

2004-05 BUDGET PAPER No. 2

# **BUDGET MEASURES**

## **2004-05**

CIRCULATED BY  
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FOR THE INFORMATION OF HONOURABLE MEMBERS  
ON THE OCCASION OF THE BUDGET 2004-05  
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## FOREWORD

Budget Paper No. 2, *Budget Measures 2004-05* ensures that the Budget Papers provide comprehensive information on all Government decisions announced in the Budget that involve changes to its revenue, expense and investing activities.

Budget Paper No. 2 comprises three parts:

- Part 1: Revenue Measures
- Part 2: Expense Measures
- Part 3: Capital Measures

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

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

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

A summary of all measures introduced since 2003-04 Budget is included in each part. Measures introduced since the *Mid-Year Economic and Fiscal Outlook 2003-04* (MYEFO) including measures in this Budget, are described in detail. Detailed descriptions of measures up to the time of the MYEFO are contained in that document.

### Notes

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation;
  - real growth in expenses is measured by the non-farm Gross Domestic Product deflator;
  - Budget year refers to 2004-05, while the forward years refer to 2005-06, 2006-07 and 2007-08; 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.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.

(d) The following notations are used:

*	The nature of this measure is such that a reliable estimate cannot be provided.
NEC/nec	not elsewhere classified
AEST	Australian Eastern Standard Time
-	Nil
..	not zero, but rounded to zero
na	not available
nfp	not for publication
\$m	\$ million

(e) The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. References to the 'States' or 'each State' include the Territories. The following abbreviations are used for the names of the States, where appropriate:

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

Budget Paper No. 2, *Budget Measures 2004-05* is one of a series of Budget Papers that provides information to supplement the Budget Speech. A full list of the series is printed on the inside cover of this paper.

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## Part 1: Revenue Measures

**Table 1: Revenue measures since the 2003-04 MYEFO**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>MORE HELP FOR FAMILIES</b>				
More help for families				
– reductions in personal income tax(a)	-1,925.0	-3,800.0	-4,250.0	-4,750.0
– incentives for saving for retirement – surcharge rate reduction(a)	-	-55.0	-170.0	-385.0
<b>Total</b>	<b>-1,925.0</b>	<b>-3,855.0</b>	<b>-4,420.0</b>	<b>-5,135.0</b>
<b>ATTORNEY-GENERAL'S</b>				
Australia-United States Free Trade Agreement	-190.0	-400.0	-420.0	-450.0
<b>Portfolio total</b>	<b>-190.0</b>	<b>-400.0</b>	<b>-420.0</b>	<b>-450.0</b>
<b>CROSS PORTFOLIO</b>				
Melbourne 2006 Commonwealth Games – contribution(b)	-	-1.4	-	-
<b>Portfolio total</b>	<b>-</b>	<b>-1.4</b>	<b>-</b>	<b>-</b>
<b>EDUCATION, SCIENCE AND TRAINING</b>				
Investing in Australia's Aged Care				
– better skills for better care(b)	-	..	0.1	0.1
MedicarePlus				
– additional medical school places for Queensland(b)	-	-	..	..
Our Universities				
– Higher Education Loan Programme	11.7	28.1	29.9	26.3
<b>Portfolio total</b>	<b>11.7</b>	<b>28.1</b>	<b>29.9</b>	<b>26.4</b>
<b>ENVIRONMENT AND HERITAGE</b>				
Climate Change Strategy				
– continuing administration of the Mandatory Renewable Energy Target(b)	0.5	0.6	0.7	0.9
<b>Portfolio total</b>	<b>0.5</b>	<b>0.6</b>	<b>0.7</b>	<b>0.9</b>
<b>FINANCE AND ADMINISTRATION</b>				
Parliamentary superannuation changes(b)	-0.2	-0.6	-0.6	-0.8
<b>Portfolio total</b>	<b>-0.2</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-0.8</b>
<b>HEALTH AND AGEING</b>				
Medical Indemnity				
– changes to United Medical Protection liability contributions	-6.7	-9.8	-9.4	-9.4
– run-off reinsurance vehicle(b)	*	*	*	*
<b>Portfolio total</b>	<b>-6.7</b>	<b>-9.8</b>	<b>-9.4</b>	<b>-9.4</b>
<b>IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS</b>				
Indigenous Home Ownership Programme				
– expansion(c)	0.5	1.0	1.0	1.0
Migration (non-humanitarian) program(b)	5.8	6.1	6.3	7.0
Regional Migration Initiatives(b)	6.7	14.8	17.5	18.7
<b>Portfolio total</b>	<b>13.0</b>	<b>21.9</b>	<b>24.8</b>	<b>26.7</b>
<b>TREASURY</b>				
A more flexible and adaptable retirement income system				
– allowing people to access their superannuation in the transition to retirement	-	*	*	*
– assets test exemption for income streams(b)	-0.1	-0.2	-0.4	-0.5

**Table 1: Revenue measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>				
– preserving rolled over employer eligible termination payments	*	*	*	*
– removing the requirement for actuarial certificates	-	-	-	-
– removing the work test for superannuation contributions for people under the age of 65	12.8	-34.5	-40.1	-45.9
– requiring compulsory payment of superannuation benefits for people over 75	-1.3	3.3	3.1	3.3
– simplifying the superannuation guarantee notional earnings bases	-10.0	-15.0	-21.0	-24.0
– simplifying the superannuation work test rules for those aged over 65	..	..	..	..
Airservices Australia				
– extension of the Location Specific Pricing subsidy(b)	5.0	2.0	-	-
Australian Prudential Regulation Authority				
– strengthened capabilities(b)	7.4	14.4	11.7	11.9
Australian Securities and Investments Commission				
– enhanced enforcement activities and consumer protection and corporate sector regulation(b)	13.9	15.3	15.8	16.7
Australian Taxation Office				
– taxation and superannuation compliance(b)	251.0	347.8	291.3	259.2
Capital gains tax				
– allowing all insolvency practitioners to declare shares and other securities worthless	*	*	*	*
– excluding input tax credits from the cost base	*	*	*	*
– providing a roll-over on transition to the new superannuation safety arrangements	-	-	-	-
Civil Aviation Safety Authority				
– financial viability(b)	6.5	6.5	6.5	6.5
Consolidation				
– providing greater flexibility	*	*	*	*
Foreign resident withholding				
– requiring withholding from alienated personal services payments	-	-	-	-
– requiring withholding from prescribed payments	125.0	130.0	140.0	145.0
Fringe benefits reporting				
– providing an exclusion for child tuition assistance	..	..	..	..
– providing exclusions for police officers	..	..	..	..
Fringe benefits tax				
– broadening the exemption for the purchase of a new dwelling as a result of relocation	..	..	..	..
– ensuring concessions are available for public ambulance services	-3.0	-4.0	-4.0	-4.0
– extending the transitional arrangements for payments into worker entitlement funds	-	-	-	-
– increasing the thresholds for exempt long service award benefits	..	..	..	..
– providing an exemption for certain benefits received by recipients of military compensation payments	..	..	..	..

**Table 1: Revenue measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>				
Fuel tax reform				
– introducing a new energy content based fuel excise system	-	-	-	-
Interest withholding tax				
– updating of exemptions and the definition of interest	-5.0	-5.0	-5.0	-5.0
Land transport facilities borrowings tax offset				
– phasing down of the scheme	-	-	-	-
Personal income tax				
– increasing the Medicare levy low income thresholds	-41.0	-21.0	-21.0	-21.0
– providing exemptions for certain military compensation payments	..	..	..	..
– simplifying the foreign employment exemption	-	-	-	-
– standardising the dependant child age criteria	-	..	-3.0	-3.0
Petroleum resource rent tax				
– providing an immediate uplift for exploration expenditure in designated offshore frontier areas	-	-2.0	-6.0	-9.0
Philanthropy				
– changing the requirements for the concessional treatment of testamentary gifts and philanthropic funds	-	..	..	..
– creating two new deductible gift recipient categories	-0.5	-1.0	-1.0	-1.0
– implementing the Government's response to the Charities Definition Inquiry	-3.0	-	-	-
– updating the list of eligible deductible gift recipients	*	*	*	*
Small business tax simplification				
– allowing companies more time to repay loans or put loans on a commercial footing	-	*	*	*
– extending depreciating asset roll-over relief for Simplified Tax System partnerships	-	-6.0	-5.0	-5.0
– facilitating movement from annual to quarterly Pay As You Go instalments	-	-	-	-
– facilitating the payment of franked distributions during a private company's first taxable year	-	..	..	..
– increasing flexibility for making family trust and interposed entity elections	-	*	*	*
– providing a fringe benefits tax exemption for additional work-related items	-1.0	-3.0	-4.0	-5.0
– providing a fringe benefits tax exemption for engagement of relocation consultants	*	*	*	*
– removing the customary requirement for the fringe benefits tax remote area housing exemption	-	-2.0	-2.5	-3.0
Superannuation				
– improving the integrity of the superannuation system	*	*	*	*
Superannuation Complaints Tribunal				
– relocation(b)	0.8	0.3	0.3	0.3
Tax losses				
– simplifying the loss recoupment rules for companies	*	*	*	*

**Table 1: Revenue measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>				
Uniform capital allowances				
– allowing deductions for the cost of acquiring certain telecommunications rights	-1.1	-3.2	-4.5	-5.5
Venture capital				
– ensuring the Venture Capital Limited Partnership regime operates as intended	-	-	-	-
Water facilities and landcare tax concessions				
– providing access for irrigation water providers	-	-5.0	-5.0	-5.0
Wine industry assistance				
– providing a wine equalisation tax producer rebate	-58.0	-90.0	-90.0	-100.0
– removing accelerated depreciation of grapevine plantings	2.0	6.0	11.0	17.0
<b>Portfolio total(d)</b>	<b>300.4</b>	<b>333.7</b>	<b>267.2</b>	<b>223.0</b>
Decisions taken but not yet announced	-	-	-60.0	-60.0
<b>Total impact of revenue measures</b>	<b>-1,796.2</b>	<b>-3,882.5</b>	<b>-4,587.4</b>	<b>-5,378.2</b>

(a) Details of these measures can be found in the More help for families package. See Table 3.

(b) Details of these measures can be found under Part 2: Expense Measures.

(c) Details of this measure can be found under Part 3: Capital Measures.

(d) Treasury portfolio total does not include measures in the More help for families package.

**Table 2: Revenue measures up to the 2003-04 MYEFO**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>ATTORNEY-GENERAL'S</b>				
Australia-Thailand Closer Economic Relations				
– Free Trade Agreement	-90.0	-100.0	-100.0	-110.0
Customs duty				
– changes to Australia's duty free concessions	..	..	..	..
– extension of concessions for goods used in the oil and gas sector	..	..	..	..
– textile, clothing and footwear tariff reductions	-	-	-	-
Textile, clothing and footwear assistance package post-2005				
– extension of the Expanded Overseas Assembly Provision scheme	-	-5.0	-5.0	-5.0
Import Credit Scheme	-	-	-5.0	-5.0
<b>Portfolio total</b>	<b>-90.0</b>	<b>-105.0</b>	<b>-110.0</b>	<b>-120.0</b>
<b>COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS</b>				
Postal Industry Ombudsman				
– establishment	0.3	0.3	0.3	0.3
Regional Telecommunications Inquiry				
– cost recovery for enhanced regional telecommunications monitoring	1.7	1.1	1.2	1.2
<b>Portfolio total</b>	<b>2.0</b>	<b>1.4</b>	<b>1.4</b>	<b>1.5</b>
<b>EDUCATION, SCIENCE AND TRAINING</b>				
Our Universities				
– Commonwealth Grants Scheme – increased flexibility enhancements to higher education reform package	-	0.4	1.1	1.9
– Higher Education Loans Programme (HELP) extension	-	-	2.4	5.0
– Higher Education Loans Programme (HELP) extension	-	0.1	0.2	0.4
<b>Portfolio total</b>	<b>-</b>	<b>0.4</b>	<b>3.7</b>	<b>7.4</b>
<b>HEALTH AND AGEING</b>				
Medical Indemnity				
– Incurred-But-Not-Reported (IBNR) Indemnity Scheme Levy	*	*	*	*
<b>Portfolio total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TRANSPORT AND REGIONAL SERVICES</b>				
Air Passenger Ticket Levy discontinuation	-	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TREASURY</b>				
<b>Income tax</b>				
Asset financing arrangements involving tax-preferred entities	*	*	*	*
Capital gains tax				
– demutualisation of friendly societies	..	..	..	..
– preservation of pre-CGT interests in entities that demerge	-	-	-	-
– small business concessions and discretionary trusts	*	*	*	*
Company tax loss recoupment rules	-	-	-	-
Concessions for Australian Defence Force personnel serving overseas	-	-	-	-

**Table 2: Revenue measures up to the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>				
Deductible gift recipients				
– changes to eligible organisations	*	*	*	*
– deductions for contributions with an associated minor benefit	-	-3.0	-3.0	-3.0
Family Tax Benefit				
– income tax deduction for the cost of tax agent fees	-	-	-	-
Farm Management Deposits scheme				
– clarifying eligibility rules	-	-	-	-
Foreign Investment Fund rules				
– additional approved stock exchange	..	..	..	..
Fringe benefits tax				
– transition arrangements for payments to worker entitlement funds	-	-	-	-
Imputation				
– simplified rules for life insurance companies	..	..	..	..
International taxation				
– not proceeding with the foreign income tax exemption for temporary residents	40.0	45.0	45.0	50.0
Superannuation				
– changes to the taxation of overseas superannuation transfers	1.1	0.1	0.1	0.1
– deferral of pension and annuity changes by three months	*	*	*	*
– delayed replacement of the personal superannuation contributions rebate	-	-	-	-
– smaller reduction in the Superannuation Surcharge rate	145.0	205.0	175.0	170.0
Tax administration				
– amendments to the <i>Crimes (Taxation Offences) Act 1980</i>	-	-	-	-
– changes to hardship provisions	..	..	..	..
– new civil penalty to deter the promotion of tax avoidance schemes	-	15.0	25.0	35.0
Tax treatment of a payment out of the National Guarantee Fund	-	-	-	-
Taxation of financial arrangements				
– backdating elections under the foreign currency rules	..	-	-	-
– deferral of reforms to commodity hedging taxation arrangements	*	*	*	*
<b>Portfolio total</b>	<b>186.1</b>	<b>262.1</b>	<b>242.1</b>	<b>252.1</b>
Decisions taken but not yet announced	-43.0	48.0	27.0	19.0
<b>Total impact of revenue measures</b>	<b>55.1</b>	<b>206.9</b>	<b>164.2</b>	<b>159.9</b>



## **MORE HELP FOR FAMILIES**

This Budget provides a \$36.7 billion package over five years for assistance to families, tax cuts and superannuation changes to boost retirement savings.

The centrepiece is the largest package of assistance for families ever put in place by an Australian Government, at a cost of \$19.2 billion over five years. Large increases in Family Tax Benefit Part A commence immediately to help families with the cost of raising children. Income tests for both Family Tax Benefit Part A and Family Tax Benefit Part B are relaxed to increase the rewards from working. In addition, a new lump sum Maternity Payment will be introduced incorporating the existing Maternity Allowance and the Baby Bonus to provide further help at the crucial period around the birth of a child.

Building on the tax cuts provided in 2000 and 2003, there will be further structural tax reform in this Budget, providing large tax cuts to increase the levels of income at which people start to pay the 42 per cent and 47 per cent rates. Tax cuts worth \$14.7 billion over the next four years mean that more than 80 per cent of taxpayers will face a top marginal tax bracket of no more than 30 per cent over the forward estimates period.

Improved incentives for retirement through superannuation are provided at a cost of \$2.7 billion over three years. The maximum benefit under the superannuation co-contributions scheme for low and middle income earners will be increased and eligibility extended. The superannuation surcharge rate will be progressively reduced to 7.5 per cent in 2006-07.

As well as providing greater financial assistance to families, this package also improves work and savings incentives. It will help to increase workforce participation and savings for retirement, addressing the challenges Australia faces from its changing demographics over the next forty years.

**Table 3: More help for families — Summary of measures**

	2003-04	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>FAMILIES</b>						
<b>Expense</b>						
<b>More help for families</b>						
– changes to Family Tax Benefit Part A - lump sum payment and reduction in the taper between maximum and base rates						
<i>Department of Family and Community Services</i>	1,946	2,362	2,402	2,469	2,531	11,710
<i>Australian Taxation Office</i>	-	88	118	125	129	460
<b>More help for families</b>						
– payment of lump sum to families eligible for Family Tax Benefit Part A in 2003-04						
<i>Department of Family and Community Services</i>	2,221	-	-	-	-	2,221
<b>More help for families</b>						
– changes to Family Tax Benefit Part B - increase in threshold and reduction in taper						
<i>Department of Family and Community Services</i>	-	414	419	437	456	1,726
<i>Australian Taxation Office</i>	-	-	19	22	23	64
<b>More help for families</b>						
– protect Family Tax Benefit Part B for secondary earners returning to the workforce after the birth of a child						
<i>Department of Family and Community Services</i>	-	-	181	187	194	562
<i>Australian Taxation Office</i>	-	-	10	10	10	30
<b>More help for families</b>						
– introduction of Maternity Payment						
<i>Department of Family and Community Services</i>	-	559	567	797	818	2,741
<i>Australian Taxation Office</i>	-	-	-50	-100	-140	-290
<b>Total</b>	<b>4,167</b>	<b>3,423</b>	<b>3,666</b>	<b>3,947</b>	<b>4,021</b>	<b>19,224</b>
<b>TAXATION</b>						
<b>Revenue</b>						
<i>Australian Taxation Office</i>						
Reductions in personal income tax	-	-1,925	-3,800	-4,250	-4,750	-14,725
<b>Total</b>	<b>-</b>	<b>-1,925</b>	<b>-3,800</b>	<b>-4,250</b>	<b>-4,750</b>	<b>-14,725</b>
<b>SUPERANNUATION</b>						
<b>Expense</b>						
<i>Australian Taxation Office</i>						
Incentives for saving for retirement - enhancement of Government superannuation co-contribution scheme	-	-	595	730	790	2,115
<b>Revenue</b>						
<i>Australian Taxation Office</i>						
Incentives for saving for retirement - surcharge rate reduction	-	-	-55	-170	-385	-610
<b>Total</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>900</b>	<b>1,175</b>	<b>2,725</b>
<b>Total impact on fiscal balance</b>	<b>4,167</b>	<b>5,348</b>	<b>8,116</b>	<b>9,097</b>	<b>9,946</b>	<b>36,674</b>

**More help for families — changes to Family Tax Benefit Part A — lump-sum payment and reduction in the taper between maximum and base rates**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	2,362.0	2,402.0	2,469.0	2,531.0
Australian Taxation Office	88.0	118.0	125.0	129.0

The Government will provide \$12.2 billion over five years (including \$1.9 billion in 2003-04) for two changes to Family Tax Benefit Part A (FTB(A)).

There will be an increase in the rates of FTB(A) of \$600 per child to be paid as a lump sum upon reconciliation of entitlement, commencing in respect of the 2003-04 financial year. The lump sum represents an increase in the maximum and base rates of FTB(A) per child of \$600 per annum.

Current and new rates of FTB(A) per year*	Current	New
	Maximum rate for each child aged under 13	\$3,401.80
Maximum rate for each child aged 13 - 15	\$4,314.30	\$4,914.30
Base rate for each child aged under 18	\$1,095.00	\$1,695.00

\* These rates do not include the indexation increase to FTB(A) that applies from 1 July 2004

The lump sum will be paid to families as part of the reconciliation of FTB entitlement that normally takes place after families lodge their tax returns. If required, any family assistance overpayments received by the family will be offset against the lump-sum payment, with the remainder payable to the family. Around 2 million families eligible for FTB(A) in 2003-04 under the current arrangements will receive the full lump sum. In addition, a small number of new families at the top end of the income limit will be eligible for a lump sum of FTB(A) of up to \$600 per child.

Currently, once the income of families with dependent children exceeds \$31,755 per annum, their FTB(A) reduces from the maximum rate, at a rate of 30 cents for every extra dollar of income, until the base rate of payment is reached. From 1 July 2004, the taper rate that applies to this reduction will be reduced to 20 cents in the dollar. This will allow families to keep more of their extra earnings over the taper range and will improve rewards from work. It will also extend part maximum rate FTB(A) to a greater range of families. The taper applying to less than the base rate of FTB(A) remains unchanged at 30 cents in the dollar.

This measure includes funding for communicating these changes to families of \$21 million over two years from 2003-04.

**More help for families — payment of lump-sum to families eligible for Family Tax Benefit Part (A) in 2003-04**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-	-	-	-

As an immediate measure, the Government will provide \$2.2 billion in 2003-04 for a lump-sum payment to all families who are eligible for or receive Family Tax Benefit Part A (FTB(A)) in the 2003-04 financial year. Eligible families will receive a payment of \$600 for each child before 30 June 2004. Families will also receive the payment for each dependent child under 18 in respect of whom they receive Youth Allowance in 2003-04.

**More help for families — changes to Family Tax Benefit Part B — increase in threshold and reduction in taper**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	414.0	419.0	437.0	456.0
Australian Taxation Office	-	19.0	22.0	23.0

The Government will relax the income test for Family Tax Benefit Part B (FTB(B)), at a cost of \$1.8 billion over four years. From 1 July 2004, the amount that a secondary earner can earn each year before their FTB(B) starts to be reduced will be more than doubled to \$4,000. At the same time, the rate at which FTB(B) is withdrawn once this income limit is exceeded will be reduced from 30 cents to 20 cents for every extra dollar of income.

This measure will increase the FTB(B) that many families receive, particularly those where the secondary earner is in casual or part-time employment. This will benefit around 550,000 families. The reduced taper rate will benefit mainly women returning to work after having children. The cut off income for eligibility for FTB(B) will rise from \$11,559 to around \$18,600 for a family with a child under five.

Maximum rates of FTB(B)	per year*
Maximum rate for a family with a youngest child under 5 years	\$2,920.00
Maximum rate for a family with a youngest child aged 5-15 years (or 16-18 years if a full time student)	\$2,036.70

\* These rates do not include the indexation increase to FTB(B) that applies from 1 July 2004

**More help for families — protect Family Tax Benefit Part B for secondary earners returning to the workforce after the birth of a child**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-	181.0	187.0	194.0
Australian Taxation Office	-	10.0	10.0	10.0

The Government will change Family Tax Benefit Part B (FTB(B)) to benefit a parent returning to work after the birth of a child, at a cost of \$592.0 million over three years. From 1 July 2005, where the secondary earner (usually the mother) returns to work, income from employment will not be counted against their eligibility for FTB(B) already received. That is, they will keep the FTB(B) already received prior to re-entering the workforce. This option applies once in relation to each child.

**More help for families — introduction of Maternity Payment**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services – Maternity Payment	741.0	758.0	993.0	1,019.0
Department of Family and Community Services – Abolition of Maternity Allowance	-182.0	-191.0	-196.0	-201.0
Australian Taxation Office – Abolition of Baby Bonus	-	-50.0	-100.0	-140.0
Total	559.0	517.0	697.0	678.0

The Government will provide \$3.5 billion over four years to introduce a new universal Maternity Payment that will streamline and increase assistance available to families at the time of the birth of a new child. The Maternity Payment will be introduced on 1 July 2004 and will provide \$3,000 to families for each new child born after this date. The rate of the Maternity Payment will be increased to \$4,000 for babies born after 1 July 2006 and to \$5,000 for babies born after 1 July 2008. The Maternity Payment will not be income tested and will be paid as a lump sum.

The cost of the new payment will be partially offset by abolishing the Maternity Allowance, saving \$770 million over four years, and phasing out the Baby Bonus, saving \$290 million over four years.

Claims for the Baby Bonus can continue to be made in respect of children born (or for whom legal responsibility is otherwise gained) prior to 30 June 2004. Claims will be able to be made for the full five year entitlement.

The new Maternity Payment will also be payable to parents who have a child entrusted to their care for adoption before 26 weeks of age.

*Budget Measures 2004-05*

The Maternity Immunisation Allowance, currently \$210.66, will become universally available to all recipients of the Maternity Payment.

**Reductions in personal income tax**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Tax Office	-1,925.0	-3,800.0	-4,250.0	-4,750.0

The Government will provide tax cuts worth \$14.7 billion over four years.

From 1 July 2004 the 42 per cent threshold will be increased from \$52,001 to \$58,001 and the 47 per cent threshold will be increased from \$62,501 to \$70,001. A further reduction in income tax will be provided from 1 July 2005 when the 42 per cent threshold will be increased to \$63,001 and the 47 per cent threshold will be increased to \$80,001.

These increases in the top two thresholds will mean that more than 80 per cent of taxpayers will face a top marginal tax bracket of no more than 30 per cent over the forward estimates period and can earn more before they move into a higher tax bracket. This will reduce bracket creep and improve rewards from taking on additional work, pursuing advancement and acquiring skills.

**Incentives for saving for retirement — enhancement of Government superannuation co-contribution scheme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	595.0	730.0	790.0

The Government will enhance the superannuation co-contribution scheme by increasing the maximum co-contribution, giving \$1.50 for every \$1 of personal contribution, and by raising the income thresholds so that more employees will qualify under the scheme. These changes will apply for personal contributions made from 1 July 2004.

The maximum Government contribution will be increased under the new arrangements from \$1,000 to \$1,500. The Government will pay \$1.50 for every \$1 of contribution up to the co-contribution maximum.

The income level up to which the maximum co-contribution applies will be increased from \$27,500 to \$28,000. For incomes above \$28,000, the maximum co-contribution will reduce by 5 cents for each dollar of income, and phase out completely at an income of \$58,000. The co-contribution currently phases out at an income of \$40,000.

This measure will increase the incentive for people to save for their retirement through the superannuation system.

**Incentives for saving for retirement — surcharge rate reduction**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-55.0	-170.0	-385.0

The Government will reduce the maximum surcharge rate to 12.5 per cent for 2004-05, 10.0 per cent for 2005-06 and 7.5 per cent for 2006-07 and subsequent years.

This accelerates the current schedule to reduce the maximum surcharge rates to 13.5 per cent for 2004-05 and to 12.5 per cent for 2005-06 and subsequent years.

This measure will further improve the incentives for higher income individuals to make superannuation contributions.

## **ATTORNEY-GENERAL'S**

### **Australia-United States Free Trade Agreement**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Customs Service	-190.0	-400.0	-420.0	-450.0

On 8 February 2004, the governments of Australia and the United States of America concluded the negotiations of the Australia-United States Free Trade Agreement. Under the agreement, both parties have agreed to eliminate tariffs on the majority of imports from the other country. Both parties are committed to completing their domestic processes in time to give effect to the agreement from 1 January 2005.

Under the agreement, agricultural and most manufactured goods imported into Australia from the United States will be duty-free from 1 January 2005. Tariffs on a number of other items imported from the United States will be phased out from 1 January 2005, with all goods imported from the United States duty-free by 2015.

The agreement builds on Australia's strong economic partnership with the United States, providing significant benefits to the Australian economy including lower costs for goods and services to Australian consumers.

Further information can be found in the press release of 8 February 2004 issued by the Minister for Trade.



## EDUCATION, SCIENCE AND TRAINING

### Our Universities — Higher Education Loan Programme

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	11.7	28.1	29.9	26.3
<i>Related expense (\$m)(a)</i>				
<i>Department of Education, Science and Training</i>	-1.1	-1.9	-2.6	-3.1
<i>Related capital (\$m)</i>				
<i>Department of Education, Science and Training</i>	-	-	-	-

(a) A negative number for expenses indicates an increase in the fiscal balance.

The Government will implement a number of changes to the *Our Universities: Backing Australia's Future* package that was announced in the 2003-04 Budget. From January 2005, the Government will apply a 20 per cent loan fee with CPI indexation to the new FEE-HELP and OS-HELP undergraduate loans. The change replaces the previously announced indexation arrangements and will result in \$89.4 million in additional revenue over four years.

In addition, from July 2004, the income threshold at which repayments commence for all current higher education loan schemes will increase from \$25,348 to \$35,000. This will result in increased revenue from indexation of loans of \$9.6 million over four years because of the expected reduction in loan repayments.

The Government will also revise the maximum student contributions levels for Australian Government supported places from 30 per cent to 25 per cent above the standard HECS contribution rates (except teaching and nursing where the maximum fee will not increase). The new lower maximum contribution will decrease the value of loans issued and reduce expenses by \$8.7 million over four years, because the value of upfront discounts provided to students will be lower. Revenue from indexation of loans will also be lower by \$3 million over four years as a result of this change.

Under accepted accounting practice, the amount loaned to students is treated as a financial asset and therefore does not impact on the fiscal balance. Payments by students of the indexation component under the Higher Education Loans Programme are treated as interest revenue and impact on the fiscal balance from 2005-06.

## HEALTH AND AGEING

### Medical Indemnity — changes to United Medical Protection liability contributions

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-6.7	-9.8	-9.4	-9.4
<i>Related expense (\$m)(a)</i>				
<i>Department of Health and Ageing</i>	<i>0.2</i>	<i>0.1</i>	<i>0.1</i>	<i>0.1</i>

(a) A positive number for expenses indicates a decrease in the fiscal balance.

The Government will replace the Incurred-But-Not-Reported (IBNR) levy with new United Medical Protection (UMP) support arrangements at a cost of \$35.7 million over four years.

Under these arrangements, those doctors who were members of UMP in the year 2000 and who have a medical income over \$5,000 per year will pay whichever is the least of: their contribution under the former IBNR levy; two per cent of their gross Medicare billable income; or \$5,000. This will be added to the standard insurance premium of those doctors concerned and will attract support under the Premium Support Scheme.

The number of years for which these doctors will be required to make contributions under these arrangements will be commensurate with their years of membership prior to 2000. Doctors who had been members of UMP for a year in 2000 will pay UMP support for one year; doctors who had been members of UMP for two years will pay UMP support for two years and so on up to a maximum of six years. Even with these doctor contributions, the Australian Government will pay three quarters of the estimated UMP IBNR liability.

The moratorium announced by the Government on 3 October 2003 and the various exemptions from the IBNR contributions previously announced will continue to apply under the UMP support arrangements, at a cost to revenue of \$35.3 million over four years.

Funding of \$0.4 million over four years will be provided to undertake the necessary legislative and administrative processes associated with this change and to administer these new arrangements on an ongoing basis.

Further information can be found in the joint press release of 17 December 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer.

## TREASURY

### **A more flexible and adaptable retirement income system — allowing people to access their superannuation in the transition to retirement**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	*	*	*

The Government will allow people who have not retired to access their superannuation as a non-commutable income stream once they reach their preservation age, with effect from 1 July 2005.

Currently, a person below the age of 65 must retire or leave employment before they can access their superannuation benefits. This rule may lead to people retiring prematurely in order to access their superannuation. Allowing people to access their superannuation as a non-commutable income stream on reaching preservation age will provide them with increased flexibility in the transition to retirement.

The details of the measure, including the characteristics of the non-commutable income streams, will be developed in consultation with the superannuation industry and the community.

Further information can be found in the policy document *A more flexible and adaptable retirement income system* and in the press release of 25 February 2004 issued by the Treasurer.

### **A more flexible and adaptable retirement income system — preserving rolled over employer eligible termination payments**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government will require all employer eligible termination payments (ETPs) that are rolled over into a superannuation fund on or after 1 July 2004 to be preserved.

Currently, the general rule requiring superannuation contributions to be preserved until retirement does not apply to employer ETPs that have been rolled over into a superannuation fund. Such benefits can be withdrawn from the superannuation system before preservation age despite the fact that they benefit from tax concessions which are designed to support their use for retirement purposes.

*Budget Measures 2004-05*

Requiring these amounts to be preserved will ensure that they are treated consistently with other amounts contributed to superannuation. The measure will not apply to employer ETPs that are rolled over into a superannuation fund before 1 July 2004.

Further information can be found in the policy document *A more flexible and adaptable retirement income system* and in the press release of 25 February 2004 issued by the Treasurer.

**A more flexible and adaptable retirement income system — removing the requirement for actuarial certificates**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government will remove the need for a superannuation fund to obtain an actuarial certificate in order to receive a tax exemption in relation to allocated pensions and the new complying market-linked pensions, with effect from 1 July 2004.

Currently, superannuation funds receive a tax exemption on the income they receive from assets supporting their current pension liabilities. In order to qualify for the exemption they are required to obtain an actuarial certificate stating that the assets are needed to meet the fund's pension liabilities.

Allocated pensions and complying market-linked pensions do not pay a guaranteed income stream; rather the amount of income paid is derived from the market value of the underlying assets. As a result, an actuarial certificate is not relevant for either of these types of pensions.

Further information can be found in the policy document *A more flexible and adaptable retirement income system* and in the press release of 25 February 2004 issued by the Treasurer.

**A more flexible and adaptable retirement income system — removing the work test for superannuation contributions for people under the age of 65**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	12.8	-34.5	-40.1	-45.9

The Government will remove the work test requirement governing who can contribute to superannuation for those under the age of 65, with effect from 1 July 2004.

Currently, in order to make superannuation contributions a person below the age of 65 must have worked at least 10 hours in a week at some time in the previous two years, unless certain specific circumstances exist. Removing this requirement will open up access to the superannuation system, allowing anyone under the age of 65 to save for their retirement in a prudentially supervised and concessional tax environment.

Taxpayers who become eligible to contribute to superannuation may also be able to claim a tax deduction for their contributions, provided they satisfy the relevant tests. However, to qualify for a tax deduction, a person under the age of 18 will also be required to satisfy a work test in the year they contribute. This is intended to ensure the deduction is not abused, and will not affect the person's ability to contribute.

The measure is expected to result in an increase in contributions tax, but this will be more than offset in later years by an increase in deductions claimed by taxpayers.

Further information can be found in the policy document *A more flexible and adaptable retirement income system* and in the press release of 25 February 2004 issued by the Treasurer.

**A more flexible and adaptable retirement income system — requiring compulsory payment of superannuation benefits for people over 75**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-1.3	3.3	3.1	3.3

The Government will require superannuation funds to start paying out benefits to members as soon as practicable after they reach the age of 75, either as an income stream or a lump sum, with effect from 1 July 2004.

Currently, persons over the age of 75 can keep their benefits inside a superannuation fund if they work at least 30 hours per week. This means they may not have to access their superannuation benefits at all during their lives, which could allow superannuation to be used specifically for estate planning purposes.

The measure will ensure that superannuation is used for its intended purpose of supporting income in retirement. The change will not apply to people over 75 who still receive superannuation contributions under an industrial award.

The measure is expected to result in a reduction in superannuation earnings tax, but this will be more than offset in later years by increased personal income tax from investments.

Further information can be found in the policy document *A more flexible and adaptable retirement income system* and in the press release of 25 February 2004 issued by the Treasurer.

**A more flexible and adaptable retirement income system — simplifying the superannuation guarantee notional earnings bases**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-10.0	-15.0	-21.0	-24.0

The Government will implement a consistent earnings base to calculate superannuation guarantee (SG) obligations for all employees, with effect from 1 July 2010.

Generally, an employee's ordinary time earnings are used to calculate the employer's SG obligations. However, some employers are able to assess their SG obligations against an earnings base that existed prior to 21 August 1991. This means an employee can be paid lower superannuation contributions than other employees in similar circumstances.

To ensure all employees are treated in a consistent manner, employers will no longer be able to rely on pre-1991 earnings bases for SG purposes. Instead, an employee's ordinary time earnings will be used as the earnings base for determining SG liability for all employers. Employers affected by this change will have until 1 July 2010 to meet this requirement.

The measure is expected to result in an increase in employer deductions or a reduction in personal income tax, which is partly offset by an increase in contributions tax.

Further information can be found in the policy document *A more flexible and adaptable retirement income system* and in the press release of 25 February 2004 issued by the Treasurer.

**A more flexible and adaptable retirement income system — simplifying the superannuation work test rules for those aged over 65**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	..	..	..	..

The Government will change the superannuation contribution and cashing rules for people aged 65 to 74 from a weekly test to an annual test, with effect from 1 July 2004.

Currently, people aged 65 to 74 must work a minimum of 10 hours per week to be eligible to make superannuation contributions. If an individual is unable to satisfy the work test in any given week, superannuation providers are required to pay out the individual's full benefit.

Moving to an annual work test will mean that individuals will be required to work a minimum number of hours per year, which will accommodate more flexible working arrangements such as seasonal and irregular part-time work. The measure will also reduce the administrative burden on individuals and superannuation providers from regular monitoring of the work test.

Further information can be found in the policy document *A more flexible and adaptable retirement income system* and in the press release of 25 February 2004 issued by the Treasurer.

**Capital gains tax — allowing all insolvency practitioners to declare shares and other securities worthless**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government will allow insolvency practitioners to declare shares and other securities in a company worthless for capital gains tax (CGT) purposes. The measure will have effect from the date of Royal Assent of the enabling legislation.

Currently, only a liquidator can declare shares in a company to be worthless for CGT purposes. The declaration causes a CGT event to happen and permits shareholders to realise a capital loss in respect of their shares. If a company appoints an external administrator other than a liquidator, shareholders can only realise a capital loss while the company remains in existence by creating a trust over the shares.

The measure will provide consistency within the CGT regime by ensuring all insolvency practitioners are able to declare shares and other securities worthless for CGT purposes. Furthermore, the measure will reduce compliance costs by ensuring shareholders and other security holders do not have to create a trust over the shares or other securities in order to claim a capital loss.

**Capital gains tax — excluding input tax credits from the cost base**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government will exclude input tax credits from the capital gains tax (CGT) cost base and reduced cost base. The measure will apply to all CGT events that occur on or after 20 February 2004.

Currently, taxpayers who dispose of a CGT asset can, in some circumstances, include input tax credits in the cost base or reduced cost base of the asset, resulting in a lower capital gain or an increased capital loss.

*Budget Measures 2004-05*

The measure will ensure that where input tax credits are claimed under the goods and services tax system, taxpayers are unable to reduce their capital gains by the amount of their input tax credits.

**Capital gains tax — providing a roll-over on transition to the new superannuation safety arrangements**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government will provide a capital gains tax (CGT) roll-over for CGT events that occur when superannuation entities merge to meet the requirements of the new superannuation safety arrangements. The measure will have effect from 1 July 2004.

The new superannuation safety arrangements, which commence on 1 July 2004, will modernise and strengthen the prudential regulation of superannuation. Where a trustee of a superannuation entity is unable or unwilling to meet the new licensing requirements, the entity can merge with another superannuation entity.

The measure will ensure that superannuation entities merging as a result of the new licensing requirements will not have a CGT liability at the time of the merger.

**Consolidation — providing greater flexibility**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government has allowed taxpayers to revoke certain elections in the consolidation regime, up to 31 December 2004.

The consolidation regime contains a number of irrevocable elections, including elections relating to the method of calculating the cost base of assets and the utilisation of losses. In order to provide greater flexibility and certainty to taxpayers as they move to consolidation, taxpayers will temporarily be able to revoke some of these elections.

The election to form a consolidated group or a multiple entry consolidated group remains irrevocable.

In addition, the Government will make a number of changes to clarify the operation of particular areas of the consolidation regime, with effect from 1 July 2002, the start date of the regime. These changes are a result of consultation with the business community and tax professional bodies.



Further information can be found in the press release of 4 December 2003 issued by the Minister for Revenue and Assistant Treasurer.

**Foreign resident withholding — requiring withholding from alienated personal services payments**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government has required amounts to be withheld from alienated personal services payments that are prescribed for foreign resident withholding before the funds leave Australia. The measure has effect from 23 March 2004, the date the amending legislation received Royal Assent.

The measure requires an entity to withhold amounts from prescribed payments to foreign entities where these payments are treated as the income of an individual for tax purposes. The measure ensures that payments made to foreign entities that relate to personal services provided by individuals are treated the same as direct payments to individuals.

**Foreign resident withholding — requiring withholding from prescribed payments**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	125.0	130.0	140.0	145.0

The Government will require amounts to be withheld from certain payments made to foreign residents, with effect from 1 July 2004.

Withholding will be required from:

- payments for operating or promoting a casino junket tour (at a rate of three per cent);
- payments for entertainment and sports activities (at individual non-resident marginal tax rates or the company tax rate, as relevant); and
- payments for construction and related activities (at a rate of five per cent).

These payments will be prescribed in the regulations.

The amount required to be withheld is to be paid to the Commissioner of Taxation and the payee will receive a credit for the amount withheld in their income tax assessment for the year. The measure will facilitate the efficient collection of income tax.

**Fringe benefits reporting — providing an exclusion for child tuition assistance**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	..	..	..	..

The Government will provide a fringe benefits reporting exclusion for approved child tuition assistance provided to Australian Defence Force members, where a direction by the Department of Defence to relocate causes the members' children to enrol in a different school. The measure will have effect from 1 April 2003.

**Fringe benefits reporting — providing exclusions for police officers**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	..	..	..	..

The Government will provide a number of fringe benefits reporting exclusions to police officers, with effect from 1 April 2004.

The reporting exclusions will apply to:

- benefits associated with conveyancing costs where police officers purchase a dwelling within four years of being transferred by the police force, whether or not they owned a dwelling at the previous locality;
- housing benefits provided to police officers residing in housing attached to a working police station, whether or not the police officer is in a remote area;
- rental subsidies provided to police officers in regional areas; and
- private travel between home and work in unmarked police cars used by police officers employed by the Australian Crime Commission and similar organisations.

**Fringe benefits tax — broadening the exemption for the purchase of a new dwelling as a result of relocation**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	..	..	..	..

The Government will extend the fringe benefits tax exemption for incidental purchase costs of relocating employees who purchase a new dwelling before being able to sell their old dwelling. The measure will have effect from 1 April 2004.

Currently, an exemption is available for costs associated with the sale or acquisition of a dwelling as long as the sale is made within two years, and the purchase within four years, of the new employment commencement date. However, the purchase costs are only exempt if the sale of the old dwelling has occurred.

The measure will retain the existing two and four-year rules but will remove the requirement that the purchase of the new dwelling occurs after the sale of the old dwelling.

**Fringe benefits tax — ensuring concessions are available for public ambulance services**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-3.0	-4.0	-4.0	-4.0

The Government will change the fringe benefits tax (FBT) concessions available to public and not-for-profit ambulance services to make them consistent with those available to public and not-for-profit hospitals, with effect from 1 April 2004.

The measure will allow all public ambulance services to provide benefits of up to \$17,000 of grossed-up taxable value per employee without incurring an FBT liability. It will also ensure that public ambulance services have access to an FBT exemption for housing benefits provided in 'regional' areas.

In the past, some public ambulance services have been able to access FBT exemptions because they qualified as public benevolent institutions. A recent decision of the Full Federal Court confirmed that public ambulance services controlled by state and territory governments are not public benevolent institutions.

Further information can be found in the press release of 20 January 2004 issued by the Treasurer.

See also the related expense measure titled *State, territory and local government organisations – transitional grants as compensation for lost access to a fringe benefits tax concession* in the Treasury portfolio, and the related revenue measure titled *Philanthropy – creating two new deductible gift recipient categories* in the Treasury portfolio.

**Fringe benefits tax — extending the transitional arrangements for payments into worker entitlement funds**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government will extend, until 1 April 2005, the transitional arrangements for the fringe benefits tax exemption for payments made by employers into worker entitlement funds.

The extension of the transitional arrangements will ensure that the exemption applies while employers put in place new arrangements to comply with the fringe benefits tax exemption that took effect from 1 April 2003.

**Fringe benefits tax — increasing the thresholds for exempt long service award benefits**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	..	..	..	..

The Government will increase the fringe benefits tax exemption thresholds for long service award benefits, with effect from 1 April 2005.

The measure will double the current exemption thresholds for long service award benefits from \$500 to \$1,000 for 15 years of service and from \$50 to \$100 for each additional year of service.

**Fringe benefits tax — providing an exemption for certain benefits received by recipients of military compensation payments**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	..	..	..	..

The Government has provided a fringe benefits tax exemption for certain benefits provided to Australian Government employees, with effect from 1 July 2004. The exemption applies where the benefit is provided because the employee is in receipt of a new type of military compensation payment.

The exemption reflects a change in the structure of compensation payments which were previously available under the *Veterans' Entitlements Act 1986*, and are now provided under the new Military Compensation and Rehabilitation Scheme.

The measure maintains the fringe benefits tax treatment currently available for recipients of payments provided under the *Veterans' Entitlements Act 1986*.

**Fuel tax reform — introducing a new energy content based fuel excise system**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government has deferred the introduction of the energy content based excise system for fuels capable of use in an internal combustion engine until 1 July 2011.

The measure will ensure that alternative fuels that are effectively untaxed under the current excise regime remain so until 1 July 2011.

Under the new system, from 1 July 2011 alternative fuels will receive a 50 per cent discount on the full energy content rate, with the excise rates phased in equally over five years to their final rate on 1 July 2015. In addition, all fuels will be grouped into three bands based on their energy content, with different rates for high, medium and low-energy fuels. Excise on petrol and diesel will remain unchanged.

Further information can be found in the press release of 16 December 2003 issued by the Prime Minister.

**Interest withholding tax — updating of exemptions and the definition of interest**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-5.0	-5.0	-5.0	-5.0

The Government will broaden the definition of interest and update the references to debentures and borrowings in the interest withholding tax (IWT) provisions. The measure will have effect from the date of Royal Assent of the enabling legislation.

The definition of interest will be broadened to include payments of a non-capital nature made on certain capital instruments that are to be specified as debt interests in related regulations. The measure will also broaden the definition of debentures and borrowings to take account of the new debt and equity rules introduced in 2001. These changes will provide consistent definitions throughout related provisions.

The Government will also ensure debentures transferred from Australian subsidiaries of foreign banks to Australian branches retain their eligibility for an IWT exemption. Foreign banks will now be able to simplify their business structures by transferring debentures issued by their subsidiaries after 18 June 1993 to their Australian branches without losing the IWT exemption available for such instruments.

Further information can be found in the press release of 1 March 2004 issued by the Minister for Revenue and Assistant Treasurer.

**Land transport facilities borrowings tax offset — phasing down of the scheme**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government will phase down the land transport facilities borrowings tax offset scheme. The measure will have effect from the date of Royal Assent of the amending legislation.

Under the phasing down of the scheme, all projects that currently receive assistance, or are subject to an ongoing approval process, will continue to have access to the offset. However, no new projects will be considered for approval.

**Personal income tax — increasing the Medicare levy low income thresholds**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-41.0	-21.0	-21.0	-21.0

The Government will increase the Medicare levy low income thresholds to \$15,529 for individuals and \$26,205 for families, with effect from 1 July 2003. The additional amount of threshold for each dependant child or student will also be increased to \$2,406. The increase in thresholds takes into account movements in the CPI and ensures that low income families and individuals are exempt from paying the levy.

The Medicare levy low income threshold for pensioners below age pension age will also be increased. From 1 July 2003, the threshold will rise to \$18,141. This will ensure that pensioners below Age Pension age do not pay the Medicare levy while they do not have an income tax liability.

**Personal income tax — providing exemptions for certain military compensation payments**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	..	..	..	..

The Government has provided income tax exemptions for certain military compensation payments, with effect from 1 July 1996.

The measure ensures that compensation payments for the loss of exempt pay or allowances due to a service related injury or illness are also exempt from income tax.

The measure applies retrospectively to ensure that recipients of the specified payments, first made in the 1996-97 income year, are not disadvantaged.

**Personal income tax — simplifying the foreign employment exemption**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government will simplify the operation of the foreign employment exemption for Australians working in a foreign country, with effect from 1 July 2005.

The measure will allow any accrued leave, other than long service leave, to be included in a taxpayer's period of foreign service for the purposes of establishing whether the taxpayer has met the minimum 91 days continuous service requirement.

In addition, continuity of foreign service will not be broken by other types of temporary absence provided that the time away does not exceed one sixth of the total number of days of service.

The measure will simplify the process taxpayers need to undertake to determine if their foreign employment income qualifies for a tax exemption.

**Personal income tax — standardising the dependant child age criteria**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	..	-3.0	-3.0

The Government will standardise the age criteria used to determine whether children are dependants for the purposes of determining whether a taxpayer qualifies for a number of tax entitlements. The measure will have effect from 1 July 2005.

Currently, dependant children have an effect on a taxpayer's entitlement to a number of tax offsets as well as Medicare levy exemptions and reductions (including the Medicare levy surcharge). However, the age criteria applied varies across entitlements.

The measure will introduce a standard definition of a dependant, which will be a child aged less than 21 years or a full-time student aged less than 25 years.

**Petroleum resource rent tax — providing an immediate uplift for exploration expenditure in designated offshore frontier areas**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-2.0	-6.0	-9.0

The Government will allow an immediate uplift to 150 per cent on petroleum resource rent tax (PRRT) deductions for exploration expenditure incurred in designated offshore frontier areas. The measure will apply to the annual offshore acreage releases for 2004 to 2008.

The 150 per cent uplift applies to pre-appraisal exploration expenditure in the initial term of the exploration permit granted for a designated area. Uplifted expenditure will also retain access to the transferability and annual PRRT uplift provisions.

The Minister for Industry, Tourism and Resources will determine the designated areas each year, which will be more than 100 kilometres from an existing oil discovery and will comprise no more than 20 per cent of each year's acreage release areas.

The measure will lower the cost of petroleum exploration in more expensive and high-risk remote offshore areas, providing an incentive to invest in Australia's remote offshore areas in search of a new oil province.

**Philanthropy — changing the requirements for the concessional treatment of testamentary gifts and philanthropic funds**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	..	..	..

The Government will make several changes to the tax concessions relating to philanthropy. The measure will have effect from the income year following the date of Royal Assent of the enabling legislation.

The measure will:

- remove the condition that testamentary gifts of property to a deductible gift recipient must be independently valued at greater than \$5,000 before a capital gains tax exemption on the gift can apply;
- allow charitable funds to be income tax exempt where they distribute solely to charities that are located in and pursuing their purpose in Australia, to charities that are also deductible gift recipients, or to a combination of these types of charities; and



- allow ancillary funds and prescribed private funds to be endorsed by the Commissioner of Taxation as income tax exempt, and to benefit from a refund of imputation credits, where they distribute to deductible gift recipients that are also income tax exempt.

The measure will increase flexibility for charitable funds and prescribed private funds in respect of how they distribute monies.

**Philanthropy — creating two new deductible gift recipient categories**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-0.5	-1.0	-1.0	-1.0

The Government will create two new deductible gift recipient categories, for public ambulance services and for certain special schools, with effect from 1 April 2004.

In the past, some public ambulance services and some special schools received tax deductible gifts under the category for public benevolent institutions. However, these organisations were recently found to be ineligible for this status as they are controlled by state and territory governments.

The measure will ensure that these organisations can continue to receive tax deductible gifts.

See also the related revenue measure titled *Fringe benefits tax – ensuring concessions are available for public ambulance services* in the Treasury portfolio, and the related expense measure titled *State, territory and local government organisations – transitional grants as compensation for lost access to a fringe benefits tax concession* in the Treasury portfolio.

**Philanthropy — implementing the Government’s response to the Charities Definition Inquiry**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-3.0	-	-	-

The Government will defer the requirement for charities to be endorsed by the Commissioner of Taxation to access certain tax concessions until 1 July 2005.

As part of its response to the *Report of the Inquiry into the Definition of Charities and Related Organisations*, the Government announced that from 1 July 2004, charities, public benevolent institutions and health promotion charities will be required to be endorsed by the Commissioner of Taxation in order to access all relevant tax concessions. The Government has decided to defer this requirement until 1 July 2005. This is due to the relevant legislation not yet achieving passage through Parliament, and the desirability of providing organisations with adequate time to comply with the new arrangements.

Following advice from the Board of Taxation, the Government has decided not to proceed with a legislative definition of charity, but instead retain the common law meaning. However, the Government will introduce a statutory extension of the common law meaning of charity to include certain non-profit childcare and self-help groups, and closed or contemplative religious orders. The extension will apply from 1 July 2004.

#### **Philanthropy — updating the list of eligible deductible gift recipients**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government has decided that qualifying gifts of \$2 or more to the following organisations will be made tax deductible:

- Country Fire Authority, Victoria State Emergency Service and equivalent coordinating bodies in other states and territories;
- International Social Services Australia;
- Victorian Crime Stoppers;
- Page Research Centre;
- St Patrick's Cathedral Parramatta Rebuilding Fund, until 30 June 2004;
- Bowral Vietnam Memorial Walk Trust, until 16 August 2005; and
- The Albert Coates Memorial Trust, until 30 January 2006.

In addition, since the *Mid-Year Economic and Fiscal Outlook 2003-04* there have been:

- 33 additions to the Register of Cultural Organisations and three deletions;
- six admissions to the Register of Environmental Organisations and three removals; and

- two additions to the Harm Prevention Charities Register.

The Register of Cultural Organisations can be found on the Department of Communications, Information Technology and the Arts website at *www.dcita.gov.au*. The Register of Environmental Organisations can be found on the Department of Environment and Heritage website at *www.ea.gov.au*. The Harm Prevention Charities Register can be found on the Department of Family and Community Services website at *www.facs.gov.au*.

**Small business tax simplification — allowing companies more time to repay loans or put loans on a commercial footing**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	*	*	*

The Government will allow private companies until the due date for lodgement of their tax returns to repay a loan or put a loan on a commercial footing in order to avoid the operation of the non-commercial loan rules. The measure will have effect from the income year following the date of Royal Assent of the enabling legislation.

Currently, the non-commercial loan rules deem a loan made by a private company to a shareholder or associate to be an unfranked dividend, unless the loan is repaid or put on a commercial footing by the end of the company's income year.

The measure will reduce compliance costs for operators of private companies who often only see their tax advisors after the end of the income year, in the lead up to preparing their tax returns.

**Small business tax simplification — extending depreciating asset roll-over relief for Simplified Tax System partnerships**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-6.0	-5.0	-5.0

The Government will extend the optional roll-over relief in the Simplified Tax System (STS) for partial changes in partnerships. The measure will have effect from the income year following the date of Royal Assent of the enabling legislation.

Currently, roll-over relief is available in the STS only in limited circumstances involving partial changes in the membership of an existing partnership. The measure will ensure that all roll-over relief currently available for partial changes in partnerships under the uniform capital allowances regime is also available in relation to STS depreciating asset pools.

**Small business tax simplification — facilitating movement from annual to quarterly Pay As You Go instalments**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government will simplify the movement from annual to quarterly Pay As You Go (PAYG) instalments. The measure will have effect from the income year following the date of Royal Assent of the enabling legislation.

Taxpayers who become ineligible to pay annual PAYG instalments, for example because they register for the goods and services tax, will be allowed to commence paying quarterly instalments from the first quarter of the following income year. Currently, taxpayers are required to commence quarterly instalments from the quarter in which they become ineligible to pay annual instalments.

The measure will reduce compliance costs and increase certainty for affected taxpayers.

**Small business tax simplification — facilitating the payment of franked distributions during a private company's first taxable year**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	..	..	..

The Government will amend the imputation rules to facilitate the payment of franked distributions by private companies in their first taxable year. The measure will have effect from the income year following the date of Royal Assent of the enabling legislation.

Currently, companies do not pay tax during their first taxable year of operation, and therefore do not generate franking credits to attach to dividends paid during that year. The payment of profits as unfranked distributions in that year results in a mismatch between profits and franking credits that in some circumstances can lead to the double taxation of company profits.

The measure will allow an offset for the full amount of franking deficit tax paid, rather than the reduced credit currently available, for private companies who anticipate franking credits based on a reasonable estimate of the company's expected tax liability for that income year.

