Funding will allow the Government to continue its strong national leadership role in addressing national sustainable production and conservation priorities across Australia. Funding of \$100 million in 2002-03 is to top up funds rolled over from previous years and with interest flows from the Trust Fund will bring budgeted spending to around \$250 million that year, with new funds continuing at around \$233 million per annum for four years thereafter.

The Trust has funded, through a variety of mechanisms, projects that will protect and restore the environment and support sustainable agriculture. Work on management planning and monitoring of natural resources will support targeted on-ground activities such as tree planting, fencing to protect native vegetation and waterways, improved beach access to protect sensitive dune areas and protection of endangered species. Attention will also be given to supporting the Landcare network and working with farmers to improve management practices.

The Commonwealth will invite the States and Territories to make matching contributions.

This is a cross portfolio measure between the Department of Environment and Heritage and the Department of Agriculture, Fisheries and Forestry.

Pricing review of the Australian Antarctic Division

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	-	-	-	-

Explanation

The Government has endorsed the outcomes of a pricing review for Australian Antarctic Division resulting in no overall change in the Australian Antarctic Division’s resourcing. An important element of the review was the collection of performance information from a range of providers to identify better practices in the delivery of government services.

The review found that Australian Antarctic Division funding is adequate to effectively and efficiently deliver its services.

Pricing review of the Bureau of Meteorology

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	-	-	-	-

Explanation

The Government has endorsed the outcomes of a pricing review for the Bureau of Meteorology resulting in no overall change in the Bureau of Meteorology’s resourcing. An important element of the review was the collection of performance information

from a range of providers to identify better practices in the delivery of government services.

The review found that Bureau of Meteorology funding is adequate to effectively and efficiently deliver its services.

Queensland East Coast Trawl Restructure Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	-	-	-	-

Explanation

The Government provided \$10 million in 2000-01 for the implementation of the *East Coast Trawl Plan*.

The *East Coast Trawl Plan* will assist in the move to ecologically sustainable fishing in the Great Barrier Reef through measures such as capping of the catch and reduction in effort, closure of non-trawled areas, and mandatory use of bycatch reduction devices and turtle excluder devices.

This measure is being fully absorbed within the existing resourcing of the Department of the Environment and Heritage.

Sydney Harbour Federation Trust

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	-	-	-	-

Explanation

The Government will reallocate up to \$14 million of funding in 2001-02 to the Sydney Harbour Federation Trust from existing Federation fund allocations for management of the Trust's six harbour sites. Development of management plans will involve extensive public consultation as well as assessments and surveys for site remediation and environmental management; and consideration of the natural and cultural values in planning for future uses. Funding will also provide for administration of essential maintenance and repair works; safety and security of Trust properties; and services and facilities to enable public access. Funding will occur through a reallocation of existing resources for this project.

Wildlife programmes and biodiversity conservation responsibilities

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Environment and Heritage	0.8	0.7	0.7	0.6

Explanation

The Government will provide \$2.8 million over four years, commencing in 2001-02, to maintain and enhance Australia's capacity to meet wildlife and biodiversity conservation responsibilities under the *Environment Protection and Biodiversity Conservation Act 1999* and wildlife protection legislation.

Funding to offset the reduction in revenue related to the Environmental Management Charge

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Great Barrier Reef Marine Park Authority	0.5	0.6	0.3	0.3

Explanation

The Government will extend funding by \$1.7 million over four years, commencing in 2001-02, to the Great Barrier Reef Marine Park Authority to meet an estimated shortfall in receipts from the Environmental Management Charge which visitors contribute towards the maintenance of the reef environment.

Management of aquaculture impacts

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Great Barrier Reef Marine Park Authority	0.5	0.5	0.4	0.4

Explanation

The Government will provide \$1.7 million over four years, commencing 2001-02, to the Great Barrier Reef Marine Park Authority to enhance management of aquaculture adjacent to the Great Barrier Reef Marine Park.

Coastal aquaculture, particularly prawn farming, is a fast growing industry on the Queensland coast. This measure will serve to ensure that aquaculture developments

do not impact upon the environmental values of the Great Barrier Reef World Heritage Area and Great Barrier Reef Marine Park.

Townsville Aquarium — Reef Headquarters

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Great Barrier Reef Marine Park Authority	1.8	0.5	0.5	0.5

Explanation

The Government will provide funding of \$3.3 million over four years, commencing in 2001-02, to support the Great Barrier Reef Marine Park Authority during refurbishment of the Townsville Aquarium — Reef Headquarters. The funding will enable the development of a business plan, and allow the Authority to meet operational expenses for this major regional tourism facility and education centre.

See also the related capital measure *Townsville Aquarium — Reef Headquarters* in the Environment and Heritage portfolio.

Family and Community Services

Acknowledging Older Australians — Exempt Superannuation from the Social Security Means Test for People Aged Between 55 and Age Pension Age

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	88.8	88.2	89.9	91.7
Department of Health and Aged Care	9.7	10.6	11.6	12.6

Explanation

The Government will exempt superannuation assets from the social security means test for people aged between 55 and age pension age from 1 July 2001.

As a result of this exemption, around 55,000 clients will either receive an increased payment or commence being entitled to payments.

Around 17,000 new clients are expected to become entitled to a Health Care Card or Pension Concession Card, resulting in increased expenses in the Department of Health and Aged Care.

This is a cross portfolio measure between the Department of Family and Community Services and the Department of Health and Aged Care.

Acknowledging Older Australians — Extend Eligibility for Commonwealth Seniors Health Card

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	1.5	-	-	-
Department of Health and Aged Care	22.5	24.7	27.0	29.3

Explanation

The Government will extend eligibility for the Commonwealth Seniors Health Card. Annual income limits for eligibility for the Card will be extended from \$41,000 to \$50,000 for singles and from \$68,676 to \$80,000 for couples.

It is expected that approximately another 50,000 people will become eligible for the Commonwealth Seniors Health Card as a result of this initiative, and will benefit from

concessional pharmaceuticals through the Pharmaceutical Benefits Scheme (PBS). Currently, concession card holders pay \$3.50 towards the cost of PBS medicines compared to \$21.90 for non-concession card holders. Concession card holders who spend more than \$182 per year (52 prescriptions) on PBS medicines are entitled to free medicines for the rest of the calendar year. The Department of Family and Community Services will issue cards upon receipt of an application after assessing eligibility.

See the related expense measure, *Acknowledging Older Australians – Telephone Allowance to Commonwealth Seniors Health Card Holders* in the Family and Community Services Portfolio.

This is a cross portfolio measure between the Department of Family and Community Services and the Department of Health and Aged Care.

Acknowledging Older Australians – One-Off Payment to the Aged

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	10.1	-	-	-
Department of Veterans' Affairs	-	-	-	-

Explanation

The Government will provide by 30 June 2001 a one-off payment of \$300 to around 2.2 million income support clients over age pension age (including service pensioners). The payment will automatically be made to income support clients without them having to lodge a claim. These payments will cost \$663.2 million in 2000-01.

People of age pension age who are outside the social security and taxation systems, and who meet the criteria for the scheme will be able to apply for the payment. This group will need to claim the payment through Centrelink by 31 December 2001 leading to an expected expense in 2001-02 of \$10.1 million.

This is a cross portfolio measure between the Department of Family and Community Services and the Department of Veterans' Affairs.

Acknowledging Older Australians – Telephone Allowance to Commonwealth Seniors Health Card Holders

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	30.5	23.8	24.5	24.9

Explanation

The Government will extend Telephone Allowance from September 2001 to people who qualify for a Commonwealth Seniors Health Card.

Previously, only pensioners and certain allowees qualified for the Telephone Allowance of \$17.20 per quarter (for both singles and couples).

In addition, the Commonwealth will open negotiations with State and Territory Governments to see if some or all of the concessions that are currently available to pensioners and certain allowees can be extended over time to Commonwealth Seniors Health Cardholders.

Compliance package — detection

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	-19.3	-37.9	-35.1	-33.4

Explanation

The Government will improve the detection of incorrect payments and fraudulent claims. Data matching exercises will be undertaken with the Australian Taxation Office to determine undeclared property assets and income and additional capacity will be provided to process reviews arising from 'tip-offs' received from the public.

It is expected that these changes will generate substantial savings through the identification of incorrect income support and family assistance payments.

Compliance package — prevention

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.8	-2.6	-0.3	-0.3

Explanation

The Government will reduce fraudulent claims and will better control incorrect payments of benefits. This will be achieved by:

- improved validation of new benefit claims through improved recording of proof of identity documents (to assist in preventing incorrect payment of benefits and fraudulent claims); and

- developing customer risk profiles, primarily for Newstart Allowance and Youth Allowance. Profiles will be developed through a risk profile pilot running from September 2001 to August 2002. The pilot will examine the effectiveness of linking customer characteristics with the risk to correct payments and other outcomes. Centrelink will use these profiles to target its contact with customers, which will lead to a more effective identification of incorrect payments.

Compliance package – research and development

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	-3.7	-10.2	-1.1	-

Explanation

The Government will identify possible new avenues of compliance activity. Research and development will be undertaken into ways of improving the control of incorrect payment and fraud, identifying further scope for tightening existing controls and testing methods to strengthen those controls through:

- feasibility studies to assess the effectiveness of new data matching with the Australian Taxation Office to identify undeclared income. These studies will be conducted between 1 July 2001 and 30 June 2003. They will assess the effectiveness of data matching with the Australian Taxation Office group certificate data and Australian Business Numbers to assist in the detection of employment income and income derived from operating a business which has not been declared to Centrelink;
- random sample surveys during 2001-02 to detect undeclared changed circumstances and to provide data on the level and reasons for incorrect payment; and
- conducting a review and analysis during 2001-02 of the overall deterrence framework to determine its effectiveness in controlling incorrect payments and fraud.

Department of Family and Community Services pricing review of services delivered through Non-Government Organisations and State and Territory Governments

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	-	-	-	-

Explanation

The Government has endorsed the outcomes of a Department of Family and Community Services pricing review of services delivered through non-government organisations resulting in no overall change in resourcing. Resourcing remained unchanged as programmes are subject to funding agreements of varying terms. The outcome of the review included a commitment that the Department will implement a strategy of progressive review and evaluation of all programmes every five years, and that new or revised agreements will continue to build on the substantial progress already made towards outputs and outcomes based funding.

Expanding the supply of healthy indigenous housing

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	1.0	12.0	13.5	13.5
Aboriginal and Torres Strait Islander Commission	2.0	11.0	11.0	11.0

Explanation

The Government is providing an additional \$75 million over four years for indigenous housing in rural and remote areas. This will fund the repair of existing houses to a safe and healthy standard, build additional new homes and assist communities to better manage their housing and tenancy services. The funding is provided in addition to existing funding of \$364 million over four years for the Aboriginal Rental Housing Programme and \$935 million for the Community Housing and Infrastructure Programme.

This is a cross portfolio measure between the Department of Family and Community Services and the Aboriginal and Torres Strait Islander Commission.

Provide Health Care Cards to foster children

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.4	-	-	-
Department of Health and Aged Care	0.4	0.8	1.4	1.5

Explanation

The Government will amend the eligibility criteria for Health Care Cards for foster children to ensure that all foster carers are able to access Health Care Cards for the foster children in their care, regardless of means testing.

This extends a measure announced in the 1998-99 Budget that allows the issue of Health Care Cards to foster carers who receive Family Tax Benefit, provided that the foster child was eligible for a Health Care Card when they were with their original family. Children not listed on their parent or guardian's card before being placed in foster care will be able to benefit from the card under the extended arrangements. It will assist both formal and informal foster carers and it is anticipated that around 2,700 additional foster children could be covered by a Health Care Card after 1 July 2001.

This is a cross portfolio measure between the Department of Family and Community Services and the Department of Health and Aged Care.

Family homelessness and early intervention pilots

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	1.2	2.3	1.3	-

Explanation

The Government will conduct a series of pilots to identify effective methods of recognising families at risk of homelessness and providing early assistance to prevent homelessness occurring.

The pilots, to run from June 2002 to June 2004, will assist up to 1,000 families in around nine locations to regain stability in their housing and financial circumstances, and will help them to access community services, labour market programmes and employment. Participation in the pilot will be voluntary.

Family Tax Benefit shared care and Child Support Agency liability

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	2.6	0.2	..	..

Explanation

The Government will, from 1 July 2002, allow the Child Support Registrar the discretion to direct the Department of Family and Community Services to pay an individual's Family Tax Benefit entitlement to the Child Support Agency in order to discharge that individual's child support debt.

The discretion would only be used in situations where the individual has failed to pay their child support debt by the due date and the debt is in relation to the same children as the Family Tax Benefit entitlement.

Further simplification of international payments

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	-0.3	-6.1	-6.6	-7.3

Explanation

The Government will rationalise Australia's international social security payment arrangements. The Government will more closely align with international standards the period of Australian Working Life Residence (AWLR) that people must meet in order to receive a full Australian social security pension while overseas on a long term basis. The residence period is to be extended from 25 years to 30 years.

In order to help those who plan to reside overseas on a long term basis, the Government will extend beyond age pension age the period during which AWLR can be built up. Under the revised arrangements, people who register under the Pension Bonus Scheme will be able to continue to add to their AWLR after reaching age pension age.

The Government will also standardise the recovery of overpayments of Australian pensions where people receive their foreign pension in arrears. From April 2002, any overpayment of Australian pension will be fully recovered. Currently, this only occurs when clients receive a lump sum payment of foreign pension from countries with which Australia has an international social security agreement.

These initiatives will apply to people leaving Australia or receiving a foreign pension arrears payment after 1 April 2002.

Introduce discretion for parents who have shared care to waive eligibility for Family Tax Benefit

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	1.1	0.6	0.6	0.6

Explanation

The Government will permit, from 1 December 2001, a parent who has care of a child between 10 and 30 per cent of the time to waive his or her eligibility for Family Tax Benefit. In such cases, this will allow the parent with most care responsibilities to receive the whole Family Tax Benefit entitlement for the child during this period.

In some instances, such as where the income of the non-resident parent precludes them from being paid Family Tax Benefit, a greater amount of Family Tax Benefit may be paid overall for a child as a result of this measure.

National research and education strategy to prevent problem gambling

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	2.2	5.0	0.6	0.6

Explanation

The Government will help address and combat problem gambling through:

- a public education campaign that will raise community awareness on the issue of problem gambling; and
- a national research and evaluation programme that will undertake research on issues such as risk factors for problem gambling, the effectiveness of existing treatment programmes, and the community impacts of gambling.

New and revised international social security agreements

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	4.1	3.4	2.5	2.6

Explanation

The Government has entered into a number of new and revised international social security agreements, which will improve access to foreign pensions by Australian residents, and access to Australian pensions by former Australian residents.

A new agreement with the United States is expected to result in approximately 1,600 new Australian pensioners (and about 2,300 Australians becoming eligible for United States pensions), with effect from 1 July 2002.

Revised agreements signed with Austria, Canada, the Netherlands, Portugal and Spain update agreements that have been in place for many years. The revisions are expected to marginally increase the number of people currently paid by Australia under all five agreements (about 8,300), with effect from 1 January 2002. Australia's expenses under the agreements are partially offset by contributions from the agreement countries in respect of their citizens residing in Australia. This contribution from agreement countries reduces the payments made to these people under Australian social security arrangements.

The agreements with the USA, the Netherlands and Portugal will also include superannuation guarantee provisions that will eliminate double coverage of workers seconded to Australia and so will remove some disincentives to businesses operating between Australia and those countries.

New social security arrangements between Australia and New Zealand

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	-22.9	-57.3	-164.9	-269.5

Explanation

Following a joint review with the New Zealand Government, the Commonwealth announced that from 26 February 2001, changed arrangements would apply to New Zealand citizens seeking to claim social security payments in Australia. Most New Zealand citizens who move to Australia after that date will only be able to access the full range of income support payments and employment assistance if they have permanent resident status in Australia.

In addition, a new social security agreement with New Zealand will commence from 1 July 2002. The new agreement will cover age pension, disability support pension and carer payment. Australia and New Zealand will share financial responsibility for these pensions, each paying a proportion of the pension based on the length of time that recipients have spent in each country.

See also related revenue measure *New Social Security Arrangements between Australia and New Zealand* in the Family and Community Services portfolio and related expense capital and revenue measures *New Social Security Arrangements between Australia and New Zealand* in the Immigration and Multicultural Affairs portfolio.

Supplementation for employment assistance and other services

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	2.7	-	-	-

Explanation

The Government will provide an increase of \$2.7 million in 2001-02 to supplement funding for employment assistance and other services for people with a disability. The provision of this funding will ensure the continued capacity of disability services that are provided primarily through community based organisations.

The Mentor Marketplace

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	-	0.9	1.5	2.3

Explanation

The Government will help to connect young people to paid employment and the concept of lifelong learning. In addition, it will encourage the development of a mentoring culture in business, schools and communities and kick-start mentoring projects in higher-risk schools and communities. It will also encourage young people to participate in skill-sharing and peer-mentoring opportunities.

The Mentor Marketplace will commence from 1 July 2002, and consists of two elements:

- a national mentoring scheme that will fund research to identify best practice in mentoring. The scheme will then fund workshops and conferences to enable the results of this research to be distributed nationally; and
- the creation of mentoring projects in communities and areas that do not currently have such projects operating for secondary students and early school-leavers. In communities with existing mentoring projects, assistance will be provided to help them develop further.

This measure forms part of the Government's initial response to the Prime Minister's Youth Pathways Action Plan Taskforce Report *Footprints to the Future*.

Transition to Independent Living Allowance

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	-	1.0	2.6	2.6

Explanation

The Government will provide a Transition to Independent Living Allowance. This allowance is a one-off payment for young people leaving state-supported care, which will help with the costs of moving from supported care to independent living.

State and Territory Governments will deliver this payment from 1 March 2003 on the Commonwealth's behalf. The rate of payment will be set on a case by case basis up to a maximum of \$1,000. Guidelines for determining the amount paid will be established in consultation with State and Territory governments.

