

**PUTTING AUSTRALIA'S
INTERESTS FIRST — HONOURING
OUR COMMITMENTS**

STATEMENT BY
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TREASURER OF THE COMMONWEALTH OF AUSTRALIA
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FOREWORD

The costings of the measures in this document are consistent with those contained in *Budget Paper No. 2*. The costings may differ in some cases from those contained in election documentation, as a result of refinements made through the *Charter of Budget Honesty* process and reflecting final decisions on implementation issues.

NOTES

- (a) The following definitions are used in this document:
- Budget year refers to 2002-03, while the forward years refer to 2003-04, 2004-05 and 2005-06; 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 rounded to the nearest tenth of a million;
 - estimates midway between rounding points are rounded up; and
 - percentage changes in statistical tables are calculated using unrounded data.
- (c) The following notations are used:
- | | |
|-----|--|
| - | nil, funded within existing estimates, or funded in 2001-02. |
| .. | not zero, but rounded to zero |
| na | not applicable (unless otherwise specified) |
| \$m | \$ million |

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INTRODUCTION

On the tenth of November 2001, the Australian people re-elected the Government and conferred upon it, for a third time, responsibility for managing the nation's affairs.

The 2001 election took place at a time of great uncertainty in the world. Strong and effective government is needed to safeguard Australia's future prosperity and security. The Government's election commitments were framed against this background and the 2002-03 Budget delivers on these commitments.

This document outlines how the Government has delivered on the commitments made to the Australia people at the 2001 election to:

- Upgrade domestic security and support Australia's contribution to the War Against Terrorism;
- Protect the integrity of Australia's borders in response to the number of people attempting to arrive unauthorised in Australia;
- Provide additional support to Australian families, for example, through the delivery of the Baby Bonus and better health care services;
- Enhance the support provided for aged care;
- Provide greater assistance to carers in our community;
- Strengthen our superannuation system;
- Create jobs and enhance education, for example, through additional funding for Apprenticeships;
- Increase services in rural and regional Australia, through initiatives such as increased access to radiation therapy for cancer patients; and
- Invest further in Australia's industry, infrastructure and resources.

The Government's policies have delivered strong economic growth since March 1996, supported by increases in productivity and the creation of 928,300 new jobs. These economic outcomes have been secured despite the impacts of the Asian financial crisis in 1997 and the international recession of 2001.

To ensure that the Australian economy remains responsive to changing international circumstances, the Government is committed to policies that encourage healthy competition in product and labour markets and continuing economic growth. These commitments will continue to deliver increases in employment, wealth and living standards for all Australians.

COMMITMENTS MET

Summary

Table 1: Summary of commitments met

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
AGRICULTURE, FISHERIES AND FORESTRY				
Expenses				
<i>Department of Agriculture, Fisheries and Forestry</i>				
A Stronger Tasmania	-	1.0	1.1	1.1
Beef Expo 2003 and Gracemere Saleyards	3.9	-	-	-
Boosting rural veterinary services	0.3	0.4	0.5	0.6
Enhancing animal health infrastructure	2.5	2.5	2.5	2.5
Incentives for Environmental Management Systems in agriculture	-	-	-	-
Northern Mallee Pipeline - Stage 7 South	-	-	-	-
Portfolio total - expenses	6.7	3.9	4.1	4.2
ATTORNEY-GENERAL'S				
Expenses				
<i>Attorney-General's Department</i>				
Australian Law Online	1.3	-	-	-
Continue to support community legal services	1.3	1.3	1.3	1.4
Expanding the capacity of Crime Stoppers	0.2	0.2	0.3	0.3
Incident response capability	8.4	8.4	0.5	0.5
Keeping people out of the courts	7.0	6.6	6.7	6.9
<i>Australian Customs Service</i>				
Additional container x-ray machines	-	5.2	8.0	12.8
Additional pallet x-ray machines	-	0.8	1.3	2.7
Doubling of Customs' National Marine Unit surveillance and response capacity	14.8	20.2	20.2	22.2
Enhanced Coastwatch communications capability	2.0	2.0	2.0	2.1
High frequency surface wave radar	3.0	3.2	3.2	3.4
Increased Coastwatch surveillance	9.5	9.5	9.5	-
<i>Australian Federal Police</i>				
Australian Federal Police rapid response capability	0.9	1.4	2.2	-
Double the strike team capacity of the Australian Federal Police	5.0	13.6	12.7	12.7
Enhanced analytical and predictive crime capability for the Australian Bureau of Criminal Intelligence	1.4	2.8	2.9	3.9
Expand the research and development capability of the Australian Federal Police	0.3	0.4	0.4	0.5
Expansion of the Law Enforcement Cooperation Programme	3.8	11.8	13.7	13.7
Extension of Project Axiom	3.8	4.5	4.9	5.1
Extension of the National Heroin Signature Programme (NHSP) to cocaine and amphetamines	1.2	1.2	1.2	1.1
Portfolio total - expenses	63.8	93.1	90.9	89.2

Table 1: Summary of commitments met (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
ATTORNEY-GENERAL'S (continued)				
Capital				
<i>Australian Customs Service</i>				
Additional container x-ray machines	6.0	4.1	1.6	-1.4
Additional pallet x-ray machines	2.0	0.8	0.8	-0.8
Doubling of Customs' National Marine Unit surveillance and response capacity	-1.5	-3.0	-3.0	-3.0
<i>Australian Federal Police</i>				
Australian Federal Police rapid response capability	1.0	0.5	..	-
Double the strike team capacity of the Australian Federal Police	-0.1	0.6	1.1	-0.9
Enhanced analytical and predictive crime capability for the Australian Bureau of Criminal Intelligence	-	-0.2	-0.5	-0.7
Expansion of the Law Enforcement Cooperation Programme	2.9	0.3	-0.8	-0.7
Extension of Project Axiom	0.6	0.4	0.2	0.1
Portfolio total - capital	10.8	3.6	-0.6	-7.4
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
Expenses				
<i>Australia Council</i>				
A national media-based youth arts festival	1.0	1.0	-	-
Continuation of funding for the Major Festivals Initiative	0.8	0.8	0.8	0.8
Continuation of funding for the Young and Emerging Artists Initiative	1.3	1.3	1.3	1.3
<i>Department of Communications, Information Technology and the Arts</i>				
Australia Business Arts Foundation	1.6	1.6	1.6	1.6
Commercial Radio Black Spots Programme	1.0	2.0	2.0	-
Continuation of funding for heritage collections	0.3	0.3	0.3	0.3
Continuation of funding for the Australian Museums Online Programme	0.2	0.2	0.2	0.2
Continuation of funding for the Contemporary Music Touring Programme	0.3	0.3	0.3	0.3
Maintaining community broadcasting infrastructure and multicultural funding	1.6	1.6	1.7	1.7
Television Black Spots - alternative technical solutions	3.9	7.0	2.4	-
<i>Special Broadcasting Service Corporation</i>				
Extension of SBS Television to population areas with 5,000 to 10,000 people	0.3	1.4	2.0	2.0
Portfolio total - expenses	12.1	17.5	12.5	8.1

Table 1: Summary of commitments met (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
DEFENCE				
Expenses				
<i>Department of Defence</i>				
Additional funding for the War Against Terrorism	194.0	-	-	-
Enhancement to Defence's tactical response capability	32.6	37.8	28.8	33.4
Incident response capability	18.0	21.0	22.0	24.0
Portfolio total - expenses	244.5	58.8	50.8	57.4
Capital				
<i>Department of Defence</i>				
Enhancement to Defence's tactical response capability	0.5	24.1	37.5	24.7
Incident response capability	0.5	11.2	17.4	6.9
Portfolio total - capital	1.0	35.3	54.9	31.6
EDUCATION, SCIENCE AND TRAINING				
Revenue				
<i>Department of Education, Science and Training</i>				
Extension of the Postgraduate Education Loans Scheme	-	0.1	0.2	0.3
Portfolio total - revenue	-	0.1	0.2	0.3
Expenses				
<i>Department of Education, Science and Training</i>				
Expanding School Based New Apprenticeships	4.2	9.1	9.2	9.2
Improving information technology skills for older workers	5.8	5.8	5.8	5.8
Innovation New Apprenticeship Incentive	2.5	6.6	6.6	6.6
Quality Teacher Programme	-	-	-	-
Review of Australia's veterinary profession to address the shortage of rural based large livestock veterinarians	0.1	-	-	-
The General Sir John Monash Awards	-	-	-	-
University of Tasmania - Graduate Diploma in Environment and Planning	0.2	0.1	0.1	-
Portfolio total - expenses	12.8	21.6	21.6	21.5
Capital				
<i>Department of Education, Science and Training</i>				
Extension of the Postgraduate Education Loans Scheme	-	-	-	-
Portfolio total - capital	-	-	-	-
EMPLOYMENT AND WORKPLACE RELATIONS				
Expenses				
<i>Department of Employment and Workplace Relations</i>				
Arrangements for the Third Employment Services Contract	-	-0.3	-20.4	-44.0
Portfolio total - expenses	-	-0.3	-20.4	-44.0
Capital				
<i>Department of Employment and Workplace Relations</i>				
Arrangements for the Third Employment Services Contract	3.2	-0.9	-0.9	-0.9
Portfolio total - capital	3.2	-0.9	-0.9	-0.9

Table 1: Summary of commitments met (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
ENVIRONMENT AND HERITAGE				
Expenses				
<i>Australian Greenhouse Office</i>				
Expansion of the market for Biofuels	-	-	-	-
<i>Department of the Environment and Heritage</i>				
Development of sewerage schemes for Boat Harbour and Sisters Beach, Tasmania	1.0	1.0	1.0	-
National Oceans Policy	-	-	-	-
Portfolio total - expenses	1.0	1.0	1.0	-
FAMILY AND COMMUNITY SERVICES				
Expenses				
<i>Department of Family and Community Services</i>				
Index the ceiling rate of income support supplement for war widows	-0.5	-0.6	-0.5	-0.5
National reciprocal transport concessions for State Seniors Card holders	7.4	5.7	5.9	6.4
Portfolio total - expenses	6.9	5.1	5.4	5.9
FOREIGN AFFAIRS AND TRADE				
Expenses				
<i>Australian Trade Commission</i>				
Increase in the Export Market Development Grants minimum grant	0.4	0.4	0.4	0.4
Integration and expansion of TradeStart and Export Access Programmes	5.0	5.5	5.5	5.5
Portfolio total - expenses	5.4	5.9	5.9	5.9
HEALTH AND AGEING				
Expenses				
<i>Department of Health and Ageing</i>				
Additional support for carers of older Australians	4.9	7.4	7.6	10.1
Better arthritis care	1.5	3.0	3.5	3.5
Better treatment for cancer patients	13.1	18.8	20.4	20.4
Capital assistance for aged care in rural and remote Australia	8.3	18.0	25.9	26.6
Community partnerships initiative	2.0	4.0	4.0	4.0
Croc Festivals	0.3	0.3	0.3	0.3
Extend the Gold Card to Australian veterans over 70 years of age with post World War II qualifying service	-15.8	-17.5	-19.9	-22.3
Incident response capability	10.7	0.2	0.2	0.2
Increased funding for drug treatment	-	-	-	-
Increased residential aged care subsidies	45.1	45.9	46.9	47.9
More aged care nurses	3.2	5.9	8.5	8.7
More care services in retirement villages	1.2	2.9	4.9	5.8
More community aged care packages	1.6	6.1	17.1	44.0
More doctors for outer metropolitan areas	12.0	18.0	25.0	25.0
More support for ageing carers of people with disabilities	5.4	6.9	7.7	10.1
More support for carers of people with dementia	2.2	5.3	6.2	6.3
Palliative care in the community	10.0	15.0	15.0	15.0

