

STATEMENT 5: EXPENSES

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STATEMENT 5: EXPENSES

Part I: Overview of General Government Expenses

INTRODUCTION

Statement 5 presents general government sector expenses in 1998-99, the Budget year and forward estimates. Expenses represent the full costs of an activity, whereas the outlays presentation in previous budgets only covered direct cash costs.

Recording estimated expenses rather than estimated cash transactions is in accord with international best practice in government budgeting and consistent with world-wide private sector practices. Budgeting in this fashion reflects more accurately the full cost of achieving the Government's objectives, eliminates the distortions associated with the timing of certain payments and provides a better basis for assessing inter-generational equity.

The general government sector provides public services that are mainly non-market in nature, are mainly for collective consumption by the community, involve the transfer or re-distribution of income, and are generally financed through taxes and other compulsory levies.

General government sector expenses are based upon a system of rolling forward estimates consolidated by the Department of Finance and Administration largely from estimates supplied by other agencies. There are 48 agencies in the general government sector which comprise more than 99 per cent of the Budget. A full set of estimates is maintained for each of these agencies. In the Budget papers, these agencies are referred to as material agencies. The estimates of the remainder, a large number of very small agencies in the general government sector, are not material from either a budgeting or an accounting perspective. In the Budget papers, these agencies are referred to as small agencies. In order to avoid placing an undue administrative burden on these agencies, only limited estimates information is maintained on those small agencies that receive an appropriation from government. Table 1 shows the total estimated expenses of the general government sector in 1998-99, the Budget year and the forward estimates.

Table 1: Estimated Expenses (\$m)

| | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|----------|---------|---------|---------|---------|---------|
| Expenses | 150183 | 157111 | 143776 | 148357 | 151432 |

OVERVIEW OF GENERAL GOVERNMENT EXPENSES

Part IV of Budget Statement 1 addresses in detail the Government's budget priorities. In addition to a significant overhaul of the taxation system and associated adjustments to family and incomes support payments and transitional payments to the States and Territories to compensate for the impact of *A New Tax System*, the 1999-2000 Budget includes major initiatives in the areas of health, education and employment.

Measures to improve health care, to support the elderly, to support literacy and numeracy programmes and to expand the Work for the Dole scheme and support indigenous employment are also outlined in Budget Paper No. 2.

The Government has indicated that it will invest for the nation's growth by supporting families, investing in the development of national infrastructure - particularly roads - and supporting education and scientific research to increase our competitive advantage. This budget also sees measures for a safer and fairer Australia, especially to counter the major threat posed to society by illicit drugs, and for improving the environment.

In addition, the Government has reviewed a large range of programmes and services to ensure that they contribute to a vital rural and regional Australia, and to fostering stability in our region of the world.

Measures in these areas, and further initiatives to ensure efficiencies in Government operations, see all portfolios contributing to the vision for a better Australia that the Government outlined in its 1998 election platform.

The level of expenses incurred largely reflects the economic cycle. For example, during a period of strong economic growth, expenses incurred on personal benefits can fall substantially. The level of expenses is also significantly affected by discretionary policy decisions. Expenses increased in the early 1990s due to the combined effects of slower economic growth and spending initiatives designed to stimulate growth.

TABLES AND DATA IN STATEMENT 5

The overview section of Statement 5 discusses trends in aggregate expenses. Part II describes expenses by portfolio. The tables in Part II show 1998-99, the Budget year and forward estimates expenses by portfolio for all material agencies as well as those small agencies, which are in receipt of appropriations in the budget year. These expenses are at the agency level and have not been consolidated to eliminate either inter agency transactions within each portfolio, or those between agencies in different portfolios. In this form, the expenses show the consumption of resources by each individual agency.

Expenses shown for material agencies reflect the expenses of those agencies in accordance with accounting standards and as disclosed in their operating statements. They do not include payments of the capital user charge to the Budget. These payments are in the nature of dividends which are not treated as expenses.

Estimates of expenses for small agencies that are in receipt of appropriations are derived from estimates of their revenue (appropriations from government for the price of outputs, including funding for payments of the capital user charge to the Budget, and revenues from independent sources). While in general terms the Government does not fund these agencies to make a profit, in any year timing differences may result in minor discrepancies between small agency revenues and the expenses disclosed for these agencies in their Portfolio Budget Statements. They, therefore, are more properly described as “proxy expenses”, which is the term used in the affected tables in Part II of this statement.

It should be noted that the Budget provides for a contingency reserve to fund anticipated events that cannot be assigned to particular agencies at time of the Budget. The expense estimates for individual portfolios for the budget and forward years will tend therefore to be understated, pending the assignment of the contingency reserve during the year.

Tables in Part III show expenses incurred or estimated to be incurred by the general government sector over recent years and the Budget and forward estimates years. This includes information on trends in departmental expenses and staffing levels, and expenses by economic type. Departmental expenses are those expenses which are within the control of the relevant agency; they are reported on separately from those expenses agencies simply administer on behalf of government. Departmental expenses are similar to - but more comprehensive in coverage than - the former running costs of agencies.

Policy decisions affecting expenses are summarised in Budget Statement 4 in this Budget Paper and described in detail in *Budget Paper No. 2*.

Part II: Expenses by Portfolio

AGRICULTURE, FISHERIES AND FORESTRY

Table 1: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Agriculture, Fisheries and Forestry Departmental | 322.6 | 312.8 | 277.9 | 248.1 | 231.3 |
| Agriculture, Fisheries and Forestry Administered | 1221.7 | 974.9 | 679.5 | 665.9 | 657.8 |
| Australian Wool Research and Promotion Organisation Departmental | 153.5 | 122.5 | 121.5 | 127.4 | 129.3 |
| Grains Research and Development Corporation Departmental | 96.5 | 102.2 | 93.0 | 91.9 | 90.8 |

* This table shows the gross expenses of each agency.

Overview

The overarching objective of the Agriculture, Fisheries and Forestry portfolio (AFFA) is to contribute to sustainable, competitive and profitable Australian agricultural, fisheries, food and forestry industries. The portfolio enhances the ability of these industries to take control of their futures, enhance export growth, and realise investments that balance economic development and environmental outcomes. This approach promotes job creation in rural and regional Australia and promotes community prosperity.

The portfolio's objective requires it to pursue a number of strategic priorities. The industry development strategies pursued by the portfolio recognise the benefits of a "through-chain" framework which builds stronger and more cooperative relationships along the chain from producer to consumer. This requires self reliant producers possessing a strong skills base and positive attitudes to acquiring knowledge and to the management of risk. Institutional arrangements are also required to assist industry and farm family households cope with change.

In the international sphere, the portfolio works to maintain and improve market access and a favourable international trading environment, including through the Supermarket to Asia Programme and international trade negotiations. The portfolio ensures ongoing access of Australian products to current and new export markets through provision of a national regulatory service to protect the safety and health of Australia's agricultural, fisheries, food and forestry industries.

At the consumer end, the portfolio contributes to improvements in the promotion, coordination and marketing of agriculture, fisheries and forestry products. Australian consumers are also protected through the portfolio's quarantine services and imported food inspection services.

In order to ensure that Australia's natural resources are available for use by future generations, the portfolio works to ensure that the land and water resource base is managed and used on a sustainable basis. This is done through resource management strategies which are research-driven, through the efficient use of scarce land and water resources and by addressing land degradation and salinity issues.

In this Budget, funding is being committed to support existing and new elements of the Supermarket to Asia Strategy and to implement the Food and Fibre Supply Chain programme. Resources are also being provided to support the sustainability of the Great Artesian Basin, the Northern Australian Quarantine Strategy and to deter fishing in Australia's subantarctic waters.

Major Outputs and Administered Items

The Department's major outputs include policy advice, economic research, scientific advice, programme administration, export certification services and quarantine services. The reduction in departmental expenses in 1999-2000 and the forward years reflects in large part the reduction in expenses in Australian Quarantine and Inspection Service (AQIS), as the already announced meat inspection reforms are implemented. There are programmes being finalised such as the implementation of the Regional Forest Agreements, and some lapsing programmes such as funding for the Nairn Quarantine Review which will be considered in future budgets. In addition the Department will achieve savings through efficiencies arising from the application of competitive tendering and contracting and other performance improvement initiatives.

The bulk of the reduction in administered expenses in 1999-2000 and the forward years is the result of the Government returning the Australian Wheat Board (AWB Limited) and the Wool International stockpile to growers and the cessation of the red meat industry levy arrangements from 1998-99. In addition from 2000-01 expenses are forecast to decline as the domestic milk market support scheme winds down.

Policy advice includes advice to the Government on issues which impact on portfolio interests, as well as policy development and implementation. The provision of well-informed policy advice is assisted by independent and timely economic research produced by the portfolio's major research bodies like the Australian Bureau of Agricultural and Resource Economics.

The portfolio also produces independent and timely scientific advice consisting of analysis and research, resource assessments and natural resource databases for input into decision making and policy development.

All activities associated with export inspection and certification of Australian food and other agricultural products are handled by the portfolio. This is done in accordance with importing country requirements, including the audit of certification activities conducted under quality assurance systems or contestable third-party systems.

The portfolio provides quarantine services, including all activities associated with quarantine requirements, inspection and certification services, and client/stakeholder expectations. Audit of its certification activities is conducted under quality assurance systems.

The portfolio administers 21 key statutory authorities which are partially or fully levy funded. The levies are used to fund activities such as research and development, undertaken by research and development corporations, and marketing and promotion, undertaken by statutory marketing authorities. Major portfolio agencies include the AWB, the Dairy Research and Development Corporation, and the Australian Wool Research and Promotion Organisation.

The Government announced in March 1999 that it had agreed to a new constitution for AWB Limited, effective from 1 July 1999, through which wheat growers will assume ownership of the company. The Government has also announced that it intends to introduce legislation which will pass ownership and control of the wool stockpile to growers, ending the Government's involvement in the management of the stockpile.

The portfolio also administers a number of key programmes. Some of the most significant initiatives are described below.

The Rural Adjustment Scheme provides for ongoing interest rate subsidy assistance to farm businesses in exceptional circumstances; payments to farmers of remaining interest rate subsidy commitments and re-establishment grants which were approved before the scheme closed in 1997; and payments under the Commonwealth/State Rural Partnership Programme. Assistance under this scheme is being phased out and replaced by the *Agriculture – Advancing Australia* (AAA) package of initiatives which was launched by the Prime Minister in September 1997.

The Farm Family Restart Scheme is an AAA initiative that helps low income farmers by providing access to improved welfare support, and adjustment assistance if they wish to leave the industry. Farm Business (FarmBis) and Community Programmes are also AAA initiatives. FarmBis is a Commonwealth/State programme which makes grants available to provide farmers with training and skills development in areas such as business planning, management and marketing. Community Programmes assist rural communities to identify needs and plan for the future through counselling, information and community services.

The National Landcare Programme supports a community-based approach to address environmental degradation and to protect the future of our natural resources. The Programme supports collective action by communities to sustainably manage natural resources and the environment in partnership with government. There are now more than 4,250 landcare groups across Australia. Achieving sustainable agriculture is a major environmental goal for Australia.

The Forest Industry Structural Adjustment Package assists native forest industry employers and employees to adjust to the changes in the forest resources available to the industry as a result of the negotiation of Regional Forest Agreements.

ATTORNEY-GENERAL'S

Table 2: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Attorney-General's Department | | | | | |
| Departmental | 170.1 | 195.8 | 181.8 | 173.6 | 166.3 |
| Attorney-General's Department | | | | | |
| Administered | 317.9 | 201.4 | 227.3 | 224.2 | 217.1 |
| Australian Federal Police Departmental | 281.1 | 316.1 | 301.2 | 279.3 | 280.5 |
| Australian Federal Police Administered | 7.3 | 7.6 | 7.7 | 7.8 | 7.9 |
| Family Court of Australia Departmental | 121.8 | 114.7 | 114.5 | 116.2 | 118.4 |
| Australian Customs Service | | | | | |
| Departmental | 544.6 | 533.5 | 531.3 | 534.4 | 541.5 |
| Australian Customs Service | | | | | |
| Administered | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Administrative Appeals Tribunal | | | | | |
| Departmental | 26.2 | 28.2 | 27.6 | 27.8 | 28.3 |
| Australian Security Intelligence | | | | | |
| Organisation Departmental | 60.9 | 65.9 | 63.7 | 58.3 | 58.4 |
| Australian Transaction Reports and | | | | | |
| Analysis Centre Departmental | 7.7 | 11.8 | 10.9 | 10.8 | 11.0 |
| Federal Court of Australia | | | | | |
| Departmental | 60.1 | 64.9 | 66.2 | 67.7 | 69.4 |
| Human Rights and Equal Opportunity | | | | | |
| Commission Departmental | 16.0 | 16.0 | 17.0 | 17.0 | 17.3 |
| National Crime Authority | | | | | |
| Departmental | 47.5 | 52.3 | 44.7 | 45.2 | 40.9 |
| Office of Film and Literature | | | | | |
| Classification Departmental | 5.9 | 5.4 | 5.4 | 5.4 | 5.4 |
| Office of Parliamentary Counsel | | | | | |
| Departmental | 6.5 | 6.4 | 6.5 | 6.5 | 6.6 |
| Office of the Director of Public | | | | | |
| Prosecutions Departmental | 60.9 | 56.5 | 58.8 | 57.2 | 58.3 |
| National Native Title Tribunal | | | | | |
| Departmental | 23.7 | 22.3 | 22.4 | 22.6 | 23.0 |
| Australian Institute of Criminology | | | | | |
| Departmental | 4.1 | 4.3 | 4.6 | 4.0 | 4.1 |
| Australian Law Reform Commission | | | | | |
| Departmental | 3.0 | 3.0 | 3.1 | 3.1 | 3.2 |
| Criminology Research Council | | | | | |
| Administered | 0.6 | 0.4 | 0.4 | 0.4 | 0.4 |
| High Court of Australia Departmental | 7.8 | 24.9 | 25.0 | 25.1 | 25.3 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The Attorney-General's portfolio covers a broad range of law and justice matters and services including legal policy and services to the Commonwealth; administrative, constitutional, civil, family, and international law; law reform; bankruptcy estate

administration and regulation; Commonwealth courts and tribunals; legal aid; native title; national and international human rights issues; censorship; the provision of protective services to property and individuals; criminal law and law enforcement; national security; and some aspects of customs and border control.

The portfolio's agencies progress government priorities including direct services to the community within a legislative framework; the purchase of services on behalf of the community; the provision of services to the Government, Ministers, Commonwealth Departments and agencies and the provision of services to other clients.

The structure of agencies within the portfolio is aligned to the Government's overall commitment to a fairer and safer Australian society. A new National Crime Information System (CrimTrac) and a national crime prevention programme are Budget measures which give expression to the Government's commitment in this area. The portfolio comprises the Attorney-General's Department and a number of statutory and non-statutory bodies. The Department is the central policy and coordinating agency within the portfolio.

As the result of a Government initiative in the 1999-2000 Budget, the portfolio will soon include the Federal Magistrates Service which will deal with less complex cases, enabling judges of both the Family and Federal Courts to concentrate on the more complex cases of law. This will be augmented by initiatives to increase the availability of alternative dispute resolution and provide greater access to justice for disadvantaged people in rural and regional areas.

Through its law enforcement and security roles, the portfolio plays a major role in implementing the Government's *Tough On Drugs* strategy. Additional resources are provided in the Budget to boost the illicit drugs search capacity of the Australian Customs Service and to establish four new mobile strike teams in the Australian Federal Police. The portfolio will play a pivotal role in Olympic security issues at the Sydney 2000 Games.

The Department and portfolio agencies are grouped as follows:

- Legal policy and services to the Commonwealth – to advance and protect the interests of the Commonwealth, its ministers and agencies by the provision of sound, constructive, highly professional and timely legal policy advice and legal services;
- Community affairs – to enhance and promote the rights of individuals and their reasonable access to justice;
- The justice system – to promote the effective and timely adjudication of disputes and resolutions of questions of law in courts and tribunals with appropriate jurisdictions; and to interpret and uphold the Australian Constitution; and
- Maintenance of law, order and safety – to contribute to the maintenance of law and order, combat crime and respond effectively to acts of politically motivated

violence; maintain effective measures against espionage and subversive activities and against attacks directed at individuals, information and assets; and maintain effective border management.