This measure forms part of the Government's initial response to the Prime Minister's Youth Pathways Action Plan Taskforce Report *Footprints to the Future*.

Australians Working Together

Australians are justly proud of their social safety net, which embodies the Australian values of a fair go and of helping people in need. Our economy and society are changing rapidly, and we need to ensure the safety net keeps pace and people are not left behind. Through *Australians Working Together*, the Government is making a substantial investment of \$1.7 billion to provide more choices and opportunities for people to move forward.

The *Australians Working Together* package provides new funding for employment and community services to expand and improve the assistance available to Australians looking for work. Extra help will be provided for parents, mature age people, indigenous Australians and people with disabilities. The package provides new incentives for people to take up full-time, part-time or irregular casual jobs by allowing them to keep more of their income support payments when they start work. From July 2002 new requirements will apply to working-age people receiving unemployment payments. Taking account of individual circumstances, some people receiving income support payments will be required to take up the opportunities available to help them become job-ready and better able to take part in Australia's economic and community life.

Funding will be provided through the Departments of Employment, Workplace Relations and Small Business, Family and Community Services, Education, Training and Youth Affairs and the Aboriginal and Torres Strait Islander Commission.

Australians Working Together — Helping People to Move Forward: Summary of measures

	2001-02	2002-03	2003-04	2004-05	Total
Helping people to find jobs					
Better employment services	7.9	57.2	59.1	61.2	185.4
Training credits	0.3	36.4	36.7	37.5	110.9
Mutual obligation requirements	3.0	10.6	7.3	7.2	28.1
Total	11.2	104.2	103.1	105.9	324.4
Helping parents return to work	6.9	58.5	82.6	92.1	240.1
A fair go for mature age workers					
More encouragement to participate	2.1	18.0	40.4	42.0	102.5
More assistance	0.5	4.0	15.8	23.6	43.9
Total	2.6	22.0	56.2	65.6	146.4
Getting people the right help					
Personal support programme	2.7	7.7	17.7	33.8	62.0
Better assessments	0.2	10.1	10.6	10.7	31.6
Improved information technology	3.5	16.5	15.0	15.0	50.0
Total	6.4	34.3	43.3	59.5	143.6
A better deal for people with disabilities					
Better access to education and training	-	7.3	14.6	15.0	36.9
Better assessment	2.3	34.1	14.3	13.9	64.6
Better access to employment assistance	0.7	13.2	20.3	22.8	57.0
Quality assurance of employment assistance	3.2	4.7	5.3	5.3	18.5
Total	6.2	59.3	54.5	57.0	177.0
Promoting self-reliance for indigenous people					
Community participation agreements and capacity building	1.0	5.0	10.6	15.6	32.2
Better support to get a job	2.6	4.6	9.7	14.2	31.1
Increased education and training assistance	0.2	3.5	4.3	2.2	10.2
Remote area servicing	0.6	2.0	2.9	3.7	9.2
Total	4.4	15.1	27.5	35.7	82.7
Help to participate					
Working credit	8.9	125.6	176.8	189.0	500.3
Literacy and numeracy training supplement	0.8	5.8	6.8	7.0	20.4
Total	9.7	131.4	183.6	196.0	520.7
More child care places	2.3	5.4	4.2	4.4	16.2
Community and business engagement	9.0	7.7	2.6	2.7	22.0
Planning for the future	1.0	1.0	2.0	1.0	5.0
Total gross expenses(a)	75.8	439.8	559.6	619.9	1,695.1
Expected savings	0.0	-131.5	-373.3	-418.7	-923.6
Net expenses	75.8	308.3	186.3	201.2	771.5

(a) Includes capital injection to Centrelink of \$16.9 million over two years.

Helping people to find jobs

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Total	11.2	104.2	103.1	105.9

Explanation

The Government will help people to find jobs through better employment services, new training credits and standardised mutual obligation requirements.

Better employment services

	2001-02	2002-03	2003-04	2004-05
Department of Employment, Workplace Relations and Small Business	7.9	55.6	55.8	57.7
Department of Education, Training and Youth Affairs	0.0	1.7	3.4	3.5
Total	7.9	57.2	59.1	61.2

Explanation

The Government will provide the Employment, Workplace Relations and Small Business portfolio with \$177 million over four years for 30,000 extra Job Search Training places, 16,500 extra Work for the Dole places and community work placements for 35,000 job seekers. This funding will also provide help for 60,000 job seekers in their last week of Work for the Dole or equivalent hours of community work with resume development, references and updating job seeker skills. This initiative also will provide for better assessment of 40,000 people in Intensive Assistance and review the progress of people with severe or multiple personal obstacles to finding work while they receive support in both Intensive Assistance and the new Personal Support Programme.

Funding of \$9 million over four years will provide for 3,600 new language, literacy and numeracy places in the Education, Training and Youth Affairs portfolio.

Training credits

	2001-02	2002-03	2003-04	2004-05
Department of Employment, Workplace Relations and Small Business	0.3	36.4	36.7	37.5

Explanation

The Government will provide funding of \$111 million to make available Training Credits of up to \$800 each for 69,000 mature age and indigenous job seekers in Job Search Training and Intensive Assistance over four years. The funding will also provide similar Training Credits to 64,500 people who do between 16 and 26 weeks of Work for the Dole or community work monitored by Community Work Coordinators.

Mutual Obligation requirements

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	3.0	10.6	7.3	7.2

Explanation

Funding will be provided to implement standardised mutual obligation requirements for job seekers receiving Newstart Allowance aged up to 49 years. From 1 July 2002 all job seekers aged up to 49 will be required to undertake Job Search Training after three month's unemployment. After six month's unemployment and at least annually thereafter, job seekers aged 18 to 49 will be required to undertake community work (200 hours for 18 to 20 year-olds, 240 hours for 21 to 39 year-olds and 150 hours for 40 to 49 year-olds), 130 hours of part-time paid work, 100 hours of study or an activity from the mutual obligation menu over 26 weeks. Work for the Dole will be the default for job seekers aged to 39 should they fail to choose an activity themselves. The default for 40 to 49 year-olds will be referral to a Community Work Coordinator.

Helping parents return to work

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	5.7	50.8	64.5	69.6
Department of Education, Training and Youth Affairs	1.2	7.7	18.0	22.4
Total	6.9	58.5	82.6	92.1

Explanation

Funding of \$191 million over four years will be provided to the Family and Community Services portfolio to encourage parents with school-age children receiving Parenting Payment to prepare for a return to the paid workforce as their children grow up. This will be realised through annual interviews with Centrelink Personal Advisers for parents whose youngest child is aged between 6 and 15 and part-time activity requirements for parents whose youngest child is aged between 13 and 15. Centrelink Personal Advisers will connect parents with additional training and other assistance

through the Jobs, Education and Training programme. The Government also will provide information to parents on the assistance and options available, through Participation Packs.

New funding of \$49 million over four years will be provided through the Education, Training and Youth Affairs portfolio for new places in career counselling and language, literacy and numeracy training and new places in vocational education and training.

In addition, existing funding will be redirected from the Return to Work programme and the pre-vocational elements of the Jobs, Education and Training programme to form the new Transition to Work programme providing better transitional assistance for people who have been away from the workforce for a long time, and for those who have never had paid jobs.

See also the related capital measure *Helping parents return to work* in the Family and Community Services portfolio.

A fair go for mature age workers

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Total	2.6	22.0	56.2	65.6

Explanation

The Government will provide funding of \$147 million over four years to give working-age people aged 50 and over more encouragement and assistance to participate, more uniform assistance through Newstart Allowance and more help for those retrenched.

More encouragement to participate

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	1.7	17.6	40.4	42.0
Department of Employment, Workplace Relations and Small Business	0.4	0.4	-	-
Total	2.1	18.0	40.4	42.0

Explanation

The Government will provide \$103 million over four years in the Family and Community Services portfolio for annual interviews to encourage people on Mature Age Allowance, Partner Allowance and Widow Allowance to access assistance to help

them get back into the paid work force and to plan for when they reach retirement age. With the closure of Mature Age Allowance and Partner Allowance to new entrants from July 2003, additional funding is being provided for people over 50 claiming income support payment through Newstart Allowance. In addition, all new Widow Allowees will be required to attend an annual interview only.

New funding of \$1 million will be provided to the Employment, Workplace Relations and Small Business portfolio to help reduce the effects of retrenchments on people through best practice guidelines on managing retrenchments to be developed in partnership with industry. The Government will also provide better information to people facing retrenchment, including on how best to establish a small business.

More assistance

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.3	2.4	10.9	16.2
Department of Education, Training and Youth Affairs	0.2	1.6	4.9	7.4
Total	0.5	4.0	15.8	23.6

Explanation

Funding of \$30 million over four years will be provided for additional places in disability employment assistance services and rehabilitation through the Family and Community Services portfolio.

Funding of \$14 million over four years will be provided for additional places in career counselling, language, literacy and numeracy training and vocational education and training through the Education, Training and Youth Affairs portfolio.

Getting people the right help

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Total	6.4	34.3	43.3	59.5

Explanation

The Government will provide \$144 million over four years to help make sure people get the right help through a new Personal Support Programme, improved assessments and additional information technology.

Personal Support Programme

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	2.7	36.8	45.7	60.5
Department of Employment, Workplace Relations and Small Business	-	-29.1	-28.0	-26.7
Total	2.7	7.7	17.7	33.8

Explanation

From July 2002, additional funding of \$62 million over four years will be provided to establish a new Personal Support Programme to help people on income support payments who have severe or multiple personal obstacles to employment, such as homelessness, drug or alcohol addiction, mental illness or domestic violence. The Personal Support Programme will assist some 45,000 people each year by 2004-05, up from 15,000 places in 2000-01.

Existing funding also will be re-directed to the new programme from the Employment, Workplace Relations and Small Business portfolio over the three years from July 2002.

Better assessments

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.2	10.1	10.6	10.7

Explanation

The Government will provide \$32 million over four years to better assess the needs of indigenous Australians, people exempt from the Newstart and Youth Allowance activity tests and people recently released from prison and to connect them earlier to assistance that will help them improve their circumstances and find paid work.

Improved information technology

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	2.9	16.5	15.0	15.0
Department of Education, Training and Youth Affairs	0.3	-	-	-
Department of Employment, Workplace Relations and Small Business	0.4	-	-	-
Total	3.5	16.5	15.0	15.0

Explanation

The Government will invest \$50 million over four years to improve information technology among providers of services to people on income support payments, which will improve cost-effectiveness of current and new arrangements.

A better deal for people with disabilities

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Total	6.2	59.3	54.5	57.0

Explanation

The Government will provide \$177 million over four years in funding for people with disabilities which will deliver better access to education and training, better assessment, better access to employment assistance and quality assurance.

Better access to education and training

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	-	7.3	14.6	15.0

Explanation

The Government will provide \$37 million over three years in additional education assistance for people with disabilities. Funding will be provided for about 5,200 new places in vocational education and training, additional support for over 1,500 students with disabilities in higher education and fifteen new Disability Coordination Officers to help people with disabilities move between school, vocational education and training, higher education and employment and to coordinate support services.

Better assessment

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	2.3	34.1	14.3	13.9

Explanation

Funding of \$65 million over four years will be provided to improve Centrelink assessment of claims for Disability Support Pension and Newstart (Incapacitated). This funding will enable greater use of external expertise in assessments to focus on people's capacity rather than incapacity and provide for better communication with treating doctors about how the information they provide will be used in assessments.

Better access to employment assistance

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.7	13.2	20.3	22.8

Explanation

The Government will fund 7000 new disability employment assistance places, at a cost of \$57 million over four years, which will provide additional opportunities for people with disabilities in business services and open employment in rural and remote locations and in areas of high demand.

Quality assurance of employment assistance

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	3.2	4.7	5.3	5.3

Explanation

The Government will provide \$19 million over four years to fund an internationally accredited system from January 2002 to make sure disability employment assistance services deliver quality outcomes. Funding will also provide for 500 extra places in the Assessment and Contestability Trial to test a better way for people to access the right services.

Promoting self-reliance for indigenous people

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Total	4.4	15.1	27.5	35.7

Explanation

The Government will spend an additional \$83 million over four years to promote self-reliance for indigenous people through Community Participation Agreements and capacity building, better support for indigenous people to get a job, increased education and training assistance and remote area servicing.

Community participation agreements and capacity building

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.0	0.5	0.6	0.6
Aboriginal and Torres Strait Islander Commission	1.0	4.5	10.0	15.0
Total	1.0	5.0	10.6	15.6

Explanation

The Government will provide \$32 million over four years for Community Participation Agreements and capacity building for indigenous people in remote communities. The Aboriginal and Torres Strait Islander Commission will work with about 100 communities to identify practical ways in which indigenous people on income support can contribute to their communities in return for their income support. Communities will be provided with financial assistance for capacity building activities, such as leadership, strengthening culture and community governance.

Better support to get a job

	2001-02	2002-03	2003-04	2004-05
Department of Employment, Workplace Relations and Small Business	2.6	4.6	9.7	14.2

Explanation

New funding of \$31 million over four years will be provided to assist up to 10,000 indigenous people in Community Development Employment Projects (CDEP) in areas with viable labour markets to get paid work. Existing funding of \$17 million will be re-directed from the Indigenous Employment Programme. In areas with viable labour markets, CDEP organisations will be encouraged to take on the role of Indigenous Employment Centres, offering work experience, job search support and access to training. Indigenous Employment Centres will also provide support and mentoring for indigenous job seekers outside CDEP.

Increased education and training assistance

	2001-02	2002-03	2003-04	2004-05
Department of Education, Training and Youth Affairs	0.2	3.5	4.3	2.2

Explanation

The Government will provide \$10 million over four years for increased education and training assistance for indigenous Australians. Support will be provided to encourage some 1600 secondary school students in indigenous communities to finish Year 12 and go on to further education and training. A further 2300 secondary school students will be assisted to take up vocational learning opportunities supported by business.

Remote area servicing

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.6	2.0	2.9	3.7

Explanation

The Government will provide \$9 million over four years to deliver Centrelink services more effectively to Australians in remote communities. Centrelink will establish up to 12 servicing centres in remote areas to service and support surrounding communities by 2004-05. The first four centres will be established in 2002-03.

Help to participate

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	9.7	131.4	183.6	196.0

Explanation

The Government will provide \$521 million over four years to improve participation through the Working Credit initiative and the Literacy and Numeracy Training Supplement.

See also related capital measure *Help to participate* in the Family and Community Services portfolio.

Working Credit

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	8.9	125.6	176.8	189.0

Explanation

The Government will provide funds of \$500 million over four years for the Working Credit initiative. This initiative will provide a new incentive for workforce-age people on income support to take up paid jobs. Through Working Credits, people on income support are able to accumulate credits for earned income in periods during which they have little or no earnings, which they can use later to effectively increase their income test free area. The current income test free areas are \$62 per fortnight for Newstart recipients and \$106 per fortnight for single work-force age pensioners, without children. People will accumulate credits in fortnights in which their earned income is below the \$48 threshold. A maximum of \$1000 applies to accumulated credits.

The income test rules will be made simpler for workforce-age pensioners and people who receive Parenting Payment. Procedures will be simplified for people to get back onto income support payments after taking up short-term work or whose job ends soon after they have gone off payment.

Literacy and numeracy training supplement

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	0.8	5.8	6.8	7.0

Explanation

The Government will provide funding of \$20 million over four years for a fortnightly Literacy and Numeracy Training Supplement of \$20.80, to help meet incidental costs such as travel to courses. The Supplement will become available from September 2002 for people on income support payments attending approved literacy and numeracy training programmes.

More child care places

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	2.3	5.4	4.2	4.4

Explanation

The Government will provide additional funding for outside school hours child care places for 5300 more children each year from July 2001. Grants will be provided to new child care services to assist with set up costs, and Child Care Benefit will be paid to eligible parents. Funding will also be used to help more parents meet the 'gap' fee for child care through the Jobs, Education and Training programme from September 2002.

Community and business engagement

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	9.0	7.7	2.6	2.7

Explanation

The Government will provide new funding of \$22 million over four years for community and business engagement. The Prime Minister's Community Business Partnership will encourage companies and businesses to identify and generate opportunities for people with disabilities, mature age people, Indigenous Australians and parents returning to work. Local community business networks involving small and medium enterprises will be encouraged to build awareness and opportunities. Funding will be available for a communications campaign, an Australian Employers Forum to improve employment opportunities for people with disabilities, a website and to take forward a national framework of triple bottom line accounting. In addition, funding will be available for communication and consultation with the community on implementation of the *Australians Working Together* package.

Planning for the future

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	1.0	1.0	2.0	1.0

Explanation

The Government will provide \$5 million over four years to evaluate the effectiveness of the *Australians Working Together* Package and support piloting of new initiatives.

Finance and Administration

Early payout of AvSuper superannuation liabilities

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Finance and Administration	-4.0	-5.0	-	-

Explanation

The AvSuper superannuation fund covers Airservices Australia staff and some staff of the Civil Aviation Safety Authority. The Commonwealth has a liability to the fund in respect of members who transferred to AvSuper from the Commonwealth Superannuation Scheme.

The Government has decided to pay out its remaining liabilities to the AvSuper superannuation fund by 30 June 2001. This will reduce the Commonwealth's future interest expenses and simplify its superannuation arrangements.

Establishment of a private financing unit

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Finance and Administration	2.0	1.9	1.9	1.9

Explanation

The Department of Finance and Administration will establish a private financing assessment unit to assist Commonwealth agencies to evaluate and advise the Government on any proposed private financing arrangements.

Privately financed projects can provide benefits to the public sector such as access to specialist expertise, innovation and the opportunity to transfer risk.

Indexation of Commonwealth superannuation benefit

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Finance and Administration	30.0	30.0	30.0	30.0

Explanation

The Government has decided to introduce twice yearly indexation of Commonwealth superannuation pensions under the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS). This indexation will occur twice yearly on 1 July and 1 January for movements in the Consumer Price Index for the previous half year. This will reduce the delay between inflation effects faced by superannuation pensioners and income adjustments. This change will commence from 1 January 2002.