Table 1: Summary of commitments met (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
HEALTH AND AGEING (continued)				
Productive Ageing Centre	0.3	0.3	0.3	0.3
Retractable needles and syringes	1.5	6.0	8.0	12.0
Review of pricing arrangements for residential aged care subsidies	3.7	3.4
Support for aged care training	3.2	4.8	5.9	7.2
Portfolio total - expenses	114.5	154.7	187.4	225.1
IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS				
Expenses				
<i>Aboriginal and Torres Strait Islander Commission</i>				
Enhanced training of directors of indigenous organisations	-	-	-	-
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Australian Citizenship promotion	1.0	1.0	1.0	1.0
Continuation of the Adult Migrant English Programme special initiatives	-	4.5	4.5	4.5
Continuation of the Living in Harmony initiative	3.5	3.5	3.5	3.5
Maintain funding for the Integrated Humanitarian Settlement Strategy	-	-	-	-
Settlement services for migrants and humanitarian entrants	-	-	-	-
Portfolio total - expenses	4.5	9.0	9.0	9.0
INDUSTRY, TOURISM AND RESOURCES				
Expenses				
<i>Australian Tourist Commission</i>				
Further funding for the Australian Tourist Commission	6.0	4.0	4.0	4.0
<i>Department of Industry, Tourism and Resources</i>				
Additional funding for the See Australia Domestic Tourism Initiative	1.5	1.5	2.5	2.5
Australian Stockman's Hall of Fame and Outback Heritage Centre	-	-	-	-
Back of Bourke Exhibition Centre	-	-	-	-
Cairns Foreshore Promenade Development project	2.0	2.0	2.0	3.0
Derby Hydrogen Tidal Study	0.7	0.3	-	-
Development of a National Offshore Safety Authority	-	2.5	-	-
Fishing Hall of Fame and World Heritage Fraser Island Interpretive Centre Project	-	-	-	-
Funding for the Travel Compensation Fund	-	-	-	-
Increased funding for the Regional Tourism Programme	1.5	1.5	2.5	2.5
Increased industry assistance to small and medium enterprises	3.1	-	-	-
Invest Australia - investment promotion and attraction	11.0	11.0	11.0	11.0
Mentor Resources	0.1	0.1	0.1	-
Signage for Magnetic Island	-	-	-	-
Small Business Assistance Programme	8.9	10.0	10.0	10.0
Tasmanian regional tourism infrastructure initiatives	0.5	0.6	0.4	-
Wine Industry Programme	-	-	-	-
Portfolio total - expenses	35.2	33.5	32.5	33.0

Table 1: Summary of commitments met (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
TRANSPORT AND REGIONAL SERVICES				
Expenses				
<i>Department of Transport and Regional Services</i>				
Artificial Reef Mackay	-	-	-	-
Australian Stockman's Hall of Fame and Outback Heritage Centre	-	-	-	-
Cairns Foreshore Promenade Development project	-2.0	-2.0	-	-
Construction of the Bert Hinkler Hall of Aviation Museum	1.5	-	-	-
Enhancement of the Bass Strait Passenger Vehicle Equalisation Scheme	3.6	3.7	3.9	4.0
Extension of the Federal Road Safety Black Spot Programme	45.0	45.0	45.0	45.0
National Highway and Roads of National Importance	13.0	26.2	27.7	70.7
Payment scheme for Airservices Australia's enroute charges	6.0	6.0	6.1	-
Portfolio total - expenses	67.1	78.9	82.7	119.7
TREASURY				
Revenue				
<i>Australian Taxation Office</i>				
A Better Superannuation System - allow temporary residents to access their superannuation after they have departed Australia	70.0	110.0	75.0	70.0
A Better Superannuation System - continuing superannuation contributions to age 75
A Better Superannuation System - higher fully deductible amount for superannuation contributions by self-employed persons	-	-10.0	-10.0	-10.0
A Better Superannuation System - quarterly Superannuation Guarantee contributions	-	35.0	5.0	6.0
A Better Superannuation System - reducing the Superannuation Surcharge rate	-	-50.0	-120.0	-200.0
A Better Superannuation System - reduction of the tax rate on excessive Eligible Termination Payments	-	-5.0	-5.0	-5.0
A Better Superannuation System - replacement of the rebate for personal superannuation contributions	-	10.0	10.0	10.0
A Better Superannuation System - splitting of superannuation contributions between couples	-	-3.0	-4.0	-4.0
A Better Superannuation System - superannuation for life : child accounts	-0.2	-0.6	-1.0	-1.5
A Better Superannuation System - superannuation from the Baby Bonus	-	-0.7	-1.9	-3.0
Portfolio total - revenue	69.8	85.7	-51.9	-137.5
Expenses				
<i>Australian Taxation Office</i>				
A Better Superannuation System - allow temporary residents to access their superannuation after they have departed Australia	-	-	-	-
A Better Superannuation System - Government superannuation co-contribution for low income earners	-	95.0	100.0	105.0

Table 1: Summary of commitments met (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
Treasury continued				
A Better Superannuation System - Government superannuation co-contributions for low income earners - implementation and administration	-	-	-	-
A Better Superannuation System - quarterly Superannuation Guarantee contributions	10.9	7.0	7.0	7.0
Baby Bonus	85.0	250.0	390.0	510.0
Baby Bonus - implementation and administration	-	-	-	-
Extension to the Diesel Fuel Rebate Scheme	12.8	21.4	21.4	21.4
Streamlined Company Registration	3.0	-	-	-
<i>Department of the Treasury</i>				
Establishment of the Office of the Inspector General of Taxation	2.0	2.0	2.0	2.0
Extension of the Additional First Home Owners Scheme	30.0	5.0	-	-
Review of competition provisions of the Trade Practices Act	-	-	-	-
Portfolio total - expenses	143.7	380.4	520.4	645.4
Capital				
<i>Australian Taxation Office</i>				
A Better Superannuation System - quarterly Superannuation Guarantee contributions	6.4	-1.3	-1.3	-1.3
Baby Bonus - implementation and administration	-0.6	-0.6	-0.6	-0.6
Portfolio total - capital	5.8	-1.9	-1.9	-1.9
VETERANS' AFFAIRS				
Expenses				
<i>Department of Veterans' Affairs</i>				
Extend the Gold Card to Australian veterans over 70 years of age with post World War II qualifying service	32.2	38.5	45.2	52.7
Increased residential aged care subsidies	6.1	6.3	6.4	6.5
Index the ceiling rate of income support supplement for war widows	5.8	15.7	26.9	38.2
Portfolio total - expenses	44.2	60.4	78.6	97.5
Total commitments met(1)	713.4	873.6	1,185.5	1,436.6
Memorandum item				
<i>Offsetting measures and unanticipated changes in expenses(2)</i>	16.7	12.9	-12.9	-36.0
<i>Effect of enhancements to some commitments(3)</i>	264.7	102.6	106.5	89.8
Adjusted total	432.0	758.1	1,092.0	1,382.8

(1) The net value of measures which are election commitments affecting 2001-02 is \$383 million, of which \$330 million relates to the Defence portfolio. Further details are contained in the measure descriptions found in this document.

(2) Funding for a number of election commitments has been offset in this Budget by reprioritisation of existing funding within the portfolios concerned, as these were to be funded from within existing resources. As a result, the election commitments concerned have no effect on the fiscal or underlying cash balance in net terms. This was noted in the *Charter of Budget Honesty* reports, and is reflected in the relevant measure descriptions. In addition, this item also adjusts for expense reductions as a result of implementation issues associated with arrangements for the Third Employment Services Contract.

(3) This item relates to Defence measures, including incident response capability in other portfolios. Further details are contained in the measure descriptions found in this document.

AGRICULTURE, FISHERIES AND FORESTRY

Expenses

A Stronger Tasmania

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Agriculture, Fisheries and Forestry	-	1.0	1.1	1.1

Explanation

The Government will provide \$3.2 million over three years to contribute to the development of agriculture in Tasmania through the development of the Warner Creek Dam and the Northern Midlands Water Project as detailed below.

When completed, the Warner Creek Dam, also known as the Meander River Dam, will provide a reliable irrigation supply to agricultural users of the region, enhancing opportunities for economic growth. Subject to a feasibility study, the Commonwealth will provide \$2.6 million for construction, on a matching basis with Tasmania, to meet the shortfall in private investment.

The Commonwealth will also provide a further \$0.6 million to the Northern Midlands Water Project, on the Macquarie River. The project will provide a more reliable source of irrigation water allowing landholders to diversify and increase the productive value of agriculture in the region.

This measure delivers on the Government's election commitment in *A Stronger Tasmania*.

Beef Expo 2003 and Gracemere Saleyards

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Agriculture, Fisheries and Forestry	3.9	-	-	-

Explanation

The Government will provide \$5.7 million over two years towards the staging and running of the 2003 Beef Expo and for the upgrading and construction of a livestock

showcase facility at the Gracemere Saleyards in Rockhampton. Funding of \$1.8 million in 2001-02 is being fully absorbed within the existing resourcing of the Department of Agriculture, Fisheries and Forestry.

The Beef Expo is a major regional and tourism event held every three years, which will utilise the state-of-the-art livestock showcase facility for the display and marketing of livestock.

This measure delivers on the Government’s election commitments in *Stronger Regions*.

Boosting rural veterinary services

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Agriculture, Fisheries and Forestry	0.3	0.4	0.5	0.6

Explanation

The Government will provide \$2 million over five years, including \$0.2 million in 2006-07, towards five bonded scholarships per year with the Australian Quarantine and Inspection Service (AQIS). This will help address the decline in the number of large animal practice veterinarians in rural Australia.

This measure will boost AQIS’ capability during the scholarship-holders’ bond and open a new pathway for veterinarians to practice in regional areas where they have an important role in Australia’s post border systems of animal disease prevention, detection and response.

See also the related expense measure titled *Review of Australia’s veterinary profession to address the shortage of rural based large livestock veterinarians* in the Education, Science and Training portfolio.

This measure delivers on the Government’s election commitment in *Growing Stronger*.

Enhancing animal health infrastructure

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Agriculture, Fisheries and Forestry	2.5	2.5	2.5	2.5

Explanation

The Government will provide additional funding of \$10 million to enhance epidemiological resources and diagnostic capability in order to help maintain a higher level of emergency preparedness. The measure will enable the Commonwealth to better prepare for a possible major national animal disease emergency and to better deploy resources should such events ever occur.

While these improvements are primarily targeted at the animal health sector, they will also serve to improve the Commonwealth's ability to effectively respond to emergencies in, among other agricultural industries, the plant and aquatic animal areas.

This commitment was costed in the *Charter of Budget Honesty* process as having no additional cost to the Budget. The funding for this commitment has been offset in this Budget by a reprioritisation of existing funding within the portfolio. This commitment therefore has no effect on the fiscal or underlying cash balance in net terms.

This measure delivers on the Government's election commitment in *Growing Stronger*.

Incentives for Environmental Management Systems in agriculture

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Agriculture, Fisheries and Forestry	-	-	-	-

Explanation

The Government will allocate funding of up to \$25 million to support eligible primary producers in adopting Environmental Management Systems (EMS). This incentive will support improved environmental management of Australia's natural resources, encourage sustainable agricultural production systems and reinforce Australia's reputation as a supplier of quality, environmentally friendly agricultural products. Fifty per cent of the costs of eligible EMS expenditure, up to a maximum of \$3,000 per primary producer (subject to eligibility criteria) on taxable incomes up to \$30,000 per annum, will be reimbursed under the programme. The level of reimbursement applying to eligible primary producers on taxable incomes between \$30,000 and \$35,000 per annum will reduce by \$3 for every \$5 in income above \$30,000.

This measure will be funded from within the existing resources of the Natural Heritage Trust.

This measure delivers on the Government's election commitment in *Growing Stronger*.

Northern Mallee Pipeline — Stage 7 South

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Agriculture, Fisheries and Forestry	-	-	-	-

Explanation

The Government will provide \$4 million in 2002-03 to extend the Northern Mallee Pipeline to cover the Patchewollock and Cannie Ridge Districts of the existing pipeline project area in north-western Victoria. The extended pipeline will replace the existing open channel stock and domestic water supply system and aims to provide a more secure stock and domestic water supply to a further 100,000 hectares of farmland. The Commonwealth funding is subject to a matching contribution from the Victorian Government.

This measure will be funded from within the existing resources of the Natural Heritage Trust.

This measure delivers on the Government's election commitment announced by the Deputy Prime Minister on 18 October 2001.

ATTORNEY-GENERAL'S

Expenses

Australian Law Online

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Attorney-General's Department	1.3	-	-	-

Explanation

The Government will provide additional funding of \$1.3 million to the Attorney-General's Department to allow the continuation of the Australian Law Online initiative in 2002-03. Australian Law Online is designed to make it easier for Australians to access family law information and services by using the internet and national telephone services free of charge.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Better Law, More Options*.