**Small business tax simplification — increasing flexibility for making family trust and interposed entity elections**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	*	*	*

The Government will allow family trust elections and interposed entity elections to be made at any time in relation to an earlier income year, subject to certain conditions. The measure will have effect from the income year following the date of Royal Assent of the enabling legislation.

Currently, a trust must make an irrevocable family trust election in order to access certain company and trust losses and imputation credits. A company, trust or partnership is required to make an interposed entity election if it is to be included as part of the family group specified under the family trust election. The elections must be included in the trust’s tax return for the income year from which the elections are to have effect.

The measure will address concerns that the current requirements for making these elections are too inflexible.

**Small business tax simplification — providing a fringe benefits tax exemption for additional work-related items**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-1.0	-3.0	-4.0	-5.0

The Government will extend the list of work-related items that are exempt from fringe benefits tax (FBT). The measure will have effect from the FBT year following the date of Royal Assent of the enabling legislation.

Currently, electronic diaries and portable computers such as laptops and notebooks are exempt from FBT. The measure will extend this exemption to include printers designed for use with portable computers.

In addition, the list of work-related items exempt from FBT will include personal digital assistants (PDAs). This will ensure that PDAs continue to be exempt from FBT as these products become increasingly sophisticated and less like electronic diaries.

**Small business tax simplification — providing a fringe benefits tax exemption for engagement of relocation consultants**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government will extend the fringe benefits tax (FBT) exemptions available to relocated employees to include benefits associated with the engagement of relocation consultants. The measure will have effect from the FBT year following the date of Royal Assent of the enabling legislation.

Currently, certain expenses associated with the relocation of an employee, such as the removal or storage of an employee's household effects, are exempt from FBT in certain circumstances.

The measure will extend the FBT exemption to cover the engagement of relocation consultants to settle relocated employees into a new location.

**Small business tax simplification — removing the customary requirement for the fringe benefits tax remote area housing exemption**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-2.0	-2.5	-3.0

The Government will remove the customary rule to facilitate small business access to the remote area housing fringe benefits tax (FBT) exemption. The measure will have effect from the FBT year following the date of Royal Assent of the enabling legislation.

Currently, employer-provided housing in remote areas is only exempt from FBT if it is customary for employers in the industry to provide such housing benefits for their employees. The operation of the customary rule can make it difficult for small businesses to take advantage of the FBT exemption, as small businesses often do not customarily provide subsidised housing to employees.

The measure will ensure small businesses can access the FBT exemption when they provide remote area housing to their employees.

**Superannuation — improving the integrity of the superannuation system**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government will address a range of tax avoidance arrangements primarily involving small and non-arms length superannuation funds. The measure will have effect from the date of gazettal of the enabling regulations.

Under the measure:

- accumulation funds will be required to allocate all contributions, and fully vest benefits in a given member; and
- defined benefit funds and funds providing defined benefit pensions will be required to have at least 50 members.

The measure will target arrangements that avoid limits applying to tax concessions and social security means tests and that allow superannuation to be accumulated for estate planning purposes. It will also strengthen the prudential standards that apply to funds that provide defined pensions and benefits to ensure that these funds have the capacity to provide the benefits.

**Tax losses — simplifying the loss recoupment rules for companies**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	*	*	*	*

The Government will make several changes to simplify the operation of the loss recoupment rules for companies. These changes include the simplification of the continuity of ownership test and removing the availability of the same business test under certain circumstances.

The measure will simplify the continuity of ownership test for widely held companies and eligible subsidiaries by:

- removing the requirement for these companies to trace through ownership interests that are less than 10 per cent of relevant rights;
- deeming certain interposed entities to be beneficial owners of the interests, and thereby excluding them from the tracing requirements; and
- testing continuity of ownership only on an annual basis.

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These changes will apply to all losses incurred in an income year commencing on or after 1 July 2002, and to certain eligible pre-2002 losses.

The same business test will no longer be available in an income year where the total income of a company or corporate group exceeds \$100 million. This change will apply to all losses incurred in an income year commencing on or after 1 July 2004. As a result of this change, these companies will need to satisfy the continuity of ownership test to utilise these losses.

Further information can be found in the press release of 7 April 2004 issued by the Minister for Revenue and Assistant Treasurer.

#### **Uniform capital allowances — allowing deductions for the cost of acquiring certain telecommunications rights**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-1.1	-3.2	-4.5	-5.5

The Government will allow capital allowance deductions for the cost of acquiring indefeasible rights to use (IRUs) domestic telecommunications cables, and for the cost of acquiring access rights to another company's telecommunications infrastructure. The measure will apply to expenditure incurred from 12 May 2004.

Currently, expenditure on acquiring domestic IRUs and telecommunications access rights is generally only able to be claimed as a capital loss upon expiry of the right.

The measure removes an anomaly between the tax treatment of international and domestic IRUs. In addition, the measure will better match the tax treatment of both domestic IRUs and site access rights to their underlying economic characteristics.

#### **Venture capital — ensuring the Venture Capital Limited Partnership regime operates as intended**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-	-

The Government will introduce a number of amendments to the Venture Capital Limited Partnership (VCLP) regime to ensure it operates as intended. The measure will have effect from 1 July 2002, the start date of the regime.

The changes will ensure that tax concessions are available for:

- investments made by a VCLP or other eligible entity into a holding company; and



- investments in a company with assets valued at less than \$250 million acquired by a VCLP from a corporate group where the assets of the group are valued at more than \$250 million.

The measure will expand the range of venture capital investments eligible for the tax concessions and ensure the regime operates as intended by removing minor impediments.

Further information can be found in the press release of 6 May 2004 issued by the Minister for Revenue and Assistant Treasurer.

**Water facilities and landcare tax concessions — providing access for irrigation water providers**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-5.0	-5.0	-5.0

The Government will provide certain irrigation water providers with access to the landcare and water facilities tax concessions available to primary producers, with effect from 1 July 2004.

The measure will allow eligible irrigation water providers to claim an immediate deduction for capital expenditure on landcare activities and claim a deduction for capital expenditure on water facilities over three years.

The measure will align the deductions available to primary producers and businesses using rural land with deductions available to irrigation water providers which supply those primary producers and businesses with water.

**Wine industry assistance — providing a wine equalisation tax producer rebate**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-58.0	-90.0	-90.0	-100.0

The Government will rebate \$290,000 of wine equalisation tax (WET) to every wine producer per annum. This measure will apply from 1 October 2004 and will be pro-rated for the 2004-05 financial year. The effect of this decision is to exempt \$1 million of each producer’s domestic wholesale wine sales from the WET on an annual basis.

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The measure will offset the entire WET liability for around 90 per cent of wine producers and provide a significant benefit to the wine industry. Small wine producers in rural and regional Australia will capture around 85 per cent of the benefits of this tax relief.

Currently, producers have access to a maximum rebate of \$42,000 for cellar door sales under the Australian Government Cellar Door Rebate scheme. Under the new arrangements, each producer will be eligible for a rebate of up to \$290,000 on all wholesale sales.

The Australian Government Cellar Door Rebate scheme and state government cellar door rebate schemes will be abolished and the savings to the states will be refunded to the Australian Government.

See also the related revenue measure titled *Wine industry assistance – removing accelerated depreciation for grapevine plantings* in the Treasury portfolio.

**Wine industry assistance — removing accelerated depreciation for grapevine plantings**

Revenue (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	2.0	6.0	11.0	17.0

The Government will remove accelerated depreciation for grapevine plantings, with effect from 1 October 2004.

Currently, capital expenditure incurred in acquiring and establishing grapevines can be written off over four years. Under the measure new grapevine plantings will be depreciated over their effective life.

The measure is part of a broader package of changes to the current wine tax arrangements that will provide significant benefits to the wine industry, in particular, small wine producers in rural and regional Australia.

See also the related revenue measure titled *Wine industry assistance – providing a wine equalisation tax producer rebate* in the Treasury portfolio.



## Part 2: Expense Measures

**Table 1: Expense measures since the 2003-04 MYEFO**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>MORE HELP FOR FAMILIES</b>				
More help for families				
— changes to Family Tax Benefit Part A - lump sum payment and reduction in the taper between maximum and base rates	2450.0	2520.0	2594.0	2660.0
— payment of lump sum to families eligible for Family Tax Benefit Part A in 2003-04	-	-	-	-
— changes to Family Tax Benefit Part B - increase in threshold and reduction in taper	414.0	438.0	459.0	479.0
— protect Family Tax Benefit Part B for secondary earners returning to the workforce after the birth of a child	-	191.0	197.0	204.0
— introduction of Maternity Payment	559.0	517.0	697.0	678.0
— Incentives for saving for retirement — enhancement of Government superannuation co-contribution scheme	-	595.0	730.0	790.0
<b>Total</b>	<b>3423.0</b>	<b>4261.0</b>	<b>4677.0</b>	<b>4811.0</b>
<b>AGRICULTURE, FISHERIES AND FORESTRY</b>				
<i>Australian Fisheries Management Authority</i>				
Fisheries — combating illegal activities in northern Australian waters	2.4	-	-	-
Southern Ocean surveillance	2.5	2.5	-	-
<i>Department of Agriculture, Fisheries and Forestry</i>				
Agriculture — Advancing Australia — FarmBis	13.6	17.7	17.8	17.6
Agriculture — Advancing Australia — FarmHelp	41.7	49.6	31.3	12.3
Agriculture — Advancing Australia — Industry Partnerships	4.7	-	-	-
Agriculture — Advancing Australia — Rural Financial Counselling Service	5.9	5.9	5.8	5.8
Agriculture — Advancing Australia — International Agriculture Cooperation	1.6	1.6	1.6	1.6
Agricultural Development Partnership — reprioritisation	-4.6	-	-	-
Aquaculture Industry Action Agenda — continuation	1.0	-	-	-
Art Indemnity Australia — extension of funding	-	-	-	-
Artesian basin rehabilitation	8.2	8.4	8.5	8.7
Avian influenza — enhanced quarantine arrangements	6.2	-	-	-
Backing Australia's Ability — New Industries Development Programme Mark III	-	-	3.1	3.0
Building a National Approach to Animal and Plant Health — extension	5.0	5.9	5.4	5.3
Douglas Shire Ethanol Project — reprioritisation	-0.4	-1.6	-	-
Drought assistance — Exceptional Circumstances assistance	35.3	10.8	-	-
Drought assistance — interim income support	0.6	-	-	-
Forest Industries Structural Adjustment Package (Western Australia)	-	8.7	-	-

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>AGRICULTURE, FISHERIES AND FORESTRY (continued)</b>				
Forest Industry Structural Adjustment Package — reallocation of funds	0.7	-	-	-
Livestock export trade — response to the Keniry Report	4.3	2.4	2.3	2.3
Marine Pest Incursions — national management system	1.4	1.3	1.0	-
Murray-Darling Basin Commission — additional contribution	5.8	9.6	9.5	8.5
National Landcare Programme — extension	-	-	40.0	40.0
National Landcare Programme — reprioritisation	-2.0	-2.0	-	-
Quarantine — Safeguarding Australia	3.5	-	-	-
Southern Ocean surveillance	-	-	-	-
Sugar Industry Reform Programme 2004 — administration	2.7	1.9	1.7	-
Sugar Industry Reform Programme 2004 — advisory group network	2.6	1.8	2.6	0.5
Sugar Industry Reform Programme 2004 — financial viability assessments	10.4	3.2	-	-
Sugar Industry Reform Programme 2004 — income support	15.0	..	..	-
Sugar Industry Reform Programme 2004 — re-establishment grants	62.6	24.1	9.5	..
Sugar Industry Reform Programme 2004 — regional and community projects	15.0	35.0	25.0	-
Sugar Industry Reform Programme 2004 — reprioritisation of funding	-24.5	-22.0	-0.2	-
Sugar Industry Reform Programme 2004 — restructuring grants	17.9	20.0	2.6	-
Sugar Industry Reform Programme 2004 — retraining and employment assistance	0.8	0.8	0.8	-
Sugar Industry Reform Programme 2004 — sustainability grant	73.1	-	-	-
<b>Portfolio total</b>	<b>313.3</b>	<b>185.3</b>	<b>168.3</b>	<b>105.8</b>
<b>ATTORNEY-GENERAL'S</b>				
<i>Administrative Appeals Tribunal</i>				
Court Security Measures	-	-	-	-
Surveillance — enhanced capabilities and oversight	0.3	0.4	0.4	0.4
<i>Attorney-General's Department</i>				
Attorney General's Department — additional funding	6.2	-	-	-
Commonwealth legal aid — equitable access	13.1	13.1	13.1	13.4
Court Security Measures	-	-	-	-
Customs security enhancements	-	-	-	-
International Criminal Court — contribution	1.6	1.7	1.7	1.7
Investing in Australia's Security — critical infrastructure protection	7.3	9.6	6.1	6.2
Investing in Australia's Security — diplomatic guarding	15.6	-	-	-

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>ATTORNEY-GENERAL'S (continued)</b>				
Investing in Australia's Security — Jakarta Centre for Law Enforcement Cooperation				
Investing in Australia's Security — National Security Hotline	6.2	-	-	-
Investing in Australia's Security — replacement armoured vehicles (e)	0.3	0.3	0.3	0.3
Investing in Australia's Security — strengthening regional financial intelligence units	2.5	2.4	2.5	2.6
Migration litigation reforms	6.4	7.7	7.9	8.0
National Community Crime Prevention Programme	5.0	5.0	5.0	5.0
National Illicit Drugs Strategy — additional funding				
Northern Territory Juvenile Diversion Scheme and Aboriginal Interpreter Service — continued funding	3.9	-	-	-
Pacific Governance	2.8	2.8	2.9	2.9
Solomon Islands — health services for Australian personnel	-	-	-	-
Sydney Law Courts — refurbishment	2.4	7.0	34.3	41.2
<i>Australian Crime Commission</i>				
National Illicit Drugs Strategy — additional funding				
Surveillance — enhanced capabilities and oversight	1.5	1.7	1.7	1.8
<i>Australian Customs Service</i>				
Customs security enhancements	1.3	-	-	-
Handguns — continued funding for storage of imports prior to sale	-	-0.4	-0.4	-
Investing in Australia's Security — biometrics for border control (e)	1.9	-	-	-
Investing in Australia's Security — first port boarding (e)	1.2	-	-	-
Investing in Australia's Security — increased funding for container examination	7.1	3.5	-	-
Investing in Australia's Security — tri-partite border strengthening project	-	-	-	-
Southern Ocean surveillance	44.3	38.9	-	-
<i>Australian Federal Police</i>				
Australian Federal Police — continued funding for people smuggling strike team	4.3	4.3	4.4	4.5
Australian Federal Police — continued presence and support in Melanesia	5.0	5.0	5.1	5.2
Australian Federal Police — supplementation for Bali investigation costs	-	-	-	-
East Timor — support to the United Nations mission	6.5	-	-	-
Investing in Australia's Security — Air Security Officer Programme	3.9	3.6	3.9	4.2
Investing in Australia's Security — Critical Infrastructure Protection	-	-	-	-

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>ATTORNEY-GENERAL'S (continued)</b>				
Investing in Australia's Security — Jakarta Centre for Law Enforcement Cooperation	8.0	5.9	6.1	6.3
Investing in Australia's Security — rapid deployment capability	8.7	8.0	8.3	8.5
National Illicit Drugs Strategy — additional funding Papua New Guinea deployment	146.2	170.3	168.2	169.7
Solomon Islands — health services for Australian personnel	18.0	6.0	-	-
Solomon Islands — Regional Assistance Mission Surveillance — enhanced capabilities and oversight	93.9	-	-	-
<i>Australian Institute of Criminology</i>	1.6	2.0	2.1	2.2
National Illicit Drug Strategy — additional funding	-	-	-	1.0
<i>Australian Security Intelligence Organisation</i>				
Australian Federal Police — continued presence and support in Melanesia	0.3	0.3	0.3	0.3
Investing in Australia's Security — increased funding to intelligence agencies	15.2	25.1	30.1	31.4
Investing in Australia's Security — strengthening border control measures	0.5	0.6	0.6	0.6
<i>Australian Transaction Reports and Analysis Centre</i>				
Investing in Australia's Security — Australian Transaction Reports and Analysis Centre additional funding	8.7	8.9	9.1	9.3
<i>Family Court of Australia</i>				
Court Security Measures	-	-	-	-
<i>Federal Court of Australia</i>				
Court Security Measures	-	-	-	-
<i>Federal Magistrates Service</i>				
Court Security Measures	-	-	-	-
<i>High Court of Australia</i>				
Court Security Measures	-	-	-	-
<i>National Native Title Tribunal</i>				
Court Security Measures	-	-	-	-
<i>Office of Film and Literature Classification</i>				
Office of Film and Literature Classification — additional funding	0.7	-	-	-
<i>Office of the Federal Privacy Commissioner</i>				
Investing in Australia's Security — Biometrics for Border Control (e)	-	-	-	-
<b>Portfolio total</b>	<b>452.0</b>	<b>333.7</b>	<b>313.6</b>	<b>326.7</b>

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS</b>				
<i>Australia Council</i>				
Australia Council	-	-	-	-
Australia Council — additional funding	2.0	2.0	2.0	2.0
<i>Australian Broadcasting Authority</i>				
Australian Broadcasting Authority and Australian Communications Authority — merger	-	-	-	-
Investing in Australia's Security — critical infrastructure protection	0.1	0.1	0.1	0.1
<i>Australian Broadcasting Corporation</i>				
Australian Broadcasting Corporation — extension of Regional and Local Programming initiative	-	17.7	18.1	18.6
Australian Broadcasting Corporation — programme acquisition	4.2	4.3	4.4	4.5
<i>Australian Communication Authority</i>				
Australian Broadcasting Authority and Australian Communications Authority — merger	-	-	-	-
<i>Australian Government Information Office</i>				
Government procurement arrangements relating to the Australia-United States Free Trade Agreement	-	-0.9	-0.9	-0.9
<i>Department of Communications, Information Technology and the Arts</i>				
Art Indemnity Australia — extension of funding	-	-	-	-
Athens 2004 Paralympic Games — contribution	-	-	-	-
Australian Prospectors and Miners Hall of Fame — further financial assistance	-	-	-	-
Backing Australia's Ability — extension of funding for Building on IT Strengths Advanced Networks Programme	8.3	7.3	5.4	-
Backing Australia's Ability — extension of funding for Building on IT Strengths Incubator Programme	13.0	11.0	8.0	4.0
Backing Australia's Ability — extension of funding for the information and communications technology centre of excellence	-	-	24.2	24.8
Education Lending Right - extension of funding	11.0	11.0	11.0	11.0
Investing in Australia's Security — critical infrastructure protection	1.2	1.4	1.3	1.3
Mount Panorama motor racing circuit — contribution to upgrade	-	-	-	-
National Institute of Circus Arts — additional funding	0.6	0.6	0.6	0.6
Playing Australia — additional funding	2.0	2.0	2.0	2.0
Regional Arts Fund — extension of funding	2.6	2.7	2.7	2.8
Surf Life Saving Australia — grant	-	0.4	0.5	0.2
<i>National Library of Australia</i>				
National Library of Australia — provision of additional storage(e)	0.1	0.8	-0.1	-0.1
<b>Portfolio total</b>	<b>45.1</b>	<b>60.4</b>	<b>79.2</b>	<b>70.7</b>



**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>CROSS PORTFOLIO</b>				
<i>All Agencies</i>				
Budget estimates — enhanced quality and timeliness	16.4	15.8	15.2	15.1
Melbourne 2006 Commonwealth Games — contribution	8.0	90.3	1.3	-
<b>Portfolio total</b>	<b>24.4</b>	<b>106.1</b>	<b>16.5</b>	<b>15.1</b>
<b>DEFENCE</b>				
<i>Department of Defence</i>				
Accommodation — supplementation for the purchase of Defence Housing Authority Services	-	-	-	-
Coastal surveillance — continuation	16.0	-	-	-
Defence Capability Review — operational cost savings	-	-70.7	-69.2	-79.2
Defence Procurement Review — implementation of recommendations	12.2	5.0	5.0	5.0
East Timor — support to the United Nations mission	16.0	4.1	-	-
Estate Upkeep	-	90.0	100.0	110.0
Investing in Australia's Security — critical infrastructure protection	1.2	1.6	1.6	1.6
Investing in Australia's Security — enhanced regional consequence management training	-	-	-	-
Investing in Australia's Security — enhanced regional cooperation	-	-	-	-
Investing in Australia's Security — enhanced regional training and exercise programme	-	-	-	-
Investing in Australia's Security — increased funding to intelligence agencies	10.3	12.2	12.3	12.6
Iraq — funding for operations and rehabilitation activities	124.6	3.0	4.0	-
Logistics — additional funding	142.1	146.7	158.4	163.1
Logistics — continuation of funding	-	-	-	205.3
Military personnel — supplementation	6.8	57.0	-6.5	22.7
Military Rehabilitation and Compensation Scheme — enhancement	-	-	-	..
Official History of Peacekeeping and Post Cold War Conflicts	-	-	-	-
Papua New Guinea Defence Force — funding to support downsizing	10.9	2.7	-	-
Personnel initiatives — continuation	-	-	10.6	10.8
Personnel initiatives — expansion of rental assistance	-	59.3	91.1	92.9
Personnel initiatives — improvements to living-in accommodation	2.0	12.5	37.1	61.6
Point Nepean Community Trust — establishment	-	-	-	-
Property Sales — costs	25.5	-	-	-
<b>Portfolio total</b>	<b>367.6</b>	<b>323.5</b>	<b>344.5</b>	<b>606.4</b>

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>EDUCATION, SCIENCE AND TRAINING</b>				
<i>Australian Institute of Marine Science</i>				
Australian Institute of Marine Science	-	-	-	-
<i>Australian Nuclear Science and Technology Organisation</i>				
Australian Nuclear Science and Technology				
Organisation — replacement research reactor	1.0	2.9	3.0	3.0
Australian Nuclear Science and Technology				
Organisation	-	-	-	-
Investing in Australia's Security — securing radioactive sources in the Asia-Pacific region	1.6	1.9	1.0	-
<i>Australian Research Council</i>				
Backing Australia's Ability — National Competitive Grants Programme	-0.4	-1.4	-1.5	286.8
<i>Commonwealth Scientific and Industrial Research Organisation</i>				
Backing Australia's Ability — Commonwealth Scientific and Industrial Research Organisation National Flagships Initiative	30.0	35.0	40.0	50.0
Commonwealth Scientific and Industrial Research Organisation	-	-	-	-
<i>Department of Education, Science and Training</i>				
Australian Maritime College — Point Nepean campus	0.6	1.1	1.6	1.6
Backing Australia's Ability — additional funding for Questacon Smart Moves Programme	1.0	1.7	1.7	1.8
Backing Australia's Ability — additional funding for Research Infrastructure Block Grants	-	-	106.6	108.7
Backing Australia's Ability — boosting innovation, science, mathematics and technology teaching	6.3	10.8	5.6	5.8
Backing Australia's Ability — Cooperative Research Centres Programme	-	-51.0	-17.6	64.3
Backing Australia's Ability — developing Quality and Accessibility Frameworks for publicly funded research	1.1	1.7	-	-
Backing Australia's Ability — extension of Fostering Scientific, Mathematical and Technological Skills and Innovation in Government Schools Programme	-	-	-	-
Backing Australia's Ability — extension of Regional Protection Funding	3.0	3.1	3.1	3.2
Backing Australia's Ability — International Science Linkages	-	-	10.5	10.8
Backing Australia's Ability — National Collaborative Research Infrastructure Strategy	1.9	15.1	100.3	102.7
Backing Australia's Ability — Science Connections Programme	0.3	0.6	4.7	4.9
Career and Transition and Partnership Outreach				
Education Model pilot programmes — continuation	3.1	2.1	-	-
Humanitarian Program	1.0	3.4	5.2	6.3
Indigenous Education Agreement 2005-08	7.0	12.1	11.8	11.3
Investing in Australia's Aged Care — better skills for better care	5.2	8.5	11.3	13.4

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>EDUCATION, SCIENCE AND TRAINING (continued)</b>				
Medicare Plus — additional medical school places for Queensland	0.2	0.4	0.7	0.9
Migration (non-humanitarian) program	0.6	2.1	3.5	6.1
National Schools Drug Education Strategy — continuation	-	-	-	-
New Apprenticeships Incentives Programme — employer incentive for Australian Government agencies	-2.7	-2.8	-2.9	-3.1
New Apprenticeships Incentives Programme — targeting women in non traditional occupations	-0.8	-2.1	-2.1	-2.1
Our Universities — Batchelor Institute of Indigenous Tertiary Education and Charles Darwin University	1.5	-	-	-
Our Universities — Chair in Child Protection at University of South Australia	1.0	1.0	1.1	1.1
Our Universities — Higher Education Loan Programme (d)	-1.1	-1.9	-2.6	-3.1
Our Universities — Information to students	4.0	-	-	-
Research Evaluation Programme — reprioritisation	-0.5	-0.8	-0.8	-0.8
Settlement Services for Migrants and Humanitarian Entrants — additional language, literacy and numeracy places	4.1	-	-	-
Schools — Capital Grants Programme for isolated non-government schools	4.0	4.3	4.3	4.4
Schools — independent schools funding guarantee	4.1	0.6	0.1	-
Schools — integrate Catholic systemic schools into the socio-economic status funding model	76.3	86.9	93.3	99.7
Schools — Literacy, Numeracy and Special Learning Needs Programme	10.2	5.8	5.2	5.6
Sugar Industry Reform Programme 2004 — retraining and employment assistance	-	-	-	-
University of Western Sydney — establishment of a medical school	-	6.0	6.0	6.0
Values for Life Initiative	6.5	10.5	8.9	8.8
Vocational Education and Training — direct purchase of places for priority groups	-	-	-	-
<b>Portfolio total</b>	<b>170.1</b>	<b>157.4</b>	<b>401.8</b>	<b>797.8</b>

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>EMPLOYMENT AND WORKPLACE RELATIONS</b>				
<i>Department of Employment and Workplace Relations</i>				
Building and Construction Industry — implementing the recommendations of the Royal Commission	11.5	40.5	41.6	42.4
Centrelink — implementation of funding model	-26.1	-26.3	-	-
Humanitarian Program	1.5	2.1	2.3	2.3
Indigenous Community Volunteers — additional funding	-	-	-	-
Indigenous Youth Employment Consultants	-	-	-	-
Office of the Employment Advocate — additional funding	-	-	-	-
Mature Age Workers — increasing participation rates	-	-	-	-
Migration (non-humanitarian) program	0.6	0.6	0.6	0.6
Sugar Industry Reform Programme 2004 — retraining and employment assistance	2.1	1.6	0.9	-
<b>Portfolio total</b>	<b>-10.4</b>	<b>18.5</b>	<b>45.4</b>	<b>45.3</b>
<b>ENVIRONMENT AND HERITAGE</b>				
<i>Australian Greenhouse Office</i>				
Climate Change - action on energy efficiency	5.5	6.7	7.2	7.2
Climate Change - Challenge Plus - Industry Partnerships	6.7	6.9	8.8	8.8
Climate Change - Climate Change Science Programme	6.6	6.8	8.6	8.7
Climate Change - emissions measurement and analysis	5.3	8.1	8.1	8.2
Climate Change - greenhouse action to enhance sustainability in regional Australia	3.7	4.9	5.4	5.4
Climate Change - local greenhouse action	2.5	3.2	3.6	3.8
Climate Change - low emissions technology and abatement	2.5	4.8	6.4	6.4
Climate Change - National Climate Change Adaptation Programme	3.2	5.7	9.0	9.0
	2.3	3.6	4.0	4.2
Climate Change - reprioritisation of existing funding	-42.1	-57.5	-49.3	-29.1
Climate Change - strategic national response	4.4	7.2	7.0	7.0
<i>Department of the Environment and Heritage</i>				
Great Barrier Reef — Representative Areas Programme	8.6	1.6	-	-
Natural Heritage Trust Extension	-	-	-	300.0
Oil recycling — new category of grant	-	-	-	-
Protecting biodiversity	-	-	-	-
St George's and St Paul's Cathedrals — restoration	-	-	-	-
<i>Great Barrier Reef Marine Park Authority</i>				
Great Barrier Reef — addressing Crown of Thorns Starfish outbreaks	-	-	-	-
Great Barrier Reef — Representative Areas Programme	-	-	-	-
Great Barrier Reef — water quality monitoring programme	-	-	-	-
<i>Office of the Renewable Energy Regulator</i>				
Climate Change — continuing administration of the Mandatory Renewable Energy Target	2.6	2.7	2.7	2.6
<b>Portfolio total</b>	<b>11.8</b>	<b>4.6</b>	<b>21.5</b>	<b>342.2</b>

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>FAMILY AND COMMUNITY SERVICES</b>				
<i>Department of Family and Community Services</i>				
A more flexible and adaptable retirement income system — assets test exemption for income streams	2.0	-25.7	-53.9	-86.6
Auslan interpreting services — enhanced access	2.6	4.8	5.5	5.4
Bushfires — ex gratia assistance to certain income support recipients	0.3	-	-	-
Business services — security, quality services and choice for people with disabilities	21.5	22.2	25.1	30.3
Carers — expand eligibility criteria for carer allowance	10.3	29.6	32.1	34.8
Carers — increased access to respite for older carers	8.2	19.0	22.5	22.9
Carers — payment of a one-off bonus	-	-	-	-
Carers — respite and information services for younger carers	4.0	7.4	7.6	7.7
Centrelink — assessment of income and assets held in Trusts and Private Companies	9.3	10.8	12.2	13.5
Centrelink — call centre supplementation	25.9	26.1	-	-
Centrelink — implementation of funding model	26.1	26.3	-	-
Child Support Agency — new funding agreement	6.9	10.5	13.9	19.6
Clarke Review — Defence Forces Income Support Allowance	6.3	1.1	1.0	1.0
Clarke Review — extend entitlement to disability pension and treatment arrangements to Australian aircrew involved in the Berlin Airlift	..	..	..	..
Clarke Review — extend operational service to minesweeping and bomb/mine clearance service immediately after the cessation of World War II	..	..	..	..
Clarke Review — extend qualifying service to the aircrew of Number 2 Squadron for service on the Malay-Thailand Border (1962-1966)	..	..	..	..
Clarke Review — indexation of the Above General Rate component of Disability Pension	-0.1	-0.2	-0.3	-0.4
Clarke Review — one-off payment to former Prisoners of War of the North Korean forces or surviving spouses	..	..	..	..
Commonwealth Seniors' Health Card — Great Southern Rail service concession	0.4	0.4	0.5	0.6
Compliance — continuation of data-matching measures to improve control of incorrect payment and fraud	-1.4	-1.4	-1.5	-1.5
Compliance reviews — expand data-matching	-9.1	-16.4	-16.7	-17.1
Compliance — 'Keeping the System Fair' education campaign	-26.2	-60.8	-63.0	-64.9
Compliance reviews — improved service profiling	3.0	-26.5	-36.1	-36.9
Compliance — Parenting Payment (Single) relationship status reviews	1.2	..	-2.6	-2.8
Drought assistance — Exceptional Circumstances assistance	1.0	0.5	-	-
Expansion of Home Ownership Programme	-	-	-	-

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>FAMILY AND COMMUNITY SERVICES (continued)</b>				
Family assistance — additional family day care places	21.3	21.7	22.2	22.7
Family assistance — additional outside school hours care places	34.6	32.2	27.6	28.0
Family assistance — additional playgroup services	3.3	3.6	3.6	3.9
Family Assistance — increased funding for the Child Care Support Programme	4.0	4.0	4.1	4.2
Family Assistance — Stronger Families and Communities Strategy — continuation of funding for a refocussed early childhood strategy	-	-	-	-
Household Organisational Management Expenses Advice Programme	2.7	2.5	2.6	2.6
Household, Income and Labour Dynamics in Australia Survey — extended funding	1.2	6.7	7.2	7.8
Humanitarian Program	5.2	11.6	13.5	18.4
Indigenous Financial Management	1.1	1.1	1.1	1.1
Migration (non-humanitarian) program	0.1	0.1	0.1	0.1
National Illicit Drugs Strategy — additional funding	-	-	-	-
Our Universities — exempt Commonwealth Learning Scholarships from social security income tests	2.7	5.0	7.3	9.0
Our Universities — exempt fee-waiver and fee-pay scholarships from social security income tests	1.0	0.8	1.0	1.1
Prime Minister's Community Business Partnership	-	4.3	4.3	4.3
Regional Migration Initiatives	-4.1	-6.2	-9.9	-9.2
Settlement Services for Migrants and Humanitarian Entrants — family relationships services	0.5	1.5	1.6	1.6
Settlement Services for Migrants and Humanitarian Entrants — Job Placement, Employment and Training and Reconnect services	1.5	2.0	2.1	2.4
Social security agreement with Ireland — revised agreement	..	..	..	..
Sugar Industry Reform Programme 2004 — crisis counselling	2.7	1.0	0.6	0.4
Sugar Industry Reform Programme 2004 — intergenerational transfer	2.6	3.7	5.9	6.7
Voluntary Work Initiative — continuation of funding	-	-	-	-
Welfare Reform Consultative Forum — extension	0.8	0.2	-	-
Youth Allowance — waiver of certain debts	7.1	-	-	-
<b>Portfolio total</b>	<b>180.6</b>	<b>123.5</b>	<b>41.1</b>	<b>30.6</b>
<b>FINANCE AND ADMINISTRATION</b>				
<i>Australian Electoral Commission</i>				
Australian Electoral Commission — improving the integrity of the electoral roll	1.7	1.4	1.3	1.4
Australian Electoral Commission — maintaining core capability	19.7	-8.0	-4.1	15.4

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>FAMILY AND COMMUNITY SERVICES (continued)</b>				
Family assistance — additional family day care places	21.3	21.7	22.2	22.7
Family assistance — additional outside school hours care places	34.6	32.2	27.6	28.0
Family assistance — additional playgroup services	3.3	3.6	3.6	3.9
Family Assistance — increased funding for the Child Care Support Programme	4.0	4.0	4.1	4.2
Family Assistance — Stronger Families and Communities Strategy — continuation of funding for a refocussed early childhood strategy	-	-	-	-
Household Organisational Management Expenses Advice Programme	2.7	2.5	2.6	2.6
Household, Income and Labour Dynamics in Australia Survey — extended funding	1.2	6.7	7.2	7.8
Humanitarian Program	5.2	11.6	13.5	18.4
Indigenous Financial Management	1.1	1.1	1.1	1.1
Migration (non-humanitarian) program	0.1	0.1	0.1	0.1
National Illicit Drugs Strategy — additional funding	-	-	-	-
Our Universities — exempt Commonwealth Learning Scholarships from social security income tests	2.7	5.0	7.3	9.0
Our Universities — exempt fee-waiver and fee-pay scholarships from social security income tests	1.0	0.8	1.0	1.1
Prime Minister's Community Business Partnership	-	4.3	4.3	4.3
Regional Migration Initiatives	-4.1	-6.2	-9.9	-9.2
Settlement Services for Migrants and Humanitarian Entrants — family relationships services	0.5	1.5	1.6	1.6
Settlement Services for Migrants and Humanitarian Entrants — Job Placement, Employment and Training and Reconnect services	1.5	2.0	2.1	2.4
Social security agreement with Ireland — revised agreement	..	..	..	..
Sugar Industry Reform Programme 2004 — crisis counselling	2.7	1.0	0.6	0.4
Sugar Industry Reform Programme 2004 — intergenerational transfer	2.6	3.7	5.9	6.7
Voluntary Work Initiative — continuation of funding	-	-	-	-
Welfare Reform Consultative Forum — extension	0.8	0.2	-	-
Youth Allowance — waiver of certain debts	7.1	-	-	-
<b>Portfolio total</b>	<b>180.6</b>	<b>123.5</b>	<b>41.1</b>	<b>30.6</b>
<b>FINANCE AND ADMINISTRATION</b>				
<i>Australian Electoral Commission</i>				
Australian Electoral Commission — improving the integrity of the electoral roll	1.7	1.4	1.3	1.4
Australian Electoral Commission — maintaining core capability	19.7	-8.0	-4.1	15.4

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>FINANCE AND ADMINISTRATION (continued)</b>				
<i>Department of Finance and Administration</i>				
Asset sales — staffing and administrative costs	1.0	-	-	-
Defence capability proposals — establishment of an enhanced cost assessment capability	1.4	2.0	2.1	2.1
Government procurement arrangements relating to the Australia-United States Free Trade Agreement	5.9	6.8	5.5	6.0
Parliamentary entitlements — software	0.1	0.1	0.1	0.1
Parliamentary superannuation changes	-1.1	-3.8	-4.3	-6.1
South Pacific economic governance and stabilisation	1.3	1.3	1.3	1.4
Telstra and Australia Post superannuation changes	-377.0	-366.0	-353.1	-336.0
<b>Portfolio total</b>	<b>-347.1</b>	<b>-366.1</b>	<b>-351.2</b>	<b>-315.7</b>
<b>FOREIGN AFFAIRS AND TRADE</b>				
<i>Australian Agency for International Development</i>				
Australian Aid Programme — new activity management information system (e)	-	-1.2	-1.2	-1.2
Pacific Islands Forum Secretariat	-	-	-	-
Papua New Guinea deployment	-	-	-	-
Solomon Islands — Regional Assistance Mission	66.7	-	-	-
<i>Australian Secret Intelligence Service</i>				
Investing in Australia's Security — increased funding to intelligence agencies	3.9	11.3	11.6	12.7
<i>Australian Trade Commission</i>				
Investing in Australia's Security — relocation and security upgrade of overseas missions (e)	0.7	0.5	0.6	0.6
Trade facilitation — New Opportunities — New Exporters Programme	1.7	1.5	1.5	1.4
<i>Department of Foreign Affairs and Trade</i>				
Australia-United States Free Trade Agreement — funding to facilitate negotiations	-	-	-	-
Investing in Australia's Security — biometrics for border control (e)	1.1	-	-	-
Investing in Australia's Security — Jakarta Centre for Law Enforcement Cooperation	-	-	-	-
Investing in Australia's Security — relocation and security upgrade of overseas missions (e)	7.4	6.2	4.8	4.3
Nauru — maintenance of a temporary Consulate-General	0.6	-	-	-
Solomon Islands — Regional Assistance Mission	4.5	-	-	-
<b>Portfolio total</b>	<b>86.6</b>	<b>18.2</b>	<b>17.3</b>	<b>17.8</b>



**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>HEALTH AND AGEING</b>				
<i>Department of Health and Ageing</i>				
Aged and Community Care — implementation of a quality assurance framework for community care and respite care	3.6	3.2	3.3	3.5
Aged Care — continuation of simpler income-testing of residential aged care	-	-	-	-
Aged Care — continue the subsidisation of the accreditation fees for small residential aged care facilities	-1.2	-0.1	-1.9	-1.4
Aged Care — ensuring quality care for residents	-	-	-	-
Aged Care — Office of the Commissioner for Complaints	-	-	-	-
Avian Influenza — enhancement of diagnostic and research capacity	2.5	0.5	0.5	0.5
Avian Influenza — information for arriving passengers and health care professionals	-	-	-	-
Avian Influenza — purchase of protective and monitoring equipment	2.1	-	-	-
Backing Australia's Ability — health and medical research — overhead infrastructure support	26.0	27.0	28.0	29.0
Bali Terrorist Attacks — assistance to States and Territories for the initial treatment of victims	-	-	-	-
Clarke Review — extend operational service to minesweeping and bomb/mine clearance service immediately after the cessation of World War II	-	-	-	-
Clarke Review — extend qualifying service to the aircrew of Number 2 Squadron for service on the Malay-Thailand Border (1962-1966)	-	-	-	-
Cochlear implant upgrades — increased funding	2.4	1.7	1.7	1.8
Investing in Australia's Aged Care — Conditional Adjustment Payment	69.3	147.1	226.2	317.5
Consumer and Community Involvement in Influencing Health Decisions Programme — continuation	-	-	-	-
Divisions of General Practice — continued funding	-	-	-	-
Drought assistance — Exceptional Circumstances assistance	1.1	0.2	-	-
Expansion of Home Ownership Programme	-	-	-	-
Food Safety — OzFoodNet	1.0	1.0	1.0	1.0
Food Standards Australia New Zealand — continuation of additional funding	-	-	-	-
GP services — improving after-hours access	1.6	1.6	1.7	1.7
Human cloning and research involving human embryos — legislative reviews	1.7	0.5	-	-
Humanitarian Program	0.7	1.9	3.3	4.7
Inborn errors of metabolism — grant for high cost special foods	-	-	-	-

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>HEALTH AND AGEING (continued)</b>				
Investing in Australia's Aged Care — additional funding for the Aged Care Standards and Accreditation Agency	-	-	6.1	4.8
Investing in Australia's Aged Care — better skills for better care	8.9	17.7	18.1	18.4
Investing in Australia's Aged Care — building better aged care homes	104.9	96.0	88.5	83.4
Investment in Australia's Aged Care — enhanced consumer information and protection	2.0	0.3	0.3	0.3
Investing in Australia's Aged Care — implementation and communication	9.3	2.1	1.4	1.5
Investing in Australia's Aged Care — improving assessment	10.1	15.0	11.2	11.4
Investing in Australia's Aged Care — more aged care places	-	-	38.7	32.3
Investing in Australia's Aged Care — more funding for Aboriginal and Torres Strait Islander Flexible Services	1.5	2.7	2.9	3.1
Investing in Australia's Aged Care — new supplement for residents with dementia exhibiting challenging behaviours and with other complex palliative needs	-	-	-	-
Investing in Australia's Aged Care — strengthening culturally appropriate aged care for established culturally and linguistically diverse communities	2.1	3.1	3.2	3.3
Investing in Australia's Security — Biosecurity Surveillance System	6.4	1.3	1.2	1.2
Investing in Australia's Security — critical infrastructure protection	0.3	0.3	0.3	0.3
Investing in Australia's Security — national health security and counter-terrorism response capability	3.0	2.5	2.6	2.2
Investing in Australia's Security — National Medicines Stockpile (e)	0.5	0.5	0.5	0.5
Investing in Australia's Security — radioactive material security and emergency response capability	1.0	1.0	1.0	1.0
Investing in Australia's Security — streamlining administration for better care	9.9	15.1	20.4	16.5
Kids Help Line — assistance	-	-	-	-
Life Saving Drugs Programme — treatment of Fabry's disease	10.4	10.3	10.3	10.3
Lifeline — assistance	-	-	-	-
National Illicit Drugs Strategy — additional funding	-	2.8	2.8	2.9
Medical Indemnity — 2005 policy review working party	0.1	1.2	-	-
Medical Indemnity — additional assistance for rural procedural GPs	-	-	-	-
Medical Indemnity — changes to United Medical	-	-	-	-

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>HEALTH AND AGEING (continued)</b>				
Protection liability contributions (d)	0.2	0.1	0.1	0.1
Medical Indemnity — High Cost Claims Scheme threshold reduction	11.1	11.7	12.3	12.9
Medical Indemnity — Premium Support Scheme	27.4	29.6	32.2	34.9
Medical research infrastructure - injection of funds	-	-	-	-
Medicare — continued higher rebate for Other Medical Practitioners in rural areas	-	-	-	-
MedicarePlus — extended safety net for major out-of-pocket medical costs outside hospital	48.3	52.8	60.0	67.2
MedicarePlus — increased incentives for GPs who bulk bill in regional, rural and remote Australia or Tasmania	39.0	40.5	41.9	43.5
MedicarePlus — national health information network	-1.8	-4.4	-4.8	-4.1
MedicarePlus — new Medicare Benefits Schedule items for services of certain health professionals and dentists	41.1	39.4	40.6	41.3
Menzies Foundation — injection of funds	-	-	-	-
Migration (non-humanitarian) program	2.9	8.5	14.5	21.0
National Cord Blood Collection Network	-	-	-	-
National Diabetes Services Scheme — subsidy of insulin infusion pump consumables	2.0	3.3	4.4	5.6
National Institute of Clinical Studies	-	-	-	-
National Strategy for an Ageing Australia — continuation	-	-	-	-
Parental access to information	1.1	0.8	0.8	0.8
Pharmaceutical Benefits Advisory Committee — enhancing evaluation expertise	1.5	1.9	2.3	2.9
Pharmaceutical benefits — improved entitlement monitoring	4.7	-0.9	-3.7	-3.7
Preventative health — Bowel Cancer Screening Programme	-	-	-	-
Preventative health — falls prevention in older people	-	-	-	-
Preventative health — extension of the Investment in Preventative Health	-	-	-	-
Preventative health — National Alcohol Harm Reduction Strategy	-	-	-	-
Primary Health Care Access Programme for Aboriginal and Torres Strait Islander People — additional funding	10.0	10.0	10.0	10.0
Private health insurance — e-commerce partnerships	1.9	9.1	11.1	10.9
Private health insurance — terminate promotion of Simplified Billing for No or Known Gaps	-4.4	-4.5	-4.5	-4.6
Regional Health Service Centres — extension of funding	-	-	-	-
Regional Medical Schools — extension of funding	-	-	-	-
Regional Migration Initiatives	-3.0	-7.7	-10.9	-14.3

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>HEALTH AND AGEING (continued)</b>				
Rural Health Strategy — continued funding	0.2	-	-	-0.2
Rural Medical Students — extension of assistance	-	-	-	-
Therapeutic Products — new policy advising role	1.2	1.2	-	-
Vietnam Veterans' Childrens Support Programme	-0.8	-0.8	-0.8	-0.8
Women's Health — Australian Longitudinal Study	0.8	0.8	0.8	0.8
<i>Health Insurance Commission</i>				
Health Insurance Commission — additional funding	30.0	27.8	32.0	35.6
<i>National Blood Authority</i>				
Diagnostic products — revised purchasing arrangements	-	-1.8	-1.8	-1.8
National Blood Authority — funding for contract negotiation	1.0	-	-	-
National Blood Authority — safer haemoglobin levels for blood donors	2.3	-	-	-
<i>Private Health Insurance Ombudsman</i>				
Private Health Insurance Ombudsman — increased funding	-	-	-	-
<b>Portfolio total</b>	<b>497.5</b>	<b>574.4</b>	<b>709.6</b>	<b>809.7</b>
<b>IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS</b>				
<i>Aboriginal and Torres Strait Islander Commission</i>				
Indigenous Australians - better service delivery	-13.0	-22.4	-21.8	-21.9
<i>Aboriginal and Torres Strait Islander Services</i>				
Indigenous Australians - better service delivery	-5.3	-10.1	-10.2	-4.7
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Department of Immigration and Multicultural and Indigenous Affairs — information technology costs	19.0	17.4	17.5	15.7
Fisheries — combating illegal activities in northern Australian waters	0.6	-	-	-
Humanitarian migration — continuation of displaced refugee initiatives	-	-	-	-
Humanitarian migration — continuation of funding for international cooperation	-	-	-	-
Humanitarian Program	17.3	17.9	17.7	18.1
Indigenous Family Violence Partnership Programme	5.3	10.5	10.7	10.8
Indigenous Family Violence Prevention Legal Services — expansion	3.2	6.5	6.5	6.5
Indigenous Home Ownership Programme — expansion	1.0	0.8	-	-
Indigenous Women's Development	2.4	4.7	4.7	4.7
Investing in Australia's Security — Biometrics for Border Control (e)	0.2	-	-	-
Investing in Australia's Security — border management and control	1.4	-	-	-
Investing in Australia's Security — document examination	4.9	4.9	4.9	4.9

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS (continued)</b>				
Investing in Australia's Security — global processing systems to improve border security	11.9	15.3	15.0	12.8
Investing in Australia's Security — information technology systems disaster recovery	10.2	6.8	6.7	6.8
Investing in Australia's Security — strengthening border control measures	0.9	1.1	0.9	0.6
Investing in Australia's Security — tri-partite border strengthening project	-	-	-	-
Long-term detention strategy	-36.3	-46.5	-51.0	-50.0
Migration — continuation of capacity building to combat people smuggling and irregular migration	-	-	-	-
Migration entry processes — extension of offshore resources	-	-	-	-
Migration (non-humanitarian) program	2.0	2.0	2.1	2.3
Reconciliation Australia — continued support	-	-	-	-
Regional Migration Initiatives	7.0	6.0	6.9	8.1
Residential Housing Projects and Alternative Detention Arrangements	2.0	5.8	6.9	6.9
Review of the Department of Immigration and Multicultural and Indigenous Affairs' Business Processes and Costs	110.5	117.1	124.6	125.2
Review of the Department of Immigration and Multicultural and Indigenous Affairs' Business Processes and Costs — additional funding for capacity building	4.6	4.7	4.7	4.8
Settlement Services for Migrants and Humanitarian Entrants — additional funding for community services	0.8	1.3	1.4	1.4
Settlement Services for Migrants and Humanitarian Entrants — additional language, literacy and numeracy places	-	-	-	-
Settlement Services for Migrants and Humanitarian Entrants — increased assistance to humanitarian entrants	12.2	9.8	9.9	10.0
Settlement Services for Migrants and Humanitarian Entrants — increased tuition	10.7	8.5	8.7	8.9
Settlement Services for Migrants and Humanitarian Entrants — maintain funding for the Integrated Humanitarian Settlement Strategy	-	-	-	-
<i>Torres Strait Regional Authority</i>				
Torres Strait — Major Infrastructure Programme	5.3	5.4	5.5	-
<b>Portfolio total</b>	<b>178.8</b>	<b>167.4</b>	<b>172.2</b>	<b>171.8</b>

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>INDUSTRY, TOURISM AND RESOURCES</b>				
<i>Department of Industry, Tourism and Resources</i>				
Australia-China Natural Gas Technology Partnership Fund	-	-	-	-
Australian Magnesium Corporation	-	-	-	-
Axis Australia — extend funding	3.8	3.8	-	-
Backing Australia's Ability — Commercial Ready Programme	5.5	16.7	144.1	200.0
Backing Australia's Ability — Commercialising Emerging Technologies Programme	3.8	13.3	17.4	17.8
Backing Australia's Ability — extend funding for the National Biotechnology Strategy and Biotechnology Australia	5.0	5.0	5.0	5.0
Backing Australia's Ability — extend support for National Stem Cell Centre	-	-	7.0	6.5
Backing Australia's Ability — Innovation Access Programme reprioritisation	-2.0	-6.0	-	-
Backing Australia's Ability — R&D Start reprioritisation	-16.2	-3.1	-	-
Investing in Australia's Security — critical infrastructure protection	0.7	1.2	1.0	0.3
National Measurement Institute — co-location	4.0	-	-	-
<i>Geoscience Australia</i>				
Investing in Australia's Security — critical infrastructure protection	0.2	0.2	0.2	0.2
<b>Portfolio total</b>	<b>4.8</b>	<b>31.1</b>	<b>174.7</b>	<b>229.8</b>
<b>PARLIAMENTARY DEPARTMENTS</b>				
<i>Department of Parliamentary Services</i>				
Investing in Australia's Security — enhanced security for the perimeter and grounds of Parliament House	1.3	-	-	-
<b>Portfolio total</b>	<b>1.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>PRIME MINISTER AND CABINET</b>				
<i>Australian National Audit Office</i>				
Budget Estimates and Framework Review — enhanced auditing	2.0	1.7	1.7	1.7
<i>Department of the Prime Minister and Cabinet</i>				
Investing in Australia's Security — research support for counter-terrorism	1.0	2.0	2.1	2.1
National Campaign for the Elimination of Violence Against Women	1.6	-	-	-
Parliamentary entitlements — software	-	-	-	-
Prime Minister and Cabinet — long term departmental accommodation	0.5	0.5	-	-
<i>Office of National Assessments</i>				
Investing in Australia's Security — increased funding to intelligence agencies	2.4	1.7	1.7	1.8

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>PRIME MINISTER AND CABINET (continued)</b>				
<i>Office of the Commonwealth Ombudsman</i>				
Surveillance - enhanced capabilities and oversight	0.2	0.4	0.4	0.4
Ombudsman — new roles and better delivery of services	1.5	1.4	1.4	1.5
<i>Office of the Official Secretary to the Governor General</i>				
Australian Honours and Awards System — information technology development	0.3	0.3	0.3	0.4
<b>Portfolio total</b>	<b>9.4</b>	<b>7.9</b>	<b>7.6</b>	<b>7.8</b>
<b>TRANSPORT AND REGIONAL SERVICES</b>				
<i>Australian Maritime Safety Authority</i>				
Maritime Search and Rescue	4.1	4.6	4.1	4.1
<i>Civil Aviation Safety Authority</i>				
Civil Aviation Safety Authority — financial viability	-	-	-	-
<i>Department of Transport and Regional Services</i>				
Airservices Australia — extension of the Location Specific Pricing subsidy	7.0	-	-	-
AusLink – grant to the Australian Rail Track Corporation	-	-	-	-
AusLink — National Land Transport Network	88.4	108.7	421.7	427.1
AusLink — Roads to Recovery	-	300.0	300.0	300.0
Australian Transport Safety Bureau — aviation safety investigations	2.0	2.1	2.1	2.1
Australian Transport Safety Bureau — replacement of the aviation investigation information technology system (e)	0.5	-	0.1	0.2
Bass Strait Passenger Vehicle Equalisation Scheme — capping	-	-	-	-
Commonwealth Regional Information Service — funding	3.3	-	-	-
Conditional business credits — heavy vehicles	1.2	0.4	-	-
Green Vehicles Guide — promotion	1.1	0.2	0.1	0.1
Investing in Australia's Security — critical infrastructure protection	0.6	0.6	0.6	0.6
Investing in Australia's Security — Inspector of Transport Security	0.4	0.4	0.4	0.4
Investing in Australia's Security — international transport security	1.4	1.1	1.1	1.1
Investing in Australia's Security — tri-partite border strengthening project	-	-	-	-
Motor Vehicle Standards Act 1989 — administration	2.0	-	-	-
National Aerial Firefighting Strategy — Australian Government contribution	5.5	5.5	5.5	-
Norfolk Island — funding for work on Kingston Pier	3.1	-	-	-
Northern Territory local roads — additional funding	1.0	-	-	-
Investing in Australia's Security — Regional Airport Security	-5.0	-9.0	-	-

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>TRANSPORT AND REGIONAL SERVICES (continued)</b>				
Regional Partnerships Programme — additional funding	13.0	13.4	13.0	33.1
Regional Partnerships Programme — Beaudesert Shire Railway	0.6	-	-	-
Remote Air Services Subsidy Scheme — extension of funding	1.5	1.6	1.8	2.8
South Australian local roads — additional funding	4.3	9.0	13.0	-
Sugar Industry Reform Programme 2004 — sustainability grants	-	-	-	-
Tasmanian Freight Equalisation Scheme — inclusion of wheat shipments	1.9	2.0	2.0	2.0
Transport and Logistics Centre of Excellence	2.0	2.0	-	-
<i>National Capital Authority</i>				
National Capital Authority — improved safety and maintenance (e)	-	-	-	-
National Capital Authority — legal settlement	-	-	-	-
<b>Portfolio total</b>	<b>139.8</b>	<b>442.6</b>	<b>765.3</b>	<b>773.5</b>
<b>TREASURY</b>				
<i>Australian Competition and Consumer Commission</i>				
Australian Competition and Consumer Commission — strengthening capacity to foster competitive, fair and informed Australian markets	24.0	8.4	7.1	7.2
Australian Energy Regulator	6.5	-	-	-
<i>Australian Prudential Regulation Authority</i>				
Australian Prudential Regulation Authority — strengthened capabilities	11.4	12.4	11.6	11.9
<i>Australian Securities and Investments Commission</i>				
Australian Securities and Investments Commission — enhanced enforcement activities and consumer protection and corporate sector regulation	13.5	14.9	15.4	16.3
Superannuation Complaints Tribunal — relocation	0.8	0.3	0.3	0.3
<i>Australian Taxation Office</i>				
AusLink — redirection of the Fuel Sales Grants Scheme	-	-	-265.0	-270.0
Australian Taxation Office — taxation and superannuation compliance	60.3	95.2	87.0	83.9
Oil recycling — new category of grant	0.9	1.0	-	-
Refundable Film Tax Offset — extension to episodic television	-	2.0	4.0	6.0
State, Territory and local government organisations — transitional grants as compensation for lost access to a fringe benefits tax concession	23.9	19.4	19.5	19.5
Superannuation co-contribution implementation campaign	8.2	-	-	-
Superannuation — new qualifying criteria for Government Co-contribution Scheme	45.0	50.0	50.0	50.0



**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>TREASURY (continued)</b>				
<i>Department of the Treasury</i>				
Australia-United States Free Trade Agreement — realising competition and financial sector integration benefits	0.5	0.4	0.4	0.4
Australian Capital Territory — Special Revenue Assistance	-	-14.5	-14.9	-15.2
Commonwealth-State Financial Relations — information for the public	-	-	-	-
Demographics - discussion paper	-	-	-	-
Department of the Treasury - secretariat to the Review of Horizontal Fiscal Equalisation Methodology	1.3	-	-	-
Financial Reporting Council — improved accounting and auditing standards-setting arrangements	3.4	-	-	-
National Strategy for Consumer and Financial Literacy	-	-	-	-
East Asia - promoting economic security	0.8	0.8	0.9	0.9
Small business annual payment and lodgement of GST — compensating the States for revenue forgone	330.0	-	-	-
South Pacific economic governance and stabilisation	2.3	1.8	1.9	1.9
<b>Portfolio total</b>	<b>532.9</b>	<b>192.2</b>	<b>-81.8</b>	<b>-87.0</b>
<b>VETERANS' AFFAIRS</b>				
<i>Australian War Memorial</i>				
Australian War Memorial's Post-1945 Galleries — redevelopment (e)	-	0.3	0.5	0.9
<i>Department of Veterans' Affairs</i>				
A more flexible and adaptable retirement income system — assets test exemption for income streams	0.2	-2.3	-5.6	-9.9
Aged Care — continuation of simpler income-testing of residential aged care	-	-	-	-
Australian War Memorial's Post-1945 Galleries — redevelopment	-	-	-	-
Bushfires — ex gratia assistance to certain income support recipients	..	-	-	-
Clarke Review — Defence Forces Income Support Allowance	17.8	21.9	22.0	21.8
Clarke Review — extend entitlement to disability pension and treatment arrangements to Australian aircrew involved in the Berlin Airlift	..	..	..	..
Clarke Review — extend operational service to minesweeping and bomb/mine clearance service immediately after the cessation of World War II	0.1	0.1	0.1	0.1
Clarke Review — extend qualifying service to the aircrew of Number 2 Squadron for service on the Malay-Thailand Border (1962-1966)	0.1	0.1	0.1	0.1
Clarke Review — extend rent assistance to war widows and widowers in addition to the Income Support Supplement	11.5	21.4	22.3	23.1

**Table 1: Expense measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>VETERANS' AFFAIRS (continued)</b>				
Clarke Review — increase in funeral benefit	5.6	5.6	5.6	5.6
Clarke Review — indexation of the Above General Rate component of Disability Pension	10.0	19.3	24.9	32.1
Clarke Review — one-off payment to former Prisoners of War of the North Korean forces or surviving spouses	-	-	-	-
Commemorations programme — continuation	3.6	3.7	3.8	3.9
Commemorations programme — one-off funding for significant anniversaries	2.3	2.2	-	-
Investing in Australia's Aged Care — building better aged care homes	18.5	16.9	15.6	14.7
Investing in Australia's Aged Care — Conditional Adjustment Payment	11.8	25.5	39.5	55.6
Investing in Australia's Aged Care — more aged care places	-	-	-4.6	-7.9
Investing in Australia's Aged Care — streamlining administration for better care	0.7	1.4	1.4	1.6
Managing Health Care Information Programme	-11.3	-10.0	-10.2	-10.5
Medical specialists' fees for services provided to veterans — ensuring access	24.9	45.2	43.5	44.0
Medicare — continued higher rebate for Other Medical Practitioners in rural areas	-	-	-	-
MedicarePlus - national health information network	-	-	-	-
Military Rehabilitation and Compensation Scheme — enhancement	0.8	0.9	1.0	1.1
Official History of Peacekeeping and Post Cold War Conflicts	-	-	-	-
Our Universities — exempt fee-waiver and fee-pay scholarships from Social Security income tests	0.1	0.1	0.1	0.1
Pathways Home Programme — aligning hospital policy for veterans	-	-0.6	-1.1	-1.1
Prisoners of War — payment of daily residential aged care fees for low-level care	0.3	0.6	0.5	0.5
Sugar Industry Reform Programme 2004 — intergenerational transfer	0.6	0.8	1.2	1.3
Vietnam Veterans' Children's Support Programme	0.2	0.2	0.2	0.2
War graves and memorials — continuation of the repair and replacement programme	1.1	1.1	1.1	1.2
<b>Portfolio total</b>	<b>98.9</b>	<b>154.3</b>	<b>161.9</b>	<b>178.5</b>
Decisions taken but not yet announced	-	-	36.5	-3.5
<b>Depreciation expense(b)</b>	<b>28.8</b>	<b>37.3</b>	<b>43.2</b>	<b>50.6</b>
<b>Total expense measures(c)</b>	<b>6209.4</b>	<b>6835.4</b>	<b>7765.5</b>	<b>8985.1</b>

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

.. Not zero, but rounded to zero.

