

STATEMENT 6: EXPENSES AND NET CAPITAL INVESTMENT

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STATEMENT 6: EXPENSES AND NET CAPITAL INVESTMENT

Introduction

Statement 6 presents estimates of general government expenses, net capital investment and capital appropriations in 1999-2000, the Budget year and forward years. In last year's budget, capital estimates were presented as a separate statement. Capital information is now presented in this statement in aggregate in Part II and under each portfolio in Part III.

The general government overview sections in Part I and Part II discuss trends in aggregate expenses and capital, with a particular focus on explaining major variations since the 1999-2000 Budget. Expenses are categorised as either departmental or administered expenses. Departmental expenses are those expenses that are within the control of the relevant agency, whereas administered expenses are those expenses agencies administer on behalf of the Government.

Part III discusses expenses and capital movements by portfolio. The emphasis is on analysing major trends in terms of measures and other variations. A general description of each portfolio is also presented.

TABLES AND DATA

The data shown in all tables are prepared on an accrual basis in accordance with applicable Australian Accounting Standards, including Australian Accounting Standard 31 *Financial Reporting by Governments* (AAS31), except as identified in Note 1 to Statement 4.

The tables in Part III show expenses by portfolio for all material agencies. These expenses are at the agency level and have not been consolidated to eliminate transactions between agencies. 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 use charge to the Budget, as these payments are in the nature of dividends, which should not be treated as expenses.

EXPENSES

Expenses represent the full costs of an activity, as opposed to direct cash costs. Recording estimated expenses rather than estimated cash transactions is in accord with international best practice in government budgeting and consistent with worldwide

private sector practices. Budgeting in this fashion reflects more accurately the full cost of achieving the Government's objectives, eliminates distortions associated with the timing of certain payments and provides a better basis for assessing inter-generational equity.

The general government sector expenses are based on a system of rolling forward estimates consolidated by the Department of Finance and Administration (DOFA), largely from estimates supplied by other agencies. There are 44 material 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. The estimates of a large number of very small agencies in the sector are not material from either an accounting or budgeting point of view. These are referred to in the Budget as small agencies, and only limited estimates information is maintained to avoid placing an undue administrative burden on them.

CAPITAL

As owner, the Government is responsible for ensuring that agencies have access to new capital when additional investment is required to deliver outputs efficiently and competitively, having regard to the cost of capital. Agencies, on the other hand, are responsible for the stewardship of the Government's investment, particularly in ensuring that the value of the Government's investment is not diminished over time. Normally this requires that agencies ensure that revenues cover all expenses, including depreciation.

This statement encompasses two concepts of capital — net capital investment and capital appropriations.

Net capital investment reflects the change in the balance sheet value of non-financial assets (property, plant and equipment, for example). Capital investment may be funded by:

- internal funds, which can be comprised of:
 - cash from operations;
 - capital appropriations made by the Government in preceding years; and
 - sales of agency assets; or
- capital appropriations.

A capital appropriation is the means by which the Government provides capital funding to its agencies. Capital appropriations can be used for a variety of purposes, such as investing in financial and non-financial assets, and reducing liabilities. There are several forms of capital appropriation:

- capital appropriations for departmental purposes, being:
 - **equity injections**, which are a direct injection of cash into an agency to fund departmental investments, where the Government earns a return on its investment in the form of a dividend and/or improved performance; or
 - **loans**, where the Government provides cash to an agency to fund departmental investments that is repayable with interest by the agency;
- **administered capital** appropriations, which are for activities administered by agencies in their fiduciary capacity on behalf of the Government and which comprise equity injections, loans or carryovers; and
- as a transitional arrangement for departmental items, **appropriation of previous years carryovers**. Under running cost arrangements prior to the introduction of the Accrual Budgeting Framework, agencies might have received additional funding for appropriations not expended in the previous year. To avoid a distortion of price in future years, it was decided that carryovers of running costs would be made available to agencies in the form of a specifically identified equity injection.

CONTINGENCY RESERVE

The Contingency Reserve is the means of ensuring that the aggregate estimates are robust and based on the best information available at the time of publication. A more detailed discussion of the Contingency Reserve is contained in Part III of this statement.

PORTFOLIO BUDGET STATEMENTS

Further information on material agencies' expenses, capital movements, major outputs, administered items and small agencies may be found in the respective Portfolio Budget Statements.

Part I: Overview of General Government Expenses

Table 1: Estimates of Commonwealth General Government Expenses

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Expenses (\$m)	158392	153732	159728	163424	169061
<i>Real growth on previous year (%)</i>		-5.5	1.5	-0.1	1.0
Per cent of GDP	25.2	23.0	22.5	21.8	21.2

Expenses are estimated to decrease by 5.5 per cent in real terms between 1999-2000 and 2000-01. They are projected to increase by 1.5 per cent in 2001-02, decrease by 0.1 per cent in 2002-03, and increase by 1 per cent in 2003-04.

Major movements within the estimates of expenses include a reduction in expenses for the Treasury portfolio as a result of revised Commonwealth-State financial arrangements introduced as part of *The New Tax System*. Under the new arrangements, Financial Assistance Grants to the States and Territories (\$17.3 billion in 1999-2000) have been abolished as a result of the States and Territories receiving all the revenue from the Goods and Services Tax (GST).

This has been partly offset by the following:

- Expenses for the Family and Community Services portfolio have risen in 2000-01, largely due to compensation measures announced as part of *The New Tax System*.
- The increase in the Australian Taxation Office expenses in the Treasury portfolio, between 1999-2000 and 2000-01 is largely due to the introduction of the Diesel and Alternative Fuels Grants Scheme. Expenses are also increased by the introduction of the *Fuels Sales Grants Scheme*, which is estimated at \$110 million in 2000-01.
- The Budget introduces an integrated package of measures, the *Regional Health Package — More Doctors, Better Services*, directed at improving access to rural health and aged care services in the short-term, with initiatives to ensure the long-term sustainability of that access, at a cost of \$562 million over the coming four years.

Estimates presented in Table 1 above are disaggregated and more fully explained in Part III of this statement, which deals with Commonwealth Expenses and Capital Estimates by portfolio.

RECONCILIATION OF EXPENSES SINCE THE 1999-2000 BUDGET

Table 2: Reconciliation of Commonwealth General Government Expenses Estimates

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m
Expenses at 1999-2000 Budget	157111	143776	148357	151432
<i>Changes from 1999-2000 Budget to MYEFO</i>				
Effect of policy decisions(a)	1281	4259	3533	3663
Effect of economic parameter variations				
Unemployment benefits	-395	-362	-294	-304
Prices and wages	161	224	248	335
Interest and exchange rates	-279	-12	0	0
Public debt interest	-429	693	1165	1962
Total economic parameter variations	-943	543	1118	1992
Programme specific parameter variations	719	879	1210	555
Other variations	-1455	216	721	798
Total variations	-397	5897	6582	7008
Expenses at 1999-2000 MYEFO	156714	149673	154939	158441
<i>Changes from MYEFO to 2000-01 Budget</i>				
Effect of policy decisions(a)	25	872	832	728
Effect of economic parameter variations				
Unemployment benefits	46	-53	-53	-106
Prices and wages	54	36	63	450
Interest and exchange rates	-180	11	-7	-8
Public debt interest	780	320	87	97
Total economic parameter variations	701	315	90	433
Programme specific parameter variations	-355	282	827	895
Other variations	1308	2591	3039	2929
Total variations	1678	4059	4789	4984
Expenses at 2000-2001 Budget	158392	153732	159728	163424

(a) Excludes the public debt net interest effect of policy decisions.

Variations in expense estimates from the 1999-2000 Budget to *Mid-Year Economic and Fiscal Outlook 1999-2000* (MYEFO) were discussed in the 1999-2000 MYEFO document. Since MYEFO, however, expenses increase by \$1,678 million in 1999-2000 and by \$4,059 million in 2000-01. In 2001-02 estimates increase by \$4,789 million and, in 2002-03, by \$4,984 million.

Policy Decisions

The effect of policy decisions since MYEFO has been to increase estimates in all years — by \$25 million in 1999-2000, \$872 million in 2000-01, \$832 million in 2001-02 and \$728 million in 2002-03. These movements are largely due to:

- an additional \$562 million over the Budget and forward years for the *Regional Health Package — More Doctors, Better Services*;
- an additional \$500 million over the Budget and forward years for the *Fuels Sales Grants Scheme*, targeted at consumers in remote and non-metropolitan Australia and introduced to reduce the pump price of petrol and diesel in rural and regional areas;
- the *Agriculture — Advancing Australia Package*, which has been continued and enhanced for four years at a total cost of \$309 million, with components refocused to facilitate change, while retaining essential elements of social welfare;
- an additional \$240 million over four years for the *Stronger Families and Communities Strategy*;
- extra funding of around \$240 million over three years for *Fringe Benefits Tax transitional grants for public and not-for-profit hospitals* to ease the transition to changes to the fringe benefits tax (FBT) legislation;
- an additional \$135 million over three years for the *Employee Entitlements Support Scheme* to assist people who suffer a loss of employee entitlements due to employer insolvency, backdated to 1 January 2000;
- the *Residential Aged Care Funding Equalisation and Assistance Package* in response to the Productivity Commission's inquiry into nursing home subsidies, in which \$148 million over six years to 2005-06 will fund the transition from different payment rates in each State to a uniform national payment for nursing home care;
- the *Continued Australian Police presence in the United Nations Transitional Administration in East Timor* at a cost of \$104 million over four years;
- the *Establishment of an Ongoing East Timor Aid Programme*, in which additional funding of \$100 million over four years will focus on long-term development and nation building; and
- \$97 million for the *Product Stewardship arrangement for Waste Oil*, in which a 5 cent per litre levy will apply to oil and lubricant products from 1 July 2000 as part of the *A New Tax System — Measures for a Better Environment* package to fund payments to operations involved in sustainable recycling and re-use of waste oil.

Parameter and Other Variations

Parameter and other variations since MYEFO have increased expenses by \$1,654 million in 1999-2000, \$3,188 million in 2000-01, \$3,957 million in 2001-02 and \$4,256 million in 2002-03. These variations are predominantly due to:

- the impact of the reclassification of the Diesel Fuel Rebate Scheme (DFRS) from a revenue offset to an expense. This follows the agreement with the Australian Democrats to introduce a targeted grants scheme (while retaining a rebate scheme) in place of the tax credit scheme proposed in *A New Tax System*. This reclassification increases revenue by around \$1.6 billion in 1999-2000 and \$2 billion in 2000-01, with equivalent increases in expenses; and
- a re-evaluation of the expected distribution of *Family Tax Benefit (FTB) Package* between revenue and expenses. Recent survey data suggest that more families than previously expected will claim the FTB as a cash payment rather than through the taxation system, increasing expenses by around \$0.6 billion from 2000-01.

Other variations include:

- an increase in estimated grants to balance state budgets in the Budget and the forward years (\$70 million in 2000-01, \$986 million in 2001-02 and \$393 million in 2002-03). These payments ensure that the States are no worse off financially in the years following the introduction of the GST than they would be under the current arrangements;
- a \$339 million downward revision over five years from 1999-2000 of expenses related to the East Timor deployment. This has resulted in a hand-back of funds to the budget, reflecting more accurate costings from on the ground experience in East Timor. Estimates of the costs of the deployment have been revised and adjustments made to the funding in all years;
- the effect of a large increase in the forecast number of unauthorised arrivals by boat, which has led to a significant increase in expected detention costs of \$118 million in 1999-2000, and is projected to cost \$215 million in 2000-01, \$200 million in 2001-02 and \$205 million in 2002-03; and
- an increase in expenditure on the cardiovascular group of drugs in the Pharmaceutical Benefits Scheme, largely due to higher than expected prescribing rates (\$129 million in 1999-2000, \$132 million in 2000-01, \$140 million in 2001-02 and \$150 million in 2002-03). This change is offset, in part, by a decrease in expected client numbers.