Major Outputs and Administered Items

The outputs produced by the portfolio encompass a wide range of law and justice matters and services. Along with the Department, the major agencies in the portfolio are the Australian Customs Service, the Australian Federal Police and the Family Court of Australia. The major outputs produced by these agencies include:

- Attorney-General's Department: policy advice and development; performance of statutory obligations; provision of protective security services under the *Australian Protective Service Act 1987*;
- Australian Customs Service: facilitation of the legitimate movement of goods and people across the border while intercepting prohibited and restricted imports and exports and identifying illegal movements; coastal and offshore surveillance and response;
- Australian Federal Police: undertaking investigations into organised crime, illicit drug trafficking, fraud against the Commonwealth, corporate and other economic crime, money laundering and other serious crime; and
- Family Court of Australia: provision of equitable and timely access to justice where family disputes are litigated; provision of services to assist the resolution of family related disputes without litigation.

Detailed information on agencies' outputs is shown in the *Attorney-General's Portfolio Budget Statement 1999-2000*. The Portfolio Budget Statement provides descriptions of outputs, either individually or as output groups, for each agency together with price and performance measure information. The increase in the departmental expenses of the Attorney-General's Department in 1999-2000 includes \$15.7 million for The Republic Referendum Advertising Campaign, \$20 million for CrimTrac and \$5.2 million for the establishment of the Federal Magistrates Service. The increase in departmental expenses for the Australian Federal Police provides for enhanced law enforcement activities.

Administered items for the portfolio are centred in the Attorney-General's Department. The major items of administered expenses include payments for the provision of legal aid \$101.5 million, grants to supplement community and voluntary legal aid schemes \$25.2 million, grants to family relationship support organisations \$21.2 million (administered in partnership with the Department of Family and Community Services), and provision for assistance to the States and Territories under Part 9 of the *Native Title Act 1993* \$20 million.

In 1999-2000, the administered expenses of the Department are essentially restored to the base level of funding, following the substantial additional funding provided in 1998-99 for

the Gun Buy Back Scheme. Further, some discretionary grants have been brought forward from 1999-2000 to 1998-99.

COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Table 3: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Department of Communications, Information Technology and the Arts Departmental | 273.1 | 180.7 | 168.9 | 157.5 | 158.0 |
| Department of Communications, Information Technology and the Arts Administered | 442.2 | 473.4 | 482.1 | 375.0 | 226.4 |
| Australian Broadcasting Corporation Departmental | 613.1 | 661.2 | 685.2 | 715.9 | 736.3 |
| Australia Council Departmental | 74.1 | 77.1 | 75.5 | 68.4 | 70.0 |
| National Gallery of Australia Departmental | 26.1 | 27.3 | 28.0 | 28.6 | 29.4 |
| National Library of Australia Departmental | 49.8 | 50.8 | 50.4 | 50.6 | 50.3 |
| Special Broadcasting Service Corporation Departmental | 111.0 | 121.7 | 124.7 | 126.3 | 126.1 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Australian Broadcasting Authority Departmental | 13.8 | 16.1 | 16.5 | 16.4 | 15.7 |
| Australian Film Commission Departmental | 16.6 | 17.5 | 17.5 | 17.6 | 17.8 |
| Australian Film, Television and Radio School Departmental | 13.6 | 19.0 | 19.6 | 19.9 | 20.3 |
| Australian National Maritime Museum Departmental | 17.7 | 25.7 | 26.7 | 25.6 | 25.7 |
| Australian Communications Authority Departmental | 47.1 | 53.7 | 51.6 | 49.9 | 50.9 |
| National Museum of Australia Departmental | 13.8 | 15.6 | 37.1 | 40.5 | 40.9 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The Government recognises that improved communications and continuing advances in information technology are fundamentally changing the way Australians live and work. A major objective of the Communications, Information Technology and the Arts portfolio is to ensure that Australians fully realise the extraordinary potential of these advances in terms of job creation and other opportunities.

In this Budget, the Government will provide additional funding for a range of arts and cultural programmes, including programmes targeted to regional Australia. The community broadcasting sector will receive funding to increase access and reach of that sector and assist with costs from commercialisation of the national transmission network. The Australian Broadcasting Authority will be provided with additional funding to

facilitate the transition to digital television broadcasting, the regulation of online services and restriction of access to adult telephone services.

Major Outputs and Administered Items

The portfolio is comprised of the Department of Communications, Information Technology and the Arts (DOCITA) and 11 statutory authorities. The portfolio's principal functions include policy development, regulatory activities and programme delivery relating to the telecommunications, broadcasting, information technology (IT) and cultural sectors. In addition, the portfolio has oversight responsibilities for Commonwealth owned companies including Telstra, Australia Post, Film Australia Limited and the Australian Film Finance Corporation Limited. The portfolio also has responsibility for public television, radio and internet-based broadcasting conducted by the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS).

The Administrative Arrangements Order changes in October 1998 transferred the former Office of Government Information Technology and the National Office for the Information Economy, together with IT components of the former Department of Industry, Science and Tourism, into the Department. This is the first time all Commonwealth information technology functions have been brought together in one portfolio.

In 1998-99 departmental expenses included, amongst other things, the cost of running the National Transmission Network (NTN), which was sold in April 1999. This accounts for the bulk of the reduction in expenses for 1999-2000 and the forward years. Funding for the costs of operating the network has been transferred to the ABC and SBS, that will pay the service provider directly. The increase in departmental expenses of the ABC and SBS also includes provision for the introduction of digitilisation of television. The reduction in administered expenses for DOCITA from 2001-02 onwards reflects completion of projects for the Federation Fund and the Regional Telecommunications Infrastructure Fund – *Networking the Nation*.

The portfolio provides on-line government information, encourages the wide acceptance of electronic commerce and works to enhance Australia's presence in the international IT market.

The portfolio manages Australia's cultural heritage through national collecting institutions such as the National Library of Australia and the National Gallery of Australia; and produces programmes which encourage enjoyment of the arts and development of an Australian culture. The major arts project during 1999-2000 will be to continue development of new buildings for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies, which will be opened in 2001.

DEFENCE

Table 4: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of Defence Departmental | 10165.8 | 10124.7 | 10441.1 | 10839.9 | 11123.3 |
| Department of Defence Administered Defence Housing Authority | 1866.9 | 1952.9 | 1890.7 | 1832.2 | 1977.3 |
| Departmental | 244.6 | 243.1 | 245.6 | 245.6 | 245.6 |

* This table shows the gross expenses of each agency.

Overview

The Defence portfolio is primarily concerned with the prevention or defeat of armed force against Australia or its interests through the development and delivery of a strong military combat capability and the promotion of a favourable regional and global security environment.

The efficiency and effectiveness of Australia's defence effort are being enhanced through identification of emerging priorities for the Australian Defence Force (ADF). For example, major capital equipment and facilities expenditures are being directed towards maintaining the Defence Force's technological advantage, providing effective ADF strike capability, along with the capacity to overcome threats to Australian territory and its maritime and air approaches.

In addition, the Defence Reform Programme, initiated by the Government during its first term of office, reduces unnecessary administration and duplication, and channels the savings into improvements in defence capabilities. Australia's combat capability will be strengthened by having 65 per cent of uniformed personnel in combat and combat-related positions.

Major Outputs and Administered Items

In order to prevent or defeat armed aggression against Australia or its interests the Defence portfolio strives for a strong combat capability. This will enhance regional and global stability and Australia's standing in the region, thus reducing the likelihood of the threat or use of armed force against Australia or its interests. Australia's standing in the region is also raised through activities which promote regional and global security and stability.

The Defence portfolio also delivers non-combat related services, such as civil search and rescue, to support the nation in times of need. These services are made possible by using the capabilities which have been developed for the defence of Australia.

The Defence portfolio contributes strategic, military and defence advice to assist the Government in the development of relevant policies.

The Department of Defence also administers a number of items on behalf of the Commonwealth, namely, military superannuation schemes, investments in ADI Limited and the Defence Housing Authority, and the Young Endeavour youth training scheme.

EDUCATION, TRAINING AND YOUTH AFFAIRS

Table 5: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Department of Education, Training and Youth Affairs Departmental | 241.1 | 195.4 | 197.8 | 199.6 | 209.2 |
| Department of Education, Training and Youth Affairs Administered | 10577.7 | 10806.3 | 11041.5 | 11305.8 | 11477.3 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Australian National Training Authority Departmental | 11.3 | 10.9 | 11.0 | 11.1 | 11.3 |
| Australian National Training Authority Administered | 954.1 | 968.0 | 975.8 | 991.4 | 1011.3 |

* This table shows the gross expenses of each agency

** Derived from the estimated agency revenues.

Overview

Through the Education, Training and Youth Affairs portfolio the Government is seeking to create a flexible education and training system that is available to all Australians, regardless of age or background. The portfolio supports Australia's research and research training efforts and promotes Australian education and training services overseas.

The education and training system allows young Australians to make informed choices about their career aspirations and gives them flexibility in their choices. Opportunities are provided for Australians, as they mature, to upgrade their skills so that they may maintain and enhance their contribution to Australia's economic and community life. For their part, employers benefit from the greater capacity of the education and training system to meet the changing needs of the marketplace.

Government initiatives in past years have focused on providing outcome-based incentives to encourage higher performance and achieve more efficient funding arrangements. The bulk of portfolio expenses is provided as grants to the suppliers of education services, namely government and non-government schools and providers of post-school education and training.

Schools

Commonwealth funding directed to the schools sector facilitates quality school education while also acknowledging the shared responsibility of the Commonwealth, State and Territory governments and the private sector for educating students.

From total Commonwealth resourcing of around \$4.8 billion per annum for this sector, an amount of \$4.1 billion will be provided to government and non-government schools

and school systems in the form of general recurrent and capital grants. Additionally, \$717 million will be provided for specific programmes targeted at improving participation and educational attainment for Indigenous students and other groups requiring support.

The Government will meet in this Budget all of its 1998 election commitments for schooling announced in *Raising Standards*. The schools sectors will benefit from a range of initiatives including increased funding for literacy and numeracy, enhancement of the National School Drug Education Strategy, new funding for a Quality Teacher Programme and an extension of Commonwealth funding for the National Asian Languages and Studies in Australian Schools (NALSAS) Strategy. Revised funding arrangements for the 2001-04 Quadrennium will also provide a greater focus on outcomes and outputs and more equitable funding arrangements for non-government schools through the introduction of a new needs-based allocation methodology based on the socio-economic status of the school community.

Higher Education (including research)

The Commonwealth's role in higher education is to support and develop a diverse higher education system that takes a long-term and independent approach in providing quality teaching, scholarship and research.

To promote Australians' access to higher education, the Commonwealth subsidises the recurrent and capital costs of higher education through grants to universities. Through portfolio expenses, the Commonwealth will contribute \$4.2 billion to an estimated total higher education sector income of almost \$8.7 billion. This contribution includes around \$1.6 billion for research activities and research training. To meet its election commitments, the Government will commit additional funding for the Strategic Partnerships with Industry - Research and Training Programme, for Research Infrastructure and will introduce a new programme, Science Lectureships.

Vocational Education and Training

The Commonwealth will contribute funding in the order of \$1.6 billion to the vocational education and training sector. The bulk of this funding will be directed through the Australian National Training Authority (ANTA) under the Commonwealth-State Agreement 1998-2000. The 1999-2000 Budget sees the Government meeting its election commitment to boost much needed training in rural and regional Australia as announced in *Skilling Australia for Jobs*. The Rural and Regional New Apprenticeships incentive will provide a \$1,000 payment to employers who progress new apprentices to higher skill levels in trades and occupations experiencing skill shortages in rural and regional areas.

Income support for Indigenous Students

A number of changes will be made to the ABSTUDY programme from 1 January 2000. The initiatives will open up opportunities for indigenous students to access a wider range of assistance. The principle underpinning the changes is that the living allowance and

supplementary benefits payable to indigenous students should be the same as those paid to non-indigenous students unless the disadvantage addressed by the benefit is unique to, or disproportionately concentrated upon, indigenous students. As a consequence of these changes, some monies will be redirected from ABSTUDY through the Indigenous Education Strategic Initiatives Programme.

Internationalisation of Education and Training

The Commonwealth will advance the internationalisation of Australian education and training and promote Australian products and services overseas. Australia's export of education and training services will be enhanced through the work of Australian Education International.

Major Outputs and Administered Items

Due in part to a very large carryover, departmental expenses for the Department of Education, Training and Youth Affairs were relatively high in 1998-99. To some extent, the decline in departmental expenses from 1998-99 to 1999-2000 represents a return to a more realistic base level of funding. It includes the phasing-in of the savings obtained from the information technology outsourcing and a \$10 million per annum reduction in the price of outputs. The portfolio has a significant number of administered items which are grouped by the educational and activity sectors below.

SCHOOLS

The Commonwealth supports infrastructure funding for the schools sector. This contribution provides the Commonwealth with the leverage to influence the national schooling framework.

Assistance is also provided to school students with special needs. This addresses the issue of access to education by all Australians and targets those students who are identified as educationally disadvantaged. Administered items include Indigenous Education, Students with Special Learning Needs and a range of literacy and numeracy initiatives.

The quality of teaching and learning is covered through administered items such as Vocational Education in Schools, Languages, Civics and Citizenship, Drug Education and Teacher Quality.

POST-SCHOOL EDUCATION

Operating and other grants, including funds provided through the Higher Education Contribution Scheme (HECS), provide infrastructure funding for higher education institutions. Infrastructure funding for the vocational education and training sector is provided to ANTA. Income support for indigenous students studying at the post school level is also included.

The role of ANTA is to facilitate a national vocational education and training sector. The ANTA Ministerial Council, comprising Commonwealth, State and Territory vocational education and training ministers, sets annual goals, objectives and priorities for the national system.

The Rural and Regional New Apprenticeships incentive addresses the Government's commitment to apprenticeships and traineeships. A combination of administered items (including employer incentives, personal benefits, infrastructure and support services) is aimed at ensuring that relevant work-based skills and learning outcomes are achieved.

The Commonwealth also assists in the development of skills and support for the individual's transition into the workforce. Other productive forms of engagement are also available to ensure that individuals have the opportunity to develop skills needed both in the workplace and the community. Administered items include provision of training courses for those without literacy, numeracy and English language skills, as well as a number of transitional strategies such as career counselling and pathway programmes.

Young Australians are encouraged to contribute actively to the community. Key administered items in this area are the Green Corps programme and a range of other programmes which assist young people in their transition from school to stable employment. In addition, there are various processes for consulting young people and other activities which aim at improving their profile.

RESEARCH AND INTERNATIONALISATION OF EDUCATION AND TRAINING

The portfolio administers research programmes on behalf of the Government. Support for research training includes administered items such as Research Fellowships, Australian Postgraduate Awards and Postgraduate Research Scholarships. Support for research activities include the wide range of grants that are available on a competitive basis to individuals or teams and as block grants to higher education institutions.

Internationalisation activities include Australian Education International, the recognition of overseas qualifications and a range of initiatives that are aimed at increasing Australia's participation in international study, training and research.

EMPLOYMENT, WORKPLACE RELATIONS AND SMALL BUSINESS

Table 6: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of Employment, Workplace Relations and Small Business Departmental | 416.1 | 367.7 | 365.1 | 363.8 | 367.8 |
| Department of Employment, Workplace Relations and Small Business Administered | 1082.8 | 1790.7 | 1294.7 | 1325.7 | 1372.6 |
| Comcare Departmental | 160.6 | 156.9 | 168.6 | 178.2 | 187.3 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Affirmative Action Agency Departmental | 2.4 | 2.2 | 2.2 | 2.2 | 2.1 |
| Australian Industrial Registry Departmental | 41.6 | 39.8 | 41.3 | 41.5 | 42.1 |
| Australian Industrial Registry Administered | 1.4 | 1.5 | 1.5 | 1.5 | 1.5 |
| National Occupational Health and Safety Commission Departmental | 17.1 | 20.0 | 20.0 | 20.2 | 20.5 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The portfolio's principal responsibilities relate to facilitating the efficient and equitable performance of the labour market and the promotion of small business as an integral component of the nation's economic growth.

Within its labour market responsibilities, the portfolio aims to increase employment growth through initiatives which improve labour market performance, and encourage more flexible and fair workplace relations. The portfolio also has responsibility for promoting cooperative workplace relations; equality of employment opportunities for women; coordinating national occupational health and safety issues, and management of the Commonwealth workers' compensation scheme.

A significant expense item of \$500 million in administered expenses in 1999-2000 has been provided by the Government to assist small business and the education and charitable sector with the introduction of *A New Tax System*.

Major Outputs and Administered Items

The Department of Employment, Workplace Relations and Small Business contributes to improved labour market performance and more flexible and fair workplace relations through policy advice, legislation development, programme administration, research and evaluation. The Department is a major purchaser of employment services through Job Network and Centrelink. The reduction of departmental expenses in 1999-2000 is due

largely to the finalisation of transitional expenses for restructuring following the winding up of the Commonwealth Employment Service and its replacement by Job Network.