- nil

nfp not for publication

(a) A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

(b) Aggregate depreciation expenses in relation to capital measures.

(c) Measures may not add due to rounding.

(d) Details of this measure may be found under Revenue.

(e) Details of this measure may be found under Capital.

**Table 2: Expense measures up to the 2003-04 MYEFO**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>AGRICULTURE, FISHERIES AND FORESTRY</b>				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Drought assistance - Exceptional Circumstances assistance	264.1	12.1	-	-
Drought assistance - interim support	7.2	-	-	-
National Water Initiative - addressing water over-allocation in the Murray-Darling Basin	-	-	-	-
Rotterdam and Stockholm Conventions - ratification	-	-	-	-
<b>Portfolio total</b>	<b>271.3</b>	<b>12.1</b>	<b>0.0</b>	<b>0.0</b>
<b>ATTORNEY-GENERAL'S</b>				
<i>Attorney-General's Department</i>				
Combating trafficking in persons - whole of government strategy	0.1	0.1	0.1	-
National Threat Assessment Centre - establishment	0.4	0.3	0.3	-
<i>Australian Customs Service</i>				
Aviation security - enhancement	0.8	1.7	-	-
<i>Australian Federal Police</i>				
Aviation security - enhancement	3.6	2.8	2.9	3.0
Combating trafficking in persons - whole of government strategy	1.6	1.6	1.7	-
East Timor - support for the police and justice institutions	4.4	4.9	4.0	3.5
Solomon Islands - Regional Assistance Mission	25.0	-	-	-
<i>Australian Security Intelligence Organisation</i>				
Aviation security - enhancement	1.3	1.4	1.4	1.4
National Threat Assessment Centre - establishment	8.5	8.4	8.7	8.9
<i>Office of the Director of Public Prosecutions</i>				
HIH Insurance Group - collapse related prosecutions	5.8	5.5	-	-
<b>Portfolio total</b>	<b>51.5</b>	<b>26.5</b>	<b>18.9</b>	<b>16.8</b>
<b>COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS</b>				
<i>Australian Communications Authority</i>				
Regional Telecommunications Inquiry - enhanced regional telecommunications monitoring	1.1	1.2	1.2	1.2
Unsolicited electronic messaging (spam) regulatory regime	-	-	-	-
<i>Australian Sports Commission</i>				
Australian soccer – interim assistance	3.0	3.0	-	-
Inaugural World Peace Game – contribution	-	-	-	-
<i>Department of Communications, Information Technology and the Arts</i>				
Deaflympic Games - assistance	4.0	-	-	-
<i>Regional Telecommunications Inquiry -</i>				
Higher Bandwidth Incentive Scheme	15.0	35.7	17.9	-
information technology training and support	3.2	3.0	1.8	-
other Inquiry recommendations	0.2	0.2	1.8	-

**Table 2: Expense measures up to the 2003-04 MYEFO (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS (continued)</b>				
Satellite Phone Handset Subsidy Scheme	1.2	1.2	0.7	-
terrestrial mobile phone coverage	7.6	3.9	2.0	-
<i>National Office for the Information Economy</i>				
<i>Regional Telecommunications Inquiry -</i>				
broadband demand aggregation brokers	3.2	3.0	-	-
Coordinated Communications Infrastructure Fund	8.5	8.5	4.3	-
National Broadband Strategy Implementation Group	0.7	0.6	0.5	-
<b>Portfolio total</b>	<b>47.8</b>	<b>60.2</b>	<b>30.1</b>	
<b>DEFENCE</b>				
<i>Department of Defence</i>				
National Threat Assessment Centre - establishment	0.5	0.5	0.5	0.5
Solomon Islands - Regional Assistance Mission	12.6	-	-	-
<b>Portfolio total</b>	<b>13.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>EDUCATION, SCIENCE AND TRAINING</b>				
<i>Department of Education, Science and Training</i>				
<i>James Cook University - rehabilitation sciences facility</i>				
	2.4	-	-	-
<i>Our Universities -</i>				
Commonwealth Grants Scheme - increased flexibility	11.0	11.6	9.8	1.9
enhancements to higher education reform package	40.4	47.4	59.7	69.4
regional universities loading extension	4.8	5.1	5.3	5.4
Pensioner Education Supplement - continuation of payment through study breaks	0.9	0.8	0.7	0.7
<b>Portfolio total</b>	<b>59.4</b>	<b>64.8</b>	<b>75.4</b>	<b>77.4</b>
<b>EMPLOYMENT AND WORKPLACE RELATIONS</b>				
<i>Department of Employment and Workplace Relations</i>				
Air Passenger Ticket Levy - discontinuation(d)	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>ENVIRONMENT AND HERITAGE</b>				
<i>Department of the Environment and Heritage</i>				
<i>Mandatory National Water Efficiency Labelling and Standards Scheme</i>				
	-	-	-	-
Regional Natural Heritage Programme	4.5	4.5	-	-
Rotterdam and Stockholm Conventions - ratification	-	-	-	-
<b>Portfolio total</b>	<b>4.5</b>	<b>4.5</b>	<b>0.0</b>	<b>0.0</b>
<b>FAMILY AND COMMUNITY SERVICES</b>				
<i>Department of Family and Community Services</i>				
<i>Bali Terrorist Attacks - assistance for victims and family members of victims</i>				
	2.7	1.7	1.7	1.7
Carer Allowance (child) - enhanced qualification for automatic access	2.4	2.5	2.6	2.6
Combating trafficking in persons - whole of government strategy	0.4	0.7	0.7	-

**Table 2: Expense measures up to the 2003-04 MYEFO (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>FAMILY AND COMMUNITY SERVICES (continued)</b>				
Drought assistance - Exceptional Circumstances assistance	7.1	1.8	-	-
Family Tax Benefit and Child Care Benefit - extension of time for top-up payments and claims	24.5	24.6	24.7	24.8
King Island and the Furneaux Group of Islands - ex gratia payments in lieu of Remote Area Allowance	-	-	-	-
Military Rehabilitation and Compensation Scheme	0.8	2.5	4.4	6.0
Our Universities - income support treatment of fee-exempt scholarships	1.7	1.7	1.9	2.2
Pensioner Education Supplement - continuation of payment through study breaks	10.2	10.4	10.7	10.7
Personal counselling services in drought affected rural areas - funding extension	-	-	-	-
Stronger Families and Communities Strategy	-	-	-	-
<b>Portfolio total</b>	<b>49.8</b>	<b>45.8</b>	<b>46.7</b>	<b>48.0</b>
<b>FINANCE AND ADMINISTRATION</b>				
<i>Australian Electoral Commission</i>				
Federal elections - improving the integrity of the electoral roll and increasing voter participation	6.3	3.9	3.7	4.6
<i>Department of Finance and Administration</i>				
New superannuation arrangements for Australian Government civilian employees	-	-	-	-
<b>Portfolio total</b>	<b>6.3</b>	<b>3.9</b>	<b>3.7</b>	<b>4.6</b>
<b>FOREIGN AFFAIRS AND TRADE</b>				
<i>Australian Agency for International Development</i>				
Bougainville - Transition Team as the successor to the Peace Monitoring Group	-	-	-	-
East Timor - support for the police and justice institutions	-	-	-	-
Iraq - additional reconstruction assistance	-	-	-	-
Nauru - extension of the Memorandum of Understanding to address unauthorised arrivals	nfp	nfp	-	-
Philippines - counter-terrorism assistance	-	-	-	-
<i>Regional Trade and Financial Security Fund - Australian contribution</i>				
Solomon Islands - Regional Assistance Mission	-	-	-	-
<i>Australian Secret Intelligence Service</i>				
National Threat Assessment Centre - establishment	0.6	0.5	0.5	-
<i>Department of Foreign Affairs and Trade</i>				
2005 World Expo in Aichi, Japan - Australian participation	26.8	6.5	-	-
Bali Terrorist Attacks - assistance for victims and family members of victims	-	-	-	-
National Threat Assessment Centre - establishment	-	-	-	-
Open Source Collection Unit - expansion	1.6	1.6	1.7	-
Solomon Islands - Regional Assistance Mission	-	-	-	-
<b>Portfolio total</b>	<b>28.9</b>	<b>8.6</b>	<b>2.2</b>	<b>0.0</b>

**Table 2: Expense measures up to the 2003-04 MYEFO (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>HEALTH AND AGEING</b>				
<i>Department of Health and Ageing</i>				
<i>A Fairer Medicare -</i>				
removal of GP Access Scheme	-79.7	-102.5	-115.0	-119.8
removal of private health insurance safety net for out-of-hospital Medicare expenses	-24.2	-23.5	-24.3	-24.0
removal of reducing up front costs for GP visits	-1.9	-1.7	-1.7	-1.8
removal of signage from improved information and practice management	-0.2	-0.2	-0.2	-0.2
Bali Terrorist Attacks - assistance to States and Territories for the initial treatment of victims	-	-	-	-
Combating trafficking in persons - whole of government strategy	0.1	0.2	0.2	0.2
Deano's Bone Marrow Donor Institute Walk for Leukaemia - contribution	-	-	-	-
Drought assistance - Exceptional Circumstances assistance	6.3	-	-	-
Hazel Hawke Alzheimer's Research and Care Fund - donation	-	-	-	-
Life Savings Drugs Programme - widening access to Cerezyme	4.9	5.5	6.2	6.2
Medical Indemnity - Exceptional Claims Scheme	0.2	0.6	0.1	0.1
Medical Indemnity - extension of High Cost Claims Scheme	21.4	22.4	23.5	23.5
Medical Indemnity Policy Review	-	-	-	-
Medical Indemnity Subsidy Scheme – extension	1.2	1.2	1.2	1.2
<i>MedicarePlus -</i>				
assistance for GPs and specialists re-entering the workforce	4.4	8.7	13.4	18.7
better access to medical care for residents of aged care homes	15.8	14.2	17.7	20.2
grants to GP and specialist practices to encourage take up of HIC Online	2.4	2.9	0.8	0.8
higher rebates for patients of certain non-vocationally registered GPs	6.4	6.4	6.5	6.7
increased recruitment of qualified health professionals from overseas	77.7	152.0	192.1	237.3
more pre-vocational doctors to outer metropolitan, regional, rural and remote areas	21.7	22.5	23.7	24.4
payment for GPs who bulk bill children under 16 and concession card holders	263.8	273.7	283.1	292.8
safety net for major out-of-pocket medical costs outside hospital	55.9	58.2	63.8	69.4
support for additional accredited GP training practices and GP supervisors	3.6	3.0	3.1	3.1
support for practice nurses through a new Medicare Benefits Schedule item	19.5	24.4	26.5	28.0
support for rural and remote GPs	30.3	30.8	31.4	32.1

**Table 2: Expense measures up to the 2003-04 MYEFO (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>HEALTH AND AGEING (continued)</b>				
<i>Pharmaceutical Benefits Scheme -</i>				
extension to the listing of Glivec	18.8	19.0	18.2	18.8
extension to the listing of Mabthera	25.8	26.5	27.2	27.2
listing of Avandia and Actos	46.5	57.0	62.4	65.5
listing of Enbrel	90.3	90.3	90.3	90.3
listing of EpiPen	10.5	10.6	10.6	10.7
listing of Remicade	15.2	8.0	6.5	5.8
Rotterdam and Stockholm Conventions - ratification	-	-	-	-
Therapeutic Goods Administration - costs associated with the Pan Pharmaceutical recall	-	-	-	-
Tough on Drugs - Indigenous Communities Initiative	-	-	-	-
<i>Health Insurance Commission</i>				
<i>Pharmaceutical Benefits Scheme -</i>				
extension to the listing of Glivec	0.1	0.1	0.1	-
listing of Enbrel	2.9	2.8	2.8	2.8
listing of Remicade	0.7	0.4	0.3	0.2
<b>Portfolio total</b>	<b>640.4</b>	<b>713.3</b>	<b>770.3</b>	<b>840.2</b>
<b>IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS</b>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Alternative detention arrangements - Port Hedland	-	-	-	-
Combating Maritime People Smuggling	1.7	1.7	1.7	1.8
Combating trafficking in persons - whole of government strategy	0.4	0.4	0.4	0.4
Philippines - counter-terrorism assistance	-	-	-	-
<b>Portfolio total</b>	<b>2.1</b>	<b>2.1</b>	<b>2.1</b>	<b>2.2</b>
<b>INDUSTRY, TOURISM AND RESOURCES</b>				
<i>Australian Tourist Commission</i>				
International marketing initiatives for Australian tourism	-	-	-	-
Tourism White Paper	30.7	30.7	30.8	31.1
<i>Department of Industry, Tourism and Resources</i>				
Biofuels Capital Grant Programme	13.3	-	-	-
Textiles, clothing and footwear assistance package post-2005	3.5	8.1	109.9	109.2
Strategic Investment Incentive to GTL Resources	26.8	8.0	-	-
Tourism White Paper	22.9	23.7	25.3	24.0
<b>Portfolio total</b>	<b>97.1</b>	<b>70.4</b>	<b>165.9</b>	<b>164.3</b>
<b>PRIME MINISTER AND CABINET</b>				
<i>Australian Public Service Commission</i>				
Australian Public Service Indigenous employment strategy	0.2	0.1	0.1	-
Australian Public Service - integrated leadership strategy	0.8	0.5	0.1	-

**Table 2: Expense measures up to the 2003-04 MYEFO (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>PRIME MINISTER AND CABINET (continued)</b>				
<i>Department of the Prime Minister and Cabinet</i>				
A more informed public - improved research capabilities and accessibility to the website	0.5	0.6	0.6	0.6
Combating trafficking in persons - whole of government strategy	-	0.8	0.8	-
Policy co-ordination - increased activities and new taskforces	1.6	1.6	1.7	1.7
<i>Office of the Commonwealth Ombudsman</i>				
Postal Industry Ombudsman - establishment	0.3	0.3	0.3	0.3
<i>Office of the Official Secretary to the Governor-General</i>				
Governor-General - improved support	0.6	0.6	0.6	0.6
<i>Office of National Assessments</i>				
National Threat Assessment Centre - establishment	-	-	-	-
<b>Portfolio total</b>	<b>4.0</b>	<b>4.3</b>	<b>4.0</b>	<b>3.2</b>
<b>TRANSPORT AND REGIONAL SERVICES</b>				
<i>Department of Transport and Regional Services</i>				
Aviation security – enhancement	19.4	20.1	10.2	10.3
National Threat Assessment Centre - establishment	0.4	0.4	0.4	0.4
<b>Portfolio total</b>	<b>19.7</b>	<b>20.5</b>	<b>10.5</b>	<b>10.7</b>
<b>TREASURY</b>				
<i>Australian Competition and Consumer Commission</i>				
Australian Competition and Consumer Commission - additional funding	-	-	-	-
<i>Australian Taxation Office</i>				
Baby Bonus adoptions	..	..	..	..
Family Tax Benefit and Child Care Benefit - extension of time for top-up payments and claims	20.7	20.8	20.9	21.0
Refundable film tax offset - amendment	-	-	-	-
Superannuation - extended Government superannuation co-contribution for low income earners	95.0	120.0	110.0	215.0
<i>Department of the Treasury</i>				
<i>Budget Balancing Assistance - amendments to the A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i>				
changes to Australia's duty free concessions	5.7	5.7	-	-
compulsory third party schemes	*	*	*	*
treatment of first aid and life saving courses	1.0	1.0	-	-
variation to New South Wales' Guaranteed Minimum Amount	15.0	15.0	-	-
HIH Claims Support Scheme - closure	-	-	-	-
<b>Portfolio total</b>	<b>137.4</b>	<b>162.5</b>	<b>130.9</b>	<b>236.0</b>



**Table 2: Expense measures up to the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>VETERANS' AFFAIRS</b>				
<i>Department of Veterans' Affairs</i>				
Military Rehabilitation and Compensation Scheme	1.0	0.7	1.7	2.9
<i>Pharmaceutical Benefits Scheme -</i>				
extension to the listing of Glivec	2.1	2.1	2.0	2.1
extension to the listing of Mabthera	2.9	2.9	3.0	3.0
listing of Avandia and Actos	2.2	2.7	2.9	3.1
listing of Enbrel	9.7	9.7	9.7	9.7
listing of EpiPen	0.6	0.6	0.6	0.6
listing of Remicade	1.7	0.9	0.7	0.6
<b>Portfolio total</b>	<b>20.1</b>	<b>19.4</b>	<b>20.5</b>	<b>22.0</b>
Decisions taken but not yet announced	4.1	0.2	-	
<b>Depreciation expense(b)</b>	<b>4.0</b>	<b>4.8</b>	<b>3.8</b>	<b>3.6</b>
<b>Total expense measures(c)</b>	<b>1,461.4</b>	<b>1,224.2</b>	<b>1,285.3</b>	<b>1,429.5</b>

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

.. not zero, but rounded to zero.

- Nil

nfp Not for publication

(a) A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increased expenses.

(b) Aggregate depreciation expenses in relation to capital measures.

(c) Measures may not add due to rounding.

(d) Details of this measure may be found under Revenue.

## **AGRICULTURE, FISHERIES AND FORESTRY**

### **Sugar Industry Reform Programme 2004**

The Government will provide \$444.4 million over five years (including \$82.6 million in 2003-04) to assist reform and restructure of the Australian sugar industry. This package incorporates and extends measures from the 2002 Sugar Industry Reform Package including income support, exit grants and funding for regional adjustment. The interest rate relief component of the 2002 package will not be continued. Existing resources of \$78.8 million under the Sugar Industry Reform Package will be used to partially fund the new package.

The package includes grants to sustain the industry through a transition phase, to encourage sugar regions to diversify their economic base, and to assist sugar farms to rationalise, restructure or diversify. An advisory network will be established to oversee the reform process.

Other measures to assist growers and harvesters include income support for eligible recipients and assistance with financial viability assessments. Re-establishment grants and retraining assistance will be available to growers and harvesters who wish to leave the industry, and sugar farm families will have access to crisis counselling. Eligible sugar farmers will have the option of being able to access the Age or Service Pension without the existing gifting rules applying to the transfer of their farm to the next generation.

**Table 3: Sugar Industry Reform Programme 2004 — Summary of measures**

	2003-04	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>EXPENSE MEASURES</b>						
<b>Agriculture, Fisheries and Forestry</b>						
<i>Department of Agriculture, Fisheries and Forestry</i>						
Sustainability grants	60.3	73.1	-	-	-	133.4
Advisory group network	0.5	2.6	1.8	2.6	0.5	8.0
Regional and community projects	-	15.0	35.0	25.0	-	75.0
Income support	5.5	15.0	..	..	-	20.6
Financial viability assessments	1.6	10.4	3.2	-	-	15.2
Restructuring grants	-	17.9	20.0	2.6	-	40.5
Re-establishment grants	-	62.6	24.1	9.5	..	96.2
Retraining and employment assistance	-	0.8	0.8	0.8	-	2.3
Administration	1.3	2.7	1.9	1.7	-	7.6
<b>Sub Total</b>	<b>69.2</b>	<b>200.1</b>	<b>86.8</b>	<b>42.2</b>	<b>0.5</b>	<b>398.8</b>
<b>Family and Community Services</b>						
<i>Department of Family and Community Services</i>						
Intergenerational transfer	..	2.6	3.7	5.9	6.7	18.9
Crisis counselling	0.3	2.7	1.0	0.6	0.4	5.0
<b>Sub Total</b>	<b>0.3</b>	<b>5.3</b>	<b>4.7</b>	<b>6.5</b>	<b>7.1</b>	<b>23.9</b>
<b>Transport and Regional Services</b>						
<i>Department of Transport and Regional Services</i>						
Sustainability grants(a)	12.7	-	-	-	-	12.7
<b>Veterans' Affairs</b>						
<i>Department of Veterans' Affairs</i>						
Intergenerational transfer	0.2	0.6	0.8	1.2	1.3	4.2
<b>Employment and Workplace Relations</b>						
<i>Department of Employment and Workplace Relations</i>						
Retraining and employment assistance	-	2.1	1.6	0.9	-	4.6
<b>Education, Science and Training</b>						
<i>Department of Education, Science and Training</i>						
Retraining and employment assistance	-	-	-	-	-	-
<b>Total expense measures</b>	<b>82.4</b>	<b>208.1</b>	<b>93.9</b>	<b>50.8</b>	<b>8.9</b>	<b>444.2</b>
<b>CAPITAL MEASURES</b>						
<b>Veterans' Affairs</b>						
<i>Department of Veterans' Affairs</i>						
Intergenerational transfer	0.2	-	-	-	-	0.2
<b>Total capital measures</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.2</b>
<b>Total additional expenditure</b>	<b>82.6</b>	<b>208.1</b>	<b>93.9</b>	<b>50.8</b>	<b>8.9</b>	<b>444.4</b>
<b>EXPENSE MEASURES</b>						
<b>Agriculture, Fisheries and Forestry</b>						
<i>Department of Agriculture, Fisheries and Forestry</i>						
Reprioritisation of funding	-32.2	-24.4	-22.0	-0.2	-	-78.8
<b>Net additional expenditure</b>	<b>50.4</b>	<b>183.7</b>	<b>71.9</b>	<b>50.6</b>	<b>8.9</b>	<b>365.6</b>

(a) These payments will be funded from resources allocated to the Regional Partnerships Programme

**Sugar Industry Reform Programme 2004 — sustainability grants**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	73.1	-	-	-
Department of Transport and Regional Services	-	-	-	-
Total	73.1	-	-	-

The Government will provide \$146.1 million over two years (including \$73 million in 2003-04) for grants to sugar growers and sugar mills to sustain them through this transitional phase of reform and restructuring in the sugar industry.

The sustainability grants will be paid through the industry payment system in Queensland and existing contract arrangements in the other states. The distribution between growers and millers will differ between regions and between states, consistent with local arrangements. The grants will be paid in two tranches: the first in June 2004 and the second in January 2005, with the latter subject to satisfactory progress being demonstrated in relation to industry reform.

Funding of \$73 million in 2003-04 will be sourced from current resourcing for the Departments of Agriculture, Fisheries and Forestry and Transport and Regional Services.

**Sugar Industry Reform Programme 2004 — advisory group network**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	2.6	1.8	2.6	0.5

The Government will provide \$8 million over five years (including \$0.5 million in 2003-04) to establish an advisory group network comprising a five-member Industry Oversight Group and several regional groups to oversee the implementation of the sugar industry reform process. The Industry Oversight Group will also be responsible for making recommendations to the Minister for Agriculture, Fisheries and Forestry on priorities for regional industry and community projects.

**Sugar Industry Reform Programme 2004 — regional and community projects**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	15.0	35.0	25.0	-

The Government will provide \$75 million over three years for a competitive grants programme for projects which promote rationalisation, aggregation or diversification in the sugar industry, and for projects for community development.

The Minister for Agriculture, Fisheries and Forestry will allocate grants on the recommendation of the Industry Oversight Group. Funds will be allocated for projects that are consistent with regional plans for the sugar industry or which encourage economic diversification within a region.

**Sugar Industry Reform Programme 2004 — income support**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	15.0	..	..	-

The Government will provide \$20.6 million over four years (including \$5.5 million in 2003-04) for income support to eligible cane growers and harvesters. Income support will be available for twelve months, at a rate equivalent to the Newstart Allowance, and will be subject to an income and assets test — with farm assets excluded. Recipients of income support are required to undertake financial viability assessments, which will be administered by Centrelink.

Funding includes \$3.5 million over four years to Centrelink to meet administration costs.

**Sugar Industry Reform Programme 2004 — financial viability assessments**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	10.4	3.2	-	-

The Government will provide \$15.2 million over three years (including \$1.6 million in 2003-04) to assist growers, harvesters and mills to develop business plans.

Funding will include \$5.6 million for recipients of income support. Sugar growers and harvesters not in receipt of income support will be able to access business planning assistance at a cost of \$7.2 million. Cooperative and single site mills will also be able to access assistance of \$0.1 million each, at a cost of \$1.2 million.

This funding includes \$1.2 million over three years for Centrelink to administer the grower and harvester component of this measure. The Department of Agriculture, Fisheries and Forestry will administer the cooperative and single site mill component.

**Sugar Industry Reform Programme 2004 — restructuring grants**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	17.9	20.0	2.6	-

The Government will provide \$40.5 million over three years for grants to encourage farmers electing to remain in the industry to improve farm productivity. The grants will be provided to farmers according to the land area they use to grow sugar cane and will be capped at \$15,000 per grower.

Funding includes \$1.4 million to Centrelink to meet administration costs.

**Sugar Industry Reform Programme 2004 — re-establishment grants**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	62.6	24.1	9.5	..

The Government will provide \$96.2 million over four years for one-off re-establishment grants to encourage and support unviable growers and harvesters who wish to leave the sugar industry. Re-establishment grants for growers are a form of sugar industry exit grants under the Sugar Industry Reform Package and are tax-free for growers who undertake to exit agriculture. Growers will be eligible for one-off grants of up to \$100,000 if they exit the industry in 2004-05, up to \$75,000 in 2005-06, and up to \$50,000 in 2006-07.

Harvesters for whom sugar cane harvesting is the primary source of income will be eligible for a one-off re-establishment grant of up to \$50,000 in any of the three years. Grants will be conditional on the harvester undertaking to leave the sugar industry. All growers and harvesters who access the re-establishment grant will be eligible to access retraining assistance under current Government programmes.

Funding includes \$1 million over four years for Centrelink to meet administration costs.

**Sugar Industry Reform Programme 2004 — retraining and employment assistance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Employment and Workplace Relations	2.1	1.6	0.9	-
Department of Agriculture, Fisheries and Forestry	0.8	0.8	0.8	-
Department of Education, Science and Training	-	-	-	-
Total	2.9	2.4	1.7	-

The Government will provide \$7 million over three years to assist the retraining and re-employment of growers who exit the industry and sugar industry workers who lose their jobs as a result of the reform process. Retraining and employment assistance will be delivered through current programmes administered by the Departments of Employment and Workplace Relations, Education, Science and Training, and Agriculture, Fisheries and Forestry. Funding for Department of Education, Science and Training programmes will be fully absorbed from within existing resourcing.

This funding includes \$0.1 million for the Department of Agriculture, Fisheries and Forestry to be paid to Centrelink to meet administration costs.

**Sugar Industry Reform Programme 2004 — administration**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	2.7	1.9	1.7	-

The Government will provide \$7.6 million over four years (including \$1.3 million in 2003-04) for the Department of Agriculture, Fisheries and Forestry to administer the Sugar Industry Reform Programme 2004.

**Sugar Industry Reform Programme 2004 — intergenerational transfer**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	2.6	3.7	5.9	6.7
Department of Veterans' Affairs	0.6	0.8	1.2	1.3
Total	3.2	4.5	7.1	8.0
<i>Related capital (\$m)</i>				
Department of Veterans' Affairs	-	-	-	-

The Government will provide \$23.3 million over five years (including \$0.4 million in 2003-04 of which \$0.2 million is capital funding) to assist eligible sugar farmers to access the Age or Service Pension without the existing gifting rules applying to the transfer of their farm to the next generation. Cane growers will be given a three-year window of opportunity to gift their sugar cane farm and apply for the pension without the normal gifting rules being applied.

Funding includes \$2.4 million for Centrelink to meet administration costs.

**Sugar Industry Reform Programme 2004 — crisis counselling**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	2.7	1.0	0.6	0.4

The Government will provide \$5 million over five years (including \$0.3 million in 2003-04) for financial counselling and family support services for families in sugar growing regions. Counselling services will be delivered through existing programmes administered by the Department of Family and Community Services.

**Sugar Industry Reform Programme 2004 — reprioritisation of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	-24.4	-22.0	-0.2	-

The Government will reallocate funding of \$78.8 million over four years (including \$32.2 million in 2003-04) from the 2002 *Sugar Industry Reform Package* to partially fund the Sugar Industry Reform Programme 2004.



### Agriculture — Advancing Australia — extension

The Government will provide funding of \$236 million over four years to continue the *Agriculture – Advancing Australia* package of measures. This package continues the Government’s commitment to helping Australian primary producers to become more competitive, sustainable and profitable.

The package includes measures to assist eligible primary producers obtain income support, improve their business skills, access financial counselling, pursue new export opportunities and adjust to import competition.

These measures are in addition to programmes from previous *Agriculture – Advancing Australia* packages, which will continue, including the *Farm Management Deposits* scheme, which provides tax advantages to farmers who save money in profitable years for use during periods of reduced income, and *Exceptional Circumstances* assistance, which provides income support and interest rate relief to farmers affected by drought.

**Table 4: Agriculture — Advancing Australia — Summary of measures**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Total \$m
<b>Expense Measures</b>					
FarmHelp	41.7	49.6	31.3	12.3	<b>134.9</b>
FarmBis	13.6	17.7	17.8	17.6	<b>66.7</b>
Rural Financial Counselling Service	5.9	5.9	5.8	5.8	<b>23.3</b>
International Agricultural Cooperation	1.6	1.6	1.6	1.6	<b>6.4</b>
Industry Partnerships	4.7	-	-	-	<b>4.7</b>
<b>Total expense measures</b>	<b>67.5</b>	<b>74.8</b>	<b>56.4</b>	<b>37.3</b>	<b>236.0</b>

Note: Total funding for FarmHelp is \$136.9 million over five years, including \$2 million in 2008-09.

### Agriculture — Advancing Australia — FarmHelp

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	41.7	49.6	31.3	12.3

The Government will provide \$136.9 million over five years (including \$2 million in 2008-09) to continue the FarmHelp programme. The programme assists those eligible primary producers who are experiencing financial hardship by providing income support for up to one year, financial assistance to obtain professional advice and training, and a re-establishment grant.

This funding includes \$21.1 million over five years for Centrelink to administer elements of the FarmHelp programme.

**Agriculture — Advancing Australia — FarmBis**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	13.6	17.7	17.8	17.6

The Government will provide \$66.7 million over four years to continue the FarmBis programme, which helps primary producers to manage risk and make productive and profitable changes to their farm businesses. FarmBis provides subsidies for eligible primary producers to obtain training in areas such as business and leadership skills, marketing and natural resource management.

The FarmBis programme will continue to be delivered in cooperation with the States, which provide matching funding.

**Agriculture — Advancing Australia — Rural Financial Counselling Service**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	5.9	5.9	5.8	5.8

The Government will provide \$23.3 million over four years to continue the Rural Financial Counselling Service Programme. This funding will be used to assist rural communities to employ financial counsellors. The counsellors provide advice to farm families who are in financial difficulty and help them to make better decisions about their future business directions.

**Agriculture — Advancing Australia — International Agricultural Cooperation Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	1.6	1.6	1.6	1.6

The Government will provide \$6.4 million over four years to continue the International Agricultural Cooperation Programme, formerly Farm Growth Through Export Growth. This funding will promote rural exports by building upon existing and implementing new bilateral (government-to-government) frameworks, facilitating contact with potential international customers and providing technical assistance to targeted trading partners.

*Budget Measures 2004-05*

**Agriculture — Advancing Australia — Industry Partnerships**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	4.7	-	-	-

The Government will provide \$4.7 million in 2004-05 for an Industry Partnerships programme to assist agricultural industries that are subject to import competition or adjustment and regulatory pressures. This funding will develop training products, and provide support for trade missions and industry workshops.

**Other measures in the Agriculture, Fisheries and Forestry portfolio**

**Agricultural Development Partnership — reprioritisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	-4.6	-	-	-

The Government will wind down the Agricultural Development Partnership (ADP) Programme from 30 June 2004 to reflect a lower uptake of the programme. Existing agreements with the States will not be affected. The ADP Programme funds projects to achieve better market orientation by industries in regions experiencing problems affecting farm profitability and sustainability.

The Government will reallocate \$2.2 million in 2004-05 from the ADP Programme to the Quarantine — Safeguarding Australia programme. A further \$2.4 million in 2004-05 will be reallocated to the National System for the Prevention and Management of Marine Pest Incursions Programme.

See also the related expense measures titled *Quarantine — Safeguarding Australia* and *Marine Pest Incursions — National Management System Programme* in the Agriculture, Fisheries and Forestry portfolio.

**Aquaculture Industry Action Agenda — continuation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	1.0	-	-	-

The Government will provide \$1 million in 2004-05 to continue activities under the Aquaculture Industry Action Agenda. Initiatives under the Action Agenda will encourage aquaculture production and the development of aquaculture projects in Indigenous communities.

This funding is in addition to the \$2.5 million provided in the 2003-04 Budget measure *Aquaculture Industry Action Agenda*.

### Artesian basin rehabilitation

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	8.2	8.4	8.5	8.7

The Government will provide funding of \$42.7 million over five years (including \$8.9 million in 2008-09) to continue the Great Artesian Basin Sustainability Initiative.

The programme provides grants to the States to restore artesian pressure and reduce water wastage through the capping of old, free-flowing bores and replacing wasteful earth bore drains with pipes.

The Great Artesian Basin covers one fifth of Australia and extends across New South Wales, Queensland, South Australia and the Northern Territory. Part of this funding will complete the rehabilitation of the Carnarvon Artesian Basin in Western Australia.

### Avian influenza — enhanced quarantine arrangements

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	6.2	-	-	-

The Government will provide \$8.3 million over two years (including \$2.1 million in 2003-04) to the Australian Quarantine Inspection Service for enhanced border controls to prevent entry of avian influenza (bird flu) into Australia.

The funding will provide for screening of all passengers and baggage from avian influenza affected countries until 30 June 2005. Additional awareness campaigns will be conducted at Australian airports and surveillance increased in northern Australia.

The funding period is consistent with medical and veterinary advice that protection against the current outbreak will require enhanced border controls until the end of the next influenza season.

**Building a National Approach to Animal and Plant Health — extension**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	5.0	5.9	5.4	5.3

The Government will provide \$21.6 million over four years to continue the Building a National Approach to Animal and Plant Health Programme.

This funding will enhance Australia's response to emergencies and biosecurity threats in the agricultural and food sectors by improving national animal and plant health infrastructure and industries' disease prevention and awareness capabilities.

**Douglas Shire Ethanol Project — reprioritisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	-0.4	-1.6	-	-

The Government has revised the level of funding for the Douglas Shire Ethanol Project to reflect delays in its implementation. Of the total reduction of \$2 million over two years, the Government will reallocate \$0.4 million in 2004-05 to the Quarantine - Safeguarding Australia Programme and \$1.3 million in 2005-06 to the Marine Pest Incursions – National Management System Programme.

See also the related expense measures titled *Quarantine – Safeguarding Australia* and *Marine Pest Incursions – National Management System Programmes* in the Agriculture, Fisheries and Forestry portfolio.

**Drought assistance — Exceptional Circumstances assistance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	35.3	10.8	-	-
Department of Health and Ageing	1.1	0.2	-	-
Department of Family and Community Services	1.0	0.5	-	-
Total	37.4	11.5	-	-

The Government will provide \$72.7 million over three years (including \$23.8 million in 2003-04) to primary producers in regions that have been declared eligible for Exceptional Circumstances assistance. Overall, the Government expects to provide \$880.9 million in Exceptional Circumstances assistance over the period 2002-03 to 2005-06.

Exceptional Circumstances assistance comprises interest rate subsidies and income support to assist viable farm businesses and farm families who have been adversely affected by exceptional climatic events, such as drought. Eligible recipients are also provided with a health care concession card and access to Youth Allowance.

Exceptional Circumstances drought assistance is a cross-portfolio measure between the Departments of Agriculture, Fisheries and Forestry, Health and Ageing, and Family and Community Services. Funding for the Department of Agriculture, Fisheries and Forestry includes \$1 million over two years for Centrelink to administer elements of Exceptional Circumstances assistance.

### **Drought assistance — interim income support**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	0.6	-	-	-

The Government will provide \$0.6 million in 2004-05 to primary producers in regions that have been declared eligible for interim income support since December 2003. Overall, the Government expects to provide \$74.3 million in interim support over the period 2002-03 to 2005-06.

Once a fully completed application for a particular region is received by the Australian Government and is deemed to show a prima facie case for an Exceptional Circumstances declaration, interim income support is made available to eligible primary producers on conditions equivalent to the Exceptional Circumstances Relief Payment.

Access to interim income support is available for up to six months while the Exceptional Circumstances application is assessed by the National Rural Advisory Council. Should the Government declare Exceptional Circumstances in that region, interim income support ceases and standard Exceptional Circumstances assistance arrangements commence.

### **Forest Industry Structural Adjustment Package (Western Australia)**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	-	8.7	-	-

The Government will provide \$15 million over two years to meet its commitment under the Regional Forest Agreement to a development assistance programme for the Western Australian forest industry. The programme will assist the industry, and communities dependent on the industry, to adjust to changes in timber availability.

### *Budget Measures 2004-05*

Provision for funding of \$6.3 million in 2004-05 has already been included in the forward estimates.

#### **Forest Industry Structural Adjustment Package — reallocation of funds**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	0.7	-	-	-

The Government will reallocate \$0.7 million from 2003-04 to 2004-05 within the Forest Industry Structural Adjustment Package. This funding will be provided to the Forest Industry Structural Adjustment Programme for South-east Queensland, which aims to develop the Queensland native forest timber industry and generate sustainable employment.

#### **Livestock export trade — response to the Keniry Report**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	4.3	2.4	2.3	2.3

The Government will provide \$11.3 million over four years to implement its response to the Keniry Report on Australia's livestock export trade. This includes the licensing of exporters, implementing a new Australian Livestock Export Code, and increasing Australian Quarantine and Inspection Service audits and inspections at all points of the trade.

The Government will also station a veterinary counsellor in the Middle East, and encourage technical cooperation in importing countries to improve animal welfare practices and handling procedures.

#### **Marine Pest Incursions — National Management System Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	1.4	1.3	1.0	-

The Government will provide \$3.7 million over three years to develop a single national management system to address risks to Australia's natural resources and associated industries arising from the introduction of exotic marine pests.

**Murray-Darling Basin Commission — additional contribution**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	5.8	9.6	9.5	8.5

The Government will provide an additional \$67 million over four years to the Murray-Darling Basin Commission to fund capital works, administration and education activities, and to establish a 'renewals annuity' for capital replacement and major cyclical maintenance. Funding of \$33.5 million over three years will be absorbed within the existing resourcing of the Natural Heritage Trust.

This funding is in addition to \$19.5 million over four years allocated to the Murray-Darling Basin Commission and already included in the forward estimates.

The Commission is responsible for managing assets such as dams and weirs, overseeing salinity mitigation works, and providing strategic direction and support for natural resource management initiatives in the Murray-Darling Basin.

**National Landcare Programme — extension**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	-	-	40.0	40.0

The Government will provide \$80 million over two years to extend the National Landcare Programme until 30 June 2008. The programme aims to build the awareness, skills and capacity of landholders and local communities to adopt improved natural resource management practices.

Provision for funding of \$39.3 million in 2004-05 and \$40.2 million in 2005-06 has already been included in the forward estimates.

**National Landcare Programme — reprioritisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	-2.0	-2.0	-	-

The Government will reduce administrative overheads in the National Landcare Programme. Of the total reduction of \$4 million over two years, the Government will reallocate \$1 million in 2004-05 to the Aquaculture Industry Action Agenda and \$1 million in 2004-05 to the Quarantine – Safeguarding Australia Programme.



*Budget Measures 2004-05*

See also the related expense measures titled *Aquaculture Industry Action Agenda – continuation* and *Quarantine – Safeguarding Australia* in the Agriculture, Fisheries and Forestry portfolio.

**Quarantine — Safeguarding Australia**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	3.5	-	-	-

The Government will provide \$5.5 million over two years (including \$2 million in 2003-04) to expedite the risk analysis undertaken in relation to potential imports to Australia.

This funding will also be used to promote better understanding of Australia's science-based quarantine system amongst our trading partners, and to fund the legal defence against any aspect of our quarantine system that is challenged in the World Trade Organisation.

This funding is in addition to the \$46.7 million over four years provided in the 2001-02 Budget measure, *Continuation of Nairn funding for quarantine activities*.

## **ATTORNEY-GENERAL'S**

### **Investing in Australia's Security**

The 2002-03 Budget announced measures totalling \$1.3 billion over five years to upgrade Australia's domestic security, concentrating on improved aviation security, the identification of security threats, and an increased capacity to respond to security incidents.

The 2003-04 Budget announced additional measures in a package known as *A Safer Australia*, totalling \$411 million over five years. This package included initiatives aimed at safeguarding infrastructure, protective guarding and enhancing intelligence.

Additional funding of \$103 million and \$143 million was also announced at *Mid-Year Economic and Fiscal Outlook 2002-03* (MYEFO) and MYEFO 2003-04, respectively.

This package, *Investing in Australia's Security*, provides a further \$754.5 million (including \$143.5 million capital funding) over the five years from 2003-04. In total, the Government will have committed \$3.1 billion over the seven years since the 2002-03 Budget for a range of national security initiatives. (This total includes \$364 million in 2006-07 and 2007-08 for previously announced but ongoing programmes).

The *Investing in Australia's Security* package provides \$270 million to strengthen Australia's intelligence capabilities. Increased resources to Australia's intelligence agencies will improve their capacity to provide analysis and assessment of high priority areas and to meet increased operational demands. The National Security Hotline will continue, and additional funding will enhance the Australian Transaction Reports and Analysis Centre's ability to collect, analyse and disseminate financial intelligence.

Further enhancements at a cost of \$40.1 million will be made to Australia's capacity to respond to incidents. The National Medicines Stockpile will be expanded, and improvements will be made to the Biosecurity Surveillance System.

Protective security will be upgraded with initiatives of \$207.1 million in this Budget. The Air Security Officer Programme will be expanded, and a number of overseas missions in high risk locations will be relocated. Government agencies will also receive additional funding to improve critical infrastructure protection.

Funding of \$150.3 million will help secure Australia's borders. More robust identity verification processes utilising biometric technology and an integrated global visa processing system will be developed.

The Government will also spend an additional \$87 million to fund improvements to security capacity and cooperation in the region. The Australian Federal Police will have an enhanced capacity to respond to terrorist attacks in the region, and to assist in strengthening the capabilities of regional law enforcement partners. Funding will also be provided to establish the Jakarta Centre for Law Enforcement Cooperation.

**Table 5: Investing In Australia's Security — Summary of measures**

	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m
<b>EXPENSE MEASURES</b>					
<b>Strengthening our intelligence capabilities</b>					
<b>Attorney-General's</b>					
<i>Attorney-General's Department</i>					
National Security Hotline	6.2	-	-	-	6.2
<i>Australian Security Intelligence Organisation</i>					
Increased funding to intelligence agencies	15.2	25.1	30.1	31.4	101.8
<i>Australian Transaction Reports and Analysis Centre</i>					
Australian Transaction Reports and Analysis Centre additional funding	8.7	8.9	9.1	9.3	36.0
<b>Defence</b>					
<i>Department of Defence</i>					
Increased funding to intelligence agencies	10.3	12.2	12.3	12.6	47.4
<b>Foreign Affairs and Trade</b>					
<i>Australian Secret Intelligence Service</i>					
Increased funding to intelligence agencies	3.9	11.3	11.6	12.7	39.5
<b>Prime Minister and Cabinet</b>					
<i>Office of National Assessments</i>					
Increased funding to intelligence agencies	2.4	1.7	1.7	1.8	7.6
<b>Sub total</b>	<b>46.7</b>	<b>59.2</b>	<b>64.8</b>	<b>67.8</b>	<b>238.5</b>
<b>Building our response capacity</b>					
<b>Health and Ageing</b>					
<i>Department of Health and Ageing</i>					
National Medicines Stockpile(a)	0.5	0.5	0.5	0.6	2.1
Biosecurity Surveillance System	6.4	1.3	1.2	1.2	10.1
Radioactive material security and emergency response capability	1.0	1.0	1.0	1.0	3.9
National health security and counter-terrorism response capability	3.0	2.5	2.6	2.2	10.3
<b>Sub total</b>	<b>10.9</b>	<b>5.3</b>	<b>5.3</b>	<b>5.0</b>	<b>26.4</b>
<b>Protective security</b>					
<b>Attorney-General's</b>					
<i>Attorney-General's Department</i>					
Critical infrastructure protection	7.3	9.6	6.1	6.2	29.2
Replacement armoured vehicles(a)	0.3	0.3	0.3	0.3	1.2
Diplomatic guarding	15.6	-	-	-	15.6
<i>Australian Federal Police</i>					
Air Security Officer Programme	3.9	3.6	4.0	4.2	15.7
Critical infrastructure protection	-	-	-	-	-

**Table 5: Investing In Australia's Security — Summary of measures (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Total \$m
<b>Communications, Information Technology and the Arts</b>					
<i>Department of Communications, Information Technology and the Arts</i>					
Critical infrastructure protection	1.3	1.4	1.3	1.3	<b>5.3</b>
<i>Australian Broadcasting Authority</i>					
Critical infrastructure protection	0.1	0.1	0.1	0.1	<b>0.4</b>
<b>Defence</b>					
<i>Department of Defence</i>					
Critical infrastructure protection	1.2	1.6	1.6	1.6	<b>6.0</b>
<b>Foreign Affairs and Trade</b>					
<i>Department of Foreign Affairs and Trade</i>					
Relocation and security upgrade of overseas missions(a)(b)	7.4	6.2	4.8	4.3	<b>25.4</b>
<i>Australian Trade Commission</i>					
Relocation and security upgrade of overseas missions(a)	0.7	0.5	0.6	0.6	<b>2.4</b>
<b>Health and Ageing</b>					
<i>Department of Health and Ageing</i>					
Critical infrastructure protection	0.3	0.3	0.3	0.3	<b>1.2</b>
<b>Industry, Tourism and Resources</b>					
<i>Department of Industry, Tourism and Resources</i>					
Critical infrastructure protection	0.7	1.2	1.0	0.3	<b>3.2</b>
<i>Geoscience Australia</i>					
Critical infrastructure protection	0.2	0.2	0.2	0.2	<b>0.8</b>
<b>Parliamentary Departments</b>					
<i>Department of Parliamentary Services</i>					
Enhanced security for the perimeter and grounds of Parliament House(a)	1.3	-	-	-	<b>1.3</b>
<b>Prime Minister and Cabinet</b>					
<i>Department of Prime Minister and Cabinet</i>					
Research support for counter-terrorism	1.0	2.0	2.1	2.1	<b>7.2</b>
<b>Transport and Regional Services</b>					
<i>Department of Transport and Regional Services</i>					
Critical infrastructure protection	0.6	0.6	0.6	0.6	<b>2.4</b>
Inspector of Transport Security	0.4	0.4	0.4	0.4	<b>1.6</b>
Regional airport security(c)	-5.0	-9.0	-	-	<b>21.0</b>
<b>Sub total</b>	<b>37.3</b>	<b>19.0</b>	<b>23.4</b>	<b>22.7</b>	<b>139.9</b>
<b>Securing our borders</b>					
<b>Attorney-General's</b>					
<i>Attorney-General's Department</i>					
Biometrics for border control(a)	-	-	-	-	-
<i>Australian Customs Service</i>					
Increased funding for container examination	7.1	3.5	-	-	<b>10.6</b>
First port boarding(a)	1.2	-	-	-	<b>1.2</b>
Biometrics for border control(a)	1.9	-	-	-	<b>1.9</b>
<i>Australian Security Intelligence Organisation</i>					
Strengthening border control measures	0.5	0.6	0.6	0.6	<b>2.3</b>

**Table 5: Investing In Australia's Security — Summary of measures (continued)**

	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m
<b>Foreign Affairs and Trade</b>					
<i>Department of Foreign Affairs and Trade</i>					
Biometrics for border control(a)	1.1	-	-	-	1.1
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>					
Global processing systems to improve border security	11.9	15.3	15.0	12.8	55.0
Information technology systems disaster recovery	10.2	6.8	6.7	6.8	30.5
Document examination	4.9	4.9	4.9	4.9	19.6
Strengthening border control measures	0.9	1.1	0.9	0.6	3.5
Biometrics for border control(a)	0.2	-	-	-	0.2
<b>Sub total</b>	<b>39.9</b>	<b>32.2</b>	<b>28.1</b>	<b>25.7</b>	<b>125.9</b>
<b>Enhancing security capacity and cooperation in our region</b>					
<b>Attorney-General's</b>					
<i>Australian Customs Service</i>					
Tri-partite border strengthening project	-	-	-	-	-
<i>Australian Federal Police</i>					
Rapid deployment capability	8.7	8.0	8.3	8.5	33.4
Jakarta Centre for Law Enforcement Cooperation	8.0	5.9	6.1	6.3	26.3
<i>Australian Transaction Reports and Analysis Centre</i>					
Strengthening regional financial intelligence units	2.5	2.4	2.5	2.6	10.0
<b>Defence</b>					
<i>Department of Defence</i>					
Enhanced regional consequence management training	-	-	-	-	-
Enhanced regional training and exercise programme	-	-	-	-	-
Enhanced regional cooperation	-	-	-	-	-
<b>Education, Science and Technology</b>					
<i>Australian Nuclear Science and Technology Organisation</i>					
Securing radioactive sources in the Asia-Pacific region	1.6	1.9	1.0	-	4.5
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>					
Border management and control	1.4	-	-	-	1.4
Tri-partite border strengthening project	-	-	-	-	-
<b>Transport and Regional Services</b>					
<i>Department of Transport and Regional Services</i>					
International transport security	1.4	1.1	1.1	1.1	4.7
Tri-partite border strengthening project	-	-	-	-	-
<b>Sub total</b>	<b>23.5</b>	<b>19.3</b>	<b>19.0</b>	<b>18.5</b>	<b>80.3</b>
<b>Total expense measures</b>	<b>158.3</b>	<b>135.0</b>	<b>140.6</b>	<b>139.5</b>	<b>611.0</b>

**Table 5: Investing In Australia's Security — Summary of measures (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Total \$m
<b>CAPITAL MEASURES</b>					
<b>Strengthening our intelligence capabilities</b>					
<b>Attorney-General's</b>					
<i>Australian Security Intelligence Organisation</i>					
Increased funding to intelligence agencies	14.9	7.3	1.3	1.9	25.4
<b>Foreign Affairs and Trade</b>					
<i>Australian Secret Intelligence Service</i>					
Increased funding to intelligence agencies	3.9	1.6	0.4	0.2	6.1
<b>Sub total</b>	<b>18.8</b>	<b>8.9</b>	<b>1.7</b>	<b>2.1</b>	<b>31.5</b>
<b>Building our response capacity</b>					
<b>Health and Ageing</b>					
<i>Department of Health and Ageing</i>					
National Medicines Stockpile(a)	13.2	-	-	-	13.2
Radioactive material security and emergency response capability	0.3	0.2	-	-	0.5
<b>Sub total</b>	<b>13.5</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>13.7</b>
<b>Protective security</b>					
<b>Attorney-General's</b>					
<i>Attorney-General's Department</i>					
Critical infrastructure protection	0.6	-	-	-	0.6
Replacement armoured vehicles(a)	2.5	-	-	-	2.5
<b>Defence</b>					
<i>Department of Defence</i>					
Critical infrastructure protection	0.5	0.2	0.2	0.2	1.1
<b>Foreign Affairs and Trade</b>					
<i>Department of Foreign Affairs and Trade</i>					
Relocation and security upgrade of overseas missions(a)(d)	18.3	11.3	8.9	2.2	49.1
<i>Australian Trade Commission</i>					
Relocation and security upgrade of overseas missions(a)	2.2	-	-	-	2.2
<b>Parliamentary Departments</b>					
<i>Department of Parliamentary Services</i>					
Enhanced security for the perimeter and grounds of Parliament House(a)	11.7	-	-	-	11.7
<b>Sub total</b>	<b>35.8</b>	<b>11.5</b>	<b>9.1</b>	<b>2.4</b>	<b>67.2</b>
<b>Securing our borders</b>					
<b>Attorney-General's</b>					
<i>Australian Customs Service</i>					
First port boarding(a)	1.6	-	-	-	1.6
Biometrics for border control(a)	1.2	-	-	-	1.2
<i>Australian Security Intelligence Organisation</i>					
Strengthening border control measures	0.6	0.1	-	-	0.7
<b>Foreign Affairs and Trade</b>					
<i>Department of Foreign Affairs and Trade</i>					
Biometrics for border control(a)	1.1	-	-	-	1.1

**Table 5: Investing In Australia's Security — Summary of measures (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Total \$m
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>					
Global processing systems to improve border security	1.7	2.2	2.0	7.0	12.9
Strengthening border control measures	1.6	1.1	-	-	2.7
Biometrics for border control(a)	4.2	-	-	-	4.2
<b>Sub total</b>	<b>12.0</b>	<b>3.4</b>	<b>2.0</b>	<b>7.0</b>	<b>24.4</b>
<b>Enhancing security capacity and cooperation in our region</b>					
<b>Attorney-General's</b>					
<i>Australian Federal Police</i>					
Rapid deployment capability	2.5	0.3	0.3	0.3	3.4
Jakarta Centre for Law Enforcement Cooperation	3.3	-	-	-	3.3
<b>Sub total</b>	<b>5.8</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>6.7</b>
<b>Total capital measures</b>	<b>85.9</b>	<b>24.3</b>	<b>13.1</b>	<b>11.8</b>	<b>143.5</b>
<b>SUMMARY OF EXPENDITURE</b>					
<i>Total expense measures</i>	158.3	135.0	140.6	139.5	611.0
<i>Total capital measures</i>	85.9	24.3	13.1	11.8	143.5
<b>Total expenditure</b>	<b>244.2</b>	<b>159.3</b>	<b>153.7</b>	<b>151.3</b>	<b>754.5</b>

(a) Details of this measure may be found under capital.