Part II: Overview of General Government Net Capital Investment and Capital Appropriations

Table 3: Estimates of Commonwealth General Government Net Capital Investment^(a)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Net capital investment (\$m)	795.3	205.6	658.8	559.9	853.0
<i>Real growth on previous year (%)</i>		-74.8	212.9	-17.0	48.7
Per cent of GDP	0.1	0.0	0.1	0.1	0.1
Memorandum item:					
Capital appropriations	3779.1	5126.7	3162.6	2706.9	2291.2
<i>Real growth on previous year (%)</i>		32.0	-39.7	-16.4	-17.4
Per cent of GDP	0.6	0.8	0.4	0.4	0.3

(a) Net capital investment is defined as the change in the balance sheet value of non-financial assets (for example, property, plant and equipment). There are some significant classification differences between the net capital investment estimates reported in this Statement — which is prepared using accounting standard estimates of non-financial assets — and the GFS estimates used in the calculation of the fiscal balance.

Net capital investment for the general government sector is estimated at \$206 million in 2000-01 and \$2.1 billion over the forward years.

The contraction in net capital investment in 2000-01 largely reflects property sales in the Department of Defence, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and DOFA.

Estimates presented in Table 3 are disaggregated and are more fully explained in Part III of this statement, which deals with expenses and net capital investment by portfolio.

RECONCILIATION OF NET CAPITAL INVESTMENT SINCE THE 1999-2000 BUDGET

Table 4: Reconciliation of Estimates of Commonwealth General Government Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m
Change in non-financial assets at 1999-2000 Budget	1368	900	873	1004
<i>Changes between 1999-2000 Budget and MYEFO</i>				
Effect of policy decisions	145	255	110	26
Effect of economic parameter and other variations	-467	-752	-755	-655
Total variations	-322	-498	-645	-629
Change in non-financial assets at 1999-2000 MYEFO	1047	403	227	375
<i>Changes between MYEFO and 2000-01 Budget</i>				
Effect of policy decisions	35	-197	11	-82
Effect of economic parameter and other variations	-287	0	421	266
Total variations	-252	-197	432	185
Change in non-financial assets at 2000-01 Budget	795	206	659	560

(a) Net capital investment is defined as the change in non-financial assets. Capital policy decisions as shown above do not include capital measures that fall outside this definition, for example equity injections to reduce an agency's balance sheet liabilities.

Table 4 provides a reconciliation of the 2000-01 Budget, MYEFO and 1999-2000 Budget net capital investment estimates, showing the effect of policy decisions and economic parameter and other variations since the estimates were published in the 1999-2000 Budget.

The variations in capital investment estimates since MYEFO reflect the impact of policy decisions and other changes.

Policy Decisions

The effect of policy decisions has been to increase net capital investments by \$35 million in 1999-2000, decrease net capital investment by \$197 million in 2000-01, increase net capital investment by \$11 million in 2001-02 and decrease net capital investment by \$82 million in 2002-03. These movements are largely due to:

- the provision by the Government of additional funding to the Department of Defence of \$208 million in 2000-01 for the enhancement of two Collins class submarines and for other key activities, including logistic support and the introduction of new corporate and information management systems;

- the Government providing the Australian Broadcasting Corporation (ABC) and Special Broadcasting Service Corporation (SBS) with capital funding of \$37 million and \$29 million respectively over four years for *Digital broadcasting — resourcing for digital equipment*;
- the provision of \$22 million in the Budget year and \$69 million over the Budget and forward years for *Indian Ocean Territories Infrastructure Development Programme*. This supports the Government's objective of bringing the public infrastructure on the Cocos (Keeling) Islands and Christmas Island up to mainland standards;
- the *Establishment of the Administrative Review Tribunal* in the Attorney-General's portfolio. The Government will provide a capital injection of up to \$15 million in 2000-01 to make possible the merger of the Administrative Appeals Tribunal, the Social Security Appeals Tribunal, the Refugee Review Tribunal and the Migration Review Tribunal;
- decisions by the Government to provide additional capital funding to the Australian Taxation Office to develop computer software for implementation of the *Business Tax Reform* measures and to develop computer software to deliver the *Fuels Sales Grants Scheme*; and
- property sales in the Department of Defence and the CSIRO totalling \$541 million and \$107 million respectively over the Budget and forward years.

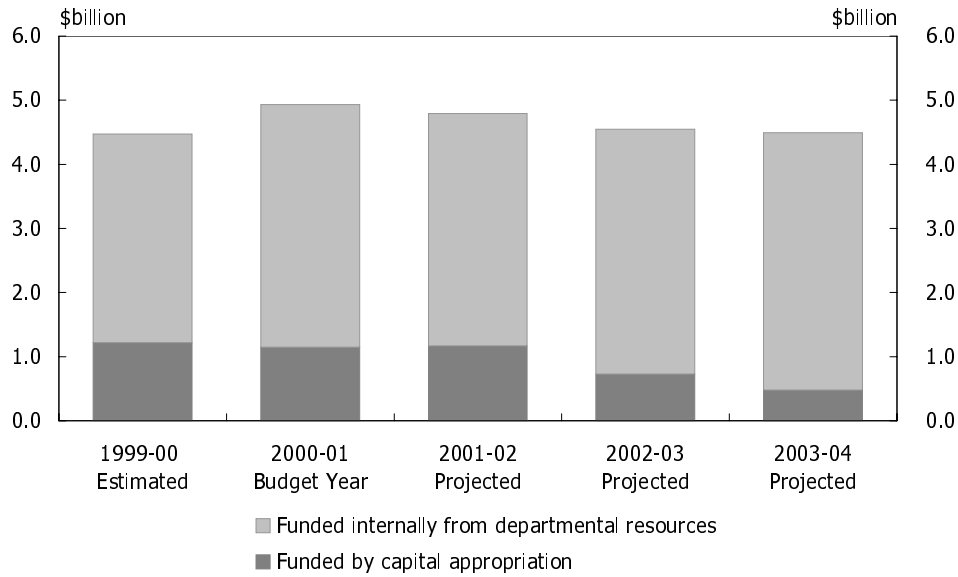
Parameter and Other Variations

Parameter and other variations since MYEFO have led net capital investment to decrease by \$287 million in 1999-2000, remain unchanged in 2000-01, increase by \$421 million in 2001-02 and by \$266 million in 2002-03. These variations are largely due to:

- variations in opening balances following completion of 1998-99 agency audits by the Australian National Audit Office (ANAO). This reduced non-financial assets by \$30 million in 1999-2000;
- a decrease of \$139 million in 1999-2000, reflecting an increase in disposals of housing stock by the Defence Housing Authority (DHA);
- an increase in the contingency reserve to compensate for an apparent conservative bias in agencies' capital expenditure strategies. With the introduction of accrual budgeting, a number of agencies are still in the process of fully developing their out-year asset replacement strategies; and
- a reallocation between expenses and capital expenditure in Defence, including for Australia's participation in East Timor. The Defence capital budget is financed from within an overall global budget that covers both recurrent and capital requirements. This has resulted in an increase in capital expenditure of \$193 million

in 1999-2000, a decrease in capital expenditure of \$28 million in 2000-01 and increases of \$368 million in 2001-02 and \$22 million in 2002-03.

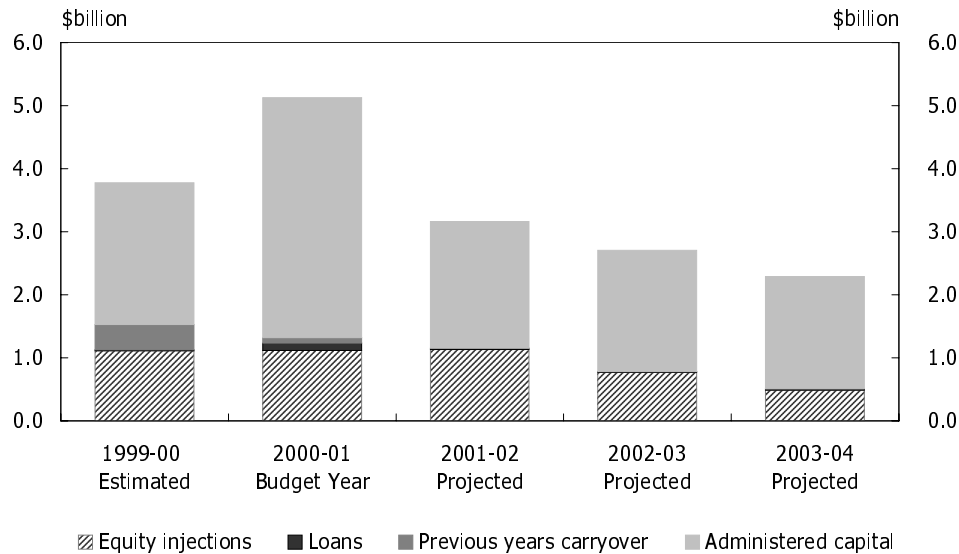
Chart 1: Capital Expenditure in General Government Agencies^(a)



(a) Capital expenditure is defined as the purchase of non-financial assets exclusive of inventories.

Chart 1 shows that the Commonwealth is moving towards agencies funding a greater proportion of their capital expenditure from internal sources. This reflects the adoption of the accrual budgeting framework, which funds agencies for the full price of their inputs, including for the depreciation of their assets. Accordingly, agencies are now able to budget and fund internally the replacement of capital assets as their useful life comes to an end.

Chart 2: Summary of Capital Appropriations



The Government anticipates making an aggregate capital investment of \$5.1 billion in 2000-01 and a total of \$13.2 billion over the Budget and forward years.

The large increase in administered capital in 2000-01 relates to the Commonwealth's commitment that the States and Territories will be no worse off under the implementation of *The New Tax System*. The States and Territories will be advanced \$1.7 billion in 2000-01, an investment in a financial asset from the Commonwealth's perspective, which will be repayable without interest.

Four agencies account for three-quarters of the capital appropriations over the Budget and forward years:

- the Department of Finance and Administration, at \$3.4 billion, predominantly to fund the payment of superannuation liabilities as Commonwealth employees resign or retire;
- the Department of Education, Training and Youth Affairs (DETYA), at \$2.4 billion, to fund Higher Education Contribution Scheme (HECS) loans on behalf of students of higher education institutions and ABSTUDY Supplement Loan Scheme;
- the Department of Defence, at \$2.3 billion, which is associated with the additional Government contribution to Defence that is required to fund Defence's departmental outcome appropriation to the Government agreed level of global funding; and
- the Treasury, at \$1.8 billion, largely being the advance to States and Territories associated with the implementation of *The New Tax System*.

The Government is providing the ABC with a \$150 million loan facility to assist in the second stage of its relocation to new premises in Ultimo, New South Wales and to enable the ABC to re-finance, on budget, current commercial debt facilities as they mature.

Part III: Expenses and Net Capital Investment by Portfolio

AGRICULTURE, FISHERIES AND FORESTRY

Table 5: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Agriculture, Fisheries and Forestry					
Expenses					
Department of Agriculture, Fisheries and Forestry					
Administered	1043.6	1013.4	1011.4	1032.3	1067.2
Departmental	335.9	309.4	310.9	284.5	289.3
Australian Wool Research and Promotion Organisation					
Departmental	120.1	119.1	120.2	129.7	126.8
Grains Research and Development Corporation					
Departmental	103.8	102.9	99.2	95.9	92.6
Net capital investment					
Department of Agriculture, Fisheries and Forestry	-15.6	-8.1	-2.4	-2.4	-4.7
Australian Wool Research and Promotion Organisation					
Departmental	-6.2	-6.4	-2.6	-2.3	-2.3
Grains Research and Development Corporation	-0.1	-0.1	-0.1	-0.1	-0.1
Memorandum item:					
Capital appropriations	23.0	0.0	0.0	0.0	0.0

(a) Data in Table 5 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio contributes to sustainable, competitive and profitable Australian agricultural, fisheries, food and forestry industries.

Trends in Expenses

Department of Agriculture, Fisheries and Forestry

Total expenses for the Department of Agriculture, Fisheries and Forestry (AFFA) remain relatively constant across the forward estimates.

The small reduction in administered expenses which occurs between 1999-2000 and 2000-01 is primarily due to the final replacement of the Income Equalisation Deposits

scheme with the Farm Management Deposits Scheme and a number of other minor reductions to programme expenses.