Continue to support community legal services

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Attorney-General's Department	1.3	1.3	1.3	1.4

Explanation

The Government will provide additional funding of \$5.3 million for the continuation of regional community legal outreach services in rural and regional Australia. The community legal services programme provides cost effective legal services to disadvantaged members of the Australian community.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Better Law, More Options*.

Expanding the capacity of Crime Stoppers

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Attorney-General's Department	0.2	0.2	0.3	0.3

Explanation

The Government will provide additional funding of \$1 million for the establishment of a national coordination centre for the Crime Stoppers programme. The national centre will allow for centralised fundraising and coordination activities, currently being co-managed by seven Crime Stoppers programmes.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Keeping people out of the courts

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Attorney-General's Department	7.0	6.6	6.7	6.9

Explanation

The Government will provide additional funding of \$27.2 million for the continuation of funding for community-based counselling and mediation programmes. This measure will assist families in resolving their problems without going to court in order to minimise the stress and financial costs associated with separation and divorce.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Better Law, More Options*.

Additional container x-ray machines

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	-	5.2	8.0	12.8

Explanation

The Government will provide additional funding of \$26 million for the ongoing operational costs associated with additional container x-ray machines in Brisbane and Fremantle. This measure expands the container x-ray procurement programme, currently being implemented in Sydney and Melbourne and will enable enhanced screening of imported goods and greater interception of illegal goods.

See also the related capital measure titled *Additional container x-ray machines* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Additional pallet x-ray machines

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	-	0.8	1.3	2.7

Explanation

The Government will provide additional funding of \$4.8 million to the Australian Customs Service for the ongoing operational costs associated with four additional pallet x-ray machines to be located in Sydney, Adelaide, Brisbane and Perth. The additional machines will enable greater interception of illegal goods entering Australia by increasing the number of cargo inspections.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues. See also the related capital measure titled *Additional pallet x-ray machines* in the Attorney-General's portfolio.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Doubling of Customs' National Marine Unit surveillance and response capacity

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	14.8	20.2	20.2	22.2

Explanation

The Government will provide additional funding of \$77.4 million to double the National Marine Unit surveillance and response capability in order to meet increasing demand as a result of the increase in unauthorised arrivals. The funding will increase the surveillance and response capacity of the National Marine Unit from 1,200 sea days to 2,400 sea days per annum.

See also the related capital measure titled *Doubling of Customs' National Marine Unit surveillance and response capacity* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Enhanced Coastwatch communications capability

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	2.0	2.0	2.0	2.1

Explanation

The Government will provide additional funding of \$8.1 million to upgrade the communications capability of Coastwatch. These funds will enable inter-operability of communications equipment with existing air and surface assets and facilitate secure and reliable communications with surveillance command and control centres.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

High frequency surface wave radar

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	3.0	3.2	3.2	3.4

Explanation

The Government will provide additional funding of \$12.8 million to the Australian Customs Service for the provision of a high frequency surface wave radar system to be provided through contractual arrangement. This system will provide greater and more continuous coverage against air and surface targets. The radar will allow the current surveillance assets to be redeployed to other high security threat areas.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Increased Coastwatch surveillance

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	9.5	9.5	9.5	-

Explanation

The Government will provide additional funding of \$28.5 million to increase Coastwatch flight surveillance time by 20 per cent or 1,600 hours per annum. The increase in capacity is in response to increased demand for aerial coastal surveillance as a result of an increase in unauthorised arrivals and forms part of the Government's commitment to protecting Australia's border security.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Australian Federal Police rapid response capability

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	0.9	1.4	2.2	-

Explanation

The Government will provide additional funding of \$4.5 million to the Australian Federal Police (AFP) for the ongoing costs associated with improved access to telecommunications infrastructure in remote locations. These funds will provide investigators in remote locations with real-time access to the AFP's computer infrastructure, including increased network access; radio communications; and a multi-user telephone system.

See also the related capital measure titled *Australian Federal Police rapid response capability* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Double the strike team capacity of the Australian Federal Police

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	5.0	13.6	12.7	12.7

Explanation

The Government will provide additional funding of \$44 million to double the Australian Federal Police's strike team capacity. The funds will provide for the deployment of an additional 116 Australian Federal Police officers around Australia. The strike teams respond to crimes such as people smuggling, terrorism and politically motivated violence.

See also the related capital measure titled *Double the strike team capacity of the Australian Federal Police* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government’s election commitment in *A Safer More Secure Australia*.

Enhanced analytical and predictive crime capability for the Australian Bureau of Criminal Intelligence

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	1.4	2.8	2.9	3.9

Explanation

The Government will provide additional funding of \$11 million for the implementation and management of an automated screening and crime recognition facility within the Australian Law Enforcement and Targeting System (ALERT). This facility will allow ALERT to automatically compare intelligence data with information held in the Australian Criminal Intelligence Database (ACID).

See also the related capital measure titled *Enhanced analytical and predictive crime capability for the Australian Bureau of Criminal Intelligence* in the Attorney-General’s portfolio.

This measure delivers on the Government’s election commitment in *A Safer More Secure Australia*.

Expand the research and development capability of the Australian Federal Police

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	0.3	0.4	0.4	0.5

Explanation

The Government will provide \$1.6 million to expand the research, forensic science and development capabilities of the Australian Federal Police (AFP). This measure will ensure that the AFP is able to keep pace with new and emerging forensic techniques and technologies for use in areas such as information technology and electronic crime.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Expansion of the Law Enforcement Cooperation Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	3.8	11.8	13.7	13.7

Explanation

The Government will provide additional funding of \$43 million to expand the Law Enforcement Cooperation Programme. This measure will fund an additional 16 strategically placed Australian Federal Police officers overseas. The programme will enhance cooperation with overseas law enforcement agencies. This will increase the flow of intelligence information on activities that may impact adversely on Australian security.

See also the related capital measure titled *Expansion of the Law Enforcement Cooperation Programme* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Extension of Project Axiom

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	3.8	4.5	4.9	5.1

Explanation

The Government will provide an additional \$18.3 million to expand the Axiom undercover policing programme. This funding will enable the Australian Federal Police to conduct more effective targeted operations into a wide range of criminal activities such as money laundering, people smuggling, illicit drug trafficking and electronic crime.

See also the related capital measure titled *Extension of Project Axiom* in the Attorney-General's portfolio.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Extension of the National Heroin Signature Programme (NHSP) to cocaine and amphetamines

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	1.2	1.2	1.2	1.1

Explanation

The Government will provide additional funding of \$4.7 million to extend the profiling capabilities of the National Illicit Drug Strategy to cocaine and amphetamines, following the success of the NHSP. The NHSP carries out physical and chemical analysis of heroin seizures (including packaging) in order to construct a better intelligence picture of where the drugs are coming from facilitating improved use of police resources in targeted operations.

This measure delivers on the Government's election commitment in *Tough on Drugs*.

Capital

Additional container x-ray machines

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	6.0	4.1	1.6	-1.4

Explanation

The Government will fund the purchase of two additional container x-ray machines in Fremantle and Brisbane at a net cost of \$10.3 million (funding of \$13.8 million less depreciation of \$3.5 million). This measure expands the x-ray procurement programme currently being implemented in Sydney and Melbourne and will enable enhanced screening of imported goods and greater interception of illegal goods.

See also the related expense measure titled *Additional container x-ray machines* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Additional pallet x-ray machines

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	2.0	0.8	0.8	-0.8

Explanation

The Government will fund the purchase of four additional pallet x-ray machines to be located in Sydney, Adelaide, Brisbane and Perth at a net cost of \$2.8 million (funding of \$4.4 million less depreciation of \$1.6 million). The additional machines will enable greater interception of illegal goods entering Australia by increasing the number of cargo inspections.

See also the related expense measure titled *Additional pallet x-ray machines* in the Attorney General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Doubling of Customs' National Marine Unit surveillance and response capacity

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	-1.5	-3.0	-3.0	-3.0

Explanation

The Government will double the National Marine Unit surveillance and response capability in order to meet increasing demand. The National Marine Unit is receiving funding to increase their capacity from 1,200 sea days to 2,400 sea days over the four years (see related expense measure). The greater rate of depreciation, as a result of increased usage of existing vessels, is reflected in the figures above.

See also the related expense measure titled *Doubling of Customs' National Marine Unit surveillance and response capacity* in the Immigration and Multicultural and Indigenous Affairs portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Protecting our Borders*.

Australian Federal Police rapid response capability

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	1.0	0.5	..	-

Explanation

The Government will supply the equipment necessary for the Australian Federal Police to have enhanced access to telecommunications infrastructure for use in remotely located operations at a net cost of \$1.5 million (funding of \$2.7 million less depreciation of \$1.2 million).

See also the related expense measure titled *Australian Federal Police rapid response capability* in the Attorney-General's portfolio.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Double the strike team capacity of the Australian Federal Police

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	-0.1	0.6	1.1	-0.9

Explanation

The Government will fund the purchase of equipment required by additional Australian Federal Police officers that are to be deployed at a net cost of \$0.7 million (funding of \$3 million less depreciation of \$2.3 million). This new equipment will be purchased in 2003-04 when the full complement of officers are deployed. In 2002-03 there will be a greater utilisation of existing equipment. The greater rate of depreciation, as a result of increased usage of existing equipment is reflected in the figures above for 2002-03.

See also the related expense measure titled *Double the strike team capacity of the Australian Federal Police* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Enhanced analytical and predictive crime capability for the Australian Bureau of Criminal Intelligence

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	-	-0.2	-0.5	-0.7

Explanation

The Government will provide additional funding to upgrade the Australian Bureau of Criminal Intelligence's database system (see related expense measure). This upgrade will result in greater utilisation of existing capital equipment and therefore increased depreciation.

See also the related expense measure titled *Enhanced analytical and predictive crime capability for the Australian Bureau of Criminal Intelligence* in the Attorney-General's portfolio.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Expansion of the Law Enforcement Cooperation Programme

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	2.9	0.3	-0.8	-0.7

Explanation

The Government will provide funding for equipment to enable the expansion of the Law Enforcement Cooperation Programme at a net cost of \$1.7 million (funding of \$4 million less depreciation of \$2.3 million).

See also the related expense measure titled *Expansion of the Law Enforcement Cooperation Programme* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

Extension of Project Axiom

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	0.6	0.4	0.2	0.1

Explanation

The Government will provide equipment associated with the expansion of the Axiom undercover policing programme at a net cost of \$1.3 million (funding of \$3.1 million less depreciation of \$1.8 million). This funding will enable the Australian Federal Police to conduct more effectively targeted operations into a wide range of criminal activity, such as money laundering, people smuggling, illicit drug trafficking and electronic crime.

See also the related expense measure titled *Extension of Project Axiom* in the Attorney-General's portfolio.

This measure delivers on the Government's election commitment in *A Safer More Secure Australia*.

COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Expenses

A national media-based youth arts festival

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australia Council	1.0	1.0	-	-

Explanation

The Government will provide \$2 million to support the third national media-based youth arts festival. Like its predecessors, the festival will promote the work of thousands of young Australians in television, radio, print and online media.

This measure delivers on the Government's election commitment in *Arts for All*.

Continuation of funding for the Major Festivals Initiative

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australia Council	0.8	0.8	0.8	0.8

Explanation

The Government will provide \$3 million for continuation of the Major Festivals Initiative, which supports the development of large scale works in the performing arts for presentation at Australia's major arts festivals and for international touring.

This measure delivers on the Government's election commitment in *Arts for All*.

Continuation of funding for the Young and Emerging Artists Initiative

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australia Council	1.3	1.3	1.3	1.3

Explanation

The Government will provide \$5 million for the continuation of the Young and Emerging Artists Initiative, which assists new and younger artists with career development and exposure of their work.

This measure delivers on the Government's election commitment in *Arts for All*.

Australia Business Arts Foundation

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Communications, Information Technology and the Arts	1.6	1.6	1.6	1.6

Explanation

The Government will provide additional funding of \$6.4 million to the Australia Business Arts Foundation (ABAF). ABAF encourages private sector support for the arts and culture, and Government funding will be leveraged into higher ongoing private sector support for the arts.

This measure delivers on the Government's election commitment in *Arts for All*.