The Department also administers a range of employment programmes for specific target groups, such as indigenous Australians, to support the principle of mutual obligation and promote employment initiatives at the regional level. It has played a major role in developing the Government's workplace relations initiatives, which promote innovative agreement making, including by supporting the adoption of Australian Workplace Agreements through the Office of the Employment Advocate. The Department also administers the International Labour Organisation membership subscription and Coal Mining Industry Long Service Leave financing arrangements.

The Department promotes an improved operating environment for small business through policy advice, building and maintaining effective links with small business and its representative organisations, and managing financial assistance programmes for small business.

The portfolio contains agencies which are responsible for issues concerning workplace relations, equal opportunity and occupational health and safety. These include the Australian Industrial Relations Commission (AIRC); the Affirmative Action Agency (AAA); Comcare and the Safety, Rehabilitation and Compensation Commission; and the National Occupational Health and Safety Commission.

The AIRC contributes to cooperative workplace relations by maintaining an effective award safety net and introducing and maintaining processes that facilitate and support fair and effective agreement making. The Commission also provides conciliation and arbitration for employers, employees and their representatives, and ensures that employer/employee organisations are representative and accountable to members.

The AAA implements legislative requirements related to equality of employment opportunities for women as well as education and training programmes which emphasise best practice affirmative action practices.

Comcare and the Safety, Rehabilitation and Compensation Commission seek to minimise the human and financial costs of workplace injury in Commonwealth employment, through delivery of occupational health and safety and workers' compensation programmes.

The National Occupational Health and Safety Commission assists State and Territory governments to improve the health and safety of work environments through the provision of health and safety related products.

ENVIRONMENT AND HERITAGE

Table 7: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of the Environment and Heritage Departmental | 393.4 | 388.3 | 380.6 | 369.3 | 344.0 |
| Department of the Environment and Heritage Administered | 388.2 | 360.9 | 418.1 | 340.3 | 7.7 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Australian Greenhouse Office Departmental | 31.3 | 57.0 | 41.4 | 32.7 | 35.0 |
| Australian Heritage Commission Departmental | 6.9 | 7.6 | 7.6 | 7.7 | 7.9 |
| National Parks and Wildlife Service Departmental | 35.4 | 54.0 | 54.6 | 55.5 | 56.4 |
| Great Barrier Reef Marine Park Authority Departmental | 25.8 | 28.3 | 28.6 | 28.9 | 28.0 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The Environment and Heritage portfolio has three overarching roles:

- to protect and conserve the environment, especially those aspects that are of national significance;
- to deliver meteorological and related science services to Australia; and
- to advance Australia's interests in Antarctica.

The portfolio pursues these matters through the Department of the Environment and Heritage; three statutory authorities (the Great Barrier Reef Marine Park Authority, National Parks and Wildlife, and the Australian Heritage Commission); and the Australian Greenhouse Office.

Through leadership and cooperation, the Department promotes conservation and appreciation of our natural and associated cultural heritage, and the ecologically sustainable management of Australia's coastal and marine resources.

The Department also maintains an Australian presence at three stations on the Antarctic continent and one on Macquarie Island. Australia's Antarctic interests are pursued through the Antarctic Treaty System, the administration of the Australian Antarctic Territory and the subantarctic Territory of Heard and McDonald Islands, the protection of the Antarctic environment and the conduct and coordination of scientific research in Antarctica and the Southern Ocean.

The Bureau of Meteorology is the national meteorological authority for Australia with responsibility for meteorological and related services. Under the *Meteorology Act 1955*, the Bureau performs its functions in the public interest generally, with particular support to the Defence forces, navigation, shipping and civil aviation. It assists those engaged in primary production, industry, trade and commerce.

The Australian Greenhouse Office administers greenhouse and climate change measures. A commitment totalling \$180 million was provided over the five years 1998-99 to 2002-03 for a package of greenhouse gas reduction initiatives including renewable energy initiatives, expansion of the successful Greenhouse Challenge Programme, the new Cities for Climate Protection Programme, and Bush for Greenhouse.

In this Budget, the Government maintains its commitment to improve the environment with funding of \$250 million allocated to the Natural Heritage Trust as part of the social bonus derived from selling the second tranche of Telstra. The Budget also contains increased funding for the new Living Cities programme, for the Bureau of Meteorology and for a range of environment protection measures.

The portfolio was provided with \$33.2 million in the 1996-97 Budget across three years to expedite the implementation of the National Forests Policy Statement. The commitment provided for Regional Forest Agreements across 13 forest areas (which has now been revised to 12 with rezoning). Additional funding of \$16 million was provided to cover a range of measures approved during 1997 and 1998 as part of the Tasmanian Regional Forest Agreement. The funding provided for intensive forest management initiatives, infrastructure development projects and plantation establishment, and a programme to protect conservation values on private land.

Major Outputs and Administered Items

The Department advises on and implements policies and programmes for the protection and conservation of the environment. This includes environment protection matters, assistance to the Australian community to appreciate and conserve Australia's natural and cultural (indigenous and historic) heritage places.

The Department also directs research to build up a systematic knowledge of the Antarctic and its environment, and understanding of the role of this region in the global climate system.

The reduction in departmental expenses in 1999-2000 and the forward years reflects the finalisation of programmes including the implementation of the Regional Forest Agreement, and some lapsing programmes such as Living Cities Programme which will be considered in future budgets.

The outputs of the Bureau of Meteorology include producing meteorological information; forecasting the weather, climate and state of the atmosphere; issuing warnings of gales, storms and other weather conditions likely to endanger life or property; providing advice on meteorological matters; publishing reports; conducting meteorological research and

investigations; and supporting international cooperation in meteorology and operational hydrology.

The Australian Greenhouse Office is the lead Commonwealth agency on greenhouse matters. It coordinates domestic greenhouse policy and delivers greenhouse response programmes. Further to the commitment of \$180 million, the Government provided an additional \$3.9 million in 1998-99, and \$4 million in 1999-2000 to the Australian Greenhouse Office for the continued administration of ongoing climate change work, providing a key focus for the strategic policy development at both national and international levels for the coordination of a wide range of greenhouse mitigation measures. The increase in its departmental expenses in 1999-2000 reflects its first full year of operation. The decrease in forward years' expenses are based on the Office's estimates of revenue receipts from other agencies.

The Australian Heritage Commission identifies, values and conserves heritage places. It advises the Government on national estate matters, compiles an inventory of national estate places with natural and cultural heritage values and encourages community appreciation and concern for the National Estate under the *Australian Heritage Commission Act 1975*.

National Parks and Wildlife promotes the conservation and appreciation of wildlife and Commonwealth protected areas by administering statutory responsibilities under the *National Parks and Wildlife Conservation Act 1975*, *Wildlife Protection (Regulation of Exports and Imports) Act 1982*, *Endangered Species Protection Act 1992* and *Whale Protection Act 1980*.

Under the *Great Barrier Reef Marine Park Act 1975*, the Great Barrier Reef Marine Park Authority develops and cares for the Park. It also cares for the conservation and presentation of the world heritage values associated with the Great Barrier Reef.

Administered Items

The fluctuations in the administered expenses of the Department in the above table reflects in large part the timing and scheduling of Natural Heritage Trust programme commitments and the cessation of the programme at the end of 2001-02.

The Natural Heritage Trust of Australia has a commitment of \$1.249 billion over five years (1996-97 to 2000-01), of which \$1.1 billion was provided from the partial sale of Telstra. An additional \$250 million has been committed to the Natural Heritage Trust contingent on the sale of the second tranche of Telstra, to extend the Trust beyond the original package to 2001-02. The objectives of the Trust are to provide a framework for strategic capital investment to stimulate additional investment in the natural environment, achieve complementary environment protection, natural resource management and sustainable agricultural outcomes consistent with national strategies, and provide a framework for cooperative partnerships between communities and all levels of government. Key projects include Bushcare, National Reserve System, Landcare, Coasts and Clean Seas and the Murray-Darling Basin 2001 Project.

Commonwealth funding of \$5 million in 1998-99, \$5.1 million in 1999-2000, \$5.2 million in 2000-01, and \$5.3 million in 2001-02 has been committed to State agencies for the management of world heritage properties. The programme contributes significantly to meeting Australia's obligations under the World Heritage Convention and to implementing the Government's commitment to improve the protection, conservation and presentation of Australia's world heritage properties. Funding for this purpose was also provided under the Natural Heritage Trust.

The Environment and Heritage portfolio administers a number of additional discretionary environmental grant programmes including the Grants to Voluntary Environment and Heritage Organisations and the Australian Biological Resources Study Participatory Programme.

FAMILY AND COMMUNITY SERVICES

Table 8: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Department of Family and Community Services Departmental | 1980.9 | 2028.0 | 2058.0 | 1986.4 | 1996.7 |
| Department of Family and Community Services Administered | 45331.8 | 48111.2 | 53102.6 | 53997.3 | 56467.1 |
| Centrelink Departmental | 1752.0 | 1761.0 | 1787.4 | 1697.3 | 1698.2 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Australian Institute of Family Studies Departmental | 4.7 | 4.5 | 4.6 | 4.5 | 4.6 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The Family and Community Services portfolio comprises:

- the Department of Family and Community Services, which identifies and develops policies to address the income support needs of individuals, provides family relationship services, welfare housing and financial support and other services for people with disabilities and families with children;
- Centrelink, which is the principal service delivery organisation for social security payments and is responsible for the delivery of policy through the provision of information, products and services to the Australian community; and
- the Australian Institute of Family Studies, which identifies and researches factors affecting marital and family stability, and provides a national information centre on these issues.

The Family and Community Services portfolio has three broad objectives:

- to strengthen families by ensuring that families, young people and students have access to financial assistance and support services;
- to strengthen communities through access to affordable housing, community support and services, and assistance to those in need; and
- to facilitate participation in labour force and community life by income support measures and services that encourage independence and contribution to the community.

Major Outputs and Administered Items

The forward estimates of administered expenses for the Department of Family and Community Services include provision for the bulk of the compensation arrangements as

set out under *A New Tax System*. This is reflected in the substantial increase in administered expenses commencing in 2000-2001.

Stronger Families

This outcome recognises the contribution of families to the overall health and well-being of individuals and society and reflects the Government's commitment to help families to build their capacity and resilience and to ensure that families can select and receive the help they need at times of transition and crisis.

The Government will incur administered expenses of \$10.5 billion in 1999-2000 rising to some \$13 billion by 2002-03 in direct financial support for families, children and youth mainly through Family Allowance and the Family Tax Initiative. Programmes in this area bring together Commonwealth, State and community activities and have appropriate linkages to a range of other programmes including health, education, family law and crime prevention.

Family Allowance and the Family Tax Initiative provide financial assistance to around 1.8 million families towards the support of their children, and to recognise the role that parents play in caring for children. The portfolio incurs expenses of around \$7 billion per year on these programmes.

The Government has also committed to ensuring the well-being and care of children affected by parental separation and in situations where the child is at risk. This is achieved particularly through the Child Support Agency and the National Council for the Prevention of Child Abuse. The Child Support Agency aims to ensure that separated parents share the cost of supporting their children in a fair manner. The National Council for the Prevention of Child Abuse implements strategies and conducts research aimed at assisting in the prevention of child abuse and neglect.

Youth programmes cost the Government over \$2 billion per year and aim to support young people financially during their education, training and transition into the workforce. The programmes include Youth Allowance, Austudy and the Student Financial Supplement Scheme. Youth Allowance provides flexibility for individuals to move between education, training and job search activities as suits their needs. The Student Financial Supplement Scheme provides students with the choice of increasing their financial support through a Government sponsored loan scheme.

Stronger Communities

The Government will incur administered expenses of \$1.3 billion in 1999-2000 to support and strengthen communities. This commitment will be delivered through a combination of services and community-based programmes that encourage partnerships between government, the community and the business sector. Activities include housing Supported Accommodation Assistance, and rural and regionally focussed programmes and disaster and emergency relief. It also recognises the importance of ensuring that service delivery arrangements do not disadvantage people by virtue of their location, in accessing Government programmes and services.

The Government supports the provision of social housing through its contribution of \$1 billion per year to the Commonwealth-State Housing Agreement. This contribution provides for the expansion and maintenance of public rental housing, along with targeted support for crisis accommodation, indigenous and community housing.

To help homeless people and those in crisis to re-establish independent living and self-reliance, the Government provides approximately \$140 million per year through the Supported Accommodation Assistance Programme, for support services and transitional accommodation.

Australians living in the bush can receive a range of special assistance including help in passing on a viable farm to the next generation under the Retirement Assistance for Farmers Scheme.

Communities in crisis because of natural disasters receive assistance when they need it most, as for example through recent assistance which targeted victims of the Exmouth cyclone.

An important part of the social safety net is delivered to families in need through the Emergency Relief Programme which funds 900 community, charity and religious agencies to deliver much needed cash and other support.

Economic and Social Participation

The Government will incur administered expenses of about \$36.3 billion in 1999-2000, to provide programmes that encourage self-reliance and economic independence for all Australians, while maintaining a highly targeted, comprehensive and affordable safety net for those people who are genuinely in need of assistance. This level of support is expected to rise to more than \$42 billion by 2002-03.

The social security system provides income support for those requiring it due to age, disability, unemployment and carer responsibilities.

The Age Pension aims to ensure that those unable to provide for themselves have adequate income in retirement. This has been guaranteed through the linking of pension payments with Male Total Average Weekly Earnings as well as the Consumer Price Index.

The cost of the Age Pension is expected to rise from \$14.5 billion in 1999-2000 to \$16.9 billion in 2000-01 mainly due to the increased level of support as a result of the introduction of the Government's *A New Tax System*. Programmes to provide incentives to better utilise assets and maximise private income ensure that retirees maintain a high standard of living and that the social security safety net remains sustainable.

The Commonwealth will provide \$21.8 billion in 1999-2000 for other forms of assistance to encourage economic and social participation, including income support to the unemployed, and those unable to work due to illness, disability or their responsibility as a carer. This assistance also encompasses income supplements such as Mobility Allowance and Child Disability Allowance, and services providing labour market assistance, child

care, rehabilitation and other services to facilitate workforce access and the opportunity for community participation.

Government programmes focus on encouraging economic independence by providing opportunities to enter or re-enter the labour market where possible. For the unemployed, income support is provided on the condition that they take appropriate action to help themselves and to contribute to the community. This has been reflected in the Government's commitment to the Work for the Dole programme.

FINANCE AND ADMINISTRATION

Table 9: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of Finance and Administration Departmental | 660.0 | 488.7 | 455.3 | 449.6 | 446.7 |
| Department of Finance and Administration Administered | 3161.3 | 2839.5 | 2852.1 | 2866.2 | 2865.7 |
| Australian Electoral Commission Departmental | 151.1 | 164.2 | 84.0 | 148.6 | 83.8 |
| Australian Electoral Commission Administered | 36.4 | - | - | 36.4 | - |
| Office of Asset Sales and IT Outsourcing Departmental | 16.4 | 32.9 | 10.1 | 0.4 | - |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Commonwealth Grants Commission Departmental | 5.0 | 8.1 | 7.5 | 5.0 | 5.1 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The Finance and Administration portfolio consists of the Department of Finance and Administration, the Australian Electoral Commission, the Commonwealth Superannuation Administration, the Office of Asset Sales and Information Technology Outsourcing, and the Commonwealth Grants Commission.

The portfolio advises the Minister and, through him, the Government on the management of Commonwealth resources. It has contributed to the implementation of the Government's comprehensive reform strategy for the Commonwealth public sector, which emphasises improvements to resource management, a clear focus on achieving government outcomes and exposing the provision of government services to competition. The sales and outsourcing activities of the portfolio help to confine the direct activities of the Commonwealth to those matters that are most appropriate and cost effective, while enhancing industry development, competitiveness and structural efficiency.

In the 1999-2000 Commonwealth Budget, public sector financial management has been reformed with the introduction of an integrated framework for accrual budgeting, accounting and reporting. The new framework involves changing the Government's planning, budgeting, reporting and accounting practices. The move to this system will enhance performance management in government agencies.

The portfolio also delivers whole of government services to Commonwealth Departments and agencies. In April 1999, the Government announced its intention to outsource management of \$2.8 billion non-Defence property portfolio, which is administered by the Department of Finance and Administration. The initiative is designed to provide for more effective management of the property portfolio and will enable the Government to gain access to international best practice in the property arena.

The Department of Finance and Administration is introducing agency banking arrangements to allow Commonwealth agencies to manage resources, including cash, in a more business-like manner, by providing greater flexibility for agencies to tailor their banking arrangements to their business needs. As from 1 July 1999, agencies will be responsible for establishing and managing their own bank accounts, processing their payments and receipts, maintaining detailed transactional records, managing their relationships with their chosen transactional banker, and meeting bank fees and charges associated with operating their bank accounts. Under agency banking, each agency will also be responsible for reporting exchange gains (revenues) and losses (expenses) on their foreign transactions. This was previously reported by the Department of Finance and Administration. The reduction in administered expenses in 1999-2000 is attributed to these new arrangements (which is matched by a similar reduction in Administered Revenues).