Administered expenses increase between 2001-02 and 2002-03, largely as a result of the *Agriculture — Advancing Australia Package* being extended for four years at a cost of \$309 million. The Package's components have been refocused to facilitate change, improve farm skills and expand market opportunities, while retaining essential elements of social welfare. A new programme to encourage farmers to introduce innovative practices and diversify their production will start in 2000-01.

The reduction in departmental expenses over the Budget and forward years reflects the completion of several successful programmes, including *Regional Forest Agreements*, *Supermarket to Asia Strategy* and the *Food and Fibre Supply Chain Programme*. Progressive self-regulation within the meat industry will also reduce expenses within the Australian Quarantine and Inspection Service (AQIS).

Australian Wool Research and Promotion Organisation

Expenses for the Australian Wool Research and Promotion Organisation (AWRAP) remain relatively stable over the forward years, with small variations between years reflecting patterns of one-off expenditure by the organisation.

Grains Research and Development Corporation

Expenses for the Grains Research and Development Corporation (GRDC) reduce marginally over the forward year period as current research projects are progressively completed.

Capital Movements

Department of Agriculture, Fisheries and Forestry

The one-off capital appropriation in 1999-2000 is a capital appropriation of previous years carryover.

The decline in net capital investment between 1999-2000 and 2001-02 is due to the progressive outsourcing of information technology functions. From 2001-02 the movement in net capital investment reflects depreciation, pending the development of an asset replacement strategy.

Agriculture, Fisheries and Forestry will purchase special purpose software for AQIS to improve the current border monitoring database systems. This is estimated to amount to \$4 million per annum from 2000-01 to 2002-03.

Australian Wool Research and Promotion Organisation

The downward trend in AWRAP's purchases of capital investments over the outyears is mainly due to the reduction in the company's size and subsequent divestment of assets.

Portfolio Overview

The portfolio focuses on industry development strategies, which build stronger and more cooperative relationships along the chain from producer to consumer. To this end, the *Agriculture — Advancing Australia Package* of programmes encourages self-reliant producers to acquire a strong skills base, as well as a positive attitude to acquiring knowledge and the management of risk.

In the international sphere, the portfolio aims to improve market access, particularly through international trade negotiations and the *Supermarket to Asia* programme. This is underpinned by a national regulatory service, administered by AQIS and the National Office of Animal and Plant Health and Food Safety, which protect the safety and health of Australia's agricultural, fisheries and forestry industries.

To ensure that Australia's natural resources are available for future generations, the portfolio uses research-driven resource management strategies to ensure that the land and water resource base is sustainably managed, including addressing land degradation and salinity issues.

Material agencies under this portfolio are: the Department of Agriculture, Fisheries and Forestry; the Australian Wool Research and Promotion Organisation; and the Grains Research and Development Corporation.

Small agencies under this portfolio are: the Australian Dried Fruits Board; the Australian Fisheries Management Authority; the Australian Horticultural Corporation; the Australian Pork Corporation; the Australian Wine and Brandy Corporation; the Cotton Research and Development Corporation; the Dairy Research and Development Corporation; the Fisheries Research and Development Corporation; the Forest and Wood Products Research and Development Corporation; the Grape and Wine Research and Development Corporation; the Horticultural Research and Development Corporation; the Land and Water Resources Development Corporation; the National Registration Authority for Agricultural & Veterinary Chemicals; the Pig Research and Development Corporation; the Rural Industries Research and Development Corporation; the Sugar Research and Development Corporation; the Tobacco Research and Development Corporation; and the Wheat Export Authority.

ATTORNEY-GENERAL'S

Table 6: Summary of Expenses and Net Capital Investment^(a)

	1999-00	2000-01	2001-02	2002-03	2003-04
	\$m	\$m	\$m	\$m	\$m
Attorney-General's					
Expenses					
Attorney-General's Department					
Administered	160.5	239.8	231.4	231.3	241.3
Departmental	235.7	225.4	216.5	209.1	203.8
Australian Customs Service					
Administered	0.3	0.3	0.3	0.3	0.3
Departmental	582.4	626.2	631.3	641.4	649.0
Australian Federal Police					
Administered	8.4	0.0	0.0	0.0	0.0
Departmental	415.8	365.6	345.4	326.7	329.3
Family Court of Australia					
Departmental	122.4	112.7	113.5	115.2	112.6
Net capital investment					
Attorney-General's Department	-4.7	-4.7	2.0	-1.7	-2.3
Australian Customs Service	41.2	11.1	-20.5	-17.3	-11.6
Australian Federal Police	-3.4	-0.8	-4.0	-1.5	-1.5
Family Court	6.0	5.2	-1.0	-1.1	0.0
Memorandum item:					
Capital appropriations	193.1	53.5	10.0	0.0	0.0

(a) Data in Table 6 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio covers a broad range of legal and judicial services that provide advice to the Government and enhance individual rights. It also promotes the maintenance of law and order, including national security and some aspects of customs and border control.

Trends in Expenses

The major changes in portfolio administered expenses relate largely to the Attorney-General's Department. The major developments in portfolio departmental expenses and resourcing arise from new measures to be implemented by law enforcement agencies and the establishment of the Administrative Review Tribunal (ART).

Attorney-General's Department

The Attorney-General's Department brought forward certain grant commitments to 1998-99 from 1999-2000 (grants to family relationship support organisations and grants to community legal centres) that led to a reduction in administered expenses for 1999-2000. Administered expenses have increased in 2000-01 by some \$21 million due to new policy and the deferral of certain expenses from 1999-2000.

The Government will provide increased access to legal assistance to people who are unable to afford the cost of private legal services. The Government will also implement changes to the division of funding between the States and Territories to achieve an equitable distribution of legal aid funding. Additional resources of \$63 million, including \$46 million over four years from this Budget will be made available to State and Territory Legal Aid Commissions to achieve these initiatives.

In addition, the Attorney-General's Department departmental expenses for 2000-01 include new policy measures of some \$13 million. Furthermore, the Family Court of Australia will transfer \$3.3 million to the Attorney-General's Department as part of the establishment of the Federal Magistrates Service. The decrease in departmental expenses between 1999-2000 and 2000-01 is largely explained by referendum funding and a 1998-99 departmental carryover in 1999-2000.

The Attorney-General's Department is currently conducting a review of the price of its outputs in conjunction with the Department of Finance and Administration.

Australian Customs Service

Departmental expenses for the Australian Customs Service (ACS) have increased as a result of implementing the *Tourist Refund Scheme* and monitoring for compliance with GST requirements by importers and exporters under *The New Tax System*.

In 2000-01, the ACS will enter into a purchaser/provider arrangement with the Australian Taxation Office to fund the ACS for these activities. Under this arrangement, ACS expenses will increase by \$43 million in 2000-01 and by a similar amount in future years.

The ACS will also contribute to the package of measures relating to unauthorised arrivals by leasing a charter vessel to transport unauthorised arrivals intercepted at sea or at islands off the mainland.

In addition, the ACS has completed a pricing review that included benchmarking services with similar overseas organisations. These measures are outlined further in *Budget Paper No. 2 — Budget Measures 2000-01*.

Australian Federal Police

In 2000-01, the Government will continue its Australian civilian police presence in East Timor, which has increased from the first detachment of 50 personnel for a 90-day commitment to replacement detachments of up to 80 personnel for a series of 90-day

commitments. The civilian police presence will be deployed as part of the United Nations Transitional Administration for East Timor(UNTAET). Additional resources (\$25 million in 2000-01, \$26 million in 2001-02, \$26 million in 2002-03 and \$27 million in 2003-04) will be provided to the Australian Federal Police (AFP) for this measure.

In 1999, the Commonwealth agreed to provide equity funding to enable the AFP to extinguish certain accrued employee entitlements under the AFP Adjustments Scheme (AFPAS). Consequently, the AFP's expenses in 1999-2000 decrease from the recognition of future expenses as a result of the cessation of AFPAS, valued at \$43 million and included on the basis of actuarial advice. In addition, over the period 1999-2000 to 2001-02, certain one-off expenses relating principally to the AFP Reform Programme and the Sydney Olympics (amounting to around \$105 million) will cease to impact on expenses from 2002-03 onwards.

From 2000-01, the Government will address the growth of unauthorised arrivals by boat and reduce expenses on detention and processing. The AFP will contribute to the *Unauthorised Arrivals in Australia* package of measures by undertaking joint investigations of organised people smuggling with the Department of Immigration and Multicultural Affairs (DIMA), establishing an additional overseas liaison officer in Jakarta, and developing a law enforcement cooperation programme between Australia, Indonesia, Malaysia, Thailand and Pakistan.

Family Court of Australia

The decrease in expenses takes account of the transfer of some funding to the new Federal Magistrates Service.

Capital Movements

Australian Federal Police

The decline in capital appropriations largely arise from a wind-down in additional equity funding being provided by the Government to the AFP over a three-year period from 1999-2000. This funding is to enable it to extinguish accumulated liabilities of \$105 million under the present AFPAS and the Cessation Payment Scheme.

Australian Customs Service

Capital investment is budgeted to decrease for the ACS during 2001-02 to 2003-04 as it completes the purchase of capital assets required for ongoing programmes such as the *Tough on Drugs* strategy. Further, the marine fleet upgrade replaces a fleet that had already been fully depreciated.

Portfolio Overview

The portfolio covers a broad range of legal and judicial services. These include legal policy; administrative, civil, family and international law; bankruptcy estate administration and regulation; courts and tribunals; legal aid; native title; human

rights; criminal law and law enforcement; censorship and the provision of protective services to property and individuals. It also includes national security and some aspects of customs and border control.

The Department and portfolio agencies provide legal policy and services to the Commonwealth, enhance the rights of individuals, and afford the community reasonable access to justice. They promote the implementation of an effective justice system to promote timely adjudication of disputes, as well as the interpretation of the Australian Constitution. They also seek to contribute to the maintenance of law and order, implement effective measures against espionage and subversive activities, and maintain an effective border management policy.

Material agencies under the Attorney-General's portfolio are the Attorney-General's Department; the Australian Customs Service; the Australian Federal Police; and the Family Court of Australia.

Small agencies under the Attorney-General's portfolio are the Administrative Appeals Tribunal; the Australian Institute of Criminology; the Australian Law Reform Commission; the Australian Security Intelligence Organisation; the Australian Transactions Reports and Analysis Centre (AUSTRAC); the Criminology Research Council; the Federal Court of Australia; the High Court of Australia; the Human Rights and Equal Opportunity Commission; the National Crime Authority; the National Native Title Tribunal; the Office of Film and Literature Classification; the Office of Parliamentary Counsel; and the Office of the Commonwealth Director of Public Prosecutions.

COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Table 7: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Communications, Information Technology and the Arts					
Expenses					
Department of Communications, Information Technology and the Arts					
Administered	532.0	480.5	496.7	326.7	281.0
Departmental	161.2	158.6	147.2	138.6	139.3
Australian Broadcasting Corporation					
Departmental	661.2	683.0	713.8	735.6	753.0
Special Broadcasting Service Corporation					
Departmental	129.3	131.3	130.5	134.4	131.9
Net capital investment					
Department of Communications, Information Technology and the Arts	81.9	-79.3	0.7	-2.6	-2.7
Australian Broadcasting Corporation	20.5	71.2	61.7	10.4	-18.1
Special Broadcasting Service Corporation	4.4	22.0	5.0	2.6	4.0
Memorandum item:					
Capital appropriations	86.8	166.6	59.4	76.8	43.9

(a) Data in Table 7 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio facilitates a competitive and diverse communications and information technology sector, and encourages the arts and cultural awareness by providing support to various arts organisations.

Trends in Expenses

Department of Communications, Information Technology and the Arts

The downward trend in administered expenses over the forward years mainly reflects the conclusion of three Government programmes: *Telstra Social Bonus* funding; Federation Fund expenditure; and *Networking the Nation*. The Government is providing additional funding for a number of initiatives over the Budget and forward years, including funding for major performing arts.

The downward trend in departmental expenses over the forward years reflects the conclusion of activities and funding associated with the *Telstra Social Bonus* and Centenary of Federation.

Australian Broadcasting Corporation

The upward trend in expenses over the forward years largely reflects increased funding for depreciation of digital broadcasting equipment and price indexation, notably for transmission expenses.