Commercial Radio Black Spots Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Communications, Information Technology and the Arts	1.0	2.0	2.0	-

Explanation

The Government will provide \$5 million to extend the coverage of commercial radio in areas of regional and remote Australia where it is not commercially viable for licensees to provide coverage. This funding will provide one-off grants to eligible communities for equipment and site establishment costs.

This measure delivers on the Government's election commitment in *Broadcasting for the 21st Century*.

Continuation of funding for heritage collections

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Communications, Information Technology and the Arts	0.3	0.3	0.3	0.3

Explanation

The Government will provide \$1.2 million to build on the work of the Heritage Collections Council. This work is supported by the Commonwealth, States and Territories and develops strategies for the care and management of heritage items held in museums, libraries and galleries, particularly in regional Australia.

This measure delivers on the Government's election commitment in *Arts for All*.

Continuation of funding for the Australian Museums Online Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Communications, Information Technology and the Arts	0.2	0.2	0.2	0.2

Explanation

The Government will provide \$1 million to continue the Australian Museums Online initiative, which supports online links between museums and galleries across Australia, provides virtual tours of their collections, and improves access to conservation, collection management and training resources.

This measure delivers on the Government's election commitment in *Arts for All*.

Continuation of funding for the Contemporary Music Touring Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Communications, Information Technology and the Arts	0.3	0.3	0.3	0.3

Explanation

The Government will provide \$1 million for continuation of the Contemporary Music Touring Programme. This programme assists touring opportunities for Australian musicians and facilitates wider access to live Australian contemporary music.

This measure delivers on the Government's election commitment in *Arts for All*.

Maintaining community broadcasting infrastructure and multicultural funding

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Communications, Information Technology and the Arts	1.6	1.6	1.7	1.7

Explanation

The Government will provide \$6.6 million to continue support for community broadcasting services throughout Australia. Funding will support multicultural community broadcasting and community broadcasting infrastructure, including the community access network, the community broadcasting database and the community radio satellite service.

This measure delivers on the Government's election commitment in *Broadcasting for the 21st Century*.

Television Black Spots — alternative technical solutions

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Communications, Information Technology and the Arts	3.9	7.0	2.4	-

Explanation

The Government will provide \$13.3 million to further improve television reception in regional areas. Building on the Television Black Spots Programme, which supports improved reception through analog retransmission, this funding will support the development of alternative reception solutions including digital multi-channelling, direct to home satellite links and local cabling.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Broadcasting for the 21st Century*.

Extension of SBS Television to population areas with 5,000 to 10,000 people

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Special Broadcasting Service Corporation	0.3	1.4	2.0	2.0

Explanation

The Government will provide \$5.7 million to fund new SBS television extension services to towns with populations of 5,000 to 10,000 people. This funding will also meet the costs of maintaining existing SBS television services in areas where services were established through self-help arrangements (which require local community groups and Councils to meet establishment and maintenance costs).

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Broadcasting for the 21st Century*.

DEFENCE

Following the events of 11 September 2001, the Government has directed extra funding to Defence to cover the additional costs of deploying armed forces to Afghanistan and the Middle East, at an increased tempo of Defence operations over and above the White Paper funding levels.

During the election campaign, the Coalition also committed the Government to a long-term plan for the future security of our nation. In particular, the Coalition committed to a significant enhancement of Defence's counter-terrorist and incident response capabilities, and specifically to better equip the Australian Defence Force to deal with terrorist attacks which are highly planned and coordinated.

Expenses

Additional funding for the War Against Terrorism

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Defence	194.0	-	-	-

Explanation

The Government will provide additional funding of \$523.8 million (including \$329.8 million in 2001-02) to support Australia's contribution to the War Against Terrorism in Afghanistan and the Persian Gulf. The deployment involves around 1,100 Australian Defence Force personnel and includes: an Australian special forces task group and other personnel participating in Afghanistan; a naval task group supporting the Multinational Interception Force implementing UN Security Council resolutions in the Persian Gulf and other activities in support of the War Against Terrorism.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Strengthening Australia's Defences*.

Enhancement to Defence's tactical response capability

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Defence	32.6	37.8	28.8	33.4

Explanation

Following the events of 11 September 2001, the Government has decided to double the tactical assault capability of the Australian Defence Force by establishing a permanent Tactical Assault Group on the east coast of Australia. This group will supplement the existing Tactical Assault Group located on the west coast. Funding of \$23.1 million was provided in 2001-02 to establish an interim east coast Tactical Assault Group.

A Tactical Assault Group is a special forces unit trained to conduct counter terrorism activities in a range of situations, including the recovery of hostages. A full strength permanent group will be drawn immediately from the existing Australian Defence Force. The funding provided allows for the purchase of specialist military equipment for the new Tactical Assault Group and for the recruitment and training of new personnel to replace those personnel drawn into the new Tactical Assault Group.

See also the related capital measure titled *Enhancement to Defence's tactical response capability* in the Defence portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Strengthening Australia's Defences*.

Incident response capability

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Attorney-General's Department	8.4	8.4	0.5	0.5
Department of Defence	18.0	21.0	22.0	24.0
Department of Health and Ageing	10.7	0.2	0.2	0.2
Total	37.1	29.6	22.7	24.7

Explanation

The Government will provide additional funding of \$114.1 million to introduce a number of measures designed to strengthen Australia's preparedness and capacity to respond to Chemical, Biological, Radiological, Nuclear And Explosive (CBRNE) incidents.

The Government is establishing within the Australian Defence Force a permanent Incident Response Regiment (IRR). The IRR will complement existing Commonwealth and state and territory capabilities dealing with CBRNE threats and incidents. It builds upon earlier capabilities funded through the Defence 2000 White Paper and interim arrangements put in place to cover events of national significance, such as the recent Commonwealth Heads of Government Meeting.

The IRR will be a group of highly trained Defence personnel able to respond to CBRNE emergencies in Australia and involving Australian interests overseas, including supporting hostage recovery operations with CBRNE dimensions, providing specialist and technical advice to Commonwealth, state and territory agencies and combating terrorist attacks involving an improvised nuclear device.

The Government is also enhancing the capacity of Emergency Management Australia (EMA) to deal with the consequences of terrorist attacks in Australia. EMA will acquire and maintain a reserve of deployable equipment and a training programme to provide assistance to States and Territories in the event of a CBRNE incident.

The Department of Health and Ageing will establish and maintain a centralised national drug stockpile of chemical antidotes and vaccines, which will be available in response to a major biological attack on the Australian public.

See also the related capital measure titled *Incident response capability* in the Defence portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Strengthening Australia's Defences*.

Capital

Enhancement to Defence's tactical response capability

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Defence	0.5	24.1	37.5	24.7

Explanation

Following the events of 11 September 2001, the Government has decided to double the Tactical Assault capability of the Australian Defence Force by establishing a permanent Tactical Assault Group on the east coast of Australia. Capital funding will be used to construct training facilities for the Group.

See also the related expense measure titled *Enhancement to Defence's tactical response capability* in the Attorney-General's portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Strengthening Australia's Defences*.

Incident response capability

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Defence	0.5	11.2	17.4	6.9

Explanation

The Government will provide additional capital funding to the Department of Defence to build the facilities required to support a permanent Incident Response Regiment to respond to Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE) incidents. This facility will include a regimental headquarters, a range of secure storage and some live-in accommodation.

See also the related expense measure titled *Incident response capability* in the Defence portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Strengthening Australia's Defences*.

EDUCATION, SCIENCE AND TRAINING

Revenue

Extension of the Postgraduate Education Loans Scheme

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	-	0.1	0.2	0.3

Explanation

From 1 January 2003, the Government will extend access to the Postgraduate Education Loans Scheme (PELS) to eligible students attending Bond University, Melbourne College of Divinity, the Christian Heritage College and Tabor College Adelaide.

Under PELS, an eligible postgraduate student is loaned a sum at a zero real interest rate. The sum is indexed to the Consumer Price Index (CPI). As this sum is a loan and is repayable, it does not appear as an expense. The indexation amount is shown as a non-tax revenue.

See also the related capital measure titled *Extension of the Postgraduate Education Loans Scheme* in the Education, Science and Training portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Investing in Higher Education*.

Expenses

Expanding School Based New Apprenticeships

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	4.2	9.1	9.2	9.2

Explanation

The Government has decided to provide extra incentives to employers taking on New Apprentices who are continuing their school studies. Employers who are willing to take on a New Apprentice while they are at school will receive \$750. A retention bonus of \$750 will be provided to employers who continue to employ a young person as a New Apprentice within six months of them completing Year 12.

School Based New Apprenticeships enable students to gain a national vocational qualification while continuing school studies. Students earn a wage for the time spent in productive work, providing an attractive transition pathway for some school students. The measure will encourage a greater national take up of the School Based New Apprenticeship pathway.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Higher Standards, Opportunities for All*.

Improving information technology skills for older workers

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	5.8	5.8	5.8	5.8

Explanation

The Government will provide up to 11,500 mature age people each year with training up to the value of \$500 to attain basic skills in computer and information technology (IT).

The measure provides accredited training to mature age people in the labour force, who are welfare dependent and have no previous post-school qualifications in IT. The training would bring them up to a level of IT literacy that would enable them to operate at a basic level in the workplace.

This measure delivers on the Government's election commitment in *Skilling Up Australia*.

Innovation New Apprenticeship Incentive

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	2.5	6.6	6.6	6.6

Explanation

The Government will provide an extra incentive of \$1,100 to employers taking on a New Apprentice in Information Technology (IT) and other highly skilled occupations.

Skill shortages in IT and innovation industries have been identified as a key constraint on the growth and competitiveness of Australian industry, and the emerging information economy. The measure encourages employers to increase structured training opportunities in IT and high skilled occupations through the New Apprenticeship arrangements.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Skilling Up Australia*.

Quality Teacher Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	-	-	-	-

Explanation

The Government will continue for a further three years the Quality Teacher Programme, by providing \$31.9 million in 2002-03, \$32.5 million in 2003-04 and \$33.1 million in 2004-05.

The programme provides funding for professional development and the renewal of teacher skills in the priority areas of literacy, numeracy, mathematics, science, information technology and vocational education. The programme targets teachers who have completed formal training ten or more years ago, casual teachers and teachers who are re-entering the teaching force. The programme also supports national projects related to teacher quality.

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

This measure delivers on the Government's election commitment in *Higher Standards, Opportunities for All*.

Review of Australia's veterinary profession to address the shortage of rural based large livestock veterinarians

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	0.1	-	-	-

Explanation

The Government will provide \$100,000 towards a review of the veterinary profession. The review is to address the shortage of rural based large livestock veterinarians, with particular focus on the impediments within the education system that may contribute to the shortage.

See also the related expense measure titled *Boosting rural veterinary services* in the Agriculture, Fisheries and Forestry portfolio.

This measure delivers on the Government's election commitment in *Growing Stronger*.

The General Sir John Monash Awards

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	-	-	-	-

Explanation

The Government will provide seed funding of \$250,000 in 2001-02 to the General Sir John Monash Foundation to assist with the establishment of the General Sir John Monash Awards.

This funding will assist with the establishment of an endowment fund to provide awards to Australian postgraduate students to study abroad at the world's leading universities in North America and Europe, while at the same time promoting international exchange by inviting foreign postgraduates to study in Australia.

This measure is being fully absorbed within the existing resources of the Department of Education, Science and Training.

This measure delivers on the Government's election commitment in *Investing in Higher Education*.

University of Tasmania — Graduate Diploma in Environment and Planning

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	0.2	0.1	0.1	-

Explanation

The Government will provide \$360,000 for the establishment of a Graduate Diploma in Environment and Planning at the University of Tasmania, including six scholarships worth \$10,000 each over 2003 to 2005.

This initiative will build on the University of Tasmania's reputation in integrated social, economic and environmental planning, and assist in meeting the growing demand for professionals in this field, particularly in Tasmania.

This measure delivers on the Government's election commitment in *A Stronger Tasmania*.

Capital

Extension of the Postgraduate Education Loans Scheme

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Education, Science and Training	-	-	-	-

Explanation

The Government has decided to extend access to the Postgraduate Education Loans Scheme (PELS) to Bond University, Melbourne College of Divinity, the Christian Heritage College and Tabor College Adelaide.

It is expected that the cash value of loans to students at these four institutions will amount to some \$18.7 million over four years. The actual amount loaned to students is treated as a financial asset and therefore does not impact on expenses.