(b) Includes expenditure of \$2.7 million in 2003-04.

(c) Includes expenditure of \$35 million in 2003-04.

(d) Includes expenditure of \$8.4 million in 2003-04.

### Investing in Australia's Security — National Security Hotline

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	6.2	-	-	-

The Government will provide \$6.2 million in 2004-05 for the continuation of the National Security Hotline. This funding includes \$1.5 million for a public awareness campaign.

The Hotline provides an effective interface, and accessible point of contact, between the Government and the Australian public in relation to national security matters.

**Investing in Australia's Security — increased funding to intelligence agencies**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Security Intelligence Organisation	15.2	25.1	30.1	31.4
Department of Defence	10.3	12.2	12.3	12.6
Australian Secret Intelligence Service	3.9	11.3	11.6	12.7
Office of National Assessments	2.4	1.7	1.7	1.8
<b>Total</b>	<b>31.8</b>	<b>50.3</b>	<b>55.7</b>	<b>58.5</b>
<i>Related capital (\$m)</i>				
Australian Security Intelligence Organisation	14.9	7.3	1.3	1.9
Australian Secret Intelligence Service	3.9	1.6	0.4	0.2
<b>Total</b>	<b>18.8</b>	<b>8.9</b>	<b>1.7</b>	<b>2.1</b>

The Government will provide additional funding of \$227.8 million (including \$31.5 million capital funding) over four years to intelligence agencies to enhance Australia's counter-terrorism capabilities and strengthen our ability to protect against possible threats to Australia's national security. This funding provides resources for these agencies to improve their capacity to provide analysis and assessment of high priority areas and to meet increased operational demands.

This is a cross portfolio measure, with funding to be provided to the Australian Secret Intelligence Service, Australian Security Intelligence Organisation, Department of Defence and the Office of National Assessments.

**Investing in Australia's Security — Australian Transaction Reports and Analysis Centre additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Transaction Reports and Analysis Centre	8.7	8.9	9.1	9.3

The Government will provide an additional \$36 million over four years to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

AUSTRAC is Australia's sole financial intelligence and anti-money laundering agency. This funding will enhance AUSTRAC's ability to collect, analyse and disseminate financial intelligence to Australia's law enforcement, revenue and national security agencies.



**Investing in Australia's Security — Biosecurity Surveillance System**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	6.4	1.3	1.2	1.2

The Government will provide \$10.1 million over four years to improve the Biosecurity Surveillance System.

This system will enhance Australia's capability to identify the release of chemical, biological or radiological agents among Australia's population and to detect the occurrence of an infectious disease that represents a significant public health risk. Proposed improvements to the existing telephone and correspondence based system will include:

- development of a more secure information-sharing network to allow improved information flow between health personnel;
- implementation of a web-based outbreak reporting system to collect epidemiological data from multiple sites;
- upgrading the existing National Notifiable Diseases Surveillance System; and
- development of the Sentinel Global Positioning Surveillance System which will allow surveillance of clinical syndromes as they are detected in medical practices.

**Investing in Australia's Security — radioactive material security and emergency response capability**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Radiation Protection and Nuclear Safety Agency	1.0	1.0	1.0	1.0
<i>Related capital (\$m)</i>				
<i>Australian Radiation Protection and Nuclear Safety Agency</i>	0.3	0.2	-	-

The Government will provide \$4.4 million (including \$0.5 million capital funding) over four years to the Australian Radiation Protection and Nuclear Safety Agency (ARPANSA) to enhance the physical protection of, and regulatory control over, Australia's highest hazard radioactive materials. This will help enable Australia to adequately respond to an incident involving radioactive materials.

This funding will allow ARPANSA to establish teams of trained radiation specialists equipped for in-the-field analysis of any radioactive material. It will also help further develop and implement national physical protection standards for radioactive sources, compile an electronic register of high-hazard sources and implement an export control scheme for radioactive sources.

The capital funding will be provided to install a secure, high speed communication system to support the activities of ARPANSA and upgrade incident response infrastructure, including the purchase of specialised radiation measurement equipment and protective clothing.

**Investing in Australia's Security — national health security and counter-terrorism response capability**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	3.0	2.5	2.6	2.2

The Government will provide \$10.3 million over four years to strengthen national health security, preparedness and response capability in the event of a terrorist attack or national health emergency. This measure is made up of four components: funding for the Australian Health Disaster Management Policy Committee; enhancement of Australia's public health laboratory capacity; development and implementation of new national public health legislation; and funding for enhanced capability of the national health incident room.

**Investing in Australia's Security — critical infrastructure protection**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	7.3	9.6	6.1	6.2
Department of Defence	1.2	1.6	1.6	1.6
Department of Communications, Information Technology and the Arts	1.2	1.4	1.3	1.3
Department of Industry, Tourism and Resources	0.7	1.2	1.0	0.3
Department of Transport and Regional Services	0.6	0.6	0.6	0.6
Department of Health and Ageing	0.3	0.3	0.3	0.3
Geoscience Australia	0.2	0.2	0.2	0.2
Australian Broadcasting Authority	0.1	0.1	0.1	0.1
Australian Federal Police	-	-	-	-
<b>Total</b>	<b>11.6</b>	<b>15.0</b>	<b>11.3</b>	<b>10.6</b>
<i>Related capital (\$m)</i>				
Department of Defence	0.5	0.2	0.2	0.2
Attorney-General's Department	0.6	-	-	-
<b>Total</b>	<b>1.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>

The Government will provide funding of \$50.2 million (including \$1.7 million capital funding) over four years as part of continuing efforts to ensure there are adequate levels of protective security in respect of critical infrastructure, minimal single potential points of failure and rapid, tested recovery arrangements. This funding provides resources for nine Government agencies for a range of activities to progress three key areas of critical infrastructure protection. They are:

- national coordination and leadership – including activities such as the provision of expanded Secretariat support to the Trusted Information Sharing Network for Critical Infrastructure;
- infrastructure vulnerability identification, analysis and remediation – including activities such as the testing of Australian Government and private sector national information infrastructure; and
- infrastructure interdependence modelling and analysis – including activities to model and analyse interdependencies between different critical systems and networks.

The Government will assume a leadership role in these three core areas of activity, working in partnership with the States and industry to progress critical infrastructure protection.

**Investing in Australia's Security — diplomatic guarding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	15.6	-	-	-

The Government will provide an additional \$15.6 million in 2004-05 to ensure that Australia continues to comply with its international obligations with respect to the protection of foreign diplomatic and consular interests. The funding will also enhance the protection to be provided to Australian Holders of High Office and Internationally Protected Persons.

**Investing in Australia's Security — Air Security Officer Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	3.9	3.6	3.9	4.2

The Government will provide additional funding of \$15.7 million over four years to the Australian Federal Police to allow expansion of the Air Security Officer Programme to priority international destinations based on intelligence and risk assessments.

**Investing in Australia's Security — research support for counter-terrorism**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Prime Minister and Cabinet	1.0	2.0	2.1	2.1

The Government will provide \$7.2 million over four years to support research in counter-terrorism technology. Funding will enhance Australia's counter-terrorism efforts by stimulating new research and enabling Australia to engage in international research projects.

See also the related expense measure titled *Backing Australia's Ability – National Competitive Grants Programme* in the Education, Science and Training portfolio.

**Investing in Australia's Security — Inspector of Transport Security**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	0.4	0.4	0.4	0.4

The Government will provide \$1.6 million over four years to support the establishment within the Department of Transport and Regional Services of an Inspector of Transport Security. The Inspector will investigate major incidents and systemic transport security weaknesses to ensure security vulnerabilities are identified and addressed.

**Investing in Australia's Security — regional airport security**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	-5.0	-9.0	-	-

The Government will provide \$35 million in 2003-04 to fund a security programme to upgrade security at 140 regional airports. A risk assessment of airports is being undertaken and the funding will be used to enhance basic physical security. Where required, this will include fencing of key areas within the boundary of the airports, basic lighting of key areas, back-to-base alarm systems and guard service or regular surveillance.

This funding includes the bring forward to 2003-04 of \$14 million initially expensed to 2004-05 and 2005-06, as announced by the Minister for Transport and Regional Services on 4 December 2003. Airport owners and operators will not be required to match Government funding.

**Investing in Australia's Security — increased funding for container examination**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Customs Service	7.1	3.5	-	-

The Government will provide additional funding of \$10.6 million over two years to the Australian Customs Service. This funding will meet additional logistics costs resulting from increased levels of cargo container examinations at the Container X-ray Examination Facilities located at Sydney, Melbourne, Brisbane and Fremantle ports.

**Investing in Australia's Security — strengthening border control measures**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	0.9	1.1	0.9	0.6
Australian Security Intelligence Organisation	0.5	0.6	0.6	0.6
<b>Total</b>	<b>1.4</b>	<b>1.7</b>	<b>1.5</b>	<b>1.2</b>
<i>Related capital (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	<i>1.6</i>	<i>1.1</i>	<i>-</i>	<i>-</i>
<i>Australian Security Intelligence Organisation</i>	<i>0.6</i>	<i>0.1</i>	<i>-</i>	<i>-</i>
<b>Total</b>	<b>2.2</b>	<b>1.2</b>	<b>-</b>	<b>-</b>

The Government will provide \$9.2 million over four years (including \$3.4 million capital funding) to the Department of Immigration and Multicultural and Indigenous Affairs and the Australian Security Intelligence Organisation to further strengthen existing border control measures for Australia.

**Investing in Australia's Security — global processing systems to improve border security**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	11.9	15.3	15.0	12.8
<i>Related capital (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	<i>1.7</i>	<i>2.2</i>	<i>2.0</i>	<i>7.0</i>

The Government will provide additional funding of \$67.9 million (including \$12.9 million capital funding) over four years to develop an integrated global processing system to replace the current fragmented and ageing visa processing systems in order to enhance border control and visa processing.

The global processing system will be linked to the Department of Immigration and Multicultural and Indigenous Affairs' intelligence and security databases to ensure visa and entry decisions are assisted by information from a consolidated, reliable source.

The capital funding will meet the cost of the development of an integrated electronic visa processing system, available globally and in real time.

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**Investing in Australia's Security — information technology systems disaster recovery**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	10.2	6.8	6.7	6.8

The Government will provide an additional \$30.5 million over four years for the establishment of disaster recovery facilities and capabilities for the Department of Immigration and Multicultural and Indigenous Affairs mainframe and other key information technology infrastructure.

These facilities will enable the timely recovery and continuity of the Department's business in the event of failure of its border and related data systems.

The Department will meet \$6.7 million of these costs from internal cash reserves.

**Investing in Australia's Security — document examination**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	4.9	4.9	4.9	4.9

The Government will provide an additional \$19.6 million over four years to support security measures in Australian international airports.

The funding will enable the deployment of additional Department of Immigration and Multicultural and Indigenous Affairs' officers to manage additional referrals arising from the fraudulent travel document detection systems introduced in 2003-04. The new document readers are an advanced system for the detection of fraudulent travel documents and form part of the Government's response to the need for enhanced border security.

**Investing in Australia's Security — tri-partite border strengthening project**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	-	-	-	-
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-
Australian Customs Service	-	-	-	-
Total	-	-	-	-

The Government will provide \$1 million over 2004-05 and 2005-06 to help build on existing programmes to enhance the capacity of regional countries to strengthen their border control mechanisms to combat terrorism.

The two year project provides for regional country scoping studies to assess the border management requirements of each country, followed by the conduct of workshops in conjunction with recipient countries and their border agencies. The cost of this measure is being absorbed within the existing resourcing for the Australian Customs Service (\$0.3 million), Department of Immigration, Multicultural and Indigenous Affairs (\$0.4 million) and the Department of Transport and Regional Services (\$0.3 million).

**Investing in Australia's Security — rapid deployment capability**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	8.7	8.0	8.3	8.5
<i>Related capital (\$m)</i>				
<i>Australian Federal Police</i>	2.5	0.3	0.3	0.3

The Government will provide \$36.8 million (including \$3.4 million capital funding) over four years to enable the Australian Federal Police to enhance its capacity to respond to terrorist attacks in the region and to assist in strengthening the counter-terrorism capabilities of regional law enforcement partners.

The counter-terrorism rapid response capability will allow the Australian Federal Police to respond to requests from regional police authorities for assistance with post-incident investigation and pre-emptive operations. It will involve professional investigation capacity with forensic intelligence, communication, technical and financial investigative expertise. The capital component is for the purchase of communications and forensic equipment.



**Investing in Australia's Security — Jakarta Centre for Law Enforcement Cooperation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	8.0	5.9	6.1	6.3
<i>Related capital (\$m)</i>				
Australian Federal Police	3.3	-	-	-

The Government will provide \$36.8 million (including capital funding of \$3.8 million) over five years to support the Jakarta Centre for Law Enforcement Cooperation. This includes funding of \$7.2 million in 2008-09 (including a capital component of \$0.5 million). The funding to the Australian Federal Police also allows for resources and services to be provided by the Attorney-General's Department, Australian Security Intelligence Organisation and Australian Transaction Reports and Analysis Centre.

The Jakarta Centre for Law Enforcement Cooperation is a key component of the Government's Regional Counter-Terrorism Strategy and will offer operational support and capacity building to Indonesian and other regional law enforcement agencies in dealing with aspects of transnational crime, and particularly terrorism.

**Investing in Australia's Security — strengthening regional financial intelligence units**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Transaction Reports and Analysis Centre	2.5	2.4	2.5	2.6

The Government will provide \$10.0 million over four years to allow the Australian Transaction and Reports Analysis Centre (AUSTRAC) to work with counterpart financial intelligence units (FIUs) in Southeast Asia to enhance their counter-terrorism financing capabilities.

Funding of \$6.6 million is being provided for AUSTRAC to help the FIUs build collective skills and knowledge of terrorist financing, detect patterns of financial transactions which may be forms of terrorist financing and assist in the development of broader Asia-Pacific counter-terrorist financing methodologies.

Funding of \$3.4 million is being provided for AUSTRAC to assist FIUs to develop the information technology capability to capture, store and analyse financial information that may relate to terrorist financing.

**Investing in Australia's Security — enhanced regional consequence management training**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-	-	-

The Government will provide \$0.7 million over four years to extend its counter-terrorism consequence management training with regional countries.

This measure will involve funding of \$0.1 million in 2004-05, \$0.2 million in 2005-06, \$0.2 million in 2006-07, and \$0.2 million in 2007-08. This measure is being fully absorbed within the existing resourcing of the Department of Defence.

**Investing in Australia's Security — enhanced regional training and exercise programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-	-	-

The Government will provide an additional \$1.6 million over four years to expand the Department of Defence's regional training and exercise programme.

This measure will involve funding of \$0.1 million in 2004-05, \$0.5 million in 2005-06, \$0.5 million in 2006-07, and \$0.5 million in 2007-08. This measure is being fully absorbed within the existing resourcing of the Department of Defence.

**Investing in Australia's Security — enhanced regional cooperation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-	-	-

The Government will provide \$0.8 million over four years to the Department of Defence to enhance cooperation with its regional counterparts on regional counter-terrorism issues.

This measure will involve funding of \$0.2 million in each year from 2004-05 to 2007-08. This measure is being fully absorbed within the existing resourcing of the Department of Defence.

**Investing in Australia's Security — securing radioactive sources in the Asia-Pacific region**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Nuclear Science and Technology Organisation	1.6	1.9	1.0	-

The Government will provide \$4.5 million over three years to enable the Australian Nuclear Science and Technology Organisation to participate in coordinated international initiatives to secure radioactive sources in the Asia-Pacific region. The programme will build on existing regional relationships through the provision of support and training in radioactive source identification and the provision of safeguards advice.

**Investing in Australia's Security — border management and control**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	1.4	-	-	-

The Government will provide \$1.4 million in 2004-05 for an independent assessment to be undertaken of the border management and control systems of countries within the Asia-Pacific region. A range of strategic, tactical and operational issues will be examined with a view to identifying the additional requirements for more secure border management.

**Investing in Australia's Security — international transport security**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	1.4	1.1	1.1	1.1

The Government will provide \$4.7 million over four years to assist countries in the Asia-Pacific region to improve transport security. Assistance will be aimed at improving local skills in areas such as passenger screening, access control management and security planning.

## Other measures in the Attorney-General's portfolio

### Attorney-General's Department — additional funding

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	6.2	-	-	-

The Government will provide \$6.2 million in 2004-05 to fund increased expenses associated with increased responsibilities for the Attorney-General's Department. The Department has experienced an increase in its workload arising from the heightened security environment following 11 September 2001. The additional funding will help the Department to meet these increased demands.

A provision has been made in the Contingency Reserve for possible additional funding from 2005-06, pending a review of the Department's resourcing by the Department of Finance and Administration in consultation with the Attorney-General's Department.

### Australian Federal Police — continued funding for people smuggling strike team

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	4.3	4.3	4.4	4.5

The Government will provide \$17.4 million over four years for the continuation of a strike team made up of officers from the Australian Federal Police and the Department of Immigration and Multicultural and Indigenous Affairs. The strike team aims to detect, dismantle and disrupt organised people smuggling syndicates operating onshore and offshore.

### Australian Federal Police — continued presence and support in Melanesia

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	5.0	5.0	5.1	5.2
Australian Security Intelligence Organisation	0.3	0.3	0.3	0.3
Total	5.2	5.3	5.4	5.5

The Government will provide funding of \$20.3 million over four years to the Australian Federal Police (AFP) to continue work with Pacific law enforcement agencies to tackle transnational crime before it reaches Australia. The programme currently funds eight AFP officers in Suva, Port Vila, Honiara, Port Moresby and Canberra to undertake a range of law enforcement liaison, cooperation and training activities.

*Budget Measures 2004-05*

The Government will also provide funding of \$1.2 million over four years to the Australian Security Intelligence Organisation to continue to provide counter-terrorism training and advice to Melanesia.

**Australian Federal Police — supplementation for Bali investigation costs**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	-	-	-	-

The Government will provide \$12.7 million in 2003-04 to supplement the Australian Federal Police (AFP) for the costs incurred in investigating the Bali bombings of 12 October 2002.

In the aftermath of the bomb blasts, the AFP sent investigative and forensic officers to Bali to assist the Indonesian National Police in their investigation. The investigation produced a significant number of arrests and convictions of those responsible for the Bali bombings.

**Commonwealth legal aid — equitable access**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	13.1	13.1	13.1	13.4

The Government will provide an additional \$52.6 million over four years for Commonwealth legal aid.

This measure will increase funding for Commonwealth legal aid by approximately 10 per cent, and will enable redistribution of legal aid funds across jurisdictions to meet demographic changes, an increase in certain caps on grants associated with family law matters, establishment of a family duty lawyer service and an increase in the base legal aid fee payable to private practitioners to \$120 an hour in Tasmania, South Australia, Queensland and Western Australia.

**Court security measures**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Federal Magistrates Court	-	-	-	-
Family Court of Australia	-	-	-	-
Federal Court of Australia	-	-	-	-
National Native Title Tribunal	-	-	-	-
High Court of Australia	-	-	-	-
Attorney-General's Department	-	-	-	-
Administrative Appeals Tribunal	-	-	-	-
Total	-	-	-	-

The Government will provide \$15.3 million over four years to fund security measures in the federal courts, the Administrative Appeals Tribunal, and the National Native Title Tribunal. Of this funding, an amount of \$1.7 million will be used by the Attorney-General's Department to reimburse the States for security measures in federal courts undertaken by them on behalf of the Australian Government.

The cost of this measure is being fully absorbed within the existing resourcing of the relevant agencies.

**Handguns — continued funding for storage of imports prior to sale**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Customs Service	-	-0.4	-0.4	-

The Government will commit \$0.4 million in 2004-05 to meet the costs of the storage of imported handguns prior to sale to an authorised end user, pending the outcome of a review of the firearm import legislation.

As funding has already been included in the forward estimates to the end of 2006-07, no additional funding is required for 2004-05 and the provisions for 2005-06 and 2006-07 have been removed.

**International Criminal Court — contribution**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	1.6	1.7	1.7	1.7

The Government will provide \$6.7 million over four years for Australia's contribution to the operation of the International Criminal Court. Australia has an obligation under Article 115 of the International Criminal Court Statute to contribute financially to the Court.

## Budget Measures 2004-05

### Migration litigation reforms

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Federal Magistrates Court	6.4	7.7	7.9	8.0
<i>Related capital (\$m)</i>				
<i>Federal Magistrates Court</i>	4.2	-	-	-

The Government will provide \$34.2 million over four years (including \$4.2 million capital funding) for the appointment of eight additional federal magistrates and to fit out accommodation for the new magistrates.

These appointments will reduce the time taken to consider migration matters in the Federal Magistrates Court and deal with a backlog of migration cases, and will complement other legislative and administrative reforms, such as streamlining the availability of judicial review of migration decisions, to reduce delays in handling migration matters.

### National Community Crime Prevention Programme

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	5.0	5.0	5.0	5.0

The Government will provide \$20 million over four years to establish a National Community Crime Prevention Programme.

The programme will provide grants to community organisations to enable them to respond to local crime and safety issues. The programme will support projects addressing concerns such as crime in indigenous communities; youth crime; alcohol-related crime; family violence; and crime prevention initiatives for seniors.

### Office of Film and Literature Classification — additional funding

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Office of Film and Literature Classification	0.7	-	-	-
<i>Related capital (\$m)</i>				
<i>Office of Film and Literature Classification</i>	-	-	-	-

The Government will provide \$0.7 million (including a \$0.4 million equity injection) in 2004-05 to restore the financial base of the Office of Film and Literature Classification pending stakeholder consultation about possible alternative funding options.

**Pacific governance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	2.8	2.8	2.9	2.9
<i>Related capital (\$m)</i>				
Attorney-General's Department	..	-	-	-

The Government will provide \$11.4 million over four years (including \$48,000 in capital funding) to enhance good governance and security in the Pacific region.

This funding will establish a South Pacific Section within the Attorney-General's Department, to meet existing and proposed commitments, including those in Papua New Guinea and the Solomon Islands. This measure will also establish a Financial Intelligence Support Team located in Suva, Fiji, which will provide a regional approach to the provision of ongoing legal and strategic policy advice. The team will assist Pacific Island Countries to meet their international obligations regarding anti-money laundering and counter-terrorist financing.

**Solomon Islands — health services for Australian personnel**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	18.0	6.0	-	-

The Government will provide \$24 million over eighteen months for the costs of a commercial contract to provide health services to Australian officials and police participating in the Regional Assistance Mission to the Solomon Islands. A commercial contract has been negotiated to replace the health services provided by the Australian Defence Force that will be withdrawn from the Solomon Islands in early 2004-05.

**Southern Ocean surveillance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Customs Service	44.3	38.9	-	-
Department of Agriculture, Fisheries and Forestry	2.5	2.5	-	-
Total	46.7	41.4	-	-
<i>Related capital (\$m)</i>				
Australian Customs Service	1.1	-	-	-

The Government will provide additional funding of \$89.2 million over two years (including \$1.1 million capital funding) to conduct armed patrols of the Heard and McDonald Islands' exclusive economic zone.



### *Budget Measures 2004-05*

These patrols are aimed at suppressing the activities of vessels engaged in illegal fishing, as well as protecting Australia's sovereign interests in, and the environmental values of, the Southern Ocean.

The capital funding will meet the cost of equipment and facilities required to support Australian Customs Service staff on patrol in the Heard and McDonald Islands' exclusive economic zone.

#### **Surveillance — enhanced capabilities and oversight**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	1.6	2.0	2.1	2.2
Australian Crime Commission	1.5	1.7	1.7	1.8
Administrative Appeals Tribunal	0.3	0.4	0.4	0.4
Office of the Commonwealth Ombudsman	0.2	0.4	0.4	0.4
Total	3.5	4.4	4.6	4.7

The Government will provide \$17.2 million over four years to modernise and expand the surveillance capabilities of Australian Government agencies. This will help law enforcement agencies to detect and successfully prosecute a range of national and transnational criminal activity including drug trafficking, terrorism, paedophilia and people smuggling. Additional resourcing will enable:

- the Administrative Appeals Tribunal to handle workload increases in issuing warrants authorising surveillance;
- the Australian Federal Police and the Australian Crime Commission to acquire additional surveillance expertise and equipment; and
- the Office of the Commonwealth Ombudsman to inspect records held by other agencies and to ensure their compliance with relevant legislation.

Funding is conditional on the passage of the Surveillance Devices Bill, which will enable law enforcement agencies to make use of modern surveillance equipment including hidden microphones, cameras and homing devices.

#### **Sydney Law Courts — refurbishment**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	2.4	7.0	34.3	41.2

The Government will provide \$96.7 million over five years (including \$11.8 million in 2008-09) towards the refurbishment of the Sydney Law Courts Building.

The building houses the High Court of Australia, the Federal Court of Australia, the Federal Magistrates Court and the New South Wales Supreme Court. The New South Wales Government has agreed in principle to meet its share of the costs of the refurbishment.

## COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

### Art Indemnity Australia — extension of funding

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	-	-	-	-

The Government will provide additional funding of \$6.1 million over four years to the Art Indemnity Australia programme, to purchase insurance coverage for art works loaned for major cultural exhibitions touring Australia. The Government manages the financial risk for the loss of, or damage to, these works through this programme.

As Art Indemnity Australia insurance premiums are paid to the Government's general insurer, Comcover, which is within the Australian Government General Government Sector, these payments have no impact on the fiscal balance.

### Athens 2004 Paralympic Games — contribution

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	-	-	-	-

The Government will provide \$600,000 in 2003-04 to the Australian Paralympic Committee to assist the Australian Paralympic Team to compete at the Athens 2004 Paralympic Games.

### Australia Council

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australia Council	-	-	-	-

The Government will provide triennial funding of \$398 million to the Australia Council for the period 2004-05 to 2006-07. The Australia Council is the Australian Government's arts funding and advisory body, and provides grants to Australian artists and arts organisations.

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

**Australia Council — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australia Council	2.0	2.0	2.0	2.0

The Government will provide additional funding of \$10 million over five years (including \$2 million in 2008-09) to the Australia Council to support small to medium arts organisations, assist in the expansion of international markets for Australian artists and for the production of high quality music recordings through support to the Melba Foundation.

**Australian Broadcasting Authority and the Australian Communications Authority — merger**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Broadcasting Authority	-	-	-	-
Australian Communications Authority	-	-	-	-

The Government will establish a new media and communications regulator, the Australian Communications and Media Authority, which will be formed from the merger of the Australian Broadcasting Authority and the Australian Communications Authority.

The creation of the new body by 1 July 2005 reflects convergence of the telecommunications and broadcasting sectors.

**Australian Broadcasting Corporation — extension of Regional and Local Programming initiative**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Broadcasting Corporation	-	17.7	18.1	18.6

The Government will provide funding of \$54.4 million over three years from 2005-06 to continue the Australian Broadcasting Corporation's (ABC) Regional and Local Programming initiative. This funding will enable the ABC to continue to provide additional regional and local programming across all media. It will also enable the ABC to continue to provide additional business, finance, children's and educational content on its media platforms.

*Budget Measures 2004-05*

**Australian Broadcasting Corporation — programme acquisition**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Broadcasting Corporation	4.2	4.3	4.4	4.5

The Government will provide additional funding of \$17.4 million to the Australian Broadcasting Corporation over four years from 2004-05 to assist in meeting the increasing costs of purchasing both domestic and international programming.

**Australian Prospectors and Miners Hall of Fame — further financial assistance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	-	-	-	-

The Government will provide an additional \$1 million in 2003-04 to finalise the construction of the Australian Prospectors and Miners Hall of Fame in Kalgoorlie, Western Australia. This grant is subject to certain conditions, including the provision of matching funding by the Western Australian Government.

**Educational Lending Right — extension of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	11.0	11.0	11.0	11.0

The Government will provide funding of \$44 million over four years to continue the Educational Lending Right Programme. Educational lending right payments are made to eligible Australian creators and publishers whose books are held in the lending libraries of educational institutions. Payments recognise income lost from forgone royalty payments as books are borrowed rather than purchased.

**Mount Panorama motor racing circuit — contribution to upgrade**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	-	-	-	-

The Government will provide \$10 million in 2003-04 to the Bathurst City Council to assist the upgrade of facilities at the Mount Panorama motor racing circuit.

**National Institute of Circus Arts — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	0.6	0.6	0.6	0.6

The Government will provide \$6 million in 2003-04 to the National Institute of Circus Arts to enable it to expand its existing premises. The Government will also provide additional funding of \$2.4 million over four years from 2004-05 to the Institute to enable it to continue to provide training in the circus and physical theatre arts.

This is in addition to ongoing funding of \$1.4 million per annum.

**Playing Australia — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	2.0	2.0	2.0	2.0

The Government will provide additional funding of \$8 million over four years for the Playing Australia Programme. The programme supports touring programmes by performing arts organisations throughout Australia, including regional and remote areas.

**Regional Arts Fund — extension of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	2.6	2.7	2.7	2.8

The Government will provide funding of \$10.7 million over four years to continue the Regional Arts Fund. The Fund provides grants for local cultural and arts projects in regional and remote areas of Australia.

*Budget Measures 2004-05*

**Surf Life Saving Australia — grant**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	-	0.4	0.5	0.2

The Government will provide \$1 million over three years from 2005-06 to Surf Life Saving Australia to support events and activities commemorating 100 years of surf lifesaving in Australia.

## CROSS PORTFOLIO

### Budget estimates — enhanced quality and timeliness

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
All Agencies	16.4	15.8	15.2	15.1
<i>Related capital (\$m)</i>				
All Agencies	0.6	0.8	-	-

The Government will provide \$88.5 million over four years (including \$24.8 million in 2003-04) to implement the Budget Estimates and Framework Review recommendations that were endorsed by the Government in 2002. This amount includes \$1.4 million in capital funding.

Provision for this purpose was made in the Contingency Reserve in the 2003-04 Budget pending consideration of funding for individual agencies.

This funding is in addition to the \$3.6 million specifically provided to the Foreign Affairs and Trade and Employment and Workplace Relations portfolios in the 2003-04 Budget, and \$54.4 million provided to the Department of Finance and Administration was recorded as a measure in the *Mid-Year Economic and Fiscal Outlook 2002-03*.

### Melbourne 2006 Commonwealth Games — contribution

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
All Agencies	8.0	90.3	1.3	-
<i>Related capital (\$m)</i>				
All Agencies	0.1	0.1	-	-
<i>Related revenue(a) (\$m)</i>				
All Agencies	-	-1.4	-	-

(a) A negative number for revenue indicates a decrease in the fiscal balance.

The Government will provide a package of assistance totalling \$272.5 million over four years from 2003-04 to 2006-07 to contribute to the staging of the Melbourne Commonwealth Games (M2006) to be held from 15-26 March 2006.

The assistance package includes \$139.8 million (including \$40 million in 2003-04) in new funding over the four years as a contribution to meeting the costs of the Games. The Government will also provide \$132.7 million in services and support which will be absorbed within existing resources.



*Budget Measures 2004-05*

Funding includes a grant of \$102.9 million to the Victorian Government for specific M2006 initiatives. These include \$40 million for the Opening and Closing Ceremonies, \$15 million for the Queen's Baton Relay, \$18.2 million for the M2006 Volunteer Programme, \$10 million for the Elite Athletes with a Disability Programme, \$7.5 million to provide airfare subsidies for athletes from developing countries participating in M2006, and \$6 million towards the costs of the M2006 Cultural Programme.

Funding of \$84.8 million will be provided over three years to provide security services and support to ensure a safe and secure M2006. Of this, \$56.5 million will be funded from existing resources.

Funding of \$27.1 million (including capital of \$0.2 million) over three years will be provided for non-security related services associated with staging M2006, of which \$18.5 million will be provided from existing resources. Activities involved include pre-event drug testing of international athletes, sporting programmes for people with disabilities, provision of aviation safety information and increased trade and investment promotion activities.

The Australian Sports Commission will provide an estimated \$55.3 million in direct assistance for M2006 sports through existing programmes over two years from 2004-05. Significant indirect assistance is also provided to support athletes, coaches and support staff of M2006 sports.

Visa application costs will be waived for Commonwealth Games Family Members, resulting in revenue forgone of \$1.4 million. Exemptions from Income and Withholding Tax for the Commonwealth Games Federation, estimated at \$1 million, were recorded as a measure, *Income tax exemption for the Commonwealth Games Federation*, in the 2002-03 *Mid-Year Economic and Fiscal Outlook*.

## DEFENCE

### Accommodation — supplementation for the purchase of Defence Housing Authority services

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-	-	-

The Government will provide the Department of Defence with additional funding of \$108 million in 2004-05 and \$88 million in 2005-06 to meet increased rental costs associated with commercialising Defence Housing Authority operations in line with the Government's competitive neutrality policy. The additional funding is expected to be budget neutral as the Defence Housing Authority will return additional funds to the Government through increased dividends and tax equivalent payments.

### Coastal surveillance — continuation

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	16.0	-	-	-

The Government will provide \$16 million in 2004-05 for Australian Defence Force deployment costs associated with the continuation of coastal surveillance of Australia's northern approaches to help detect and deter unauthorised boat arrivals.

### Defence Capability Review — operational cost savings

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-70.7	-69.2	-79.2
<i>Related capital (\$m)</i>				
<i>Department of Defence</i>	-	-9.3	-28.3	-29.9

Operational cost savings of \$286.5 million (including capital of \$67.5 million) over three years will be achieved from changes to capability decided by the Government as part of the comprehensive Defence Capability Review. The capability changes include the early retirement of the F-111 fleet and the retirement of two mine hunters and two frigates. The savings continue beyond 2007-08.

**Defence Procurement Review — implementation of recommendations**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	12.2	5.0	5.0	5.0

The Government will provide \$32.5 million over five years (including \$5.3 million in 2003-04) to improve capability development and acquisition processes within the Department of Defence. These improvements were recommended by the Defence Procurement Review (also known as the Kinnaird Review). They include the establishment of a Capability Development Group within the Department and the development and operation of the Defence Materiel Organisation as a prescribed agency under the *Financial Management and Accountability Act 1997*.

**East Timor — support to the United Nations mission**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	16.0	4.1	-	-
Australian Federal Police	6.5	-	-	-
Total	22.5	4.1	-	-

The Government will provide \$26.7 million over two years to fund an expected extension of the Australian Defence Force and Australian Federal Police contribution to the United Nations mission in East Timor. This funding will cover operational costs as well as the repatriation and remediation of Defence equipment.

**Estate upkeep**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	90.0	100.0	110.0

The Government will provide \$300 million over three years from 2005-06 to meet increasing costs of maintaining the Defence estate. The additional funding will help Defence to increase its rate of effort in maintaining facilities such as airfields, fuel farms and Defence bases. Funding will also be used for accelerated asbestos remediation, and to meet increased environmental and occupational health and safety regulatory requirements.

**Iraq — funding for operations and rehabilitation activities**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	124.6	3.0	4.0	-

The Government will provide \$131.6 million for the Australian Defence Force's contribution to Iraqi stabilisation and reconstruction. This will allow for continuation of the deployment through financial year 2004-05. The funding for 2005-06 and 2006-07 covers the cost of repatriation and remediation of equipment. The current timeframe for, and composition of, Operation CATALYST will be kept under review.

**Logistics — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	142.1	146.7	158.4	163.1

The Government will provide an additional \$610.3 million over four years for logistics support to the Australian Defence Force (ADF). The increased funding will enable enhanced maintenance, refits, and/or planned upgrades for a range of key platforms and equipment to ensure the ADF sustains its capabilities and meets preparedness requirements. The specific platforms and equipment to benefit from the funding include:

- Afloat Support (HMAS *Success* refit);
- Maritime Patrol Aircraft (P-3C Orions);
- ANZAC Frigates;
- Training Aircraft (PC-9);
- Naval Aviation;
- Army Aviation (Black Hawk helicopters);
- Army Surveillance;
- Army Battlefield Combat Support System; and
- Transport Aircraft (C-130H Hercules).

The supplementation stems from a Defence-wide review of logistics funding aimed at ensuring that the ADF's platforms and equipment are resourced to help sustain performance at the current levels of preparedness.

*Budget Measures 2004-05*

See also the related expense measure titled *Logistics – continuation of funding* in the Defence portfolio.

**Logistics — continuation of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-	-	205.3

The Government will provide \$205.3 million in 2007-08 for logistics support to help enable the Australian Defence Force to sustain current levels of operational tempo and to meet specific preparedness targets. This decision will provide funding for a range of platforms and equipment, including:

- F/A-18 fighter aircraft fleet;
- C-130J Hercules transport aircraft;
- Collins class submarines; and
- Explosive ordnance stocks, including those required for enhanced training of Army personnel.

This funding represents a continuation of the \$1.145 billion provided in the 2003-04 Budget for logistics. This funding is in addition to the \$27 billion over 10 years provided as part of the Government's *Defence 2000* White Paper. The White Paper funding was provided primarily to undertake the equipment acquisitions and upgrades necessary to enhance the capabilities of the Australian Defence Force.

See also the related expense measure titled *Logistics – additional funding* in the Defence portfolio.

**Military personnel — supplementation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	6.8	57.0	-6.5	22.7

The Government will provide \$80 million over four years to meet increasing Australian Defence Force personnel costs. The additional funding will help Defence continue to offer competitive levels of remuneration, including non-salary entitlements, such as health, housing and compensation. This will assist in both attracting and retaining suitably skilled military personnel for the Australian Defence Force.

This measure is in addition to the Government's *Defence 2000* White Paper which funded two per cent per annum real growth in Defence's per capita personnel costs over the 2004-05 to 2010-11 period.

#### **Papua New Guinea Defence Force — funding to support downsizing**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	10.9	2.7	-	-

The Government will provide \$20.3 million (including \$6.7 million in 2003-04) to assist the downsizing of the Papua New Guinea Defence Force. Of the funds provided in 2003-04, \$3 million will be absorbed from within the existing funding from the Defence Cooperation Programme.

This measure represents the planned second tranche of funding to support the Papua New Guinea Defence Force reform programme and builds upon the first tranche of \$20 million provided in 2001-02.

#### **Personnel initiatives — continuation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-	10.6	10.8

The Government will provide \$21.4 million over 2006-07 and 2007-08 to continue a number of personnel initiatives that have proven highly effective in improving conditions for Australian Defence Force members and their families. These initiatives include the provision of childcare places and support to spouses.

A number of other personnel initiatives are also being funded in this Budget. See also the related expense measures titled *Personnel initiatives – expansion of rental assistance* and *Personnel initiatives – improvements to living-in accommodation* in the Defence portfolio.

**Personnel initiatives — expansion of rental assistance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	59.3	91.1	92.9

The Government will provide \$243.3 million over three years from 2005-06 to help provide greater flexibility for Australian Defence Force members without dependants in their accommodation arrangements. This measure will increase the number of members without dependants receiving rent assistance from 4,500 to around 10,600 by 2006. Rent assistance has been successful in improving the accommodation available to members without dependants, which in turn is likely to improve retention.

A number of other personnel initiatives are also being funded in this Budget. See also the related expense measures titled *Personnel initiatives – continuation* and *Personnel initiatives – improvements to living-in accommodation* in the Defence portfolio.

**Personnel initiatives — improvements to living-in accommodation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	2.0	12.5	37.1	61.6

The Government will provide \$113.1 million over four years for the renewal and repair of living-in accommodation for Australian Defence Force members without dependants. Funding in 2004-05 will allow the most effective means of improving the standard of accommodation to be determined.

A number of other personnel initiatives are also being funded in this Budget. See the related expense measures titled *Personnel initiatives – continuation* and *Personnel initiatives – expansion of rental assistance* in the Defence portfolio.

**Point Nepean Community Trust — establishment**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	-	-	-	-

The Government has committed \$5 million in 2003-04 to establish the Point Nepean Community Trust. The Trust has been established to manage former Defence land at Point Nepean in the interests of the community. The Trust will be responsible for preserving the environment and heritage values of the site.

**Property sales — costs**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Defence	25.5	-	-	-

The Government has provided \$31.8 million in 2003-04 for the costs associated with selling surplus Defence properties in 2003-04.

The Government will also provide \$25.5 million in 2004-05 to meet the estimated net costs of selling surplus properties in 2004-05. This will involve applying a lower Defence property sales target threshold, above which Defence is entitled to retain the proceeds of property sales for other uses.



## **EDUCATION, SCIENCE AND TRAINING**

### **Backing Australia's Ability — Building our Future through Science and Innovation**

Government policies have consistently emphasised the important role that science and innovation can play in lifting Australia's future prosperity. The development and application of new products and processes significantly enhances economic growth and creates new employment opportunities. New ideas also improve our health, create a better environment, and contribute to social progress.

In January 2001, the Government released *Backing Australia's Ability*, setting out a \$3 billion investment in science and innovation over a five year horizon from 2001-02 to 2005-06.

Included in this Budget following the announcement of a successor package, *Backing Australia's Ability – Building our Future through Science and Innovation*, are the Government's investment in science and innovation initiatives over the next five year period 2006-07 to 2010-11. The successor package provides \$5.3 billion in funding, a sizeable contribution that reaffirms and strengthens the Government's ongoing commitment to science and innovation.

The new package will continue to focus on three key elements in the innovation process:

#### **Strengthening Australia's ability to generate ideas and undertake research**

By funding research and research infrastructure, the Government can foster the creation of ideas that can be taken up and commercialised by industry, or used to improve social, environmental and health outcomes.

#### **Accelerating the commercial application of these ideas**

Targeted measures to assist businesses to commercialise lucrative ideas help build wealth, underpin job creation and achieve higher living standards for all Australians.

#### **Developing and retaining Australian skills**

Initiatives to develop skills are important as skilled workers can develop new products, identify and implement work process improvements, and operate new technologies.

**Table 6: Backing Australia's Ability — Summary of measures**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	7 year total \$m
<b>EXPENSE</b>					
<b>RESEARCH AND DEVELOPMENT</b>					
<i>Australian Research Council</i>					
National Competitive Grants Programme	-0.4	-1.4	-1.5	286.8	<b>1,189.2</b>
<i>Department of Education, Science and Training</i>					
Additional funding for Research Infrastructure Block Grants	-	-	106.6	108.7	<b>554.5</b>
National Collaborative Research Infrastructure Strategy	1.9	15.1	100.3	102.7	<b>542.0</b>
International Science Linkages	-	-	10.5	10.8	<b>55.5</b>
Developing Quality and Accessibility Frameworks for publicly funded research	1.1	1.7	-	-	<b>2.8</b>
Extension of Regional Protection Funding	3.0	3.1	3.1	3.2	<b>12.4</b>
<i>Commonwealth Scientific and Industrial Research Organisation</i>					
National Flagships Initiative	30.0	35.0	40.0	50.0	<b>305.0</b>
<i>National Health and Medical Research Council</i>					
Health and medical research - overhead infrastructure	26.0	27.0	28.0	29.0	<b>200.0</b>
<i>Department of Communications, Information Technology and the Arts</i>					
Extension of funding for Building on IT Strengths Advanced Networks Programme	8.3	7.3	5.4	-	<b>21.0</b>
Extension of funding for the Information and Communications Technology Centre of Excellence	-	-	24.2	24.8	<b>126.3</b>
<i>Department of Industry, Tourism and Resources</i>					
Innovation Access Programme reprioritisation	-2.0	-6.0	-	-	<b>-8.0</b>
<b>COMMERCIALISATION</b>					
<i>Department of Industry, Tourism and Resources</i>					
Commercial Ready Programme	5.5	16.7	144.1	200.0	<b>1,022.3</b>
Commercialising Emerging Technologies Programme	3.8	13.3	17.4	17.8	<b>100.0</b>
Extend support for National Stem Cell Centre	-	-	7.0	6.5	<b>30.4</b>
R&D Start reprioritisation	-16.2	-3.1	-	-	<b>-19.3</b>
<i>Department of Education, Science and Training</i>					
Cooperative Research Centres Programme	-	-51.0	-17.6	64.3	<b>65.0</b>

**Table 6: Backing Australia's Ability — Summary of measures (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	7 year total \$m
<b>COMMERCIALISATION (Continued)</b>					
<i>Department of Communications, Information Technology and the Arts</i>					
Extension of funding for Building on IT Strengths Incubator Programme	13.0	11.0	8.0	4.0	36.0
<i>Department of Agriculture, Fisheries and Forestry</i>					
New Industries Development Programme Mark III	-	-	3.1	3.0	14.0
<b>SKILLS DEVELOPMENT</b>					
<i>Department of Education, Science and Training</i>					
Additional funding for Qwestacon - Smart Moves Programme	1.0	1.7	1.7	1.8	11.4
Science Connections Programme	0.3	0.6	4.7	4.9	25.8
Boosting Innovation, Science, Mathematics and Technology Teaching	6.3	10.8	5.6	5.8	38.8
Extension of Fostering Scientific, Mathematical and Technological Skills and Innovation in Government Schools Programme	-	-	-	-	-
<i>Department of Industry, Tourism and Resources</i>					
Extend funding for the National Biotechnology Strategy and Biotechnology Australia	5.0	5.0	5.0	5.0	20.0
<b>ORIGINAL BAA PROGRAMMES WITH A CONTINUING IMPACT</b>					
<i>Department of the Treasury</i>					
R & D Tax concession (b)	-	-	80.0	70.0	390.0
National Competitive Grants Programme(a)	-	-	275.0	-	275.0
<i>Department of Education, Science and Training</i>					
2000 University Places (b)	-	-	39.9	39.9	199.5
Cooperative Research Centres (a)	-	-	62.5	-	62.5
<i>Department of Industry, Tourism and Resources</i>					
R&D Start (a)	-	-	41.0	-	41.0
Pre-seed fund (b)	-	-	7.6	6.6	27.8
	<b>86.5</b>	<b>86.7</b>	<b>1,001.6</b>	<b>1,045.5</b>	<b>5,340.8</b>

(a) 2006-07 funding indicated was provided in the 2003-04 Budget.

(b) A continuing initiative provided under the BAA package.

**Backing Australia's Ability — National Competitive Grants Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Research Council	-0.4	-1.4	-1.5	286.8

The Government will provide \$1.189 billion over seven years from 2004-05 for the National Competitive Grants Programme administered by the Australian Research Council. This initiative will maintain the doubled level of funding introduced in 2001-02 under Backing Australia's Ability and will provide additional departmental resources to support increased grant activity.

Funding from the National Competitive Grants Programme will also continue to be committed to the Information and Communications Technology Centre of Excellence and the National Stem Cell Centre.

The Government has re-allocated \$7.2 million over four years from the National Competitive Grants Programme to support research grants in counter-terrorism technology administered by the Department of Prime Minister and Cabinet.

See also the related expense measures titled *Backing Australia's Ability – extension of funding for the Information and Communications Technology Centre of Excellence* and *Backing Australia's Ability – extend support for the National Stem Cell Centre* in the Education, Science and Training portfolio and *Investing In Australia's Security - research support for counter-terrorism* in the Attorney-General's portfolio.

**Backing Australia's Ability — additional funding for Research Infrastructure Block Grants**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-	-	106.6	108.7

The Government will provide an additional \$554.5 million over seven years to the Research Infrastructure Block Grants Scheme.

This scheme funds universities for the research infrastructure required for projects supported by research granting agencies such as the Australian Research Council and the National Health and Medical Research Council.

The initiative ensures that the levels of infrastructure support are maintained at their current level of 20 cents in the dollar in line with the additional funding provided in this Budget for the Australian Research Council's National Competitive Grants Programme. The amount of funding provided to each university is based on the amount of income the university secures in competitive research grants.

**Backing Australia's Ability — National Collaborative Research Infrastructure Strategy**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	1.9	15.1	100.3	102.7

The Government will provide \$542 million over seven years for a new National Collaborative Research Infrastructure Strategy, as the successor to the Major National Research Facilities Programme and the Systemic Infrastructure Initiative.

Through a nationally coordinated approach, the Strategy will ensure that research infrastructure is directed to the highest priority research projects and that universities and public research organisations actively collaborate on research projects and use of infrastructure.

**Backing Australia's Ability — International Science Linkages**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-	-	10.5	10.8

The Government will provide \$55.5 million over five years from 2006-07 for International Science Linkages to continue the Innovation Access Programme - International Science and Technology. This funding will support international collaborative projects including international research agreements, access to international research facilities and bids to host international conferences in Australia.

**Backing Australia's Ability — developing Quality and Accessibility Frameworks for publicly funded research**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	1.1	1.7	-	-

The Government will provide \$2.8 million over two years to establish Quality and Accessibility Frameworks for publicly funded research.

The Frameworks will allow the research outcomes of publicly funded research agencies and universities to be assessed more consistently and rigorously and will enable information about research activities and outcomes to be presented in a highly accessible way.

**Backing Australia's Ability — extension of Regional Protection Funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	3.0	3.1	3.1	3.2

The Government will provide \$12.4 million over four years for continued transitional assistance for regional tertiary institutions whose funding for research purposes would otherwise be reduced as the result of the application of performance-based formulae for allocating research funds.

These arrangements were originally implemented as part of the *Knowledge and Innovation* reforms in 2001.

**Backing Australia's Ability — Commonwealth Scientific and Industrial Research Organisation National Flagships Initiative**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Commonwealth Scientific and Industrial Research Organisation	30.0	35.0	40.0	50.0

The Government will provide \$305 million over seven years to continue the Commonwealth Scientific and Industrial Research Organisation (CSIRO) National Flagships Initiative. This measure builds upon the \$20 million provided to CSIRO for the Flagships Initiative in 2003-04.

Flagships are large-scale collaborative research partnerships, which reflect the Government's national research priorities. CSIRO has developed six National Flagship programmes — Preventative Health, Food Futures, Energy Transformed, Water for a Healthy Country, Leading the Light Metals Age and Wealth from Australia's Oceans.

See also the related expense measure titled *Commonwealth Scientific and Industrial Research Organisation* in the Education, Science and Training portfolio.

**Backing Australia's Ability — health and medical research — overhead infrastructure support**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	26.0	27.0	28.0	29.0

The Government will provide an additional \$200 million over seven years to the National Health and Medical Research Council (NHMRC), which provides grants for health and medical research on a competitive basis.

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This measure will allow the NHMRC to fund overhead infrastructure costs for independent medical research institutions awarded NHMRC research grants. This will allow these institutions competitive access to overhead infrastructure support on a similar footing to that provided to universities.

**Backing Australia's Ability — extension of funding for Building on IT Strengths Advanced Networks Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	8.3	7.3	5.4	-

The Government will provide funding of \$21 million over three years to continue support for the Building on IT Strengths Advanced Networks Programme to further develop and operate three high speed advanced communication networks.

This funding will enable continued development and commercialisation of leading edge network technologies and products by universities, research organisations and industry, that will deliver longer-term benefits to the Australian economy.

**Backing Australia's Ability — extension of funding for the information and communications technology centre of excellence**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	-	-	24.2	24.8

The Government will provide funding of \$126.3 million over five years from 2006-07 for National Information and Communications Technology Australia (NICTA), the information and communication technology centre of excellence.

The Government established NICTA as part of the Backing Australia's Ability package. It undertakes research in a range of areas including networking technologies, software engineering, human-machine interaction and intelligent systems, with a view to the commercialisation of research through start-up companies.

NICTA will also receive \$124.7 million through the Australian Research Council's National Competitive Grants Programme in the years 2006-07 to 2010-11, bringing the total level of Government assistance over the five years to 2010-11 to \$251.1 million.

See also the related expense measure *Backing Australia's Ability – National Competitive Grants Programme* in the Education, Science and Training portfolio.

**Backing Australia's Ability — Innovation Access Programme reprioritisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	-2.0	-6.0	-	-

The Government will reduce funding for the Innovation Access Programme by \$2 million in 2004-05 and \$6 million in 2005-06.

These funds will be redirected to contribute to the establishment of the new Commercial Ready Programme, the expansion of the Commercialising Emerging Technologies Programme, and the continuation of the National Biotechnology Strategy.

See also the related expense measures titled *Backing Australia's Ability – R&D Start reprioritisation*, *Backing Australia's Ability – Commercial Ready Programme*, *Backing Australia's Ability – Commercialising Emerging Technologies Programme* and the *Backing Australia's Ability – extend funding for the National Biotechnology Strategy and Biotechnology Australia* in the Education, Science and Training portfolio.