Capital Movements

Department of Communications, Information Technology and the Arts

The increase in the net capital investment for the Department in 1999-2000 and the decrease in 2000-01 reflects the final stages of construction of the National Museum of Australia (NMA). Funding of \$128 million has previously been provided to meet the capital cost of the new facility from the Federation Fund. The building will be transferred to the NMA in 2000-01.

Australian Broadcasting Corporation

Net capital investment for the ABC is fluctuating over the forward years due to two major influences. Firstly, the Commonwealth will provide the ABC with an equity injection of \$37 million over four years to purchase new digital equipment for digital broadcasts. Secondly, the Government is providing the ABC with a \$150 million loan facility to assist in the second stage of its relocation to new premises in Ultimo, New South Wales, and to enable the ABC to re-finance on Budget current commercial debt facilities as they mature.

Special Broadcasting Service Corporation

The movements in net capital investment for SBS over the forward years reflect an equity injection of \$29 million over four years to purchase new digital equipment for digital broadcasts.

Portfolio Overview

The Commonwealth recognises the importance of a culturally aware society, as well as competitive and sustainable information technology and telecommunications sectors. The Department of Communications, Information Technology and the Arts is achieving these objectives by encouraging the arts and cultural awareness, providing support to various arts organisations and facilitating a competitive and diverse communications and information technology sector. It is also establishing a secure network to facilitate e-commerce and providing access to government information and services on-line.

The Commonwealth recognises that continuing advances in communications and information technology are fundamentally changing the way Australians live and work. A major objective of the portfolio is to ensure that Australians realise the extraordinary potential of these advances to create jobs and other opportunities.

Major funding and capital initiatives of the portfolio include the Cultural Development Programme and Australia Council initiatives supporting artistic endeavours, and the Federation Fund, which provides infrastructure to support Australia's centenary of federation. It also supports various telecommunications and information technology initiatives that complement the Networking the Nation programme, which is designed to improve access and the quality of service for all Australians, and broadcasting services through the ABC and SBS.

The material agencies under the portfolio are: the Department of Communications, Information Technology and the Arts; the Australian Broadcasting Corporation; and the Special Broadcasting Service Corporation.

The small agencies under the portfolio are: the Australia Council; the Australian Broadcasting Authority; the Australian Communications Authority; the Australian Film Commission; the Australian Film, Television and Radio School; the Australian National Maritime Museum; the National Archives of Australia; the National Gallery of Australia; the National Library of Australia; and the National Museum of Australia.

DEFENCE

Table 8: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Defence					
Expenses					
Department of Defence					
Administered	1702.6	1760.4	1807.7	1871.4	2026.0
Departmental	11510.3	11803.9	11853.0	12280.8	12746.8
Defence Housing Authority					
Departmental	244.8	261.1	278.7	280.9	275.4
Net capital investment					
Department of Defence	927.1	151.7	518.7	493.2	349.9
Defence Housing Authority	-198.2	-124.7	-142.5	53.7	101.8
Memorandum item:					
Capital appropriations	765.6	752.9	698.4	526.2	335.2

(a) Data in Table 8 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total. Eliminations for inter-agency transactions within the Defence portfolio are estimated to be around \$270 million, reflecting expenses paid to the Defence Housing Authority.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The focus of the portfolio is 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.

Trends in Expenses

Department of Defence

The Government has maintained base-level defence funding in real terms in 2000-01 and over the forward years. The Department has also been provided with increased funding in the 2000-01 Budget and the forward years to address a number of specific funding priorities. From 1999-2000 to 2000-01 Departmental expenses increase by \$293 million.

Significantly, increases in departmental expenses relate to the Australian Defence Force's involvement in East Timor. Another major influence results from funding for expenses being shifted from funding for capital investment. In 2001-02, funding for expenses is increased in part by a reallocation of \$500 million from the departmental equity injection in accordance with Defence's global funding arrangements. The

increase in administered expenses is primarily related to the annual actuarial reassessment of unfunded military superannuation liability.

The Department of Defence has been provided with supplementary funding for its participation in the UN-sponsored peace enforcement and peacekeeping operations in East Timor from September last year. The *Appropriation (East Timor) Act 1999-2000* provided for funding for the net additional costs associated with the deployment of up to 6,500 personnel in East Timor in support of Australia's leading nation role in International Force in East Timor (INTERFET), which operated under a peace enforcement mandate from the UN. Estimates (exclusive of capital use charge) of the net additional accrual costs of the East Timor deployment have been revised and adjustments made to the funding in all years (revised estimates are: \$731 million in 1999-2000; \$922 million in 2000-01; \$736 million in 2001-02; \$669 million in 2002-03 and \$675 million in 2003-04).

Australian forces were scaled back to 2,200 personnel earlier this year with the peacekeeping operation now under the auspices of the United Nations Transitional Authority for East Timor (UNTAET). The permanent commitment will be around 1550 troops.

Australia bore the full responsibility for funding its own involvement in INTERFET and also incurred some costs on behalf of other INTERFET contributing nations. With the transition to a UN peacekeeping operation, UN reimbursements to Australia are expected to amount to \$372 million over the next four years.

The Department has also been granted additional funding of \$20 million in 2000-01 to extend the operational capability of the Reserves through initiatives to enhance the Reservists' role and support their employers.

Certain properties will be leased back as a result of a programme of Defence property sales agreed by Government. Defence will receive rental supplementation in respect of the commercial rental rates charged for some selected properties (\$20 million in 2001-02, \$21 million in 2002-03 and \$21 million in 2003-04).

Military superannuation expense estimates are affected by annual actuarial assessments. The current actuarial assessment of superannuation resulted in increases in estimated superannuation expenses in future years, significantly in 2003-04 (\$155 million).

Defence Housing Authority

The increase in expenses over the four years is mainly due to increases in rental payments to private sector property investors associated with the Authority's sale and leaseback programme for housing. There is also an increase in interest expenses associated with increasing debt levels as DHA moves to a more commercial capital structure.

Defence purchases housing services from the DHA which, in line with the 1998 review of DHA, is being restructured on a more commercial basis. The Department of Defence

is being supplemented by around \$69 million per annum in the 2000-01 Budget for increased costs associated with the adoption of more commercial practices by the DHA. These costs will be budget neutral, as increased dividends and taxes will result from the increased revenues to DHA.

Capital Movements

Department of Defence

The Defence capital budget is financed from within an overall budget for Defence. This global budget covers both recurrent and capital requirements and reflects the Government's commitment to no real change in Defence spending over the period 2000-01 to 2001-02. Total capital expenditure in 2000-01 is expected to be \$3.3 billion and includes initiatives to progress the policy of enhancing capabilities across the priority areas of the knowledge edge, defeating air and maritime threats, and strike and land forces.

The capital appropriation represents the additional contribution to Defence by the Commonwealth as owner. Within Defence's global flexibilities, the injection can be used for any purpose that increases the net assets of Defence. The injection is not tied to any specific capital projects.

The Government has agreed to a programme of Defence property sales. Over four years \$541 million will be returned to the Budget and Defence will retain \$324 million from other sales to help offset budgetary pressures. This is in addition to the usual ongoing asset sales programme undertaken by Defence.

The Government will provide an additional capital appropriation of \$208 million in 2000-01 for high-priority projects in Defence. An amount of \$128 million is for the enhancement of two Collins Class submarines. The remainder is to be provided for other key activities, such as \$40 million for the remediation of Reserve unit equipment that was used in East Timor and \$40 million to support the introduction of new corporate and information management systems.

Defence Housing Authority

The initial decreases in net capital investment in years 1999-2000 to 2001-02 are due to the DHA's divestment of properties through a sale and leaseback programme. In the forward years, DHA will increase its stock of directly owned properties in order to meet the expected housing needs of Defence.

Portfolio Overview

Apart from its primary outcomes outlined above, the portfolio also delivers non-combat related services, such as search and rescue, to support the community in times of need. These services are made possible by using the capabilities that have been developed primarily for the defence of Australia.

Material agencies under the portfolio are: the Department of Defence; and the Defence Housing Authority.

EDUCATION, TRAINING AND YOUTH AFFAIRS

Table 9: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Education, Training and Youth Affairs					
Expenses					
Department of Education, Training and Youth Affairs					
Administered	10952.1	11331.6	11782.1	12251.9	12737.2
Departmental	218.0	220.1	211.1	220.8	224.6
Net capital investment					
Department of Education, Training and Youth Affairs	-0.4	-0.3	0.8	-0.2	0.4
Memorandum item:					
Capital appropriations	464.5	660.8	617.2	603.5	527.0

(a) Data in Table 9 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The Commonwealth is seeking to create a flexible education and training system that is available to all Australians. It aims to provide students with foundation skills by providing funding for general recurrent and capital grants for government and non-government schools. The Government also provides funding to higher education institutions and assists providers in the vocational education and training sector to help individuals achieve relevant skills and learning outcomes for work and life.

Trends in Expenses

Department of Education, Training and Youth Affairs

Total expenses for DETYA in 2000-01 are estimated to be \$11.6 billion, an increase of 3.4 per cent on 1999-2000. The main driver of this change is the schools sector.

The Commonwealth's contribution to schools in 2000-01 is estimated to be \$5.2 billion, increasing by 7 per cent from \$4.8 billion in 1999-2000. This reflects increases in per capita costs and rising enrolments. An amount of \$4.4 billion will be provided to government and non-government schools and school systems in the form of general recurrent and capital grants. Additionally, \$700 million will be provided for specific programmes targeted at improving participation and educational attainment for Indigenous students and other groups requiring support.

The Commonwealth's contribution to higher education in 2000-01 is estimated to be \$4.4 billion. This funding consists of Commonwealth subsidies to capital and recurrent costs through grants to universities. This includes \$461 million to higher education research and research training. This maintains real levels of funding.

Estimated total higher education sector income is higher than ever before at over \$9 billion. This represents Commonwealth grants, the HECS, State contributions, fees and charges levied by institutions, investment income, as well as income from other sources, including research contracts and consultancies.

The Commonwealth will contribute funding of \$1.7 billion to the vocational education and training sector, including funding for youth programmes. This maintains real levels of funding. The bulk of this funding is directed through the Australian National Training Authority (ANTA) (almost \$950 million) and funding for New Apprenticeships (\$474 million), including New Apprenticeship Centres (NACs).

The Budget sees a number of new measures and endorsement of continued funding for lapsing programmes, each of which contributes positively to achieving the Government's national priorities for the portfolio. These are outlined in *Budget Paper No. 2 — Budget Measures 2000-01*.

Capital Movements

The Commonwealth funds HECS loans on behalf of students of higher education institutions, which are treated for accounting purposes as capital funding. The significant increase in capital appropriations from 1999-2000 to 2000-01 is a result of indexation of the total HECS debt. The gradual decline over the forward years is a result of increasing HECS debt repayments by students, which reduces the level of capital appropriation.

Portfolio Overview

The Commonwealth is seeking to create a flexible education and training system that is available to all Australians.

The Government aims to provide students with foundation skills by funding government and non-government schools. It also provides funding to assist students with special learning needs, including initiatives which introduce literacy and numeracy standards; educate Indigenous students; recognise the needs of students in rural and remote areas; assist students with language backgrounds other than English; and provide special education for students with disabilities. Funding is also available to address issues such as drugs in schools, quality schooling and curriculum development and to increase student participation in the study of targeted languages.

The Government provides funding to higher education institutions in order to support an independent and internationally competitive approach to teaching, research and scholarship. Australians' access to higher education is supported by the Commonwealth's grants to universities.

The Government seeks to assist providers in the vocational education sector by funding New Apprenticeships and contributing to ANTA. The Government also assists the transition of people into the workforce by organising training courses for those without sufficient literacy, numeracy and English language skills, as well as a number of transitional strategies such as career counselling and pathway programmes. In addition, key administered items such as Green Corps and programmes that assist young people with the transition from school to work encourage young Australians to contribute actively to the community.

Material agencies in the portfolio: the Department of Education, Training and Youth Affairs.

Small agencies in the portfolio: the Australian National Training Authority.