The Australian Electoral Commission (AEC) provides Australians with a fair, equitable and independent electoral service through its conduct of elections and referendums, maintenance of the Commonwealth electoral roll and the provision of electoral information and education programmes for the community. In addition, the AEC supports Australian foreign policy through the provision of effective international electoral assistance.

At the close of the 1998 Constitutional Convention, the Prime Minister made a commitment to hold a referendum on whether Australia is to become a republic. The 1999-2000 Budget includes two measures to provide funding for the Referendum.

The Commonwealth Grants Commission (CGC) provides advice to the Government on the equitable distribution of funds to State and Territory governments and will now undertake this task on behalf of indigenous Australians. Commonwealth Superannuation Administration (ComSuper) administers the main defined benefit superannuation schemes applying to Commonwealth civilian employees and Defence Force members. ComSuper's sole income is from external sources and therefore there are no appropriations included in the 1999-2000 Budget.

The Office of Asset Sales and Information Technology Outsourcing (OASITO) arranges the sale of major Commonwealth business assets and outsources information technology infrastructure services for the Commonwealth general government sector agencies. By doing so, it contributes to fiscal consolidation objectives by raising savings and sale proceeds in the Budget context.

During 1998-99 the Government sold the National Transmission Network for \$650 million. In the coming year the Government intends to sell the National Rail Corporation, ADI Limited and the second tranche of its shareholding in Telstra.

Major Outputs and Administered Items

The Department of Finance and Administration assists the Government in achieving and maintaining sustainable government finances through budget management and documentation, advice on agency performance, shareholder advice and advice on strategic policy issues.

The commercialisation of property management, as well as improvements in the operation of the department through competitive tendering and contracting, have contributed to a substantial reduction in departmental expenses in 1999-2000 that consolidates over the forward years. Notwithstanding these changes the department has delivered a whole of government reform, in the form of the first accrual budget.

The Department also advises Ministers on implementing frameworks for improved public sector performance and by delivering whole of government services to Commonwealth departments and agencies. This is achieved by providing strong and flexible financial and property management frameworks; superannuation that allows greater flexibility and choice for employees and agencies; and raising awareness of the benefits of competitive tendering and contracting amongst agencies.

In regard to property management, a major strategy is to apply commercial management practices to management activities in order to achieve a commercial rate of return on assets. The 1999-2000 Budget includes a measure for the Department to make an equity return of \$717.7 million over the four years 1999-2000 to 2002-03 from its administration of the domestic and overseas property estate.

The Department also has responsibility for the management of Comcover (the Government's Insurable Risk Managed Fund), Removals Australia (the Commonwealth's relocations brokerage business) and for the management of a number of major contracts. Commercial management practices have been and continue to be applied to the management of these activities.

The Department facilitates public access to government information in order to allow greater understanding of government activities and better quality of service delivery.

The Department also provides advice and services to Ministers and present and former parliamentarians. Strategies for 1999-2000 will focus on clarifying entitlements, improvements to the systems and processes, in particular, the implementation of the Parliamentary Systems Suite, a new information technology system for recording and reporting Senators' and Members' entitlement usage, and improvement in administrative training for Senators, Members and their staff.

The Department's administered items are mainly concerned with the payment on behalf of the Government of superannuation entitlements for former employees and parliamentarians, entitlements for current parliamentarians and expenses of an ongoing administrative nature, rather than grants to the States or other entities.

The major outputs of the AEC are electoral roll management, elections, ballots and referendums and electoral education.

The major outputs of the CGC are reports on fiscal equalisation (5 yearly reviews and annual updates) and an upcoming report on the distribution of funding for programmes to assist the indigenous community.

The two major outputs of OASITO are the sale on optimal terms of major Commonwealth business assets identified by the Government, and the outsourcing of information technology infrastructure services for the Commonwealth general government sector.

FOREIGN AFFAIRS AND TRADE

Table 10: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Department of Foreign Affairs and Trade Departmental | 618.7 | 648.7 | 635.5 | 639.4 | 658.6 |
| Department of Foreign Affairs and Trade Administered | 139.9 | 119.3 | 116.5 | 115.2 | 113.7 |
| AusAID Departmental | 64.4 | 65.1 | 64.0 | 64.3 | 65.1 |
| AusAID Administered | 1335.4 | 1088.1 | 1362.0 | 1434.8 | 1202.4 |
| Australian Trade Commission Departmental | 165.6 | 175.1 | 171.1 | 170.8 | 167.9 |
| Australian Trade Commission Administered | 159.4 | 155.6 | 151.3 | 150.9 | 0.5 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Australia-Japan Foundation Departmental | 2.2 | 2.5 | 2.4 | 2.4 | 2.4 |
| Australian Secret Intelligence Service Departmental | 37.8 | 42.5 | 42.6 | 42.7 | 43.5 |
| Australian Centre for International Agricultural Research Departmental | 43.7 | 45.8 | 46.1 | 45.9 | 46.2 |

* This table shows the gross expenses of each agency

** Derived from the estimated agency revenues.

Overview

The Foreign Affairs and Trade portfolio conducts Australia's foreign relations, helps Australians win export business, generates inward and outwards investment, and provides assistance to developing countries to reduce poverty and achieve sustainable development. In addition to foreign policy, trade and development assistance outputs, the portfolio provides consular and passport services for Australians. The portfolio is committed to improving public understanding of Australia's foreign, trade and aid policy both domestically and internationally.

A high priority in 1999-2000 is the foreign policy challenge created by developments in East Timor. In response, the Budget provides funds to open an Australian Consulate-General in Dili, East Timor and a policy liaison office in Lisbon, Portugal, and for AusAID to establish an office in Dili as part of the Consulate-General.

The portfolio's network of overseas posts plays a key role in maintaining and strengthening the bilateral relations at the core of Australia's national security and economic well-being. East Asia remains a primary focus because of the significant Australian interests involved. The portfolio also devotes particular attention to conveying Australia's point of view to the United States administration and to encouraging continued United States engagement in the security and economic affairs of the region. The portfolio is working to strengthen Australia's commercial relationship and broaden the political dialogue with the European Union and individual member countries.

The portfolio's work in multilateral forums is focused on issues of direct interest to Australia. A priority area has been to implement and, where necessary, strengthen international regimes covering weapons of mass destruction – nuclear, chemical and biological. Another priority area is to protect and advance the important Australian interests engaged in the international environment agenda. In 1999-2000, climate change and the negotiations on a Biosafety Protocol will demand particular attention. Comprehensive treaty consultation processes give effect to the Government's commitment to better channels of communication with those whose interests are affected by international agreements or negotiations.

Keeping markets open through vigorous pursuit of market access issues and working for further multilateral trade liberalisation in bodies such as the World Trade Organization (WTO) and Asia Pacific Economic Cooperation (APEC) are key objectives. In addition, the portfolio is working to achieve agreement for a new comprehensive round of WTO trade negotiations to begin in 2000.

The Government has also developed the Market Development Task Force and the annual Trade Outcomes and Objectives Statement to pursue export markets and identify market development priorities.

Economies around the world are increasingly trading electronically and the portfolio places priority on making Australian exporters effective participants in the digital age. Austrade is particularly focussing its resources in this area, as well as making a sustained effort to serve the needs of small and medium enterprises and companies in regional and rural Australia.

The portfolio is helping Australian exporters and investors to deal with the effect of the Asian economic crisis. In 1998-99 an Australian Embassy was opened in Abu Dhabi, United Arab Emirates and Trade Consulates established in Bucharest, Romania and Lima, Peru to assist our exporters to diversify their markets. The 1999-2000 Budget provides funds to open an Embassy in Zagreb, Croatia including Austrade marketing staff to assess trade opportunities.

Assistance provided to regional countries affected by the Asian crisis is helping them to respond to social needs, resume sustained growth and improve their economic and financial management. Substantial development assistance is also provided to Papua New Guinea. Through its leading role in the Bougainville peace and reconstruction process, the portfolio is working for a peaceful settlement to the dispute on the island. The peaceful and fair resolution of the political future of East Timor, and its long term development needs, are also a key focus. Promoting stability and economic reform in the Pacific Island countries is a continuing priority. Australia will also continue to respond to emergency and humanitarian situations.

The portfolio also plays an important role in international forums, and with multilateral and non government agencies, in pursuing its aid objective. The principles and directions set out in the Government's 1997 policy statement, *Better Aid for a Better Future*, continue to shape the Australian aid programme.

Against the background of a large increase in the number of Australians travelling and living abroad, the portfolio will maintain its delivery of high quality consular and passport services. Demand for these services will be heightened by the challenges presented by international Year 2000 problems.

Major Outputs and Administered Items

In addition to the major outputs outlined above, administered items contribute to portfolio outcomes. DFAT makes payments for Australia's participation in most international organisations although such memberships are of whole-of-government interest. The decline in the Department's administered expenses in the Budget year arises from the shifting of the responsibility for the contributions to the United Nations Food and Agriculture Organisation to the Department of Agriculture, Fisheries and Forestry, and some expenses being treated as departmental rather than as administered from 1999-2000 onwards. The increase of around \$30 million in the Department's departmental expenses in 1999-2000 includes the new policy measures in relation to East Timor and Zagreb, and large foreign exchange and overseas inflation adjustments amounting to \$20 million.

The fluctuations in AusAID's administered expenses reflect the expensing of the contributions to a range of multi-year agreements in the year that the commitments are made, for example contributions to the International Development Agency (IDA) and the Asian Development Fund. A multi-year commitment was made to IDA in 1998-99 and there are no other major multi-year commitments falling due in the Budget year. This accounts for the majority of the fall in expenses in 1999-2000.

Development assistance administered by AusAID plays an important part in Australia's engagement in the region and supports broader bilateral efforts. Financial support provided to eligible Australian companies under the Export Market Development Grants (EMDG) administered by Austrade contributes to Australia's trade performance. Movements in the Australian Trades Commission administered expenses reflect the Government's decision to extend the \$150 million EMDG scheme to 2001-02 (in the Government's response to the Mortimer Review). Further administered items of assistance to exporters are the loans, insurance guarantees and bonds provided under the National Interest provisions of the *Export Finance and Insurance Corporation Act 1991*.

HEALTH AND AGED CARE

Table 11: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of Health and Aged Care Departmental | 646.8 | 682.3 | 666.1 | 662.5 | 667.7 |
| Department of Health and Aged Care Administered | 22175.9 | 23232.1 | 24546.9 | 25986.5 | 27319.9 |
| Health Insurance Commission Departmental | 349.2 | 378.4 | 395.6 | 398.6 | 373.6 |
| Health Insurance Commission Administered | 11015.6 | 11695.6 | 12327.2 | 13020.6 | 13847.3 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Professional Services Review Departmental | 1.6 | 3.4 | 4.9 | 6.9 | 7.5 |
| Australia New Zealand Food Authority Departmental | 8.1 | 8.4 | 5.9 | 5.9 | 6.0 |
| Australian Institute of Health and Welfare Departmental | 15.9 | 16.3 | 16.1 | 16.2 | 16.3 |
| Australian Radiation Protection and Nuclear Safety Agency Departmental | 14.1 | 14.0 | 14.4 | 14.8 | 14.8 |
| Private Health Insurance Ombudsman Departmental | 0.7 | 1.0 | 1.0 | 1.0 | 1.0 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The portfolio aims to ensure that world class health and aged care services are available to all Australians.

The priorities for the portfolio include population health and safety; ensuring access to Medicare through the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme and the public hospital system; raising the health status of Aboriginal and Torres Strait Islander people; and enhancing the quality of life for older Australians.

Growth in Commonwealth health and aged care expenditure over the decade to 1998-99 has averaged four per cent in real terms. The growth mainly reflects a steady increase in utilisation of medical and pharmaceutical services over the period and a drift to more costly drugs and medical services. This Budget contains a number of important health initiatives.

Major Outputs and Administered Items

Population Health and Safety

The Commonwealth's role in population health is to provide national leadership and coordination in research and information, education campaigns, service delivery,

evaluation and redevelopment of legislation, and public health education and training. Particular focus is given to the Government's identified core population health priority areas of childhood immunisation, HIV/AIDS and related diseases, the national illicit drug strategy, cancer control and injury prevention.

The Therapeutic Goods Administration (TGA) is responsible for ensuring the quality, safety, efficacy and timely availability of therapeutic goods available in Australia. The TGA recovers its costs from the therapeutic goods industry.

The Australia New Zealand Food Authority develops and maintains appropriate food standards to minimise the community's exposure to food borne disease and chemicals. The Australian Radiation Protection and Nuclear Safety Agency aims to protect the health and safety of people, and the environment, from the harmful effects of radiation.

Government initiatives in the Budget will address the issues of illicit drugs, Hepatitis C, and improve the effectiveness of Australia's food hygiene and the regulatory arrangements for product safety.

Access to Medicare

The Department of Health and Aged Care ensures access, through Medicare, to high quality medical services through quality primary care, medicines and, in cooperation with States and Territories, hospital services.

The Department pays more than \$300 million per annum to the Health Insurance Commission to process Medicare rebates and reimburse pharmacists under the Pharmaceutical Benefits Scheme.

Medical Benefits

The Commonwealth provides financial assistance for medical services provided outside of hospital and for private patients in hospital. Where gap payments for out-of-hospital medical services, for an individual or a family, exceed a certain amount in a year, all further benefits in that year are paid at up to 100 per cent of the Schedule fee.

Pharmaceutical Benefits Scheme

Under the Pharmaceutical Benefits Scheme, the Commonwealth provides assistance towards the cost of pharmaceuticals. Concession card holders (pensioners, the unemployed and low income families) receive a higher subsidy than other members of the general public. A safety net applies on a family basis, to protect those with a high use of medicines.

Public Hospitals

To support free hospital care under Medicare, the Commonwealth provides financial assistance to the States through hospital funding agreements amounting currently to about half the cost of public hospitals. The current Australian Health Care Agreements focus on

increasing public patient access and improving the efficiency and effectiveness of service delivery. These agreements provide for automatic adjustments for costs of population increases, ageing of the population and changes to private health insurance membership levels. There is also provision for expected increases in demand as new and better medical services become available.

Measures taken by the Government in the Budget to improve the administration of, and access to, Medicare will further assist the achievement of this outcome and enhance primary care.

Choice through Private Health Insurance

The portfolio is implementing the new 30 per cent private health insurance rebate and other measures to promote competitive and attractive private health insurance to ensure a viable private health insurance industry and improve the choice of health services for all Australians.

The Private Health Insurance Administration Council regulates the private health insurance industry and the Private Health Insurance Ombudsman protects consumers.

The Government is introducing Lifetime Health Cover, which will enable health funds to charge different premiums to people depending on the age at which they first join a health fund. It maintains the principles of community rating but provides clear incentives for people to take up or retain private health insurance by rewarding early and continuous membership. The Budget also includes a measure to promote simplified billing throughout the private health industry.

Quality Health Care

The Department develops, supports and promotes strategies to improve the quality, integration and effectiveness of health care, in particular, through coordinated care trials. The Department will further advance general practice reforms and promote quality and efficiency within the medical sector.

There is a range of Budget measures in relation to these objectives. These measures address suicide, rural and regional general practitioner services, and medical services for women in rural and remote areas. A major feature of the Budget is enhanced primary care for older people and in particular, more coordinated care services.

Rural Health Care

To achieve the Government's election commitment to rural and remote Australia, the Department will ensure a coordinated approach to the delivery of health care in rural and remote locations.

In this Budget the Government will fund the establishment of 30 Regional Health Service Centres to improve access to quality health care for people living in rural and remote areas. Measures will also assist isolated health professionals to cope with job related

trauma and provide instruction on first line emergency care to health professionals in remote areas.

Hearing Services

The Department aims to reduce the consequences of hearing loss for eligible Australians and reduce the incidence of hearing loss in the broader community.

It does this by funding a range of hearing services to eligible pensioners and all people under the age of 21 years. Consumers have a choice of hearing service providers through the Hearing Services Voucher System. The voucher system entitles eligible pensioners to subsidised hearing services through the Australian Hearing Services (AHS) and private sector providers. AHS continues to provide hearing services to people under the age of 21 years.

The Budget provides a significant increase in funding to provide an extra 67,000 vouchers per year for Australians with hearing loss.

Aboriginal and Torres Strait Islander Health

The Department has a range of strategies to achieve the Government's priority in addressing the health of Aboriginal and Torres Strait Islander people.