See also the related revenue measure titled *Extension of the Postgraduate Education Loans Scheme* in the Education, Science and Training portfolio.

This measure delivers on the Government's election commitment in *Investing in Higher Education*.

EMPLOYMENT AND WORKPLACE RELATIONS

Expenses

Arrangements for the Third Employment Services Contract

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Employment and Workplace Relations	-	-0.3	-20.4	-44.0

Explanation

The Government will provide funding of \$3,339 million over three years beginning 1 July 2003 for arrangements associated with the Third Employment Services Contract. The Government has decided to make a number of improvements to the Job Network to better target and further increase the effectiveness of employment services provided to job seekers and employers. These improvements will include:

- benefits to job seekers from improved Intensive Support customised assistance with all long term unemployed job seekers being guaranteed access to these services. Service delivery will also be simplified by ensuring that eligible job seekers can, for the duration of their unemployment, access the range of services available through a single Job Network provider of their choice.

In addition, the Government will introduce a number of new initiatives as part of the Third Employment Services Contract including:

- Job Seeker Accounts averaging \$850 will be available to 165,000 eligible job seekers each year receiving Intensive Support at a cost of \$420 million over three years. The Job Seeker Accounts may be used for expenses that will help a job seeker into employment including training, wage subsidies or transport.
- the Government will require all Job Network providers to provide a guaranteed minimum level of service to all job seekers. These minimum standards will support more active job search and will include assistance with resume and job application preparation, regular contact with the provider to assist with job search activities as well as lodgement of vocational profiles on to the Australian Job Search site to allow automatic job matching.
- an additional 8,500 Work for the Dole places will be funded per year at a cost of \$81.8 million over three years.

Provision for this funding has already been included in the forward estimates. However, due to the combination of better targeting, increased effectiveness of services and the move to fixed price contracts, some savings are expected in the out years under the Third Employment Services Contract.

See also the related capital measure titled *Arrangements for the Third Employment Services Contract* in the Employment and Workplace Relations portfolio.

This measure delivers on the Government’s election commitments in *More Jobs, Better Future* relating to the negotiation of a Third Employment Services Contract. The commitments were costed in the *Charter of Budget Honesty* process as having no additional cost to the Budget, as the policy changes were to be met from within the existing forward estimates. The financial implications have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

See also the related capital measure titled *Arrangements for the Third Employment Services Contract* in the Employment and Workplace Relations portfolio.

Capital

Arrangements for the Third Employment Services Contract

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Employment and Workplace Relations	3.2	-0.9	-0.9	-0.9

Explanation

The Government has decided to enhance the information technology underpinning Job Network through the purchase of new hardware and new software which will give recruitment agencies and job seekers access to the Job Network recruitment databases. The amounts shown above are net figures including depreciation (in 2002-03 capital of \$3.9 million less depreciation of \$0.7 million and in other years \$0.9 million).

The enhancements will provide a number of benefits for job seekers and Job Network providers, including:

- automatic matching of job seeker resumes with new vacancies on the National Vacancy Database, with job seekers promptly notified by e-mail or phone of any suitable vacancies; and
- improved access for external job placement agencies so they can lodge vacancies on the National Vacancy Database.

See also the related expense measure titled *Arrangements for the Third Employment Services Contract* in the Employment and Workplace Relations portfolio.

This measure delivers on the Government's election commitments in *More Jobs, Better Future* relating to the negotiation of a Third Employment Services Contract. The commitments were costed in the *Charter of Budget Honesty* process as having no additional cost to the Budget, as the policy changes were to be met from within the existing forward estimates. The financial implications have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

See also the related expense measure titled *Arrangements for the Third Employment Services Contract* in the Employment and Workplace Relations portfolio.

ENVIRONMENT AND HERITAGE

Expenses

Expansion of the market for Biofuels

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Greenhouse Office	-	-	-	-

Explanation

The Government will reallocate \$2.5 million in 2002-03 and 2003-04 from the Greenhouse Gas Abatement Programme to fund a study addressing market barriers to the uptake of biofuels. The study will include consideration of options for vehicle testing to determine appropriate standards for ethanol blend fuels.

Development of sewerage schemes for Boat Harbour and Sisters Beach, Tasmania

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of the Environment and Heritage	1.0	1.0	1.0	-

Explanation

The Government will provide \$3 million to the Waratah-Wynyard Council for a new environmentally sustainable sewerage system for the Sisters Beach and Boat Harbour communities.

This measure delivers on the Government's election commitment in *A Stronger Tasmania*.

National Oceans Policy

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
National Oceans Office	-	-	-	-

Explanation

The Government will provide funding of \$9.1 million in 2002-03 to the National Oceans Office. The funding will provide for the further development of Regional Marine Plans and related activities as part of Australia's Oceans Policy. It will be used to finalise the South East Regional Marine Plan and for initial development of a marine plan for the Gulf of Carpentaria and the Torres Strait region. Provision for this funding has already been included in the forward estimates.

This measure delivers on the Government's election commitment in *A Better Environment*.

FAMILY AND COMMUNITY SERVICES

Expenses

National reciprocal transport concessions for State Seniors Card holders

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Family and Community Services	7.4	5.7	5.9	6.4

Explanation

The Government will provide funding of \$25.5 million to provide reciprocal travel concessions to enable State Government Seniors Card holders to travel at concessional rates on public transport outside their home state.

Funding is dependent upon states and territories reaching an agreement with the Commonwealth over the terms of the measure.

Provision for this funding was contained in the *Contingency Reserve* and therefore this measure has no effect on the fiscal or underlying cash balance.

This measure delivers on the Government's election commitment in *Stronger Families and Communities*.

FOREIGN AFFAIRS AND TRADE

Expenses

Increase in the Export Market Development Grants minimum grant

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Trade Commission	0.4	0.4	0.4	0.4

Explanation

The Government will increase the minimum grant under the Export Market Development Grants (EMDG) scheme from \$2,500 to \$5,000 for those exporters claiming eligible export marketing expenses of between \$15,000 and \$25,000 per annum. This change to the EMDG scheme will encourage small business to invest in exporting. The increase in the minimum grant applies to expenses incurred in the grant year 2001-02 and will be payable in 2002-03 onwards.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Australians Exporting to the World*.

Integration and expansion of TradeStart and Export Access Programmes

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Trade Commission	5.0	5.5	5.5	5.5

Explanation

The Government will extend the amalgamated TradeStart and Export Access Programmes for another four years and expand the network by establishing ten additional offices in outer metropolitan, regional and rural areas throughout Australia. Amalgamating the programmes will increase efficiency and improve export advisory services to small and medium enterprises seeking to export. The programmes will continue to be delivered through joint ventures with local partners, including state and territory governments, industry associations and regional development associations.

This measure delivers on the Government's election commitment in *Australians Exporting to the World*.

HEALTH AND AGEING

Expenses

Additional support for carers of older Australians

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	4.9	7.4	7.6	10.1

Explanation

The Government will provide additional support to carers of older Australians by expanding Commonwealth funded respite services, especially for carers in rural and remote areas, and by subsidising the cost of specialised equipment (such as special beds and lifting devices), minor modifications within the home and the cost of transport. This measure will also ensure that carers have access to emotional and psychological support, including bereavement counselling, through trained counsellors at Carer Resource Centres.

This measure delivers on the Government's election commitment in *Choosing to Stay at Home*.

Better arthritis care

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	1.5	3.0	3.5	3.5

Explanation

The Government will provide \$11.5 million to improve arthritis care through access to quality treatment, diagnosis and prescribing information, and the promotion and support of self management options such as improved nutrition and physical activity. The measure allows for the development of a national action plan, development of an arthritis management toolkit and facilitating national bodies to develop medical and health professional education programmes focused on arthritis management.

This measure delivers on the Government's election commitment in *A Healthier Australia*.

Better treatment for cancer patients

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	13.1	18.8	20.4	20.4

Explanation

The Government will provide \$72.7 million to improve patient access to radiation oncology services, particularly in rural and regional areas, through building up to six new facilities outside the capital cities and funding their operation. Part of the funding will also be allocated to measures designed to attract and retain appropriately trained staff to the new facilities through the provision of ongoing professional education and training designed to keep staff up to date with international best practices.

This measure delivers on the Government's election commitment in *A Healthier Australia*.

Capital assistance for aged care in rural and remote Australia

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	8.3	18.0	25.9	26.6

Explanation

The Government will provide additional funding of \$100 million (\$25 million per annum over four years) for grants to assist with the upgrading or replacement of small, high care homes in rural, remote and urban fringe areas; and to provide transitional capital funding for homes needing financial assistance to enable them to maintain ongoing certification. While the Government will make available \$25 million per annum, the figures in the above table reflect the expected call on the funds as the upgrading or replacement of nursing homes takes place (with some projects expected to take up to three years to complete). As a result, remaining funding provided through this measure will be expensed beyond 2005-06.

This measure delivers on the Government's election commitment in *Better Care for Older Australians*.

Community partnerships initiative

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	2.0	4.0	4.0	4.0

Explanation

The Government will provide additional funding of \$14 million to community organisations to provide direct assistance to those dealing with drug abuse at a local level. The Community Partnership Initiative aims to encourage quality practice in community action to prevent illicit drug use.

This measure delivers on the Government's election commitment in *Tough on Drugs*.

Croc Festivals

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	0.3	0.3	0.3	0.3

Explanation

The Government will provide additional funding of \$1.2 million in support of the Croc Festivals. The seven Croc Festivals are held in remote areas across Australia and are similar to the Rock Eisteddfod programme. The festivals support indigenous communities in their determination to see their children lead healthy lives without resorting to tobacco, alcohol and other drugs.

This measure delivers on the Government's election commitment in *Tough on Drugs*.

Increased funding for drug treatment

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	-	-	-	-

Explanation

The Government will continue to provide grants to non-government organisation drug treatment services. Funding from this initiative has to date been allocated to 133 non-government treatment organisations offering treatment options including outreach support, counselling, and rehabilitation programmes.

This measure will involve funding of \$15.8 million in 2002-03, \$16.1 million in 2003-04, \$16.4 million in 2004-05 and \$16.8 million in 2005-06. Provision for this funding has already been included in the forward estimates.

This measure delivers on the Government's election commitment in *Tough on Drugs*.

Increased residential aged care subsidies

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	45.1	45.9	46.9	47.9
Department of Veterans' Affairs	6.1	6.3	6.4	6.5
Total	51.2	52.2	53.3	54.4

Explanation

The Government will increase subsidies for residential aged care by \$211.1 million. The additional funding will allow providers of aged care to attract and retain more aged care nurses by offering them pay rates closer to those of nurses in the public hospital sector.

This is a cross-portfolio measure between the Department of Health and Ageing and the Department of Veterans' Affairs.

See also the related expense measures titled *More aged care nurses* and *Support for aged care training* in the Health and Ageing portfolio.

This measure delivers on the Government's election commitment in *Better Care for Older Australians*.

More aged care nurses

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	3.2	5.9	8.5	8.7

Explanation

The Government will provide funding of \$26.3 million to encourage more people to take up aged care nursing. This measure provides for up to 250 aged care nursing scholarships (valued at up to \$10,000 per annum) each year at rural and regional universities. Universities will be responsible for marketing the scholarships and will be expected to make additional nursing places available.

See also the related expense measures titled *Increased residential aged care subsidies* and *Support for aged care training* in the Health and Ageing portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Better Care for Older Australians*.

More care services in retirement villages

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	1.2	2.9	4.9	5.8

Explanation

The Government will undertake a pilot programme to introduce care packages including nursing and other care services for retirement village residents. These services are designed to supplement (not replace) care and services already available in retirement villages. The pilot is based on providing 200 packages (100 high care and 100 low care) commencing in 2002-03 and increasing progressively to a total of 600 packages in later years.

This measure delivers on the Government's election commitment in *Better Care for Older Australians*.

More community aged care packages

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	1.6	6.1	17.1	44.0

Explanation

The Government will provide an additional 6,000 community aged care packages over four years. These packages are tailored to meet the needs of frail older Australians who have shown a strong preference for remaining in their own homes rather than being admitted to residential care.

Services provided in the packages include home help, laundry, shopping, assistance with meals and bathing.

This measure delivers on the Government's election commitment in *Choosing to Stay at Home*.