EMPLOYMENT, WORKPLACE RELATIONS AND SMALL BUSINESS

Table 10: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Employment, Workplace Relations and Small Business					
Expenses					
Department of Employment, Workplace Relations and Small Business					
Administered	1119.7	1356.9	1350.8	1393.1	1378.1
Departmental	370.4	376.7	375.4	380.8	383.5
Comcare					
Departmental	141.4	159.8	173.8	178.0	188.7
Net capital investment					
Department of Employment, Workplace Relations and Small Business	9.3	11.2	-1.8	-1.9	-0.2
Comcare	0.0	0.0	0.0	0.0	0.0
Memorandum item:					
Capital appropriations	123.9	0.0	0.0	0.0	0.0

(a) Data in Table 10 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The Employment, Workplace Relations and Small Business portfolio facilitates the efficient and equitable performance of the labour market and the promotion of an improved operating environment for small business. It aims to increase employment growth through initiatives that improve labour market performance, and encourages more flexible and fair workplace relations.

Trends in Expenses

Department of Employment, Workplace Relations and Small Business

Administered expenses are estimated to increase in 2000-01 due to the expansion of targeted employment assistance in support of the most disadvantaged job seekers and the expansion of other labour market programmes.

Budget measures to implement the *Employee Entitlements Support Scheme* and the *Dairy Regional Assistance Programme* have increased the administered expenses in 2000-01, 2001-02 and 2002-03 for the Department of Employment, Workplace Relations and Small Business (DEWRSB).

The increase in expenses for Comcare largely reflects the net movement in outstanding liabilities for workers' compensation claims, calculated by an actuary using factors such as age profiles, claims duration and frequency.

Capital Movements

The one-off capital appropriation in 1999-2000 was for administered and departmental carryovers from 1998-99.

Portfolio Overview

DEWRSB contributes to improved labour market performance and more flexible and fair workplace relations through policy advice, legislation development, programme administration, research and education. The Department is a major purchaser of employment services through Job Network and Centrelink.

The Department also administers a range of employment programmes to support the principle of mutual obligation and to promote employment initiatives at the regional level and for specific target groups, including Indigenous Australians. It plays a major role in developing the Government's workplace relations initiatives, including Australian Workplace Agreements. The Department also administers the International Labour Organisation membership subscription, and financing arrangements under the *Coal Mining Industry (Long Service Leave) Act 1922*.

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

The Department also improves access to government information and services via the Internet.

The Australian Industrial Relations Commission contributes to cooperative workplace relations by maintaining an effective award safety net and maintaining processes that facilitate agreement making. The Commission also provides conciliation and arbitration for employers, employees and their representatives, and ensures that workplace organisations are representative and accountable to members.

The Equal Opportunity for Women in the Workplace Agency implements legislative requirements under the *Equal Opportunity for Women in the Workplace Act 1999*, as well as promoting best practice affirmative action policies.

The National Occupational Health and Safety Commission assists governments to improve the health and safety of work environments.

Comcare and the Safety, Rehabilitation and Compensation Commission deliver occupational health and safety and workers' compensation for Commonwealth employees.

Material agencies under the portfolio are: the Department of Employment, Workplace Relations and Small Business; and Comcare.

Small agencies under the portfolio are: the Australian Industrial Relations Commission and Australian Industrial Registry; the Equal Opportunity for Women in the Workplace Agency; and the National Occupational Health and Safety Commission.

ENVIRONMENT AND HERITAGE

Table 11: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Environment and Heritage					
Expenses					
Department of Environment and Heritage					
Administered	374.3	423.4	386.3	27.7	27.5
Departmental	441.7	460.0	460.6	422.1	416.1
Net capital investment					
Department of Environment and Heritage	-16.5	-7.3	-8.3	-7.1	-8.4
Memorandum item:					
Capital appropriations	22.4	0.0	0.0	0.0	0.0

(a) Data in Table 11 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio serves to protect the environment and heritage, deliver meteorological and related science services to Australia and advance Australia's interests in Antarctica.

Trends in Expenses

The change in administered expenses over the Budget and forward years largely reflects the introduction of the *Product Stewardship Arrangements for Waste Oil* measure (\$25 million) and the expenditure profiles of the Natural Heritage Trust (NHT) and the Federation Fund. The NHT has a commitment of \$1.5 billion over six years (1996-97 to 2001-02), of which \$1.35 billion was provided from the partial sale of Telstra.

The increase in departmental expenses between 1999-2000 and 2000-01 reflects the introduction of the *A New Tax System — Measures for a Better Environment* package (\$100 million over the four years 2000-01 to 2003-04). The reduction in expenses after 2001-02 reflects the finalisation of the *Living Cities* and *Oceans Policy* programmes in that year.

The Government is maintaining its commitment to environmental issues by providing \$896 million over the four years 2000-01 to 2003-04 from the *A New Tax System — Measures for a Better Environment* package. This funding was appropriated through the *Appropriations (Supplementary Measures) Act (No.2) 1999* on 11 November 1999. The package comprises a range of initiatives, including greenhouse gas abatement, oil recycling, renewable remote power generation and renewable energy programmes.

The Department of the Environment and Heritage (DEH) has completed stage one of a pricing review. This is outlined further in *Budget Paper No. 2 — Budget Measures 2000-01*.

Table 11 does not include expenses for the Australian Greenhouse Office, which is currently a small agency, but will receive funding of \$796 million over the period 2000-01 to 2003-04 from the *A New Tax System — Measures for a Better Environment* package and will therefore be shown as a material agency in future budget papers.

Capital Movements

The decrease in net capital investment in 2000-01 largely reflects asset sales by the Commonwealth Bureau of Meteorology (BoM). The fluctuations over the forward years are the result of the Australian Antarctic Division's cyclical asset replacement programme. One-off capital appropriations in 1999-2000 reflect an appropriation of previous years carryovers and an equity injection for the Director of National Parks.

Portfolio Overview

The DEH implements policies and programmes for the protection of the environment. It also directs research on the Antarctic, including the region's role in the global climate system.

The NHT, jointly administered by AFFA, provides a framework to stimulate investment in the natural environment. The Department also administers a number of grant programmes, including the Cultural Heritage Projects Programme, Grants to Voluntary Environment and Heritage Organisations and the Australian Biological Resources Study Participatory Programme.

The Bureau of Meteorology is responsible for the provision of meteorological and related hydrological and oceanographic services.

The Australian Greenhouse Office is the leading Commonwealth agency on greenhouse matters and is responsible for the coordination of domestic climate change policy and managing the delivery of Commonwealth greenhouse programmes.

The National Oceans Office was established as an executive agency within the Department in December 1999. The Office will coordinate implementation of Australia's Ocean Policy and the Regional Marine Plan and will act as the main administrative coordination point between the Commonwealth, States and Territories on oceans policy issues.

The Australian Heritage Commission is responsible for conserving the National Estate, which consists of those places that are part of Australia's natural or cultural environment.

The Director of National Parks administers the Commonwealth National Parks, reserves and conservation zones.

The Great Barrier Reef Marine Park Authority is responsible for the care and development of the Great Barrier Reef Marine Park.

Material agencies under the portfolio: the Department of the Environment and Heritage.

Small agencies under the portfolio are: the Australian Greenhouse Office; the Australian Heritage Commission; the Director of National Parks; the National Oceans Office; and the Great Barrier Reef Marine Park Authority.

FAMILY AND COMMUNITY SERVICES

Table 12: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Family and Community Services					
Expenses					
Department of Family and Community Services					
Administered	46784.7	53768.3	54182.2	56333.3	58368.8
Departmental	2057.4	2163.9	2133.6	2098.4	2080.6
Centrelink					
Departmental	1717.0	1753.3	1716.2	1680.1	1655.3
Net capital investment					
Department of Family and Community Services	5.6	0.6	-0.8	9.6	-2.8
Centrelink	-28.3	13.6	20.4	-1.3	-12.5
Memorandum item:					
Capital appropriations	182.0	180.6	153.9	131.6	131.6

(a) Data in Table 12 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total. Eliminations for inter-agency transaction within the Family and Community Services portfolio are estimated to be \$1.7 billion, reflecting expenses paid to Centrelink.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The Department of Family and Community Services develops policies that address the income support needs of individuals. It also provides family relationship services, welfare housing and financial support and other services for people with disabilities and families with children.

Trends in Expenses

Department of Family and Community Services

The increase in expenses between 1999-2000 and 2003-04 is due to *The New Tax System* compensation in 2000-01, and to indexation and the ageing of the population that, together, increase both the number of clients and the average rates of payment.

The increase in administered expenses in the Department of Family and Community services in 2000-01 is largely due to increases in the rates of Family Assistance paid as a consequence of the introduction of *The New Tax System*.

The Age Pension and the Disability Support Pension are subject to significant growth, both because of the ageing of the population and because of indexation.

Significant growth is also anticipated with payments to sole parents, both because of anticipated increased numbers and because of indexation.

Funding of \$15 billion in 2000-01, rising to \$16 billion by 2003-04, will be provided in direct financial support for families, children and youth. The financial support is through the Family Assistance, Youth and Student Support, and Child Support programmes.

Funding of \$1.4 billion in 2000-01 will be provided to support and strengthen communities. This commitment will be delivered through a combination of services and community-based programmes. Activities include housing, supported accommodation assistance, rural and regionally focused programmes, and emergency relief.

Income support is provided for those requiring it due to age, disability, unemployment and carer responsibilities. Funding of \$38 billion in 2000-01, rising to \$41 billion by 2003-04, will 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 in need of assistance.

Expenses will rise to \$60.4 billion in 2003-04, largely because of indexation of pensions and the ageing of the population.

The Department has completed a pricing review that included benchmarking services with similar organisations. This is outlined further in *Budget Paper No. 2 — Budget Measures 2000-01*.

Centrelink

Centrelink is implementing a strategy to increase its efficiency, thereby reducing expenses over the next four years.

Capital Movements

Department of Family and Community Services

The majority of capital appropriations relate to the Student Financial Supplement Scheme, which is administered by the Commonwealth Bank. Funding is required to purchase maturing student loans from the Bank, with the loans being repaid by students in instalments through the taxation system.

Variations in net capital investment relate to timing of capital investments and associated asset replacement strategy.

Centrelink

Centrelink is budgeting for capital expenditure of \$98 million in 2000-01, \$103 million in 2001-02, \$81 million in 2002-03 and \$70 million in 2003-04. This expenditure is to

fund software and office fit-out required to support Centrelink's ongoing service delivery.

This capital investment will be partly funded by equity injections of \$19 million in 2000-01, \$8 million in 2001-02, \$8 million in both 2002-03 and 2003-04. The Government is providing these equity injections for the implementation of *The New Tax System*, and the *Revised Means Test Treatment of Private Trusts and Private Companies*.

Portfolio Overview

The portfolio comprises a number of agencies and a department. Centrelink is the principal service delivery organisation for income support payments, delivering information, products and services to the Australian community.

The Australian Institute of Family Studies researches factors affecting family stability. It also provides a national information centre on these issues.

The portfolio has several broad objectives. The first is to strengthen families by ensuring that they have access to financial assistance and support, mainly through the Family Assistance, Youth and Student Support and Child Support programmes. It also strives to strengthen communities through access to affordable housing, community support services and assistance to those in need.

The portfolio aims to deliver a combination of services and community-based programmes that encourage partnerships between government, the community and the business sector. Activities include Supported Accommodation Assistance, rural and regionally focused programmes and disaster relief.

The portfolio also provides income support for those requiring it due to age, disability, unemployment and carer responsibilities. It seeks to facilitate participation in the labour force through services that encourage independence and contribution to the community. It provides programmes that encourage self-reliance and economic independence while maintaining a highly targeted and affordable safety net for those who are genuinely in need of assistance.

Material agencies under this portfolio are: the Department of Family and Community Services; and Centrelink.

Small agencies under this portfolio: the Australian Institute of Family Studies.