**Backing Australia's Ability — Commercial Ready Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	5.5	16.7	144.1	200.0

The Government will provide funding of \$1 billion over seven years for a Commercial Ready Programme, which will bring together R&D Start, the Biotechnology Innovation Fund and elements of the Innovation Access Programme into a streamlined product for the business community.

The new Commercial Ready Programme will provide grants for research and development, technology diffusion and early stage commercialisation, with an increased focus on small to medium enterprises and proof of concept activity.

**Backing Australia's Ability — Commercialising Emerging Technologies Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	3.8	13.3	17.4	17.8

The Government will provide funding of \$100 million over seven years to continue and expand the Commercialising Emerging Technologies (COMET) Programme.



### *Budget Measures 2004-05*

This programme assists companies to commercialise innovative technology through a tailored package of services in areas such as management skills training, market research, and the development of business plans and intellectual property strategies. Increased funding will support the engagement of additional business advisers to assist more companies, including university start-up companies.

#### **Backing Australia's Ability — extend support for National Stem Cell Centre**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	-	-	7.0	6.5

The Government will provide funding of \$30.4 million over five years from 2006-07 for the National Stem Cell Centre.

The Government established the Centre in May 2003 as part of the *Backing Australia's Ability* package. It undertakes research in the four key areas of embryonic stem cells, adult stem cells, tissue repair and immune systems, with a view to the development of products to treat human diseases and injuries.

The Centre will also receive \$27.5 million through the Australian Research Council's National Competitive Grants Programme in the years 2006-07 to 2010-11 bringing the total level of Government assistance over the five years to 2010-11 to \$57.9 million.

See also the related expense measure titled *Backing Australia's Ability – National Competitive Grants Programme* in the Education, Science and Training portfolio.

#### **Backing Australia's Ability — R&D Start reprioritisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	-16.2	-3.1	-	-

The Government will reduce funding for R&D Start grants by \$16.2 million in 2004-05 and \$3.1 million in 2005-06.

These funds will be redirected to contribute to the establishment of the new Commercial Ready Programme, the expansion of the Commercialising Emerging Technologies Programme, and the continuation of the National Biotechnology Strategy.

See also the related expense measures titled *Backing Australia's Ability – Innovation Access Programme reprioritisation*, *Backing Australia's Ability – Commercial Ready Programme*, *Backing Australia's Ability – Commercialising Emerging Technologies Programme* and the *Backing Australia's Ability – extend funding for the National Biotechnology Strategy and Biotechnology Australia* in the Education, Science and Training portfolio.

**Backing Australia's Ability — Cooperative Research Centres Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-	-51.0	-17.6	64.3

The Government will provide \$65 million over six years from 2005-06 to the Cooperative Research Centres (CRCs) Programme. This is in addition to the existing provision for the programme of \$1.08 billion over the same period. CRCs bring together university and public sector researchers with industry to collaborate on research and development projects of interest to all participants.

Funding rounds to select new CRCs for funding on a competitive basis will be conducted in 2004, 2006 and 2008. As part of this measure, funding has been moved between years (particularly from 2005-06 and 2006-07) to ensure it is more evenly distributed.

**Backing Australia's Ability — extension of funding for Building on IT Strengths Incubator Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Communications, Information Technology and the Arts	13.0	11.0	8.0	4.0

The Government will provide funding of \$36 million over four years to continue support for the Building on IT Strengths Incubator Programme.

Building on IT Strengths incubators provide finance, business support and services to start-up information and communications technology firms in order to increase the success rate of new business formation in the sector.

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

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	-	-	3.1	3.0

The Government will provide \$14 million over five years from 2006-07 for the New Industries Development Programme Mark III.

The objective of the programme is to enable small to medium size Australian agribusinesses to gain the financial assistance and business skills required to commercialise their new products, services and technologies.

**Backing Australia's Ability — additional funding for Questacon Smart Moves Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	1.0	1.7	1.7	1.8

The Government will provide \$11.4 million over seven years to continue and expand the Questacon Smart Moves Programme.

Questacon Smart Moves raises secondary school students' awareness of science and innovation and encourages involvement in science, maths, engineering and technology, especially in rural and regional areas. Funding will be used to provide touring science outreach programmes to schools, an annual Invention Convention and website material.

**Backing Australia's Ability — Science Connections Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	0.3	0.6	4.7	4.9

The Government will provide \$25.8 million over seven years for the Science Connections Programme.

The funding will support the Prime Minister's Prizes for Science, 'Science meets Parliament', and community awareness projects such as National Science Week, ABC Science Online and the Science Olympiads.

**Backing Australia's Ability — boosting innovation, science, mathematics and technology teaching**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	6.3	10.8	5.6	5.8

The Government will provide \$38.8 million over seven years to address findings presented in the Australian Government's Review of Teaching and Teacher Education.

Approximately 500 science and innovation projects in schools will be funded, including clusters, to allow schools, universities, science organisations, industry and the broader community to exchange contemporary science, mathematics and technology knowledge.

The funding will also provide 1,300 places over seven years for undergraduate science students and early career researchers to assist science, mathematics and technology teachers in schools for one term. Data will also be collected to address workforce planning data shortages identified by the review.

**Backing Australia's Ability — extension of Fostering Scientific, Mathematical and Technological Skills and Innovation in Government Schools Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-	-	-	-

The Government will provide \$372.8 million over four years to continue the Fostering Scientific, Mathematical and Technological Skills and Innovation in Government Schools Programme.

Funds will be made available to those State Governments that are affected by the Enrolment Benchmark Adjustment which alters the level of available funding for schools based on the number of students enrolled. Rather than return these funds to the Australian Government, as was originally provided for, the funding will be made available for school-based projects. The resulting activities will improve scientific, mathematical and technological skills in schools.

This measure involves funding of \$93.2 million per year until 2007-08. Provision for this funding has already been included in the forward estimates.

**Backing Australia's Ability — extend funding for the National Biotechnology Strategy and Biotechnology Australia**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	5.0	5.0	5.0	5.0

The Government will provide funding of \$20 million over four years to continue the National Biotechnology Strategy and Biotechnology Australia. The Strategy was launched in 2000 to provide a national framework for the development and implementation of biotechnology policy. Biotechnology Australia coordinates non-regulatory biotechnology policy development across Australian government agencies.

Continuing activities include Biotechnology Australia's Public Awareness Programme to inform the public about biotechnology and consultation with the States on a national approach to biotechnology issues. Ongoing work will also focus on research into the environmental risks and supply chain management of genetically modified crops, and arrangements for access to native genetic resources.

**Other measures in the Education, Science and Training portfolio**

**Australian Institute of Marine Science**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Institute of Marine Science	-	-	-	-

The Government will provide the Australian Institute of Marine Science with base funding of \$22.5 million in 2004-05, \$22.9 million in 2005-06 and \$23.4 million in 2006-07. Provision for this funding has already been included in the forward estimates.

The Australian Institute of Marine Science undertakes research aimed at the protection and sustainable development of Australia's marine environment.

**Australian Maritime College — Point Nepean campus**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	0.6	1.1	1.6	1.6
<i>Related capital (\$m)</i>				
Department of Education, Science and Training	-	-	-	-
<i>Related revenue (\$m)</i>				
Department of Education, Science and Training	-	..	..	..

The Government will provide \$4.9 million over four years to the Australian Maritime College. This funding will be used to develop a new campus at Point Nepean, Victoria and provide 40 places each year from 2005. The campus will offer courses in marine and coastal conservation.

Under accepted accounting practice, the amount loaned under the Higher Education Loans Programme (HELP) is treated as a financial asset and therefore does not impact on the fiscal balance. Payment by students of the indexation component under HELP is treated as interest revenue and impacts on the fiscal balance from 2005-06.

**Australian Nuclear Science and Technology Organisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Nuclear Science and Technology Organisation	-	-	-	-

The Government will provide the Australian Nuclear Science and Technology Organisation with base funding of \$108 million in 2004-05, \$110.2 million in 2005-06 and \$112.4 million in 2006-07. Provision for this funding has already been included in the forward estimates.

The Australian Nuclear Science and Technology Organisation is Australia's nuclear research and development organisation responsible for delivering specialised advice, scientific services and products to government, industry, academia and other research organisations.

See also the related capital measure titled *Australian Nuclear Science and Technology Organisation – replacement research reactor* in the Education, Science and Training portfolio.

**Career and Transition and Partnership Outreach Education Model pilot programmes — continuation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	3.1	2.1	-	-

The Government will provide \$5.2 million over two years to continue the Career and Transition and the Partnership Outreach Education Model pilot programmes. The Career and Transition pilot provides career and transition advice to young people aged 13-19 years. The Partnership Outreach Education Model pilot assists students who leave school early to re-engage with mainstream education and training.

**Commonwealth Scientific and Industrial Research Organisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Commonwealth Scientific and Industrial Research Organisation	-	-	-	-

The Government will provide the Commonwealth Scientific and Industrial Research Organisation with base funding of \$546.5 million in 2004-05, \$555.4 million in 2005-06 and \$563.6 million in 2006-07. Provision for this funding has already been included in the forward estimates. In addition, the Commonwealth Scientific and Industrial Research Organisation will also receive funding through the related science and innovation package.

The Commonwealth Scientific and Industrial Research Organisation is Australia's largest publicly funded research agency. It aims to deliver excellence in science and innovative solutions for industry, society and the environment.

See also the related expense measure titled *Backing Australia's Ability – Commonwealth Scientific and Industrial Research Organisation – National Flagships Initiative* in the Education, Science and Training portfolio.

**MedicarePlus — additional medical school places for Queensland**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	0.2	0.4	0.7	0.9
<i>Related capital (\$m)</i>				
Department of Education, Science and Training	-	-	-	-
<i>Related revenue (\$m)</i>				
Department of Education, Science and Training	-	-	..	..

The Government will provide \$2.2 million over four years for an additional 12 medical school places per year at James Cook University in Queensland.

Students who accept one of these additional places will be required to enter into a contract to work in a designated area of workforce shortage for six years after. Students who do not fulfil this obligation will be required to repay the cost of their training.

This measure is in addition to the \$42.1 million over four years provided for additional medical school places in A Fairer Medicare announced in the 2003-04 Budget.

Under accepted accounting practice, the amount loaned to students under the Higher Education Loans Programme (HELP) is treated as a financial asset and therefore does not impact on the fiscal balance. Payment by students of the indexation component under HELP is treated as interest revenue and impacts on the fiscal balance from 2006-07.

Further information can be found in the press release of 10 March 2004 issued by the Minister for Health and Ageing.

**National Schools Drug Education Strategy — continuation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-	-	-	-

The Government will provide \$14.9 million over four years to assist with national school drug education. Funding will be used to continue development of school drug education programmes and teacher training, strategies to address the needs of targeted population groups (for example Indigenous school communities), and monitoring and evaluation.



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This measure will involve funding of \$3.6 million in 2004-05, \$3.7 million in 2005-06, \$3.8 million in 2006-07 and \$3.8 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**New Apprenticeships Incentives Programme — employer incentive for Australian Government agencies**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-2.7	-2.8	-2.9	-3.1

The Government will reallocate \$11.5 million over four years from the New Apprenticeships Incentives Programme to the new Values for Life Initiative. Australian Government agencies will no longer be eligible for incentive payments provided under the New Apprenticeships Incentives Programme as training is widely provided by agencies, particularly for employees in entry level positions. Agencies will continue to provide New Apprenticeships and other training opportunities.

See also the related expense measure titled *Values for Life Initiative* in the Education, Science and Training portfolio.

**New Apprenticeships Incentives Programme — targeting women in non-traditional occupations**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-0.8	-2.1	-2.1	-2.1

The Government will reallocate \$7.1 million over four years from the New Apprenticeships Incentives Programme to the new Values for Life Initiative. Employer incentives for women in non-traditional trades will no longer be available for qualifications leading to occupations in retail, hospitality, cleaning and some cooking related fields. Women are well represented across each of these fields, so this employer incentive is not required to encourage their participation.

Certificate III and IV qualifications in Commercial Cooking will continue to receive the incentive.

See also the related expense measure titled *Values for Life Initiative* in the Education, Science and Training portfolio.

### Our Universities — Batchelor Institute of Indigenous Tertiary Education and Charles Darwin University

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	1.5	-	-	-

The Government will provide \$1.5 million in 2003-04 and \$1.5 million in 2004-05 to support a cooperative partnership between the Batchelor Institute of Indigenous Tertiary Education and Charles Darwin University. The partnership will result in enhanced courses and support being offered to Indigenous students in the Northern Territory.

### Our Universities — Chair in Child Protection at University of South Australia

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	1.0	1.0	1.1	1.1

The Government will provide \$1 million (indexed) each year for ten years from 2004 to establish a Chair in Child Protection at the University of South Australia. The funding will be used by the University to undertake research into child protection in Australia. The Chair will work to address ways to combat child abuse through consultation with educational agencies, human services agencies and government departments.

### Our Universities — information to students

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	4.0	-	-	-

The Government will provide \$4.0 million in 2004-05 to ensure that information is available to current and potential students concerning the higher education reforms announced in the *Our Universities: Backing Australia's Future* package, which take effect from 1 January 2005.

*Budget Measures 2004-05*

**Research Evaluation Programme — reprioritisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-0.5	-0.8	-0.8	-0.8

The Government will reallocate \$2.9 million over four years from the Research Evaluation Programme to the new Values for Life Initiative. Research and evaluation activity currently carried out by the Research Evaluation Programme will be amalgamated with the Department's broader research programme.

See also the related expense measure titled *Values for Life Initiative* in the Education, Science and Training portfolio.

**Schools — Capital Grants Programme for isolated non-government schools**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	4.0	4.3	4.3	4.4

The Government will provide \$17 million over four years from January 2005 for the construction and refurbishment of Catholic and independent schools in isolated locations in the Northern Territory.

Further information can be found in the press release of 11 March 2004 issued by the Minister for Education, Science and Training.

**Schools — independent schools funding guarantee**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	4.1	0.6	0.1	-

The Government will provide \$4.8 million over three years to independent non-government schools that would otherwise be disadvantaged from updating the socio-economic status scores for the 2005-08 quadrennium. These scores are a measure of a community's capacity to financially support their school and are used to determine the amount of general recurrent funding provided to independent non-government schools.

Schools that would otherwise have their funding reduced will continue to receive funding at their current level until it matches the funding entitlement under the socio-economic status score. Schools that have their funding maintained are excluded from this arrangement.

Further information can be found in the press release of 11 March 2004 issued by the Minister for Education, Science and Training.

**Schools — integrate Catholic systemic schools into the socio-economic status funding model**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	76.3	86.9	93.3	99.7

The Government will provide an additional \$356.2 million over four years to integrate Catholic systemic schools into the socio-economic status (SES) funding model. From 2005, Catholic systemic schools' funding entitlements will be based either on their SES score or, if the application of the SES formula would result in reduced funding, will be maintained at the level of their 2004 per capita entitlements and adjusted in line with changes in the Average Government School Recurrent Costs amounts.

Further information can be found in the press releases of 29 February 2004 and 11 March 2004 issued by the Minister for Education, Science and Training.

**Schools — Literacy, Numeracy and Special Learning Needs Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	10.2	5.8	5.2	5.6

The Government will provide \$26.8 million over four years towards the establishment of the Literacy, Numeracy and Special Learning Needs Programme from 2005.

This programme will bring together the Strategic Assistance for Improving Student Outcomes programme, the Special Education for Non-Government Centre Support Programme and the Grants for National Literacy and Numeracy Strategies and Projects Programme.

The additional funding will be used to improve education outcomes for educationally disadvantaged students and to ensure that no sector will experience a reduction in funding as a result of new allocation arrangements. This funding is in addition to the \$1.9 billion already included in the forward estimates for the amalgamated programmes.

Further information can be found in the press release of 11 March 2004 issued by the Minister for Education, Science and Training.

**University of Western Sydney — establishment of a medical school**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-	6.0	6.0	6.0

The Government will provide funding of \$18 million over three years to establish a medical school at the University of Western Sydney, which will enhance and improve the teaching hospital capacity and the delivery of health and medical services in western and south-western Sydney. Funding is subject to the University of Western Sydney and the NSW State Government each providing contributions that match the Australian Government funding.

**Values for Life Initiative**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	6.5	10.5	8.9	8.8

The Government will provide \$34.7 million over four years for values, civics and citizenship education initiatives. As part of this funding, every school in Australia will receive an average of \$1,600 to conduct forums on values and drug education. In addition, the Government will fund 50 school clusters to promote a national framework on values education and good practice in values education. Schools will be provided with curriculum and assessment resources and National Values Education forums will be held with parents, school principals and teacher educators.

The funding will also provide for a continuation of the Civics and Citizenship Education programme, which assists students to learn about the values underpinning Australia's democracy. The national website will be maintained as well as a number of specific national projects such as the Simpson ANZAC prize, Celebrating Democracy Week and the National Schools Constitution Convention.

**Vocational Education and Training — direct purchase of places for priority groups**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	-	-	-	-

The Government will reallocate \$90.4 million over four years from 2003-04 from the proposed Australian National Training Authority Agreement, which was rejected by the States. The Government will use the funds to directly purchase vocational education and training places from providers. These training places will be allocated to priority client groups (such as parents entering or re-entering the workforce, older workers and people with a disability).

This measure will involve funding of \$14.3 million in 2003-04, \$26.0 million in 2004-05, \$39.4 million in 2005-06 and \$10.7 million in 2006-07. Provision for this funding has already been included in the forward estimates.

The funding varies from that previously announced as scheduled disability reform legislation has been delayed by the Senate.

## EMPLOYMENT AND WORKPLACE RELATIONS

### Building and Construction Industry — implementing the recommendations of the Royal Commission

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Employment and Workplace Relations	11.5	40.5	41.6	42.4
<i>Related capital (\$m)</i>				
<i>Department of Employment and Workplace Relations</i>	-	0.2	-	-

The Government will provide \$136.3 million (including \$0.2 million capital funding) over four years for a package of reforms to assist the application of law and to achieve structural and cultural change in the building and construction industry. The reform package will:

- extend the Building Industry Taskforce to 30 June 2005 at a cost of \$9 million;
- provide funding of \$96.1 million over three years from 2005-06 to establish an Australian Building and Construction Commission (the capital funding will meet the cost of voice and data communications for the Commission);
- put in place a Federal Safety Commissioner with funding of \$21.7 million over three years from 2005-06; and
- provide funding of \$9.5 million over four years to the Department of Employment and Workplace Relations to support continuing structural reform in the industry.

The Australian Building and Construction Commission will be an independent statutory agency that will ensure lawful conduct in the industry by investigating, enforcing and prosecuting suspected breaches of the Building and Construction Industry Improvement Bill 2003, the *Workplace Relations Act 1996* and the National Code of Practice for the Construction Industry and Australian Government Implementation Guidelines.

The Federal Safety Commissioner will be located within the Department of Employment and Workplace Relations and will use the influence of the Government as a client and provider of capital to foster improved occupational health and safety performance in the industry. The Commissioner will administer a pre-qualification scheme for the Government's construction work and supervise a more intensive inspection regime of the Government's construction sites.

The establishment of the Australian Building and Construction Commission and the Federal Safety Commissioner is contingent on the passage of the Building and Construction Industry Improvement Bill 2003.

**Mature Age Workers — increasing participation rates**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Employment and Workplace Relations	-	-	-	-

The Government will provide \$12.1 million over four years to improve workforce participation by the mature aged.

A range of initiatives will be pursued to expand the information and assistance available to mature age job seekers and workers, and to employers. These initiatives will include seminars for mature age job seekers and employment service providers, projects targeting industries with the greatest capacity to employ mature age workers and action strategies for employers to retain mature age workers.

This measure will involve funding of \$3.1 million in 2004-05 and \$3 million per annum from 2005-06 to 2007-08. The cost is being fully absorbed from within the existing resourcing of the Department of Employment and Workplace Relations.

**Office of the Employment Advocate — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Employment and Workplace Relations	-	-	-	-

The Government will provide additional funding of \$0.7 million per annum to the Office of the Employment Advocate to meet increased Australian Workplace Agreement processing demands and to more effectively promote Australian Workplace Agreements.

The cost of this measure is being fully absorbed from within the existing resourcing of the Department of Employment and Workplace Relations.



## **ENVIRONMENT AND HERITAGE**

### **Climate Change Strategy**

The Government is committed to lowering Australia's greenhouse gas emissions in a manner that maintains Australia's strong and internationally competitive economy.

Funding of \$248.3 million will be provided over the period 2004-05 to 2007-08 to implement a range of new measures designed to reduce Australia's greenhouse gas emissions under the Government's Climate Change Strategy. This funding will be in addition to \$215.2 million over four years to maintain existing programmes administered by the Australian Greenhouse Office. The Strategy is designed to ensure that Australia remains on track to meet the 108 per cent Kyoto emission target in the period 2008 to 2012.

The Government has allocated \$30.7 million for scientific research to better understand and predict how future changes in Australia's climate will impact on our environment, communities and industry. Funding of \$27 million will foster the development of innovative low emissions technologies.

The strategy includes \$20.1 million for Australia to actively participate in various international fora.

Funding of \$178.0 million will be reallocated within the existing resources of the Australian Greenhouse Office, through a reprioritisation of funding from existing programmes, including the Greenhouse Gas Abatement Programme and the Alternative Fuels Conversion Programme. Revenue of \$2.7 million over four years will also result from the continued administration of the Mandatory Renewable Energy Target.

**Table 7: Climate Change Strategy — Summary of measures**

	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m
<b>EXPENSE</b>					
Action on energy efficiency	5.5	6.7	7.2	7.2	26.7
Challenge Plus - Industry Partnerships	6.7	6.9	8.8	8.8	31.3
Climate Change Science Programme	6.6	6.8	8.6	8.7	30.7
Continued administration of the Mandatory Renewable Energy Target	2.6	2.7	2.7	2.6	10.6
Emissions measurement and analysis	5.3	8.1	8.1	8.2	29.6
Local greenhouse action	2.5	3.2	3.6	3.8	13.2
Greenhouse action to enhance sustainability in regional Australia	3.7	4.9	5.4	5.4	19.5
Influencing international climate change policy	2.5	4.8	6.4	6.4	20.1
Low emissions technology and abatement	3.2	5.7	9.0	9.0	26.9
National Climate Change Adaptation Programme	2.3	3.6	4.0	4.2	14.2
Strategic national response	4.4	7.2	7.0	7.0	25.6
<b>Total expenditure</b>	<b>45.5</b>	<b>60.6</b>	<b>70.8</b>	<b>71.3</b>	<b>248.4</b>
Reprioritisation of existing funding	-42.1	-57.5	-49.3	-29.1	-178.0
<b>Net additional expenditure</b>	<b>3.4</b>	<b>3.2</b>	<b>21.5</b>	<b>42.2</b>	<b>70.4</b>
<b>RELATED REVENUE MEASURES(a)</b>					
Continued administration of the Mandatory Renewable Energy Target	0.5	0.6	0.7	0.9	2.7

(a) A positive number for revenue indicates an increase in the fiscal balance.

### Climate Change Strategy — action on energy efficiency

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	5.5	6.7	7.2	7.2

The Government will provide funding of \$26.7 million over four years to increase the uptake of cost-effective and technically proven energy efficiency opportunities across the economy.

The measure integrates and upgrades existing greenhouse energy efficiency measures, and will contribute to lowering Australia's greenhouse emissions signature. The Government will work with industry, business, the community and all levels of government to increase the uptake of cost-effective energy efficiency opportunities that will encourage reduced greenhouse emissions, reduce energy demand and improve Australia's competitiveness.

**Climate Change Strategy — Challenge Plus — Industry Partnerships**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	6.7	6.9	8.8	8.8

The Government will provide funding of \$31.3 million over four years to extend and strengthen the Greenhouse Challenge Programme.

Challenge Plus – Industry Partnerships is a voluntary programme that encourages business and industry to manage and report their greenhouse emissions. This measure will give Australia a world-leading voluntary programme that will promote reduced greenhouse emissions and provide more consistent reporting of emissions levels. Industry and business will have an opportunity to display their greenhouse credentials to potential customers, as well as an increased capacity to factor greenhouse risks and opportunities into planning and operational decisions.

**Climate Change Strategy — Climate Change Science Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	6.6	6.8	8.6	8.7

The Government will provide funding of \$30.7 million over four years to maintain Australia's world class expertise in climate change science.

Scientific knowledge is fundamental to the capacity of government, industry and the community to understand and respond to climate change. This measure will enhance understanding of the key drivers of climate change in Australia, improve modelling of climate variability and climate change, develop regional climate change projections and foster collaboration in international climate change research.

### Climate Change Strategy — continuing administration of the Mandatory Renewable Energy Target

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Office of the Renewable Energy Regulator	2.6	2.7	2.7	2.6
<i>Related revenue(a) (\$m)</i>				
Office of the Renewable Energy Regulator	0.5	0.6	0.7	0.9

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide an additional \$10.6 million over four years to the Office of the Renewable Energy Regulator to continue administration of the Mandatory Renewable Energy Target. The Office is a separate statutory authority within the Environment and Heritage Portfolio.

This measure will be partly offset through the continued collection of fees from industry participants in the Mandatory Renewable Energy Target scheme, amounting to \$2.7 million over four years.

### Climate Change Strategy — emissions measurement and analysis

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	5.3	8.1	8.1	8.2

The Government will provide funding of \$29.6 million over four years to fund the ongoing production of fundamental data and analysis to inform decision making on greenhouse policy.

Australia's ability to report domestically and internationally on emissions levels and trends is underpinned by robust emissions measurement and analysis. This measure ensures that Australia will be able to fulfil our international reporting commitments by providing ongoing funding for the National Greenhouse Gas Inventory, greenhouse projections and emissions analysis and a world class National Carbon Accounting System.

### Climate Change Strategy — local greenhouse action

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	2.5	3.2	3.6	3.8

The Government will provide funding of \$13.2 million over four years to engage local government and the community in identifying and implementing practical actions to reduce greenhouse gas emissions.

Australia's seven million households collectively produce one-fifth of Australia's total greenhouse emissions. This programme will help focus on reducing these emissions.

**Climate Change Strategy — greenhouse action to enhance sustainability in regional Australia**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	3.7	4.9	5.4	5.4

The Government will provide funding of \$19.5 million over four years to establish effective partnerships with industry, research organisations and the States to deliver greenhouse gas abatement improvements in agriculture and land management.

Agricultural and other land-based emissions contribute around one third of Australia's greenhouse emissions. In turn, these sectors can be particularly vulnerable to the potential impacts of climate change. This measure will provide funds to assist rural communities to reduce emissions from land-based sectors by helping land managers to measure and report on their greenhouse emissions, and by encouraging new abatement technologies.

**Climate Change Strategy — influencing international climate change policy**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	2.5	4.8	6.4	6.4

The Government will provide funding of \$20.1 million over four years to work towards a more comprehensive and effective global response to climate change consistent with Australia's national interests.

This measure will provide specialist technical, analytical and scientific advice to underpin Australia's active participation in international negotiations on climate change. Funding will support multilateral climate change negotiations and processes, help build the capacity of developing countries to take effective climate change action, and expand bilateral partnerships with key strategic countries.

**Climate Change Strategy — low emissions technology and abatement**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	3.2	5.7	9.0	9.0

The Government will provide funding of \$26.9 million over four years to encourage ongoing investment in the development, demonstration and deployment of low emission technologies, and other cost-effective abatement activities.

This measure supports cost-effective improvements in the efficiency of existing technologies and encourages the development of new low emissions technologies. A combination of competitive funding approaches and direct support will be used to leverage private sector investment.

**Climate Change Strategy — National Climate Change Adaptation Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	2.3	3.6	4.0	4.2

The Government will provide funding of \$14.2 million over four years to prepare Australian governments and vulnerable industries, communities and ecosystems to manage unavoidable consequences of climate change.

This measure will address the impacts and adaptation aspect of climate change. It provides national leadership and coordination on assessment of climate change impacts, and enables risks to be managed and opportunities to be captured through effective adaptation. Detailed assessments of the economic and social implications of climate change will be undertaken to identify and evaluate adaptation options for vulnerable industries and regional communities.

**Climate Change Strategy — strategic national response**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	4.4	7.2	7.0	7.0

The Government will provide funding of \$25.6 million over four years to coordinate greenhouse policy across Australian Government agencies, and between the different levels of government, as well as engaging with business, industry and the community.

This measure will support other elements of the Government’s Climate Change Strategy through the continued provision of whole-of-government advice on domestic greenhouse policy issues, and the provision of information and education programmes to promote awareness of climate change.

*Budget Measures 2004-05*

**Climate Change Strategy — reprioritisation of funding from existing programmes**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Greenhouse Office	-42.1	-57.5	-49.3	-29.1

Funding of \$178 million will be reallocated within the existing resources of the Australian Greenhouse Office to partially fund new measures designed to reduce Australia's greenhouse gas emissions. Programmes from which funding will be reprioritised include the Greenhouse Gas Abatement Programme and the Alternative Fuels Conversion Programme.

**Other measures in the Environment and Heritage portfolio**

**Great Barrier Reef — addressing Crown of Thorns Starfish outbreaks**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Great Barrier Reef Marine Park Authority	-	-	-	-

The Government will provide funding of \$0.3 million per annum for three years from 2004-05 for a programme to control the Crown of Thorns Starfish in the Great Barrier Reef. This measure matches the commitments of tourism operators and the Queensland Government to defend high-value tourist sites from further Crown of Thorns Starfish outbreaks.

The cost of this measure is being fully absorbed within the existing resourcing of the Natural Heritage Trust.

**Great Barrier Reef — Representative Areas Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Environment and Heritage	8.6	1.6	-	-
Great Barrier Reef Marine Park Authority	-	-	-	-
Total	8.6	1.6	-	-

The Government will provide total funding of \$23.4 million over three years for activities arising from the implementation of the Representative Areas Programme from 1 July 2004. The Representative Areas Programme will increase the size of 'no take' fishing areas from less than 5 per cent to 33 per cent of the Great Barrier Reef Marine Park to better protect the Reef and its biodiversity. More than half the cost of this measure (\$13.2 million over three years) is being fully absorbed from within the existing resources of the Natural Heritage Trust.

A structural adjustment package will be provided to assist eligible commercial fishers and others adversely affected by the implementation of the Representative Areas Programme. This will involve funding of \$8.6 million in 2004-05 and \$1.6 million in 2005-06. Eligibility criteria are being developed in consultation with the fishing industry and communities.

The Great Barrier Reef Marine Park Authority will undertake additional enforcement and compliance activities to implement the Representative Areas Programme at a cost of \$2.9 million in 2004-05, \$2.9 million in 2005-06 and \$3 million in 2006-07. The cost of this element is being fully absorbed within the existing resources of the Natural Heritage Trust.

The Government will also provide funding of \$2.2 million in 2004-05, \$1.9 million in 2005-06 and \$0.3 million in 2006-07 to educate and inform the public, tourists and industry about the new Representative Areas Programme. The cost of this element is being fully absorbed within the existing resources of the Natural Heritage Trust.

#### **Great Barrier Reef — water quality monitoring programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Great Barrier Reef Marine Park Authority	-	-	-	-

The Government will provide funding of \$2 million per annum for three years from 2004-05 to the Great Barrier Reef Marine Park Authority for the implementation of a water quality monitoring programme under the Great Barrier Reef Water Quality Protection Plan. The Plan addresses declining water quality in waterways entering the Reef.

The cost of this measure is being fully absorbed within the existing resourcing of the Natural Heritage Trust.

#### **Natural Heritage Trust Extension**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Environment and Heritage	-	-	-	300.0

The Government will provide \$300 million to extend the Natural Heritage Trust for a further year to 2007-08. The Natural Heritage Trust was established by the Australian Government in 1997 to invest in the restoration and conservation of Australia's environment and natural resources. This funding will increase the Government's total investment in the environment through the Natural Heritage Trust to \$3 billion.



*Budget Measures 2004-05*

**Protecting biodiversity**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Environment and Heritage	-	-	-	-

The Government has made provision in the contingency reserve for funding in 2003-04 for biodiversity initiatives in Queensland and South Australia. This funding builds upon the Government's existing commitments to protect biodiversity in Australia under the Natural Heritage Trust, and biodiversity in South-East Asia and the Pacific through the Regional Natural Heritage Programme.

**St George's and St Paul's Cathedrals — restoration**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Environment and Heritage	-	-	-	-

The Government will provide \$5.5 million in 2003-04 for the restoration of St George's Cathedral in Perth (\$3 million) and St Paul's Cathedral in Melbourne (\$2.5 million). This funding will support efforts to repair and preserve these heritage buildings. Funding for St Paul's Cathedral is in addition to funding of \$2.5 million provided in 2001-02.

## FAMILY AND COMMUNITY SERVICES

### Recognising the contribution of carers

Carers provide a great service to the community through supporting and caring for those with disabilities. The Government values this contribution and is providing an additional \$461 million to carers over five years from 2003-04 to 2007-08.

**Table 8: Recognising the contribution of carers — Summary of measures**

	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m
<b>Expense Measures</b>					
Payment of one-off bonus(a)	-	-	-	-	<b>255.0</b>
Expand eligibility criteria for Carer Allowance	10.3	29.6	32.1	34.8	<b>106.9</b>
Increased access to respite for older carers	8.2	19.0	22.5	22.9	<b>72.5</b>
Respite and information services for younger carers	4.0	7.4	7.6	7.7	<b>26.6</b>
<b>Total expense measures</b>	<b>22.5</b>	<b>56.0</b>	<b>62.2</b>	<b>65.4</b>	<b>461.0</b>

(a) Total includes \$255.0 million in 2003-04.

### Carers — payment of one-off carer bonus

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-	-	-	-

The Government will provide \$255 million in 2003-04 for a one-off lump-sum payment to eligible carers. A payment of \$1,000 will be made in June 2004 to carers in receipt of Carer Payment in recognition of their contribution in their role of carer to someone with a disability. Recipients of Carer Allowance will also receive a payment of \$600 in June 2004.

Carer Payment is an income tested income support payment paid to a person with limited other income who provides constant care for someone with a disability. Carer Allowance is not income tested and is an income supplement paid to people who live with, and provide daily care and attention to, a person (including children) with a disability.

**Carers — expand eligibility criteria for Carer Allowance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	10.3	29.6	32.1	34.8

The Government will provide \$106.9 million over four years to extend eligibility for Carer Allowance to carers who provide substantial levels of care but do not currently live with the person for whom they care. These carers provide personal care, on a daily basis, in a private home to people with a disability or a severe medical condition, or to aged people who are frail. The measure is expected to assist an additional 13,270 private carers.

The measure will maintain the current eligibility rules for assessing the care receiver's needs, and require the carer to provide at least 20 hours personal care per week. Personal care includes the provision of help with basic activities of daily living such as mobility, communication, hygiene and feeding.

**Carers — increased access to respite for older carers**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	8.2	19.0	22.5	22.9

The Government will provide \$72.5 million over four years, including \$1.0 million for administration, to increase access to respite for ageing parents caring for adult children with a disability. Under the measure, parents aged 70 years and over who provide primary care for a child with a disability will be entitled to up to four weeks respite a year, and parents aged between 65 and 69 who need to be hospitalised will be entitled to up to two weeks respite a year.

The Government will approach State Governments to provide the respite services under bilateral agreements to be negotiated under the Commonwealth State Territory Disability Agreement. The provision of funding from the Australian Government for this measure is conditional upon matching funds being provided by the States so the total cost of \$143.1 million associated with providing the services will be shared equally between the Australian Government and State Governments.

**Carers — respite and information services for younger carers**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	4.0	7.4	7.6	7.7

The Government will provide \$26.6 million over four years to fund respite and information services for young carers aged under 25 years.

The measure will provide up to five hours in-home respite care a week during school terms and up to two weeks of 24-hour respite care a year for up to 500 young carers. This will support young carers at risk of leaving education prematurely and not completing secondary or equivalent education.

The measure will also provide a range of information, referral and advice services to support young carers in managing challenges they may face as part of their caring role.

**A more flexible and adaptable retirement income system — assets test exemption for income streams**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	2.0	-25.7	-53.9	-86.6
Department of Veterans' Affairs	0.2	-2.3	-5.6	-9.9
Total	2.2	-28.0	-59.5	-96.5
<i>Related capital (\$m)</i>				
Centrelink	0.3	-	-	-
<i>Related revenue(a) (\$m)</i>				
Australian Taxation Office	-0.1	-0.2	-0.4	-0.5

(a) A negative number for revenue indicates a decrease in the fiscal balance.

The Government will change the treatment of certain income stream products in relation to payments made under the *Social Security Act 1991* and the *Veterans' Entitlements Act 1986*. These changes will provide greater choice for retirees in managing their financial affairs and make the retirement income system fairer by:

- providing a 50 per cent assets test exemption for a new non-commutable income stream product which provides returns linked to the investment market; and
- reducing the 100 per cent assets test exemption which is currently available to certain non-commutable purchased income streams to a 50 per cent exemption.

*Budget Measures 2004-05*

The measure is expected to lead to savings in income support payments of \$194.1 million over four years and will cost \$13.8 million over five years (including \$1.2 million in 2003-04) to administer. Capital funding will be provided to Centrelink to administer the changes.

The new non-commutable income stream product will be assessed for tax purposes against the higher superannuation reasonable benefit limit, at a cost to revenue of \$1.2 million over four years.

The changes will apply to income stream products purchased from 20 September 2004. The measure will not affect the assets test treatment of income stream products purchased before this date.

These changes are part of a broader package of measures to make the retirement income system more flexible and adaptable. The package includes largely offsetting revenue measures including the removal of the work test for superannuation contributions for people under the age of 65, and simplifying the superannuation guarantee notional earnings bases.

See also the related revenue measures titled *A more flexible and adaptable retirement income system* in the Treasury portfolio.

Further information can be found in the policy document *A More Flexible and Adaptable Retirement Income System* and in the press release of 25 February 2004 issued by the Treasurer.

**Auslan interpreting services — enhanced access**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	2.6	4.8	5.5	5.4

The Government will provide \$18.4 million over four years to meet the cost of providing accredited Auslan interpreter services to deaf people attending Medicare related consultations and certain specified private health consultations. This will include the establishment of a booking service to coordinate the Auslan interpreter services.

Provision of Auslan interpreters will assist communication between deaf people and health professionals. The exact range of services covered will be determined in consultation with representatives of the deafness sector.

**Bushfires — ex gratia assistance to certain income support recipients**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	0.3	-	-	-
Department of Veterans' Affairs	..	-	-	-
Total	0.3	-	-	-

The Government will provide \$0.5 million over two years (including \$250,000 in 2003-04) for ex gratia payments to support approximately 50 income support recipients whose homes were destroyed in the 2002-03 summer bushfires.

A significant proportion of the houses destroyed in the bushfires have not yet been rebuilt. Under the *Social Security Act 1991*, the value of the property owned by income support recipients is included in the assets test 12 months after the property ceases being their principal place of residence. The application of this legislative requirement would have reduced the amount of benefit provided to some income support recipients who lost their homes and have not yet rebuilt or purchased a new home.

The measure will effectively continue income support payments, unchanged, to eligible affected homeowners for up to a further 12 months, that is, until January 2005.

**Business services — security, quality services and choice for people with disabilities**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	21.5	22.2	25.1	30.3

The Government will provide up to an additional \$99.1 million over four years for an assistance package to improve the viability of business services for people with a disability (also known as sheltered workshops) at risk of closure.

The package will include a flexible funding pool to provide assistance targeted to the individual circumstances of business services. Assistance will be provided to services in line with recommendations from an independent business panel and will be tied to a business plan with targets and timeframes to improve business viability. The Government will also introduce a disallowable instrument under the *Disability Services Act 1986* that will provide scope for business services to phase in productivity based wages over a four year period.

This measure will help ensure that existing workers do not lose access to their place in a business service.

*Budget Measures 2004-05*

Further information can be found in the press release of 21 April 2004, issued by the Minister for Family and Community Services.

**Centrelink — assessment of income and assets held in trusts and private companies**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	9.3	10.8	12.2	13.5

The Government will provide funding of \$53.5 million over five years (including \$7.8 million in 2003-04) to enable Centrelink to undertake the timely assessment of income and assets held by social welfare recipients with trusts or private companies. The additional funding will allow Centrelink to manage a higher than anticipated number of people in these circumstances.

This measure is related to the Government's 2000-01 Budget initiative to better align the treatment of income and assets held in trusts and private companies with that of income and assets personally owned by individuals, for the purposes of the social security assets test.

The additional funding will help to ensure that the overall savings related to the original measure are realised. Significant additional savings are not anticipated due to the greater than expected number of low value trusts and companies that need to be assessed.

**Centrelink — call centre supplementation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	25.9	26.1	-	-

The Government will provide funding of \$67.4 million over three years (including \$15.4 million in 2003-04) to ensure Centrelink is able to meet anticipated demand arising from customers making increasing use of call centres and a trend towards more complex and longer calls.

This initiative will expand the capacity of Centrelink's call centre network by a further 1.95 million answered calls per annum.

**Centrelink — implementation of funding model**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	26.1	26.3	-	-
Department of Employment and Workplace Relations	-26.1	-26.3	-	-
Total	-	-	-	-

The Government is implementing a revised funding model for Centrelink. The model will involve considerably more detailed information on workload levels and programme delivery costs, providing greater transparency and accountability of Centrelink's funding.

The revised model will be introduced for services delivered by Centrelink on behalf of the Department of Family and Community Services, the Department of Employment and Workplace Relations, and the Department of Education Science and Training.

Under the model, Centrelink's infrastructure costs will be appropriated to the Department of Family and Community Services and a single payment made to Centrelink. This will involve a transfer of resourcing from the Department of Employment and Workplace Relations to the Department of Family and Community Services of \$26.1 million in 2004-05 and \$26.3 million in 2005-06.

**Child Support Agency — new funding agreement**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	6.9	10.5	13.9	19.6

The Government will provide an additional \$51 million over four years to enable the Child Support Agency to maintain its assistance to parents in meeting their responsibility for the financial support of their children after separation. This additional funding is expected to result in more reliable receipt of income for recipients of child support payments.

The increased funding will allow the Child Support Agency to provide services on behalf of a larger number of parents and children, with an expected average annual growth of 4.2 per cent in the number of cases to be handled. The additional funding is also required for an increasing number of complex cases such as non-wage and salary earners, non-lodgers of tax returns, and non-residents of Australia.



*Budget Measures 2004-05*

**Commonwealth Seniors' Health Card — Great Southern Rail service concession**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	0.4	0.4	0.5	0.6

The Government will provide \$2 million over five years (including \$0.1 million in 2003-04) to fund concessions for holders of the Commonwealth Seniors' Health Card who travel on the new Great Southern Rail service (The Ghan) from Alice Springs to Darwin. The extended rail link commenced services in February 2004.

This measure extends the Government's *Acknowledging Older Australians* package, announced in the 2001-02 Budget, that funded concessions to Commonwealth Seniors Health Card holders on Great Southern Rail services: The Overland, Indian Pacific and The Ghan.

**Compliance — continuation of data-matching measures to improve control of incorrect payment and fraud**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-1.4	-1.4	-1.5	-1.5

The Government will continue two elements of the 2000-01 Budget measure *Compliance Strategy – measures to improve control of incorrect payment and fraud – detection*. These elements provide for:

- data matching reviews and enhancement of data matching detection systems, including internal data matching with Rent Assistance customers, to improve detection of incorrect payments and quality of matches; and
- data matching with employment records held by the Department of Employment and Workplace Relations.

These measures returned savings of approximately \$30 million in 2002-03. Provision for the continuation of savings of this order and associated administrative costs of \$17.3 million over four years have already been included in the forward estimates.

The Government will discontinue a third element of the 2000-01 Budget measure. This element, which involved exchange of information from the public between the Australian Taxation Office and Centrelink tip-off recording systems, has not proven to be effective. Its termination will result in reduced administrative costs of \$7.9 million and a corresponding loss of compliance savings of \$2 million, leading to net savings of \$5.9 million over four years.

**Compliance — ‘Keeping the System Fair’ education campaign**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-26.2	-60.8	-63.0	-64.9

The Government will develop and implement a national multimedia education campaign to encourage income support recipients to notify Centrelink of any changes to their circumstances that could affect their entitlement to income support payments.

The measure will build on the 2002 campaign ‘Support the System that Supports You’. Research showed that this campaign had a positive impact on awareness, attitude and behaviour, and improved levels of compliance with obligations among Centrelink customers.

The measure is expected to lead to savings in social welfare payments of \$271.3 million and will cost \$56.4 million to administer, leading to net savings of \$214.9 million over four years.

**Compliance — Parenting Payment (Single) relationship status reviews**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	1.2	..	-2.6	-2.8

The Government will provide funding to Centrelink to undertake 20,000 face-to-face interviews each year of Parenting Payment (Single) recipients who notify a change of address. The interviews will seek to verify the relationship status of customers and ensure they meet their ongoing obligations to notify Centrelink of changes in circumstances.

This measure builds on current compliance arrangements and is expected to lead to savings in social welfare payments of \$2.4 million in 2005-06, \$4.8 million in 2006-07 and \$4.9 million in 2007-08 and will cost \$1.2 million in 2004-05, \$2.4 million in 2005-06, \$2.2 million in 2006-07 and \$2.2 million in 2007-08 to administer, leading to net savings of \$4.1 million over four years.

*Budget Measures 2004-05*

**Compliance reviews — expand data-matching**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-9.1	-16.4	-16.7	-17.1

The Government will undertake an additional 25,000 reviews each year of income support payments through data-matching between job placement records held by the Department of Employment and Workplace Relations and Centrelink customer records. This measure is an extension of the 2000-01 Budget measure, *Compliance Strategy: measures to improve control of incorrect payment and fraud – detection*.

This measure is expected to lead to savings in social welfare payments of \$71.1 million and will cost \$11.9 million to administer, leading to net savings of \$59.2 million over four years.

**Compliance reviews — improved service profiling**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	3.0	-26.5	-36.1	-36.9

The Government will undertake an additional 147,000 customer reviews from 2005-06 to ensure correct income support payments for recipients of Age Pension, Austudy, Disability Support Pension, Newstart Allowance, Parenting Payment (Partnered and Single) and Youth Allowance (Students and Unemployed).

The measure will assist in ensuring the correct payments to recipients by improving the targeting of reviews.

This measure is expected to lead to savings in social welfare payments of \$140.1 million and will cost \$43.6 million to administer, leading to net savings of \$96.5 million over four years.

**Family assistance — additional family day care places**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	21.3	21.7	22.2	22.7

The Government will provide \$94.3 million over five years (including \$6.3 million in 2003-04) to expand the number of family day care places by a total of 4,000 in 2004 and subsequent years. This increase includes 2,500 places that were provided from January 2004 as announced by the Minister for Children and Youth Affairs on 5 December 2003. It also includes a further 1,500 places to be available from July 2004.

Family day care providers care for children in a home environment and provide flexible care, including long day, part-time and casual care. Funding includes an operational subsidy for providers of the additional places and Child Care Benefit for eligible parents.

**Family assistance — additional outside school hours care places**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	34.6	32.2	27.6	28.0

The Government will provide \$125.6 million over five years (including \$3.3 million in 2003-04) to increase the number of outside school hours care places by a total of 40,000 in 2004 and subsequent years. This increase includes 10,000 places that were provided from January 2004 as announced by the Minister for Children and Youth Affairs on 5 December 2003. It also includes a further 30,000 places to be available from July 2004.

Outside school hours care provides quality care for school children before and after school, on pupil free days and during school holidays. Funding provided under this measure includes Child Care Benefit to be paid to eligible parents, funding for the establishment of new services, and subsidies to providers in disadvantaged areas to create additional places.

**Family assistance — additional playgroup services**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	3.3	3.6	3.6	3.9

The Government will provide \$14.9 million over five years (including \$0.5 million in 2003-04) to support approximately 4,200 additional playgroups.

*Budget Measures 2004-05*

Playgroups are community based initiatives involving parents, carers and their children who are under school age, meeting together regularly to share experiences and help their children learn through playing.

Further information can be found in the press release of 5 December 2003, issued by the Minister for Children and Youth Affairs.

**Family assistance — increased funding for the Child Care Support Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	4.0	4.0	4.1	4.2

The Government will provide additional funding of \$16.3 million over four years to enhance services provided through the Child Care Support Programme. This funding will improve access to child care for children with high support needs and increase support for rural, regional and Indigenous communities by establishing up to 13 new services in these areas.

The Child Care Support Programme (previously known as the Child Care Support Broadband) enhances access, affordability and quality in child care.

**Family assistance — Stronger Families and Communities Strategy — continuation of funding for a refocussed early childhood strategy**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-	-	-	-

The Government will provide \$267.5 million over four years to continue and refocus the Stronger Families and Communities Strategy as part of the previously announced families and communities package of \$365.8 million over four years. The Strategy will have an emphasis on improving childhood outcomes through funding programmes that support early intervention to help children and families where there is a strong likelihood that those children would not otherwise grow up in a stable and supportive environment.

The refocussed Strategy will comprise four components:

- Communities for Children — helping develop child-friendly communities that appreciate the importance of the early years and improve the health and wellbeing of families and the early development of young children.

- Early Childhood – Invest to Grow – providing for the development and implementation of proven early childhood and parenting programmes, especially those developed within the community.
- Local Answers – funding smaller, community-based projects which aim to build stronger families and communities.
- Choice and Flexibility in Childcare – improving the flexibility of child care to better meet the needs of families.

This measure involves funding of \$52.9 million in 2004-05, \$70.1 million in 2005-06, \$73.2 million in 2006-07 and \$71.3 million in 2007-08. Provision for this funding has already been included in the forward estimates.

This measure was announced as part of the funding for the Stronger Families and Communities Strategy in the Prime Minister’s press release of 7 April 2004. The overall package of \$365.8 million over four years includes continuing funding through Child Care Benefit for additional child care provided through the Strategy, and the Longitudinal Study of Australian Children announced in the 2000-01 Budget.

#### Household Organisational Management Expenses Advice Programme

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	2.7	2.5	2.6	2.6

The Government will provide \$10.4 million over four years to continue the Household Organisational Management Expenses Advice Programme.

This programme was initially established as the 2001-02 Budget measure *Family Homelessness Prevention and Early Intervention Pilots*. The programme provides support and early intervention for families at risk of homelessness.

**Household, Income and Labour Dynamics in Australia Survey — extended funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	1.2	6.7	7.2	7.8

The Government will provide \$22.9 million over four years for four additional waves of data collection as part of the *Household, Income and Labour Dynamics in Australia Survey*. The survey provides longitudinal data that helps researchers analyse the effects of social and economic policy changes on family and household formation, labour market and education participation, income and financial situations, and retirement preparation.

**Our Universities — exempt Commonwealth Learning Scholarships from social security income tests**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	2.7	5.0	7.3	9.0

The Government will provide funding of \$24.6 million over five years (including \$0.6 million in 2003-04) to provide additional assistance to holders of Commonwealth Learning Scholarships who receive income support payments. This initiative excludes the value of these Scholarships as assessable income for income testing purposes under the *Social Security Act 1991*.

**Our Universities — exempt fee-waiver and fee-pay scholarships from social security income tests**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	1.0	0.8	1.0	1.1
Department of Veterans' Affairs	0.1	0.1	0.1	0.1
Total	1.1	0.9	1.1	1.2

The Government will exempt the value of all fee-waiver and fee-pay scholarships offered in respect of the secondary, vocational education and training and higher education sectors from income testing under the *Social Security Act 1991*, and *Veterans' Entitlements Act 1986*, at a cost of \$5 million over five years (including \$0.6 million in 2003-04).

Fee-waiver scholarships are those where all or part of the cost of the fees and/or charges associated with a course of study are waived. Fee-pay scholarships are those where the institution or other entity pays fees on behalf of the student and the student has no discretion over the use of funds.

**Prime Minister’s Community Business Partnership**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-	4.3	4.3	4.3

The Government will provide \$12.9 million over three years to continue the Prime Minister’s Community Business Partnership until 2007-08. The Partnership comprises a group of leaders from the community and business sectors, appointed by the Prime Minister, to advise and assist the Government on issues concerning community business collaboration.

The aim of the Partnership is to develop and promote a culture of corporate and individual social responsibility within Australia, through advocacy, facilitation and recognition.

Provision for funding of \$4.3 million in 2004-05 has already been included in the forward estimates.

**Social security agreement with Ireland — revised agreement**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	..	..	..	..

The Government will seek to modify its social security agreement with Ireland to bring it into line with other social security agreements and to ensure it is consistent with disability support pension reforms within Australia since 1991.

The revised agreement is expected to have a negligible impact on expenses.



*Budget Measures 2004-05*

**Voluntary Work Initiative — continuation of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	-	-	-	-

The Government will continue to fund the *Voluntary Work Initiative – Payment to Voluntary Work Agencies*. The *Voluntary Work Initiative* assists the take-up and effectiveness of volunteer work among income support customers by providing assessment, referral and placement services for individuals, as well as training for organisations in volunteer management.

This measure will involve funding of \$1.7 million in 2004-05, \$1.8 million in 2005-06, \$1.8 million in 2006-07 and \$1.9 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Welfare Reform Consultative Forum — extension**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	0.8	0.2	-	-

The Government will provide an additional \$1 million to extend the Welfare Reform Consultative Forum for a further two years. The Forum provides community based advice to Government on welfare reform issues and assists the Government to monitor the implementation of the *Australians Working Together* package.

**Youth Allowance — waiver of certain debts**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	7.1	-	-	-

The Government has decided to waive certain Youth Allowance debts at a cost of \$9.2 million over two years (including \$2 million in 2003-04). Debts waived will be those created as a result of overpayments associated with manual reviews undertaken as part of the Parental Income Test linking initiative, in cases where:

- the person was receiving Youth Allowance at any time between 1 July 2002 and 26 April 2003, and was identified as incorrectly receiving a Parental Income Test exemption; and
- the parent/parents of the Youth Allowee actively notified Centrelink of a change in their own financial circumstances; and

- the debt arose because the Youth Allowee continued to receive a Parental Income Test exemption when, on the basis of the parent's notified change in circumstances, the exemption should not have applied; and
- the debt was raised in respect to any period between the dates of 1 July 1998 and 26 April 2003.

The waiver will apply from the date that the parent notified Centrelink of a change to their financial circumstances, and will cover the part of the debt that was accumulated when the Youth Allowance recipient was incorrectly receiving a Parental Income Test exemption.

This measure is related to the *Parental Income Test* initiative, announced in the 2002-03 Budget, which, from 26 April 2003, automatically links the records of parents on income support payments with those of their children who receive Youth Allowance.

## FINANCE AND ADMINISTRATION

### Asset sales — staffing and administrative costs

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	1.0	-	-	-

The Government will provide \$1 million in 2004-05 to enable the continuation of the programme of asset sales activities.

Consistent with previous practice, departmental expenses for the asset sales function are determined on an annual basis in the budget process.

### Australian Electoral Commission — improving the integrity of the electoral roll

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Electoral Commission	1.7	1.4	1.3	1.4
<i>Related capital (\$m)</i>				
<i>Australian Electoral Commission</i>	0.5	-	-	-

The Government will provide \$6.3 million (including \$0.5 million capital funding) over four years to enable the Australian Electoral Commission to improve the integrity of the electoral roll and election processes.

The funding will help implement the Government's response to the *Joint Standing Committee on Electoral Matters' Review of the Australian National Audit Office Report No. 42 of 2001-02, Integrity of the Electoral Roll*.

The Government's response to the Committee's report on the Integrity of the Electoral Roll was tabled in Parliament on 16 October 2003.

The capital funding will enhance the Australian Electoral Commission's information technology systems to support these activities.