More doctors for outer metropolitan areas

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	12.0	18.0	25.0	25.0

Explanation

The Government will provide funding of \$80 million to increase the supply of doctors working in designated outer-metropolitan areas of the six state capital cities by 150. This increase will be achieved through three programmes. Firstly, the Government will allow specialist trainees (who are currently unable to access Medicare) access to Medicare provider numbers in outer metropolitan areas. Secondly, doctors in the 'general stream' of the general practice vocational training programme will undertake a supervised placement in an outer-metropolitan area. Thirdly, Other Medical Practitioners who agree to work in a designated outer metropolitan area and register on an alternative pathway to achieve vocational registration will be eligible for higher Medicare rebates.

This measure delivers on the Government's election commitment in *A Healthier Australia*.

More support for ageing carers of people with disabilities

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	5.4	6.9	7.7	10.1

Explanation

The Government will provide additional support of \$30 million for ageing carers of people with disabilities. The measure will be delivered through three main areas: developing specialist volunteer carers; targeting additional community aged care packages; and additional funding for respite services, which provide carers with transport, equipment and other services as required, to support them in their caring role.

This measure delivers on the Government's election commitment in *Choosing to Stay at Home*.

More support for carers of people with dementia

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	2.2	5.3	6.2	6.3

Explanation

The Government will provide an additional \$20 million to support carers of people with dementia. Additional funding will be provided to Carer Respite Centres to enable them to purchase residential respite for people with dementia. This respite will be provided by facilities that offer dementia specific accommodation. The measure will also provide for the expansion of Psychogeriatric Care Units to provide quality national coverage under a Commonwealth only programme. These units provide specialist management advice and training to aged care homes and carers in the community to assist them to care for people with dementia.

This measure delivers on the Government's election commitment in *Choosing to Stay at Home*.

Palliative care in the community

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	10.0	15.0	15.0	15.0

Explanation

The Government will provide funding of \$55 million over four years to improve the standard of palliative care in the community. Funding will be provided for better coordination between hospital and community care, improved education and further support for GPs and other health professionals in palliative care, and further assistance for families of people who choose to die in their home setting.

This measure delivers on the Government's election commitment in *A Healthier Australia*.

Productive Ageing Centre

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	0.3	0.3	0.3	0.3

Explanation

The Government will provide \$1 million to establish a Productive Ageing Centre within the University of the Sunshine Coast. The centre will conduct research into all aspects of productive ageing; canvass issues around policies and programme developments that would enhance productive ageing; create and organise public education programmes to promote productive ageing; and encourage the study of productive ageing programmes as part of degree courses in medicine, health and social sciences.

This measure delivers on the Government's election commitment announced by the Prime Minister on 29 October 2001.

Retractable needles and syringes

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	1.5	6.0	8.0	12.0

Explanation

The Government will provide \$27.5 million to fund a product development and implementation strategy for the introduction of retractable needle and syringe technology into Australia. Retractable needle and syringe technology will assist in reducing the risk of acquiring blood borne viruses from needle stick injuries.

This measure delivers on the Government's election commitment in *Tough on Drugs*.

Review of pricing arrangements for residential aged care subsidies

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	3.7	3.4

Explanation

The Government will provide \$7.1 million for a review of the current pricing arrangements for residential aged care subsidies. The review will take into account the improved care outcomes that are now required under accreditation, underlying cost pressures including movements in nurses' and other wages, and industry views.

The funding for this election commitment has been offset in this Budget by a reprioritisation of existing funding in the portfolio. This commitment therefore has no net effect on the fiscal or underlying cash balance in net terms.

This measure delivers on the Government's election commitment in *Better Care for Older Australians*.

Support for aged care training

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	3.2	4.8	5.9	7.2

Explanation

The Government will provide \$21.2 million for training in aged care for personal care staff in smaller aged care homes. The funding will provide for courses through flexible or distance up-skilling programmes. It will assist participating aged care homes to pay course fees and other education expenses such as travel and accommodation for eligible staff and provide for back-filling while staff attend training programmes. Upgrading the skills of personal care workers will enable them to free registered nurses to concentrate on clinical work rather than general personal care.

See also the related expense measures titled *Increased residential aged care subsidies* and *More aged care nurses* in the Health and Ageing portfolio.

This measure delivers on the Government's election commitment in *Better Care for Older Australians*.

IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Expenses

Enhanced training of directors of indigenous organisations

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Aboriginal and Torres Strait Islander Commission	-	-	-	-

Explanation

The Government will enhance the training of directors in indigenous community organisations so as to improve corporate governance within these organisations. This will include the provision of training in nationally recognised competency standards; assistance for further training with mainstream state/territory training providers; and enhancement of leadership skills, particularly for youth and for women. This will lead to improved service and programme delivery for indigenous organisations.

The cost of this measure is being fully absorbed within the existing resourcing of the Immigration and Multicultural and Indigenous Affairs portfolio.

This measure delivers on the Government's election commitment in *Indigenous Australians – A National Commitment*.

Australian Citizenship promotion

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Immigration and Multicultural and Indigenous Affairs	1.0	1.0	1.0	1.0

Explanation

The Government will provide additional funding of \$4 million to encourage eligible permanent residents to take out citizenship and participate fully in Australian society, and to promote Australian Citizenship. This will build on the success of the first Citizenship Day held on 17 September 2001, enabling it to become an annual event, celebrating the meaning and importance of citizenship.

This measure delivers on the Government's election commitment in *Strength Through Diversity*.

Continuation of the Adult Migrant English Programme special initiatives

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Immigration and Multicultural and Indigenous Affairs	-	4.5	4.5	4.5

Explanation

The Government has committed additional funding to continue to assist migrants to become full and active participants in Australia's society through the continuation of increased funding for the Adult Migrant English Programme (AMEP). This increased funding beyond 2002-03 will enable the continuation of the AMEP's special initiatives: the Special Preparatory Programme (SPP) and the Home Tutor Scheme Enhancement Programme. The SPP provides special assistance for those humanitarian and refugee clients who have special learning needs as a consequence of their pre-migration experience, including torture and trauma. The Home Tutor Scheme Enhancement Programme provides assistance to community agencies to enable them to provide English language tuition to migrants.

This measure delivers on the Government's election commitment in *Strength Through Diversity*.

Continuation of the Living in Harmony initiative

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Immigration and Multicultural and Indigenous Affairs	3.5	3.5	3.5	3.5

Explanation

The Government will provide additional funding of \$14 million for the Living in Harmony initiative to promote the importance of community harmony and address racism. An evaluation undertaken during 2001 demonstrated that this initiative has been widely supported, and has raised awareness of the importance of community harmony. This measure includes a grants programme of \$1.5 million per annum to help local organisations address issues within their own communities.

This measure delivers on the Government's election commitment in *Strength Through Diversity*.

Maintain funding for the Integrated Humanitarian Settlement Strategy

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

Explanation

The Government will provide funding of \$15.9 million over three years from 2003-04 to maintain funding for the Integrated Humanitarian Settlement Strategy (IHSS) at current levels. This will ensure that comprehensive, well-targeted services are available to assist refugee and humanitarian entrants to begin to rebuild their lives in Australia. The IHSS is a holistic national framework, improving service delivery integration and offering a responsive approach to permanent refugee and humanitarian entrants.

This measure will provide funding of \$5.2 million in each of 2003-04 and 2004-05 and \$5.4 million in 2005-06. Provision for this funding has already been included in the forward estimates.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, resulting from an assessment of existing funding available in the portfolio.

This measure delivers on the Government's election commitment in *Strength Through Diversity*.

Settlement services for migrants and humanitarian entrants

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

Explanation

The Government will provide an additional \$1 million in 2002-03 for the community settlement services for migrants and humanitarian entrants. The additional resources will be available to the Migrant Resource Centres and Migrant Service Agencies, and grants administered under the Community Settlement Services Scheme. The additional resourcing will focus on services to rural and regional areas.

The cost of this measure is being absorbed within the existing resourcing of the Department of Immigration and Multicultural and Indigenous Affairs.

This measure delivers on the Government's election commitment in *Strength Through Diversity*.

INDUSTRY, TOURISM AND RESOURCES

Expenses

Further funding for the Australian Tourist Commission

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Tourist Commission	6.0	4.0	4.0	4.0

Explanation

The Government has committed an extra \$24 million over five years, including \$6 million in 2001-02, in funding for the Australian Tourist Commission. Funding will be targeted at increasing visitor numbers by promoting Australia as an international tourist destination. Base funding for the Australian Tourist Commission is around \$90 million.

This measure delivers on the Government's election commitment in *Securing Australia's Tourism Future*.

Additional funding for the See Australia Domestic Tourism Initiative

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	1.5	1.5	2.5	2.5

Explanation

The Government will build on the successful See Australia Domestic Tourism Initiative by providing additional funding of \$8 million over 4 years. See Australia is a promotional campaign that was launched in November 2000 and is designed to encourage Australians to travel domestically.

This measure delivers on the Government's election commitment in *Securing Australia's Tourism Future*.

Australian Stockman's Hall of Fame and Outback Heritage Centre

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	-	-	-	-
Department of Transport and Regional Services	-	-	-	-
Total	-	-	-	-

Explanation

The Government provided \$4 million in 2001-02 to the Australian Stockman's Hall of Fame and Outback Heritage Centre for improvements to the centre and its displays. This funding will help the centre to maximise the heightened interest in remote Australia expected to flow from the Year of the Outback Promotion.

The Department of Transport and Regional Services will absorb \$2 million of the cost of this initiative within existing resources.

This measure delivers on the Government's election commitment in *Securing Australia's Tourism Future*.

Back of Bourke Exhibition Centre

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	-	-	-	-

Explanation

The Government provided \$1 million in 2001-02 to the Back of Bourke Exhibition Centre to support the development of a flood river pavilion, structures and displays, a café; and marketing. The centre is intended to boost regional tourism and maximise interest in remote Australia following the Year of the Outback promotion.

This measure delivers on the Government's election commitment in *Securing Australia's Tourism Future*.

Cairns Foreshore Promenade Development project

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	2.0	2.0	2.0	3.0
Department of Transport and Regional Services	-2.0	-2.0	-	-
Total	-	-	2.0	3.0

Explanation

The Government will contribute \$9 million to the development of the Cairns Foreshore. The project will provide a tourism precinct and includes the development of an Environmental Interpretive Centre, a Heritage Centre, and a Pacific Rim Forum.

This measure will be fully offset in 2002-03 and 2003-04 by reductions in existing resources in the Department of Transport and Regional Services.

This measure delivers on the Government's election commitment announced by the Deputy Prime Minister on 3 November 2001.

Derby Hydrogen Tidal Study

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	0.7	0.3	-	-

Explanation

The Government will provide \$1 million to study the potential for a hydrogen industry derived from the tidal changes of the Derby region of Western Australia.

This measure delivers on the Government's election commitment in *Backing Australia's Resources and Energy*.

Development of a National Offshore Safety Authority

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	-	2.5	-	-

Explanation

The Government will provide \$6.1 million over three years from 2002-03 to establish a National Offshore Safety Authority. The authority is proposed as a joint agency covering both Commonwealth and State/Northern Territory coastal waters. The \$3.6 million in departmental costs of the programme are being fully absorbed within the existing resourcing of the Department of Industry, Tourism and Resources.

This commitment was costed in the *Charter of Budget Honesty* process as having no additional cost to the Budget. The funding for this commitment has been offset in this Budget by a reprioritisation of existing funding within the portfolio. This commitment therefore has no effect on the fiscal or underlying cash balance in net terms.

This measure delivers on the Government's election commitment in *Backing Australia's Resources and Energy*.

Fishing Hall of Fame and World Heritage Fraser Island Interpretive Centre Project

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	-	-	-	-

Explanation

The Government provided \$3 million in 2001-02 to the Fishing Hall of Fame and World Heritage Fraser Island Interpretive Centre Project. This will help provide an additional major tourism focus for the Fraser Coast.

Funding is conditional on matching funding from the Queensland Government and local community.

This measure delivers on the Government's election commitment announced by the Deputy Prime Minister on 15 October 2001.

Funding for the Travel Compensation Fund

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	-	-	-	-

Explanation

The Government provided \$5 million in 2001-02 to the Travel Compensation Fund to compensate consumers who purchased a holiday package from a licensed travel agent and lost the value of that package due to the Ansett collapse. Funding of this measure is dependent on state and territory governments providing matching funding.