FINANCE AND ADMINISTRATION

Table 13: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Finance and Administration					
Expenses					
Department of Finance and Administration					
Administered	4148.2	3836.4	3574.9	3492.5	3377.7
Departmental	464.8	323.7	316.9	312.2	309.7
Australian Electoral Commission					
Administered	0.1	0.0	36.4	0.0	0.0
Departmental	160.9	104.2	148.8	96.5	98.3
Office of Asset Sales and IT Outsourcing					
Departmental	32.9	14.8	0.4	0.0	0.0
Net capital investment					
Department of Finance and Administration	-100.9	-295.4	-113.8	-78.8	89.9
Australian Electoral Commission	-2.4	0.0	-5.2	-3.3	-3.3
Office of Asset Sales and IT Outsourcing	-25.2	0.0	0.1	0.0	0.0
Memorandum item:					
Capital appropriations	878.0	918.0	851.8	846.3	828.4

(a) Data in Table 13 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio advises the Government on the management of Commonwealth resources and delivers whole-of-government services to Commonwealth departments and agencies.

The Department of Finance and Administration (DOFA) contributes to the implementation of the Government's reform strategy for the public sector by emphasising improvements to management and introducing 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.

Trends in Expenses

Department of Finance and Administration

The reduction in administered expenses under Commonwealth superannuation schemes between 1999-2000 and 2000-01 largely reflects a one-off effect on expenses in

1999-2000 arising from the revaluation of the superannuation liability. Given that the Commonwealth Superannuation Schemes are unfunded, agency employer superannuation contributions are currently returned to the budget. With the expected payment of employer contributions to the private sector superannuation schemes associated with the planned closure of the PSS, this will reduce expenses (and associated revenue) after 2000-01. The estimates assume that the scheme will be closed from 1 July 2001 pending a Government decision on a new closure date.

DOFA's departmental expenses reduce between 1999-2000 and 2000-01. This is largely a result of the sale of a departmental business activity (Removals Australia) and changes in arrangements for the management of Commonwealth property.

Australian Electoral Commission

Trends in departmental expenses for the Australian Electoral Commission (AEC) reflect the cyclical nature of its activities. The peaks in estimates in 1999-2000 and 2001-02 reflect the timing of the referendum held in November 1999 and the normal Federal election cycle.

The estimated administered expenses in 2001-02 represent election funding provided to candidates.

Office of Asset Sales and Information Technology Outsourcing

The peak expenses in 1999-2000 reflect increased activity for a number of sales within the asset sales programme, including the finalisation of the *Telstra 2* sales programme. The decline in expenses reflects the budgeting arrangements whereby Office of Asset Sales and Information Technology Outsourcing funding on the asset sales activity is determined annually.

Capital Movements

Department of Finance and Administration

The movement in net capital investment by DOFA across most years reflects the planned sales of properties from the Commonwealth's estate managed by the department and the fall in the value of vehicles under the DASFleet finance lease.

The capital appropriation primarily funds the pay-out of superannuation liabilities in respect of an individuals own contributions and employer productivity contributions as Commonwealth employees resign or retire. Other capital appropriations are to enable the construction and refurbishment of the Commonwealth's property estate and the provision of capital support to Employment National.

Portfolio Overview

DOFA assists the Commonwealth to achieve sustainable finances through managing the Budget, advising on agency performance, providing shareholder advice to Ministers and advising on strategic budget policy issues. It also delivers

whole-of-government services to Commonwealth departments and agencies, including managing Commonwealth property, providing policy advice on Commonwealth superannuation arrangements and administering Comcover (the Commonwealth's Insurable Risk Managed Fund).

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.

AEC also provides Australians with an equitable and independent electoral service by maintaining the Commonwealth electoral roll and providing electoral information programmes. The AEC also provides international electoral assistance.

OASITO arranges the sale of major Commonwealth assets. It also arranges the outsourcing of information technology services for Commonwealth departments and agencies and assists agencies to implement the outsourcing of other activities through competitive tendering and contracting.

Material agencies under the portfolio are: the Department of Finance and Administration; the Australian Electoral Commission; and the Office of Asset Sales and Information Technology Outsourcing.

Small agencies under the portfolio are: the Commonwealth Grants Commission; and the Commonwealth Superannuation Administration (ComSuper).

FOREIGN AFFAIRS AND TRADE

Table 14: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Foreign Affairs and Trade					
Expenses					
Department of Foreign Affairs and Trade					
Administered	120.5	123.5	120.4	118.2	117.8
Departmental	684.2	663.1	667.7	680.7	710.9
Australian Agency for International Development					
Administered	1158.1	1428.7	1503.2	1229.7	1282.5
Departmental	69.4	67.9	68.1	67.2	68.3
Australian Trade Commission					
Administered	154.5	151.5	150.1	0.5	0.0
Departmental	176.2	179.8	182.0	179.2	180.2
Net capital investment					
Department of Foreign Affairs and Trade	-10.3	-8.6	-4.6	-12.6	-13.2
Australian Agency for International Development	0.3	-1.4	-1.4	0.2	0.1
Australian Trade Commission	5.6	-0.6	0.0	0.1	0.0
Memorandum item:					
Capital appropriations	232.2	211.6	232.7	207.7	169.6

(a) Data in Table 14 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio conducts Australia's foreign relations, assists Australians to win export business, generates investment, and provides assistance to developing countries. The portfolio also provides consular and passport services for Australians.

Trends in Expenses

Department of Foreign Affairs and Trade

The Department of Foreign Affairs and Trade's (DFAT) expenses across the forward estimates remain relatively constant, altering in future years largely due to the effect of variations in price and wage indices. DFAT's expenses for its core diplomatic function remain relatively unchanged at approximately \$608 million per annum (including \$103 million per annum for payments to the UN). Expenses for the consular and passport function will remain relatively constant at approximately \$136 million per annum, with the Government allocating additional resources across the forward years to ensure that services do not decline in the face of dramatic increases in demand.

The main movement in DFAT's departmental expenses between 1999-2000 and 2000-01 relates to the return of \$20 million to the Budget of foreign exchange supplementation not utilised. Foreign exchange arrangements are currently under review.

The Commonwealth will provide additional resources to maintain the current level of high-quality passport and consular services in the wake of a pricing review undertaken by DFAT and the Department of Finance and Administration. The review found that the demand for consular services is expected to increase significantly in coming years, largely due to increasing numbers of Australians travelling abroad. The number of Australians travelling overseas is estimated to increase by 700,000 over the next four years.

Australia will provide \$103 million per annum, an increase of \$7 million on 1999-2000, to various organisations under the UN umbrella, such as UN Transitional Administration in East Timor, Comprehensive Nuclear Test Ban Treaty Organisation, UN Educational, Scientific and Cultural Organisation and various UN peacekeeping and observation operations.

AusAID

A high priority in this budget is the foreign policy challenge created by developments in East Timor. In response, the Commonwealth will provide \$150 million in aid to East Timor over four years, \$100 million of which is additional funding, with the remainder drawn from the existing global aid budget. This assistance will focus on long-term development activities.

AusAID's expenses on the delivery of aid to developing countries in cash terms remain relatively constant across the forward estimates period, however, the accrual statements indicate that expenses will increase by \$269 million in 2000-01.

The fluctuations in AusAID's expenses are due to the full expensing of contributions to a range of multi-year agreements in the year the commitments are made, for example, contributions to the World Bank — International Development Association and the Asian Development Fund. While cash payments made to these organisations remain constant, accrual statements will vary substantially between each year.

Australian Trade Commission

Encouraging trade and investment between Australia and foreign countries (\$173 million per annum) and providing financial and other assistance to Australian exporters (\$150 million per annum) comprise the majority of Austrade's expenses.

Austrade's departmental expenses remain constant over the forward estimates period.

Financial support provided to eligible Australian companies under the Export Market Development Grants Scheme (\$150 million per annum) contributes to Australia's trade performance. This programme was previously extended until the 2001-02 financial year. A review of this scheme is currently underway.

Capital Movements

Department of Foreign Affairs and Trade

Currently DFAT has budgeted for negative net capital investment in the budget and forward years, pending the outcome of a review of its medium-term asset replacement strategy. The development of long-term asset replacement strategies is one of the key features of the improvements arising from accrual budgeting.

AusAID

Through a series of capital appropriations, the Government is providing AusAID with a capital injection of approximately \$800 million over four years to extinguish liabilities to the Asia Development Fund, the International Development Association (World Bank), the International Fund for Agriculture Development, the Global Environment Fund and the Nauru Treaty.

Portfolio Overview

As well as conducting Australia's foreign relations, the portfolio focuses on several key objectives, notably the implementation of international agreements covering weapons of mass destruction and the advancement of Australian interests on the international environment agenda. It also vigorously pursues policies that enhance global market access and promote international trade liberalisation, notably working with international organisations such as the World Trade Organisation and Asia Pacific Economic Cooperation.

Assistance provided to 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 contribution to the Bougainville peace and reconstruction process, the portfolio is working for a settlement to the dispute on the island.

The reconstruction in East Timor is also a key focus, as well as the promotion of stability and economic reform in the Pacific Island countries. Australia will also continue to respond to emergency and humanitarian situations.

Material agencies under the portfolio are: the Department of Foreign Affairs and Trade; the Australian Agency for International Development (AusAID); and the Australian Trade Commission (Austrade).

Small agencies under the portfolio are: the Australian Centre for International Agricultural Research; the Australian Secret Intelligence Service, and the Australia-Japan Foundation.

HEALTH AND AGED CARE

Table 15: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Health and Aged Care					
Expenses					
Department of Health and Aged Care					
Administered	23785.3	25586.4	26991.7	28364.7	29741.5
Departmental	712.3	727.0	723.9	720.7	743.3
Health Insurance Commission					
Administered	12161.9	12889.6	13414.3	13969.9	14676.1
Departmental	389.4	383.6	379.4	383.0	387.2
Net capital investment					
Department of Health and Aged Care	-42.8	2.8	-7.2	-6.9	-6.3
Health Insurance Commission	11.5	26.2	9.7	-6.6	2.2
Memorandum item:					
Capital appropriations	51.2	69.4	41.5	47.6	38.5

(a) Data in Table 15 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total. Eliminations for inter-agency transactions within the Health and Aged Care portfolio are around \$12 billion, reflecting grants paid to the Health Insurance Commission.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

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

Trends in Expenses

Department of Health and Aged Care

The expected growth in portfolio expenses from 1999-2000 to 2003-04 reflects the steadily increasing costs of providing access to Medicare, especially for medical benefits, pharmaceutical benefits and hospital funding. Increasing utilisation of services and drugs, a drift to newer and more costly services and drugs, and population growth, mainly drive this growth. Growth also results from Government decisions to increase funding in key areas such as hospital services, regional health and health research.

Of the approximately \$6 billion in growth of expenses from 1999-2000 to 2003-04, the main components are Medical Services and Benefits (\$2 billion), Hospital Services and Health Care Agreements (\$1.5 billion), Pharmaceutical Services and Benefits (\$1.1 billion) and Aged Care (\$1.2 billion).

For the 2000-01 Budget, the key priority for the Health and Aged Care portfolio is ameliorating the difficulties faced by rural and remote Australians in accessing health and aged care services. The Budget introduces an integrated package of measures, the *Regional Health Package — More Doctors, Better Services*, directed at improving access to rural health and aged care services in the near term, with initiatives to ensure the long-term sustainability of that access, at a cost of \$562 million over the coming four years.

In addition, improving access to high quality health and aged care services for all Australians, while ensuring the financial sustainability of the Medicare and Pharmaceutical Benefits Schemes, remains a key portfolio priority. Additional initiatives designed to address quality improvements in health care will also be implemented from 2000-01, and these are outlined in *Budget Paper No. 2 — Budget Measures 2000-01*.

Health Insurance Commission

Trends in expenses for the Health Insurance Commission primarily reflect the flow of medical and pharmaceutical benefits, as described above.

Capital Movements

Department of Health and Aged Care

The Department of Health and Aged Care (DHAC) has planned capital acquisitions for an office fit-out of \$14 million in 2000-01 and \$11 million in each of the forward years. In addition, the Government will provide DHAC with a loan of \$11 million to fund the replacement of corporate information systems.

The decrease in net capital investment in the forward years is due to the outsourcing of the IT function and sale proceeds associated with this programme.

The Government will provide capital appropriations of \$168 million over the Budget and forward years to extinguish outstanding liabilities relating to grant payments.

Health Insurance Commission

The increase in the Health Insurance Commission's net capital investment in 2000-01 is the result of the capitalisation of software previously accounted for as work in progress. The level of capital investment remains steady in the forward years taking into consideration amortisation of software.