**Australian Electoral Commission — maintaining core capability**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Electoral Commission	19.7	-8.0	-4.1	15.4

The Government will provide \$28.1 million over five years (including \$5.1 million in 2003-04) to enable the Australian Electoral Commission (AEC) to maintain its core capability to meet statutory obligations under the *Commonwealth Electoral Act 1918*, at a quality and standard expected by the Government and other key stakeholders.

This funding, in response to recommendations of the Resourcing Review that was jointly conducted by the Commission and the Department of Finance and Administration, is to address increased responsibilities and services by the Commission and new legislative requirements. These include increases in enrolments and in the number of eligible voters by over 30 per cent since 1984. The funding, taking into account efficiency gains achieved through the Review, will enable the AEC to better meet expectations of the public in relation to the provision of polling services, and of key stakeholders in maintaining the accuracy of the electoral roll and the provision of timely and accurate electoral results.

The funding reflects the AEC's cyclical pattern of expenditure, which is higher in election years and lower in non-election years.

**Defence capability proposals — establishment of an enhanced cost assessment capability**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	1.4	2.0	2.1	2.1

The Government will provide \$8.1 million over five years (including \$0.5 million in 2003-04) for the establishment of an enhanced cost assessment capability in relation to Defence capability proposals following the Government's decision on the report into the Review of Defence Procurement (the Kinnaird Report), announced on 18 September 2003.

The additional funding will enable the Department of Finance and Administration to take on a new role in the evaluation and quality assurance of the costs and financial risks associated with Defence capability procurement proposals. This role will be undertaken at the early stages of the capability development process to ensure that the costs and risks are properly addressed from the start, and to provide greater scrutiny over the procurement process as a whole.

*Budget Measures 2004-05*

Further details can be found in the press release by the Minister for Defence dated 18 September 2003.

**Government procurement arrangements relating to the Australia-United States Free Trade Agreement**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	5.9	6.8	5.5	6.0
Australian Government Information Management Office	-	-0.9	-0.9	-0.9
Total	5.9	5.9	4.6	5.1

The Government will provide additional funding of \$24.3 million over four years to implement policy and administrative changes to Australian Government procurement arrangements required by the pending Australia-United States Free Trade Agreement, which is expected to take effect from 1 January 2005.

This measure provides resources for the Department of Finance and Administration to set up and maintain a revised Australian Government procurement framework, including supporting systems, to incorporate the specific rules and procedures set out in the Government Procurement chapter of the Free Trade Agreement.

The Australian Government Information Management Office will return \$2.7 million over three years from 2005-06 to the budget as part of the transfer of its responsibilities for procurement information systems to the Department.

**Parliamentary entitlements — software**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	0.1	0.1	0.1	0.1

The Government will provide additional funding of \$0.5 million over four years to increase the software entitlements for parliamentarians from \$1,000 to \$1,500 per annum under the *Parliamentary Entitlements Act 1990*.

**Parliamentary superannuation changes**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	-1.1	-3.8	-4.3	-6.1
<i>Related revenue(a) (\$m)</i>				
<i>Department of Finance and Administration</i>	-0.2	-0.6	-0.6	-0.8

(a) A negative number for revenue indicates a decrease in the fiscal balance.

The Government has announced the closure of the Parliamentary Contributory Superannuation Scheme to new Members of Parliament (MPs) from the next election, and that it will be replaced with an accumulation scheme that attracts a Government contribution at the community standard rate of 9 per cent. The 9 per cent contribution will be paid to a complying superannuation fund (other than a self-managed superannuation fund) or retirement savings account chosen by the MP. This change will reduce the Government's expenses for Parliamentary superannuation by \$15.3 million over four years.

This change will also reduce revenue by \$2.2 million over four years because the Australian Government will no longer receive Parliamentary Contributory Superannuation Scheme member contributions from new MPs.

**Telstra and Australia Post superannuation changes**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	-377.0	-366.0	-353.1	-336.0

The Government will pay out its superannuation liabilities to the Telstra Superannuation Scheme and the Australia Post Superannuation Scheme, by making lump sum payments. This will replace the current quarterly instalments that commenced in 1990.

The lump sum payments will not affect the benefits of members of these superannuation schemes and will have no effect on the superannuation arrangements of Telstra and Australia Post employees who remained in the Commonwealth Superannuation Scheme.

The decision will result in a \$4.7 billion reduction in the Government's unfunded superannuation liability. Paying out the liabilities will reduce the Government's superannuation expenses as shown above. This will be partly offset by the financing costs associated with making the payments. Overall, there will be an improvement in the fiscal balance over the forward estimates period because the transaction pays out a high cost liability, with interest tied to the investment returns in these funds.

## FOREIGN AFFAIRS AND TRADE

### Australia-United States Free Trade Agreement — funding to facilitate negotiations

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	-	-	-	-

The Government provided funding of \$3.4 million in 2003-04 to facilitate negotiation of the Australia-United States Free Trade Agreement (AUSFTA).

The funding enabled the Government to host a number of Congressional delegations to help build up support for the AUSFTA. Funding was also provided to retain United States legal counsel to provide legal advice on the implications of various aspects of the AUSFTA under United States law.

### Nauru — maintenance of a temporary Consulate-General

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	0.6	-	-	-

The Government will provide \$0.6 million to continue Australia's diplomatic presence in Nauru in 2004-05. The operation of the temporary Australian Consulate is in accordance with the commitment made in the Memorandum of Understanding with the Government of Nauru in relation to the accommodation of unauthorised boat arrivals.

### Pacific Islands Forum Secretariat

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Agency for International Development	-	-	-	-

The Government will provide an additional \$1.0 million to the Pacific Islands Forum Secretariat to help implement the reform agenda agreed by Forum leaders, based on the report of an Eminent Persons' Group. The Eminent Persons' Group stressed the need to pool scarce regional resources, to restructure the Secretariat and to focus the Forum's attention on the key issues of governance, security, economic growth and sustainable development.

This measure is being fully absorbed within the existing resourcing of the Australian Agency for International Development, and is in addition to Australia's annual funding to the Secretariat.

### Papua New Guinea deployment

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	146.2	170.3	168.2	169.7
Australian Agency for International Development	-	-	-	-
Total	146.2	170.3	168.2	169.7
<i>Related capital (\$m)</i>				
<i>Australian Federal Police</i>	1.1	17.6	0.5	0.5

The Government will provide \$1.056 billion over five years (including \$122.5 million in 2003-04) for the deployment of personnel to assist Papua New Guinea in the areas of policing, law, justice, economic reform and border management under the Enhanced Cooperation Programme. This programme was announced by the Government at the Australia-PNG Ministerial Forum in December 2003.

This measure provides \$766.3 million (including capital funding of \$49.4 million) over five years to the Australian Federal Police to provide management, infrastructure and capacity building assistance to the Royal Papua New Guinea Constabulary. The capital funding will provide the Australian Federal Police with the equipment necessary to fulfil their capacity building role.

This measure includes funding of \$289.6 million over five years (\$30.2 million in 2003-04, \$67 million in 2004-05, \$64.1 million in 2005-06, \$64.1 million in 2006-07, and \$64.1 million in 2007-08) which will be absorbed from within the existing resources of the Australian Agency for International Development. This funding will provide for the deployment of Australian economic, fiscal, justice and border control officials to strengthen fiscal, economic and law and justice governance in Papua New Guinea.



**Solomon Islands — Regional Assistance Mission**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Federal Police	93.9	-	-	-
Australian Agency for International Development	66.7	-	-	-
Department of Foreign Affairs and Trade	4.5	-	-	-
Total	165.1	-	-	-

The Government will provide \$165.1 million in 2004-05 for its continuing programme of assisting the Solomon Islands Government in the restoration of law and order and to support broad ranging reforms in the Solomon Islands. These reforms are aimed at strengthening legal and economic institutions and re-building the Solomon Islands' economy to underpin improved standards of living.

Australia's commitment includes contributions from the Australian Agency for International Development, the Department of Foreign Affairs and Trade and the Australian Federal Police. Personnel from the Department of Finance and Administration and the Treasury have also been deployed to assist in budget stabilisation and the economic recovery of the Solomon Islands. These personnel have been funded through Australian Agency for International Development for these activities.

**Trade facilitation — New Opportunities — New Exporters Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Trade Commission	1.7	1.5	1.5	1.4

The Government will provide \$19.6 million over four years to help Australian exporters to capitalise on the emerging trade opportunities arising from the conclusion of Free Trade Agreements with Singapore, Thailand and the United States as well as China's accession to the World Trade Organisation.

The Government will provide the Australian Trade Commission additional funding of \$6.1 million over four years to meet the cost of this measure. The remaining expenses (\$13.5 million over four years) will be absorbed from within the existing resourcing of the Australian Trade Commission.

## **HEALTH AND AGEING**

### **Investing in Australia's Aged Care — More Places, Better Care**

The Government will provide \$2.2 billion over five years for a range of measures in response to the recommendations of the Hogan Review of Pricing Arrangements in Residential Aged Care.

Professor Hogan found that the residential aged care sector required structural reform to become more efficient and to ensure its long-term financial sustainability. He recommended a number of measures to alleviate short-term financial pressures, especially in the areas of workforce, quality of care and capital raising. The Government's initial response, being announced in the Budget, addresses the short-term issues identified by Professor Hogan and puts in place a number of reforms that are necessary to enable future efficiency gains.

The Government will consider further reforms in response to Professor Hogan's recommendations about longer term issues in the lead-up to the 2005-06 Budget.

**Table 9: Investing in Australia's Aged Care — Summary of measures**

	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m
<b>EXPENSE MEASURES</b>					
<b>Health and Ageing</b>					
<i>Department of Health and Ageing</i>					
Funding improved standards of accreditation(a)	-	-	-	-	<b>513.3</b>
Conditional Adjustment Payment	69.3	147.1	226.2	317.5	<b>760.1</b>
Better skills for better care	8.9	17.7	18.1	18.4	<b>63.1</b>
Building better aged care homes	104.9	96.0	88.5	83.4	<b>372.8</b>
More aged care places	-	-	38.7	32.3	<b>71.0</b>
Improving assessment	10.1	15.0	11.2	11.4	<b>47.7</b>
Streamlining administration for better care	9.9	15.1	20.4	16.5	<b>61.9</b>
Additional funding for aged care standards and accreditation agency	-	-	6.1	4.8	<b>10.9</b>
Enhanced consumer information and protection	2.0	0.3	0.3	0.3	<b>2.8</b>
New supplements for residents with dementia who have challenging behaviours and with complex palliative care needs	-	-	-	-	-
More funding for Aboriginal and Torres Strait Islander Flexible Services	1.5	2.7	2.9	3.1	<b>10.3</b>
Strengthening culturally appropriate aged care for established culturally and linguistically diverse communities	2.1	3.1	3.2	3.3	<b>11.6</b>
Implementation and communication	9.3	2.1	1.4	1.5	<b>14.3</b>
<b>Education, Science and Training</b>					
<i>Department of Education, Science and Training</i>					
Better skills for better care	5.2	8.5	11.3	13.4	<b>38.4</b>
<b>Veterans' Affairs</b>					
<i>Department of Veterans' Affairs</i>					
Conditional Adjustment Payment	11.8	25.5	39.5	55.6	<b>132.4</b>
Building better aged care homes	18.5	16.9	15.6	14.7	<b>65.7</b>
More aged care places	-	-	-4.6	-7.9	<b>-12.5</b>
Streamlining administration for better care	0.7	1.4	1.4	1.6	<b>5.1</b>
<b>Total expense measures</b>	<b>254.1</b>	<b>351.6</b>	<b>480.0</b>	<b>569.8</b>	<b>2,168.7</b>
<b>CAPITAL MEASURES</b>					
<b>Health and Ageing</b>					
<i>Department of Health and Ageing</i>					
Improving assessment	-	0.2	-	-	<b>0.2</b>
Streamlining administration for better care	5.6	4.7	4.6	-	<b>14.9</b>
Enhanced consumer information and protection	0.2	-	-	-	<b>0.2</b>
<b>Total capital measures</b>	<b>5.8</b>	<b>4.9</b>	<b>4.6</b>	<b>0.0</b>	<b>15.3</b>
<b>Total additional expenditure</b>	<b>259.8</b>	<b>356.4</b>	<b>484.7</b>	<b>569.8</b>	<b>2,184.0</b>

(a) This is a one-off payment in 2003-04.

**Investing in Australia's Aged Care — funding improved standards of accreditation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide funding of \$513.3 million in 2003-04 for a one-off grant to providers of \$3,500 per aged care resident. This grant is in recognition of the forward plan for improved safety and building standards for aged care homes developed and agreed with industry, and in particular the improved fire safety requirements.

**Investing in Australia's Aged Care — Conditional Adjustment Payment**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	69.3	147.1	226.2	317.5
Department of Veterans' Affairs	11.8	25.5	39.5	55.6
Total	81.0	172.6	265.7	373.2

The Government will provide \$892.5 million over four years to improve the viability of aged care services.

Funding of \$877.8 million over four years will be used to pay providers a Conditional Adjustment Payment of 1.75 per cent in 2004-05 and increasing by 1.75 per cent annually thereafter to an increase of 7 per cent by 2007-08, in line with the recommendations of the Review of Pricing Arrangements in Residential Aged Care. This payment will be on top of the recurrent basic subsidy for care currently around \$30,500 for the average subsidy. This new payment will be in addition to normal indexation and will be conditional on providers making audited financial statements publicly available, participating in a periodic workforce census and encouraging staff training.

Funding of \$14.8 million over four years will be used to increase the viability supplement paid to small service providers, mainly in rural and remote areas, given their lower capacity to generate income and capital.

**Investing in Australia's Aged Care — better skills for better care**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	8.9	17.7	18.1	18.4
Department of Education, Science and Training	5.2	8.5	11.3	13.4
<b>Total</b>	<b>14.2</b>	<b>26.2</b>	<b>29.4</b>	<b>31.8</b>
<i>Related capital (\$m)</i>				
Department of Education, Science and Training	-	-	-	-
<i>Related revenue(a) (\$m)</i>				
Department of Education, Science and Training	-	..	0.1	0.1

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide \$101.4 million over four years to enhance opportunities for educational training for a range of direct care workers in the residential aged care industry.

The funding will provide for an additional 8,000 Workplace English Language and Literacy training places, 15,750 vocational education and training places and up to 5,250 places for medication management training. The funding will also provide for an additional 400 undergraduate nurse training places in 2005 growing to 1094 over the four years. The funding for vocational education and training and medication management training places will be provided to eligible aged care providers to purchase the training directly.

Under accepted accounting practice, the amount loaned to students under the Higher Education Loans Programme (HELP) is treated as a financial asset and therefore does not impact on the fiscal balance. Payment by students of the indexation component under HELP is treated as interest revenue and impacts on the fiscal balance from 2005-06.

**Investing in Australia's Aged Care — building better aged care homes**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	104.9	96.0	88.5	83.4
Department of Veterans' Affairs	18.5	16.9	15.6	14.7
Total	123.4	113.0	104.1	98.1

The Government will provide \$438.6 million over four years to increase the payment it makes on behalf of residents who cannot afford to contribute to the cost of accommodation. The maximum rate of the concessional resident supplement will be increased to \$16.25 per day to match the new maximum rate of the accommodation charge that providers will be able to charge new non-concessional residents entering high care. The rates of transitional and respite supplements will also be increased. The five-year limit on accommodation charges will be abolished for new residents.

The increased concessional resident supplement and the increased accommodation charge will assist providers meet new and existing capital requirements. This approach to capital raising will help move the sector to a more financially secure future in the long-term.

**Investing in Australia's Aged Care — more aged care places**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	38.7	32.3
Department of Veterans' Affairs	-	-	-4.6	-7.9
Total	-	-	34.1	24.4

The Government will provide \$58.4 million over two years from 2006-07 to increase the aged care planning ratio for the provision of aged care places to 108 operational places for every 1,000 people aged 70 years and over. The current ratio is 100 places.

This measure will also change the current balance of aged care places to 40 high care residential places, 48 low care residential places and 20 Community Aged Care Packages per 108 places from the existing ratio of 40 high care, 50 low care and 10 community care places. While 48 out of the 108 places are allocated for low care, these can be used for ageing in place. Currently, 62 per cent of all residential places are used for high care. The change in the mix of aged care places responds to the preference of older Australians to remain in their own homes for as long as possible.

**Investing in Australia's Aged Care — improving assessment**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	10.1	15.0	11.2	11.4
<i>Related capital (\$m)</i>				
<i>Department of Health and Ageing</i>	-	0.2	-	-

The Government will provide \$47.9 million (including \$0.2 million capital funding) over four years to enhance the capability of Aged Care Assessment Teams as well as to develop and to implement common arrangements for aged care programmes.

Aged Care Assessment Teams will conduct more assessments, thus improving the timeliness of assessments. Aged Care Assessment Teams will also be more involved in case management.

Funding will be provided for the development and implementation of common assessment processes, eligibility requirements, standards of service provision and performance monitoring processes for aged care programmes. This will establish more streamlined arrangements for these programmes.

**Investing in Australia's Aged Care — streamlining administration for better care**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	9.9	15.1	20.4	16.5
Department of Veterans' Affairs	0.7	1.4	1.4	1.6
Total	10.6	16.5	21.8	18.1
<i>Related capital (\$m)</i>				
<i>Department of Health and Ageing</i>	5.6	4.7	4.6	-

The Government will provide \$81.9 million (including \$14.9 million capital funding) over four years to streamline administration for better care.

From 1 July 2004, an Aged Care Assessment Team assessment will no longer be required when a resident ages in place from low to high care within the same home. Funding of \$29.2 million over four years will be provided to strengthen the arrangements for classification reviews undertaken by the Department of Health and Ageing. This will improve the capacity to identify incorrect funding classifications. The Resident Classification Scale will be rationalised from eight levels to three (high, medium and low) from 2006. Existing residents will remain in their current classification until they require a higher level of care.

The Government will provide funding of \$33 million (including \$14.9 million capital funding) over four years to introduce an e-commerce platform for the residential aged care payment system. This will reduce paperwork for providers and increase efficiency in the information exchange between the Government and aged care service providers.

The Government will also provide \$14.6 million over four years for Centrelink to assess the assets of prospective residents in order to determine their eligibility for concessional supplements. Currently this assessment is done by residential aged care providers, so this measure will ensure consistency in the determination of concessional status, as well as alleviate the administrative burden on providers. Funding of \$5.1 million over four years will be provided to the Department of Veterans' Affairs to assess the assets of veterans entering residential aged care.

#### **Investing in Australia's Aged Care — additional funding for the Aged Care Standards and Accreditation Agency**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	6.1	4.8

The Government will provide \$36.3 million over four years to ensure that the Aged Care Standards and Accreditation Agency is appropriately resourced to maintain the current levels of monitoring and accreditation activity for around 3,000 aged residential care facilities.

The additional resourcing will allow the Agency to record a breakeven position. The impact on the fiscal balance shown in the table above is less than the total resourcing provided in 2004-05 and 2005-06 because the Agency was already projecting losses in these years.

#### **Investing in Australia's Aged Care — enhanced consumer information and protection**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	2.0	0.3	0.3	0.3
<i>Related capital (\$m)</i>				
<i>Department of Health and Ageing</i>	0.2	-	-	-

The Government will provide \$3 million (including \$0.2 million capital funding) over four years to improve the level of market information and protections provided for residents of residential aged care homes.



*Budget Measures 2004-05*

An internet-based information service as well as a 'star rating' system will be developed to provide consumers with better information on the quality of care in aged care homes, as well as information on fees and services.

Funding will also be provided to establish industry-funded arrangements to provide security for aged care accommodation bonds should a residential aged care provider no longer be in a position to meet its liabilities.

This measure also allows for the indexation of accreditation fees paid to the Aged Care Standards Accreditation Agency.

**Investing in Australia's Aged Care — new supplement for residents with dementia exhibiting challenging behaviours and with other complex palliative care needs**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will introduce two new care supplements, one for residents with dementia exhibiting challenging behaviours and the other for residents with other complex palliative care needs. This will ensure that resources available for subsidising care are better targeted to residents' care needs.

The cost of this measure will be absorbed from within existing resources.

**Investing in Australia's Aged Care — more funding for Aboriginal and Torres Strait Islander Flexible Services**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.5	2.7	2.9	3.1

The Government will provide \$10.3 million over four years to improve the quality of residential aged care provided by Aboriginal and Torres Strait Islander Flexible Services.

The funding will allow for the payment of viability support payments to these services for the first time. It also includes an amount equivalent to the Conditional Adjustment Payment and the increase in concessional supplements that are part of the Government's response to the Review of Pricing Arrangements in Residential Aged Care and which the Flexible Services would have received if they were funded under the *Aged Care Act 1997*.

**Investing in Australia's Aged Care — strengthening culturally appropriate aged care for established culturally and linguistically diverse communities**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	2.1	3.1	3.2	3.3

The Government will provide \$11.6 million over four years for the funding of aged care support services to established migrant communities.

Services to these communities are currently provided through the Community Settlements Services Scheme in the Department of Immigration, Multicultural and Indigenous Affairs and the Ethnic Aged Services Grants Programme in the Department of Health and Ageing. These services will be consolidated into a new programme in the Department of Health and Ageing, consistent with the Department's responsibility for aged care services. This initiative responds to the Report of the Review of Settlement Services and the Report of the Review of Pricing Arrangements in Residential Aged Care.

**Investing in Australia's Aged Care — implementation and communication**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	9.3	2.1	1.4	1.5

The Government will provide \$14.3 million over four years to support the implementation of the Government's response to the Review of Pricing Arrangements in Residential Aged Care and to ensure that clear information about the impact of changes to residential aged care policy and programmes is available to aged care providers and older Australians and their families.

## Other measures in the Health and Ageing portfolio

### Aged and Community Care — implementation of a quality assurance framework for community care and respite care

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	3.6	3.2	3.3	3.5
<i>Related capital (\$m)</i>				
Department of Health and Ageing	0.1	-	-	-

The Government will provide \$13.7 million (including \$0.1 million capital funding) over four years to implement a Quality Assurance framework for the Community Aged Care Packages, Extended Aged Care at Home and National Respite for Carers programmes.

Under these programmes, the Government provides community-based care services to over 100,000 frail elderly Australians to enable them to stay in their homes as an alternative to entering residential care. This measure puts in place a system to ensure that the care provided to these Australians is maintained at a high quality.

### Aged Care — continuation of simpler income-testing of residential aged care

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	-	-	-	-
Department of Health and Ageing	-	-	-	-
Total	-	-	-	-

The Government will provide \$14.7 million over four years to continue simplified income testing processes for residential aged care.

This initiative has simplified and reduced the paperwork burden for residents, families and service providers by moving from daily assessment of fees to a system of quarterly reviews of income-tested fees. The expenditure involved reflects increased subsidies as a result of the simpler income-testing arrangements.

This measure will involve funding of \$3.6 million in 2004-05, \$3.6 million in 2005-06, \$3.7 million in 2006-07 and \$3.8 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Aged Care — continue the subsidisation of the accreditation fees for small residential aged care facilities**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-1.2	-0.1	-1.9	-1.4

The Government will provide \$1.8 million over four years to continue assisting small aged care homes (including those in rural and remote Australia) to meet costs associated with accreditation. A tapered fee subsidy is available to facilities with between 20 and 25 residents, while the full cost of accreditation fees is paid for facilities with 19 places or less.

This measure will involve funding of \$0.1 million in 2004-05, \$1.3 million in 2005-06, \$0.2 million in 2006-07 and \$0.1 million in 2007-08. Provision for this funding has already been included in the forward estimates.

An additional amount of \$4.6 million was also included in the forward estimates for this programme but is no longer required due to decreased estimates. The decrease in estimates is due to restructuring in the aged care industry leading to a trend to larger facilities, as well as a greater proportion of homes receiving three year accreditation.

**Aged Care — ensuring quality care for residents**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$12.7 million over four years to continue ensuring the quality of care for residents of aged care facilities.

A national network of specialised investigators has been established to investigate possible shortcomings and complaints relating to the standards of care in residential aged care facilities. This will help ensure that providers deliver a minimum acceptable standard of care to residents and that complaints are promptly investigated and resolved.

This measure involves funding of \$3.1 million in 2004-05, \$3.2 million in 2005-06, \$3.2 million in 2006-07 and \$3.2 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Aged Care — Office of the Commissioner for Complaints**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will continue to support the independent oversight of the Aged Care Complaints Resolution Scheme by a Commissioner for Complaints to help maintain community confidence in the Scheme.

The cost of this measure will be fully absorbed from within the existing resourcing of the Department of Health and Ageing.

**Avian Influenza — enhancement of diagnostic and research capacity**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	2.5	0.5	0.5	0.5

The Government will provide \$3.9 million over four years for the enhancement of the World Health Organisation Collaborating Centre for Reference and Research on Influenza. This measure will ensure Australia is better prepared to respond to and manage an avian influenza (bird flu) health emergency, or other similar emergency, through high-level specialised influenza reference laboratory facilities.

The funding will be used to upgrade the facility to ensure the biosecurity of dangerous influenza viruses, making this the only WHO reference laboratory with this capacity in the southern hemisphere.

**Avian Influenza — information for arriving passengers and health care professionals**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$1.9 million in 2003-04 for an information and education programme targeted at arriving passengers and health care professionals to increase awareness of the threat of avian influenza (bird flu). This will include the development and production of information in a range of languages to be available to passengers arriving in Australia from affected countries.

This programme will help to ensure that any cases of the influenza are identified quickly.

**Avian Influenza — purchase of protective and monitoring equipment**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	2.1	-	-	-
<i>Related capital (\$m)</i>				
<i>Department of Health and Ageing</i>	-	-	-	-

The Government will provide \$4 million over two years (including \$1.9 million capital funding in 2003-04) to purchase equipment to enhance Australia's readiness to respond in the event of an avian influenza (bird flu) outbreak.

Thermal imaging equipment will be purchased to scan incoming arrivals to Australia as part of a strategy aiming to prevent or slow the potential spread of a pandemic strain of influenza into Australia. The short incubation period of influenza makes thermal screening a potentially effective tool in identifying carriers in the early stages of the disease.

This measure will also allow for the purchase of rapid diagnostic kits which would be used to quickly assess travellers with symptoms of influenza or a detected fever.

The capital funding will provide border workers and poultry workers with disposable protective masks in the case of an avian influenza pandemic or similar health emergency. Border workers will also be provided with a one-month supply of necessary personal protective equipment (such as goggles and gowns) for use in the event of a suspected outbreak of avian influenza.

See also the related expense measure *Avian Influenza – enhanced quarantine arrangements* in the Agriculture, Fisheries and Forestry portfolio.

**Bali Terrorist Attacks — assistance to States and Territories for the initial treatment of victims**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$3.5 million in 2003-04 to New South Wales, Victoria, Queensland, South Australia and Western Australia to assist in meeting the substantial public hospital costs of treating patients following the bombing in Bali, Indonesia on 12 October 2002.

### *Budget Measures 2004-05*

Provision for these payments was made in the Contingency Reserve in the 2003-04 *Mid-Year Economic and Fiscal Outlook* as part of the measure *Bali Terrorist Attacks - assistance to States and Territories for the initial treatment of victims*. These payments are in addition to the \$1.3 million provided previously to the Northern Territory.

#### **Cochlear implant upgrades — increased funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	2.4	1.7	1.7	1.8

The Government will provide an additional \$7.6 million over four years to improve children's access to Cochlear implant speech processor upgrades.

This funding will enable Australian Hearing to improve the health and developmental opportunities of children with severe to profound sensorineural hearing loss or nerve deafness. Funding in 2004-05 will provide for an additional 330 upgrades, substantially reducing the current waiting list. Funding in subsequent years will provide for up to 230 additional upgrades annually.

#### **Consumer and Community Involvement in Influencing Health Decisions Programme — continuation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$9.7 million over four years to the Consumer and Community Involvement in Influencing Health Decisions Programme. This programme enables the community's expectations and concerns about health and the health system in general to be identified and tracked over time. It consists of a market research programme to identify and track consumer expectations and experiences of the health system, as well as a triennial National Health Survey conducted by the Australian Bureau of Statistics.

This measure will involve funding of \$2.4 million in 2004-05, \$2.4 million in 2005-06, \$2.4 million in 2006-07 and \$2.5 million in 2007-08. Provision for this funding is already included in the forward estimates.

**Diagnostic products — revised purchasing arrangements**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
National Blood Authority	-	-1.8	-1.8	-1.8

From 1 July 2005, the Government will move to a competitive market for the supply of diagnostic products used to determine blood type and antibody status for blood transfusions and other purposes.

The move will introduce a competitive environment that will allow end-users such as public and private laboratories and research and teaching institutions to purchase diagnostic products from the provider of their choice. While the products will no longer be provided free of charge, public sector end-users will receive an ongoing subsidy for their purchase.

This measure is expected to lead to savings of \$5.3 million over three years as well as more efficient use of products and reduced wastage. The States will realise savings of \$1 million per annum in line with cost-sharing arrangements in place under the National Blood Agreement.

**Divisions of General Practice — continued funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$302.4 million over four years to continue funding the Divisions of General Practice network (the Divisions network). The object of the Divisions network is to promote the health and wellbeing of Australians, while also acting as one of Australia's largest representative voices for GPs.

The measure will involve funding of \$73.4 million in 2004-05, \$74.8 million in 2005-06, \$76.3 million in 2006-07 and \$77.9 million in 2007-08. Provision for this funding is already included in the forward estimates.



*Budget Measures 2004-05*

**Food Safety — OzFoodNet**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.0	1.0	1.0	1.0

The Government will provide \$4 million over four years to fund the operation of OzFoodNet, Australia's national system for the surveillance of food-borne illness. OzFoodNet provides a mechanism to detect concurrent events of food-borne illness across the nation that otherwise may not attract significant attention or be recognised nationally until they had developed into a major incident. The result should be earlier warning and response in the event of any outbreak of food contamination.

**Food Standards Australia New Zealand — continuation of additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$26.4 million over four years to continue higher resourcing for Food Standards Australia New Zealand to enable it to continue to effectively manage current and emerging food regulatory issues. Food Standards Australia New Zealand work includes safety assessment of, and approvals for, genetically modified food and other novel food products; management of therapeutic products in foods; allergen and nutritional labelling on food; and risk assessments for imported foods.

This measure will involve funding of \$6.6 million in each year from 2004-05 to 2007-08. Provision for this funding has already been included in the forward estimates.

**GP services — improving after-hours access**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.6	1.6	1.7	1.7
<i>Related capital (\$m)</i>				
<i>Health Insurance Commission</i>	0.1	-	-	-

The Government will provide exemptions from subsection 19(2) of the *Health Insurance Act 1973* on a case-by-case and time limited basis to allow up to 10 after-hours GP clinics to be set up with assistance from the States. This will improve access to after-hours GP services and reduce pressure on hospital emergency departments.

The clinics may be co-located with a public hospital or set up as stand-alone clinics. The services provided will be eligible for Medicare Benefits Schedule rebates.

The exemptions will be assessed against a range of criteria including the level of after-hours services currently provided within a reasonable geographic proximity of the proposed GP clinic.

To date, four clinics have been approved for operation in Western Australia. The estimated cost of these four clinics is \$6.9 million over five years (including \$0.1 million in 2003-04) including \$0.1 million in related capital for the Health Insurance Commission. Provision for the cost of a further six clinics has been made in the Contingency Reserve, but the final costs will not be known until applications have been received and assessed.

#### **Health Insurance Commission — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Health Insurance Commission	30.0	27.8	32.0	35.6

The Government will provide \$125.4 million over four years to the Health Insurance Commission (HIC) to ensure it is appropriately resourced to continue to deliver a range of health and family service programmes.

The requirement for additional funding for HIC was identified by an extensive activity-based costing and benchmarking review conducted by the Department of Finance and Administration, the Department of Health and Ageing and HIC. In addition to providing additional funding, the Government has put in place a range of governance measures to ensure that HIC remains on a financially sustainable footing in the future.

As part of the review, HIC also identified that it no longer requires \$36.1 million in capital funding over two years (including \$22 million in 2003-04) to complete its Business Improvement programme and has reduced its estimates appropriately.

Of the \$125.4 million to be provided, provision of \$54.2 million was made in the Contingency Reserve in the 2003-04 Budget for the expected impact of the review from 2004-05 onwards.

*Budget Measures 2004-05*

**Human cloning and research involving human embryos — legislative reviews**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.7	0.5	-	-

The Government will provide \$2.2 million over two years to fund reviews of the *Prohibition of Human Cloning Act 2002* and the *Research Involving Human Embryos Act 2002*.

These reviews are a statutory requirement of both Acts and must commence as soon as possible after 19 December 2004 and be completed within 12 months. The outcome of the reviews will inform the Government's policy on human cloning and the regulation of research involving human embryos.

**Inborn errors of metabolism — grant for high cost special foods**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$11.8 million over four years to continue to assist people with inborn errors of metabolism to purchase high cost special foods.

This measure will involve funding of \$2.9 million in 2004-05, \$2.9 million in 2005-06, \$3 million in 2006-07, and \$3.1 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Kids Help Line — assistance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$2 million in 2003-04 to allow the Kids Help Line service to recruit and train more volunteers and maintain its infrastructure.

The Kids Help Line is a non-profit organisation providing telephone and online counselling services for children and young people in need. Funding to recruit and train more volunteers will assist with the effective delivery of the Kids Help Line's 24-hour-a-day, seven-day-per-week service.

**Life Saving Drugs Programme — treatment of Fabry's disease**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	10.4	10.3	10.3	10.3

The Government will add Fabrazyme and Replagal to the Life Saving Drugs Programme for the treatment of Fabry's disease at a cost of \$41.3 million over four years. These additions to the programme, which will come into effect from 1 July 2004, will provide free access to eligible patients. Treatment costs are greater than \$300,000 per year in some cases.

Fabry's disease is a rare inherited enzyme deficiency that leads to widespread disruption of tissues and organs, causing significant morbidity and reduction in lifespan. These additions to the programme are in response to recommendations made by the Pharmaceutical Benefits Advisory Committee, which determined that Fabrazyme and Replagal were clinically effective but did not meet the necessary cost-effective requirements to be listed on the Pharmaceutical Benefits Scheme.

The addition of Fabrazyme and Replagal is contingent on the manufacturers agreeing to a \$10 million expenditure cap per annum. Fabrazyme and Replagal will be made available to those deemed eligible under treatment guidelines currently being finalised.

This funding includes \$1.3 million over four years for the Department of Health and Ageing to administer this measure.

**Lifeline — assistance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$10 million in 2003-04 to Lifeline to assist with the refurbishment and upgrade of its telephone and computer systems.

Lifeline is a non-profit organisation dedicated to providing quality counselling services, through telephone and other communication technologies, to support people in need. Funding to upgrade the telephone and computer systems will assist with the effective delivery of Lifeline's 24-hour-a-day, seven-day-per-week service.

*Budget Measures 2004-05*

**Medical Indemnity — 2005 policy review working party**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	0.1	1.2	-	-

The Government will provide \$1.2 million over two years to convene a new working group in mid-2005 to consider the effectiveness of measures announced by the Government following the work of the Medical Indemnity Policy Review Panel. This working group will include senior medical representatives.

Further information can be found in the press release of 17 December 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer.

**Medical Indemnity — additional assistance for rural procedural GPs**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will fund, through medical indemnity insurers, 75 per cent of the difference between the medical indemnity insurance premiums of procedural GPs in rural areas and those for non-procedural GPs in similar circumstances.

The cost of this measure is \$17.5 million over five years (including \$1.9 million in 2003-04) which will be fully absorbed from within the existing resourcing of the Health and Ageing portfolio.

Further information can be found in the press release of 17 December 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer.

**Medical Indemnity — High Cost Claims Scheme threshold reduction**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	11.1	11.7	12.3	12.9

The Government will further lower the threshold of the High Cost Claims Scheme from \$500,000 to \$300,000, at a cost of \$47.9 million over four years. Under this scheme, the Government will fund 50 per cent of medical indemnity insurance claims over this threshold up to the limit of the contract of insurance. This applies to claims notified on or after 1 January 2004. This will assist doctors in private practice by reducing pressure on medical indemnity insurance premiums.

Further information can be found in the press release of 17 December 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer.

**Medical Indemnity — Premium Support Scheme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	27.4	29.6	32.2	34.9

The Government will provide \$146 million over five years (including \$22 million in 2003-04) to implement a new Premium Support Scheme (PSS) for doctors. The PSS replaces and expands on the existing Medical Indemnity Subsidy Scheme.

Under the PSS, the Government will provide premium support directly through medical indemnity insurers to ensure that all doctors are financially supported for 80 per cent of that amount of their medical indemnity insurance premium that exceeds 7.5 per cent of their gross private medical income.

The Government will ensure that no doctor who is already receiving a subsidy under the Medical Indemnity Subsidy Scheme is worse off under the PSS.

Further information can be found in the press release of 17 December 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer.

**Medical Indemnity — run-off reinsurance vehicle**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	*	*	*	*
<i>Related revenue (\$m)</i>				
Department of Health and Ageing	*	*	*	*

The Government will establish a run-off reinsurance vehicle, the Run-Off Cover Scheme, to assume liability for any claims against retired doctors aged 65 or over, doctors on maternity leave, doctors who are disabled, the estates of deceased doctors and doctors who have been permanently out of the medical workforce for more than three years. This will provide doctors with full insurance cover while they are out of the medical workforce. The costs of the Run-Off Cover Scheme are to be established as further details of the Scheme's accounting and likely liabilities are determined.

The costs of assuming this liability will be funded via a charge on medical indemnity insurers.

Further information can be found in the press release of 17 December 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer.

**Medical research infrastructure — injection of funds**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$31.2 million in 2003-04 to fund 14 important medical research infrastructure projects.

The projects are as follows:

- \$5 million towards the cost of constructing an independent building that will act as central headquarters for the Hunter Medical Research Institute;
- \$5 million towards the construction of a new building for expanded research capacity for the Millennium Institute, Sydney;
- \$5 million towards the construction of a new building for expanded research capacity for the Garvan Institute, Sydney;
- \$5 million towards a proteomics (protein sample analysis) facility for the Queensland Institute of Medical Research;

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- \$2.5 million towards a paediatric magnetic resonance imaging machine and robotic equipment for human genome research for the Murdoch Children's Research Institute;
- \$2 million towards an IT hardware upgrade to enhance research and diagnosis ability for the Brain Research Institute;
- \$2 million towards the construction of a new building for expanded research capacity for the Woolcock Institute of Medical Research;
- \$1.415 million towards a laser scanning cytometer, delta vision microscope and high speed sorter for the Centenary Institute of Cancer Medicine and Cell Biology;
- \$1 million towards the construction of animal facilities for the Howard Florey Institute, Melbourne;
- \$1 million towards enhanced research capacity for the Walter and Eliza Hall Institute of Medical Research, Melbourne;
- \$1 million towards a new building for the Prince Henry's Institute of Medical Research;
- \$125,000 for a gait analysis module for balance assessment and broadband internet access for staff for the National Ageing Research Institute;
- \$100,000 towards an ultrasound machine for the Children's Cancer Institute Australia; and
- \$100,000 towards fit-out for the new research, education, training and administration centre for the Wesley Research Institute.

This additional funding augments the Government's response to the Investment Review of Health and Medical Research, and recognises the significant role of independent medical research institutes in undertaking and commercialising health and medical research.



**Medicare — continued higher rebate for Other Medical Practitioners in rural areas**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	-	-	-	-
Department of Health and Ageing	-	-	-	-
Total	-	-	-	-

The Government will continue paying higher Medicare rebates to patients treated by Other Medical Practitioners in rural areas, at a cost of \$118.4 million over four years. This programme complements initiatives in the Rural Health Strategy and the MedicarePlus package.

Other Medical Practitioners (whose qualifications do not allow them to achieve vocational recognition as GPs) attract a lower Medicare rebate for consultations. In rural areas where access to GPs is more restricted, the Government has introduced higher patient rebates for Other Medical Practitioners to encourage them to work in areas of workforce shortage.

This measure will involve funding of \$28.1 million in 2004-05, \$29.4 million in 2005-06, \$30.0 million in 2006-07, and \$30.9 million in 2007-08. Provision for this funding is already included in the forward estimates.

**MedicarePlus — extended safety net for major out-of-pocket medical costs outside hospital**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	48.3	52.8	60.0	67.2

The Government will provide a further \$241.3 million over five years (including \$12.9 million in 2003-04) to extend the new national Medicare safety net, which will cover 80 per cent of out-of-hospital out-of-pocket costs for Medicare Benefits Schedule items over set thresholds. This is in addition to the \$266.3 million over four years already included in the forward estimates for the safety net announced in A Fairer Medicare and extended in MedicarePlus.

Under this measure the safety net will cover 80 per cent of out-of-pocket costs for medical services provided out of hospital to concession card holders and families receiving the Family Tax Benefit (A) once an annual threshold of \$300 in a calendar year is reached. For all other individuals and families, the safety net will be available after an annual threshold of \$700 of Medicare Benefits Schedule out-of-pocket costs per calendar year is reached.

Further information can be found in the press release of 10 March 2004 issued by the Minister for Health and Ageing.

**MedicarePlus — increased incentives for GPs who bulk bill in regional, rural and remote Australia or Tasmania**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	39.0	40.5	41.9	43.5

The Government will provide a further \$174.7 million over five years (including \$9.8 million in 2003-04) to increase to \$7.50 the incentive for GPs to bulk-bill concession card holders and children aged under 16 in regional, rural and remote Australia and all of Tasmania.

This is in addition to the \$956.7 million over four years announced in MedicarePlus by the Prime Minister on 18 November 2003, which provided a payment of an additional \$5 for every bulk-billed service provided to concession card holders and children aged under 16.

Further information can be found in the press release of 10 March 2004 issued by the Minister for Health and Ageing.

**MedicarePlus — national health information network**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	-	-	-	-
Department of Health and Ageing	-1.8	-4.4	-4.8	-4.1
Total	-1.8	-4.4	-4.8	-4.1

The Government will integrate the MediConnect and HealthConnect programmes to develop a secure national health information network. Along with anticipated improvements to patient care, the integration will result in administrative savings of \$15.1 million over four years.

Further information can be found in the press release of 10 March 2004 issued by the Minister for Health and Ageing.

**MedicarePlus — new Medicare Benefits Schedule items for services of certain health professionals and dentists**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	41.1	39.4	40.6	41.3

The Government will provide \$162.6 million over four years to introduce two new Medicare Benefits Schedule (MBS) items from 1 July 2004 that can be claimed for certain services.

One MBS item will cover certain health services, such as physiotherapy, psychiatry and optometry, provided 'for and on behalf of the GP' to patients with chronic conditions and complex care needs who are being managed under a Multidisciplinary Care Plan through the Enhanced Primary Care programme. Each year, up to five such consultations will qualify for the MBS rebate.

A separate MBS item will be available for up to three dental consultations each year where dental problems are significantly exacerbating chronic medical conditions being treated under a Multidisciplinary Care Plan.

Further information can be found in the press release of 10 March 2004 issued by the Minister for Health and Ageing.

**Menzies Foundation — injection of funds**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$3 million in 2003-04 to the Menzies Foundation to support innovative health research. The Menzies Foundation was established in 1979 and promotes excellence in health research and education.

**National Blood Authority — funding for contract negotiation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
National Blood Authority	1.0	-	-	-

The Government will provide additional funding of \$1 million in 2004-05 to the National Blood Authority to enable it to negotiate a new agreement with CSL Limited for the fractionation of blood plasma.

The States will contribute \$0.6 million in 2004-05 in line with cost sharing arrangements in place under the National Blood Agreement.

**National Blood Authority — safer haemoglobin levels for blood donors**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
National Blood Authority	2.3	-	-	-

The Government will provide \$5.1 million over two years (including \$2.8 million in 2003-04) to the National Blood Authority to fund the Australian Red Cross Blood Service for the implementation of safer standards for blood donor haemoglobin thresholds, as prescribed by the Therapeutic Goods Administration.

Commencing in January 2004 this measure allows for staff training and education, donor counselling and the introduction of strategies for the recruitment and processing of a higher number of donors. This should address the expected initial reduction in suitable donors resulting from the increased haemoglobin thresholds.

The States will contribute \$3 million over two years in line with cost sharing arrangements in place under the National Blood Agreement.

**National Cord Blood Collection Network**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$9.8 million over four years to continue the National Cord Blood Collection Network.

The Network aims to collect and store 22,000 units of cord blood, including 2,000 units of cord blood from Aboriginal and Torres Strait Islanders. Cord blood is an alternative to bone marrow transplantation in treating leukaemia and cancer and does not have the compatibility problems of bone marrow when matching to a recipient.

This measure will involve funding of \$2.4 million in 2004-05, \$2.4 million in 2005-06, \$2.5 million in 2006-07 and \$2.5 million in 2007-08. Provision for this funding is already included in the forward estimates.

**National Diabetes Services Scheme — subsidy of insulin infusion pump consumables**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	2.0	3.3	4.4	5.6

The Government will provide \$15.3 million over four years to enable Australians with diabetes to access new generation insulin infusion pump consumables through the National Diabetes Services Scheme.

Infusion pump treatment dramatically improves the health and quality of life for people with hard-to-manage diabetes and minimises long-term health complications. By 2007-08, this measure will be accessed by more than 3,000 Australians with diabetes and will target persons up to and including 18 years of age, pregnant women and those suffering from brittle diabetes.

**National Illicit Drug Strategy — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	2.8	2.8	2.9
Australian Institute of Criminology	-	-	-	1.0
Department of Family and Community Services	-	-	-	-
Australian Crime Commission	-	-	-	-
Australian Federal Police	-	-	-	-
Attorney-General's Department	-	-	-	-
Total	-	2.8	2.8	3.9

The Government will provide \$161.7 million over four years to continue a range of measures aimed at addressing illicit drug use under the National Illicit Drug Strategy (NIDS).

The majority of this funding will support initiatives in the Department of Health and Ageing and the Attorney General's portfolio until 2007-08. The Government will also continue funding for four years for the Strengthening and Supporting Families Coping with Illicit Drug Use Programme in the Department of Family and Community Services. Provision of \$152.2 million over four years is already included in the forward estimates.

Additional funding of \$9.4 million over four years will also enable three previously terminating programmes to continue until 2007-08. These are the *Continued Drug Use Monitoring initiative* in the Australian Institute of Criminology, and the *National Comorbidity initiative* and the *Psychostimulants initiative* in the Department of Health and Ageing.

This measure builds on the Government's previous commitments under NIDS and will provide funding certainty for recipients over the next four years.

See also the related expense measure titled *National School Drug Education Strategy - continuation* in the Education, Science and Training portfolio.

### **National Institute of Clinical Studies**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$22.7 million over four years to continue to fund the National Institute of Clinical Studies.

The Institute develops and promotes best clinical practice throughout the public and private health sectors.

The measure comprises two complementary areas: the National Institute of Clinical Studies, which is the national authority on clinical improvement; and the Australian-based Cochrane Collaboration activities, which provide the evidence base to support improvements in clinical practice.

This measure will involve funding of \$5.5 million in 2004-05, \$5.6 million in 2005-06, \$5.7 million in 2006-07, and \$5.8 million in 2007-08. Provision for this funding is already included in the forward estimates.

### **National Strategy for an Ageing Australia — continuation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$6.4 million over four years to continue its support for the National Strategy for an Ageing Australia.

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The National Strategy for an Ageing Australia was developed following the International Year of Older Persons in 1999. It has been focused on building community awareness and understanding of the ageing of the population, and supporting the adaptation of the Australian community to that ageing process.

This measure will involve funding of \$1.6 million in each year from 2004-05 to 2007-08. Provision for this funding is already included in the forward estimates.

#### **Parental access to information**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.1	0.8	0.8	0.8
<i>Related capital (\$m)</i>				
<i>Health Insurance Commission</i>	0.3	-	-	-

The Government will provide \$3.9 million over four years (including \$0.3 million capital funding) to provide parents and legal guardians with access to information held by the Health Insurance Commission about their children under the age of sixteen years.

Access to the information will not be provided where written evidence indicates that a child is deemed at risk by a child protection agency or an Australian court.

#### **Pharmaceutical benefits — improved entitlement monitoring**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	4.7	-0.9	-3.7	-3.7

The Government will save an additional \$3.5 million over four years by continuing to require pharmacists to monitor entitlement to pharmaceutical benefits by checking Medicare cards.

This initiative assists in ensuring that pharmaceutical benefits are not provided inappropriately, and has resulted in a reduction in the number of payments made in error for prescriptions for persons not eligible for a Pharmaceutical Benefits Scheme subsidy. It also improves the ability of the Health Insurance Commission to identify individuals using excessive quantities of medicines. Gross savings are expected to be \$14.8 million over four years higher than previous forward estimates.

Offsetting these savings, the Government will provide funding of \$8.5 million in 2004-05 and \$2.8 million in 2005-06 to continue paying pharmacists to check patients' Medicare cards.

**Pharmaceutical Benefits Advisory Committee — enhancing evaluation expertise**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.5	1.9	2.3	2.9

The Government will provide \$8.5 million over four years to ensure that submissions to the Pharmaceutical Benefits Advisory Committee for listing of medicines on the Pharmaceutical Benefits Scheme (PBS), including submissions for new drugs, are evaluated in a timely manner. This measure will contribute to ensuring the community does not experience delays in access to new medicines.

**Preventative health — Bowel Cancer Screening Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$7.4 million over four years to continue the Bowel Cancer Screening Programme. The programme focuses on the efficacy of the screening protocols to validate reductions in mortality, demonstrate cost effectiveness of screening and explore issues around practical implementation.

This measure will involve funding of \$1.8 million in 2004-05, \$1.9 million in 2005-06, \$1.9 million in 2006-07 and \$1.9 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Preventative health — extension of the Investment in Preventative Health initiatives**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will continue a range of initiatives announced in the 2002-03 Budget measure *Investment in Preventative Health*. This will involve funding of \$1 million in 2004-05 and \$1.1 million in 2005-06 to align the men's health component with the remainder of the initiatives and funding of \$24.7 million in 2006-07 and \$25.2 million in 2007-08 to extend the initiatives for a further two years. This will provide funding certainty for recipients over the next four years.



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The initiatives include a range of nationally significant public health programmes such as immunisation programmes for the elderly and indigenous communities, the National Cancer Council Initiative, tobacco harm minimisation, men's health, environmental health, the National Public Health Information Development Plan and the HealthInsite website.

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

#### **Preventative health — falls prevention in older people**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$9.6 million over four years to continue this programme aimed at preventing falls in older Australians.

The programme provides for the continuation of interventions; demonstration projects seeking to minimise the risk of injury; research into identifying risk factors and cost-benefit analyses; and the development of workforce education in community and acute care settings.

This measure will involve funding of \$2.3 million in 2004-05, \$2.4 million in 2005-06, \$2.4 million in 2006-07 and \$2.5 million in 2007-08. Provision for this funding has already been included in the forward estimates. This measure will conclude in 2007-08.

#### **Preventative health — National Alcohol Harm Reduction Strategy**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$4.2 million over four years to continue the National Alcohol Harm Reduction Strategy. This funding will strengthen strategic partnerships and allow further dissemination of material to reduce the incidence of alcohol-related harm.

This measure will involve funding of \$1 million in 2004-05, \$1 million in 2005-06, \$1.1 million in 2006-07 and \$1.1 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Private health insurance — e-commerce partnerships**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.9	9.1	11.1	10.9
<i>Related capital (\$m)</i>				
<i>Department of Health and Ageing</i>	9.0	2.8	2.1	1.5

The Government will provide \$48.2 million (including \$15.3 million capital funding) over four years to develop the Electronic Claim Lodgement and Information Processing System Environment, an information technology system that will provide secure electronic links between health funds, hospitals and doctors, to streamline the billing process and supply cost information to private health insurance patients.

The new processes will improve the quality of data and reduce paperwork, and are expected to lead to savings in administrative costs for health funds. These savings should in turn be reflected in lower growth in premiums and lower costs than otherwise of the 30 per cent private health insurance rebate.

**Private health insurance — terminate promotion of Simplified Billing for No or Known Gaps**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-4.4	-4.5	-4.5	-4.6

This initiative was introduced in the 2000-01 Budget to promote the take-up of simplified billing throughout the private health industry. The programme has met its objectives and funding is no longer required.

Provision for continued funding had been previously included in the forward estimates.

**Private Health Insurance Ombudsman — increased funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$0.2 million in 2004-05 to enable the Private Health Insurance Ombudsman to undertake additional activities required under the *Health Legislation Amendment (Private Health Insurance Reform) Act 2004*. In particular, the Ombudsman is now required to publish an annual *State of the Health Funds* report and has been given increased powers to investigate complaints and resolve disputes.

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The cost of this measure is being fully absorbed from within the existing resourcing of the Health and Ageing portfolio.

**Regional Health Service Centres — extension of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$12.1 million in 2007-08 to extend the Regional Health Service Centres programme for a further year.

This programme provides funding to 30 Regional Health Service Centres to enable the continued delivery of health care services, aged care services and community services that would not otherwise be viable in small rural and regional communities of less than 5,000 people. The continuation of funding to 2007-08 will align the funding and planned reviews of this programme with the Rural Health Strategy. Provision for this funding has already been included in the forward estimates.

**Regional Medical Schools — extension of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$2.8 million in 2007-08 to extend the Regional Medical Schools Programme for a further year. This programme provides funding for the Greater Murray Clinical School in Wagga Wagga.

The continuation of funding to 2007-08 will align the funding and planned reviews of this programme and the Rural Health Strategy. Provision for this funding has already been included in the forward estimates.

**Rural Health Strategy — continued funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	0.2	-	-	-0.2

The Government will provide \$830.2 million over four years to continue funding for a range of programmes that address the health needs of people in rural and remote areas of Australia.

The Rural Health Strategy, formerly known as the Regional Health Strategy, encompasses 12 programmes that aim to address gaps in health services, improve access to health services and introduce long-term measures to increase the rural health workforce. The Strategy also includes incentives to medical graduates to undertake their vocational training in rural Australia, thus increasing the number of qualified medical practitioners in the rural health workforce.

The Strategy will be refined to include an amalgamation of programmes that deliver allied health services, and an amalgamation of programmes that support specialists providing outreach services. Health services to people with private health insurance in rural Australia will also be refocused, providing services such as step-down care and rehabilitation for people leaving hospital, palliative care and ancillary services.

The Strategy involves funding of \$193.6 million in 2004-05, \$202.6 million in 2005-06, \$210.4 million in 2006-07 and \$223.5 million in 2007-08. Provision for this funding has already been included in the forward estimates. The small variations from the forward estimates shown above in 2004-05 and 2007-08 are due to modest reprioritisations involving the HECS Reimbursement Scheme, the Rural Primary Health Programme, the Rural Specialist Support Scheme and a communication strategy.

#### **Rural Medical Students — extension of assistance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$1.2 million in 2007-08 to extend the Assisting Rural Medical Students Through Their Studies Programme for a further year. This programme provides financial assistance to undergraduate medical students from a rural background, granting up to \$10,000 per annum to eligible students to assist with living expenses.

The continuation of funding to 2007-08 will align the funding and planned reviews of this programme and the Rural Health Strategy. Provision for this funding has already been included in the forward estimates.

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**Therapeutic Products — new policy advising role**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	1.2	1.2	-	-

The Government will provide \$2.4 million over two years to establish a therapeutic products policy advisory role within the Department of Health and Ageing, separate from the Trans-Tasman Therapeutic Products Agency.