Information technology upgrade in electorate offices

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Finance and Administration	4.0	3.0	3.0	3.0

Explanation

The Government will provide \$4 million in 2001-02 and \$3 million per year ongoing to upgrade the information technology resources for Senators and Members of Parliament.

Mapping of the Australian Antarctic Territory extended continental shelf

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Finance and Administration	11.8	0.8	0.1	0.1

Explanation

The Government will provide additional funding of \$12.9 million over four years to enable completion of the project announced in the 2000-01 Budget.

This project will map the limits of the continental shelf off the Australian Antarctic Territory beyond Australia's 200 nautical mile Exclusive Economic Zone, to preserve Australia's rights under the United Nations Convention on the Law of the Sea.

Continuation of Office of Asset Sales and Commercial Support resourcing for the asset sales programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Office of Asset Sales and Commercial Support	5.8	-	-	-

Explanation

The Government will provide the Office of Asset Sales and Commercial Support (OASCS) with additional funding in 2001-02 to enable it to continue activities associated with its asset sales and commercial support activities.

Consistent with previous practice, the departmental expenses for OASCS are determined in the annual budget process.

Deferral of the further sale of the Commonwealth's shareholding of Telstra Corporation — sale costs

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Office of Asset Sales and Commercial Support	-218.0	-218.0	218.0	-

Explanation

The Government has announced that the further privatisation of Telstra would be dependent on the achievement of satisfactory service levels recommended in the Telecommunications Service Inquiry. This involves the deferral of sales of further tranches of Telstra shares with the consequent deferral of sales costs incurred by the Office of Asset Sales and Commercial Support.

Sale of Kingsford Smith Airport — sale costs

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Office of Asset Sales and Commercial Support	16.5	-	-	-

Explanation

The Office of Asset Sales and Commercial Support has been funded \$18.6 million over two years with \$2.1 million in 2000-01 for the direct costs associated with the sale of Kingsford Smith Airport. The sale is expected to be completed in the second half of the 2001 calendar year.

See also the related capital measure *Sale of Kingsford Smith Airport* in the Finance and Administration portfolio.

Scoping study for the future ownership of Sydney Airports Corporation Limited

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Office of Asset Sales and Commercial Support	-	-	-	-

Explanation

The Office of Asset Sales and Commercial Support was funded \$1.7 million in 2000-01 to report on options for the future ownership of the Sydney Airports Corporation Limited. The report was considered by the Government in March 2001, and led to the decision to sell Kingsford Smith Airport.

See also the related expense measure *Sale of Kingsford Smith Airport — sale costs* in the Finance and Administration portfolio.

Foreign Affairs and Trade

Commitment to polio eradication

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Agency for International Development	2.5	2.5	2.5	2.5

Explanation

The Government will fund a commitment to Rotary International under its programme to eradicate polio from the world by 2005. This programme operates in partnership with the World Health Organisation, UNICEF and the US Center for Disease Control.

The Government will match Australian corporate and philanthropic contributions dollar for dollar up to a total commitment of \$10 million over the period between 2001 and 2005.

Improving security within the Australian intelligence community

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	0.7	0.6	0.6	0.6
Department of Defence	-	-	-	-
Office of National Assessments	-	-	-	-
Australian Security Intelligence Organisation	2.5	1.8	1.9	1.9
Australian Secret Intelligence Service	0.9	0.7	0.7	0.8

Explanation

The Government will provide additional funding to the Australian Security Intelligence Organisation, the Australian Secret Intelligence Service and the Office of National Assessments to enhance security practices within these agencies. The Department of Defence will absorb the cost and the Attorney-General's Department will offset the cost of implementing security enhancements.

See also the related capital measure titled *Improving security within the Australian intelligence community* in the Foreign Affairs and Trade portfolio.

Opening of Australian Consulate-General in Chicago

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Foreign Affairs and Trade	3.1	2.4	2.5	2.7
Australian Trade Commission	0.8	0.7	0.7	0.7

Explanation

The Government will provide \$13.6 million over four years to establish an Australian Consulate-General in Chicago, USA, which will include representation from the Australian Trade Commission.

The Consulate-General will enhance Australia's interaction with economic and political decision-makers in the region, and support Australian business in identifying and developing trade and investment opportunities in a region which generates nearly one third of the gross domestic product (GDP) of the largest economy in the world. It will also improve consular service delivery for Australians in the United States.

Health and Aged Care

Additional practice nurses for rural Australia and other areas of need

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	15.1	27.8	29.6	31.8

Explanation

The Government will provide \$104.3 million over four years to improve access to medical services for patients in rural Australia and other areas of need by providing support for general practitioners (GPs) to employ practice nurses. Practice nurses assist GPs by contributing to a range of services, including chronic disease management and population health activities. These arrangements allow GPs to focus on diagnosis and clinical care, while practice nurses assist in the management of chronic diseases such as diabetes and asthma, conducting health assessments, and providing clinical support such as wound dressings and minor surgical procedures. The programme will be targeted to those areas where patient access to medical services is limited in rural and remote Australia, and in provincial and outer metropolitan areas.

This measure also provides for re-entry and up-skilling programmes for rural nurses. This will be provided via a scholarship programme of approximately 400 scholarships per annum.

See also the related expense measure titled *Rural Nursing Scholarships* in the Health and Aged Care portfolio.

After hours/emergency primary medical care

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	8.8	10.4	11.6	12.6

Explanation

The Government will provide \$43.4 million over four years to extend the availability of after hours primary medical care services. Up to 32 sites will be established over four years. These services may include GP/nurse telephone triage; cooperatives or collaborative GP arrangements including with hospital emergency departments and/or Divisions of General Practice; deputising services; funded transport, sessional payments for GPs and home visits.

This initiative will lead to improved quality of care by reducing pressures on GPs in rural and outer urban areas and the workforces of hospital emergency departments and by improving communication and exchange of information between after hours doctors and a person's usual doctor.

Part of the funding will be used to develop national standards and guidelines for after hours phone ('call centre') triage services.

Alcohol Education and Rehabilitation Foundation

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	10.4	24.1	40.1	41.1

Explanation

The Government will fund an independent Alcohol Education and Rehabilitation Foundation aimed at preventing alcohol and other legal substance abuse.

Alcohol abuse is a major cause of death and hospitalisation in Australia. The Foundation will support treatment, rehabilitation, research and prevention programmes as well as community education programmes.

Funding to support this initiative will be appropriated through separate legislation.

Hospital safety initiatives

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	6.2	6.6	6.6	6.6

Explanation

The Government will provide funding for the Commonwealth's contribution to the work of the Australian Council for Safety and Quality in Health Care, which is jointly funded by the Commonwealth and the States and Territories.

This measure includes funds to improve the safety and quality of health care in hospitals. Initiatives under this measure will engage health managers, practitioners and consumers in practical solutions in areas such as risk management, performance measurement and improvement, legislative reform and design of services for safer care.

Critical dates for three major blood contracts will be triggered over the next year and part of the funding from this measure will be used to recruit specialist staff to assist in these negotiations. The remainder of the funding will be used to develop a comprehensive Commonwealth communication strategy, conduct extensive public consultations, and purchase management systems to underpin Commonwealth contract management in this sector.

Better targeting of medical workforce reform

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-6.1	-6.2	-6.4

Explanation

This measure will shift the emphasis in the Commonwealth’s approach to reform of the medical workforce away from individual support and towards strategic partnerships with major stakeholders such as medical colleges, universities and State governments. This strategic collaboration is necessary to ensure that the availability of training places across the specialty areas meets population health needs, and that training targets are agreed by both States and medical colleges. The measure will result in a saving to the Commonwealth of around \$6 million per year from 2002-03 to 2004-05.

Carers information and support

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will extend funding to support carers of older Australians. The continuation of this measure will ensure that practical information on government programmes and other matters is available to carers. Provision for this funding has already been included in the forward estimates (\$10.3 million over four years).

Cervical screening incentives for general practitioners

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	5.1	15.6	23.1	27.7
Department of Veterans' Affairs	0.1	0.1	0.1	0.1

Explanation

The Government will provide \$71.9 million over four years for general practitioners (GPs) to increase rates of participation in the National Cervical Screening Programme, particularly by targeting women who are unscreened or under-screened. This will improve early detection of cervical abnormalities, thereby reducing mortality from cervical cancer.

This measure will specifically introduce a targeted incentive to reward individual GPs who screen high risk women including women in rural and remote areas and from culturally and linguistically diverse backgrounds. It will also provide a population based incentive through the Practice Incentives Programme to reward general practices reaching an overall screening target, along with funding to support the recruitment of under-screened women.

This is a cross-portfolio measure, and as the Department of Veterans' Affairs provides health services to veterans, a small expense for the Department of Veterans' Affairs will result from the implementation of this initiative.

Clarifying the funding arrangements for the provision of methadone to private patients

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-21.8	-22.3	-22.7	-23.2

Explanation

The Government has decided that funding associated with the 1997-98 Budget measure *Restructure arrangements for funding services related to the provision of methadone* (for which provision of \$90 million had been included in budget and forward estimates) will be transferred to support new policy priorities in the Health and Aged Care portfolio.

This will not have a detrimental impact on the provision of drug treatment services, as methadone services will continue to be provided under other existing mechanisms. In

addition, the Government's National Illicit Drug Strategy has put in place a national network of drug treatment and rehabilitation services not available at the time of the methadone decision. As a result, methadone patients are now far more likely to have access to support through public clinics or private providers.

Dementia Education and Support Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will continue funding to support carers and people with dementia to reduce stress, increase effectiveness of the caring role and delay unnecessary entry to residential care. Support will also be provided for a 24 hour Dementia Helpline. This programme will help meet the increasing demand for dementia support services in country areas and less populated regions. The above table shows the net effect on the budget as zero because the funding had already been included in the forward estimates (\$10.8 million over four years).

Electronic commerce for Medicare claiming

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will continue to fund the development of systems to enable the electronic lodgment of Medicare claims directly from doctors' surgeries. This measure is consistent with Government policy in promoting electronic commerce. The above table shows the net effect on the budget as zero because the funding had already been included in the forward estimates (\$4.7 million over four years).

Ensuring quality care for older Australians — checks of aged care homes

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	5.0	5.0	-	-

Explanation

The Government will provide \$10 million over two years to the Aged Care Standards and Accreditation Agency to monitor compliance with accreditation requirements and ensure improved quality care outcomes for frail older people. The activities of the agency have increased beyond those originally funded to include more review audits and spot checks of aged care homes. These checks are critical to effective management and assurance of quality care standards.

Ensuring quality care for older Australians — Community Visitors Scheme and the Residential Aged Care Advocacy Services Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.6	1.5	1.6	1.6

Explanation

This measure provides \$5.3 million over four years to extend the Community Visitors Scheme, through which volunteers provide companionship and social support to people in residential aged care. This will allow for 1,000 additional visitors, including 400 in rural areas. The measure also provides resources to meet increased demand for the services of the User Rights Advocacy Programme, which protects the rights of residents in aged care homes.

A 1999 review found that the Community Visitors Scheme is highly cost effective for both the Government and the community and that demand for community visitors is six times greater than the current supply.

Ensuring quality care for older Australians — Complaints Resolution Scheme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.7	1.0	1.0	1.1

Explanation

The Government will provide \$3.8 million over four years to enable greater investigative activity of more complex cases and the prompt resolution of complaints against aged care providers, and to ensure that residential aged care service providers comply with their responsibilities under the aged care legislation.

Ensuring quality care for older Australians — information management for quality care

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.6	2.4	2.3	2.3

Explanation

The Government will provide \$7.6 million over four years to improve the use of information technology in promoting the delivery of quality care and monitoring the suitability of aged care providers under the *Aged Care Act 1997*. The measure will also increase the capacity of the Department to manage information on care standards, complaints and consumer rights.

Ensuring quality care for older Australians — Quality Care Communication Strategy

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.5	1.5	-	-

Explanation

The Government will provide \$2 million over two years to ensure that information is provided to the community to enable them to make more informed decisions about suitable residential care, and for residents to be better informed about their rights and better able to exercise them.

Fringe benefits tax supplementation for Aboriginal and Torres Strait Islander organisations

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	4.6	3.6	3.7	3.8
Department of Education, Training and Youth Affairs	1.0	0.8	0.8	0.8
Aboriginal and Torres Strait Islander Commission	7.1	5.7	5.8	6.0

Explanation

On 30 March 2001, the Government announced that it will allocate \$43.8 million over four years to assist not-for-profit indigenous organisations adjust to the introduction of the new fringe benefits tax (FBT) arrangements. The additional funding will be available to Aboriginal and Torres Strait Islander organisations which provide health, housing, employment, education and legal services to indigenous communities and are affected by the new arrangements.

Under *The New Tax System*, the FBT exemption for public benevolent institutions (PBIs) has been capped at \$30,000 of grossed up taxable value per employee, effective from 1 April 2001. A significant number of indigenous organisations are classified as PBIs. The additional funding will enable affected organisations to continue to offer remuneration at competitive market rates in order to attract and retain professional staff.

Further information is available in the Treasurer's Press Release No. 22 of 30 March 2001.

Funding for the Office of the Gene Technology Regulator

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	7.9	8.0	-	-

Explanation

The Government will contribute to the cost of operating the Office of the Gene Technology Regulator for two years. This period will enable time for consultation on the implementation of cost recovery arrangements with universities, other scientific and medical research institutions, and industry undertaking gene technology research. The *Gene Technology Act 2000* and the Office of the Gene Technology Regulator are scheduled to come into force on 21 June 2001.

Greater scrutiny of aged care homes' funding claims

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-10.7	-16.4	-16.8	-17.2
Department of Veterans' Affairs	-2.0	-2.7	-2.7	-2.8

Explanation

The Government has decided to increase the frequency of auditing of aged care homes' funding claims, so that each home is checked at least once every two years and the majority are checked every year. Funding claims made by aged care homes are made on resident care plans, which are accessed by the homes themselves.

This measure will help ensure that subsidy payments made on the basis of claims by service providers are consistent with residents' confirmed care needs under the Resident Classification Scale.

The Commonwealth Nursing Officers, while auditing the funding claims, also provide a departmental presence in aged care homes and will be able to refer any cases of poor care for further action. Education and other assistance will be provided to aged care homes to improve their assessment processes thus minimising future problems with the accuracy of funding claims.

This measure is expected to achieve savings to the Commonwealth of \$71 million over four years.

This is a cross-portfolio measure, and as the Department of Veterans' Affairs provides health services to veterans, a small saving for the Department of Veterans' Affairs will result from the implementation of this initiative.

Health and Other Services (Compensation) Act 1995 review implementation

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-5.2	-6.5	-6.7	-6.8

Explanation

The Government will amend the *Health and Other Services (Compensation) Act 1995* to streamline the administration of the Compensation Recoveries Programme. The new arrangements will achieve administrative savings of the order of \$7 million a year.

The *Health and Other Services (Compensation) Act 1995* was introduced to prevent double dipping from Commonwealth Medicare and other benefits by successful claimants for compensation who had received benefits prior to their claim being settled. The streamlining will not affect access to Medicare and residential care subsidies for compensable persons. It is expected that administrative costs and procedures for insurers and workers' compensation authorities will also be streamlined. This will help, in a small way, to reduce pressure on insurance premiums.

HealthConnect: a health information network for Australia — development phase

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	8.3	7.5	-	-

Explanation

In order to lay the foundations necessary for building a robust system of health information exchange, this measure provides an additional \$15.8 million over two years to fund research and development work to test and evaluate the feasibility of a national health information network, *HealthConnect*. Together with \$0.2 million in a related capital measure and \$2.5 million of previously committed funding, the total Commonwealth contribution will be \$18.5 million over two years. States and Territories will provide matching contributions to the total Commonwealth funding.

This measure supports the development of common standards and infrastructure for *HealthConnect*, a lead implementation site and regional projects to demonstrate and thoroughly test the benefits to be delivered by a national network. At the end of the two years, the Government will have practical evidence on which to base decisions about *HealthConnect*.

Hospital innovation

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	3.7	3.7	-	-

Explanation

This measure continues the Government's programme of direct support for innovation in the delivery of hospital services. The two year programme will build on the achievements of the National Demonstration Hospitals Programme, supporting clinical leadership of improved approaches to the organisation and delivery of care in hospitals.

Improved primary health care for Aboriginal and Torres Strait Islander communities

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	19.7	20.5

Explanation

This measure builds on the Primary Health Care Access Programme for indigenous Australians, approved in the 1999-2000 Budget.

The additional resources will enable Primary Health Care Access Programme arrangements to be implemented in a number of new sites to provide expanded comprehensive primary health care services, including clinical care, population health and education, and health promotion activities. The focus of this package is on reform of the service delivery network and financing arrangements to ensure that indigenous people have access to health services and that the services delivered are effective and sustainable.

These arrangements will continue to involve collaboration with the Aboriginal community controlled health sector, State and Territory governments, the Aboriginal and Torres Strait Islander Commission, general practice, and other health professionals. This will bring about a better integration of general practice and mainstream health providers in delivering services for indigenous people.

Commonwealth funding is conditional on States and Territories providing resources to meet their funding obligations in this area.

Improving the use of cholesterol lowering medicines on the Pharmaceutical Benefits Scheme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-18.8	-23.9	-26.6	-29.0
Department of Veterans' Affairs	-1.1	-1.3	-1.5	-1.7

Explanation

The Government has decided to clarify and improve the wording of the current Pharmaceutical Benefits Scheme instructions to prescribers for the use of cholesterol lowering medicines. This will help ensure that these medicines will be used by those most likely to benefit from them.

These new instructions will come into effect on 1 August 2001, and will be accompanied by enhanced Health Insurance Commission audit and counselling procedures to ensure that the new instructions are followed. There will also be an emphasis on informing doctors and consumers about the reworded instructions through the National Prescribing Service and through the consumer information activities provided for in the Quality Use of Medicines Package.