The Commonwealth funds a network of community controlled primary health care services for Aboriginal and Torres Strait Islander people. Commonwealth funding also supports a range of specialist services, including mental health, sexual health and hearing services. These services complement general health services. The Commonwealth works with the States and other stakeholders in the planning and funding of Aboriginal and Torres Strait Islander health services to ensure these Australians have access to necessary services.

This Budget provides a major increase in funds to improve access by indigenous people to comprehensive primary health care as well as to provide environmental and health infrastructure to remote Aboriginal and Torres Strait Islander communities.

Enhanced Quality of Life for Older Australians

To provide long-term sustainable aged care services and to improve choice and access, the portfolio provides support for positive, healthy ageing and high quality cost effective services for frail older people, people with disabilities and their carers.

Community Care and Support for Carers

The Commonwealth, in conjunction with the States, funds a range of services for frail aged, and younger people with a disability, to enable them to continue to live in their own homes.

Residential Care

The Commonwealth pays substantial subsidies for residents of aged care facilities, based on their care needs. Residents receive accommodation and nursing and personal care services, such as nursing procedures, medication administration, therapies and help with daily living. The level of Commonwealth funding for each resident is provided according to the relative care needs of residents. The Commonwealth provides 75 per cent of funds for resident care with the contribution of residents based on their ability to pay.

Health Investment

A key strategy for the portfolio is to afford greater attention to investment in research and training in health and to keep up with advances in technology. The portfolio will contribute to the pool of knowledge, which will assist the health and medical community in the development of better strategies to improve the health and well-being of all Australians.

Commonwealth support for health research activities includes funding for health and medical research administered by the National Health and Medical Research Council. Funding is provided for capital works at medical research institutes and for postgraduate specialist training. Funding is also provided to the Australian Institute of Health and Welfare for outputs related to health and welfare information.

The Budget will strengthen health and medical research by more than doubling the base funding for the National Health and Medical Research Council over six years.

IMMIGRATION AND MULTICULTURAL AFFAIRS

Table 12: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Department of Immigration and Multicultural Affairs Departmental | 436.9 | 384.8 | 400.8 | 404.5 | 413.9 |
| Department of Immigration and Multicultural Affairs Administered | 134.0 | 130.6 | 129.1 | 124.0 | 117.2 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Refugee Review Tribunal Departmental | 18.4 | 16.3 | 14.2 | 14.2 | 14.0 |
| Migration Review Tribunal Departmental | 9.9 | 10.8 | 10.2 | 9.8 | 9.9 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The portfolio contributes to Australia's economic, social and international interests through programmes directed at:

- the lawful and orderly entry and stay of people;
- the promotion of a society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably; and
- fair and balanced administration of migration and humanitarian related entry into Australia.

The Government's current priorities in this area include ensuring that the migration intake is focused on skilled immigrants, maintaining the integrity of our national border and continuing to promote recognition of the value of cultural diversity and citizenship. It is also concerned to ensure that Australia plays an appropriate and responsible role in relation to refugees, as evidenced in the Government's response to the current Kosovo crisis.

Major Outputs and Administered Items

The Department of Immigration and Multicultural Affairs (DIMA) manages the entry and stay of people in Australia. This is achieved through the assessment of temporary and permanent visa applications. Efficiency in this area has been enhanced by the implementation of the Electronic Transfer Authority System for temporary visas. DIMA is also responsible for the enforcement of immigration law through the management of prevention, detection and removal of unlawful entrants. A large percentage of DIMA's resources are devoted to achieving this objective, including for the provision of overseas immigration posts. A major challenge in 1999-2000 will be the planning arrangements for the large scale movement of people expected for the Sydney 2000 Olympics.

During 1998-99 the department completed a significant internal restructuring, incurring additional expenses. For 1999-2000 departmental expenses have returned to a more normal level, consistent with expected workload variations.

The Government supports the humanitarian entry and stay of people through the provision of the Asylum Seekers Assistance (ASA) Scheme and the assisted passage of refugees and humanitarian entrants. The continued development of effective migration and humanitarian programmes is supported by Australia's membership of international organisations and joint Commonwealth-State research activities.

To enable migrants to participate equitably in Australian society the Department provides settlement services and translating and interpreting services. The Adult Migrant English Programme is an integral support element for migrants and refugees to ensure that they have the capacity to communicate effectively.

The Department promotes the value of Australian citizenship and cultural diversity through sponsoring activities such as the celebration of the 50th anniversary of Australian citizenship in 1999 and the *Living in Harmony* campaign. The *Living in Harmony* campaign, which has been extended by the Government in the 1999-2000 Budget, will promote cultural diversity through a community grants programme, a community awareness strategy and a partnership programme with the private sector.

The portfolio ensures decisions on the migration and refugee status of applicants are fair and balanced by providing independent merit reviews through the Migration Review Tribunal (formerly the Immigration Review Tribunal and the Migration Internal Review Office) and the Refugee Review Tribunal. The Refugee Review Tribunal also contributes to ensuring that Australia meets its obligations under international conventions relating to the status of refugees.

INDUSTRY, SCIENCE AND RESOURCES

Table 13: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of Industry, Science and Resources Departmental | 332.7 | 298.8 | 312.8 | 308.1 | 305.3 |
| Department of Industry, Science and Resources Administered | 965.2 | 801.9 | 723.0 | 795.9 | 752.9 |
| Australian Nuclear Science and Technology Organisation Departmental | 105.6 | 113.9 | 115.3 | 121.8 | 115.6 |
| Australian Sports Commission Departmental | 114.2 | 117.8 | 97.0 | 92.1 | 95.8 |
| Australian Tourist Commission Departmental | 128.6 | 131.7 | 133.9 | 132.0 | 117.9 |
| Commonwealth Scientific and Industrial Research Organisation Departmental | 736.0 | 756.0 | 754.8 | 766.2 | 778.8 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Australian Institute of Marine Science Departmental | 24.3 | 30.8 | 32.2 | 32.0 | 33.3 |
| Australian Sports Drug Agency Departmental | 5.7 | 5.8 | 5.9 | 5.8 | 5.8 |
| IPAustralia Departmental | 68.4 | 72.3 | 74.3 | 75.4 | 76.8 |
| National Standards Commission Departmental | 3.1 | 3.8 | 3.8 | 3.9 | 3.9 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The Industry, Science and Resources portfolio has responsibility for developing, implementing and administering policies and programmes which aim to maximise the benefits to Australians of Australian industries. It does this through the promotion of activities which range across three areas:

- increasing the international competitiveness of Australian manufacturing, resources and service industries, including tourism;
- developing Australia's science and technology capabilities and infrastructure; and
- encouraging excellence in sports performance, and increasing participation in sport and recreational activities by Australians.

Major Outputs and Administered Items

The Department of Industry, Science and Resources provides strategic leadership and policy advice to the Government on issues which cover all of the objectives outlined in the overview. The \$34 million reduction in its departmental expenses in 1999-2000 is

largely due to internal efficiencies, some lapsing programmes, for example a range of bounties and replacement of the Pharmaceutical Factor F scheme by the Pharmaceutical Industry Investment Programme, and various changes within the department.

The Department delivers a range of administered programmes in those areas on behalf of the Government. These include assistance to the pharmaceutical industry, the Technology Diffusion programme, the Industry Innovation programme (R&D START), the Cooperative Research Centres programme, and the Innovation Investment Fund. Payments of bounties will fall significantly from the end of 1998-99, although this Budget provides for an extension to the Shipbuilding Production Bounty at a cost of \$28.3 million. Fluctuations in administered expenses from 2000-01 reflect the differential impact of new adjustment programmes such as the Textile Clothing and Footwear Post 2000 Investment Scheme which are replacing other forms of assistance. Other Budget measures include \$61.1 million for a new Shipbuilding Innovation Scheme and a new Printing Industry Competitiveness Scheme. The Government will also facilitate growth in other industries through the Action Agendas Programme.

In addition, the Department provides scientific business services through the Australian Surveying and Land Information Group (AUSLIG), the Australian Government Analytical Laboratories (AGAL) and the Australian Geological Survey Organisation (AGSO).

The portfolio includes three science agencies - the Australian Institute of Marine Science (AIMS), the Australian Nuclear Science and Technology Organisation (ANSTO) and the Commonwealth Scientific and Industrial Research Organisation (CSIRO) - which undertake scientific research and provide scientific advice to the Government. These agencies have received a boost in funding in the 1999-2000 Budget.

The National Standards Commission promotes the international competitiveness of Australian industry by ensuring that Australia has a national system of physical measurements in which business, government, the community and our international trading partners have complete confidence. It does this through the coordination of Australia's national measurement system.

The Australian Tourist Commission seeks to increase the number of visitors to Australia from overseas and to maximise the benefits to Australia from those visitors, while protecting Australia from adverse impacts of international tourism. It does this by promoting Australia in overseas markets as a tourist destination.

Measures in the 1999-2000 Budget provide an \$8 million boost to regional Australia to become more tourism ready and a further \$8 million to encourage more Australians to holiday within Australia.

IP Australia seeks to ensure that Australians benefit from the effective use of intellectual property by granting patents, trade marks and designs. The operating expenses of the agency are recovered from user charges and there is no funding from the Budget.

The Australian Sports Commission promotes Australia's sports performance by developing and implementing programmes and policies aimed at delivering an effective national sports infrastructure, improved participation in sporting activities by Australians and excellence in sports performance by Australians. Leading up to the Olympics, a major focus for sports funding has been the Olympic Athletes Preparation Programme. Under *Review 2000* the role of the Commonwealth in sport post 2000 will be examined. The 1999-2000 Budget also meets the Government's 1998 election commitment to provide more than \$144 million to Australian sport from 2000-01 to 2002-03.

The Australian Sports Drug Agency is charged with the responsibility of ensuring that the Australian sporting community can deter athletes from using banned doping practices. It does this by conducting a comprehensive drug testing and awareness programme. The 1999-2000 Budget provides measures to increase the capacity for the Australian Sports Drugs Agency to deter athletes from using drugs.

PARLIAMENT

Table 14: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Joint House Department Administered | 6.7 | 6.7 | 6.7 | 6.7 | 6.7 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Department of the Senate | | | | | |
| Departmental | 27.2 | 28.5 | 28.4 | 28.7 | 29.1 |
| Department of the Senate Administered | 9.4 | 9.9 | 9.9 | 9.9 | 9.9 |
| Department of the House of Representatives | | | | | |
| Departmental | 24.5 | 26.6 | 26.7 | 26.8 | 27.1 |
| Department of the House of Representatives Administered | 18.6 | 18.6 | 18.6 | 18.6 | 18.6 |
| Department of the Parliamentary Library | | | | | |
| Departmental | 14.9 | 16.5 | 16.7 | 16.7 | 16.7 |
| Department of the Parliamentary Reporting Staff | | | | | |
| Departmental | 37.0 | 42.6 | 42.0 | 43.8 | 43.3 |
| Joint House Department Departmental | 38.7 | 36.2 | 36.4 | 36.8 | 37.1 |

* Table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

There are five departments which support the Commonwealth Parliament:

- Department of the Senate;
- Department of the House of Representatives;
- Department of the Parliamentary Library;
- Department of the Parliamentary Reporting Staff; and
- Joint House Department.

The Departments of the Senate and House of Representatives contribute to the effective functioning of their respective parliamentary bodies and their committees through advice and secretariat support bodies; a range of support services to office-holders; and the promotion of public knowledge and awareness of the parliamentary bodies and their committees.

The Department of the Parliamentary Library contributes to a more informed Parliament and, through it, to the Australian community by providing Senators, Members and Parliamentary Committees with quality information services, policy analysis and advice.

The Department of the Parliamentary Reporting Staff provides the Parliament and the people of Australia with reporting, information technology, telecommunication and broadcasting.

The Joint House Department provides for an effectively functioning Parliament Building while preserving its value as a heritage complex. It is responsible for raising public awareness of the Australian Federal Parliamentary system and the Parliament House building.

PRIME MINISTER AND CABINET

Table 15: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Department of the Prime Minister and Cabinet Departmental | 49.8 | 51.3 | 46.8 | 47.5 | 48.4 |
| Department of the Prime Minister and Cabinet Administered | 12.8 | 20.0 | 19.7 | 15.1 | 15.2 |
| Aboriginal and Torres Strait Islander Commission Departmental | 955.9 | 980.6 | 1010.2 | 1042.5 | 1070.5 |
| Aboriginal and Torres Strait Islander Commission Administered | 82.2 | 83.8 | 84.5 | 84.9 | 86.3 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Office of the Official Secretary to the Governor-General Departmental | 7.0 | 8.5 | 8.9 | 9.1 | 9.4 |
| Office of the Official Secretary to the Governor-General Administered | 1.8 | 1.5 | 1.0 | 0.9 | 0.8 |
| Office of the Commonwealth Ombudsman Departmental | 7.8 | 8.1 | 8.1 | 8.2 | 8.2 |
| Office of Inspector-General of Intelligence and Security Departmental | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 |
| Office of National Assessments Departmental | 7.3 | 6.8 | 6.7 | 6.8 | 6.9 |
| Public Service and Merit Protection Commission Departmental | 20.9 | 19.1 | 19.1 | 19.2 | 19.1 |
| Aboriginal Hostels Limited Departmental | 35.9 | 43.4 | 44.4 | 45.3 | 46.3 |
| Australian Institute of Aboriginal and Torres Strait Islander Studies Departmental | 6.7 | 7.2 | 7.8 | 9.4 | 9.5 |
| Indigenous Land Corporation Departmental | 55.4 | 54.6 | 55.3 | 56.0 | 56.7 |
| Torres Strait Regional Authority Departmental | 41.0 | 45.1 | 46.0 | 41.5 | 42.7 |
| Australian National Audit Office Departmental | 52.0 | 48.5 | 50.3 | 50.5 | 51.9 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The portfolio of Prime Minister and Cabinet is diverse, including a broad range of activities and a significant number of statutory office holders who perform core functions of government.

The Department of the Prime Minister and Cabinet provides economic, social and international policy advice for the Prime Minister, other portfolio Ministers, Cabinet and its committees. As well, the Department has supported the Prime Minister on a number

of policy reviews and statements including the Wik Taskforce on the Native Title Amendment Bill (passed in July 1998) and the *Tough on Drugs* statements.

The Department will support the Government in implementing the Prime Minister's commitment to hold a referendum on the Republic in 1999. This also includes coordinating the preparation of legislation to give effect to the republic model endorsed by the 1998 Constitutional Convention. Increased administered expenses in the Department during 1999 and 2000 are due to the renewal of the successful Partnerships Against Domestic Violence, the continuation of the Aboriginal Reconciliation Programme and the additional costs of visiting dignitaries at the time of the Sydney Olympics.

The portfolio has contributed to major public service reforms relating to the financial and employment management framework for Commonwealth entities. As well, market testing the outsourcing of certain corporate activities has been undertaken with the aim of ensuring Commonwealth resources are focussed on core business.

Early in 1999, five portfolio agencies signed a contract to outsource the provision of payroll, accounts processing and case management rehabilitation. The Department is scheduled to outsource the provision of its information technology and infrastructure services from 1 July 1999.

Since 1996 the Public Service and Merit Protection Commission has been developing a new public service framework, including legislation specifying a set of Australian Public Service values. The Public Service Bill was introduced in the Parliament for the third time in March 1999. The Bill was withdrawn by the Government on two previous occasions when the Senate introduced unacceptable amendments. Pending passage of the Bill, the Government introduced a number of reforms by administrative means in March 1998.

The *Audit Act 1901* was replaced on 1 January 1998 with legislation introducing a modern framework for financial management, including the *Auditor-General Act 1997*. The Act established the Auditor General as 'an independent officer of the Parliament' and is administered by the Prime Minister. Accordingly, the Australian National Audit Office is for administrative purposes part of the Prime Minister and Cabinet portfolio.

The portfolio has provided ministerial advice on Aboriginal reconciliation and a range of specific indigenous policy issues, including reform of Aboriginal and Torres Strait Islander heritage legislation, native title, separated children, housing reform, and business development.

Major Outputs and Administered Items

In addition to providing economic, social and international policy advice, the Department also provides coordination, and support services for the Prime Minister, other portfolio Ministers, Cabinet and its committees.

Key policy activities will be maintained over the budget year, including as they relate to taxation reform, the negotiation of further Comprehensive Regional Assessments and

Regional Forest Agreements, the Sydney 2000 Olympic and Paralympic Games, Aboriginal reconciliation, legislative reform on indigenous issues including *Aboriginal Land Rights (Northern Territory) Act 1976* and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* and status of women issues. Additional funding has been provided in the 1999-2000 Budget to continue efforts to prevent domestic violence across Australia. As well, the Department will progress the development and implementation of the CABNET electronic system for the management and circulation of Cabinet documents.