This measure will allow the Department of Health and Ageing to provide advice to the Government on public health policy associated with therapeutic goods in Australia. The Therapeutic Goods Administration, which currently operates within the Department of Health and Ageing and provides that advice, will become part of a separate entity, the Trans-Tasman Therapeutic Products Agency, from 1 July 2005.

**Vietnam Veterans' Children's Support Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	0.2	0.2	0.2	0.2
Department of Health and Ageing	-0.8	-0.8	-0.8	-0.8
Total	-0.6	-0.6	-0.6	-0.6

The Government will continue to offer financial assistance for the children of Vietnam veterans who suffer from spina bifida manifesta, cleft lip/palate, acute myeloid leukemia and adrenal gland cancer. This assistance will help meet costs of medical treatment and medically necessary aids and appliances.

This is a cross portfolio measure involving the transfer of responsibility for the programme from the Department of Health and Ageing to the Department of Veterans' Affairs. This will result in a reduction in administrative costs of \$2.1 million over four years.

**Women's Health — Australian Longitudinal Study**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	0.8	0.8	0.8	0.8

The Government will provide an additional \$3.2 million over four years for the Australian Longitudinal Study on Women's Health.

The programme was established in 1995 and is projected to run for 20 years to fulfil its value as a database tracking individuals' experiences of disease and service use over time. This programme examines the social, behavioural and economic determinants of women's health and their relationship to health outcomes and the use of health and related services at key points in women's lives.

The Department of Health and Ageing has been funding the study since 1998. This measure will allow increases in the cost and scope of the study to be met.

## **IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS**

### **Cross portfolio measures for Indigenous Australians**

The Government continues to direct substantial resources to achieving better outcomes for Aboriginal and Torres Strait Islander Australians. As part of this, the Government is taking a new direction, putting in place a framework of cooperative structures that will produce greater collaboration and coordination across government agencies.

The new Indigenous initiatives in the Budget will provide funding of \$253.1 million over five years (including \$35 million in 2003-04) for a range of Indigenous initiatives including: family violence prevention, health, education, employment, community volunteers, infrastructure, and the continuing process of reconciliation.

This funding includes \$13.1 million to be absorbed within the existing resourcing of the Department of Employment and Workplace Relations and an equity injection of \$20 million (for expansion of the Home Ownership Programme). Accordingly, the gross impact of the measures on the Budget balance over five years is \$220 million. Taking into account savings from the Aboriginal and Torres Strait Islander Commission and Aboriginal and Torres Strait Islander Services, the net additional expenditure is \$110.6 million over five years.

In addition to these cross-portfolio measures the Government will also provide \$10.3 million over four years to improve the quality of residential aged care for Indigenous Australians. See also the related expense measure titled *Investing in Australia's Aged Care – more funding for Aboriginal and Torres Strait Islander Flexible Services* in the Health and Ageing portfolio.

**Table 10: Cross Portfolio measures for Indigenous Australians — Summary of measures**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Total \$m
<b>EXPENSE MEASURES</b>					
<b>Attorney-General's</b>					
<i>Attorney-General's Department</i>					
Northern Territory Juvenile Diversion Scheme and Aboriginal Interpreter Services - continued funding	3.9	-	-	-	3.9
<b>Education, Science and Training</b>					
<i>Department of Education, Science and Training</i>					
Indigenous Education Agreement 2005-08	7.0	12.1	11.8	11.3	42.2
<b>Employment and Workplace Relations</b>					
<i>Department of Employment and Workplace Relations</i>					
Indigenous Youth Employment Consultants	-	-	-	-	-
Indigenous Community Volunteers - additional funding(a)	-	-	-	-	20.0
<b>Family and Community Services</b>					
<i>Department of Family and Community Services</i>					
Indigenous Financial Management	1.1	1.1	1.1	1.1	4.4
<b>Health and Ageing</b>					
<i>Department of Health and Ageing</i>					
Primary Health Care Access Programme for Aboriginal and Torres Strait Islander people - additional funding	10.0	10.0	10.0	10.0	40.0
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>					
Reconciliation Australia - continued support(b)	-	-	-	-	15.0
Indigenous Family Violence Partnership Programme	5.3	10.5	10.7	10.8	37.3
Indigenous Family Violence Prevention Legal Services - expansion	3.2	6.5	6.5	6.5	22.7
Indigenous Home Ownership Programme - expansion(c)	1.0	0.8	-	-	1.8
Indigenous Women's Development	2.4	4.7	4.7	4.7	16.5
<i>Torres Strait Regional Authority</i>					
Torres Strait - Major Infrastructure Programme	5.3	5.4	5.5	-	16.2
<b>Total additional expenditure</b>	<b>39.2</b>	<b>51.1</b>	<b>50.3</b>	<b>44.4</b>	<b>220.0</b>
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Aboriginal and Torres Strait Islander Commission</i>					
Indigenous Australians - better service delivery	-13.0	-22.4	-21.8	-21.9	-79.1
<i>Aboriginal and Torres Strait Islander Services</i>					
Indigenous Australians - better service delivery	-5.3	-10.1	-10.2	-4.7	-30.3
<b>Net additional expenditure</b>	<b>20.9</b>	<b>18.6</b>	<b>18.3</b>	<b>17.8</b>	<b>110.6</b>



**Table 10: Cross Portfolio measures for Indigenous Australians — Summary of measures (continued)**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Total \$m
<b>CAPITAL MEASURES</b>					
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>					
Indigenous Home Ownership Programme - expansion	-	-	-	-	-
<b>Total capital measures</b>	-	-	-	-	-
<b>RELATED REVENUE MEASURES(d)</b>					
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>					
Indigenous Home Ownership Programme - expansion	0.5	1.0	1.0	1.0	3.5

(a) Total includes expenditure of \$20 million in 2003-04.

(b) Total includes expenditure of \$15 million in 2003-04.

(c) Details of this measure can be found under Capital.

(d) A positive number for revenue indicates an increase in the fiscal balance.

**Northern Territory Juvenile Diversion Scheme and Aboriginal Interpreter Service — continued funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	3.9	-	-	-

The Government will provide \$3.9 million in 2004-05 to divert juveniles from the criminal justice system and to help alleviate the language barrier faced by Aboriginal persons in the Northern Territory. The funding will enable the continuation until 30 June 2005 of the pre-court Juvenile Diversion Scheme, related services for young people such as case management and mentoring, and the Aboriginal Interpreter Service. These initiatives are delivered through an Agreement with the Northern Territory Government.

**Indigenous Education Agreement 2005-08**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	7.0	12.1	11.8	11.3

The Government will provide \$923 million over four years for new Indigenous Education Agreements with State Governments and non-government education providers for the period 2005 to 2008. This funding represents the Government's contribution to the operation of Indigenous education. A provision of \$878 million of this funding has already been made in the forward estimates.

Total funding for the major component, the Indigenous Education Strategic Initiatives Programme, will be \$641.6 million over the 2005 to 2008 period. This includes additional funding of \$39 million to support new strategic projects and interventions with a change of focus to "what works", targeted primarily at Indigenous students of greatest educational disadvantage and particularly those in remote areas.

The Indigenous Education Direct Assistance programme will be restructured at the existing funding levels (\$280.9 million over the 2005 to 2008 period). Targeting of the programme will be improved and funding for Parent-School Partnership projects will be allocated on a competitive basis.

This funding also includes an additional \$3.2 million over four years to strengthen performance frameworks for Indigenous Education.

**Indigenous Youth Employment Consultants**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Employment and Workplace Relations	-	-	-	-

The Government will provide \$13.1 million over four years to fund up to 30 Indigenous Youth Employment Consultants to help facilitate the transition from school to work for young Indigenous people.

The consultants will be linked to Job Network providers and will work with young Indigenous people, their families, communities, education providers and local businesses to improve the transition from school to work by identifying and promoting options for work opportunities, further education and training.

The cost of this measure is being fully absorbed within the existing resourcing of the Department of Employment and Workplace Relations.

**Indigenous Community Volunteers — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Employment and Workplace Relations	-	-	-	-

The Government will provide \$20 million in 2003-04 to the Indigenous Community Volunteers organisation to expand its capacity to involve non-government organisations and businesses matching skilled volunteers to the needs of Aboriginal and Torres Strait Islander communities. The funding will also provide for longer-term volunteer placements in Indigenous communities of up to two years each.

**Indigenous Financial Management**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	1.1	1.1	1.1	1.1

The Government will provide \$4.4 million over four years for additional financial management projects in Indigenous communities. These projects are aimed at increasing the purchasing power of families by assisting them in their management of family income.

**Primary Health Care Access Programme for Aboriginal and Torres Strait Islander People — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	10.0	10.0	10.0	10.0

The Government will provide \$40 million over four years to the Primary Health Care Access Programme to further improve access to health services for Indigenous Australians. This will build on the measures announced in the 1999-2000 and 2001-02 Budgets.

The additional resourcing will allow further primary health care sites to be established and existing sites to be expanded. This will include additional doctors, nurses and Aboriginal health workers, training of Indigenous Australians to work in health sciences, improved Indigenous health data collection, and improved quality of service provision.

This measure will also facilitate inclusion of medicines on the Pharmaceutical Benefits Scheme to treat conditions particular to Indigenous health needs. This will include consideration of medicines not yet registered in Australia as well as consideration by the Pharmaceutical Benefits Advisory Committee of medicines not yet subsidised under the Pharmaceutical Benefits Scheme.

### Reconciliation Australia — continued support

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

The Government will provide \$15 million in 2003-04 to support Reconciliation Australia's continuing role in providing a national focus for reconciliation. The funding will be utilised to promote reconciliation, support local community events and identify and promote good reconciliation practice. It will also provide for the ongoing operations of Reconciliation Australia.

### Indigenous Family Violence Partnership Programme

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	5.3	10.5	10.7	10.8

The Government will provide \$37.3 million over four years to pursue bilateral partnerships with State governments to fund family violence initiatives in Indigenous communities. The Family Violence Partnership Programme will complement the delivery of existing government programmes and services and fund new initiatives and infrastructure to meet gaps in service delivery particularly, but not exclusively, in remote areas. Funding will be directed to areas and communities in need.

### Indigenous Family Violence Prevention Legal Services — expansion

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	3.2	6.5	6.5	6.5

The Government will provide additional funding of \$22.7 million over four years to double the network of service providers of Family Violence Prevention Legal Services from 13 to 26.

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The additional services will be located in regional and remote areas and will provide specialist services to assist Aboriginal and Torres Strait Islanders, particularly women and children, who are victims of family violence and those who are at immediate risk of such violence.

#### **Indigenous Women's Development**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	2.4	4.7	4.7	4.7

The Government will provide funding of \$16.5 million over four years for three new initiatives that are consistent with the Ministerial Council on the Status of Women's action plan (announced on 29 August 2003) to create opportunities for Indigenous women within the community.

The Networking Indigenous Women Initiative, at a cost of \$10.9 million over four years, will promote a network of mutual support and leadership by fostering linkages among women at the local level who have, or who want to take, a leadership role in their communities.

The Indigenous Women's Leadership Programme, at a cost of \$3.9 million over four years, will target women already making a significant contribution within their own communities, building on this capacity and enabling them to expand their horizons and influence.

The Indigenous Men and Family Relationships initiative, at a cost of \$1.8 million over four years, will complement and support women's leadership by focusing on men and promoting their important role in community and family relationships.

#### **Torres Strait — Major Infrastructure Programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Torres Strait Regional Authority	5.3	5.4	5.5	-

The Government will provide additional funding of \$16.2 million over three years to complete the Major Infrastructure Programme. The programme aims to raise the health and living standards of Torres Strait Islander and Aboriginal persons residing in the Torres Strait region through a set of infrastructure-related projects to improve basic community services, such as: water supply and treatment augmentation; reticulated sewerage and treatment; and solid waste disposal.

This measure represents the third stage of the Australian and Queensland Governments' jointly funded Major Infrastructure Programme for the Torres Strait, which began in 1998. Funding is subject to agreement by the Queensland Government to provide matching funding.

**Indigenous Australians — better service delivery**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Aboriginal and Torres Strait Islander Services	-5.3	-10.1	-10.2	-4.7
Aboriginal and Torres Strait Islander Commission	-13.0	-22.4	-21.8	-21.9
Total	-18.3	-32.5	-32.0	-26.6

On 15 April 2004 the Prime Minister announced new arrangements to improve outcomes for Indigenous Australians from Australian Government programmes. The Aboriginal and Torres Strait Islander Commission (ATSIC) is to be abolished and the programmes formerly delivered by Aboriginal and Torres Strait Islander Services (ATSIS) will become the responsibility of other departments and agencies. The abolition of ATSIC will save \$79.1 million over four years. These savings, plus the projected ATSIC cash balance of \$6.8 million, and other savings from ATSIS of \$30.3 million over four years, will be redirected to several high priority programmes.

The Minister for Immigration and Multicultural and Indigenous Affairs will assume an enhanced policy role, supported by an Office of Indigenous Policy Coordination. The Office will take over the policy functions of ATSIS and the current responsibilities of the Office of Aboriginal and Torres Strait Islander Affairs and the Indigenous Communities Coordination Taskforce.

As an interim measure, pending the Prime Minister's decision on the new administrative arrangements orders, all assets and appropriations of ATSIC and ATSIS will be transferred to the Department of Immigration and Multicultural and Indigenous Affairs.

### Settlement Services for Migrants and Humanitarian Entrants

The Government will provide an additional \$100.9 million over four years to enhance key settlement and other services for humanitarian entrants and migrants, including those settling in regional Australia. These measures form part of the Government's response to the *Report on the Review of Settlement Services for Migrants and Humanitarian Entrants*.

**Table 11: Settlement Services — Summary of measures**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	Total \$m
<b>EXPENSE MEASURES</b>					
<b>Immigration and Multicultural and Indigenous Affairs</b>					
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>					
Increased assistance to humanitarian entrants	12.2	9.8	9.9	10.0	41.9
Increased tuition	10.7	8.5	8.7	8.9	36.8
Additional funding for community services	0.8	1.3	1.4	1.4	4.9
Maintain funding for the Integrated Humanitarian Settlement Strategy	-	-	-	-	-
<b>Sub Total</b>	<b>23.7</b>	<b>19.6</b>	<b>20.0</b>	<b>20.3</b>	<b>83.6</b>
<b>Family and Community Services</b>					
<i>Department of Family and Community Services</i>					
Job Placement, Employment and Training and Reconnect services	1.5	2.0	2.1	2.4	8.0
Family relationships services	0.5	1.5	1.6	1.6	5.2
<b>Sub Total</b>	<b>2.0</b>	<b>3.5</b>	<b>3.7</b>	<b>4.0</b>	<b>13.2</b>
<b>Education, Science and Training</b>					
<i>Department of Education, Science and Training</i>					
Additional language, literacy and numeracy places	4.1	-	-	-	4.1
<b>Sub Total</b>	<b>4.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.1</b>
<b>Total expense measures</b>	<b>29.8</b>	<b>23.1</b>	<b>23.7</b>	<b>24.3</b>	<b>100.9</b>

### Settlement Services for Migrants and Humanitarian Entrants — increased assistance to humanitarian entrants

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	12.2	9.8	9.9	10.0

The Government will provide \$41.9 million over four years to improve assistance to Special Humanitarian Programme entrants.

Funding will be provided to cover the cost of medical checks, the establishment of a national no-interest loan scheme to help meet travel costs associated with bringing Special Humanitarian Programme entrants to Australia, partial initial information and orientation assistance, and long-term accommodation support services. It will also provide for stronger case management and coordination across the Integrated Humanitarian Settlement Strategy service types and strengthen the role of volunteers under the strategy.

**Settlement Services for Migrants and Humanitarian Entrants — increased tuition**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	10.7	8.5	8.7	8.9

The Government will provide \$36.8 million over four years to increase the hours available to humanitarian entrants under the Special Preparatory Programme. This funding will offer up to 400 hours of preparatory tuition to clients in the 16-24 year age bracket, and supplement existing offered hours of tuition for those above the age of 24 years.

With the changing composition of Humanitarian Programme entrants and the anticipated increase in entrants from African countries, the percentage of entrants with low levels of schooling has increased. This measure will assist humanitarian entrants to deal with a structured learning environment and provide the necessary skills for entry under the Adult Migrant English Programme, and subsequently the Language, Literacy and Numeracy Programme.

**Settlement Services for Migrants and Humanitarian Entrants — additional funding for community services**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	0.8	1.3	1.4	1.4

The Government will provide \$4.9 million over four years to increase grant funding levels under the Community Settlement Services Scheme and improve performance and accountability measures.



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The Scheme provides grants to community-based organisations to assist migrants and humanitarian entrants to settle and participate equitably in Australia. The additional funding will improve the capacity of organisations to adequately and efficiently implement work programmes and meet accountability requirements. This measure will also enhance the accountability arrangements for the Department of Immigration and Multicultural and Indigenous Affairs' grants-funded settlement services, ensuring appropriate targeting and maximum value for money.

**Settlement Services for Migrants and Humanitarian Entrants — maintain funding for the Integrated Humanitarian Settlement Strategy**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

The Government will provide \$25 million over five years from 2006-07 to 2009-10 to maintain funding for existing services under the Integrated Humanitarian Settlement Strategy. This will enable a tender for services to proceed this year with re-tendered services to commence in October 2005 and run to June 2010.

The strategy helps humanitarian entrants rebuild their lives in Australia by providing support designed to meet their initial settlement needs. These settlement services are delivered by a number of contracted providers in each State and Territory.

This measure will involve funding of \$5 million in each year from 2006-07 to 2009-10. Provision for this funding has already been included in the forward estimates.

**Settlement Services for Migrants and Humanitarian Entrants — Job Placement, Employment and Training and Reconnect services**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	1.5	2.0	2.1	2.4

The Government will provide additional funding of \$8.0 million over four years for ten combined Job Placement, Employment and Training and Reconnect 'multi-function' service outlets.

The new services will specifically target young people from diverse cultural and linguistic backgrounds who are newly arrived to Australia. These services will provide early intervention assistance for young people who are either homeless or at risk of homelessness and those attempting to enter the workforce or gain new skills.

### Settlement Services for Migrants and Humanitarian Entrants — family relationships services

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Family and Community Services	0.5	1.5	1.6	1.6

The Government will provide \$5.2 million over four years to community organisations under the Family Relationships Services Programme. The funding will be used to deliver services and information, including family violence and family relationship counselling, to refugee and humanitarian immigrants.

The programme is delivered on behalf of the Government by more than 100 community based organisations, including Relationships Australia, Anglicare, Lifeline, UnitingCare Burnside, and other locally based family support services.

### Settlement Services for Migrants and Humanitarian Entrants — additional language, literacy and numeracy places

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Education, Science and Training	4.1	-	-	-

The Government will provide \$4.1 million in 2004-05 for additional places in the Language, Literacy and Numeracy Programme.

This funding will provide around 1,300 new places in 2004-05 to jobseekers whose language, literacy and numeracy skills are below the level considered necessary to secure sustainable employment or additional training.

### Other measures in the Immigration and Multicultural and Indigenous Affairs portfolio

#### Department of Immigration and Multicultural and Indigenous Affairs — information technology costs

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	19.0	17.4	17.5	15.7

The Government will provide an additional \$69.6 million over four years to fund the extension of the Department of Immigration and Multicultural and Indigenous Affairs' Information Technology (IT) service agreement with its outsourced IT provider.

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The contract includes improvements in IT functionality related to the scope and complexity of the Department's business requirements.

The Department will meet \$8.1 million of these costs from internal cash reserves.

#### **Fisheries — combating illegal activities in northern Australian waters**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Agriculture, Fisheries and Forestry	2.4	-	-	-
Department of Immigration and Multicultural and Indigenous Affairs	0.6	-	-	-
Total	3.0	-	-	-

The Government will provide \$3 million in 2004-05 to enable the continued apprehension and investigation of illegal foreign fishers in remote localities, implementation of their rapid repatriation, and the continuation of broader fisheries compliance activities.

The Government will further examine long-term arrangements for the apprehension and detention of illegal fishers in Australia's northern waters.

#### **Humanitarian migration — continuation of displaced refugee initiatives**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

The Government will provide \$22.4 million over four years to continue initiatives to address the situation of displaced persons and refugees.

This funding will assist international organisations and countries of first asylum to support displaced and vulnerable persons, and to prevent further dispersal of displaced people who require effective protection until repatriation or other solutions become feasible. This funding will be directed at encouraging voluntary returns of persons who no longer need protection.

This measure will involve funding of \$5.4 million in 2004-05, \$5.5 million in 2005-06, \$5.7 million in 2006-07 and \$5.8 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Humanitarian migration — continuation of funding for international cooperation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

The Government will provide \$4.9 million over four years to maintain resources for work with host governments and the United Nations High Commissioner for Refugees (UNHCR) on information flows and cooperation in relation to people smuggling, irregular migration and humanitarian migration.

The funding will support Australia-based employees in continuing to liaise with foreign government officials on matters related to irregular migration and people smuggling, including return agreements, and will assist the UNHCR and the International Migration Organisation to implement repatriation arrangements and to expedite the process of humanitarian visa assessment.

The programme is aimed at strengthening the international system of protection for refugees and reducing people smuggling.

This measure will involve funding of \$1.2 million in 2004-05, \$1.2 million in 2005-06, \$1.2 million in 2006-07 and \$1.3 million in 2007-08. Provision for this funding has already been included in the forward estimates.

**Humanitarian Program**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	17.3	17.9	17.7	18.1
Department of Family and Community Services	5.2	11.6	13.5	18.4
Department of Employment and Workplace Relations	1.5	2.1	2.3	2.3
Department of Education, Science and Training	1.0	3.4	5.2	6.3
Department of Health and Ageing	0.7	1.9	3.3	4.7
Total	25.7	36.9	41.9	49.8

The Government will increase the size of the Humanitarian Program in 2004-05. The programme will increase from 12,000 to 13,000 places and assistance will focus on refugees from Africa, the Middle East and South West Asia, reflecting the most recent resettlement priorities of the United Nations High Commissioner for Refugees.

### *Budget Measures 2004-05*

The funding of \$154.3 million will cover the increased provision of services under the Integrated Humanitarian Settlement Strategy, English tuition under the Special Preparatory Programme and the Adult Migrant English Programme, and translating and interpreting services. The funding will also cover income support costs and the expected usage of health, education and employment services by the additional permanent residents.

The Humanitarian Program has also been re-configured, resulting in the intake of refugees increasing by 50 per cent in 2004-05. Refugee places will rise to 6,000 in 2004-05, up from 4,000 in 2003-04. The remaining 7,000 places in 2004-05 will be for the Special Humanitarian Program and onshore protection needs (reduced from 8,000 in 2003-04).

### **Long-term detention strategy**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-36.3	-46.5	-51.0	-50.0
<i>Related capital (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	17.5	2.6	12.7	4.1
<i>Department of Finance and Administration</i>	2.8	38.8	49.7	-
<i>Total</i>	20.3	41.4	62.4	4.1

The Government has reviewed the long-term detention strategy for immigration detention facilities and is returning \$55.5 million over four years to the Budget.

The revised long-term detention strategy takes into account the success of the Government's measures to reduce unauthorised boat arrivals to Australia, and the ongoing policy to process offshore any new unauthorised boat arrivals. The revised strategy also recognises the continued demand for detention facilities for over-stayers and those who breach visa conditions.

The rationalisation of detention facilities in Australia, to be achieved by the mothballing of the Port Hedland Immigration Reception and Processing Centre, will result in savings of \$50.5 million over four years.

Other adjustments to the strategy will result in expense savings of \$133.3 million over four years and additional capital funding of \$128.4 million over four years, leading to net savings of \$5 million. These reflect variations to the scope and timing of proposed developments and upgrades to a number of immigration detention facilities. They also reflect the net impact of replacing funding for the future rental of privately owned facilities with the provision of funding required for public ownership of detention facilities.

The capital funding will meet the cost of upgrades, development and redevelopment work associated with the facilities. The major component of the capital funding (\$91.3 million over three years) is the upgrade of Villawood Immigration Detention Centre (IDC) to be undertaken by the Department of Finance and Administration. The Department of Finance and Administration is already managing the construction of the Christmas Island Permanent Immigration Reception and Processing Centre.

The revised strategy includes funding for the redevelopment of the Maribyrnong IDC, further upgrades to the Baxter facility and maintenance costs for a Brisbane IDC. The strategy also includes funding to purchase land for a new Melbourne IDC and provisional funding from 2007-08 for a new Melbourne IDC to eventually replace the Maribyrnong IDC.

**Migration — continuation of capacity building to combat people smuggling and irregular migration**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

The Government will provide \$4 million over four years to maintain funding for capacity building to combat people smuggling and irregular migration.

The continuation will help further strengthen the capacities of governments in relevant source and transit countries to combat people smuggling. It will also enable Australia to continue its cooperation with authorities in the region on technical capacity building to maximise managed migration and minimise illegal migration, people smuggling and trafficking.

This measure will involve funding of \$1 million in each year from 2004-05 to 2007-08. Provision for this funding has already been included in the forward estimates.

**Migration (non-humanitarian) program**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	2.9	8.5	14.5	21.0
Department of Immigration and Multicultural and Indigenous Affairs	2.0	2.0	2.1	2.3
Department of Education, Science and Training	0.6	2.1	3.5	6.1
Department of Employment and Workplace Relations	0.6	0.6	0.6	0.6
Department of Family and Community Services	0.1	0.1	0.1	0.1
<b>Total</b>	<b>6.2</b>	<b>13.3</b>	<b>20.8</b>	<b>30.0</b>
<i>Related revenue(a) (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	<i>5.8</i>	<i>6.1</i>	<i>6.3</i>	<i>7.0</i>

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will increase the permanent migration (non-humanitarian) program by 5,000 places to a range of 105,000 to 115,000 places. The additional places will comprise the former parent contingency reserve of 4,000 places, which is to be rolled into the main programme, and 1,000 places for doctors and their families recruited under MedicarePlus.

In addition to the increase in the permanent migration (non-humanitarian) program, a contingency reserve of 5,000 places for Skilled Independent Regional Visa holders will be established. This visa class aims to encourage more skilled people to settle in regional areas. The visa class requires applicants to settle and work in regional Australia or a low population growth centre for a minimum period before they can apply for permanent residence. The better targeting of migrants through the Skilled Independent Regional Visa class, to the skill needs of the Australian labour market, is expected to deliver additional economic, budgetary and employment benefits.

The funding of \$8.3 million over four years provided to the Department of Immigration and Multicultural and Indigenous Affairs will be primarily focused on the provision of English language tuition to the additional adult migrants. Funding of \$61.9 million over four years for the Health and Ageing, Family and Community Services, Education, Science and Training and Employment and Workplace Relations portfolios will enable the provision of health, education and employment services for the additional permanent migrants.

The additional funding for the increase in the permanent migration (non-humanitarian) programme will be partly offset by increased revenue of \$25.2 million through additional Visa Application Charges.

The net overall impact of the programme changes is \$45 million over four years.

### Migration entry processes — extension of offshore resources

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-

The Government will provide \$15.4 million over four years to maintain the integrity of migration entry processes. This programme strengthens offshore compliance resources to help staff located at overseas posts and major international gateways combat document and identity fraud and people smuggling.

This measure will involve funding of \$3.8 million in 2004-05, \$3.8 million in 2005-06, \$3.9 million in 2006-07 and \$3.9 million in 2007-08. Provision for this funding has already been included in the forward estimates.

### Regional Migration Initiatives

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	7.0	6.0	6.9	8.1
Department of Health and Ageing	-3.0	-7.7	-10.9	-14.3
Department of Family and Community Services	-4.1	-6.2	-9.9	-9.2
Total	-0.1	-7.9	-13.9	-15.5
<i>Related revenue(a) (\$m)</i>				
Department of Immigration and Multicultural and Indigenous Affairs	6.7	14.8	17.5	18.7
<i>Related capital (\$m)</i>				
Department of Immigration and Multicultural and Indigenous Affairs	1.8	-	-	-

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide \$29.8 million (including \$1.8 million capital funding) over four years to the Department of Immigration and Multicultural and Indigenous Affairs for the implementation of key initiatives to attract people with much needed skills and resources to regional Australia and to smaller capital cities. This will help lower the levels of migration to larger capital cities, in particular Sydney.



### *Budget Measures 2004-05*

As part of this measure a two-stage skilled visa process for certain skilled independent migrants involving two years as a temporary visa holder in regional Australia before application for a permanent visa is allowed will be introduced. A temporary resident State government-sponsored retired investor category will also be introduced to replace the existing Retiree Visa. These initiatives also include higher minimum salary levels for employer sponsored temporary and permanent migrants where they are sponsored by employers in Sydney, and the introduction of a Sydney Skill Shortage list. Both of these are to be determined by the New South Wales Government in consultation with Australian Government agencies.

Promotional activity will be undertaken to raise the level of awareness of regional migration initiatives, particularly amongst employers in regional Australia. The funding will also provide increased humanitarian settlement in targeted regional locations where employment opportunities exist. Settlement assistance will also be provided to eligible families of skilled migrants choosing to go to regional Australia.

The reduction in expenses for the Health and Ageing and Family and Community Services portfolios reflects savings in social security and Medicare resulting from the introduction of a two-year temporary visa period before application for a permanent visa can be considered.

The increased revenue of \$57.7 million over four years is the result of additional Visa Application Charges.

The new arrangements will deliver net savings of \$93.3 million over four years.

The capital funding will meet the cost of system enhancements related to the changed visa categories required.

### **Residential Housing Projects and Alternative Detention Arrangements**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	2.0	5.8	6.9	6.9
<i>Related capital (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	4.8	1.0	-	-

The Government will provide \$27.4 million (including \$5.8 million capital funding) over four years to expand Residential Housing Projects and develop alternative detention arrangements, in particular for women and children.

This funding will provide additional Residential Housing Projects at Villawood, Sydney and in Perth, the use of foster care placements for minors and the development of alternative detention arrangements within the community. This initiative continues the Government's policy to implement a range of alternative detention models to respond to the needs of detainees.

The capital funding will meet the cost of establishing Residential Housing Projects at Villawood and Perth.

### **Review of the Department of Immigration and Multicultural and Indigenous Affairs' Business Processes and Costs**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	110.5	117.1	124.6	125.2

The Government will provide \$477.4 million over four years to the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA), to ensure that it is properly resourced to meet the changes in its operating environment. These changes include the heightened security and integrity issues now facing all border protection agencies.

The requirement for additional funding for DIMIA was identified by an extensive review of DIMIA's resourcing conducted by the Department of Finance and Administration, DIMIA, and the Departments of the Prime Minister and Cabinet and the Treasury.

The Government has agreed to operational efficiencies within DIMIA, which will deliver savings of \$5.9 million over the next four years without any loss of quality of service. In addition, the Government has put in place a range of governance measures to enhance transparency and control over DIMIA's funding in the future.

Provision of \$483.3 million over four years was included in the contingency reserve in the 2003-04 Budget for the expected impact of the review from 2004-05 onwards. Accordingly there is a net positive impact on the fiscal balance of \$5.9 million over four years.

*Budget Measures 2004-05*

**Review of the Department of Immigration and Multicultural and Indigenous Affairs' Business Processes and Costs — additional funding for capacity building**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	4.6	4.7	4.7	4.8

The Government will provide additional funding of \$18.8 million over four years to increase the capacity of authorities and international organisations in transit and other countries to detect and intercept illegal people movements. This measure will contribute to the continuation of the current low level of unauthorised boat arrivals in Australia.

## INDUSTRY, TOURISM AND RESOURCES

### Australia-China Natural Gas Technology Partnership Fund

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	-	-	-	-

The Government will contribute funding of \$7.5 million over the nine years from 2006-07 to 2014-15 to the Australia-China Natural Gas Technology Partnership Fund. The Western Australian Government will contribute \$7.5 million and \$10 million will be provided by the liquefied natural gas industry.

This measure implements the Government's commitment to contribute to this fund as part of Australia's successful bid to supply liquefied natural gas to the Guangdong project in China. The fund will support a range of activities including joint research studies, training and development and personnel exchanges between Australia and China.

This measure is being fully absorbed within the existing resourcing of the Industry, Tourism and Resources portfolio.

### Australian Magnesium Corporation

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	-	-	-	-

In August 2001, the Australian Government agreed to support the development of the Australian Magnesium Corporation's (AMC's) Stanwell Magnesium Project by guaranteeing loans to the project of up to \$100 million.

Work on the Stanwell Magnesium Project ceased in June 2003 due to significant project cost overruns. As a consequence, the Government has decided to finalise its involvement with AMC and recognise in 2003-04 its commitment to meet a \$90 million loan guarantee payment to the ANZ Banking Group.

While this recognition will have an impact of \$90 million on the fiscal balance in 2003-04, actual payment to the ANZ Bank (with a corresponding impact on the underlying cash balance) is not required until 2005-06 at the earliest, consistent with the Government's contractual obligations.

*Budget Measures 2004-05*

Under the agreed exit arrangements AMC will return to Government some funds and the proceeds from the sale of non-core assets, with details to be finalised in 2004-05 following further discussion with AMC and the Queensland Government.

**Axiss Australia — extend funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	3.8	3.8	-	-

The Government will provide \$7.6 million over two years to continue the operations of Axiss Australia, which promotes Australia as a financial services centre in the Asia-Pacific region.

On 1 July 2003, Axiss Australia was merged with Invest Australia, the Government's inward investment promotion agency.

**National Measurement Institute — co-location**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Industry, Tourism and Resources	4.0	-	-	-

The Government will provide funding of \$4.0 million in 2004-05 to relocate the National Standards Commission from North Ryde, Sydney, to the site of the new National Measurement Institute in West Lindfield, Sydney. Funding will meet relocation costs including the dismantling and reconstruction of sensitive scientific laboratory equipment. The North Ryde property will be sold with proceeds returning to the Budget.

The Government announced the establishment of the National Measurement Institute in the 2003-04 Budget, merging the National Standards Commission, the National Measurement Laboratory and the Australian Government Analytical Laboratories into a single organisation.

## PRIME MINISTER AND CABINET

### Australian Honours and Awards System — information technology development

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Office of the Official Secretary to the Governor General	0.3	0.3	0.3	0.4
<i>Related capital (\$m)</i>				
Office of the Official Secretary to the Governor General	0.6	-	-	-

The Government will provide \$1.3 million over four years for the operation and maintenance of a new information system, which will assist in the processing of honours and awards to meet the community expectation for timely processing of awards nominations.

The capital funding of \$0.6 million will be used to redevelop the Australian Honours information technology system. The Office of the Official Secretary to the Governor General will meet this cost from internal cash reserves.

### Budget Estimates and Framework Review — enhanced auditing

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian National Audit Office	2.0	1.7	1.7	1.7

The Government will provide \$7.1 million over four years to enable the Australian National Audit Office to complete its audit of agencies' annual financial statements as soon as the financial year ends.

This will assist the Australian National Audit Office with managing workload issues associated with implementing the recommendations of the Budget Estimates and Framework Review, which requires agencies to produce annual audited financial statements each year by 20 July, starting with the statements for the 2004-05 financial year.

*Budget Measures 2004-05*

**National Campaign for the Elimination of Violence Against Women**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Prime Minister and Cabinet	1.6	-	-	-

The Government will provide funding of \$6.7 million over two years (including \$5.1 million in 2003-04) to enhance the National Campaign for the Elimination of Violence Against Women.

**Ombudsman — new roles and better delivery of services**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Office of the Commonwealth Ombudsman	1.5	1.4	1.4	1.5

The Government will provide \$5.8 million over four years to strengthen the Ombudsman's capacity to promote public sector accountability in relation to law enforcement legislation and in rural and regional Australia, and to improve on-line services.

The funding will enable the Office of the Commonwealth Ombudsman to undertake real time complaint investigation, twenty-four hours a day, in respect of the *ASIO Amendment (Terrorism) Act 2003*, and to increase inspections of specific enforcement activities under other law enforcement legislation.

The funding will also support remote outreach activities to promote awareness and accessibility to the Office's services by, and to deliver effective on-line services to, regional communities.

**Prime Minister and Cabinet — long term departmental accommodation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Prime Minister and Cabinet	0.5	0.5	-	-

The Government will provide \$1 million over two years to the Department of the Prime Minister and Cabinet (PMC) for project management costs associated with the fit-out of and move to a purpose built leased building. This will provide PMC with efficient and secure accommodation for expanded staffing resources and to accommodate task forces that are formed to respond to urgent and emerging issues.

*Part 2: Expense Measures*

Provisions have been made in the Contingency Reserve for the cost of the fit-out and additional funding for rent from 2006-07 to bring the resources provided to PMC up to a level comparable to those provided to similarly located agencies.



## TRANSPORT AND REGIONAL SERVICES

### Airservices Australia — extension of the Location Specific Pricing subsidy

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	7.0	-	-	-
<i>Related revenue(a) (\$m)</i>				
<i>Australian Taxation Office</i>	5.0	2.0	-	-

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide \$7 million in 2004-05 to continue the Location Specific Pricing subsidy for Airservices Australia to provide terminal navigation services at some regional and general aviation airports.

The purpose of the subsidy is to limit the effect of location specific pricing at smaller airports where low traffic limits the ability to meet the real costs of air traffic control services. Fourteen airports currently benefit from this subsidy. The subsidy is being continued for 2004-05 only to enable Airservices Australia to move towards longer term pricing arrangements for its terminal navigation services by 1 July 2005.

This subsidy will continue to be funded by the existing excise and customs duty arrangements until 31 October 2005.

### AusLink — grant to the Australian Rail Track Corporation

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	-	-	-	-

The Government will provide a grant of \$450 million to the Australian Rail Track Corporation (ARTC) in 2003-04 for investment in new rail infrastructure projects on the interstate rail system, including improvements and rail realignments on parts of the NSW north coast line to Brisbane. This is in accordance with the ARTC charter to develop interstate rail freight and will improve rail's ability to compete with road freight.

**AusLink — National Land Transport Network**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	88.4	108.7	421.7	427.1
<i>Related capital (\$m)</i>				
Department of Transport and Regional Services	4.0	4.5	-	-

The Government will provide an additional \$1.487 billion over five years (including \$432.5 million in 2008-09) for land transport projects, for new information technology infrastructure and to implement reform of national land transport planning, funding and decision making through AusLink.

Funding of \$1.44 billion over five years will be allocated to land transport projects within the new defined National Land Transport Network.

The funding includes \$265 million per annum indexed from 2006-07 to offset the impact of the abolition of the Fuel Sales Grants Scheme. This will be allocated to improve roads in outer metropolitan, rural and remote areas on the National Land Transport Network.

The National Land Transport Network will identify critical road and rail links of national importance. The Australian Government will share funding responsibility for projects within the network with States, Territories and the private sector.

The Department of Transport and Regional Services will be provided with an additional \$46.8 million over six years to administer the AusLink programme. This includes an additional \$1.2 million to be provided in 2003-04. This funding also includes capital expenditure of \$8.5 million for new information technology infrastructure.

AusLink will incorporate the existing National Highway and Roads of National Importance programmes.

See also the related expense measure titled *AusLink – redirection of funds from the Fuel Sales Grants Scheme* in the Treasury portfolio.

**AusLink — Roads to Recovery**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	-	300.0	300.0	300.0

The Government will provide \$1.2 billion over four years from 2005-06 to continue the Roads to Recovery programme.

*Budget Measures 2004-05*

Roads to Recovery will fund local and regional land transport infrastructure within the AusLink framework. Of the available funds, \$200 million will be allocated by formula for local roads, continuing current arrangements. The remaining \$100 million will be allocated to councils on a competitive basis for local land transport infrastructure of regional importance.

Further information can be found in the Joint Press Release of 22 January 2004 from the Minister for Transport and Regional Services and the Minister for Local Government, Territories and Roads.

**Australian Transport Safety Bureau — aviation safety investigations**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	2.0	2.1	2.1	2.1

The Government will provide funding of \$8.2 million over four years for the Australian Transport Safety Bureau to increase the number of aviation safety investigations conducted annually.

The *Transport Safety Investigation Act 2003* provides for the Australian Transport Safety Bureau to undertake independent investigation of accidents and incidents involving civil aircraft, international and interstate shipping, and trains on the defined interstate rail network.

**Bass Strait Passenger Vehicle Equalisation Scheme — capping**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	-	-	-	-

The Government will cap funding under the Bass Strait Passenger Vehicle Equalisation Scheme for services on the Sydney-Devonport route at a total of \$8 million per annum covering all operators. The scheme will not be extended to any new routes.

This measure has no impact on the fiscal balance as the current forward estimates cover the expected cost of the scheme for the Sydney-Devonport route.

**Civil Aviation Safety Authority — financial viability**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Civil Aviation Safety Authority	-	-	-	-
<i>Related revenue(a) (\$m)</i>				
<i>Australian Taxation Office</i>	6.5	6.5	6.5	6.5

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide additional funding of \$29.2 million over four years to the Civil Aviation Safety Authority to assist it to maintain its long term financial position.

The Authority's ongoing financial position has been weakened by changes in the aviation industry which have resulted in lower fuel consumption (part of the Authority's budget funding is directly linked to aviation fuel excise collections). The Government considered the financial position of the Authority in the 2003-04 Budget and agreed to increase aviation fuel excise for one year. The Government has now decided to maintain the existing rate of aviation fuel excise.

The additional funding also includes \$3.2 million in 2004-05 pending the identification of structural changes, including reduced costs, to ensure the sustainability of the Authority's financial position without impacting on its capacity to regulate the safety of civil air operations in Australia and of Australian aircraft.

The increased funding for the Authority does not impact on the fiscal balance because the Authority was projecting losses in those years.

**Commonwealth Regional Information Service — funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	3.3	-	-	-

The Government will provide funding of \$3.3 million in 2004-05 to the Commonwealth Regional Information Service to enhance access to information on Australian Government programmes and services for people in regional Australia. This will include preparation and distribution of a booklet to households.

*Budget Measures 2004-05*

**Conditional business credits — heavy vehicles**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	1.2	0.4	-	-

The Government will provide \$1.7 million over two years to develop, publish and disseminate emissions performance criteria, including emissions based maintenance models for heavy diesel vehicles. Operators of these vehicles will be required to meet these emissions performance benchmarks to gain access to on-road business credits.

**Green Vehicles Guide — promotion**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	1.1	0.2	0.1	0.1

The Government will provide an additional \$1.5 million over four years to promote the Green Vehicles Guide.

The Guide provides consumers with information on the carbon dioxide and noxious pollutant emissions from vehicles, with the aim of facilitating better informed purchase decisions.

**Maritime Search and Rescue**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Maritime Safety Authority	4.1	4.6	4.1	4.1
<i>Related capital (\$m)</i>				
Australian Maritime Safety Authority	1.2	0.8	-	-

The Government will provide an additional \$18.9 million over four years to the Australian Maritime Safety Authority to enhance maritime search and rescue capability throughout Australia.

A dedicated search and rescue service in Darwin will be contracted from the start of 2005, using a twin turbine-engine aircraft to improve coverage across northern Australia. Funding (including capital) over two years will also be provided to develop a drop system suitable for deploying rescue equipment from this type of aircraft.

The Government will also provide funding to improve communication and coordination between the Authority's Rescue Coordination Centre and other search and rescue agencies throughout Australia, including state and territory police. This includes capital funding over the two years for improved communication equipment and upgrading of the Centre's facilities.

The Government will also provide funding over four years to assist the Authority to meet the increased regulatory requirements of the Civil Aviation Safety Authority for search and rescue operations, including increased training, medical testing and the development of standard operations manuals for operators.

**Motor Vehicle Standards Act 1989 — administration**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	2.0	-	-	-
<i>Related capital (\$m)</i>				
<i>Department of Transport and Regional Services</i>	1.1	-	-	-

The Government will provide an additional \$3.1 million in 2004-05 (including \$1.1 million capital funding) for the administration of the *Motor Vehicle Standards Act 1989*.

This funding includes \$2 million to enable the Department of Transport and Regional Services to improve its audit and compliance programme to ensure that the quality and integrity of vehicles entering the Australian market meet Australian standards. It will also improve the Department's ability to undertake research on vehicle safety standards.

This funding also includes \$1.1 million for information technology systems to support these activities.

**National Aerial Firefighting Strategy — Australian Government contribution**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	5.5	5.5	5.5	-

The Government will provide \$16.5 million over three years to assist state governments to fund aerial firefighting equipment.

### *Budget Measures 2004-05*

The funding will be provided to the National Aerial Firefighting Centre, which has responsibility for the national coordination of leasing and allocation of aerial firefighting resources. Consistent with current natural disaster management responsibilities, state governments will be responsible for meeting the remaining costs.

This measure will involve funding of \$5.5 million in each year from 2004-05 to 2006-07. Provision for this funding has already been included in the contingency reserve.

#### **National Capital Authority — legal settlement**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
National Capital Authority	-	-	-	-

The Government will provide \$1.4 million in 2003-04 to the National Capital Authority (NCA) to meet the legal costs and settlement costs arising from a challenge to an NCA administrative decision made in 1995.

#### **Norfolk Island — funding for work on Kingston Pier**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	3.1	-	-	-

The Government will provide \$3.1 million for the urgent stabilisation and refurbishment of Kingston Pier, Norfolk Island. The work will address safety concerns, protect an important historical asset and ensure that an important component of the Island's infrastructure remains useable by the community.

#### **Northern Territory local roads — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	1.0	-	-	-

The Government will provide an additional \$1 million in 2004-05 to the Northern Territory for local roads in unincorporated areas. This funding is in addition to that provided for local roads in the Northern Territory through the Roads to Recovery Programme.

**Regional Partnerships Programme — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	13.0	13.4	13.0	33.1
<i>Related capital (\$m)</i>				
Department of Transport and Regional Services	1.4	1.0	1.4	1.3

The Government will provide an additional \$77.6 million over four years (including \$5.1 million capital funding) to support initiatives in Australia's regions through the Regional Partnerships Programme.

This funding includes an additional \$72.5 million to expand assistance currently available under the Regional Partnerships Programme to promote regional business development and investment activities, assist structural adjustment, and improve services and infrastructure for towns with populations of less than 5,000 people. It will also enhance the role of the Area Consultative Committees, which facilitate Australian Government consultation with local communities.

The additional projects funded will address a number of the recommendations in the *Regional Business: A Plan for Action* report by the Regional Business Development and Analysis Panel presented to the Australian Government in 2003.

This funding also includes \$5.1 million over four years for the Department of Transport and Regional Services for information technology systems to support administration of the Regional Partnerships Programme.

**Regional Partnerships Programme — Beaudesert Shire Railway**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	0.6	-	-	-

The Government will provide additional funding of \$0.6 million in 2004-05 to the Regional Partnerships Programme for assistance to the Beaudesert Shire Railway Support Group. This assistance will be provided as a grant to meet costs incurred by the Beaudesert Shire Railway.



**Remote Air Services Subsidy Scheme — extension of funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	1.5	1.6	1.8	2.8

The Government will provide \$7.7 million over four years to continue an expanded Remote Air Services Subsidy Scheme. The scheme provides a subsidy to air service operators to provide regular weekly air transport services for the carriage of passengers and goods, such as fresh food, medical supplies and spare parts, to isolated communities in remote areas of Australia.

In 2000-01, the Government provided an additional \$5.2 million over four years to expand service availability from 190 to 250 remote communities. The new funding will enable air service operators to continue providing the expanded service.

**South Australian local roads — additional funding**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	4.3	9.0	13.0	-

The Government will provide an additional \$26.3 million over three years to councils in South Australia for local roads.

This funding is in addition to that provided for local roads in South Australia through Untied Local Road Grants and the Roads to Recovery Programme. The measure is an interim response to the Report of the House of Representatives Standing Committee on Economics, Finance and Public Administration, *Rates and Taxes: A Fair Share for Responsible Local Government*.

**Tasmanian Freight Equalisation Scheme — inclusion of wheat shipments**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	1.9	2.0	2.0	2.0

The Government will provide an additional \$7.8 million over four years to extend eligibility for assistance under the Tasmanian Freight Equalisation Scheme to containerised wheat shipments.

Assistance for both bulk and containerised wheat shipments is currently provided by the Tasmanian Wheat Freight Scheme which ceases on 30 June 2004. Assistance under the Tasmanian Freight Equalisation Scheme will be provided to containerised wheat shipments only. This funding includes provision for the higher rebate payments as well as increased costs associated with administration of the scheme. The Tasmanian Freight Equalisation Scheme assists in alleviating the comparative freight cost disadvantage incurred by shipping of non-bulk goods carried between Tasmania and the mainland.

**Transport and Logistics Centre of Excellence**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	2.0	2.0	-	-

The Government will provide \$4 million over two years to establish a Transport and Logistics Centre of Excellence.

The Centre, which will receive matching contributions from the New South Wales Government, will support the development of a national education and training network for the transport and logistics sector.

## TREASURY

### AusLink — redirection of funds from the Fuel Sales Grants Scheme

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	-	-265.0	-270.0

The Government will cease the Fuel Sales Grants Scheme from 2006-07 and redirect funding to the new land transport infrastructure programme – AusLink. This funding will be allocated to improve roads in outer metropolitan, rural and remote areas.

See also the related expense measure *AusLink – National Land Transport Network* in the Transport and Regional Services portfolio.

### Australian Capital Territory — Special Revenue Assistance

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	-	-14.5	-14.9	-15.2

The Government has decided that the ACT's fiscal needs should now be considered in the same way as other States and Territories, that is, through the Commonwealth Grants Commission's calculation of GST relativities. Accordingly, the Government will cease providing Special Revenue Assistance to the ACT from 2005-06.

The ACT will continue to receive funding to assist the ACT Government to meet the municipal costs flowing from Canberra's role as the national capital.

### Australian Competition and Consumer Commission — strengthening capacity to foster competitive, fair and informed Australian markets

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Competition and Consumer Commission	24.0	8.4	7.1	7.2
<i>Related capital (\$m)</i>				
<i>Australian Competition and Consumer Commission</i>	-	-	-	-

The Government will provide \$46.7 million over four years and a \$22 million equity injection in 2004-05 to enable the Australian Competition and Consumer Commission to effectively deal with an increased number of matters and maintain its levels of service delivery to the community.

The provision of an equity injection is a financial transaction within the general government sector and consequently has no direct impact on the fiscal balance.

### Australian Energy Regulator

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Competition and Consumer Commission	6.5	-	-	-
<i>Related capital (\$m)</i>				
<i>Australian Competition and Consumer Commission</i>	1.9	-	-	-

The Government will provide \$8.4 million in 2004-05 (including \$1.9 million capital funding) to fund the establishment of the Australian Energy Regulator. The total cost of the Regulator in 2004-05 is expected to be \$10.7 million, of which \$2.3 million represents a transfer from existing funding of the Australian Competition and Consumer Commission.

The Regulator, expected to be established by 1 July 2004, will have initial responsibility for the economic regulation of wholesale electricity and transmission networks and key rule enforcement functions. The Regulator will exercise powers under an agreed new national energy legislative framework, and undertake the sector-specific regulatory functions previously exercised by the Australian Competition and Consumer Commission and the National Electricity Code Administrator.

The responsibilities of the Regulator are to be extended to include gas transmission by 30 June 2005 and distribution and retailing (other than retail pricing) by 2006, following development of an agreed national framework.

The Regulator will be a constituent part of the Australian Competition and Consumer Commission but will also operate as a separate legal entity.

The cost of the establishment and operation of the Regulator will be recovered from industry once an appropriate mechanism is established.

Future funding for the Regulator will be considered in the context of the 2005-06 Budget.

*Budget Measures 2004-05*

**Australian Prudential Regulation Authority — strengthened capabilities**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Prudential Regulation Authority	11.4	12.4	11.7	11.9
<i>Related revenue(a) (\$m)</i>				
Australian Prudential Regulation Authority	7.4	14.4	11.6	11.9
<i>Related capital (\$m)</i>				
Australian Prudential Regulation Authority	-	-	-	-

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide \$47.4 million over four years to the Australian Prudential Regulation Authority (APRA) to strengthen its supervisory capacity, principally in supervising large, complex and systemically important financial institutions. It will enable APRA to build up staff levels in front-line supervision and in specialist risk areas and to strengthen its capabilities as Australia's statistical collection agency for the financial sector. This supports the Government's commitment to increase public confidence in the Australian financial system.

The funding will also support other regulatory activities to strengthen the safety of superannuation funds and to assess whether individuals are 'fit and proper' to remain in the general insurance industry in view of the HIH Royal Commission's findings.

Apart from funding for 'fit and proper' assessments, the cost of this measure will be recovered via increases in financial sector levies.

The Government will also provide an equity injection of \$3 million in 2004-05, which will be returned to the Budget in the subsequent year. This is to cover a timing difference between expenses and the collection of superannuation trustee licensing fees announced by the Government on 28 October 2002.

The provision of an equity injection is a financial transaction within the general government sector and consequently has no direct impact on the fiscal balance.

**Australian Securities and Investments Commission — enhanced enforcement activities and consumer protection and corporate sector regulation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Securities and Investments Commission	13.5	14.9	15.4	16.3
<i>Related revenue(a) (\$m)</i>				
<i>Australian Securities and Investments Commission</i>	13.9	15.3	15.8	16.7
<i>Related capital (\$m)</i>				
<i>Australian Securities and Investments Commission</i>	-	-	-	-

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide \$52.5 million over four years to the Australian Securities and Investments Commission (ASIC) to strengthen its ability to meet increased demand for its core operations, enhancing its enforcement activities and its capacity to protect consumers against investment scams.

The Government will also provide funding of \$7.6 million over four years to support ASIC's role in implementing reforms of Part 9 of the Corporate Law Economic Reform Programme (CLERP 9), to strengthen its surveillance and enforcement activities, and to ensure auditor compliance with auditing standards.

The cost of these initiatives will be offset by a \$12 increase in the annual review fee for proprietary companies and efficiencies created by changes to, and expansion of, the fee collection system. This is the first increase in this fee since 1997.

The review fee, which is imposed under the *Corporations (Review Fees) Act 2003*, is payable by proprietary companies required to undertake an annual review of their company details against information provided by ASIC. The fee increase will take effect from 1 July 2004.

The Government will provide an equity injection of \$11.3 million to ASIC in 2004-05 to address cumulative operating losses in 2003-04 and previous years. The losses resulted from increases in enforcement costs, demand for services (notably in the number of complaints received), and staff costs. The provision of an equity injection is a financial transaction within the general government sector and consequently has no direct impact on the fiscal balance.

**Australian Taxation Office — taxation and superannuation compliance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	60.3	95.2	87.0	83.9
<i>Related revenue(a) (\$m)</i>				
<i>Australian Taxation Office</i>	<i>251.0</i>	<i>347.8</i>	<i>291.3</i>	<i>259.2</i>

(a) A positive number for revenue for indicates an increase in the fiscal balance.

The Government will provide additional funding of \$326.4 million over four years to the Australian Taxation Office to better educate taxpayers, raise the level of voluntary compliance with taxation obligations, and undertake additional compliance activities such as reviews and audits which will result in increased revenue.

The activities will focus on areas of: employer obligations; businesses with annual turnover of between \$2 million and \$100 million (in particular those with an annual turnover of more than \$50 million where evidence indicates financial arrangements are becoming more complex); individual taxpayer obligations in the areas of capital gains tax, rental deductions and high risk refunds; leveraging compliance through tax agents; and superannuation.

Additional revenue in superannuation guarantee payments on behalf of employees will also be recouped and the majority of the 4.6 million 'lost' superannuation members' records will be matched with Tax File Numbers for the purpose of re-attaching them to their entitlements. The return of these superannuation guarantee entitlements to the individuals' superannuation funds will be reflected in increased administered expenses.