This is a cross portfolio measure and, as the Department of Veterans' Affairs provides health services to veterans, a small saving for the Department of Veterans' Affairs will result from the implementation of this initiative.

Increases in patient funding for general practitioner services

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	49.3	82.6	82.6	86.1

Explanation

This measure recognises the central role general practitioners (GPs) play in the provision of health care by providing an additional \$300.6 million over four years for increases in patient rebates for GP services. The additional funding will focus on increasing the rebates for longer GP consultation times, which will particularly benefit patients with complex or chronic conditions who may need to spend more time with their doctor.

This measure forms part of the Government's response to the Relative Value Study of the Medicare Benefits Schedule. It will increase the average annual income of a full-time GP by around \$6,100 a year. Together with other measures announced in this Budget, the average annual income of a full-time GP will increase by about \$13,900 a year.

Increasing care and diversity for older Australians — Contenance Aids Assistance Scheme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.7	3.0	3.1	4.1

Explanation

The Government has decided to provide an additional \$10.8 million over four years under the Contenance Aids Assistance Scheme. The scheme supports continued

workforce and community participation by people of working age with permanent incontinence arising from permanent disabilities and, in some circumstances, people over the age of 65, by providing financial assistance for the purchase of continence aids.

Increasing care and diversity for older Australians — culturally appropriate (ethnic) care

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	1.5	1.5	1.5	1.6

Explanation

An additional \$6.1 million over four years will be made available to assist aged care providers in supporting older people from non-English speaking backgrounds. The measure will provide for an expansion of the successful 'ethnic clusters' which group numbers of people from a particular community together in homes, as well as supporting the development of ethnic-specific homes and culturally appropriate community aged care packages.

Increasing care and diversity for older Australians — Day Therapy Centres

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.3	1.3	1.4	1.3

Explanation

The Government has decided to provide \$4.3 million over four years to enhance Day Therapy Centre services. There are currently 151 Day Therapy Centres providing rehabilitation and therapy services, mostly to residents of residential aged care homes. This measure will support their outreach into the community with the aim of preventing premature nursing home entry for older Australians, in particular those with dementia.

The funding will be used to assess, enhance and develop Day Therapy Centre service delivery models to better meet the needs of older people.

Increasing care and diversity for older Australians — Extended Aged Care at Home

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.3	1.6	-	-

Explanation

The Government will provide \$1.9 million over two years for the development of a management and quality assurance framework for the innovative Extended Aged Care at Home programme.

This measure will continue the programme of providing high level care in peoples' own homes on a cost neutral basis.

A comprehensive evaluation to test the feasibility and cost effectiveness of the Extended Aged Care at Home pilot projects was completed in March 2001. Results indicate that the model is effective in providing the equivalent of high (nursing home level) care in people's own homes.

Increasing care and diversity for older Australians — Safe at Home Pilot

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.3	0.3	0.3	0.3

Explanation

The Government will provide \$1.2 million over four years to continue the provision of personal alert systems for frail aged people on the programme, and to allow for continued evaluation of this initiative.

The Safe at Home Pilot commenced in 1999. An evaluation report on the pilot identified a number of benefits of personal alert systems for frail aged people living in their own homes, including evidence that their use in an emergency reduced complications resulting from falls and delayed entry to residential care.

Integrated National Diabetes Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	9.3	12.5	12.6	15.4

Explanation

The Government will provide \$49.8 million over four years to ensure a national approach to improving the prevention, earlier diagnosis and management of people with diabetes through general practice. The package will:

- provide incentives to general practitioners (GPs) for earlier diagnosis and effective management for people with diabetes;
- provide support for Divisions of General Practice to work with GPs and other health professionals to remove barriers to better care for people with diabetes;
- engage consumers with diabetes to support appropriate self care and partnerships with health professionals; and
- support changes in the practices of health professionals.

In addition, the Government will enter into a new Agreement with Diabetes Australia to provide access to subsidised syringes and diagnostic agents under the National Diabetes Services Scheme. Diabetes Australia has administered the Scheme under a series of grant agreements since 1987, with the latest agreement due to begin in 2001. As part of the new agreement, additional funding of \$6.4 million over four years will be provided.

Investment to upgrade the Health Insurance Commission technical infrastructure to improve service

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	2.0	-13.0	-19.7

Explanation

This measure provides for expenses associated with the Health Insurance Commission's information systems infrastructure.

The investment described in the related capital measure *Investment to upgrade the Health Insurance Commission technical infrastructure to improve service* in the Health and Aged

Care portfolio, delivers the savings shown in the table above. These savings occur as a result of greater efficiencies in the Health Insurance Commission and additional fraud control capability as the upgraded systems come into full operation and continue into 2005-06 and beyond (at around \$35 million a year).

Mental health: More options, better services

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	4.1	24.4	39.7	51.5
Department of Veterans' Affairs	0.1	0.1	0.2	0.2

Explanation

The Government has provided an additional \$120.4 million over four years to improve the quality of care provided through general practice to Australians with a mental illness.

This package will address the significant barriers to the early identification and treatment of mental health disorders in Australia. It provides more appropriate remuneration for focused diagnosis and care of patients presenting to GPs with mental health problems. It will:

- encourage better identification and informed clinical care for mental health patients through financial support to GPs;
- provide GPs with quality education and training, and access to additional allied mental health support;
- provide new Medicare Benefits Schedule items to allow appropriately trained GPs to provide mental health counselling to patients; and
- provide a new Medicare Benefits Schedule item for psychiatrists to provide consultancy assistance to GPs in emergency situations.

National Immunisation Strategy

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will continue to provide funding to States and Territories for the provision of vaccines recommended by the National Health and Medical Research Council. The National Immunisation Strategy will increase immunisation coverage of Australian children and prevent continuing outbreaks of vaccine preventable diseases. The above table shows the net effect on the budget as zero because the funding had already been included in the forward estimates (\$45.4 million over four years).

National Rural and Remote Health Support Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will extend funding for the National Rural and Remote Health Support Programme to support various projects, including the Advanced Specialist Training Programme, rural and remote nursing projects, and a range of initiatives supported by the Rural Health Support, Education and Training Programme. The above table shows the net effect on the budget as zero because the funding had already been included in the forward estimates (\$25.9 million over four years).

New Medicare item for Domiciliary Medication Management Review

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	1.8	4.3	5.5	6.5

Explanation

The Government will introduce a new item on the Medicare Benefits Schedule to reward medical practitioners for participating in collaborative Domiciliary Medication Management Reviews. This will encourage general practitioners (GPs) and pharmacists to work together to ensure that consumers understand their medication and use it optimally.

Pricing review for the Department of Health and Aged Care

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-2.0	-4.0	-6.0

Explanation

The Government has endorsed the outcomes of a pricing review for the Department of Health and Aged Care resulting in a reduction in its resourcing.

The reduction in resourcing reflects a range of improvements to efficiency and effectiveness that were developed as part of the review. The reduction will not result in any change to the quantity or quality of the outputs produced by the Department of Health and Aged Care.

Proactive GP management of asthma: The 3+ Visit Plan

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	7.5	12.2	13.9	14.2
Department of Veterans' Affairs	0.1	0.2	0.2	0.2

Explanation

The Government will provide \$48.4 million over four years to improve the quality of clinical care provided by general practitioners (GPs) for people with moderate to severe asthma. The 3+ Visit Plan will encourage the provision of best practice treatment and management for people with asthma. The plan is based on the need for a structured approach by GPs over at least three consultations, which incorporate diagnosis and assessment with the patient (including appropriate spirometry tests), development of an asthma care plan and review of asthma management. The measure will provide financial support to GPs and will also finance education about proactive asthma management.

This is a cross-portfolio measure, and as the Department of Veterans' Affairs provides health services to veterans, a small expense for the Department of Veterans' Affairs will result from the implementation of this initiative.

Quality use of medicines package — consumer education

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	2.0	4.0	4.2	4.4

Explanation

This measure will finance the introduction of a consumer education strategy to ensure the judicious, safe and effective use of medicines in the community. It will encompass population level campaigns, as well as regional education activities designed to meet local needs.

The strategy will encourage consumers to be more critical and active in their use of medications, and to ask questions of their prescribers and pharmacists, particularly about possible side effects and how a medication will interact with other medications taken.

Quality use of medicines package — enhancement of the National Prescribing Service

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-8.6	-8.0	-8.0	-8.0
Department of Veterans' Affairs	-1.1	-1.1	-1.1	-1.1

Explanation

This measure will improve the quality of prescribing through enhancement of National Prescribing Service activities. These activities are designed to improve patient health while reducing growth in the Pharmaceutical Benefits Scheme.

Since it was established in 1997-98, the National Prescribing Service has developed a regional network of facilitators and provided support to around 70 per cent of Divisions of General Practice. In addition to continuing the current activities, the National Prescribing Service will be expanded, so that it can extend its support to all Divisions of General Practice and work more systematically with specialists, pharmacists and hospital doctors.

This expansion of activities will cost about \$22 million over the four years, but is expected to achieve gross savings under the Pharmaceutical Benefits Scheme of around \$59 million over the same period.

This is a cross-portfolio measure, and as the Department of Veterans' Affairs provides health services to veterans, a small saving for the Department of Veterans' Affairs will result from the implementation of this initiative.

Quality use of medicines package — National Medicines Disposal Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	1.3	1.3	1.3	1.3

Explanation

This measure provides funding for the continuation of the National Medicines Disposal Programme. This programme uses the national community pharmacy network to collect expired and unwanted medicines from consumers, reducing the risks of accidental childhood poisoning and medication misuse among older Australians.

These medicines are destroyed in an environmentally friendly manner using high temperature incineration. Approximately 225 tonnes of medicines are disposed of annually throughout Australia by this method, avoiding the significant environmental health hazard posed by previous inappropriate disposal through the sewerage system and landfill.

Reduction in wholesalers' remuneration under the Pharmaceutical Benefits Scheme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	nfp	nfp	nfp	nfp

Explanation

The Government has decided to reduce the remuneration paid to the distributors of pharmaceuticals under the Pharmaceutical Benefits Scheme.

Wholesalers are currently paid a margin of 10 per cent for stocking the medicines available under the Pharmaceutical Benefits Scheme and supplying them to community pharmacies. The new arrangements are still to be negotiated with wholesalers, so a provision has been made in the Contingency Reserve for the savings expected from this measure. The Government expects the new arrangements to take effect from February 2002.

Replacement of speech processors for children with cochlear implants

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will provide further funding to extend the current programme that provides, replaces and updates speech processors for children who require cochlear implants. The above table shows the net effect on the budget as zero because the funding had already been included in the forward estimates (\$1.6 million over four years).

Restructuring rural and urban fringe aged care homes

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	5.0	-	-	-

Explanation

The Government will provide \$5 million in 2001-02 to assist a group of rural and urban fringe residential aged care homes to meet accreditation standards. This funding will be used to address the specific accreditation challenges faced by each home. For example, funding may be used for assistance to homes requiring capital expenses to meet regulatory requirements or for minor capital grants for projects such as fire safety work.

Rural Nursing Scholarships

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	1.8	2.9	4.1	4.2

Explanation

The Government will provide \$13.0 million over four years to improve access to undergraduate nursing education for rural and regional students.

This initiative is designed to provide access to undergraduate nursing degrees for students specifically from rural and regional Australia. One hundred Rural Nursing Scholarships of \$10,000 per annum will be available for rural students who nominate to study the majority or entirety of their degree at a rural campus. A further ten scholarships will be available for indigenous students or Aboriginal Health Workers who want to up-grade their qualifications.

In addition, \$2.1 million over four years will be provided for support measures associated with the scholarships, with a particular emphasis placed on indigenous students.

See also the related expense measure *Additional practice nurses for rural Australia and other areas of need* in the Health and Aged Care portfolio.

Safety of Australia's blood supply

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	2.0	-	-	-

Explanation

This measure will allow the Government to help maintain continuity and confidence in the Australian blood supply.

Critical dates for three major blood contracts will be triggered over the next year and part of the funding from this measure will be used to recruit specialist staff to assist in these negotiations. The remainder of the funding will be used to develop a comprehensive Commonwealth communication strategy, conduct extensive public consultations, and purchase management systems to underpin Commonwealth contract management in this sector.

Strategy on electromagnetic public health issues

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Radiation Protection and Nuclear Safety Agency	-	-	-	-
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will continue to support research into possible health effects from electromagnetic energy emissions from radio communications devices. This research will continue to ensure that community concerns about the safety of these devices are addressed through high quality research and advice on health effects. The above table shows the net effect on the budget as zero because the funding had already been included in the forward estimates (\$4.0 million over four years).

See also the related revenue measure titled *Strategy on electromagnetic public health issues* in the Communications, Information Technology and the Arts portfolio.

The National Childhood Pneumococcal Vaccination Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	7.4	7.4	4.2	4.2

Explanation

The Government will provide funding for the purchase of a new vaccine for children at high risk of contracting invasive pneumococcal disease. Funding for the programme will be limited to those population groups and individuals at highest risk of either contracting, or suffering severe complications from, pneumococcal disease. These groups are:

- Aboriginal and Torres Strait Islander children in all States and Territories;
- non-indigenous children living in the Central Australian region; and
- children with particular medical conditions that place them at high risk from the complications of pneumococcal disease.

Catch-up vaccinations for eligible children aged up to five years in the categories of highest risk will also be conducted over the next two years. Spending is therefore higher for that period.

Westmead Children's Hospital

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-	-	-	-

Explanation

The Government will provide \$5 million to the Royal Alexandra Hospital for Children at Westmead in 2000-01. This funding is conditional on a contribution of \$10 million from a private donor and \$5 million in matched funding from the New South Wales Government.

This initiative will fund a building that will allow the research activities of the Royal Alexandra Hospital for Children and the Children's Medical Research Institute to merge, forming one of the strongest children's research programmes in Australia. This new body will develop strong links with the Millennium Institute, making the Westmead Campus one of Australia's premier medical research centres.

This project will support the clustering of biomedical research and enable these research bodies to share key infrastructure, as recommended by the Wills Committee.

Immigration and Multicultural Affairs

Backing Australia's Ability — attracting information and communication technology workers

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	0.3	0.3	0.3	0.3

Explanation

The Government has decided that, from 1 July 2001, successful Australian-educated overseas students with information and communications technology qualifications will be able to apply for visas for permanent residence under the Skilled-Independent and related categories without leaving Australia.

Additional resourcing will be provided to the Department of Immigration and Multicultural Affairs to process the new visa applications in Australia.

See also the related revenue measure titled *Backing Australia's Ability — attracting information and communication technology workers* in the Immigration and Multicultural Affairs portfolio.

Citizenship — media campaign

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	2.0	-	-	-

Explanation

The Government will allocate \$4.9 million in 2001-02 for a media campaign to promote Australian citizenship in the Centenary of Federation year. The campaign will be undertaken in 2001 and will concentrate on television, supplemented by print media.

The campaign is part of the Government's response to the report of the Australian Citizenship Council in 2000, which recommended the promotion of Australian citizenship during 2001.

The Department of Immigration and Multicultural Affairs will absorb \$2.9 million of the total cost from within its existing resources.

Extension of Living in Harmony Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	2.5	-	-	-

Explanation

The Government will provide additional funds of \$2.5 million in 2001-02 to extend the Living in Harmony programme beyond the current expiry date of 30 June 2001. The programme will be fully evaluated late in 2001. The extension will capitalise on the success already achieved through the programme with the provision of community grants, partnerships and publicity, including funding for Harmony Day 2002 activities.

Funding for the New Agenda for Multicultural Australia

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	1.0	1.0	-	-

Explanation

In November 1999 the Government endorsed the *New Agenda for Multicultural Australia* with a plan of action including the establishment of the Council for Multicultural Australia. The Council will promote the importance of social harmony. This measure provides additional funding of \$2.1 million to continue the initiative for the next two years.

Increase in the permanent migrant intake

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	2.1	3.9	3.9	3.9
Department of Health and Aged Care	4.2	12.4	20.6	28.9
Department of Education, Training and Youth Affairs	11.2	14.7	18.4	22.4
Department of Family and Community Services	11.7	29.9	60.4	94.5
Total	29.2	60.9	103.3	149.7

Explanation

The Government will increase the Permanent Migration (Non-Humanitarian) Programme to 85,000 places with an additional reserve of 8,000 places in 2001-02.

The programme provides for increases in both the Skill and Family Streams. The Skill Stream will deliver additional economic, budgetary and employment benefits, particularly in addressing current skill shortages in Australia. The Family Stream will provide opportunities for migrant families to reunite in Australia.

A migration programme with a focus on skilled migration is expected to have a strong positive economic and budgetary impact.

Most skilled migrants are unable to access the majority of welfare benefits for two years after arriving in Australia. Expenses within the Immigration and Multicultural Affairs portfolio primarily reflect the provision of English language training to adult migrants in the period new skilled migrants are unable to access most welfare benefits. The costs associated with the Family and Community Services portfolio reflect the expected usage of special benefits payable to certain skilled and family reunion migrants. Expenses in the Health and Aged Care and Education, Training and Youth Affairs portfolios reflect the expected usage of health and education services, by the additional permanent migrants.

See also the related revenue measure titled *Increase in the permanent migrant intake*, in the Immigration and Multicultural Affairs portfolio.

New social security arrangements between Australia and New Zealand

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	8.4	7.9	7.7	7.4

Explanation

The Government has decided to provide increased resourcing to the Department of Immigration and Multicultural Affairs for the additional workload arising from the new bilateral social security arrangements agreed between Australia and New Zealand in early 2001. The new social security arrangements provide for a more equitable sharing of social security responsibilities.

Under the new arrangements, most New Zealand citizens arriving in Australia after 26 February 2001 will be able to access the broad range of income support payments only if they become a permanent resident.

See also the related revenue and capital measures, *New social security arrangements between Australia and New Zealand*, in the Immigration and Multicultural Affairs

portfolio, and related expense and revenue measures in the Family and Community Services portfolio.