This measure delivers on the Government's election commitment in *Securing Australia's Tourism Future*.

Increased funding for the Regional Tourism Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	1.5	1.5	2.5	2.5

Explanation

The Government will provide additional funding of \$8 million to the Regional Tourism Programme. This builds on funding of \$2 million in 2002-03. The programme provides grants to business enterprises and other organisations that deliver tourism attractions, products and services in regional Australia.

This measure delivers on the Government's election commitment in *Securing Australia's Tourism Future*.

Increased industry assistance to small and medium enterprises

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	3.1	-	-	-

Explanation

This proposal implements part of the Government's September 2001 Small Business Package. The Government will provide \$3.1 million for a range of initiatives including funding for the Industrial Supplies Office Network (ISONET), the Supplier Access to Major Projects Program (SAMP) and other activities to enhance the range of services offered to small business when competing for major projects.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitments in *Backing Australia's Industry for the Future* and *Getting on with Business*.

Invest Australia — investment promotion and attraction

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	11.0	11.0	11.0	11.0

Explanation

The Government will provide additional funding of \$44 million to support the investment attraction role of Invest Australia as part of the Government's response to the *Winning Investment — Strategy, People and Partnerships* report.

This measure delivers on the Government's election commitment in *Securing Australia's Prosperity*.

Mentor Resources

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	0.1	0.1	0.1	-

Explanation

The Government will provide an additional \$150,000 to assist Mentor Resources of Tasmania to continue to match volunteer mentors to small businesses and to enable this initiative to be trialed elsewhere in Australia.

This measure delivers on the Government's election commitment in *A Stronger Tasmania*.

Signage for Magnetic Island

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	-	-	-	-

Explanation

The Government will provide \$0.2 million in 2002-03 to fund signage for Magnetic Island. This measure is being fully absorbed within the existing resourcing of the Department of Industry, Tourism and Resources.

Small Business Assistance Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	8.9	10.0	10.0	10.0

Explanation

The Government will provide a total of \$60 million over the next four years to fund the Small Business Assistance Programme (SBAP). As part of this initiative the Government will allocate \$24 million to enable the continuation of the Small Business Assistance Officers that help facilitate small business' access to Commonwealth Government programmes and assistance. The remaining \$36 million is additional funding for Small Business Incubators (to provide advice and premises for newly formed firms) and the Small Business Enterprise Culture programmes (skills development) which now form the SBAP.

Provision for funding of \$21.1 million has already been included in the forward estimates.

This measure delivers on the Government's election commitments in *Getting on with Business*.

Tasmanian regional tourism infrastructure initiatives

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	0.5	0.6	0.4	-

Explanation

The Government will provide a total of \$2.1 million (including \$0.6 million in 2001-02) for regional tourism infrastructure initiatives in Tasmania. The initiatives funded in 2001-02 are the Low Head Tourism Precinct (\$0.5 million) and the Mersey River Foreshore Upgrade (\$0.1 million). The infrastructure projects to be undertaken from 2002-03 include Cataract Gorge Reserve, North East Tourist Information Centre, Burnie Rail Project, Kingston Pier and Ringarooma Church.

This measure delivers on the Government's election commitment in *A Stronger Tasmania*.

Wine Industry Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Industry, Tourism and Resources	-	-	-	-

Explanation

The Government will provide \$0.5 million over three years from 2002-03 for a strategic plan for the wine industry and an independent review covering wine exports and wine tourism. This measure is being fully absorbed within the existing resourcing of the Department of Industry, Tourism and Resources.

This measure delivers on the Government's election commitment announced by the Minister for Agriculture, Fisheries and Forestry on 6 November 2001.

TRANSPORT AND REGIONAL SERVICES

Expenses

Artificial Reef Mackay

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Transport and Regional Services	-	-	-	-

Explanation

The Government will provide \$0.3 million in 2002-03 towards the construction of three artificial reefs on the Mackay coast. The artificial reefs will benefit the Mackay region through increased tourism and enhanced employment opportunities that will result. The contribution will be provided from existing funding for the Regional Solutions Programme.

This measure delivers on the Government's election commitment announced by the Deputy Prime Minister on 16 October 2001.

Construction of the Bert Hinkler Hall of Aviation Museum

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Transport and Regional Services	1.5	-	-	-

Explanation

The Government will provide \$1.5 million towards the construction of the Bert Hinkler Hall of Aviation Museum in Bundaberg. The museum will provide an economic and employment boost for the Bundaberg region through increased tourism by providing the focus for future national and local aviation related events.

This measure delivers on the Government's election commitment announced by the Deputy Prime Minister on 15 October 2001.

Enhancement of the Bass Strait Passenger Vehicle Equalisation Scheme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Transport and Regional Services	3.6	3.7	3.9	4.0

Explanation

The Government will provide additional funding of \$15.2 million to enhance the Bass Strait Passenger Vehicle Equalisation Scheme. The additional funding will replace the seasonal rebate with a flat \$150 each way rebate for passenger vehicles and introduce a rebate of \$150 each way for caravans, motor homes and the vehicles of people with disabilities who are unable to accompany their vehicle by sea.

This measure delivers on the Government's election commitment in *A Stronger Tasmania*.

Extension of the Federal Road Safety Black Spot Programme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Transport and Regional Services	45.0	45.0	45.0	45.0

Explanation

The Government will provide funding of \$180 million to extend the Federal Road Safety Black Spot Programme. The programme reduces the number of road accidents and their social and economic costs through the identification and cost effective treatment of dangerous locations on Australia's roads. Fifty per cent of funds will be directed to projects in rural and regional Australia.

This measure delivers on the Government's election commitment in *Keeping Australia Moving*.

National Highway and Roads of National Importance

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Transport and Regional Services	13.0	26.2	27.7	70.7

Explanation

The Government will provide increased funding of \$137.6 million to the National Highway and Roads of National Importance Programme. The additional funding will be used to upgrade the National Highway System, and to assist the states to upgrade important freight arteries that feed into the National Highway System. Regional communities will benefit through improved road access, greater road safety and improved road transport efficiency.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Keeping Australia Moving*.

Payment scheme for Airservices Australia's enroute charges

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Transport and Regional Services	6.0	6.0	6.1	-

Explanation

The Government has decided to pay air traffic control charges imposed by Airservices Australia on regional airline aircraft with a maximum takeoff weight of 15 tonnes or less. The payment of these charges by the Government will save the industry \$2.9 million in 2001-02. The scheme, which came into effect on 1 January 2002 and will continue until June 2005, will assist many regional operators who are facing financial difficulties. It also applies to aircraft used by aeromedical operators such as the Royal Flying Doctor Service.

This measure delivers on the Government's election commitment in *Keeping Australia Moving*.

TREASURY

Revenue

A Better Superannuation System — allow temporary residents to access their superannuation after they have departed Australia

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	70.0	110.0	75.0	70.0

Explanation

From 1 July 2002, temporary residents will be allowed to access their superannuation upon permanent departure from Australia subject to withholding of tax concessions provided to the benefits.

The measure will not apply to Australian citizens, permanent residents or other individuals who retain the option of retiring in Australia and accessing the age pension.

Under this measure, benefits paid from a taxed source will be taxed at 30 per cent and benefits paid from an untaxed source will be taxed at 40 per cent. Any personal (undeducted) contributions will be returned to the temporary resident untaxed. Amendments to the *Income Tax Assessment Act 1936* to give effect to these tax rates were passed by Parliament on 21 March 2002.

Further details may be found in the Minister for Revenue and Assistant Treasurer's Media Release No. C14/02 of 8 March 2002.

See also the related expense measure titled *A Better Superannuation System — allow temporary residents to access their superannuation after they have departed Australia* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — continuing superannuation contributions to age 75

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office

Explanation

From 1 July 2002, working people aged over 70 but less than 75 will be able to make personal contributions to superannuation.

Currently, people aged over 70 cannot make personal contributions to superannuation, although funds can accept mandated employer contributions (generally only those made under an industrial award). This measure will allow these people to contribute to superannuation if they are working at least 10 hours per week. This is consistent with the current treatment of people aged over 65 but less than 70.

This measure does not extend Superannuation Guarantee arrangements to people working past age 70.

Individuals aged over 70 but less than 75, who are making personal superannuation contributions, will not be eligible for an income tax deduction or the co-contribution. Furthermore, employers will only be able to claim a tax deduction for employer contributions made for individuals aged over 70 if they are mandated employer contributions under an industrial award obligation.

The Government will also amend the compulsory cashing standards so that individuals aged over 70 but less than 75 will only be required to cash their superannuation benefits if they are no longer working 10 hours per week.

The financial implications of this commitment have been revised since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — higher fully deductible amount for superannuation contributions by self-employed persons

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-10.0	-10.0	-10.0

Explanation

From 1 July 2002, the fully deductible amount for superannuation contributions by self-employed and other eligible persons will be increased from \$3,000 to \$5,000.

Contributions above the fully deductible amount will continue to be 75 per cent tax deductible with a maximum deduction equal to the taxpayer's age based limit.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System – quarterly Superannuation Guarantee contributions

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	35.0	5.0	6.0

Explanation

From 1 July 2003, employers will be required to make Superannuation Guarantee (SG) contributions to a complying superannuation fund or retirement savings account on behalf of their eligible employees on at least a quarterly basis. Currently, employers are only required to make SG contributions on an annual basis, although most employers make contributions more frequently than this.

As part of a quarterly SG regime, the following will also apply:

- for defaulting employers, the Superannuation Guarantee Charge (SGC) will be imposed quarterly with a lower administration component and the nominal interest component calculated from the beginning of the relevant quarter;
- the earnings threshold that determines whether an employee is entitled to SG will change from \$450 per month to \$1,350 per quarter;
- employers will be required to report to their employees the amount and destination of SG contributions when contributions are made; and
- in order to assist employers make the transition to quarterly payments, no administration or nominal interest components of the SGC will apply to shortfalls arising within the first two quarters from 1 July 2003.

See also the related expense and capital measures titled *A Better Superannuation System – quarterly Superannuation Guarantee contributions* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — reducing the Superannuation Surcharge rate

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-50.0	-120.0	-200.0

Explanation

From 1 July 2002, the superannuation and termination payments surcharge rates will be reduced by one tenth of their current levels for each of the next three income years. As a consequence, the maximum surcharge rates will be reduced to 13½ per cent in 2002-03, 12 per cent in 2003-04 and 10½ per cent in 2004-05 and succeeding years.

Further, in keeping with its election commitment, the Government will review the surcharge arrangements after three years to determine whether any further changes are required.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — reduction of the tax rate on excessive Eligible Termination Payments

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-5.0	-5.0	-5.0

Explanation

From 1 July 2002, the tax treatment of an Eligible Termination Payment (ETP) from a superannuation fund that exceeds a taxpayer's Reasonable Benefits Limit will be modified to limit the effective tax rate on the payment. This will provide consistent and fair treatment of superannuation fund and employer ETPs. This measure implements the Government's commitment to reduce the effective tax rate on excessive ETPs.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — replacement of the rebate for personal superannuation contributions

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	10.0	10.0	10.0

Explanation

From 1 July 2002, the existing rebate for personal undeducted superannuation contributions will be replaced with a more generous Government co-contribution. The Government co-contribution will match personal undeducted superannuation contributions made by eligible low income earners up to a maximum of \$1,000 a year depending on the individual's level of income and contributions.

Low income earners are currently entitled to a maximum rebate of \$100 in respect of personal undeducted superannuation contributions. Eligible persons will still be able to claim the rebate in respect of contributions made up to 30 June 2002.

See also the related expense measures titled *A Better Superannuation System — Government superannuation co-contribution for low income earners* and *A Better Superannuation System — Government superannuation co-contribution for low income earners — implementation and administration* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — splitting of superannuation contributions between couples

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-3.0	-4.0	-4.0

Explanation

From 1 July 2003, members of accumulation funds will be allowed to split future personal and employer contributions with their spouse, with the split contributions to be made by one spouse into a separate account in the other spouse's name. The receiving spouse will have access to their own eligible termination payment tax-free threshold and reasonable benefit limit. Existing superannuation benefits will not be eligible for splitting.