Portfolio Overview

The portfolio delivers a diverse set of activities, all focused on achieving Health and Aged Care outcomes. These include national leadership and coordination in population health and safety activities, ensuring access, through Medicare, to high quality primary care, medicines, and (in cooperation with the States and Territories) hospital services, implementing measures to encourage the take-up of private health

insurance, and providing subsidies for residents of aged care facilities based on their care needs.

In addition, the portfolio develops and supports strategies to improve the quality and effectiveness of health care, ensures a coordinated approach to the delivery of health care in rural and remote locations and funds a range of hearing services to eligible people. Further, funding is provided for primary and specialist health services for Aboriginal and Torres Strait Islander people and for research and training in health, including through funding to the National Health and Medical Research Council.

Material agencies under this portfolio are: the Department of Health and Aged Care; and the Health Insurance Commission.

Small agencies under this portfolio are: the Aged Care Standards and Accreditation Agency; the Australia New Zealand Food Authority; the Australian Institute of Health and Welfare; the Australian Radiation Protection and Nuclear Safety Authority; the Private Health Insurance Administration Council; the Private Health Insurance Ombudsman; and the Professional Services Review Scheme.

IMMIGRATION AND MULTICULTURAL AFFAIRS

Table 16: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Immigration and Multicultural Affairs					
Expenses					
Department of Immigration and Multicultural Affairs					
Administered	142.4	141.1	138.2	135.9	137.8
Departmental	631.4	754.3	737.6	768.3	785.5
Net capital investment					
Department of Immigration and Multicultural Affairs	23.1	-7.3	5.0	-1.5	-34.5
Memorandum item:					
Capital appropriations	29.3	75.9	0.0	0.0	0.0

(a) Data in Table 16 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio contributes to Australia's economic, social and international interests through programmes that manage the lawful entry of people into Australia. It also seeks to promote a society that values Australian citizenship, appreciates cultural diversity and enables immigrants to participate equitably.

Trends in Expenses

Department of Immigration and Multicultural Affairs

Increases in expenses from 1999-2000 primarily reflect the costs associated with the significant increase in unauthorised arrivals by boat. In the period June 1999 to March 2000, more than 3,500 unauthorised arrivals by boat entered Australia, compared with a total of 3,100 in the five years to June 1999. Expenses on reception, detention and processing for unauthorised arrivals are estimated to rise by nearly \$140 million during 1999-2000. Based on current patterns, total expenses are expected to increase to at least \$240 million per annum in later years.

The increased departmental expenses also reflect measures adopted in response to the report prepared by Departmental Secretaries, *Unauthorised Arrivals in Australia*, and the Prime Minister's Coastal Surveillance Taskforce, which provided around \$30 million per annum in additional resources to the Department of Immigration and Multicultural Affairs (DIMA) for the extension of the coverage and the intensity of Coastwatch's aerial surveillance and DIMA's offshore compliance activity.

Following a request from the United Nations High Commissioner for Refugees (UNHCR), the Government activated plans on 1 May 1999 to provide temporary safehaven to 4,000 displaced persons from the Kosovo region of the Former Republic of Yugoslavia. The full cost of providing a safehaven to the displaced Kosovars is expected to be almost \$100 million, primarily in 1999-2000. Nearly \$50 million of these expenses will be incurred in DIMA.

In response to a further request from the UNHCR, the Government also provided a safehaven for nearly 2,000 internally-displaced persons from East Timor. The total cost of providing a safehaven to the East Timorese is expected to be around \$40 million, primarily in 1999-2000, with some \$20 million of these expenses to be incurred by DIMA.

Estimates of DIMA's departmental expenses from 2000-01 onwards also reflect the Government's decision to amalgamate the Refugee Review Tribunal (RRT) and the Migration Review Tribunal (MRT) within the new Administrative Review Tribunal to be established from February 2001. The expenses for merits review of migration decisions will then be incurred by the Attorney-General's portfolio, with DIMA to be allocated the resources currently provided to the RRT and the MRT for the purchase of review services on a cost-recovery basis.

The administered expenses of the Department are primarily provided for language and settlement services provided to support immigrants in the community. The increases in administered expenses since the 1999-2000 Budget reflect increased expenses expected under the Adult Migrant English Programme and the provision of safe havens to the displaced Kosovars and East Timorese.

Capital Movements

Department of Immigration and Multicultural Affairs

The change in net capital investment in 1999-2000 and 2000-01 primarily reflects the investment required to expand detention facilities in line with the increase in unauthorised arrivals. During 1999-2000, DIMA invested in the establishment of temporary detention facilities at Woomera in South Australia and Curtin in Western Australia. In 2000-01 the Government will provide a \$3 million equity injection for the capital costs of establishing a new immigration detention facility in the Darwin region.

DIMA will internally fund around \$30 million during 2001-02 and 2002-03 in the continued development of its Integrated Client Service Environment, which aims to replace 10 separate service-orientated computer systems. DIMA's capital replacement strategy for 2003-04 is currently under consideration.

The capital appropriations primarily relate to the provision of resourcing under the workload agreement between DIMA and DOFA. Adjustments to funding arising from workload changes after the preparation of the Additional Estimates bills are appropriated as a capital item in the budget of the following year.

Portfolio Overview

DIMA manages the entry and stay of people in Australia. DIMA is also responsible for the enforcement of immigration law through the prevention, detection and removal of unlawful entrants.

To enable immigrants to participate equitably in Australian society DIMA also provides settlement, translating and interpreting services. In particular, the Adult Migrant English Programme is an integral support element for immigrants and refugees to ensure that they have the capacity to communicate effectively.

DIMA 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 portfolio also ensures that decisions on the migration and refugee status of applicants are fair and balanced by providing independent merit reviews through the MRT and the RRT. The RRT also contributes to ensuring that Australia meets its obligations under international conventions relating to the status of refugees. These roles will be taken over by the Immigration Review Division of the new ART, which is to be established from February 2001. The resourcing for the merits review of migration decisions will be provided through DIMA for the purchase of review services from the ART.

The portfolio has also coordinated the implementation of the Government's humanitarian offer to provide temporary safehaven to displaced people from Kosovo and East Timor. Operation Safehaven drew upon the resources of agencies within the Defence and Health and Aged Care portfolios and a number of State and Territory Governments.

The material agency in this portfolio is the Department of Immigration and Multicultural Affairs.

Small agencies in the portfolio are: the Migration Review Tribunal and the Refugee Review Tribunal.

INDUSTRY, SCIENCE AND RESOURCES

Table 17: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Industry, Science and Resources					
Expenses					
Department of Industry, Science and Resources					
Administered	902.5	778.8	770.2	708.0	628.7
Departmental	248.4	245.6	238.5	241.3	246.9
Australian Nuclear Science and Technology Organisation					
Departmental	111.5	115.3	119.8	123.5	118.5
Australian Sports Commission					
Departmental	117.2	99.3	89.6	93.3	94.2
Australian Tourist Commission					
Departmental	134.3	130.0	131.3	115.9	118.5
Commonwealth Scientific and Industrial Research Organisation					
Departmental	758.8	772.8	797.7	820.7	829.3
Net capital investment					
Department of Industry, Science and Resources	24.5	-2.0	-0.4	1.3	-6.4
Australian Nuclear Science and Technology Organisation	11.8	55.7	80.5	99.0	78.1
Australian Sports Commission	-1.6	-3.6	-3.9	-4.7	-4.7
Australian Tourist Commission	-0.3	-0.3	-1.0	-0.8	-0.6
Commonwealth Scientific and Industrial Research Organisation	-11.4	63.1	25.9	-54.0	0.5
Memorandum item:					
Capital appropriations	136.6	116.6	137.1	134.1	105.1

(a) Data in Table 17 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio develops and administers policies and programmes that aim to benefit Australians and Australian industries. It promotes activities that increase the international competitiveness of industries and develops Australia's innovative, scientific and technological capability. It also encourages excellence in sports performance and participation.

Trends in Expenses

Department of Industry, Science and Resources

Estimated expenses for the Department of Industry Science and Resources (DISR) decline over the Budget and forward years, predominantly due to the effect of recent sharp increases in world oil prices. These rises have resulted in a significant increase in offshore petroleum royalties and consequential payments to the Western Australian Government. For estimates purposes it has been assumed that oil prices will fall back over the forward years. Consequently, estimated payments to Western Australia for their share of the royalties are estimated to be \$340 million in 1999-2000, \$221 million in 2000-01 and around \$180 million in the remaining forward years.

In response to increases in the number and quality of proposals for commercialisation of research and development coming forward under the *Industry Innovation Programme*, expense estimates have been brought forward for assistance provided to small and medium enterprises. Expenses are now in the order of \$155 million per annum and are estimated to decline to around \$80 million by 2003-04.

Expenditure on other major programmes are expected to increase over the forward years:

- Expenses are estimated to rise sharply over the Budget and forward years in the *Textile Clothing Footwear Strategic Investment Programme*. The Government will provide \$680 million to the scheme over its five years, with expenses estimated to be \$15 million in 2000-01;
- the Government is providing \$292 million over five years to companies participating in the *Pharmaceutical Industry Investment Programme (PIIP)*, which replaced the previous Pharmaceutical Factor F Scheme in 1999-2000. PIIP is estimated to provide over \$60 million per annum to participating companies in the forward years; and
- funding for the *Printing Industry Competitiveness Scheme (PICS)* is estimated to increase by \$48 million over four years, as part of the Government's \$240 million *Book Industry Assistance Plan*.

DISR's departmental expenses are estimated to remain broadly unchanged over the Budget and forward years. An increase of \$27 million between 2001-02 and 2003-04 for the *National Biotechnology Strategy* will be partially offset by a reduction in the price of outputs following the pricing review conducted in 1999-2000.

Australian Nuclear Science and Technology Organisation

The expense pattern in the forward years rises slightly. While there are several small influences contributing to this trend, it mainly reflects price rises and the continuation of long-term trends associated with the demand for its services.

Australian Sports Commission

Following a spike in estimated expenditure due to the provision of funding for the Olympic Athletes' Programme, which provides funding to assist elite athletes in their preparations for the 2000 Olympics and Paralympics, expenses are estimated to increase slightly in the outyears.

Australian Tourist Commission

The \$15 million reduction in estimated expenses from 2002-03 reflects the cessation of the Australian Tourist Commission's current four-year \$42 million marketing and promotions campaign.

Commonwealth Scientific and Industrial Research Organisation

The increase in estimated expenses for the CSIRO is mainly attributable to two factors. To ensure that the sale and leaseback of six properties does not adversely affect the level of research, the Government has agreed to supplement CSIRO's base funding for the cost of the sales, rent and other net ongoing property costs. Additionally, expenses are trending slightly upwards in line with predicted increases in non-appropriation revenue for research and scientific activities.

Capital Movements

Department of Industry, Science and Resources

Capital appropriations to DISR largely reflect the purchase of gas to liquids technology in 1999-2000. Also, 1999-2000 includes a loan to Australian Leather Holdings Pty Ltd (\$14 million). The balance of movements is explained by the fluctuations in investments and loans under various administered programmes.

Australian Nuclear Science and Technology Organisation

The increase in net capital investment by the Australian Nuclear Science and Technology Organisation is due to the provision by the Government of a capital appropriation of \$326 million over nine years to fund the construction of a replacement research reactor at Lucas Heights.

Commonwealth Scientific and Industrial Research Organisation

In addition to normal investment on research plant and equipment, CSIRO's capital investment will be significantly higher in 2000-01 due to the completion of three major building projects — North Ryde NSW (\$30 million), Pinjarra Hills Queensland (\$23 million), and Bentley Western Australia (\$38 million).

CSIRO's property portfolio and property management was independently reviewed in the context of the Commonwealth's Property Principles. Following the review, sales are expected to return \$107 million over the forward estimates period. (\$23 million in 2000-01, \$31 million in 2001-02 and \$54 million in 2002-03).

Portfolio Overview

DISR delivers a range of programmes, including assistance to the pharmaceutical industry, the Technology Diffusion Programme, R&D Start, Cooperative Research Centres, the Innovation Investment Fund and other industrial programmes. The Department also provides scientific business services through the Australian Surveying and Land Information Group and the Australian Government Analytical Laboratories.