Onshore processing of students in the points tested categories

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	0.8	0.8	0.8	0.9

Explanation

The Government will reform the processing of student visas in points tested categories, to allow students who have completed their study in Australia to apply for migration onshore. These reforms will improve Australia's competitiveness in attracting and retaining skilled migrants.

This reform provides broader access to the opportunities offered to Information and Communication Technology overseas students announced by the Government as part of *Backing Australia's Ability*.

See also the related revenue measure, *Onshore processing of students in points tested categories*, in the Immigration and Multicultural Affairs portfolio.

Pricing review of the Department of Immigration and Multicultural Affairs

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	-6.2	-12.8	-11.6	-12.9

Explanation

The Government has endorsed the findings of a pricing review for the Department of Immigration and Multicultural Affairs.

The pricing review focused on testing the reasonableness of the Department's price of outputs following the move to an outcomes and outputs accrual budgeting framework. The review identified that a reduction in the price of all outputs is achievable while improving service delivery.

A new three year purchasing agreement between the Department of Immigration and Multicultural Affairs and the Department of Finance and Administration, which was developed from the pricing review, will take effect from July 2001.

Reform of Independent Executives visa arrangements

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	0.8	1.2	1.2	1.2

Explanation

The Government will reform the visa arrangements for Independent Executives. The reforms will include enhanced and systematic monitoring to ensure compliance with the new arrangements.

The reform is in response to recommendations by the Business Advisory Panel (established by the Minister for Immigration and Multicultural Affairs) following a review of the business entry programme by the Australian National Audit Office.

The additional expenses represent the additional workload in processing the new visa class and new monitoring arrangements.

See also the related revenue measure, *Reform of Independent Executives visa arrangements*, in the Immigration and Multicultural Affairs portfolio.

Strategy to strengthen Australia's immigration services to priority areas — extension of Electronic Travel Authority arrangements

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	..	-0.2	-0.2	-0.2

Explanation

The Government will improve Australia's immigration services to priority areas by increasing the use of Electronic Travel Authority arrangements which allow for short term visitors from selected countries to be issued with visas electronically. This approach will facilitate the ready entry of tourists to Australia, without compromising entry criteria.

The Minister for Immigration and Multicultural Affairs will consider the extension of these arrangements after considering the security and other risk factors for the countries concerned.

The reduction in expenses reflects the lower costs of issuing Electronic Travel Authorities, when compared to the issue of manual visitor visas.

See also the related revenue measure, *Strategy to strengthen Australia's immigration services to priority areas — extension of Electronic Travel Authority arrangements*, in the Immigration and Multicultural Affairs portfolio.

Strategy to strengthen Australia's immigration services to priority areas — increased Australia-based representation in Brasilia

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	0.7	0.3	0.3	0.3

Explanation

The Government will provide \$1.7 million over four years to strengthen Australia's immigration services in South America by increasing the Department of Immigration and Multicultural Affairs' representation in Brasilia.

Improved visa services will benefit both clients in South America and Australian stakeholders in emerging education, tourism and business sectors.

The new Brasilia post will become the hub of immigration services in South America, providing support to other minor posts on the continent. The additional cost of operating the Brasilia post will be partly offset by reallocating resources from other posts.

Unauthorised boat arrivals — review of processing and detention arrangements

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	24.9	32.8	40.8	49.2

Explanation

The Government will provide increased funding to the Department of Immigration and Multicultural Affairs for the detention and processing of unauthorised arrivals. This additional funding follows a review of the initial funding arrangements (announced in the 2000-01 Budget) and undertaken during 2000.

The revised funding arrangements took effect in November 2000, and have given the Department of Immigration and Multicultural Affairs greater certainty in funding relative to the number of unauthorised arrivals, while at the same time providing the necessary incentives to continue to improve the efficiency of operations.

See also the related capital measure, *Unauthorised boat arrivals — review of processing and detention arrangements*, in the Immigration and Multicultural Affairs portfolio.

Industry, Science and Resources

Pricing review of the Australian Nuclear Science Technology Organisation

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Nuclear Science and Technology Organisation	8.4	9.3	9.4	8.9

Explanation

The Government has endorsed the outcomes of a pricing review for the Australian Nuclear Science Technology Organisation resulting in an overall increase in the agency's resourcing. It particularly reflects the Government's agreement that the Australian Nuclear Science Technology Organisation should be provided with funding to meet the costs associated with increased regulation. The review found that the organisation's price for operating its nuclear facilities and delivering core nuclear expertise at current levels is appropriate.

Backing Australia's Sporting Ability — a More Active Australia

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Sports Commission	36.5	38.8	38.8	40.1
Department of Industry, Science and Resources	1.9	1.9	1.9	1.9

Explanation

The Government will provide an additional \$161.6 million over four years towards Australian sport. This measure will help ensure continued Australian international sporting success, increased participation in sport, (with particular emphasis on young people, people with disabilities and Indigenous Australians), and improved governance and management capabilities amongst national sporting organisations. The Government will build on the success of its *Tough on Drugs in Sport Strategy* by delivering more effective international and domestic anti-doping programmes.

Assistance for the Melbourne 2006 Commonwealth Games

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	60.0	30.0

Explanation

The Government will provide \$90 million towards capital works associated with the upgrading of the Melbourne Cricket Ground (MCG) for the staging of the Commonwealth Games in Melbourne in 2006. The MCG will be one of the major facilities used during the Games.

The upgrade will provide for essential improvements for spectators in the Northern/Olympic, Members' and Ponsford stands, which in total account for around 55 per cent of current spectator capacity.

Backing Australia's Ability — Biotechnology Innovation Fund

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	5.0	5.0	10.0	-

Explanation

The Government will double present funding for the Biotechnology Innovation Fund programme to \$40 million. This measure will increase the flow of Australian biotechnology projects proceeding to commercialisation by helping biotechnology start-up companies demonstrate proof-of-concept, and attract private sector investment. Support will be offered to applicants on a competitive basis.

Backing Australia's Ability — business advice on the regulatory environment

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government will develop an integrated suite of business advice tools and education options to assist innovative firms to understand and operate effectively within the existing regulatory environment.

This assistance will be provided at no additional cost to the Budget. Funding will come from within existing resources provided to the Department of Industry Science and Resources.

Backing Australia's Ability — Expansion of the COMET Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	10.0	10.0	10.0	10.0

Explanation

This measure provides an additional \$40 million over four years to extend the Commercialising Emerging Technologies (COMET) programme. COMET provides assistance for the development of management skills, creation of an effective management team, conducting market research, developing intellectual property strategies and developing achievable, realistic business plans. This enables individuals, early growth stage companies and spin-off companies from research institutions to bring their product to market.

Backing Australia's Ability — Expansion of the Cooperative Research Centres Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	55.0	57.0

Explanation

The Government will increase support for the Cooperative Research Centres Programme by providing \$227 million over three years commencing in 2003-04. The expansion in funding will allow an increased number of centres, larger grants for centres, enhanced opportunities for small to medium enterprises to participate in the programme, and increased collaboration with international research networks.

See also the related expense measure titled *Backing Australia's Ability — World-Class Centres of Excellence* in the Industry, Science and Resources portfolio.

Backing Australia's Ability — Improvements to the management and awareness of intellectual property

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government will improve the protection of intellectual property, and the awareness and management of intellectual property related issues. This will be done by strengthening the patent system, establishing an internet intellectual property portal, boosting tertiary and research sector awareness activities, introducing a young innovators award scheme and establishing an intellectual property policy research centre. The Government will also require universities to publish a Research and Research Training Management Plan that sets out the universities' intellectual property policies and commercialisation strategies.

This assistance will be provided at no additional cost to the Budget. Funding will come from within existing resources provided to the Department of Industry, Science and Resources.

Backing Australia's Ability – Innovation Access Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	16.6	19.2	24.3

Explanation

The Government will provide \$100 million over five years to fund the Innovation Access Programme. The programme will support a range of collaborative projects including assisting Australian industry to access new technologies and providing support for leading-edge collaborative science, engineering and technology activities under Australia's international Science and Technology Agreements and cooperation programmes.

See also the related expense measure titled *Backing Australia's Ability – Innovation Access Programme* in the Communications, Information Technology and the Arts portfolio.

Backing Australia's Ability – Major National Research Facilities

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	5.0	20.0	30.0	50.0

Explanation

The Government will fund a new Major National Research Facilities programme totalling \$155 million over five years. The programme will invest in national research

infrastructure in partnership with State and Territory Governments, universities, and other public and private sector bodies. This measure will provide better access for Australian researchers to world-class, specialised facilities, and attract overseas researchers and firms to Australia. The programme will invite proposals on a competitive basis and will involve the establishment of new facilities and enhancement of existing research facilities.

Backing Australia's Ability – monitoring venture capital investment

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government will monitor domestic and overseas investment in Australian venture capital projects to assess the impact of the new business tax arrangements. Funding will come from within existing resources provided to the Department of Industry, Science and Resources.

Backing Australia's Ability – National Innovation Awareness Strategy

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	4.3	5.8	5.8	6.4

Explanation

The Government will provide \$35 million over five years to fund an innovation awareness strategy. The strategy will raise awareness of innovation and the role it plays in our society. The programme will fund business-led innovation awareness initiatives.

See also the related expense measure titled *Backing Australia's Ability – National Awareness Strategy* in the Communications, Information Technology and the Arts portfolio.

Backing Australia's Ability — 175 per cent premium rate — R&D tax concession

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	1.0	2.8	3.3	3.5
Australian Taxation Office	-	-	-	-

Explanation

The Government will provide \$10.6 million over four years to administer a 175 per cent premium R&D tax concession. In addition to the existing 125 per cent R&D Tax Concession, a premium rate of 175 per cent will apply for firms that undertake 'additional' investment in R&D. The premium will focus on components of R&D where the greatest economy-wide benefits would occur.

See also the related expense measure titled *Backing Australia's Ability — R&D Start* and the related revenue measure titled *Backing Australia's Ability — Premium 175 per cent rate for R&D tax concession* in the Treasury Portfolio.

Backing Australia's Ability — Pre-seed Fund

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	6.4	16.9	21.8	21.8

Explanation

The Government has decided to establish a Pre-seed Fund of \$78.7 million funded over five years. The fund is designed to take new technologies or business proposals to a level where venture capitalists are willing to invest in the seed phase of commercialisation. The Pre-seed Fund will be managed by a private sector fund manager with commercial experience in developing young firms. Assistance through this fund will be open to universities and Government research agencies.

Backing Australia's Ability — R&D Start

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	33.9	102.6	159.7

Explanation

The Government is providing \$534.9 million over five years up to 2005-06 to continue the R&D Start Programme up to 2005-06. The programme is designed to assist Australian industry undertake research and development and commercialisation of new ideas.

See also the related capital measure titled *Backing Australia's Ability – R&D Start*, the related revenue measure titled *Backing Australia's Ability – 175 per cent Premium Rate – R&D Tax Concession* and the related revenue measure titled *Backing Australia's Ability – 125 per cent effective life write-off for R&D plant* in the Treasury portfolio.

Backing Australia's Ability – Rebate for small companies

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	0.2	0.1	0.1

Explanation

The Government will provide \$0.4 million over three years, commencing in 2002-03, to administer a tax rebate equivalent to the 125 per cent R&D Tax Concession to increase the incentive for small firms to invest in R&D. Under this initiative, the Government expects to provide up to 1,300 small companies with support each year.

See also the related expense measure titled *Backing Australia's Ability – R&D Start* and the related revenue measure *Backing Australia's Ability – R&D Tax Concession Cash-out* in the Treasury portfolio.

Backing Australia's Ability – World-Class Centres of Excellence

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	1.5	3.8	5.0	6.2

Explanation

The Government will provide funding over five years to establish World-Class Centres of Excellence in research, including an investment of \$46 million in biotechnology centres. Of this investment, \$24 million will come from an allocation to the Department of Industry Science and Resources, with \$22 million from the Australian Research Council. This measure will help build a critical mass in research expertise and develop networks into existing research organisations. The Centres will recruit Australian and

overseas research leaders and are expected to attract substantial private sector investment.

See also the related expense measures titled *Backing Australia's Ability — World-Class Centres of Excellence* in the Communications, Information Technology and the Arts portfolio, *Backing Australia's Ability — expansion of the Cooperative Research Centres* and *Backing Australia's Ability — double funding for national competitive research grants* in the Education, Training and Youth Affairs portfolio.

Commonwealth contribution to the Bradman Memorial Fund

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government is providing \$0.1 million in 2000-01 to a memorial fund set up in honour of Sir Donald Bradman. The Bradman Memorial Fund was announced after the death of Sir Donald in late February 2001. Donations to the fund will go to the promotion and encouragement of cricket in disadvantaged communities, including indigenous communities.

Commonwealth support of the Prime Minister's XI vs the Aboriginal and Torres Strait Islander Commission Chairman's XI cricket match

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government allocated \$0.1 million in 2000-01 to support a cricket match between the Prime Minister's XI and the Aboriginal & Torres Strait Islander Commission Chairman's XI on 19 April 2001 in Canberra as part of Centenary of Federation celebrations.

The funding provided is being absorbed by the Aboriginal and Torres Strait Islander Commission and the Department of Industry, Science and Resources.

Commonwealth support for the 2001 Goodwill Games

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government will provide \$3 million in 2000-01 to assist the organisers of the 2001 Goodwill Games in Brisbane to meet the costs of such things as the Volunteer Programme, anti doping measures and the provision of services for the staging of the Games. The Goodwill Games are a major event for the city of Brisbane and, as at the Sydney 2000 Olympic Games, the contribution of volunteers and an appropriate anti doping regime will be integral to the overall success of the Games.

Continued resourcing for the Australian Building Codes Board

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government will extend support for the Australian Building Codes Board, at a cost of \$4 million over four years. The Board is the major instrument for achieving the Government's objectives in relation to regulatory reform in the building and construction industry. The Board is also critical in the areas of Greenhouse Gas Emissions in the built environment and Access to Buildings for People with Disabilities.

The Commonwealth provides matching funding on a dollar-for-dollar basis with the States and Territories. The Department of Industry Science and Resources will absorb the cost of this measure.

Continued support for National Recreation Safety Organisations

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	0.4	0.4	0.4	0.4

Explanation

The Government will provide an additional \$1.6 million to National Recreation Safety Organisations over four years to help reduce the number of drownings and improve safety in Australia's alpine areas. The funds will be provided to the Royal Life Saving Society of Australia, Surf Life Saving Australia, Austswim and the Australian Ski Patrol Association.

Corporatisation of the Snowy Mountains Hydro-Electric Authority and environmental flows into the Snowy and Murray Rivers

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	7.5	7.5	7.5

Explanation

The Government will provide \$75 million over 10 years until 2011-12 as part of the programme to corporatise the Snowy Mountains Hydro-Electric Authority. This funding will contribute to the establishment of a joint government entity, comprising New South Wales, Victoria and the Commonwealth, which will invest in water savings projects as part of a Government commitment to increase environmental water flows into the Snowy and Murray Rivers.

The new entity will oversight nominated water savings works in specified tributaries and distribution systems from the Murray River. This will ensure no adverse impacts on the water entitlements of irrigators in New South Wales and Victoria, environmental flows in the Murray-Darling System, or the water quality and security of South Australia.

Facilitation of small and medium enterprises — supplier access to major projects

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government will provide \$0.4 million in 2001-02 to facilitate access by competitive Australian suppliers at the pre-tender stage to major private and public sector projects.

This measure recognises that managers of major projects have difficulties in identifying Australian firms, especially small and medium sized enterprises, that are capable of fulfilling project requirements. The Department of Industry, Science and Resources will absorb the cost of this measure.

Government response to the Productivity Commission report on general tariffs

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	5.0	4.7	4.0

Explanation

The Government will spend \$13.7 million over three years from 2002-03 to administer the expansion of the current Policy and Project By Laws allowing greater access to tariff exemption for certain industry sectors. This will benefit local manufacturers who import inputs that are unavailable in Australia.

The Government has ensured that major projects benefiting from the new arrangements will offer full, fair and reasonable access to local Australian manufacturers to contracts and tenders.

See also the related revenue measure titled *Government response to the Productivity Commission report on general tariffs* in the Attorney General's portfolio.

Support for training of automotive industry employees and the development of industry relevant technology

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	4.0	4.0	-	-

Explanation

The Government is providing \$12.5 million over three years, commencing in 2000-01, to Holden under the Strategic Investment Coordination process for training of automotive industry employees and the development of industry relevant technology.

On 13 December 2000, Holden announced that it would invest \$400 million to establish a new manufacturing plant to build lightweight, fuel efficient V6 aluminum engines in Victoria. This investment is in addition to the \$400 million Holden has committed to capacity expansion, tooling and related manufacturing in South Australia.

The Indigenous Communities/Mining Industry Regional Partnerships Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Industry, Science and Resources	-	-	-	-

Explanation

The Government will provide funding of \$1.2 million over four years to promote partnerships between the mining industry and Aboriginal communities. Key elements of the programme include the publication of case studies setting out the benefits of a partnership approach; regional workshops to promote awareness of best practice; and promotion of indigenous employment. The Department of Industry, Science and Resources will absorb the cost of this programme.

Pricing review of the National Standards Commission

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
National Standards Commission	2.2	2.4	2.4	2.5

Explanation

The Government has endorsed the outcomes of a pricing review conducted by the National Standards Commission resulting in an increase in the agency's resourcing. The Government recognises that this increased funding is required for the Commission to meet its statutory requirements.

Parliamentary Departments

Additional funding for the Citizenship Visits Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the House of Representatives	0.1	..	..	-
Department of the Senate	0.1	..	..	-

Explanation

The Government will provide additional funding for the Citizenship Visits Programme of \$0.3 million over three years to meet the increasing demand on the programme from schools.

The Citizenship Visits Programme is a subsidy scheme that assists groups from schools which are located more than 1,000 kilometres from Canberra to visit the Houses of Parliament and participate in the parliamentary education programme.