**Australia-United States Free Trade Agreement — realising competition and financial sector integration benefits**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	0.5	0.4	0.4	0.4

The Government will provide \$1.7 million over four years to enable the Department of the Treasury to fulfil its commitments and obligations under the financial services and competition-related matters chapters of the Australia-United States Free Trade Agreement.

The additional resources will enable Australian officials to participate in ongoing consultation processes, including relevant working groups, to reduce restrictions and costs faced by Australians when attempting to access United States markets.

**Commonwealth-State Financial Relations — information for the public**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	-	-	-	-

The Government will provide \$3 million in 2003-04 to the Department of the Treasury to deliver a communications package which will provide the public with information on Australian Government payments to the States and Territories.

**Demographics — discussion paper**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	-	-	-	-

The Government will provide \$0.5 million in 2003-04 to the Department of the Treasury to fund the publication of the discussion paper on *Australia's Demographic Challenges*, released by the Treasurer on 25 February 2004. The funding will also enable public consultations on the issues raised in the discussion paper to be undertaken in each State.

As part of the 2002-03 Budget, the Government released the *Intergenerational Report 2002-03* which projected that, in the absence of policy measures being taken, total expenditure by the Australian Government would significantly exceed the amount raised in taxes in 40 years' time, as a result of ageing and other factors.

**Department of the Treasury — secretariat to the Review of Horizontal Fiscal Equalisation Methodology**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	1.3	-	-	-

The Government will provide \$1.3 million in 2004-05 to the Department of the Treasury for a secretariat to the Review of Horizontal Fiscal Equalisation Methodology.

The majority of the States and Territories, with the support of the Australian Government, have agreed to examine aspects of the Commonwealth Grants Commission's methodology for Horizontal Fiscal Equalisation, and to do so while maintaining the underlying principles of equalisation.



*Budget Measures 2004-05*

**East Asia — promoting economic security**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	0.8	0.8	0.9	0.9

The Government will provide funding of \$3.4 million over four years to enhance Australia's efforts to promote economic growth and security in East Asia.

The initiative will increase Australia's collaborative efforts with key partners in East Asia aimed at improving regional governance, strengthening financial systems and raising regional living standards. Funding has also been provided to host regular economic fora for discussion of medium-term macroeconomic challenges that will shape the region's growth.

**Financial Reporting Council — improved accounting and auditing standards-setting arrangements**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	3.4	-	-	-

The Government will provide \$3.4 million in 2004-05 as part of the implementation of Part 9 of the Corporate Law Economic Reform Programme (CLERP 9). These funds will support the Financial Reporting Council in its expanded role of overseeing auditor independence and the audit standard setting arrangements, the establishment of the Financial Reporting Panel and the reconstitution of the Auditing and Assurance Standards Board.

The Financial Reporting Panel will be established to provide a non-binding mechanism for the resolution of disputes between the Australian Securities and Investments Commission and companies, as an alternative to legal proceedings, in the application of accounting standards. The Auditing and Assurance Standards Board will be reconstituted to provide a statutory basis for auditing standards-setting.

Provision has also been made in the contingency reserve for the forward years, subject to the level of ongoing funding for this measure being determined in the 2005-06 Budget.

**National Strategy for Consumer and Financial Literacy**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	-	-	-	-

The Government will provide \$0.8 million in 2003-04 for expenses incurred in the establishment of the National Consumer and Financial Literacy Taskforce.

The Taskforce will map and evaluate current consumer and financial literacy programs in Australia, identify any gaps or ways of working more effectively and develop a national strategy to raise the levels of consumer awareness and financial literacy in Australia.

Further information can be found in the press release of 23 February 2004 issued by the Minister for Revenue and Assistant Treasurer.

**Oil recycling — new category of grant**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	0.9	1.0	-	-

The Government has amended the *Product Stewardship (Oil) Regulations 2000* to provide oil recyclers who produce blended light fuel oil with a new grant of 9.557 cents per litre of oil recycled, with an expected cost of \$2.2 million over three years (including \$0.3 million in 2003-04).

The new grant fully offsets the impact of changes that took effect from 1 February 2004, when support for this activity moved from concessional treatment under the excise system to delivery under the Energy Grants (Credits) Scheme. The new grant meets the Government’s intention that oil recyclers not be disadvantaged by the removal of the excise exemption and that an equivalent level of support for this oil recycling activity continues.

**Refundable Film Tax Offset — extension to episodic television**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	-	2.0	4.0	6.0

The Government will provide \$12 million over three years from 2005-06 to extend the application of the existing Refundable Film Tax Offset to the production of television series.

The Refundable Film Tax Offset currently provides a rebate of 12.5 per cent of eligible film production costs in cases where qualifying Australian expenditure exceeds \$15 million.

**Small business annual payment and lodgement of GST — compensating the States for revenue forgone**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	330.0	-	-	-

The Government will fully compensate the States for the revenue impact of the decision to allow taxpayers that are voluntarily registered for GST to pay and report GST annually. Compensation in 2004-05 will cost \$330 million. Future compensation will be subject to further negotiation with the States, and provisions have been made in the Contingency Reserve.

This measure will reduce compliance costs for up to 740,000 small businesses and up to 30,000 non-profit organisations. This compensation will be provided to ensure that the Government receives the States' agreement for this measure to proceed.

See also the related revenue measure titled *Small Business – annual payment and lodgement* in Appendix A of Budget Paper No. 3.

**South Pacific economic governance and stabilisation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	2.3	1.8	1.9	1.9
Department of Finance and Administration	1.3	1.3	1.3	1.4
Total	3.6	3.1	3.2	3.3

The Government will provide \$14.9 million over five years (including \$1.7 million in 2003-04) to the Departments of Finance and Administration and the Treasury to fund the establishment and operation of their Pacific Support Units.

Funding of \$9.2 million will enable the Department of the Treasury to provide analytical, policy and administrative support to Treasury officers undertaking deployment in the Pacific region as part of the whole-of-government approach to utilise Australian expertise to improve governance, security and economic reform in Pacific Island countries.

Funding of \$5.7 million will enable the Department of Finance and Administration to provide effective support to in-country operators in Papua New Guinea and other Pacific Island countries in the form of policy and administrative support, budget technical assistance and monitoring, and reporting and financial management assistance.

In-country resources from both agencies, which currently form the core of the economic and budget stabilisation team in the Solomon Islands and Papua New Guinea, are funded by Australian Agency for International Development.

**State, territory and local government organisations — transitional grants as compensation for lost access to a fringe benefits tax concession**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	23.9	19.4	19.5	19.5

The Government will provide transitional grants totalling \$80 million over four years to certain organisations which had been endorsed by the Commissioner of Taxation as public benevolent institutions but were found to be ineligible for this status following a recent comprehensive review by the Australian Taxation Office. The funding will support these organisations in recognition of the loss of the fringe benefits tax (FBT) exemption of up to \$30,000 of the grossed up taxable value per employee which these organisations had been accessing as public benevolent institutions.

The transitional grants recognise the potential impact on State and Territory and local governments of increases in employment costs for around 350 organisations.

The transitional grants will include support for certain public ambulance services that had been accessing an FBT exemption of up to \$30,000 of grossed up taxable value per employee as public benevolent institutions. A recent court decision found that some of these organisations were ineligible for this concession. The Government subsequently announced that it would make an FBT exemption of up to \$17,000 of grossed up taxable value per employee available to all public ambulance services, consistent with that available for public and not-for-profit hospitals. The grants will support organisations in the transition to the lower FBT exemption.

The Government will also provide additional funding of \$2.3 million over four years to the Australian Taxation Office to administer the grants described above.

See revenue measure *Fringe Benefits Tax – ensuring concessions are available for public ambulance services* in the Treasury portfolio.

**Superannuation — new qualifying criteria for Government Co-contribution Scheme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	45.0	50.0	50.0	50.0

The Government will broaden the eligibility criteria for the Superannuation Co-contribution Scheme for low-income earners, at a cost of \$195 million over four years.

The broadened eligibility criteria replace the existing requirement that eligible participants receive employer superannuation contributions with a requirement that at least 10 per cent of an individual's income is earned as an employee. For example, this will include people who earn less than \$450 per month and are not eligible for employer superannuation support.

Further information can be found in the press release of 14 March 2004 issued by the Minister for Revenue and Assistant Treasurer.

See also the related expense measure titled *Superannuation co-contribution implementation campaign* in the Treasury portfolio.

**Superannuation co-contribution implementation campaign**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Taxation Office	8.2	-	-	-

The Government will provide \$8.2 million in 2004-05 for the expansion of the Australian Taxation Office's communication and marketing campaign to reach and inform eligible recipients of the Superannuation Co-contribution Scheme.

See also the related expense measure titled *Superannuation – new qualifying criteria for Government Co-contribution Scheme* for the Australian Taxation Office in the Treasury portfolio.

**Superannuation Complaints Tribunal — relocation**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Securities and Investments Commission	0.8	0.3	0.3	0.3
<i>Related revenue(a) (\$m)</i>				
<i>Australian Prudential Regulation Authority</i>	<i>0.8</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide \$1.7 million over four years to fund expenses associated with leasing new premises for the Superannuation Complaints Tribunal following expiry of its current lease.

The Tribunal is funded by levies on superannuation funds collected by the Australian Prudential Regulation Authority under the *Financial Institutions Supervisory Levies Collections Act 1998*. From 1 July 2004, these levies will be adjusted to offset the costs associated with fitting-out and leasing the new premises.

## **VETERANS' AFFAIRS**

### **Response to the Findings of the Clarke Review of Veterans' Entitlements**

The Government will provide \$289 million over five years (including \$9.1 million in 2003-04) for a range of measures in response to the findings of the Clarke Review of Veterans' Entitlements. The Review was undertaken by a committee chaired by the Hon MJ Clarke QC in line with the Government's commitment during the 2001 Federal election campaign.

The Committee concluded that the repatriation system has been, and remains, a major institution of social justice in Australia. The Government's response announced in March 2004, ensures that the repatriation system continues to deliver appropriate and adequate benefits to the veteran community in recognition of service in Australia's armed forces. It addresses a number of anomalies identified by the Committee that previously limited access to repatriation benefits for some veterans. The response also provides additional financial support for some members of the veteran community.

Further information can be found in the press release of 2 March 2004 issued by the Prime Minister and the press releases of 2 and 19 March 2004 issued by the Minister for Veterans' Affairs.

**Table 12: Clarke Review — Summary of measures**

	2004-05	2005-06	2006-07	2007-08	Total
	\$m	\$m	\$m	\$m	\$m
<b>EXPENSE MEASURES</b>					
<b>Veterans' Affairs</b>					
<i>Department of Veterans Affairs</i>					
Defence Forces Income Support Allowance(a)	17.8	21.9	22.0	21.8	89.3
Extend rent assistance to war widows and widowers in addition to the Income Support Supplement	11.5	21.4	22.3	23.1	78.3
Indexation of the Above General Rate component of Disability Pension(b)	10.0	19.3	24.9	32.1	87.9
Increase in the funeral benefit	5.6	5.6	5.6	5.6	22.4
Extend entitlement to disability pension and treatment arrangements to Australian aircrew involved in the Berlin Airlift	..	..	..	..	..
Extend operational service to minesweeping and bomb/mine clearance service immediately after the cessation of World War II	0.1	0.1	0.1	0.1	0.4
Extend qualifying service to the aircrew of Number 2 Squadron for service on the Malaysia-Thailand Border (1962-1966)	0.1	0.1	0.1	0.1	0.4
One-off payment to former Prisoners of War of the North Korean forces or surviving spouses(c)	-	-	-	-	0.5
<b>Sub Total</b>	<b>45.1</b>	<b>68.3</b>	<b>75.0</b>	<b>82.8</b>	<b>279.2</b>
<b>Family and Community Services</b>					
<i>Department of Family and Community Services</i>					
Defence Forces Income Support Allowance(d)	6.3	1.1	1.0	1.0	10.2
Indexation of the Above General Rate component of Disability Pension by Male Total Average Weekly Earnings(e)	-0.1	-0.2	-0.3	-0.4	-0.8
Extend entitlement to disability pension and treatment arrangements to Australian aircrew involved in the Berlin Airlift	..	..	..	..	..
Extend operational service to minesweeping and bomb/mine clearance service immediately after the cessation of World War II	..	..	..	..	-0.1
Extend qualifying service to the aircrew of Number 2 Squadron for service on the Malaysia-Thailand Border (1962-1966)	..	..	..	..	-0.2
One-off payment to former Prisoners of War of the North Korean forces or surviving spouses	..	..	..	..	..
<b>Sub Total</b>	<b>6.1</b>	<b>0.9</b>	<b>0.7</b>	<b>0.5</b>	<b>9.1</b>
<b>Total expense measures</b>	<b>51.2</b>	<b>69.2</b>	<b>75.7</b>	<b>83.4</b>	<b>289.0</b>

(a) Total includes expenditure of \$5.8 million in 2003-04.

(b) Total includes expenditure of \$1.7 million in 2003-04.

(c) Total includes expenditure of \$0.5 million in 2003-04.

(d) Total includes expenditure of \$0.8 million in 2003-04.

(e) Total includes expenditure of \$0.3 million in 2003-04.



**Clarke Review — Defence Forces Income Support Allowance**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	17.8	21.9	22.0	21.8
Department of Family and Community Services	6.3	1.1	1.0	1.0
Total	24.1	23.0	23.0	22.9

The Government will provide \$99.6 million over five years (including \$6.6 million in 2003-04) to establish, from 20 September 2004, an allowance that will be paid by the Department of Veterans' Affairs (DVA) to compensate DVA disability pension recipients for the effects of income testing on income support payments paid under the *Social Security Act 1991*.

This allowance will ensure that DVA disability pension recipients are treated consistently, regardless of whether they receive income support payments under the *Social Security Act 1991* or the *Veterans' Entitlements Act 1986*. The measure is expected to benefit up to 19,000 veterans and their partners.

This measure addresses a recommendation of the Clarke Review that the Government should no longer regard the *Veterans' Entitlements Act 1986* disability pension as income for any payment of benefits under the Act or social security income support payments.

**Clarke Review — extend rent assistance to war widows and widowers in addition to the Income Support Supplement**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	11.5	21.4	22.3	23.1

The Government will provide \$78.3 million over four years to pay rent assistance to war widows and widowers, who are in private rental accommodation, in addition to the Income Support Supplement from 1 January 2005. This measure will also apply to war widows and widowers with qualifying service who are receiving the Service Pension. This scheme will benefit approximately 11,500 widow(er)s.

Currently, rent assistance is paid as part of the ceiling rate of income support supplement of \$137.90 per fortnight. Paying rent assistance as an additional amount to the income support supplement will increase the amount of income support paid to eligible war widow(er)s by up to \$95.40 per fortnight.

This measure will provide the same level of rent assistance to war widow(er)s receiving Department of Veterans' Affairs income support as is paid to other income support pensioners in private rental accommodation.

**Clarke Review — indexation of the Above General Rate component of Disability Pension**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	10.0	19.3	24.9	32.1
Department of Family and Community Services	-0.1	-0.2	-0.3	-0.4
Total	9.9	19.1	24.6	31.6

The Government will change the indexation of the Above General Rate components of the Department of Veterans' Affairs disability pension from 20 March 2004, at a cost of \$87.1 million over five years (including \$2 million in 2003-04). The change will benefit around 45,000 veterans.

The measure will increase the Above General Rate components of the disability pension (that is, where a veteran receives Extreme Disablement Adjustment, Intermediate Rate or Special Rate pension) in the same way as the maximum basic rate of the Service Pension with reference to both movements in the Male Total Average Weekly Earnings Index and the Consumer Price Index.

There will be a reduction in expenses in the Family and Community Services portfolio as disability pension paid to veterans is taken into account through income testing arrangements under the *Social Security Act 1991*. The total benefit paid to individuals will be maintained by an offsetting increase in the Defence Forces Income Support Allowance. See the related measure titled *Clarke Review — Defence Forces Income Support Allowance*.

**Clarke Review — increase in funeral benefit**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	5.6	5.6	5.6	5.6

The Government will provide \$22.5 million over four years to increase the maximum funeral benefit that is payable to the estate of a deceased veteran from \$572 to \$1,000, from 1 July 2004.

The funeral benefit is paid towards expenses incurred in the funerals of Australian veterans who were prisoners of war or were, upon death, receiving the special or totally and permanently incapacitated rate disability pension, extreme disablement adjustment of disability pension, disability pension plus an allowance as a multiple amputee, or in certain other circumstances as determined by the Department of Veterans' Affairs, such as financial hardship.

**Clarke Review — extend entitlement to disability pension and treatment arrangements to Australian aircrew involved in the Berlin Airlift**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	..	..	..	..
Department of Family and Community Services	..	..	..	..
Total	..	..	..	..

The Government will provide \$0.1 million over five years (including 2003-04) to extend entitlement to disability pension and treatment arrangements to Royal Australian Air Force (RAAF) aircrew involved in the Berlin Airlift.

The Berlin Airlift took place in 1948-49 to provide essential food and other supplies to West Berlin, which was then blockaded by the then Soviet Union.

The extension of the entitlement will ensure those RAAF personnel involved in the allied effort immediately after the hostilities period of World War II are recognised for their service. RAAF aircrew involved in the Berlin Airlift were not previously eligible to receive the disability pension or treatment.

**Clarke Review — extend operational service to minesweeping and bomb/mine clearance service immediately after the cessation of World War II**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	0.1	0.1	0.1	0.1
Department of Family and Community Services	..	..	..	..
Total	0.1	0.1	0.1	0.1

The Government will provide \$0.4 million over five years (including 2003-04) to extend operational service to minesweeping and bomb/mine clearance service undertaken immediately after the cessation of World War II. This will provide a small number of additional veterans with access to disability compensation and treatment under the *Veterans' Entitlements Act 1986*. The cost of this measure is partially offset by a reduction of \$0.1 million in expenses in the Department of Family and Community Services.

The Act provides qualifying service for those who hold the appropriate minesweeping or bomb/mine clearance medals for this service and had service before 3 January 1949. This measure addresses an anomaly affecting personnel who, despite holding the appropriate medal, do not have access to the benefits of the Act because their only service was after 3 January 1949 and they therefore do not meet the definition of veteran. By extending operational service to this period, these personnel will be able to access the benefits of the Act.

**Clarke Review — extend qualifying service to the aircrew of Number 2 Squadron for service on the Malay-Thailand Border (1962-1966)**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	0.1	0.1	0.1	0.1
Department of Family and Community Services	..	..	..	..
Total	..	..	..	..

The Government will provide \$0.3 million over five years (including 2003-04) to extend qualifying service to the aircrew of Number 2 Squadron of the Royal Australian Air Force for service on the Malay-Thailand Border (1962-66). This will provide access to the range of income and health support measures provided under the *Veterans' Entitlements Act 1986*. The cost of this measure is partially offset by a reduction of \$0.2 million in expenses in the Department of Family and Community Services.

The Clarke Review noted that Army air dispatch units who travelled in aircraft of Number 2 Squadron on the Malay-Thailand Border between 1962-1966 have coverage under the Act resulting from the Mohr Review in 2000. The Clarke Review concluded that, because the aircrews' operational activity was on the same aircraft as the air dispatchers, the aircrew of Number 2 Squadron who flew on these missions faced similar risks, and therefore should be provided full entitlements under the Act.

**Clarke Review — one-off payment to former Prisoners of War of the North Korean forces or surviving spouses**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	-	-	-	-
Department of Family and Community Services	..	..	..	..
Total	..	..	..	..

The Government will provide \$0.5 million in 2003-04 to make a one-off payment of \$25,000 to former Australian Prisoners of War of the North Korean forces or their surviving spouses who were alive on 1 July 2003. The payment will be non-taxable, exempt under the lump sum income testing rules, and will be an exempt asset under the assets test for recipients of payments under the *Social Security Act 1991* and the *Veterans' Entitlements Act 1986*. Deeming rules pertinent to income flows received from investment of the payment will still apply to income testing.

## Other measures in the Veterans' Affairs portfolio

### Commemorations programme — continuation

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	3.6	3.7	3.8	3.9

The Government will provide \$15.1 million over four years to continue the Saluting Their Service component of the Commemorations programme. This measure will provide resources for educational initiatives, community awareness activities, preservation of our wartime heritage, support for community commemorative events and recognition of significant anniversaries.

The Commemorations programme honours the contribution of Australia's servicemen and women in wars, conflicts and peacetime operations.

### Commemorations programme — one-off funding for significant anniversaries

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	2.3	2.2	-	-

The Government will provide funding of \$4.5 million over two years for commemorative initiatives associated with significant anniversaries occurring in the period 2004 to 2006.

This measure will fund the commemoration of significant anniversaries such as the 60<sup>th</sup> anniversary of key World War II campaigns, the 90<sup>th</sup> anniversary of the Gallipoli landings, and the 40<sup>th</sup> anniversary of the Battle of Long Tan during the Vietnam War. It will also provide the opportunity to contribute to the production of specific documentaries associated with the 60<sup>th</sup> anniversaries.

### Managing Health Care Information Programme

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	-11.3	-10.0	-10.2	-10.5

The Government will continue and expand the Managing Health Care Information Programme.

The programme was established in the 1999-2000 Budget and has improved the capacity of the Department of Veterans' Affairs to expand data gathering, implement data warehousing and enhance analysis of health care information. This has resulted in improvements to health services for the veteran community and has reduced health care costs.

The expansion of this programme is expected to result in savings of \$63.5 million over four years, and will cost \$21.5 million to administer, leading to net savings of \$41.9 million over four years. This is in addition to the savings of \$34.1 million already included in the forward estimates.

### Medical specialists' fees for services provided to veterans — ensuring access

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	24.9	45.2	43.5	44.0

The Government will provide \$157.7 million over four years to ensure that veterans and their dependants in receipt of Gold and White Repatriation Health Cards retain access to specialists' medical services as private patients.

This measure will create a schedule of fees payable by the Government to medical specialists for providing services to veterans and their dependants who are entitled to health services under the *Veterans' Entitlements Act 1986*.

### Military Rehabilitation and Compensation Scheme — enhancement

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	0.8	0.9	1.0	1.1
Department of Defence	-	-	-	..
Total	0.8	0.9	1.0	1.1
<i>Related capital (\$m)</i>				
Department of Veterans' Affairs	0.3	-	-	-

The Government will provide \$4.3 million over four years for a range of initiatives to enhance the Military Rehabilitation and Compensation Scheme.

The Government will provide all widowed partners with a death benefit of up to \$103,000 regardless of whether the death of their spouse arose from warlike, non-warlike or other service, at a cost of \$2.6 million over four years.

### *Budget Measures 2004-05*

The Government will establish a Return to Work Scheme to apply to those people on the Special Rate Disability Pension whose condition improves and are able to return to work. Those who are on, or successfully complete, the Return to Work Scheme will retain benefits such as automatic entitlement to the Repatriation Health Card – For All Conditions (Gold Card), children’s education scheme and certain dependants’ benefits.

The Government will also modify the current Veterans’ Vocational Rehabilitation Scheme to increase the incentive for disabled veterans to participate in the Scheme by decreasing the reduction in benefits due to income received when the veteran is working a low number of hours per week. The cost of this initiative and the one immediately above is expected to be \$0.4 million over four years.

The measure will also provide uniform access to the Veterans’ Review Board for appeals under the Military Rehabilitation and Compensation Scheme relating to peacetime, warlike and non-warlike service, regardless of the type of service from which the claim arises. This will cost \$1 million over four years.

### **Official History of Peacekeeping and post-Cold War Conflicts**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australian War Memorial	-	-	-	-
Department of Defence	-	-	-	-

The Government will provide \$3.2 million over five years to commission the writing of an Official History of Australian Peacekeeping and post-Cold War Conflicts. The Official History will encompass all multi-national peace operations and post-Cold War operations in which Australia has participated since 1947, excluding the recent operations in East Timor, Afghanistan and Iraq (2003).

The Australian War Memorial, along with the Australian National University, has applied to the Australian Research Council for a grant to part-fund this project. Subject to the outcome of this application, the Memorial and the Department of Defence will absorb the remaining costs of the project against existing resourcing.

Professor David Horner of the Australian National University, one of Australia’s most highly respected military historians, has been appointed as Official Historian for the project. The history is scheduled to be published progressively in four volumes between 2008 and 2011.

**Pathways Home Programme — aligning hospital policy for veterans**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	-	-0.6	-1.1	-1.1

The Department of Veterans' Affairs will develop agreements with State Governments, consistent with the Pathways Home Programme, to move veterans who are receiving long-term non-acute care from high-cost acute care beds to lower-cost step down (convalescent) facilities.

Veterans will continue to receive the hospital services they need. Once fully implemented, the measure is expected to affect up to 500 of the estimated 2,200 veterans a year that the Department currently subsidises as long-stay patients in public hospital acute care facilities.

The implementation of this programme is expected to result in savings of \$2.7 million over three years from 2005-06.

**Prisoners of War — payment of daily residential aged care fees for low-level care**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	0.3	0.6	0.5	0.5

The Government will provide \$1.8 million over four years to extend the payment of daily care fees and exemption from income-tested fees to former prisoners of war (POWs) requiring low-level residential aged care.

Currently, the Department of Veterans' Affairs pays daily care fees for former POWs in high-level residential aged care, but not for those in low-level care. In addition, POWs in high-level care are exempt from income-tested fees, but those who are in low-level care are not.

The measure is consistent with an established principle of the *Veterans' Entitlements Act 1986* that veterans with the same service should be treated equally.

**War graves and memorials — continuation of the repair and replacement programme**

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Veterans' Affairs	1.1	1.1	1.1	1.2

The Government will provide \$4.5 million over four years to continue to ensure that memorial sites are appropriately maintained, refurbished and upgraded.



*Budget Measures 2004-05*

The Office of Australian War Graves maintains memorials, cemeteries and associated facilities in Australia and overseas. This includes more than 70 war cemeteries and war plots, and more than 250,000 official post war memorials (primarily plaques on the graves of ex-servicemen).

## Part 3: Capital Measures

**Table 1: Capital measures since the 2003-04 MYEFO<sup>(a)</sup>**

	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
<b>ATTORNEY-GENERALS</b>				
<i>Attorney-General's Department</i>				
Attorney General's Department — relocation and fit out costs	2.2	9.4	11.4	-
Investing in Australia's Security - critical infrastructure protection(d)	0.6	-	-	-
Investing in Australia's Security - replacement armoured vehicles	2.5	-	-	-
Pacific Governance	..	-	-	-
<i>Australian Customs Service</i>				
Customs security enhancements	3.3	-	-	-
Investing in Australia's Security - biometrics for border control	1.2	-	-	-
Investing in Australia's Security - first port boarding Southern Ocean surveillance(d)	1.6	-	-	-
	1.1	-	-	-
<i>Australian Federal Police</i>				
Investing in Australia's Security - Jakarta Centre for Law Enforcement Cooperation(d)	3.3	-	-	-
Investing in Australia's Security - rapid deployment capability	2.5	0.3	0.3	0.3
Papua New Guinea Deployment(d)	1.1	17.6	0.5	0.5
<i>Australian Security and Intelligence Organisation</i>				
Investing in Australia's Security - increased funding to intelligence agencies(d)	14.8	7.4	1.3	1.9
Investing in Australia's Security - strengthening border control measures(d)	0.6	0.1	-	-
<i>Federal Magistrates Court</i>				
Migration litigation reforms(d)	4.2	-	-	-
<i>Office of Film and Literature Classification</i>				
Office of Film and Literature Classification — additional funding(d)	-	-	-	-
<b>Portfolio total</b>	<b>38.9</b>	<b>34.7</b>	<b>13.5</b>	<b>2.7</b>
<b>COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS</b>				
<i>National Library of Australia</i>				
National Library of Australia - provision of additional storage	2.9	6.5	-	-
<b>Portfolio total</b>	<b>2.9</b>	<b>6.5</b>	<b>-</b>	<b>-</b>
<b>CROSS PORTFOLIO</b>				
<i>All Agencies</i>				
Budget estimates - enhanced quality and timeliness Melbourne 2006 Commonwealth Games — contribution(d)	0.6	0.8	-	-
	0.1	0.1	-	-
<b>Portfolio total</b>	<b>0.7</b>	<b>0.9</b>	<b>-</b>	<b>-</b>

**Table 1: Capital measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>DEFENCE</b>				
<i>Department of Defence</i>				
Defence Capability Review - operational cost savings(d)	-	-9.3	-28.3	-29.9
Investing in Australia's Security - critical infrastructure protection(d)	0.5	0.2	0.2	0.2
<b>Portfolio total</b>	<b>0.5</b>	<b>-9.2</b>	<b>-28.1</b>	<b>-29.7</b>
<b>EDUCATION, SCIENCE AND TRAINING</b>				
<i>Australian Nuclear Science and Technology Organisation</i>				
Australian Nuclear Science and Technology Organisation - replacement research reactor	8.8	17.4	-	-
<i>Department of Education, Science and Training</i>				
Investing in Australia's Aged Care - better skills for better care(d)	-	-	-	-
MedicarePlus - additional medical school places for Queensland(d)	-	-	-	-
Our Universities - Higher Education Loan Programme(d)	-	-	-	-
<b>Portfolio total</b>	<b>8.8</b>	<b>17.4</b>	<b>0.0</b>	<b>0.0</b>
<b>EMPLOYMENT AND WORKPLACE RELATIONS</b>				
<i>Department of Employment and Workplace Relations</i>				
Building and Construction Industry — implementing the recommendations of the Royal Commission(d)	-	0.2	-	-
<b>Portfolio total</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>-</b>
<b>FAMILY AND COMMUNITY SERVICES</b>				
<i>Department of Family and Community Services</i>				
A more flexible and adaptable retirement income system - assets test exemption for income streams(d)	0.3	-	-	-
<b>Portfolio total</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FINANCE AND ADMINISTRATION</b>				
<i>Australian Electoral Commission</i>				
Australian Electoral Commission - improving the integrity of the electoral roll	0.5	-	-	-
<i>Department of Finance and Administration</i>				
Anzac Park East and West - refurbishment	39.4	44.4	-	-
Long-term detention strategy(d)	2.8	38.8	49.7	..
Medibank Private Limited - equity injection	-	-	-	-
<b>Portfolio total</b>	<b>42.7</b>	<b>83.2</b>	<b>49.7</b>	<b>-</b>
<b>FOREIGN AFFAIRS AND TRADE</b>				
<i>Australian Agency for International Development</i>				
Australian Aid Programme — new activity management information system	4.8	-	-	-
<i>Australian Trade Commission</i>				
Consular services — information technology requirements	-	-	-	-
Investing in Australia's Security - relocation and security upgrade of overseas missions	2.2	-	-	-
<i>Australian Secret Intelligence Service</i>				
Investing in Australia's Security - increased funding to intelligence agencies(d)	3.9	1.6	0.4	0.2

**Table 1: Capital measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>FOREIGN AFFAIRS AND TRADE (continued)</b>				
<i>Department of Foreign Affairs and Trade</i>				
Bali Consulate-General — purchase of land and construction of a new chancery	1.0	4.2	0.1	-
Investing in Australia's Security - biometrics for border control	1.1	-	-	-
Investing in Australia's Security - relocation and security upgrade of overseas missions(d)	18.3	11.3	8.9	2.2
London High Commission — refurbishment	-0.5	2.5	4.4	0.2
Singapore Chancery — mid-life upgrade and refurbishment	0.8	1.6	9.1	0.1
Stockholm Head of Mission residence — purchase	-	-	-	-
Vientiane — construction of new chancery	0.7	3.2	4.5	-
<b>Portfolio total</b>	<b>32.4</b>	<b>24.4</b>	<b>27.4</b>	<b>2.7</b>
<b>HEALTH AND AGEING</b>				
<i>Department of Health and Ageing</i>				
Aged and Community Care - implementation of a quality assurance framework for aged care	0.1	-	-	-
Avian Influenza - purchase of anti-viral medication	-	-	-	-
Avian Influenza - purchase of protective and monitoring equipment(d)	-	-	-	-
Investing in Australia's Aged Care - enhanced consumer information and protection(d)	0.2	-	-	-
Investing in Australia's Aged Care - improving assessment(d)	-	0.2	-	-
Investing in Australia's Aged Care - streamlining administration for better care(d)	5.6	4.7	4.6	-
Investing in Australia's Security - National Medicines Stockpile	13.2	-	-	-
Investing in Australia's Security - radioactive material security and radiation emergency response capability(d)	0.3	0.2	-	-
Private health insurance - E-commerce Partnership(d)	9.0	2.8	2.1	1.5
<i>Health Insurance Commission</i>				
Parental Access to Information(d)	0.3	-	-	-
GP services - improving after hours access(d)	0.1	-	-	-
<b>Portfolio total</b>	<b>28.7</b>	<b>7.8</b>	<b>6.7</b>	<b>1.5</b>
<b>IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS</b>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Border Security - Disaster Recovery and business continuity of the Dpartment of Immigration and Indigenous Affairs' key Information Technology Infrastructure	-	-	-	-
Indigenous Home Ownership Programme - expansion	-	-	-	-
Investing in Australia's Security - biometrics for border control	4.2	-	-	-

**Table 1: Capital measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS (continued)</b>				
<i>Department of Immigration and Multicultural and Indigenous Affairs (continued)</i>				
Investing in Australia's Security - global processing systems to improve border security(d)	1.7	2.2	2.0	7.0
Investing in Australia's Security - strengthening border control measures(d)	1.6	1.1	-	-
Long-term detention strategy(d)	17.5	2.6	12.7	4.1
Regional migration initiatives(d)	1.8	-	-	-
Residential Housing Projects and Alternative Detention Arrangements(d)	4.8	1.0	-	-
<b>Portfolio total</b>	<b>31.5</b>	<b>6.9</b>	<b>14.8</b>	<b>11.1</b>
<b>PARLIAMENTARY DEPARTMENTS</b>				
<i>Department of Parliamentary Services</i>				
Investing in Australia's Security - enhanced security for the perimeter and grounds of Parliament House	11.7	-	-	-
<b>Portfolio total</b>	<b>11.7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PRIME MINISTER AND CABINET</b>				
<i>Office of the Inspector-General of Intelligence and Security</i>				
Office of the Inspector-General of Intelligence and Security - supplementation	-	-	-	-
<i>Office of the Official Secretary to the Governor General</i>				
Australian Honours and Awards System - information technology development(d)	-	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TRANSPORT AND REGIONAL SERVICES</b>				
<i>Australian Maritime Safety Authority</i>				
Maritime Search and Rescue(d)	1.2	0.8	-	-
<i>Department of Transport and Regional Services</i>				
Administration of the Motor Vehicle Standard Act 1989(d)	1.1	-	-	-
AusLink - National Land Transport Network(d)	4.0	4.5	-	-
Australian Transport Safety Bureau - replacement of the aviation investigation information technology system	-	4.6	0.7	-
Regional Partnerships Programme - additional funding(d)	1.4	1.0	1.4	1.3
<i>National Capital Authority</i>				
National Capital Authority - improved safety and maintenance	1.5	1.5	1.5	1.5
<b>Portfolio total</b>	<b>9.2</b>	<b>12.4</b>	<b>3.7</b>	<b>2.8</b>

**Table 1: Capital measures since the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>TREASURY</b>				
<i>Australian Competition and Consumer Commission</i>				
Australian Competition and Consumer Commission - strengthening capacity to foster competitive, fair and informed markets(d)	-	-	-	-
Australian Energy Regulator(d)	1.9	-	-	-
<i>Australian Prudential Regulation Authority</i>				
Australian Prudential Regulation Authority - strengthened capabilities(d)	-	-	-	-
<i>Australian Securities and Investments Commission</i>				
Superannuation Complaints Tribunal - Relocation				
Australian Securities and Investments Commission - enhanced enforcement activities and consumer protection and corporate sector regulation(d)	-	-	-	-
<i>Department of the Treasury</i>				
Royal Australian Mint - additional capital funding	-	-	-	2.5
<b>Portfolio total</b>	<b>1.9</b>	<b>-</b>	<b>-</b>	<b>2.5</b>
<b>VETERANS' AFFAIRS</b>				
<i>Australian War Memorial</i>				
Australian War Memorial's Post-1945 Galleries - redevelopment	6.7	3.2	-	-
<i>Department of Veterans' Affairs</i>				
Military Rehabilitation and Compensation Scheme - enhancement(d)	0.3	-	-	-
Sugar industry reform assistance package - intergenerational transfer(d)	-	-	-	-
<b>Portfolio total</b>	<b>7.0</b>	<b>3.2</b>	<b>-</b>	<b>-</b>
<b>Depreciation expense(b)</b>	<b>-28.8</b>	<b>-37.3</b>	<b>-43.2</b>	<b>-50.6</b>
<b>Total capital measures(c)</b>	<b>188.5</b>	<b>151.2</b>	<b>44.5</b>	<b>-57.0</b>

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

.. not zero, but rounded to zero.

- Nil

nfp Not for publication

(a) A minus sign before an estimate indicates a reduction in capital, no sign before an estimate indicates a capital increase.

(b) Net capital investment is reduced by depreciation expenses.

(c) Measures may not add due to rounding.

(d) Details of this measure may be found under Expenses.

(e) Details of this measure may be found under Revenue.

**Table 2: Capital measures up to the 2003-04 MYEFO**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>AGRICULTURE, FISHERIES AND FORESTRY</b>				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Wheat Export Authority - operating loan	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>ATTORNEY-GENERAL'S</b>				
<i>Australian Customs Service</i>				
Australian Customs Service - additional funding	-	-	-	-
Aviation security – enhancement(d)	4.8	1.1	-	-
<i>Australian Federal Police</i>				
Aviation security – enhancement(d)	0.3	-	-	-
Combating trafficking in persons - whole of government strategy(d)	-	-	-	-
Solomon Islands - Regional Assistance Mission(d)	-	-	-	-
<i>Australian Security Intelligence Organisation</i>				
Aviation security – enhancement(d)	1.2	-	-	-
National Threat Assessment Centre - establishment(d)	0.9	0.2	0.2	0.2
<b>Portfolio total</b>	<b>7.2</b>	<b>1.3</b>	<b>0.2</b>	<b>0.2</b>
<b>COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS</b>				
<i>Australian Sports Commission</i>				
Australian soccer – interim assistance(d)	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>DEFENCE</b>				
<i>Department of Defence</i>				
Solomon Islands - Regional Assistance Mission(d)	9.6	-	-	-
<b>Portfolio total</b>	<b>9.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>EDUCATION, SCIENCE AND TRAINING</b>				
<i>Department of Education, Science and Training</i>				
<i>Our Universities -</i>				
Commonwealth Grants Scheme - increased flexibility(d)	-	-	-	-
enhancements to the higher education reform package(d)	-	-	-	-
Higher Education Loans Programme (HELP) extension	-	-	-	-
Radioactive waste management facility – security and access road construction	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>FINANCE AND ADMINISTRATION</b>				
<i>Australian Electoral Commission</i>				
Federal Elections - improving the integrity of the electoral roll and increasing voter participation(d)	1.3	0.1	0.1	0.1
<b>Portfolio total</b>	<b>1.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

**Table 2: Capital measures up to the 2003-04 MYEFO (continued)**

	2004-05	2005-06	2006-07	2007-08
	\$m	\$m	\$m	\$m
<b>FOREIGN AFFAIRS AND TRADE</b>				
<i>Department of Foreign Affairs and Trade</i>				
Export Finance Investment Corporation - divestment of short term export credit business	-	-	-	-
Open Source Collection Unit - expansion(d)	-	-	-	-
Solomon Islands - Regional Assistance Mission(d)	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS</b>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Alternative Detention Arrangements - Port Hedland(d)	-	-	-	-
Combating Maritime People Smuggling(d)	-	-	-	-
Combating trafficking in persons - whole of government strategy(d)	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>PRIME MINISTER AND CABINET</b>				
<i>Department of the Prime Minister and Cabinet</i>				
A more informed public - improved research capabilities and accessibility to the website(d)	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TRANSPORT AND REGIONAL SERVICES</b>				
<i>Department of Transport and Regional Services</i>				
Aviation security - enhancement(d)	3.4	-	-	-
<i>National Capital Authority</i>				
National Capital Authority - additional funding	-	-	-	-
<b>Portfolio total</b>	<b>3.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>VETERANS' AFFAIRS</b>				
<i>Department of Veterans' Affairs</i>				
Military Rehabilitation and Compensation Scheme(d)	-	-	-	-
<b>Portfolio total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Depreciation Expense(b)</b>	<b>-4.0</b>	<b>-4.8</b>	<b>-3.8</b>	<b>-3.6</b>
<b>Total Capital Measures(c)</b>	<b>17.5</b>	<b>-3.4</b>	<b>-3.5</b>	<b>-3.3</b>

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

.. not zero, but rounded to zero.

- Nil

nfp Not for publication

(a) A minus sign before an estimate indicates a reduction in capital, no sign before an estimate indicates a capital increase.

(b) Net capital investment is reduced by depreciation expenses.

(c) Measures may not add due to rounding.

(d) Details of this measure may be found under Expenses.



## ATTORNEY-GENERAL'S

### Investing in Australia's Security

The following measures form part of the *Investing in Australia's Security* package but are shown in this part as they predominantly impact on net capital investment. Expense measures with a related capital component are described in detail in Part 2. The *Investing in Australia's Security* package is summarised in Table 5.

#### Investing in Australia's Security — replacement armoured vehicles

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	2.5	-	-	-
<i>Related expense (\$m)</i>				
<i>Attorney-General's Department</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>	<i>0.3</i>

The Government will provide funding of \$3.7 million over four years (including \$1.2 million expense funding) to replace its fleet of ten armoured vehicles. The expense funding will meet an increase in operating costs associated with the current security environment, the requirement to move vehicles to different locations around Australia, and increased storage costs.

#### Investing in Australia's Security — biometrics for border control

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	4.2	-	-	-
Australian Customs Service	1.2	-	-	-
Department of Foreign Affairs and Trade	1.1	-	-	-
<b>Total</b>	<b>6.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Related expense (\$m)</i>				
<i>Australian Customs Service</i>	<i>1.9</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Department of Foreign Affairs and Trade</i>	<i>1.1</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	<i>0.2</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Office of the Federal Privacy Commissioner</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Total</b>	<b>3.2</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Government will provide funding of \$9.7 million (including \$3.2 million expense funding) in 2004-05 to develop and trial biometric technology for border control.

The introduction of biometrics has the capacity to strengthen border protection through robust identity verification processes and to reduce the risk of identity fraud.

The Australian Customs Service will expand its current trial of an automated biometric border processing system aimed at managing future biometric passports and the projected increases in passenger numbers.

The Department of Foreign Affairs and Trade will trial a prototype biometric passport to ensure compatibility with equipment to be used in the United States.

The Department of Immigration and Multicultural and Indigenous Affairs will establish a centralised biometric database and conduct further research on biometric capability in visa and border management.

The Office of the Federal Privacy Commissioner will continue to be resourced to provide privacy advice, independent audit and complaint handling.

### **Investing in Australia's Security — first port boarding**

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Customs Service	1.6	-	-	-
<i>Related expense (\$m)</i>				
<i>Australian Customs Service</i>	1.2	-	-	-

The Government is providing \$2.8 million (including \$1.2 million expense funding) in 2004-05 to allow the Australian Customs Service to increase the level of first port boarding of vessels and crew arriving in Australia.

The funding will provide for the deployment of an additional 19 staff to be located at seaports around Australia. The capital funding will provide for accommodation facilities in remote locations.

### Investing in Australia's Security — relocation and security upgrade of overseas missions

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	18.3	11.3	8.9	2.2
Australian Trade Commission	2.2	-	-	-
<b>Total</b>	<b>20.5</b>	<b>11.3</b>	<b>8.9</b>	<b>2.2</b>
<i>Related expense (\$m)</i>				
Department of Foreign Affairs and Trade	7.4	6.2	4.8	4.3
Australian Trade Commission	0.7	0.5	0.6	0.6
<b>Total</b>	<b>8.1</b>	<b>6.7</b>	<b>5.4</b>	<b>4.9</b>

The Government will provide total funding of \$79.1 million over five years (including \$11.1 million in 2003-04) for the relocation of a number of overseas missions and for the enhancement of security measures at some others. This amount includes expense funding of \$27.8 million over five years (including \$2.7 million in 2003-04).

The relocation of overseas missions for security reasons will cost \$49.5 million over five years (including \$14.7 million expense funding). The capital funding will cover the fit-out of the new premises.

A number of other missions require an upgrade of their existing security measures at a cost of \$29.6 million over five years (including \$13.1 million expense funding). The capital funding will provide for the introduction of various security detection systems, the upgrade of chancery and residential security and an enhancement of emergency communications. The expense funding will meet associated ongoing operational costs.

### Investing in Australia's Security — National Medicines Stockpile

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	13.2	-	-	-
<i>Related expense (\$m)</i>				
Department of Health and Ageing	0.5	0.5	0.5	0.5

The Government will provide \$15.3 million (including \$2.1 million expense funding) over four years for the acquisition of additional medical materials for the National Medicines Stockpile. This will ensure sufficient reserves are available to protect essential health care and emergency service personnel, and provide a capability for health authorities to undertake an effective and sustained response to a health emergency.

### Investing in Australia's Security — enhanced security for the perimeter and grounds of Parliament House

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Parliamentary Services	11.7	-	-	-
<i>Related expense (\$m)</i>				
<i>Department of Parliamentary Services</i>	1.3	-	-	-

The Government will provide \$13 million in 2004-05 (including \$1.3 million expense funding) to the Department of Parliamentary Services for the construction of a barrier system around the internal perimeter of Parliament Drive and for other security measures. The work is anticipated for completion by 31 March 2005.

The expense funding is for project management and other costs associated with security enhancements of Parliament House.

### Other measures in the Attorney-General's portfolio

#### Attorney-General's Department — relocation and fit-out costs

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Attorney-General's Department	2.2	9.4	11.4	-

The Government will provide \$23 million over three years to enable the Attorney-General's Department to co-locate to a single site. This funding is for accommodation fit-out costs only. The relocation cost of this measure is being fully absorbed from within the existing resources of the Attorney-General's Department.

#### Customs security enhancement

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Customs Service	3.3	-	-	-
<i>Related expense (\$m)</i>				
<i>Australian Customs Service</i>	1.3	-	-	-

The Government will provide \$4.5 million (including \$1.3 million expense funding) to assist the Australian Customs Service to upgrade the physical security of its many computer server and communications rooms around Australia.

## COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

### National Library of Australia — provision of additional storage

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
National Library of Australia	2.9	6.5	-	-
<i>Related expense (\$m)</i>				
<i>National Library of Australia</i>	<i>0.1</i>	<i>0.8</i>	<i>-0.1</i>	<i>-0.1</i>

The Government will provide funding of \$9.9 million over four years (including \$0.6 million expense funding) for the construction and operation of a purpose-built storage facility to house the National Library of Australia's growing collection and to support the storage requirements of other collection agencies, including the National Archives of Australia. Non-renewal of an existing warehouse lease will lead to savings of \$0.1 million per annum from 2006-07 onward.

## EDUCATION, SCIENCE AND TRAINING

### Australian Nuclear Science and Technology Organisation — replacement research reactor

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Nuclear Science and Technology Organisation	8.8	17.4	-	-
<i>Related expense (\$m)</i>				
<i>Australian Nuclear Science and Technology Organisation</i>	<i>1.0</i>	<i>2.9</i>	<i>3.0</i>	<i>3.0</i>

The Government will provide \$36.1 million (including \$9.9 million expense funding) over four years for additional costs associated with the operation and construction of the replacement research reactor (which is currently under construction following the provision of approximately \$300 million in Government funding). The capital funding will enable modification of the replacement research reactor in line with the latest regulatory, security and site-specific requirements.

The expense funding will provide additional staff to utilise the reactor's increased production capacity and will enable the new reactor and the current reactor to operate simultaneously to ensure that the radioisotopes produced are medically identical.

## FINANCE AND ADMINISTRATION

### Anzac Park East and West — refurbishment

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	39.4	44.4	-	-

The Government will provide \$83.8 million over two years for the refurbishment of Anzac Park East and West, Canberra.

These heritage-listed buildings in the Parliamentary Triangle have been 'mothballed' since 1999 and are not tenatable in their current condition. The refurbished buildings will be retained and leased to Australian Government tenants, with net market rental receipts from 2006-07 expected to have a positive impact on the fiscal balance.

### Medibank Private Limited — equity injection

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Finance and Administration	-	-	-	-

The Government will provide an equity injection of \$85 million in 2004-05 to Medibank Private Limited to assist it to achieve an optimal capital structure.

This measure will have no impact on fiscal balance as equity injections to agencies outside the general government sector only affect the composition of the Australian Government's investment in financial assets.

## FOREIGN AFFAIRS AND TRADE

### Australian Aid Programme — new activity management information system

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Agency for International Development	4.8	-	-	-
<i>Related expense (\$m)</i>				
Australian Agency for International Development	-	-1.2	-1.2	-1.2

The Government will provide \$4.8 million in 2004-05 to the Australian Agency for International Development (AusAID) to implement a new activity management information system known as AidWorks. The system will improve AusAID's ability to manage and track all of its contractual obligations.

AusAID will make efficiency savings in other areas to provide for the depreciation expenses of \$1.2 million a year from 2005-06.

### Bali Consulate-General — purchase of land and construction of a new chancery

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	1.0	4.2	0.1	-

The Government is seeking to purchase land in 2003-04 for the construction of a new chancery in Bali and will commence construction in 2004-05. Negotiations on the land purchase are still in progress.

Both the land purchase and the chancery construction will be funded from the reserves held in the Overseas Property Special Account of the Department of Foreign Affairs and Trade.

### Consular services — information technology requirements

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Australian Trade Commission	-	-	-	-

The Government will provide \$2.1 million over four years for the delivery of an information technology system to link consular and passport services in Australian Trade Commission (Austrade) offices with information systems managed by the Department of Foreign Affairs and Trade.



## *Budget Measures 2004-05*

This measure will be fully funded through the reallocation of existing Austrade resources and involves funding of \$1.5 million in 2004-05, \$0.2 million in 2005-06, \$0.2 million in 2006-07 and \$0.2 million in 2007-08.

### **London High Commission — refurbishment**

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	-0.5	2.5	4.4	0.2

The Government will provide \$6.6 million over four years for the refurbishment of the Australian High Commission in London.

This measure will be funded from reserves held in the Overseas Property Special Account in the Department of Foreign Affairs and Trade. This measure incorporates a rescheduling of planned expenditure of \$0.5 million from 2004-05 to later years.

### **Singapore Chancery — mid-life upgrade and refurbishment**

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	0.8	1.6	9.1	0.1

The Government will provide \$11.6 million over four years for the mid-life upgrade and refurbishment of the chancery in Singapore. These works will reduce maintenance costs and improve the visual appearance and functionality of the chancery.

This measure will be funded from reserves held in the Overseas Property Special Account of the Department of Foreign Affairs and Trade.

### **Stockholm Head of Mission residence — purchase**

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	-	-	-	-

The Government provided \$3.1 million for the purchase of the existing Stockholm Head of Mission residence in 2003-04. This will ensure that Australia's representational requirements will continue to be met. The property has now been purchased.

The purchase will be funded from reserves held in the Overseas Property Special Account of the Department of Foreign Affairs and Trade.

**Vientiane — construction of new chancery**

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Foreign Affairs and Trade	0.7	3.2	4.5	-

The Government will provide \$8.4 million over three years for the construction of a new chancery in Vientiane, Laos.

This measure will be funded from reserves held in the Overseas Property Special Account of the Department of Foreign Affairs and Trade.

## HEALTH AND AGEING

### Avian Influenza — purchase of anti-viral medication

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Health and Ageing	-	-	-	-

The Government will provide \$123.8 million in 2003-04 for the purchase and stockpiling of influenza anti-viral medication to increase Australia's preparedness to respond in the event of an influenza outbreak. This medicine would be used to protect essential service employees, border staff and health care staff in a limited number of designated health care facilities in the event of an avian influenza pandemic or similar health emergency.

## IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

### Indigenous Home Ownership Programme — expansion

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-
<i>Related expense (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	1.0	0.8	-	-
<i>Related revenue(a) (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	0.5	1.0	1.0	1.0

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide an equity injection of \$20 million in 2004-05 to the Department of Immigration and Multicultural and Indigenous Affairs to expand the capacity of the Indigenous Home Ownership Programme. This will provide housing loans to more than 400 Indigenous families over the next four years. The provision of loans from the budget only affects the composition of the Australian Government's assets. As such, this measure has a zero impact on the fiscal balance.

The additional home loans made under the Programme's expansion will generate interest income estimated at \$0.5 million in 2004-05 and \$1 million in each of the following years.

## PRIME MINISTER AND CABINET

### Office of the Inspector-General of Intelligence and Security — supplementation

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Office of the Inspector-General of Intelligence and Security	-	-	-	-

The Government will provide \$0.2 million in 2004-05 to enable the Office of the Inspector-General of Intelligence and Security to meet its current operational expenses and employee liabilities.

## TRANSPORT AND REGIONAL SERVICES

### Australian Transport Safety Bureau — replacement of the aviation investigation information technology system

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of Transport and Regional Services	-	4.6	0.7	-
<i>Related expense (\$m)</i>				
<i>Department of Transport and Regional Services</i>	0.5	-	0.1	0.2

The Government will provide \$6.1 million over four years (including \$0.8 million expense funding) for the replacement of the Australian Transport Safety Bureau's aviation investigation database.

The new system will record and maintain information concerning accidents and incidents involving civil aircraft, produce investigation reports required by legislation, support trend monitoring of incidents and causes, facilitate research to improve aviation safety and enhance the Australian Transport Safety Bureau's publicly available information.

### National Capital Authority — improved safety and maintenance

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
National Capital Authority	1.5	1.5	1.5	1.5
<i>Related expense (\$m)</i>				
<i>National Capital Authority</i>	-	-	-	-

The Government will provide \$6.0 million over four years to enable the National Capital Authority to undertake work to improve occupational and public health and safety for visitors to the central areas of the National Capital (including the Parliamentary Zone).

The Government will also provide \$2 million over four years to the Authority for essential maintenance of assets including a number of memorials and artwork of national significance, some of which have been donated by other countries. The maintenance costs will be reallocated from the Authority's existing programmes of promotion and awareness strategies, projects and services for the National Capital.

## TREASURY

### Royal Australian Mint — additional capital funding

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Department of the Treasury	-	-	-	2.5

The Government will provide \$2.5 million in 2007-08 to fund the final year of the Royal Australian Mint's capital equipment replacement programme. The Mint has previously received funding of \$9.5 million for the first four years of a five-year capital programme to replace its antiquated coin producing equipment.

## VETERANS' AFFAIRS

### Australian War Memorial's Post-1945 Galleries — redevelopment

Capital (\$m)	2004-05	2005-06	2006-07	2007-08
Australian War Memorial	6.7	3.2	-	-
<i>Related expense (\$m)</i>				
<i>Australian War Memorial</i>	-	0.3	0.5	0.9

The Government will provide \$11.6 million over four years (including \$1.7 million expense funding) to construct a new building for staff and storage space displaced by the redevelopment and expansion of the Australian War Memorial's exhibitions of post-1945 conflicts. The expense funding will provide for running costs of the new building and additional running costs associated with the redeveloped exhibitions.

The cost of redeveloping the exhibitions, \$12 million over two years, will be met by the Australian War Memorial through the application of proceeds from fundraising, reserves and through changing expenditure priorities. The expansion of these exhibitions will better reflect the service and sacrifice of those Australians who participated in those operations. The operations covered by the redeveloped exhibitions will include Vietnam, Korea, East Timor, Afghanistan, Iraq and peacekeeping commitments.