The Government will release a discussion paper on the implementation of this measure for public consultation.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System – superannuation for life: child accounts

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-0.2	-0.6	-1.0	-1.5

Explanation

From 1 July 2002, parents, grandparents, other relations and friends will be able to contribute to superannuation on behalf of children. Under this measure, contributions of up to \$3,000 per child per 3 year period can be made on behalf of a child.

The proposal in *A Better Superannuation System* limited contributions on behalf of a child to \$1,000 per annum. The changed contribution limit of \$3,000 per child per 3 year period will provide greater flexibility for persons making contributions on behalf of a child and increases the range of superannuation funds that will accept these contributions.

Contributions on behalf of a child will not form part of the taxable income of a superannuation fund or retirement savings account provider, and will not be eligible for the Government co-contribution or attract a tax deduction.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System – superannuation from the Baby Bonus

Revenue (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-0.7	-1.9	-3.0

Explanation

From 1 July 2002, recipients of the Baby Bonus who would not otherwise be able to contribute to superannuation will be eligible to contribute to a superannuation fund or retirement savings account. This will ensure that all recipients of the Baby Bonus will be able to contribute the Baby Bonus, as well as any other amount, to superannuation.

See also the related expense measure titled *Baby Bonus* and the expense and capital measures titled *Baby Bonus – implementation and administration* in the Treasury portfolio.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

Expenses

A Better Superannuation System — allow temporary residents to access their superannuation after they have departed Australia

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-	-	-

Explanation

The Government will allocate \$14.3 million over five years for the Australian Taxation Office (ATO) to implement and administer the scheme to allow temporary residents to access their superannuation after they have departed Australia.

This measure will involve expenditure of \$2.3 million in 2002-03, \$1.5 million in 2003-04, \$1.5 million in 2004-05 and \$1.5 million in 2005-06 which is being fully absorbed within the existing resourcing of the ATO. The Government has provided additional funding of \$7.5 million in 2001-02.

See also the related revenue measure titled *A Better Superannuation System – allow temporary residents to access their superannuation after they have departed Australia* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — Government superannuation co-contribution for low income earners

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	95.0	100.0	105.0

Explanation

From 1 July 2002, a Government superannuation co-contribution will be introduced in place of the existing rebate for personal superannuation contributions made by eligible low income earners. The co-contribution will match personal undeducted contributions by low income earners made on or after 1 July 2002.

A maximum co-contribution of \$1,000 will be payable in respect of individuals whose assessable income and reportable fringe benefits do not exceed \$20,000 per annum. The maximum co-contribution will be reduced by 8 cents for each dollar of assessable income and reportable fringe benefits over \$20,000 (up to \$32,500). The co-contribution will be treated as an undeducted contribution for tax purposes.

To be eligible for the co-contribution, an individual must not be aged 71 or more and must be ineligible to claim a tax deduction for their personal contributions. Persons who receive spouse, but not employer, superannuation support will be eligible for a tax deduction for their personal contributions.

See the related expense measure titled *A Better Superannuation System — Government superannuation co-contribution for low income earners — implementation and administration* and also the related revenue measure titled *A Better Superannuation System — replacement of the rebate for personal superannuation contributions* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — Government superannuation co-contributions for low income earners — implementation and administration

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-	-	-

Explanation

The Government has allocated \$29.5 million over four years to the Australian Taxation Office (ATO) to implement and administer the co-contribution for low income earners. This measure will involve expenditure of \$16.8 million in 2002-03, \$4.5 million in 2003-04, \$4.1 million in 2004-05 and \$4.1 million in 2005-06.

This measure is being fully absorbed within the existing resourcing of the ATO.

See the related expense measure titled *A Better Superannuation System – Government superannuation co-contribution for low income earners* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

A Better Superannuation System — quarterly Superannuation Guarantee contributions

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	10.9	7.0	7.0	7.0

Explanation

The Government will provide the Australian Taxation Office with funding of \$31.9 million to implement and administer the changes to the Superannuation Guarantee arrangements that will require all employers to make Superannuation Guarantee contributions on behalf of their employees at least on a quarterly basis instead of a yearly basis. The funding includes provision for a communication campaign. This measure will take effect from 1 July 2003.

See also related capital and revenue measures titled *A Better Superannuation System — quarterly Superannuation Guarantee contributions* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

Baby Bonus

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	85.0	250.0	390.0	510.0

Explanation

The Government will be providing further tax relief to families, through the introduction of the Baby Bonus. The Baby Bonus recognises that one of the hardest financial times for families is the birth of their first child, when one partner gives up or reduces their paid employment.

The Baby Bonus is to take effect on 1 July 2002 and will apply to a first child born on or after 1 July 2001. As a transitional measure, for families who already have children it will apply to a child born on or after 1 July 2001. Parents adopting or otherwise gaining legal custody of a first child will also be eligible. Every year for up to five years a parent will be able to claim up to \$2,500 of the tax payable on their income earned in the year prior to the birth of their child. A minimum annual benefit of \$500 will be available to parents with annual incomes of \$25,000 or less. Where the parent returns to work, the entitlement will be reduced in proportion to the income earned. The benefit will also be transferable between spouses.

See the related expense and capital measures titled *Baby Bonus – implementation and administration* and the revenue measure titled *A Better Superannuation System – superannuation from the Baby Bonus* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *The First Child Tax Refund*.

Baby Bonus— implementation and administration

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-	-	-	-

Explanation

The Government will allocate \$41.7 million over five years to the Australian Taxation Office (ATO) to implement and administer the Baby Bonus.

This measure will involve expenditure of \$12 million in 2002-03, \$8 million in 2003-04, \$7.5 million in 2004-05 and \$7 million in 2005-06 to implement and administer the Baby Bonus which will be absorbed within the existing resources of the ATO. Funding of \$7.2 million has been provided in 2001-02.

See also the related expense measure titled *Baby Bonus*, related capital measure titled *Baby Bonus – implementation and administration* and the revenue measure titled *A Better Superannuation System – superannuation from the Baby Bonus* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *The First Child Tax Refund*.

Extension to the Diesel Fuel Rebate Scheme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	12.8	21.4	21.4	21.4

Explanation

The Government will extend eligibility for the Diesel Fuel Rebate Scheme to all diesel used for electricity generation by retail/hospitality businesses for their own use, where there is no access to commercial supplies of electricity.

The proposal extends the current scheme that provides a rebate on diesel fuel excise for the off-road use of diesel by the farming, mining, rail and shipping industries and hospitals that generate electricity using diesel fuel where there is no access to commercial supplies of electricity. This will reduce the costs of small retail/hospitality businesses generating electricity from diesel fuel where there is no access to commercial supplies of electricity.

This measure delivers on the Government's election commitment announced by the Deputy Prime Minister on 30 October 2001.

Streamlined Company Registration

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	3.0	-	-	-

Explanation

The Government will simplify procedures for company registration by combining the Australian Securities and Investments Commission's company registration process with the Australian Business Number (ABN) application process managed by the Australian Taxation Office. This will reduce red tape and save businesses time and money by removing duplication.

This measure delivers on the Government's election commitment in *Getting on with Business*.

Establishment of the Office of the Inspector General of Taxation

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of the Treasury	2.0	2.0	2.0	2.0

Explanation

The Government will provide funding of \$8 million to create an Office of the Inspector General of Taxation to provide advice to Government on tax administration and to act as an advocate for all taxpayers. This position will report to the Parliament through the Treasurer and will provide a new source of independent advice.

This measure delivers on the Government's election commitment in *Securing Australia's Prosperity*.

Extension of the Additional First Home Owners Scheme

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of the Treasury	30.0	5.0	-	-

Explanation

The First Home Owners Scheme (FHOS), introduced on 1 July 2000, provides assistance to first home owners in the form of a \$7,000 grant. The FHOS is funded out of GST revenues and guaranteed by the Commonwealth through BBA payments to the States who administer the Scheme. On 9 March 2001, the Government announced that an additional \$7,000 grant, fully funded by the Commonwealth, would be available for first home owners building or purchasing new but previously unoccupied homes before 31 December 2001.

In December 2001, the Government announced a phase down of the additional grant making it available for a further six months, from 1 January 2002, at a reduced rate of \$3,000 per grant. The additional grant will cease on 30 June 2002, while the original scheme will continue to offer \$7,000 grants to eligible first home buyers. The Government also announced that more liberal construction commencement and completion requirements will apply to additional FHOS grants for contracts made on or after 9 October 2001.

This measure includes estimated expenditure of \$15 million in 2001-02.

This measure delivers on the Government's election commitment announced by the Prime Minister on 9 October 2001.

Review of competition provisions of the Trade Practices Act

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of the Treasury	-	-	-	-

Explanation

The Government has provided funding of \$0.6 million in 2001-02 to undertake an independent review of the competition provisions of the *Trade Practices Act 1974* and their administration. The terms of reference of the review will cover whether the legislation and its administration encourages an environment where businesses can grow and compete internationally, provides adequate protection for the balance of power between small and large business, supports the growth of regional Australia and deals fairly with affairs of individual companies.

This measure delivers on the Government's election commitment in *Securing Australia's Prosperity*.

Capital

A Better Superannuation System — quarterly Superannuation Guarantee contributions

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	6.4	-1.3	-1.3	-1.3

Explanation

The Government will provide the Australian Taxation Office with additional funding for modifications to IT systems that are required for administration and enforcement of the new quarterly Superannuation Guarantee provisions.

See also the related revenue and expense measures titled *A Better Superannuation System — quarterly Superannuation Guarantee contributions* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *A Better Superannuation System*.

Baby Bonus — implementation and administration

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Taxation Office	-0.6	-0.6	-0.6	-0.6

Explanation

The Government provided the Australian Taxation Office (ATO) with additional funding of \$2.8 million in capital in 2001-02 to implement and administer the Baby Bonus. This funding will allow the ATO to fund enhancement work to its business systems.

See also the related expense measures titled *Baby Bonus* and *Baby Bonus — implementation and administration* and the revenue measure titled *A Better Superannuation System — superannuation from the Baby Bonus* in the Treasury portfolio.

This measure delivers on the Government's election commitment in *The First Child Tax Refund*.

VETERANS' AFFAIRS

Expenses

Extend the Gold Card to Australian veterans over 70 years of age with post World War II qualifying service

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Health and Ageing	-15.8	-17.5	-19.9	-22.3
Department of Veterans' Affairs	32.2	38.5	45.2	52.7
Total	16.4	20.9	25.3	30.4

Explanation

The Government will provide funding of \$93.1 million to extend the Repatriation Health Card — For All Conditions (Gold Card) to Australian veterans aged 70 and over with post World War II qualifying service. The Gold Card provides access to free treatment and care within Australia for all health conditions, whether war-related or not. It also provides access to pharmaceuticals at concessional rates under the Repatriation Pharmaceutical Benefits Scheme.

This is a cross-portfolio measure between the Department of Veterans' Affairs and the Department of Health and Ageing. There will be a reduction in expenses in the Health and Ageing portfolio as veterans affected by the measure will no longer need to rely on the provision of health care services under that portfolio.

This measure delivers on the Government's election commitment in *Supporting Those Who Served*.

Index the ceiling rate of income support supplement for war widows

Expenses (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Family and Community Services	-0.5	-0.6	-0.5	-0.5
Department of Veterans' Affairs	5.8	15.7	26.9	38.2
Total	5.4	15.1	26.4	37.7

Explanation

The Government will provide funding of \$84.7 million to introduce twice yearly indexation of the ceiling rate of the Income Support Supplement (ISS) for war widows. Indexation will be based on increases in the Consumer Price Index and the Male Total Average Weekly Earnings, and will apply from 20 September 2002. This will result in the ISS ceiling rate of \$124.90 payable to war widows being indexed in line with service pension indexation.

ISS is subject to an income and assets test and provides income support in addition to the War Widow's Pension for Australian war widows with limited means.

War widows who are veterans in their own right and receive their income support as a service pension are subject to the same ceiling rate applying to ISS, and under this measure will also be able to access the new indexation arrangements.

This is a cross-portfolio measure between the Department of Veterans' Affairs and the Department of Family and Community Services. There will be a small reduction in income support payments in the Family and Community Services portfolio as war widows transfer to the Veterans' Affairs portfolio to access the new indexation arrangements.

The financial implications of this commitment have been refined since the *Charter of Budget Honesty* process, including to reflect final decisions on implementation issues.

This measure delivers on the Government's election commitment in *Supporting Those Who Served*.