Additional two Members in Parliament

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the House of Representatives	0.5	0.4	0.4	0.4

Explanation

The House of Representatives will increase by two members as a result of the creation of three new electorates and the abolition of one electorate. The change will take effect following the next federal election.

The funding provided over four years will cover both the costs of salaries and allowances for these Members as well as their administrative support costs.

Prime Minister and Cabinet

Informed choices for Australian women

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Prime Minister and Cabinet	1.0	1.5	1.5	1.5

Explanation

The Government will fund the development of a women's community information strategy to improve access to government information for and about women. This programme will be administered through the Office of the Status of Women.

National initiative to combat sexual assault

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Prime Minister and Cabinet	2.1	4.8	4.8	4.8

Explanation

The Government will provide funding of \$16.5 million over four years to facilitate a national approach to combat sexual assault against women.

The programme will be administered through the Office of the Status of Women. It will establish partnerships to develop, test and implement strategies to address the incidence of sexual assault in the community. This will include campaigns to promote community awareness.

Women's Development Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Prime Minister and Cabinet	1.4	1.4	1.4	1.4

Explanation

The Government will provide an additional \$5.6 million over four years to expand and enhance government support for women's organisations through the establishment of the Women's Development Programme. This will fund targeted research, policy and

service development projects and support women's contributions to Government policy formulation. The programme will also support women's capacity building and mentoring activities. This programme will be administered through the Office of the Status of Women.

Women's National Leadership Initiative

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Prime Minister and Cabinet	0.6	0.6	0.6	0.6

Explanation

The Government will fund an extension of Commonwealth activities that are directed at increasing the participation of women in leadership positions and to promote leadership by rural, Indigenous and disadvantaged women. This programme will be administered through the Office of the Status of Women.

Enhanced complaint management for The New Tax System

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Office of the Commonwealth Ombudsman	-	-	-	-

Explanation

The Government will allocate funding of \$0.5 million in each of 2001-02 and 2002-03 to the Office of the Commonwealth Ombudsman to enhance the Ombudsman's role in managing complaints, and contributing to improved administrative processes, related to the introduction of *The New Tax System*. Equivalent funding previously provided through the Australian Tax Office has been withdrawn.

Reconciliation, Aboriginal and Torres Strait Islander Affairs

Improvement of major infrastructure in the Torres Strait

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Aboriginal and Torres Strait Islander Commission	-5.0	-5.1	-5.2	-
Torres Strait Regional Authority	5.0	5.1	5.2	-

Explanation

The Government has agreed to the transfer of \$15.3 million over the next three years from the Aboriginal and Torres Strait Islander Commission to the Torres Strait Regional Authority to begin the second stage of a 10-year joint Commonwealth/Queensland Government programme to improve major infrastructure in the Torres Strait region.

The second stage of the 10-year environmental health and infrastructure project is expected to improve sewerage, water supplies, roads and solid waste disposal in 17 Torres Strait communities.

Funding is conditional upon agreement being reached with the Queensland Government to provide matching funding.

Pricing review of the Aboriginal and Torres Strait Islander Commission

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Aboriginal and Torres Strait Islander Commission	-1.5	-1.0	-0.7	-

Explanation

The Government has endorsed the outcomes of a pricing review for the Aboriginal and Torres Strait Islander Commission resulting in a reduction in resourcing of \$3.2 million over four years.

The reduction in resourcing reflects a range of improvements to efficiency and effectiveness that were developed as part of the review. The reduction will not result in any change to the quantity or quality of the outputs produced by the Aboriginal and Torres Strait Islander Commission.

Extension of support for Community Housing Infrastructure Programme and Native Title claimants and other Programmes

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Aboriginal and Torres Strait Islander Commission	-	-	-	-

Explanation

The Government will maintain current Aboriginal and Torres Strait Islander Commission programme funding levels. This will continue existing funding for programmes such as the Community Housing and Infrastructure Programme and support for Native Title claimants. Additional base funding of \$66.4 million over four years was initially provided under the terms of a four year Portfolio Funding Guarantee agreed between the Government and the Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs in the 1997-98 Budget. The Government will provide \$16.1 million in 2001-02, \$16.4 million in 2002-03, \$16.8 million in 2003-04 and \$17.1 million in 2004-05. Provision for this funding has already been included in the forward estimates.

Separated indigenous families — Government response to 'Bringing Them Home'

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Aboriginal and Torres Strait Islander Affairs Commission	-	-	-	-

Explanation

The Government will support the Link Up programme for a further four years from 2002-03. This measure will continue the development of a network of dedicated Aboriginal and Torres Strait Islander family tracing and reunion services in each State and the Northern Territory.

The Government will provide additional funding of \$2.4 million in 2002-03 and \$2.5 million per annum from 2003-04 to 2005-06. Provision for this funding has already been included in the forward estimates.

Transport and Regional Services

Improvements in search and rescue arrangements

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Maritime Safety Authority	1.2	1.1	0.7	0.7

Explanation

The Government will provide additional funding to the Australian Maritime Safety Authority of \$3.7 million over four years to maintain and improve the Authority's capability to respond to search and rescue incidents. This funding will increase the number of aircraft available to assist in search and rescue operations by sixteen, three of which would be dedicated aircraft with contractual commitments to provide guaranteed response times. This initiative will promote the maintenance of transport links, as the majority of new operators will be in regional locations.

See also the related capital measure titled *Improvements in search and rescue arrangements* in the Transport and Regional Services portfolio.

Aviation industry compliance

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Civil Aviation Safety Authority	5.7	5.7	5.7	7.1

Explanation

The Government will provide additional funding to the Civil Aviation Safety Authority to further improve aviation safety. The additional funding will be used to undertake a Safety Regulatory Improvement Programme, establish a 'single point of entry' to the Authority for its clients, and meet the increasing demand for compliance.

This additional funding will be provided over the next four years. The result of the implementation of revised regulations will be a common, single standard for passenger carrying operations, providing an improved level of safety for the fare paying passenger.

As well as \$7.6 million provided by the Government, this measure will be funded by an increase in the aviation fuels duties allocated to the Civil Aviation Safety Authority and use of the Authority's accumulated internal cash reserves.

See also related capital measure titled *Aviation Industry Compliance* in the Transport and Regional Services portfolio and the related revenue measure titled *Funding for Aviation Industry Compliance* in the Treasury portfolio.

Airservices Australia — Extension of Location Specific Pricing Subsidy

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	7.0	7.0	-	-

Explanation

The Government will continue the location specific pricing subsidy in 2001-02 and 2002-03 to subsidise Airservices Australia for the provision of control tower services at capital city general aviation and regional airports. Continuation of the subsidy will guarantee the provision of air traffic services at these airports at a price the general aviation industry can bear. The subsidy is a transitional measure, arising from the introduction of location specific pricing for tower services at these airports. This measure will support safety and affordable transport access in regional Australia.

The subsidy will continue to be funded through the excise and customs duty on aviation gasoline and aviation turbine fuels.

See also the related revenue measure titled *Airservices Australia — Extension of Location Specific Pricing Subsidy* in the Transport and Regional Services portfolio.

Alice Springs — Darwin Railway

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	-	5.1	8.9	-

Explanation

The Government is providing additional financial support of up to \$26.4 million from 2002-03 to 2006-07 for the Alice Springs — Darwin Railway. This additional support is conditional on both matching funding from the Northern Territory and South Australian Governments, as well as an assurance that the additional funding will ensure the commencement of construction of the railway. The funding will be provided in the form of a grant to the Northern Territory Government. This is in addition to funding of \$165 million already committed by the Government.

Construction of a new Scoresby Freeway

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	5.3	14.4	13.3	7.0

Explanation

The Government has designated the Scoresby Freeway a Road of National Importance and allocated \$220 million to bring forward the construction of a new freeway between Ringwood and Frankston. The new freeway will deliver significant economic benefits to Melbourne by removing severe traffic congestion and reducing travel times for as many as 100,000 vehicles per day.

Additional funding of \$40 million will be provided from 2001-02 to 2004-05 to fund this project. The balance of the Commonwealth's contribution will be allocated from the existing National Highway and Roads of National Importance Programmes.

See also the related expense measure titled *Roads in outer metropolitan areas* in the Transport and Regional services portfolio.

East Coast Very High Speed Train scoping study

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	15.0	5.0	-	-

Explanation

The Government will provide \$20 million for a scoping study to examine the feasibility of an east coast Very High Speed Train network. The proposed network would link Melbourne, Canberra, Sydney, Brisbane and major regional and coastal centres. The study will examine possible routes, technical performance requirements, risk management, patronage, project structure, indicative project costs, economic impact, government involvement and financing.

The Commonwealth has invited Victoria, New South Wales, Queensland and the Australian Capital Territory to participate in the study.

Federal Flood Mitigation Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	0.8	10.0	10.0	10.0

Explanation

The Government will provide additional funding of \$30.8 million over four years for the new Federal Flood Mitigation Programme. This programme replaces the Regional Flood Mitigation Programme, and will now include mitigation works in outer metropolitan areas. Eligible mitigation measures include levies, channel improvement works, retarding basins, upgrading and replacement of existing flood structures, flood warning systems and voluntary purchase of flood prone homes.

Total Commonwealth funding under this programme (\$10 million per year for the next four years, including existing funding of \$9.2 million in 2001-02) will assist State, Territory and Local Governments to reduce the risk of damage caused by floods in rural, regional and outer metropolitan areas of Australia. The Commonwealth will fund one-third of the costs of approved projects.

Flood Recovery Fund

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	-	-	-	-

Explanation

In response to the severe flooding in central and northern New South Wales and southern Queensland in November 2000, the Government provided assistance of \$10 million in 2000-01 to establish the Flood Recovery Fund. Access to the fund was extended to communities on the north coast of New South Wales affected by flooding in March 2001. This Fund provides short-term support to rural and regional communities in affected areas. Assistance was available for reinstatement and reconstruction of community facilities, clean-up of public and community facilities, and grants to community service organisations to assist with additional demand and services.

Newcastle Structural Adjustment Fund

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	-	-	-	-

Explanation

The Government will contribute an additional \$0.7 million in 2000-01 to support projects that create new and permanent jobs in Newcastle. The Newcastle Structural Adjustment Fund was established in 1997-98, in response to the closure of BHP Steel in Newcastle. The Fund is used to support projects that generate long-term employment in the Newcastle region.

Roads in outer metropolitan areas

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	50.0	100.0	125.0	125.0

Explanation

The Government will provide increased funding of \$400 million over four years to the National Highway and Roads of National Importance Programme to improve road infrastructure on the fringes of the capital cities. Funding will target road projects which develop key arterial link roads in outer metropolitan areas.

See also related expense measure *Construction of a new Scoresby Freeway* in the Transport and Regional Services portfolio.

Roads to Recovery Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	300.0	300.0	300.0	150.0

Explanation

The Government will provide increased funding of \$1.2 billion from 2000-01 to 2004-05 (\$150 million in 2000-01) through the new Roads to Recovery Programme for the

construction, upgrade and maintenance of roads. Of this total, over \$850 million will be spent in rural and regional Australia.

Funding will be distributed directly to local government, with allocations between the States and Territories based on a calculation using local road length and population. Funding allocations within each State are based on current allocations of financial assistance grants for local roads.

Roads to Recovery Programme funding for the Indian Ocean Territories and unincorporated areas

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	2.2	2.2	2.2	2.1

Explanation

The Government has extended the scope of the Roads to Recovery Programme to Christmas and Cocos (Keeling) Islands in the Indian Ocean Territories and to unincorporated areas in South Australia, New South Wales and Victoria not governed by local government authorities. This measure ensures that the Government's commitment of increased funding for local roads is available to all areas of Australia.

Savings from the upgrade of Mainline Interstate Railway Track Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	-111.0	-	-	-

Explanation

The Government has decided that \$111 million originally allocated to this programme will be returned to the Budget in 2001-02. This decision reflects the lack of success to date in securing satisfactory progress with New South Wales on rail reform; a precondition for additional funding for rail track improvements in New South Wales. The Government will continue to pursue rail track initiatives in New South Wales through its wholly owned business, the Australian Rail Track Corporation.

See also the related capital measure titled, *Australian Rail Track Corporation — equity funding* in the Transport and Regional Services portfolio.

Upgrade of Canberra Airport

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	-	-	-	-

Explanation

The Government is providing a grant of \$8.8 million in 2000-01 to upgrade the airport to enable wide-bodied VIP aircraft to land in Canberra. This upgrade will allow visiting guests of Government who use private wide bodied aircraft to fly directly to Canberra.

Treasury

Pricing review of the Australian Competition and Consumer Commission

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Competition and Consumer Commission	21.4	16.6	11.8	17.0

Explanation

The Government will provide the Australian Competition and Consumer Commission with additional funding to maintain service delivery standards and to improve service delivery in priority areas such as e-commerce and rural and regional issues.

Australian Securities and Investments Commission – supplementary funding for HIH investigation

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Securities and Investments Commission	2.5	2.5	-	-

Explanation

Additional funding of \$5 million over two years will be provided to the Australian Securities and Investments Commission to assist it with its investigation of the HIH Insurance Group, and any resulting prosecutions. This additional funding will supplement the Commission's existing enforcement budget, and not act as an upper limit.

Financial Services Reform implementation

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Securities and Investments Commission	2.6	-	-	-

Explanation

The Government has provided the Australian Securities and Investments Commission with transitional funding of \$2.6 million to enable it to prepare for the implementation of the major reforms to the regulation of financial products, service providers, intermediaries and markets announced as part of the Corporate Law Economic Reform

Programme. The reform programme will provide for a single, harmonised licensing and product disclosure framework.

Managed Investments

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Securities and Investments Commission	2.9	-	-	-

Explanation

The Government will extend Managed Investments transitional funding for one year by \$2.9 million. This will allow the Australian Securities and Investments Commission (ASIC) to maintain an enhanced level of regulation of managed investment funds while a review is undertaken of the *Managed Investments Act 1998* during 2001-02. The *Managed Investments Act 1998* provides an enhanced regime for managed investments, which includes their licensing and involves ASIC monitoring their operations, investigating and taking action in the event of a breach of the law.

Superannuation Complaints Tribunal

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Securities and Investments Commission	0.7	0.7	0.7	0.7

Explanation

The Government has increased the ongoing level of funding for the Superannuation Complaints Tribunal (SCT) by \$0.7 million per annum to restore its determinative role in resolving disputes between superannuation fund members and the funds. Funding for the SCT was reduced in 1998-99 following Federal Court judgements in 1997 and 1998 curtailing the tribunal's functions. The High Court restored full powers to the tribunal on 17 June 1999.

See also the related revenue measure *Superannuation Complaints Tribunal* in the Treasury portfolio.

Education campaign and other information initiatives for choice of superannuation fund and related measures

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office	-	-	-	-

Explanation

The Government will allocate \$14 million over two years to the Australian Taxation Office to implement an education and communication campaign and other information initiatives for the Government's choice of superannuation fund and related measures. The choice of superannuation and related measures will make it easier for employees/members to select their own superannuation fund and to pursue their own needs within the superannuation system.

The Australian Taxation Office will absorb the cost of implementing the education and communication campaign and other information initiatives.

Simplification of Business Activity Statements

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office	38.0	0.0	0.0	0.0

Explanation

The Government will provide the Australian Taxation Office (ATO) with funding of \$52 million over two years to fund development and implementation of simplified Business Activity Statements and Instalment Activity Statements. It is expected that \$14 million will be spent in 2000-01. The funding will also cover an information and communications campaign to inform taxpayers about the simplified reporting arrangements.

Additional funding for the First Home Owners Scheme — new homes

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	90.0	-	-	-

Explanation

The Government is providing an estimated \$150 million, \$60 million of which has already been paid to the States and Territories, to increase the First Home Owners Scheme grant from \$7,000 to \$14,000 for eligible first home owners contracting between 9 March 2001 and 31 December 2001 to buy or build a new home. The grant will remain at \$7,000 for first home owners who purchase existing homes.

Consumer Information Programme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	-	-	-	-

Explanation

The Government will allocate \$1.9 million over four years to extend the Consumer Information Programme. The measure will provide consumer information by building on the 'one-stop-shop' approach of <http://www.consumersonline.gov.au>. It will also fund the provision of targeted information in areas such as disadvantaged consumers and product safety.

The Department of the Treasury will absorb the cost of this measure.

Funding for Secretariat support to the fuel tax inquiry

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	4.0	-	-	-

Explanation

The Government will provide funding of \$4 million in 2001-02 for secretariat support to the Inquiry into the total structure of fuel taxation in Australia announced by the Prime Minister on 1 March 2001. The funding will provide for salary and administrative expenses of the Inquiry Secretariat to be located in Treasury.

GST — Allowing entities with substituted accounting periods to lodge GST returns quarterly

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	80.0	5.0	5.0	5.0

Explanation

Entities using substituted accounting periods will be able to lodge GST returns on a quarterly basis subject to the existing \$20 million annual turnover threshold and election rules, from the first quarterly period of the 2001-02 income year. Previously, entities using substituted accounting periods were required to submit their GST returns monthly. The measure was introduced into Parliament on 5 April 2001 and will take effect on 1 July 2001.

While all GST revenue is paid to the States and Territories, the cost of this measure is effectively borne by the Commonwealth through transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

Further Information

Further details may be found in the Explanatory Memorandum to the Taxation Laws Amendment Bill (No. 3) 2001.

GST — Allowing full input tax credits for motor vehicles

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	570.0	80.0	-	-

Explanation

GST registered businesses will be entitled to full input tax credits for motor vehicles, including trucks, acquired after midnight Budget night, 22 May 2001.

Since GST revenue is paid to the States and Territories and this will diminish such revenue the Commonwealth will be obliged to pay this sum to the States under transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

Further information

Under *The New Tax System*, wholesale sales tax, generally 22 per cent on vehicles, was replaced with 10 per cent GST, leading to lower tax. GST registered businesses are able to claim back the GST they pay on inputs used to make taxable and GST-free supplies.