The Office of the Official Secretary to the Governor-General provides support to the Governor-General, maintains associated official properties and administers the Australian system of Honours and Awards.

The Office of National Assessments provides the Government with assessments on international developments of political, strategic or economic importance which bear on Australia's policy interests.

The Office of the Strategic Investment Coordinator advises on the possible use of incentives for investment projects and facilitates government approval process for major projects.

The Public Service and Merit Protection Commission provides advice designed to encourage the development of a professional and innovative public service.

The Office of the Commonwealth Ombudsman investigates and resolves complaints about the administrative actions of Commonwealth agencies and provides advice to improve public administration.

The Office of Inspector-General of Intelligence and Security monitors intelligence agencies and provides a complaints management service.

The Aboriginal and Torres Strait Islander Commission (including the Land Fund and the Aboriginal Benefits Reserve), the Aboriginal Hostels Limited, the Torres Strait Regional Authority, the Australian Institute of Aboriginal and Torres Strait Islander Studies, the Indigenous Land Corporation and the Aboriginal and Torres Strait Islander Commercial Development Corporation ensure indigenous participation in the formulation and implementation of government policies bearing on the Australian indigenous community.

The Australian National Audit Office provides financial statement audit reports to Ministers and Commonwealth entities and performance audit reports on Commonwealth entities to Parliament.

TRANSPORT AND REGIONAL SERVICES

Table 16: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|-----------|---------|---------|---------|
| Department of Transport and Regional Services Departmental | 182.4 | 165.8 | 167.1 | 168.3 | 162.0 |
| Department of Transport and Regional Services Administered | 2576.6 | 2462.4 | 1295.4 | 1259.0 | 991.3 |
| National Capital Authority Departmental | 6.6 | 12.1 | 12.6 | 12.7 | 13.0 |
| National Capital Authority Administered | 13.4 | 10.2 | 7.7 | 7.3 | 6.3 |
| Australian Maritime Safety Authority Departmental | 67.6 | 68.0 | 69.9 | 72.8 | 73.9 |
| Australian Maritime Safety Authority Administered | - | 2.5 | 2.6 | 2.6 | 2.6 |
| Civil Aviation Safety Authority Departmental | 86.4 | 94.0 | 83.5 | 80.4 | 81.8 |

* This table shows the gross expenses of each agency.

Overview

The Government recognises that, in addition to services specifically aimed at communities in regional, rural and remote Australia, transportation plays an integral part in fostering the social and economic capacity of regional Australia and maintaining its links to the rest of the country. Agencies in the Transport and Regional Services portfolio support government priorities by delivering transport and regional services designed to link Australia.

These services contribute to economic prosperity and employment, accessibility, environmental sustainability, safety, and national culture. The portfolio's role in contributing to each of these key areas is discussed in turn.

The portfolio contributes to Australia's economic prosperity and employment by improving the effectiveness and efficiency of transport facilities - including continued development of a geographically and modally integrated transport system - both at the national and international level. The portfolio pursues strategies to improve Commonwealth, State and Territory, and private sector cooperation and investment in services to regional communities and in transport planning and policy processes. The portfolio also acts to enhance regional and remote communities' access to services.

The portfolio's policies pursue a reduction in the adverse impact transport operations may have on the Australian environment, consistent with the National Greenhouse Strategy, emissions standards and good operating practice. The portfolio also maintains effective and efficient environmental management in Australia's non-self-governing Territories.

By ensuring that high safety standards are maintained in all transport modes (including nationally and internationally harmonised safety standards), the portfolio provides services

to improve the safety of all Australians. It is also a priority of the portfolio to ensure that health and safety services within the non-self-governing Territories and other regional, rural and remote communities are at a reasonable standard when compared with the remainder of Australia.

The portfolio maintains strategies to ensure Canberra remains a national capital that provides a common link to all Australians to symbolise Australia's heritage, values and aspirations; that it is internationally recognised; and that it is one of which Australians can be proud.

The Budget provides additional funding for transport infrastructure including the National Highway System and Roads of National Importance, bridges and Black Spots, as well as funding to improve service delivery to rural and regional Australia.

From 2000-01 funding from the Goods and Services Tax, as part of *A New Tax System*, will replace financial assistance grants to local government and this accounts for the substantial decrease in administered expenses for the department. A number of specific capital projects, including the mainline inter-state rail upgrade and the Alice Springs to Darwin Railway, are to be expected to be completed in 2001-2002, which is reflected in the administered expenses estimates in 2002-03.

Major Outputs and Administered Items

The Department of Transport and Regional Services:

- provides policy advice and ministerial services;
- supplies regulatory, investigative and safety services relating to transport and regional matters;
- supplies services to communities, primarily targeted at fostering the social and economic capacity of communities as well as facilitating and maintaining links throughout Australia; and
- administers and collects revenue from a number of sources on behalf of the Government.

Departmental expenses in 1998-99 reflect work undertaken on a number of specific programmes, including the Environmental Impact Statement for the proposed second Sydney airport at Badgerys Creek and the Supermarket to Asia programme. The finalisation of these programmes accounts for the reductions in expenses 1999-2000.

The Department administers programmes on behalf of the Commonwealth aimed at fostering the social and economic capacity of communities as well as facilitating and maintaining their links with the rest of Australia. These programmes are:

- transport programmes designed to assist the social and economic capacity of Australian communities through access to efficient transport systems; and
- regional services programmes designed to enhance regional and remote communities access to services.

The National Capital Authority (NCA) is responsible for three classes of outputs. These are:

- review, amendment and administration of the National Capital Plan and National Land;
- culture and awareness strategies and programmes for the National Capital; and
- asset and land management and capital enhancement services.

The Australian Maritime Safety Authority (AMSA) provides services to search for, locate and rescue persons in distress within the aviation and maritime environment in the Australian search and rescue region in accordance with national and international obligations. AMSA also provides a framework to contribute to the safety of ships and ships' personnel consistent with community and international standards as well as a marine environment free from ship-sourced pollution.

The Civil Aviation Safety Authority is responsible for aviation standards, compliance and promotion. The increase in its departmental expenses is due to a major restructure of the organisation.

TREASURY

Table 17: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of the Treasury Departmental | 78.8 | 98.7 | 88.7 | 85.6 | 85.5 |
| Department of the Treasury Administered | 26330.9 | 26985.5 | 8353.7 | 8878.4 | 7607.0 |
| Australian Bureau of Statistics Departmental | 252.0 | 267.7 | 292.5 | 376.9 | 285.8 |
| Australian Taxation Office Departmental | 1287.3 | 1586.3 | 1597.9 | 1488.1 | 1465.3 |
| Australian Taxation Office Administered | 1228.4 | 1260.2 | 1153.2 | 1029.2 | 1049.2 |
| Australian Securities and Investment Commission Departmental | 144.7 | 137.2 | 133.8 | 139.7 | 140.5 |
| Australian Securities and Investment Commission Administered | 3.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| <i>Small Agency Proxy Expenses**</i> | | | | | |
| Australian Competition and Consumer Commission Departmental | 39.4 | 51.4 | 48.4 | 44.6 | 38.2 |
| National Competition Council Departmental | 3.0 | 3.1 | 3.1 | 3.0 | 3.1 |
| Productivity Commission Departmental | 23.2 | 22.1 | 21.8 | 21.8 | 22.0 |
| Companies and Securities Advisory Committee Departmental | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| Australian Prudential Regulation Authority Departmental | 48.6 | 55.1 | 54.2 | 52.7 | 47.3 |

* This table shows the gross expenses of each agency.

** Derived from the estimated agency revenues.

Overview

The Treasury portfolio undertakes a range of activities aimed at achieving strong sustainable economic growth, a continued reduction in unemployment and the improved well being of Australians. It does this through a number of agencies. This entails the provision of policy advice for portfolio Ministers which promotes a sound macroeconomic environment; effective government spending and taxation arrangements; and well functioning markets. It also entails the effective implementation and administration of policies that fall within Ministers' direct responsibilities.

Fiscal policy advice focuses on the Government's medium term strategy of ensuring that the Budget is in balance over the course of the economic cycle. The strategy is complemented by the Charter of Budget Honesty that holds the Commonwealth to a high level of fiscal transparency and accountability.

The portfolio also has responsibility for advancing Australia's interests at international forums such as the International Monetary Fund, the World Bank, the Asian Development Bank, the Organisation for Economic Cooperation and Development and

Asia Pacific Economic Cooperation. In light of the difficulties in the global economy, the portfolio is making a significant contribution to international efforts to sustain global economic stability and growth.

The management of government debt is undertaken within the portfolio. The 1999-2000 Budget includes a measure to establish the Australian Office of Financial Management within Treasury to significantly enhance the Commonwealth's capacity to manage its net debt exposures in the context of complex domestic and international financial markets.

The portfolio also provides on-going advice to portfolio Ministers on taxation policy; budget policy, including arrangements for the distribution of resources between the Commonwealth and other levels of government; policies to improve the competitiveness and productivity of Australian industries; retirement income policies, including superannuation and the age pension, and other income support arrangements.

At present, the portfolio is devoting significant resources to the development and implementation of the Government's taxation reform agenda, which encompasses significant reforms to income tax, indirect tax, family payments and Commonwealth-State financial relations. The Review of Business Taxation is supported by a Secretariat which includes officers from the Treasury. The 1999-2000 Budget provides additional resources to implement a number of aspects of the Government's tax reforms and this has an impact on the departmental expenses of the Australian Taxation Office (ATO) in particular. The outcome of tax reform will be stronger economic and employment growth and the improved well being of Australians.

The portfolio also advises its Ministers on microeconomic policies to enhance the operation of markets and increase the economy's capacity to grow without running into inflationary and external constraints. Specifically, this includes advice on: structural reforms to the economy and competition policy; the structure and functioning of the Australian financial system; business law and consumer affairs; and foreign investment.

Significant steps have been taken to enhance the framework for financial supervision following the Financial System Inquiry – including the establishment of the Australian Prudential Regulation Authority and the Australian Securities and Investment Commission (ASIC) – and to improve business and company regulation through the Corporate Law Economic Reform Program. The Government is taking these reforms to their next stage. In addition, the Government is providing additional resources in the 1999-2000 Budget with the aim of further enhancing Australia as a financial centre.

Major Outputs and Administered Items

The Department of the Treasury delivers outputs under its Economic, Budget and Markets groups.

Economic group outputs include domestic economic policy advice and forecasting; international policy advice and assessment; and debt management. The group manages significant administered items dealing with official government debt on behalf of the

Commonwealth. The Department of the Treasury's administered expenses contract over the forward estimates period mainly due to the abolition of Financial Assistance Grants to the States and Territories under the transformation of Commonwealth-State financial relations. Through *A New Tax System* the States and Territories will access revenue directly from the proceeds of the GST. In addition the declining debt level leads to lower public debt interest.

Budget group outputs include: budget policy advice and coordination, Commonwealth-State financial policy advice, industry policy advice and taxation and income support policy advice. The most significant administered item relates to financial transfers between the Commonwealth and the States.

Markets group outputs include: foreign investment policy advice and administration, financial system and markets policy advice and business, national competition policy and consumer protection policy advice. The Royal Australian Mint is responsible for producing Australia's circulating coin and like products.

The increase in the Treasury's departmental expenses is due to a number of new policy measures in 1999-2000. They include measures to establish the Australian Office of Financial Management (that will enhance the efficiency of the Commonwealth's debt management), allocating additional resources to the Corporations and Securities Panel so it can provide a more efficient mechanism for reviewing takeover activity and providing funding for initiatives to promote Australia as a Centre for Global Financial Services.

The Australian Bureau of Statistics is Australia's official statistics agency. Outputs are directed at research and informed decision making within governments and the community, based on the provision of a high quality, objective and responsive national statistical service. Its outputs principally relate to the production of economic, population and social statistics. The increase in its departmental expenses in 2000-01 and 2001-02 reflect the costs of conducting the next census.

The ATO's major outputs relate to managing the collection of taxation revenue for government, providing transfers (including collection of Higher Education Contribution, Superannuation Guarantee Levy and the payment of Family Assistance Rebates). The ATO also contributes to policy advice and legislation. Significant administered items relate to income tax, wholesale sales tax, excise and superannuation. The increase in the ATO departmental expenses is due to a number of new policy measures to implement the significant tax reforms announced by the Government in *A New Tax System*, including the administration of the GST.

Productivity Commission outputs include or relate to: Government commissioned projects, performance reporting and other services to government bodies, regulation review, competitive neutrality complaints, and the annual report.

The Australian Competition and Consumer Commission's outputs include: compliance obligations pursuant to the *Trade Practices Act 1974* and the *Prices Surveillance Act 1983*, statutory responsibilities arising from parts of other relevant Acts and subordinate regulatory instruments, and competition initiatives. Additional money has been

appropriated in this Budget for the Commission to conduct retail price monitoring on the introduction of a goods and services tax.

The Australian Prudential Regulation Authority's outputs enhance public confidence in Australia's financial institutions by providing prudential regulations which balance financial safety and efficiency, competition, contestability and competitive neutrality.

The ASIC outputs aim at a fair and efficient financial market through policy and guidance about the laws administered by ASIC, comprehensive and accurate information on companies and corporate activity, enforcement activity, and Corporations Law compliance monitoring.

The Companies and Securities Advisory Committee's outputs include policy advice to the Minister responsible for Corporations Law. The Committee also publishes an annual report and discussion papers.

The National Competition Council's outputs include advice to governments on competition policy and infrastructure access issues and clear, accessible public information on competition policy.

VETERANS' AFFAIRS

Table 18: Estimated Expenses* (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|-----------|---------|---------|---------|
| Department of Veterans' Affairs Departmental | 222.4 | 221.6 | 220.5 | 217.5 | 219.3 |
| Department of Veterans' Affairs Administered | 7190.5 | 7278.6 | 7817.3 | 7789.7 | 7901.9 |
| Australian War Memorial Departmental | 19.0 | 23.2 | 23.7 | 24.2 | 24.6 |

* This table shows the gross expenses of each agency.

Overview

The Veterans' Affairs portfolio serves Australia's veterans, their widows, widowers and dependants through programmes of care, compensation and commemoration. The portfolio delivers these outcomes through the Department of Veterans' Affairs (DVA), and the Australian War Memorial (AWM).

DVA supports the Repatriation Commission, which is responsible for compensation, income support, health care and other services to veterans, war widows and widowers and dependants. In addition, DVA is responsible for the administration of the Defence Service Home Loans Scheme. The portfolio also includes the Office of the Australian War Graves, the Repatriation Medical Authority, the Specialist Medical Review Council and the Veterans Review Board.

The AWM helps Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society. It does this through the maintenance and development of the national Memorial and its extensive collection of national historical material, and the promotion of commemorative ceremonies, exhibitions and research.

Major Outputs and Administered Items

Through the portfolio the Government will incur expenses of \$7.5 billion in 1999-2000 to support veterans, war widows and other dependants through appropriate compensation, income support, health and other care services and commemoration activities.

Administered expenses on compensation and income support are expected to increase from \$4.6 billion in 1999-2000 to \$5 billion in 2000-01 largely as a result of compensation measures related to the reform of the Australian taxation system. Expenses are expected to fall to \$4.9 billion in 2001-02 and \$4.8 billion in 2002-03 as the increase in pension payments in those years is offset by an expected reduction in the number of service and disability pensioners over the same period (countered in part by an increased number of war widows).

DVA processes and determines claims for pensions and allowances, undertakes reviews and maintenance of those pensions, and provides assistance by way of interest subsidy under the Defence Service Home Loans scheme.

Administered expenses on health and other care services are estimated to increase from \$2.6 billion in 1999-2000 to around \$3.1 billion in 2002-03. This is mainly due to the ageing of the veteran population with consequent increases in demand for services such as veterans' hospital and health services, pharmaceutical services and nursing home subsidies. DVA administers the provision of health and other care services including the administration of contracts for hospital and other services.

The AWM, the Office of the Australian War Graves and the Their Service Our Heritage commemorative programme support the commemoration of the achievements and sacrifices of Australian men and women with specific events at international, national and local levels, the maintenance of war graves in Australia and overseas, and the maintenance and development of the national collection of historic material at the AWM.

Grants and assistance to ex-service organisations facilitate claims by veterans, fund joint ventures, and give veterans access to community information systems and residential and community care grants.

DVA maintains a network of offices and agency arrangements and liaises with veterans through ex-service organisations and through community support and development services which undertake health education and health promotion activities. Information is also disseminated via the publication of *Vetaffairs* and other publications provided to veterans, health providers and ex-service organisations. DVA provides services to the Minister and the Repatriation Commission and it develops policy and internal operating regulations.