Businesses able to claim input tax credits would go from 22 per cent WST to no tax at all. The Government was concerned to minimise the disruption to the market that could have occurred if businesses were to defer purchasing motor vehicles in anticipation of these cost reductions. Accordingly, the *A New Tax System (Goods and Services Tax Transition) Act 1999* included provisions to phase in input tax credits for motor vehicles. Input tax credits for new vehicle purchases were denied for the first 12 months of the GST, 50 per cent input credits were to be allowed in the second year of operation from 1 July 2001 and full input tax credits were to be available from the third year onwards.

The measure will pull forward the start date for full input tax credits from 1 July 2002 to midnight Budget night, 22 May 2001. The measure should reduce the cost of motor vehicles to businesses by around 9.1 per cent, compared to prices before 1 July 2000.

GST — Flexible administration of GST errors

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	-	-	-	-

Explanation

This measure ensures that the Commissioner of Taxation has the discretion to provide taxpayers with simpler ways to correct errors in GST returns. It reinforces existing practice whereby taxpayers have been remedying GST errors made in a Business Activity Statement (BAS) by making a compensating change in the next BAS. This avoids the need for taxpayers to submit an amended BAS for an earlier period. The measure was announced on 5 April 2001 and has effect from 1 July 2000.

While all GST revenue is paid to the States and Territories, the cost of this measure is effectively borne by the Commonwealth through transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

GST — GDP-adjusted method for calculating GST remittances

Expense (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	140.0	5.0	15.0	15.0

Explanation

GST-registered taxpayers with turnover of \$2 million or less generally have the option to pay quarterly GST instalments worked out for them by the Australian Taxation Office (ATO) using the GDP-adjusted method. Furthermore, certain primary producers and special professionals (such as authors, entertainers and sportspersons)

who opt for the GDP-adjusted method pay two GST instalments in respect of each income year, with the instalments corresponding with the third and fourth quarters of the income tax year.

This measure was announced on 22 February 2001 and applies to tax periods ending on or after 22 February 2001.

While all GST revenue is paid to the States and Territories, the cost of this measure is effectively borne by the Commonwealth through transitional funding guarantee arrangements. (See *Budget Paper No. 3* for further information).

Further information

Taxpayers who choose this option will pay quarterly instalments but will only have to submit one annual GST return, due not later than the time they submit their annual income tax return (or 28 February 2002 for the current year). Those taxpayers will receive customised instalment forms from the ATO that reduce information reporting requirements, particularly in respect of other taxes that do not apply. For the 2000-01 year, where it is not yet possible to base the third and fourth instalments on an annual GST amount, the instalments will be an amount equal to the second quarter BAS.

For cases where previous year's adjusted payments are not suitable, provisions to vary the instalments advised by the ATO are available. To ease the transition to this system for taxpayers who elect to vary their payments, there will be a one-off 25 per cent margin for error instead of 15 per cent in the September 2001 quarter.

Further details may be found in the Explanatory Memorandum to the Taxation Laws Amendment Bill (No. 3) 2001.

HIH Policyholder Hardship Assistance

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	nfp	nfp	nfp	nfp

Explanation

The Government will provide financial assistance to certain policyholders and beneficiaries with claims referable to the provisional liquidation of the HIH Insurance Group. Such assistance will be limited to those in genuine financial hardship in certain policy classes. The assistance will exclude those policies covered by State and Territory administered schemes. A provision for cash expenditure in excess of \$0.5 billion over the next four years has been made.

Information and implementation of 1 July 2001 tax changes

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	5.0	-	-	-

Explanation

The Government will provide funding of \$5 million in 2001-02 for communication to inform the public of the significant changes in the tax system so as to make taxpayers aware of benefits they can claim, in particular, eligibility to claim excess imputation credits paid to resident individuals, certain charitable and gift deductible organisations and complying superannuation funds, and entitlement to the removal of fees on financial transactions.

Renewed funding of Axiss Australia

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of the Treasury	3.8	3.8	3.8	-

Explanation

The Government will renew funding of \$11.4 million over the next three years, for Axiss Australia. Axiss Australia is a division within the Department of the Treasury that promotes Australia as a Centre for Global Financial Services. The funding will enable Axiss to continue to promote Australia's advantages, through marketing and facilitation, as a location to conduct financial services business.

Continued funding for legal matters relating to Part IIIA of the Trade Practices Act 1974

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
National Competition Council	0.3	0.3	0.3	0.3

Explanation

The Government has provided \$1.2 million over four years to the National Competition Council to fund any legal proceedings relating to recommendations by the Council on the coverage of access arrangements under Part IIIA of the *Trade Practices Act 1974*.

National Competition Policy communication and education

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
National Competition Council	0.2	0.2	0.2	0.2

Explanation

The Government has extended the funding for the National Competition Council's communication and education programme by \$0.8 million over four years. The measure will fund community information papers, participation and promotion at industry and education conferences and the production of other briefing and information related to competition policy.

Veterans' Affairs

Australian Memorials in London and Crete

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	4.1	2.1	0.1	0.1

Explanation

The Government will establish, construct and maintain memorials in London and Crete.

The London memorial will fulfil the Prime Minister's joint commitment with the British Prime Minister, made during the Centenary of Federation visit to London in July 2000, to establish an Australian memorial in London to honour those Australians who served and died alongside Britons in both World Wars.

In conjunction with the 60th anniversary of the Greece and Crete campaigns a commemorative memorial will be established on Crete to honour the more than 18,000 Australians who served in the campaigns, the 594 who died, 1,001 wounded and 5,132 taken prisoner of war.

Maintain Rural and Remote Service Delivery arrangements

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	0.5	0.5	0.5	0.5

Explanation

The Government will continue the current programme of agency arrangements in rural and remote areas. Agency arrangements, which use other Commonwealth, State and local organisations to deliver information and assistance to the veteran community in regional areas, were initially implemented in 1997-98. These arrangements allow veterans to access information and services in areas where the Department of Veterans' Affairs is unable to provide the service directly.

Make a one-off payment of \$25,000 to those former PoWs and civilian internees and detainees of the Japanese or their surviving widows/ers

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	-	-	-	-

Explanation

The Government will provide a one-off payment of \$25,000 each to Australian Defence Force veterans who were held as prisoners of war of Japan and Australian civilian internees and detainees of the Japanese. If the eligible recipient was no longer living at 1 January 2001 the payment will be made to their surviving spouse.

The measure will cost \$247.8 million and is intended to be made in 2000-01. The payment itself will be non-taxable, exempt under the lump sum income testing rules and will be classified as an exempt asset under the assets test. The deeming rules will apply to the payment.

Output Pricing Review — reduction in treatment population

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	-0.3	-1.9	-3.6	-5.6

Explanation

The Government has endorsed the outcomes of a pricing review for the Department of Veterans' Affairs. The review identified areas where savings could be made.

Reductions in the department's treatment population will generate savings in Departmental resourcing. In order for the department to manage the reforms to their business, the department will retain savings in each of the budget and forward estimates years.

The reduction will not result in any change to the quantity or quality of outputs produced by DVA. The agreed funding includes estimated reductions to the quantity of DVA's outputs resulting from the reduction to DVA's treatment population over the forward estimates period.

Output Pricing Review — review of efficient delivery of outputs

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	2.4	-2.5	-7.0	-7.0

Explanation

The Government has endorsed the outcomes of a pricing review for the Department of Veterans' Affairs (DVA). The review identified areas where savings could be made.

The savings from DVA's Review of efficient delivery of outputs focused on savings from DVA's Corporate Services Review as a means to deliver savings without affecting the quality of outputs to veterans. DVA's base funding will be reduced by \$1.5 million in 2002-03, \$4.0 million in 2003-04 and \$7.0 million in 2004-05. An important element of the Review was the collection of performance information from a range of providers to identify and promote better practices in the delivery of government services.

In order for the department to manage the reforms to their business, equity funding of \$5.5 million in 2001-02 and \$2.2 million in 2002-03 is provided. Of these amounts \$3.9 million in 2001-02 and \$1.5 million in 2002-03 represent expenses relating to the business reforms. The remainder of the equity funding relates to the extinguishing of liabilities and has no impact on expenses.

The reduction in resourcing reflects a range of improvements to efficiency and effectiveness that were developed as part of the review and will not result in any change to the quantity or quality of the outputs produced by DVA.

See also related capital measure *Output Pricing Review — Review of Efficient Delivery of Outputs* in the Veterans' Affairs portfolio.

Provide full access to the Repatriation Pharmaceutical Benefits Scheme for British, Commonwealth and Allied Veterans aged 70 years and over with World War II qualifying service

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-12.1	-25.3	-25.8	-27.2
Department of Veterans' Affairs	19.5	33.1	31.6	30.2

Explanation

The Government will extend full access to the Repatriation Pharmaceutical Benefits Scheme (RPBS) to all British, Commonwealth and Allied Veterans aged 70 years and

over with World War II qualifying service (consistent with requirements for the service pension).

This initiative will give British Commonwealth and Allied veterans access to pharmaceutical items at the concessional rate including the additional items which are on the RPBS and not on the Pharmaceutical Benefits Scheme.

A reduction in expenses for the Department of Health and Aged Care results due to the transfer of pharmaceutical expenses for these veterans from the Pharmaceutical Benefits Scheme to the RPBS.

This is a cross portfolio measure between the Department of Health and Aged Care and the Department of Veterans' Affairs.

Reduce overpayments and improve debt recovery

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	-0.7	-1.4	-1.3	-1.3

Explanation

The Government will reduce the incidence of overpayment and improve debt recovery by focussing on areas of high payment risk. Based on statistical and other available information, payments made to veterans and service providers will be reviewed with the aim of improving payment processes to ensure that monies are paid appropriately.

See also the related capital measure *Reduce Overpayments and Improve Debt Recovery* in the Veterans' Affairs portfolio.

Residential Care Development Scheme

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	6.0	-	-	-

Explanation

The Government will continue funding for the Residential Care Development Scheme for one year, demonstrating its commitment to the best possible residential care services for the veteran community. The scheme supports the improvement of residential care facilities run by ex-service organisations to meet certification and accreditation standards.

The Scheme helps both ex-service organisations and community based organisations, where there is an identified direct benefit to the veteran community, to improve access of entitled veterans and their widow(er)s to high quality residential aged care services and Community Care packages.

Restore War Widows Pensions relinquished upon remarriage prior to 1984

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	-2.3	-10.4	-12.7	-14.1
Department of Veterans' Affairs	14.3	56.9	66.4	71.6
Department of Family and Community Services	-5.6	-23.8	-26.0	-27.7

Explanation

The Government will restore war widows' pensions to approximately 3,000 widows who remarried prior to May 1984 and lost eligibility for war widows' pension as a consequence.

This measure addresses a long-standing anomaly and ensures that all war widows will be treated in a fair and consistent manner. Those war widows who remarried prior to May 1984 will now be eligible for war widows' pensions, and any associated allowances as well as full repatriation health care entitlement (the Gold Card), in the same manner as those widows who remarried after May 1984.

War widows currently receiving pensions or entitlements through the Department of Family and Community services will be transferred to the Department of Veterans' Affairs, resulting in reduced expenses for the Department of Family and Community Services.

The transfer of responsibility for Health Care for war widows from the Department of Health and Aged Care to the Department of Veterans' Affairs results in reduced expenses for that portfolio.

This is a cross portfolio measure between the Department of Health and Aged Care, the Department of Veterans' Affairs and the Department of Family and Community Services.

Part 3: Capital Measures since the 2000-01 MYEFO

Table 1: Capital Measures since the 2000-01 MYEFO

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
AGRICULTURE, FISHERIES AND FORESTRY				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Pricing review of the Department of Agriculture, Fisheries and Forestry	-	-	-	-
Portfolio total	-	-	-	-
ATTORNEY-GENERAL'S				
<i>Attorney General's Department</i>				
Improving security within the Australian intelligence community	-	-	-	-
Protection of the National Information Infrastructure	-	-	-	-
<i>Australian Customs Service</i>				
Australia's response to Foot and Mouth Disease and other quarantine risks	5.8	-0.9	-0.9	-0.9
<i>Australian Federal Police</i>				
Protection of the National Information Infrastructure	-	-	-	-
<i>Australian Security Intelligence Organisation</i>				
Improving security within the Australian intelligence community	1.3	0.1	-	-
Protection of the National Information Infrastructure	-	-	-	-
Portfolio total	7.1	-0.8	-0.9	-0.9
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
<i>Australian Broadcasting Corporation</i>				
Australian Broadcasting Commission - East Perth building works	16.0	-0.4	-0.4	-0.4
<i>Department of Communications, Information Technology and the Arts</i>				
Deferral of the further sale of the Commonwealth's shareholding of Telstra Corporation	-	-	-	-
<i>National Gallery of Australia</i>				
National Gallery of Australia Building refurbishment and enhancement	4.8	30.0	7.9	0.2
Portfolio total	20.8	29.6	7.5	-0.2

Table 1: Capital Measures since the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
CROSS PORTFOLIO				
Revision to the Capital Use Charge	-	-	-	-
Portfolio total	0.0	0.0	0.0	0.0
DEFENCE				
<i>Department of Defence</i>				
Defence asset sales	-263.2	-213.7	-109.9	-147.8
Improving security within the Australian intelligence community	-	-	-	-
Protection of the National Information Infrastructure	0.1	-	-	-
Portfolio total	-263.1	-213.7	-109.9	-147.8
EMPLOYMENT, WORKPLACE RELATIONS AND SMALL BUSINESS				
<i>Equal Opportunity for Women in the Workplace Agency</i>				
Equal Opportunity for Women in the Workplace Agency on-line Services	0.7	0.5	-	-
Portfolio total	0.7	0.5	0.0	0.0
ENVIRONMENT AND HERITAGE				
<i>Great Barrier Reef Marine Park Authority</i>				
Townsville Aquarium - Reef Headquarters	3.1	-	-	-
Portfolio total	3.1	0.0	0.0	0.0
FAMILY AND COMMUNITY SERVICES				
<i>Department of Family and Community Services</i>				
Help to Participate	5.8	-0.6	-0.6	-0.6
Helping Parents Return to Work	10.0	-0.3	-1.1	-1.1
Portfolio total	15.8	-0.9	-1.7	-1.7
FINANCE AND ADMINISTRATION				
<i>Department of Finance and Administration</i>				
Construction of new chancery facilities in Colombo and New Delhi	2.0	7.7	11.5	3.4
<i>Office of Asset Sales and Commercial Support</i>				
Sale of Sydney Airports Corporation Limited	-	-	-	-
Portfolio total	2.0	7.7	11.5	3.4
FOREIGN AFFAIRS AND TRADE				
<i>Australian Secret Intelligence Service</i>				
Improving security within the Australian intelligence community	2.0	2.1	2.1	2.1
<i>Department of Foreign Affairs and Trade</i>				
Replacement of Secure Diplomatic Communications Network	16.0	14.0	5.9	-
Portfolio total	18.0	16.1	8.0	2.1

Table 1: Capital Measures since the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
HEALTH AND AGED CARE				
<i>Department of Health and Aged Care</i>				
HealthConnect - a health information network for Australia - development phase	0.2	-	-	-
<i>Health Insurance Commission</i>				
Investment to upgrade the Health Insurance Commission technical infrastructure to improve service	15.0	32.0	52.0	14.1
Portfolio total	15.2	32.0	52.0	14.1
IMMIGRATION AND MULTICULTURAL AFFAIRS				
<i>Department of Immigration and Multicultural Affairs</i>				
New social security arrangements between Australia and New Zealand	0.8	-0.2	-0.7	-0.7
Unauthorised boat arrivals - review of processing and detention arrangements	0.7	-1.4	-1.4	-1.4
Portfolio total	1.5	-1.5	-2.1	-2.1
INDUSTRY, SCIENCE AND RESOURCES				
<i>Commonwealth Scientific and Industrial Research Organisation</i>				
Support for the commercialisation of production technology in the light metals sector	32.8	17.1	-0.4	-0.8
Portfolio total	32.8	17.1	-0.4	-0.8
PRIME MINISTER AND CABINET				
<i>Office of National Assessments</i>				
Improving security within the Australian intelligence community	0.4	0.1	0.1	0.1
Portfolio total	0.4	0.1	0.1	0.1
TRANSPORT AND REGIONAL SERVICES				
<i>Australian Maritime Safety Authority</i>				
Improvements in Search and Rescue Arrangements	1.7	-	-	-
<i>Civil Aviation Safety Authority</i>				
Aviation industry compliance	3.3	3.3	3.3	1.9
<i>Department of Transport and Regional Services</i>				
Australian Rail Track Corporation - equity funding	-	-	-	-
<i>National Capital Authority</i>				
Commonwealth Place	5.0	-	-	-
Portfolio total	10.0	3.3	3.3	1.9
TREASURY				
<i>Australian Bureau of Statistics</i>				
Fitout of the Australian Bureau of Statistics new national office building	-	-	-	-
Portfolio total	-	-	-	-

Table 1: Capital Measures since the 2000-01 MYEFO (continued)

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
VETERANS' AFFAIRS				
<i>Department of Veterans' Affairs</i>				
Output Pricing Review - Conversion of Loan to Equity	-0.3	-0.1	-	-
Output Pricing Review - Review of efficient delivery of Outputs	-	-	-	-
Reduce overpayments and improve debt recovery	-	-	-	-0.1
Portfolio total	-0.3	-0.1	0.0	-0.1
Total Capital Measures	-135.8	-110.7	-32.5	-131.8

Table 2: Capital Measures up to the 2000-01 MYEFO

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
ATTORNEY-GENERAL'S				
<i>High Court of Australia</i>				
Additional funding for the High Court	-	-	-	-
Portfolio total	-	-	-	-
DEFENCE				
<i>Department of Defence</i>				
Loan to the Defence Housing Authority	-	-	-	-
Portfolio total	-	-	-	-
FINANCE AND ADMINISTRATION				
<i>Office of Asset Sales and Information Technology</i>				
<i>Outsourcing</i>				
Sale of shares in Essendon Airport Limited	-	-	-	-
Portfolio total	-	-	-	-
INDUSTRY, SCIENCE AND RESOURCES				
<i>Department of Industry, Science and Resources</i>				
Divestment of Commonwealth interest in Australian Technology Group Limited	-	-	-	-
Portfolio total	-	-	-	-
TRANSPORT AND REGIONAL SERVICES				
<i>National Capital Authority</i>				
National Emergency Services Memorial	0.9	-	-	-
Reconciliation Place	4.8	-	-	-
Portfolio total	5.7	-	-	-
Total capital measures	5.7	-	-	-

Agriculture, Fisheries and Forestry

Pricing Review of the Department of Agriculture Fisheries and Forestry

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Agriculture, Fisheries and Forestry	-	-	-	-

Explanation

The Government will provide access to a \$13 million line of credit through an equity injection in 2001-02 to the Department of Agriculture, Fisheries and Forestry as an outcome of the pricing review, to assist in undertaking internal reforms designed to achieve future efficiencies. Given the line of credit is provided as a potential reserve, the measure does not have an impact on the fiscal balance.

See also the related expense measure *Pricing review of the Department of Agriculture, Fisheries and Forestry* in the Agriculture, Fisheries and Forestry portfolio.

Attorney-General's

Protection of the National Information Infrastructure

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	-	-	-	-
Australian Federal Police	-	-	-	-
Department of Defence	0.1	-	-	-
Australian Security Intelligence Organisation	-	-	-	-

Explanation

The Government has provided funding in 2001-02 to enhance Australia's capability to protect the nation's National Information Infrastructure from unauthorised access and use. Part of this funding, \$0.1 million has been provided to the Department of Defence for capital improvements.

See also related expense measure titled *Protection of the National Information Infrastructure* in the Attorney-General's portfolio.

Australia's response to Foot and Mouth Disease and other Quarantine Risks

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Customs Service	5.8	-0.9	-0.9	-0.9

Explanation

The Government will provide funds to enable the Australian Customs Service to make infrastructure changes to accommodate staff at the airports and to purchase specialised x-ray and audio-video equipment to enhance their detection and investigation activities. This measure will help finance the increased cost of inspecting passengers, mail and cargo at Australia's borders to mitigate the risks of introducing disease, including Foot and Mouth Disease, into Australia.

See related expense and revenue measures titled *Australia's Response to Foot and Mouth Disease and Other Quarantine Risks*, in the Agriculture, Fisheries and Forestry portfolio.

Communications, Information Technology and the Arts

Australian Broadcasting Corporation — East Perth Building Works

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Broadcasting Corporation	16.0	-0.4	-0.4	-0.4

Explanation

The Government will provide a loan of up to \$21 million in 2002-03 to the Australian Broadcasting Corporation to assist the Corporation to finance the purchase of new office and studio facilities in East Perth. These will replace inadequate buildings and facilities at the existing Adelaide Terrace site. The total cost of the building works is estimated to be \$28.5 million. The Australian Broadcasting Corporation will meet the remaining \$7.5 million cost from cash reserves (\$1.9 million) and a diversion of its planned capital expenditure (\$5.6 million). It is expected that \$6.9 million of the total cost will be spent in 2000-01.

The East Perth premises will provide modern, digitally equipped facilities, enhancing the Australian Broadcasting Corporation's capacity to meet the challenges of a modern media environment. The current facilities at Adelaide Terrace will be sold and the proceeds used to assist the Australian Broadcasting Corporation's conversion to digital technology. The Joint Standing Committee on Public Works has approved the Perth Accommodation Project.

The figures beyond 2001-02 in the above table represent depreciation of the asset.

Deferral of the further sale of the Commonwealth's shareholding of Telstra Corporation

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	-	-	-	-

Explanation

The Government has announced that the further privatisation of Telstra would be dependent on the achievement of satisfactory service levels, as recommended in the Telecommunications Service Inquiry. This involves the deferral of sales of further tranches of Telstra shares.

The sale of Telstra affects the Commonwealth's investment in financial assets, and for this reason, it is shown as having a zero impact on fiscal balance.

See also the related expense measures *Deferral of the further sale of the Commonwealth's shareholding of Telstra Corporation — sale costs* in the Finance and Administration portfolio.

National Gallery of Australia Building Refurbishment and Enhancement

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
National Gallery of Australia	4.8	30.0	7.9	0.2

Explanation

The National Gallery of Australia will invest \$42.9 million on building refurbishment and enhancement. The Government will provide a loan of \$20.7 million over two years commencing in 2002-03 to assist the Gallery in financing this initiative.

The building works will improve the environment for the storage and display of the national collection of artworks and provide a safer and more accessible environment to encourage understanding, knowledge and enjoyment of the visual arts.

Cross Portfolio

Revision to the Capital Use Charge

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
All Agencies	-	-	-	-

Explanation

The Government will reduce the Capital Use Charge levied on agencies' net assets from 12 percent to 11 percent from 1 July 2001 to reflect recent movements in domestic capital and equity markets.

This measure has no impact on the fiscal balance as it only impacts on payments within the General Government sector.

Defence

Defence asset sales

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Defence:	-263.2	-213.7	-109.9	-147.8

Explanation

The Government has agreed to a programme of Defence asset sales including property, plant and equipment of \$504.2 million in 2001-02, \$345.0 million in 2002-03, \$244.9 million in 2003-04 and \$288.3 million in 2004-05. All property sales will be undertaken in accordance with Commonwealth property principles. From these sales, \$241.0 million in 2001-02, \$131.3 million in 2002-03, \$135.0 million in 2003-04 and \$140.5 million in 2004-05 will be allocated to Defence, which is in addition to the forward estimates and in addition to White Paper funding increases.

Certain properties will be leased back and Defence will be provided with rental supplementation in respect of commercial rent rates charged. See the related expense measure titled *Supplementation for commercial rents* also in the Defence portfolio.

Employment, Workplace Relations and Small Business

Equal Opportunity for Women in the Workplace Agency on-line services

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Equal Opportunity for Women in the Workplace Agency	0.7	0.5	-	-

Explanation

The Government will provide \$1.2 million over 2001-02 and 2002-03 to enable the Equal Opportunity for Women in the Workplace Agency to acquire information technology, including software, to support on-line lodgment of employer reports and information services. This will reduce compliance costs and the paperwork burden on businesses meeting obligations under the *Equal Opportunity for Women in the Workplace Act 1999*.

See also the related expense measure titled *Equal Opportunity for Women in the Workplace Agency on-line services* in the Employment, Workplace Relations and Small Business portfolio.

Environment and Heritage

Townsville Aquarium — Reef Headquarters

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Great Barrier Reef Marine Park Authority	3.1	-	-	-

Explanation

The Government will provide capital funding of \$3.1 million in 2001-02 to the Great Barrier Reef Marine Park Authority for the refurbishment of the Authority's Townsville Aquarium — Reef Headquarters. This additional funding will enhance the facility for visitors and ensure that health and safety standards are maintained.

Additional work generated by the measure will create employment opportunities in the region.

See also the related expense measure *Townsville Aquarium — Reef Headquarters* in the Environment and Heritage portfolio.

Family and Community Services

Helping Parents to Return to Work

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	10.0	-0.3	-1.1	-1.1

Explanation

The Government will provide funding of \$11.1 million over two years to Centrelink for the development of computer software required for the implementation of the Australians Working Together package.

See also the related capital measure titled *Help to Participate* in the Family and Community Services portfolio, and the related expense measure titled *Helping Parents to Return to Work* in the Family and Community Services portfolio.

The Department of Family and Community Services will absorb the cost of this measure.

Help to Participate

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Family and Community Services	5.8	-0.6	-0.6	-0.6

Explanation

The Government will provide funding of \$5.8 million in 2001-02 to Centrelink for the development of computer software required for the implementation of the Australians Working Together package.

See also the related capital measure titled *Helping Parents to Return to Work* in the Family and Community Services portfolio, and the related expense measure titled *Help to Participate* in the Family and Community Services portfolio.

Finance and Administration

Construction of new chancery facilities in Colombo and New Delhi

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Finance and Administration	2.0	7.7	11.5	3.4

Explanation

The Government will construct new facilities for Australia's overseas representation in Colombo, Sri Lanka and New Delhi, India. Current facilities are old, in need of major refurbishment and suffer from overcrowding.

The facilities will be funded from reserves held by the Department of Finance and Administration. The costs of the new facilities will be recovered over time through charges on the occupying agencies.

Sale of Sydney Airports Corporation Limited

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Office of Asset Sales and Commercial Support	-	-	-	-

Explanation

Following consideration of the report prepared by the Office of Asset Sales and Commercial Support on the options for the future ownership of the Sydney Airports Corporation Limited, the Government has decided to sell Kingsford Smith Airport.

The sale of Kingsford Smith Airport affects the Commonwealth's investment in financial assets, and for this reason, it is shown as having a zero impact on fiscal balance.

See also the related expense measures *Sale of Kingsford Smith Airport – sale costs* and *Scoping study for the future ownership of Sydney Airports Corporation Limited* in the Finance and Administration portfolio.

Foreign Affairs and Trade

Improving security within the Australian Intelligence Community

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Attorney General's Department	..	..	..	..
Department of Defence	-	-	-	-
Office of National Assessments	0.4	0.1	0.1	0.1
Australian Security Intelligence Organisation	1.3	0.1	-	-
Australian Secret Intelligence Service	2.0	2.1	2.1	2.1

Explanation

The Government will provide additional funding to the Australian Security Intelligence Organisation, the Australian Secret Intelligence Service and the Office of National Assessments to undertake physical security improvements within these agencies. The Department of Defence will absorb and the Attorney-General's Department will offset the cost of implementing security enhancements.

See also the related expense measure titled *Improving security within the Australian Intelligence Community* in the Foreign Affairs and Trade portfolio.

Replacement of secure diplomatic communications network

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Foreign Affairs and Trade	16.0	14.0	5.9	-

Explanation

The Government will provide additional funding of \$35.9 million over three years to contribute to the replacement of the secure diplomatic communications network. This measure will fund software and infrastructure costs for the Secure Australian Telecommunications and Information Network.

The network will support secure messaging, office automation and network services between Australia (covering 12 Commonwealth agencies) and Australian Government posts overseas.

Health and Aged Care

HealthConnect: a Health Information Network for Australia — Development Phase

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Health and Aged Care	0.2	..	-	-

Explanation

In order to lay the foundations necessary for building a robust system of health information exchange, this measure provides capital of \$0.2 million in 2001-02 for the purchase of computing infrastructure for the implementation site. Together with \$15.8 million in a related expense measure and \$2.5 million of previously committed funding, the total Commonwealth contribution will be \$18.5 million over two years. States and Territories will provide matching contributions to the total Commonwealth funding.

See also the related expense measure *HealthConnect: a Health Information Network for Australia — Development Phase* in the Health and Aged Care portfolio.

Investment to upgrade the Health Insurance Commission technical infrastructure to improve service

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Health Insurance Commission	15.0	32.0	52.0	14.1

Explanation

This measure provides for an investment in the Health Insurance Commission's information systems infrastructure. It will result in an enhancement of the Health Insurance Commission's ability to meet community and consumer expectations of high-quality cost-effective claims management, while minimising the potential for fraud and over-servicing.

This investment is funded through the savings described in the related expense measure, *Investment to upgrade the Health Insurance Commission technical infrastructure to improve service* in the Health and Aged Care portfolio, and a draw-down of the Health Insurance Commission's cash reserves of \$15 million in 2001-02.

Immigration and Multicultural Affairs

New social security arrangements between Australia and New Zealand

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	0.8	-0.2	-0.7	-0.7

Explanation

The Department of Immigration and Multicultural Affairs will incur capital expenditure to develop and enhance the Integrated Client Services Environment system. This system is expected to face an increased workload arising from the new bilateral social security arrangements agreed between Australia and New Zealand in early 2001.

See also the related expense and revenue measures, *New social security arrangements between Australia and New Zealand*, in the Immigration and Multicultural Affairs and the Family and Community Services portfolios.

Unauthorised boat arrivals — review of processing and detention arrangements

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Immigration and Multicultural Affairs	0.7	-1.4	-1.4	-1.4

Explanation

The Government has agreed to capital works spending over 2000-01 and 2001-02 to improve the administrative processing of unauthorised boat arrivals. This measure will fund enhancements to infrastructure (including security perimeter fencing and facility upgrade and completion costs) at the detention facilities at the Woomera and Villawood centres.

This measure reflects the outcome of a review of these arrangements (announced in the 2000-01 Budget).

See also related expenses measure, *Unauthorised boat arrivals — a review of processing and detention arrangements* in the Immigration and Multicultural Affairs portfolio.

Industry, Science and Resources

Backing Australia's Ability — R&D Start

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Industry, Science and Resources	-	-	-	-

Explanation

This measure is part of the Government's commitment to provide \$534.9 million over five years to continue the R&D Start Program. The programme is designed to assist Australian industry undertake research and development and commercialisation of new ideas.

Of this total, \$54 million will be provided in the form of loan funding of \$8 million in 2002-03 and \$15 million in each of 2003-04 and 2004-05.

The provision of loans affects only the composition of the Commonwealth's financial assets. As such this measure has a zero impact on fiscal balance.

See also the related expense measures title *Backing Australia's Ability — 175 per cent Premium Rate — R&D Tax Concession* and *Backing Australia's Ability — R&D Start* and the related revenue measure title *Backing Australia's Ability — 125 per cent effective life write-off for R&D plant* in the Treasury portfolio.

Support for the Commercialisation of Production Technology in the Light Metals Sector

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Commonwealth Scientific and Industrial Research Organisation	32.8	17.1	-0.4	-0.8

Explanation

The Government will ensure that CSIRO can continue its work with the light metals sector to commercialise new production technology. The technology has been jointly developed to date in partnership with the Australian Magnesium Corporation. CSIRO's continuing role will focus on the final late-stage research and development phase.

This measure will ensure that the Government (through CSIRO) retains an interest in the intellectual property rights and future financial benefits resulting from the commercialisation of this technology. The Government will facilitate this work through a \$50 million loan to CSIRO in 2001-02.

Transport and Regional Services

Improvements in search and rescue arrangements

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Maritime Safety Authority	1.7	-	-	-

Explanation

The Government will provide capital of \$1.7 million in 2001-02 to increase the capabilities of the Australian Maritime Safety Authority. Funding will be used to purchase Forward Looking Infra Red equipment providing night search capabilities and specialised equipment to locate distress beacons. This equipment will be installed in a selection of aircraft available to respond to search and rescue incidents.

See also related expense measure titled *Improvements in search and rescue arrangements* in the Transport and Regional Services portfolio.

Aviation industry compliance

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Civil Aviation Safety Authority	3.3	3.3	3.3	1.9

Explanation

The Civil Aviation Safety Authority will undertake capital works totaling \$11.8 million over four years for the development of new information technology systems in the Civil Aviation Safety Authority. The new systems will enable the Authority to implement updated regulations aimed at improving aviation safety.

Further information

See also related expense measure titled *Aviation industry compliance* in the Transport and Regional Services portfolio and the related revenue measure titled *Aviation industry compliance* in the Treasury portfolio.

Australian Rail Track Corporation — equity funding

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Transport and Regional Services	-	-	-	-

Explanation

The Government will provide an equity injection of \$111.0 million for the Australian Rail Track Corporation to fund rail track initiatives in New South Wales. This funding is provided for in the Contingency Reserve because it is subject to a business case being agreed with the Government.

As the injection of equity outside the General Government sector only affects the composition of the Commonwealth's investment in financial assets, this measure has no impact on the fiscal balance.

See also the related expense measure titled *Savings from the Upgrade of Mainline Interstate Railway Track Programme* in the Transport and Regional Services portfolio.

Commonwealth Place

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
National Capital Authority	5.0	-	-	-

Explanation

The Government will provide a capital injection of \$5 million in 2001-02 to the National Capital Authority to fund additional work for the construction of Commonwealth Place which will be located in the heart of the Parliamentary Zone in Canberra. Commonwealth Place will become a significant national public place for Australians to participate in events and ceremonies. This funding is in addition to \$3 million allocated for this project in 2000-01, and will be used to construct the amphitheatre, a formal walkway, a restaurant, a café and offices for Reconciliation Australia.

Treasury

Fitout of the Australian Bureau of Statistics new national office building

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Australian Bureau of Statistics	-	-	-	-

Explanation

The Government has provided the Australian Bureau of Statistics with a loan of \$13.2 million to partially fund the fitout cost of its new national office accommodation. The fitout is expected to cost \$27.8 million. The new accommodation will be completed prior to March 2002.

Provision for this funding has already been included in the forward estimates.

Veteran Affairs

Output Pricing Review — Conversion of Loan to Equity

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	-0.3	-0.1	-	-

Explanation

The Government has endorsed the outcomes of a pricing review for the Department of Veterans' Affairs. The review identified areas where savings could be made and areas where additional investment in the department's business was required in order to achieve further efficiencies.

Further equity funding of \$8 million, by the conversion of an existing loan to equity in 2000-01 has improved the department's equity and current ratio. As the conversion of a loan to equity is a financing transaction only there is no impact on the fiscal balance.

Output Pricing Review — Review of efficient delivery of Outputs

Capital (\$m)

	2001-02	2002-03	2003-04	2004-05
Department of Veterans' Affairs	-	-	-	-

Explanation

The Government has endorsed the outcomes of a pricing review for the Department of Veterans' Affairs (DVA). The review identified areas where additional investment in DVA business was required in order to achieve further efficiencies.

In order for the department to manage the reforms to their business, equity funding of \$5.5 million in 2001-02 and \$2.2 million in 2002-03 is provided. As equity funding will be partly used to extinguish liabilities, there is no impact on the fiscal balance in 2000-01.

See also related expense measure *Output Pricing Review — Review of Efficient Delivery of Outputs* in the Veterans' Affairs portfolio.

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