CONTINGENCY RESERVE

Table 19: Estimated Expenses (\$m)

| | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | 2002-03 |
|----------------------------------|---------|-----------|---------|---------|---------|
| Contingency Reserve Departmental | -380.0 | 470.8 | -456.7 | -514.8 | -560.5 |
| Contingency Reserve Administered | -306.9 | 309.6 | 1166.9 | 2618.1 | 3791.6 |

Overview

The Contingency Reserve is the mechanism for which the aggregate estimates (revenues and expenses) are adjusted to take account of unanticipated events as well as anticipated events that cannot be assigned in advance to particular agencies. As such, the provisions in the Contingency Reserve ensure that the aggregate estimates are robust and are based upon the best information at the time of the Budget.

The Contingency Reserve is not set aside for future policy initiatives and is not appropriated in the Budget. Any allowances included in the Contingency Reserve can only be drawn upon once they have been appropriated by the Parliament.

Major Outputs and Administered Items

The major components of the Contingency Reserve for the budget and forward estimates include the following:

- an allowance for the tendency for budget estimates of expenses for existing government policy to be revised upwards in the forward years;
- an allowance for the tendency for estimates of administered expenses for some specific outcomes to be overstated in the budget year;
- commercial-in-confidence and national security-in-confidence items which cannot be disclosed separately;
- minor decisions made late in the Budget process; and
- the effect of economic parameter revisions on the budget and forward estimates received late in the process and hence not able to be allocated to individual agencies.

Part III: Statistical Appendix

Three tables are presented in this appendix covering estimated expenses of and staffing levels in the Commonwealth general government sector.

A list of tables in this appendix is provided below:

Table I Total Departmental Expenses by Agency

Table II Expenses by Type

Table III Estimates of Average Staffing Levels (ASL) of Agencies in the General Government Sector

Table I - Total Departmental Expenses by Agency (\$m)

| Agency | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|---------|---------|---------|---------|
| Material Agencies | | | | | |
| Aboriginal and Torres Strait Islander Commission | 955.9 | 980.6 | 1010.2 | 1042.5 | 1070.5 |
| Attorney-General's Department | 170.1 | 195.8 | 181.8 | 173.6 | 166.3 |
| AusAID | 64.4 | 65.1 | 64.0 | 64.3 | 65.1 |
| Australia Council | 74.1 | 77.1 | 75.5 | 68.4 | 70.0 |
| Australian Broadcasting Corporation | 613.1 | 661.2 | 685.2 | 715.9 | 736.3 |
| Australian Bureau of Statistics | 252.0 | 267.7 | 292.5 | 376.9 | 285.8 |
| Australian Customs Service | 544.6 | 533.5 | 531.3 | 534.4 | 541.5 |
| Australian Electoral Commission | 151.1 | 164.2 | 84.0 | 148.6 | 83.8 |
| Australian Federal Police | 281.1 | 316.1 | 301.2 | 279.3 | 280.5 |
| Australian Maritime Safety Authority | 67.6 | 68.0 | 69.9 | 72.8 | 73.9 |
| Australian Nuclear Science and Technology Organisation | 105.6 | 113.9 | 115.3 | 121.8 | 115.6 |
| Australian Securities and Investment Commission | 144.7 | 137.2 | 133.8 | 139.7 | 140.5 |
| Australian Sports Commission | 114.2 | 117.8 | 97.0 | 92.1 | 95.8 |
| Australian Taxation Office | 1287.3 | 1586.3 | 1597.9 | 1488.1 | 1465.3 |
| Australian Tourist Commission | 128.6 | 131.7 | 133.9 | 132.0 | 117.9 |
| Australian Trade Commission | 165.6 | 175.1 | 171.1 | 170.8 | 167.9 |
| Australian War Memorial | 19.0 | 23.2 | 23.7 | 24.2 | 24.6 |
| Australian Wool Research and Promotion Organisation | 153.5 | 122.5 | 121.5 | 127.4 | 129.3 |
| Centrelink | 1752.0 | 1761.0 | 1787.4 | 1697.3 | 1698.2 |
| Civil Aviation Safety Authority | 86.4 | 94.0 | 83.5 | 80.4 | 81.8 |
| Comcare Australia | 160.6 | 156.9 | 168.6 | 178.2 | 187.3 |
| Commonwealth Scientific and Industrial Research Organisation | 736.0 | 756.0 | 754.8 | 766.2 | 778.8 |
| Contingency Reserve - Budget | -380.0 | 470.8 | -456.7 | -514.8 | -560.5 |
| Defence Housing Authority | 244.6 | 243.1 | 245.6 | 245.6 | 245.6 |
| Agriculture, Fisheries and Forestry | 322.6 | 312.8 | 277.9 | 248.1 | 231.3 |
| Department of Communications, Information Technology and the Arts | 273.1 | 180.7 | 168.9 | 157.5 | 158.0 |
| Department of Defence | 10165.8 | 10124.7 | 10441.1 | 10839.9 | 11123.3 |
| Department of Education, Training and Youth Affairs | 241.1 | 195.4 | 197.8 | 199.6 | 209.2 |
| Department of Employment, Workplace Relations and Small Business | 416.1 | 367.7 | 365.1 | 363.8 | 367.8 |
| Department of the Environment and Heritage | 393.4 | 388.3 | 380.6 | 369.3 | 344.0 |
| Department of Family and Community Services | 1980.9 | 2028.0 | 2058.0 | 1986.4 | 1996.7 |
| Department of Finance and Administration | 660.0 | 488.7 | 455.3 | 449.6 | 446.7 |
| Department of Foreign Affairs and Trade | 618.7 | 648.7 | 635.5 | 639.4 | 658.6 |

Table I - Total Departmental Expenses by Agency (\$m) - continued

| Agency | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|---|---------|---------|---------|---------|---------|
| Department of Health and Aged Care | 646.8 | 682.3 | 666.1 | 662.5 | 667.7 |
| Department of Immigration and Multicultural Affairs | 436.9 | 384.8 | 400.8 | 404.5 | 413.9 |
| Department of Industry, Science and Resources | 332.7 | 298.8 | 312.8 | 308.1 | 305.3 |
| Department of the Prime Minister and Cabinet | 49.8 | 51.3 | 46.8 | 47.5 | 48.4 |
| Department of the Treasury | 78.8 | 98.7 | 88.7 | 85.6 | 85.5 |
| Department of Transport and Regional Services | 182.4 | 165.8 | 167.1 | 168.3 | 162.0 |
| Department of Veterans' Affairs | 222.4 | 221.6 | 220.5 | 217.5 | 219.3 |
| Family Court of Australia | 121.8 | 114.7 | 114.5 | 116.2 | 118.4 |
| Grains Research and Development Corporation | 96.5 | 102.2 | 93.0 | 91.9 | 90.8 |
| Health Insurance Commission | 349.2 | 378.4 | 395.6 | 398.6 | 373.6 |
| National Capital Authority | 6.6 | 12.1 | 12.6 | 12.7 | 13.0 |
| National Gallery of Australia | 26.1 | 27.3 | 28.0 | 28.6 | 29.4 |
| National Library of Australia | 49.8 | 50.8 | 50.4 | 50.6 | 50.3 |
| Office of Asset Sales and IT Outsourcing | 16.4 | 32.9 | 10.1 | 0.4 | - |
| Special Broadcasting Service Corporation | 111.0 | 121.7 | 124.7 | 126.3 | 126.1 |
| Small Agencies - Proxy Expenses | | | | | |
| Aboriginal Hostels Limited | 35.9 | 43.4 | 44.4 | 45.3 | 46.3 |
| Administrative Appeals Tribunal | 26.2 | 28.2 | 27.6 | 27.8 | 28.3 |
| Affirmative Action Agency | 2.4 | 2.2 | 2.2 | 2.2 | 2.1 |
| Australia New Zealand Food Authority | 8.1 | 8.4 | 5.9 | 5.9 | 6.0 |
| Australia-Japan Foundation | 2.2 | 2.5 | 2.4 | 2.4 | 2.4 |
| Australian Broadcasting Authority | 13.8 | 16.1 | 16.5 | 16.4 | 15.7 |
| Australian Centre for International Agricultural Research | 43.7 | 45.8 | 46.1 | 45.9 | 46.2 |
| Australian Communications Authority | 47.1 | 53.7 | 51.6 | 49.9 | 50.9 |
| Australian Competition and Consumer Commission | 39.4 | 51.4 | 48.4 | 44.6 | 38.2 |
| Australian Film Commission | 16.6 | 17.5 | 17.5 | 17.6 | 17.8 |
| Australian Film, Television and Radio School | 13.6 | 19.0 | 19.6 | 19.9 | 20.3 |
| Australian Greenhouse Office | 31.3 | 57.0 | 41.4 | 32.7 | 35.0 |
| Australian Heritage Commission | 6.9 | 7.6 | 7.6 | 7.7 | 7.9 |
| Australian Industrial Registry | 41.6 | 39.8 | 41.3 | 41.5 | 42.1 |
| Australian Institute of Aboriginal and Torres Strait Islander Studies | 6.7 | 7.2 | 7.8 | 9.4 | 9.5 |
| Australian Institute of Criminology | 4.1 | 4.3 | 4.6 | 4.0 | 4.1 |
| Australian Institute of Family Studies | 4.7 | 4.5 | 4.6 | 4.5 | 4.6 |
| Australian Institute of Health and Welfare | 15.9 | 16.3 | 16.1 | 16.2 | 16.3 |
| Australian Institute of Marine Science | 24.3 | 30.8 | 32.2 | 32.0 | 33.3 |
| Australian Law Reform Commission | 3.0 | 3.0 | 3.1 | 3.1 | 3.2 |
| Australian National Audit Office | 52.0 | 48.5 | 50.3 | 50.5 | 51.9 |

Table I - Total Departmental Expenses by Agency (\$m) - continued

| Agency | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|---------|---------|---------|---------|
| Australian National Maritime Museum | 17.7 | 25.7 | 26.7 | 25.6 | 25.7 |
| Australian National Training Authority | 11.3 | 10.9 | 11.0 | 11.1 | 11.3 |
| Australian Prudential Regulation Authority | 48.6 | 55.1 | 54.2 | 52.7 | 47.3 |
| Australian Radiation Protection and Nuclear Safety Agency | 14.1 | 14.0 | 14.4 | 14.8 | 14.8 |
| Australian Secret Intelligence Service | 37.8 | 42.5 | 42.6 | 42.7 | 43.5 |
| Australian Security Intelligence Organisation | 60.9 | 65.9 | 63.7 | 58.3 | 58.4 |
| Australian Sports Drug Agency | 5.7 | 5.8 | 5.9 | 5.8 | 5.8 |
| Australian Transaction Reports and Analysis Centre (AUSTRAC) | 7.7 | 11.8 | 10.9 | 10.8 | 11.0 |
| Commonwealth Grants Commission | 5.0 | 8.1 | 7.5 | 5.0 | 5.1 |
| Companies and Securities Advisory Committee | 0.8 | 0.8 | 0.9 | 0.9 | 0.9 |
| Department of the House of Representatives | 24.5 | 26.6 | 26.7 | 26.8 | 27.1 |
| Department of the Parliamentary Library | 14.9 | 16.5 | 16.7 | 16.7 | 16.7 |
| Department of the Parliamentary Reporting Staff | 37.0 | 42.6 | 42.0 | 43.8 | 43.3 |
| Department of the Senate | 27.2 | 28.5 | 28.4 | 28.7 | 29.1 |
| Federal Court of Australia | 60.1 | 64.9 | 66.2 | 67.7 | 69.4 |
| Great Barrier Reef Marine Park Authority | 25.8 | 28.3 | 28.6 | 28.9 | 28.0 |
| High Court of Australia | 7.8 | 24.9 | 25.0 | 25.1 | 25.3 |
| Human Rights and Equal Opportunity Commission | 16.0 | 16.0 | 17.0 | 17.0 | 17.3 |
| Indigenous Land Corporation | 55.4 | 54.6 | 55.3 | 56.0 | 56.7 |
| Joint House Department (Departmental) | 38.7 | 36.2 | 36.4 | 36.8 | 37.1 |
| Migration Review Tribunal | 9.9 | 10.8 | 10.2 | 9.8 | 9.9 |
| National Competition Council | 3.0 | 3.1 | 3.1 | 3.0 | 3.1 |
| National Crime Authority | 47.5 | 52.3 | 44.7 | 45.2 | 40.9 |
| National Museum of Australia | 13.8 | 15.6 | 37.1 | 40.5 | 40.9 |
| National Native Title Tribunal | 23.7 | 22.3 | 22.4 | 22.6 | 23.0 |
| National Occupational Health and Safety Commission | 17.1 | 20.0 | 20.0 | 20.2 | 20.5 |
| National Standards Commission | 3.1 | 3.8 | 3.8 | 3.9 | 3.9 |
| National Parks and Wildlife | 35.4 | 54.0 | 54.6 | 55.5 | 56.4 |
| Office of Film and Literature Classification | 5.9 | 5.4 | 5.4 | 5.4 | 5.4 |
| Office of Inspector-General of Intelligence and Security | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 |
| Office of National Assessments | 7.3 | 6.8 | 6.7 | 6.8 | 6.9 |
| Office of Parliamentary Counsel | 6.5 | 6.4 | 6.5 | 6.5 | 6.6 |
| Office of the Commonwealth Ombudsman | 7.8 | 8.1 | 8.1 | 8.2 | 8.2 |
| Office of the Director of Public Prosecutions | 60.9 | 56.5 | 58.8 | 57.2 | 58.3 |
| Office of the Official Secretary to the Governor-General | 7.0 | 8.5 | 8.9 | 9.1 | 9.4 |
| Private Health Insurance Ombudsman | 0.7 | 1.0 | 1.0 | 1.0 | 1.0 |
| Productivity Commission | 23.2 | 22.1 | 21.8 | 21.8 | 22.0 |

Table I - Total Departmental Expenses by Agency (\$m) – continued

| Agency | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|--|---------|---------|---------|---------|---------|
| Professional Services Review | 1.6 | 3.4 | 4.9 | 6.9 | 7.5 |
| Public Service and Merit Protection Commission | 20.9 | 19.1 | 19.1 | 19.2 | 19.1 |
| Refugee Review Tribunal | 18.4 | 16.3 | 14.2 | 14.2 | 14.0 |
| Torres Strait Regional Authority | 41.0 | 45.1 | 46.0 | 41.5 | 42.7 |

Table II - Expenses by Type (\$m)

| | 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Goods and Services | | | | | | | |
| Employees | 16234 | 17649 | 15033 | 15016 | 14843 | 14912 | 15002 |
| Suppliers | 9885 | 9044 | 11670 | 13670 | 12198 | 12073 | 11700 |
| Depreciation and Amortisation | 2457 | 2295 | 2308 | 2477 | 2776 | 2956 | 3169 |
| Net write down of assets | 919 | 3317 | 1497 | 1431 | 1341 | 1277 | 1294 |
| Net foreign exchange losses | 366 | 2571 | -140 | 2 | 2 | 2 | 2 |
| Net losses from asset sales | 191 | 239 | 25 | 43 | 15 | 24 | 13 |
| Other goods and services expenses | 267 | 5627 | 4899 | 5246 | 4913 | 5046 | 5292 |
| Total goods and Services | 30319 | 40742 | 35292 | 37885 | 36089 | 36289 | 36472 |
| Subsidies benefits and grants | | | | | | | |
| Personal benefits | 57578 | 57914 | 59105 | 61939 | 68851 | 71682 | 75956 |
| Subsidies | 4372 | 4983 | 3508 | 3824 | 4215 | 4540 | 4734 |
| Grants | 42251 | 40662 | 43013 | 44602 | 26607 | 28724 | 27760 |
| Total subsidies benefits and grants | 104201 | 103559 | 105626 | 110366 | 99674 | 104945 | 108449 |
| Interest and other | | | | | | | |
| Interest and other financing costs | 12444 | 10391 | 9265 | 8860 | 8012 | 7122 | 6511 |
| Total interest and other | 12444 | 10391 | 9265 | 8860 | 8012 | 7122 | 6511 |
| Total Expenses | 146964 | 154692 | 150183 | 157111 | 143776 | 148357 | 151432 |

Average Staffing Levels

Commonwealth departments and agencies are seeking to achieve more efficient operations. No staffing targets have been set by the Government and relevant portfolios and agencies are expected to address staffing levels in accordance with output budgeting plans. In previous years, only those agencies operating on the Commonwealth Public Account reported information in the Budget papers. With the introduction of accrual budgeting, the coverage of the report on staffing levels has been expanded in these Budget papers to include all agencies in the general government sector.

This Appendix includes estimates provided by each general government sector agency on Average Staffing Levels (ASL). The total ASL for the general government sector is forecast to decline by some 2,000 in 1999-2000 when compared to 1998-99 figures. The most significant reductions are estimated to be in permanent military personnel as a consequence of the Defence Reform Programme, and in Centrelink as the result of continued restructuring to improve service delivery. The most significant increase in ASL is estimated to occur in the Australian Taxation Office that will carry key responsibility for implementing the Government's tax initiatives under *A New Tax System*.

ASL is the average number of employees receiving salary or wages over the financial year, with adjustments for casual and part-time employees to show the full time equivalent. This measure of employment also includes non-uniformed staff and overseas personnel and therefore represents the totality of general government employment.

A significant number of agencies that operate in the general government sector employ staff under the *Public Service Act 1922*. The total number of these staff (also known as point-in-time estimates) is taken from a survey of these agencies (Public Service Act agencies), which is conducted by the Public Service and Merit Protection Commission (PSMPC).

ASL statistics allow for a comparison between employment in particular financial years, rather than reflecting the actual number of staff being employed at the end of the successive financial years or at specific points in time. Based on point-in-time figures provided by Public Service Act agencies to the PSMPC, it is expected that the total number of people employed (full-time and part-time permanent and temporary staff) under the *Public Service Act 1922* will increase by some 800 between 30 June 1999 and 30 June 2000. A reduction of 4,400 is now expected by Public Service Act agencies to occur between 30 June 1998 and 30 June 1999. In the 1998-99 Budget papers, portfolios predicted a reduction of around 9000 over the same period.

Total ASL is estimated to decline in 1999-2000 while point-in-time figures are estimated to increase for the same period. This is due to differences in the coverage of the two series with total ASL including all general government sector agencies while point-in-time figures are based only on Public Service Act agencies. The impact of the staff reductions in uniformed military personnel are only reflected in the ASL figures and not in the point-in-time figures. Comparisons between the two series are also complicated by the timing of staffing changes during the financial year. In particular the staff increases associated with the Government's new tax initiatives are reflected less heavily in ASL estimates compared with point-in-time estimates because they will not occur until later in 1999-2000.

Table III - Estimates of Average Staffing Levels (ASL) of Agencies in the General Government Sector

| | Average Staffing Levels | | |
|---|-------------------------|---------------------|---------------|
| | 1998-99 Estimate | 1999-00 Estimate | Change |
| Parliament | | | |
| Department of the Senate | 246.0 | 250.0 | 4.0 |
| Department of the House of Representatives | 235.0 | 235.0 | 0.0 |
| Department of the Parliamentary Library | 190.0 | 186.0 | -4.0 |
| Department of Parliamentary Reporting Staff | 289.0 | 289.0 | 0.0 |
| Joint Houses of Parliament (departmental item expenses only) | 265.0 | 264.0 | -1.0 |
| Total | 1225.0 | 1224.0 | -1.0 |
| Agriculture, Fisheries and Forestry | | | |
| Department of Agriculture, Fisheries and Forestry | 2943.1 | 2852.1 | -91.0 |
| Australian Dried Fruits Board | 1.0 | 1.0 | 0.0 |
| Australian Fisheries Management Authority | 101.0 | 100.0 | -1.0 |
| Australian Horticultural Corporation | 23.0 | 26.0 | 3.0 |
| Australian Pork Corporation | 38.7 | 38.7 | 0.0 |
| Australian Wine and Brandy Corporation | 28.0 | 29.0 | 1.0 |
| Australian Wool Research and Promotion Organisation (a) | 450.0 | 404.0 | -46.0 |
| Cotton Research and Development Corporation | 8.0 | 8.0 | 0.0 |
| Dairy Research and Development Corporation | 19.5 | 22.5 | 3.0 |
| Fisheries Research and Development Corporation | 8.0 | 9.0 | 1.0 |
| Forest and Wood Products Research and Development Corporation | 8.0 | 9.0 | 1.0 |
| Grains Research and Development Corporation | 35.0 | 36.0 | 1.0 |
| Grape and Wine Research and Development Corporation | 1.0 | 1.0 | 0.0 |
| Horticultural Research and Development Corporation | 17.4 | 19.6 | 2.2 |
| Land and Water Resources Research and Development Corporation | 20.8 | 20.8 | 0.0 |
| National Registration Authority for Agricultural and Veterinary chemicals | 107.6 | 109.6 | 2.0 |
| Pig Research and Development Corporation | 10.0 | 10.3 | 0.3 |
| Rural Industries Research and Development Corporation | 15.7 | 15.7 | 0.0 |
| Sugar Research and Development Corporation | 5.5 | 5.5 | 0.0 |
| Total | 3841.3 | 3717.8 | -123.5 |
| Attorney-General's | | | |
| Attorney-General's Department | 1549.1 | 1571.3 | 22.2 |
| Administrative Appeals Tribunal | 164.0 | 162.0 | -2.0 |
| Australian Customs Service | 4076.0 | 3980.0 | -96.0 |
| Australian Federal Police | 2689.0 | 2751.0 | 62.0 |
| Australian Institute of Criminology | 34.0 | 35.0 | 1.0 |
| Australian Law Reform Commission | 22.0 | 22.0 | 0.0 |
| Australian Secret Intelligence Organisation | 513.2 | 580.3 | 67.1 |

Table III - Estimates of Average Staffing Levels (ASL) of Agencies in the General Government Sector - continued

| | Average Staffing Levels | | |
|---|-------------------------|---------------------|----------------|
| | 1998-99 Estimate | 1999-00 Estimate | Change |
| Australian Transaction Reports and Analysis Centre (Austrac) | 50.0 | 46.0 | -4.0 |
| Family Court | 840.0 | 800.0 | -40.0 |
| Federal Court of Australia | 284.0 | 292.0 | 8.0 |
| High Court of Australia | 86.7 | 83.0 | -3.7 |
| Human Rights and Equal Opportunity Commission | 130.0 | 130.0 | 0.0 |
| National Crime Authority | 260.0 | 285.0 | 25.0 |
| National Native Title Tribunal | 213.0 | 215.0 | 2.0 |
| Office of Film and Literature Classification | 39.5 | 42.8 | 3.3 |
| Office of Parliamentary Counsel | 39.0 | 43.0 | 4.0 |
| Office of the Director of Public Prosecutions | 437.0 | 440.0 | 3.0 |
| Total | 11426.5 | 11478.4 | 51.9 |
| Communications, Information Technology and the Arts | | | |
| Department of Communications, Information Technology and the Arts | 1172.0 | 1135.0 | -37.0 |
| Australia Council | 118.0 | 120.0 | 2.0 |
| Australian Broadcasting Authority | 142.0 | 157.0 | 15.0 |
| Australian Broadcasting Corporation | 4138.0 | 4138.0 | 0.0 |
| Australian Communications Authority | 425.0 | 405.0 | -20.0 |
| Australian Film Commission | 62.0 | 62.0 | 0.0 |
| Australian Film Television and Radio School | 148.9 | 146.2 | -2.7 |
| Australian National Maritime Museum | 90.0 | 90.0 | 0.0 |
| National Gallery | 210.0 | 210.0 | 0.0 |
| National Library of Australia | 450.0 | 450.0 | 0.0 |
| National Museum of Australia | 95.0 | 125.0 | 30.0 |
| Special Broadcasting Service Corporation | 730.0 | 730.0 | 0.0 |
| Total | 7780.9 | 7768.2 | -12.7 |
| Defence | | | |
| Department of Defence | 16730.0 | 16471.0 | -259.0 |
| Military Reserves (b) | 3964.0 | 4230.0 | 266.0 |
| Permanent Military | 52997.0 | 50000.0 | -2997.0 |
| Defence Housing Authority | 230.0 | 250.0 | 20.0 |
| Department of Veterans' Affairs | 2404.0 | 2394.0 | -10.0 |
| Australian War Memorial | 215.0 | 223.0 | 8.0 |
| Total | 76540.0 | 73568.0 | -2972.0 |
| Education, Training and Youth Affairs | | | |
| Department of Education, Training and Youth Affairs | 1389.0 | 1303.0 | -86.0 |
| Australian National Training Authority | 106.4 | 105.0 | -1.4 |
| Total | 1495.4 | 1408.0 | -87.4 |
| Employment, Workplace Relations and Small Business | | | |
| Department of Employment, Workplace Relations and Small Business | 1963.0 | 1983.0 | 20.0 |

Table III - Estimates of Average Staffing Levels (ASL) of Agencies in the General Government Sector - continued

| | Average Staffing Levels | | |
|---|-------------------------|---------------------|----------------|
| | 1998-99 Estimate | 1999-00 Estimate | Change |
| Affirmative Action Agency | 19.0 | 21.0 | 2.0 |
| Australian Industrial Registry | 280.0 | 290.0 | 10.0 |
| Comcare | 295.0 | 290.0 | -5.0 |
| National Occupational Health and Safety Commission | 130.0 | 136.0 | 6.0 |
| Total | 2687.0 | 2720.0 | 33.0 |
| Environment and Heritage | | | |
| Department of Environment and Heritage | 2505.9 | 2498.9 | -7.0 |
| Australian Greenhouse Office | 100.0 | 125.0 | 25.0 |
| Australian Heritage Commission | 80.9 | 80.4 | -0.5 |
| Director, National Parks and Wildlife | 315.0 | 315.0 | 0.0 |
| Great Barrier Reef Marine Park Authority | 140.0 | 148.0 | 8.0 |
| Total | 3141.8 | 3167.3 | 25.5 |
| Family and Community Services | | | |
| Department of Family and Community Services (c) | 5340.0 | 5165.0 | -175.0 |
| Australian Institute of Family Studies | 36.0 | 38.0 | 2.0 |
| Centrelink | 22272.0 | 21400.0 | -872.0 |
| Total | 27648.0 | 26603.0 | -1045.0 |
| Finance and Administration | | | |
| Department of Finance and Administration | 1104.0 | 786.0 | -318.0 |
| Australian Electoral Commission | 786.0 | 786.0 | 0.0 |
| Commonwealth Grants Commission | 51.0 | 64.0 | 13.0 |
| Commonwealth Superannuation Administration (ComSuper) | 348.0 | 348.0 | 0.0 |
| Office of Asset Sales and IT Outsourcing | 50.0 | 55.0 | 5.0 |
| Total | 2339.0 | 2039.0 | -300.0 |
| Foreign Affairs and Trade | | | |
| Department of Foreign Affairs and Trade | 3585.0 | 3539.0 | -46.0 |
| Australia-Japan Foundation | 5.0 | 5.0 | 0.0 |
| Australian Agency for International Development | 580.0 | 580.0 | 0.0 |
| Australian Centre for International Agricultural Research | 50.0 | 50.0 | 0.0 |
| Australian Trade Commission | 1019.0 | 1034.0 | 15.0 |
| Total | 5239.0 | 5208.0 | -31.0 |
| Health and Aged Care | | | |
| Department of Health and Aged Care | 2629.2 | 2760.5 | 131.3 |
| Aged Care Standards and Accreditation Agency | 115.0 | 122.0 | 7.0 |
| Australia New Zealand Food Authority | 68.0 | 57.0 | -11.0 |
| Australian Institute of Health and Welfare | 142.7 | 136.1 | -6.6 |
| Australian Radiation Protection and Nuclear Safety Agency | 94.0 | 110.0 | 16.0 |
| Health Insurance Commission | 3700.0 | 3850.0 | 150.0 |
| Private Health Insurance Administration Council | 7.0 | 7.0 | 0.0 |
| Private Health Insurance Ombudsman | 6.5 | 7.5 | 1.0 |
| Professional Services Review Scheme | 6.0 | 20.0 | 14.0 |

Table III - Estimates of Average Staffing Levels (ASL) of Agencies in the General Government Sector - continued

| | Average Staffing Levels | | |
|---|-------------------------|---------------------|--------------|
| | 1998-99 Estimate | 1999-00 Estimate | Change |
| Total | 6768.4 | 7070.1 | 301.7 |
| Immigration and Multicultural Affairs | | | |
| Department of Immigration and Multicultural Affairs | 3535.0 | 3426.0 | -109.0 |
| Migration Review Tribunal (includes the former Immigration Review tribunal) | 65.0 | 109.0 | 44.0 |
| Refugee Review Tribunal | 172.0 | 183.0 | 11.0 |
| Total | 3772.0 | 3718.0 | -54.0 |
| Industry, Science and Resources | | | |
| Department of Industry, Science and Resources | 2091.3 | 2087.6 | -3.7 |
| Australian Institute of Marine Science | 126.0 | 135.0 | 9.0 |
| Australian Nuclear Science and Technology Organisation | 798.0 | 800.0 | 2.0 |
| Australian Sports Commission | 365.0 | 367.0 | 2.0 |
| Australian Sports Drug Agency | 40.6 | 39.0 | -1.6 |
| Australian Tourist Commission | 194.5 | 211.3 | 16.8 |
| Commonwealth Scientific and Industrial Research Organisation | 6299.0 | 6330.0 | 31.0 |
| IP Australia | 704.0 | 701.0 | -3.0 |
| National Standards Commission | 33.9 | 33.2 | -0.7 |
| Total | 10652.3 | 10704.1 | 51.9 |
| Prime Minister and Cabinet | | | |
| Department of Prime Minister and Cabinet | 371.0 | 358.0 | -13.0 |
| Aboriginal and Torres Strait Islander Commercial Development Corp | 12.0 | 12.0 | 0.0 |
| Aboriginal and Torres Strait Islander Commission | 1242.0 | 1242.0 | 0.0 |
| Aboriginal Hostels Ltd | 386.0 | 403.0 | 17.0 |
| Australian Institute of Aboriginal and Torres Strait Islander Studies | 65.0 | 64.0 | -1.0 |
| Australian National Audit Office | 275.0 | 289.0 | 14.0 |
| Indigenous Land Corporation | 55.2 | 80.0 | 24.8 |
| Office of Inspector-General of Intelligence and Security | 4.6 | 4.6 | 0.0 |
| Office of National Assessments | 58.0 | 66.0 | 8.0 |
| Office of the Commonwealth Ombudsman | 87.0 | 84.0 | -3.0 |
| Office of the Official Secretary to the Governor General | 76.6 | 78.2 | 1.6 |
| Public Service and Merit Protection Commission | 155.0 | 150.0 | -5.0 |
| Torres Strait Regional Authority | 29.0 | 29.0 | 0.0 |
| Total | 2816.4 | 2859.8 | 43.4 |
| Transport and Regional Services | | | |
| Department of Transport and Regional Services | 762.0 | 818.0 | 56.0 |
| Australian Maritime Safety Authority | 413.0 | 369.0 | -44.0 |
| Civil Aviation Safety Authority | 656.9 | 633.9 | -23.0 |
| National Capital Authority | 55.0 | 58.5 | 3.5 |
| Total | 1886.9 | 1879.4 | -7.5 |

Table III - Estimates of Average Staffing Levels (ASL) of Agencies in the General Government Sector - continued

| | Average Staffing Levels | | |
|---|-------------------------|---------------------|--------------------|
| | 1998-99 Estimate | 1999-00 Estimate | Change Estimate |
| Treasury | | | |
| Department of the Treasury | 509.0 | 515.0 | 6.0 |
| Australian Bureau of Statistics | 2909.0 | 2920.0 | 11.0 |
| Australian Competition and Consumer Commission | 357.0 | 372.0 | 15.0 |
| Australian Prudential Regulation Authority | 378.0 | 446.0 | 68.0 |
| Australian Securities and Investment Commission | 1267.0 | 1272.0 | 5.0 |
| Australian Taxation Office (d) | 14217.0 | 16289.0 | 2072.0 |
| Companies and Securities Advisory Committee | 4.0 | 4.0 | 0.0 |
| National Competition Council | 20.8 | 19.8 | -1.0 |
| Productivity Commission | 215.0 | 195.0 | -20.0 |
| Total | 19876.8 | 22032.8 | 2156.0 |
| Grand Total (e) | 189136.6 | 187165.9 | -1970.8 |

- (a) Australian Wool Promotion and Research Organisation ASL reflects a large contingent of overseas staff.
- (b) The ASL estimates for reserve military forces are based on full time equivalent salaries of reserve personnel.
- (c) ASL numbers for Family and Community Services includes the Child Support Agency.
- (d) The Australian Taxation Office indicates an increase in ASL of 2072 in 1999-2000 which is necessary for the implementation of the Government's tax initiatives under *A New Tax System* (ANTS). This increase will be funded significantly by financial contributions from the states.
- (e) In the 1998-99 Budget Papers this table reported only on budget funded agencies which included 154312 ASL for the budget year. This year the table has expanded the coverage of agencies from those which belong to the budget sector to the whole of the general government sector. The general government sector includes large agencies outside the budget sector as for example the Commonwealth Scientific and Industrial Research Organisation and the Health Insurance Commission.