The portfolio includes three science research agencies — the Australian Institute of Marine Science, the Australian Nuclear Science and Technology Organisation and the Commonwealth Scientific and Industrial Research Organisation. It also supports a scientific business service agency, the Australian Geological Survey Organisation.

The National Standards Commission promotes the international competitiveness of Australian industry by coordinating a national system of physical measurements.

The Australian Tourist Commission promotes Australia as a holiday destination overseas, while also protecting Australia from adverse impacts of international tourism.

IP Australia seeks to ensure that Australians benefit from intellectual property by granting patents, trademarks and designs.

The Australian Sports Commission develops programmes that deliver a national sports infrastructure, improved participation and excellence in sports performance. The Australian Sports Drug Agency aims to deter athletes from contravening banned doping regulations by conducting drug testing and awareness programmes.

Material agencies under the portfolio are: the Department of Industry, Science and Resources; the Australian Nuclear Science and Technology Organisation; the Australian Sports Commission; the Australian Tourist Commission; and the Commonwealth Scientific and Industrial Research Organisation.

Small agencies under the portfolio are: the Australian Geological Survey Organisation; the Australian Institute of Marine Science; the Australian Sports Drug Agency; IP Australia; and National Standards Commission.

PRIME MINISTER AND CABINET

Table 18: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Prime Minister and Cabinet					
Expenses					
Department of Prime Minister and Cabinet					
Administered	21.5	26.3	21.0	19.0	7.8
Departmental	71.4	60.4	61.1	48.1	48.5
Aboriginal and Torres Strait Islander Commission					
Administered	83.8	84.2	85.0	86.3	87.7
Departmental	987.0	1019.7	1074.4	1103.1	1132.7
Net capital investment					
Department of Prime Minister and Cabinet	1.1	-0.2	-0.1	-0.2	-0.2
Aboriginal and Torres Strait Islander Commission	-3.3	-0.9	-0.9	-0.9	0.0
Memorandum item:					
Capital appropriations	93.8	87.4	90.2	92.1	94.4

(a) Data in Table 18 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio produces a range of outputs directed at achieving well-coordinated, efficient and accountable public administration, supported by a values-based Australian Public Service. The portfolio also seeks to achieve equity for Indigenous Australians in cultural, social and economic terms.

Trends in Expenses

Department of Prime Minister and Cabinet

Departmental expenses in the Department of Prime Minister and Cabinet (PM&C) rose in 1999-2000, reflecting the costs relating to the referendum held on 6 November 1999.

In the 2000-01 Budget, the Government has provided \$16 million in each of 2000-01 and 2001-02 for the planning and staging of the 2001 Commonwealth Heads of Government Meeting in Brisbane. An amount of \$5 million over two years will be allocated to administered expenses for a contribution to the Queensland Government for general security costs.

Administered expenses also reflect resources currently committed to programs managed by the Office of the Status of Women, including the continuation of the successful Partnerships Against Domestic Violence programme. The administered

expenses also provide for the expected costs of litigation regarding the Separated Indigenous Children and the Hindmarsh Island Bridge, and the costs of visiting dignitaries.

Aboriginal and Torres Strait Islander Commission

The steady increase in Departmental expenses for the Aboriginal and Torres Strait Islander Commission (ATSIC) primarily reflects funding for the Community Housing and Infrastructure Programme and the Community Development Employment Projects (CDEP) Scheme. In this Budget the Government has provided additional resources to ATSIC to expand the CDEP scheme by 1,425 participant places in addition to the growth of 550 participant places per year provided on an ongoing basis. The participants in the CDEP will also receive compensation under the arrangements included in *The New Tax System*, equivalent to that provided to people in receipt of income support payments through the Family and Community Services portfolio.

The administered expenses of the Commission reflect the ongoing resourcing arrangements for the Indigenous Land Corporation and the Aboriginal Benefits Account.

Capital Movements

The capital funding for ATSIC, highlighted under the memorandum item in Table 5 above, reflects the provision of an annual capital injection by the Government of approximately \$90 million for the Indigenous Land Fund. The establishment of the Indigenous Land Fund forms part of the Government's response to decisions by the High Court of Australia relating to native title. The fund will be built up by a series of capital injections to become a self-sustaining capital fund by 30 June 2004. From that time on, the fund is intended to provide an ongoing and secure source of resources to the Indigenous Land Corporation to assist Indigenous people to buy and manage land in a sustainable manner.

Portfolio Overview

Key policy activities for the portfolio during 2000-01 include taxation reform, the negotiation of further Comprehensive Regional Assessments and Regional Forest Agreements and the Sydney 2000 Olympic and Paralympic Games. Issues related to the status of women, and Aboriginal reconciliation and legislative reform on Indigenous issues, including *Aboriginal Land Rights (Northern Territory) Act 1976* and the *Aboriginal and Torres Strait Islander Heritage Protection Act 1984* also remain key priorities.

The portfolio is also responsible for the planning and staging of the 2001 Commonwealth Heads of Government Meeting in Brisbane.

The Department provides economic, social and international policy advice as well as coordination and support services for the Prime Minister, other portfolio Ministers, Cabinet and its Committees.

A range of portfolio bodies, including ATSIC, undertake planning, development and direct delivery of services across a range of activities relating to Aboriginal and Torres Strait Islanders. These are aimed at improving health, education, employment and economic development. A significant proportion of these activities is undertaken in regional and remote Australia.

Material agencies in the portfolio are: the Department of the Prime Minister and Cabinet and the Aboriginal and Torres Strait Islander Commission.

Small agencies in the portfolio are: the Aboriginal and Torres Strait Islander Commercial Development Corporation, Aboriginal Hostels Limited, Australian Institute of Aboriginal and Torres Strait Islander Studies, Australian National Audit Office, Indigenous Land Corporation, Office of National Assessments, Office of the Commonwealth Ombudsman, Office of the Official Secretary to the Governor General, the Public Service and Merit Protection Commission and the Torres Strait Regional Authority.

TRANSPORT AND REGIONAL SERVICES

Table 19: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Transport and Regional Services					
Expenses					
Department of Transport and Regional Services					
Administered	2634.3	2642.6	2842.6	2540.6	2486.0
Departmental	178.6	169.1	169.7	163.3	165.6
Civil Aviation Safety Authority					
Departmental	92.3	91.0	86.8	88.8	94.2
Net capital investment					
Department of Transport and Regional Services	13.0	-25.4	-2.5	-11.6	-15.1
Civil Aviation Safety Authority	-1.8	6.5	3.9	2.1	0.2
Memorandum item:					
Capital appropriations	44.7	13.7	0.0	0.0	0.0

(a) Data in Table 19 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio delivers transport and regional services which link the Australian community and contribute to its prosperity, accessibility, environmental sustainability and safety.

Trends in Expenses

Department of Transport and Regional Services

Total expenses are expected to decline slightly in real terms in 2000-01, due largely to one-off expenses in 1999-2000 that were associated with the Maritime Industry Finance Company's funding of redundancies, together with some early payments under the roads programme.

Administered expenses are expected to increase in 2001-02, largely as a result of an increase in final year Federation Fund spending, the Mainland Interstate Rail Track upgrade programme and increased road funding associated with Geelong Road (\$100 million over 2001-02 and 2002-03). However, other expenses decline from 2000-01 to 2001-02 by about \$51 million, mainly due to the finalisation of the expense associated with the Sydney Airport Noise Amelioration programme.

From 2002-03 there are changes in expenses for Grants to States and Territories. These reflect the culmination of \$101 million of Federation Fund projects. The Local

Government Financial Assistance Grants continue, with nominal increases through to 2003-04 due to the maintenance of payments in real (GST excluded) per capita terms. The ongoing CPI estimate (excluding the estimated impact of indirect tax reform) will be used for indexation purposes. Since government agencies, including local government, are able to claim input tax credits they will not pay GST on their purchases and there is no need to increase funding by the GST factor in the CPI to maintain buying power.

New measures include *Year 2002 — Year of the Outback* and *Adelaide Airport Noise Amelioration*. The *Adelaide Airport Noise Amelioration* programme is expected to cost \$10 million in 2000-01, \$24 million in 2001-02, \$24 million in 2002-03, and \$6 million in 2003-04. This cost is to be offset over an 11-year period by the extension of the application of the *Aircraft Noise Levy Collection Act (1995)* in 2000-01 to jet aircraft landing at Adelaide Airport.

One-off expenses in 1999-2000 associated with the Maritime Industry Finance Company's funding of redundancies is the main cause of movement of expenses on Sea Transport, with ongoing expenses representing continuation of the Bass Strait schemes. Variability in the rail expenses mainly represents payments for the proposed Darwin Alice Springs railway and the Mainland Interstate Rail Track Upgrade. The decline in Air Transport expenses from \$101 million to \$8 million over the forward estimates primarily reflects one-off payments for Adelaide Airport and Flinders Island Airport together with the completion of the Sydney Airport Noise Amelioration programme.

Expenses are expected to peak in 2001-02 for Road Transport, Urban and Regional Development and Assistance to other Governments. This is the result of one-off funding for Roads of National Importance such as the Geelong Road, maturing of the Rural Transaction Centre Programme and the completion of the Federation Fund programme.

Civil Aviation Safety Authority

The Civil Aviation Safety Authority's (CASA) expenses are expected to decline due to improved operational efficiencies from restructuring, but increase in 2003-04 due to increased depreciation expenses and work-in-progress associated with capital investment, mainly in information technology.

Capital Movements

Department of Transport and Regional Services

The Department will undertake capital expenditure of \$22 million in 2000-01 and \$69 million over the next four years for capital works projects on Cocos (Keeling) and Christmas Islands. This supports the Government's objective of bringing public infrastructure in the Indian Ocean Territories up to mainland standards, in line with recommendations in the Commonwealth Grants Commission's December 1999 report on the Indian Ocean Territories. The expenditure will be largely internally funded.

Capital appropriations in 1999-2000 and the Budget year include an appropriation of previous years carryovers, an injection to settle land acquisitions for a possible airport at Badgery's Creek, and final equity payments (\$4 million in 2000-01) for the Indian Ocean Territories capital works programme that was instituted in previous years.

The Department is yet to finalise a capital asset replacement strategy which, together with the one-off sale of information technology assets associated with outsourcing will contribute to a decrease in net capital investment in the Budget and forward years.

Civil Aviation Safety Authority

CASA will internally fund non-financial asset purchases of \$10 million in 2000-01 and, in total, \$30 million over the next four years.

Portfolio Overview

The Department of Transport and Regional Services aims to improve the efficiency of transport facilities, including the development of an effective integrated transport system. In particular, the Department strives to enhance regional and remote communities' access to services. The Department also provides regulatory, investigative and safety services to the community and collects revenue from a number of sources on behalf of the Commonwealth.

CASA is responsible for aviation standards, compliance and promotion.

Material agencies under the portfolio are: the Department of Transport and Regional Services; and the Civil Aviation Safety Authority.

Small agencies under the portfolio are: the National Capital Authority; and the Australian Maritime Safety Authority.

TREASURY

Table 20: Summary of Expenses and Net Capital Investment^(a)

	1999-00	2000-01	2001-02	2002-03	2003-04
	\$m	\$m	\$m	\$m	\$m
Treasury					
Expenses					
Department of the Treasury					
Administered	17993.2	1764.2	4044.3	2588.1	2018.5
Departmental	109.7	101.8	94.8	96.8	99.4
Australian Bureau of Statistics					
Departmental	256.1	280.2	370.6	279.2	269.3
Australian Securities and Investment Commission					
Administered	6.0	23.0	22.0	22.0	19.0
Departmental	144.1	139.9	138.7	138.4	138.6
Australian Taxation Office					
Administered	2347.2	3455.6	3783.3	3970.2	4154.1
Departmental	1700.5	1833.9	1682.7	1636.7	1615.8
Australian Office of Financial Management					
Administered	6545.2	8680.0	7990.9	8146.6	7947.4
Departmental	2.7	5.5	5.7	5.8	5.7
Net capital investment					
Department of the Treasury	4.1	4.5	-2.9	-2.6	-0.5
Australian Bureau of Statistics	-10.1	-5.6	14.9	-12.3	-3.5
Australian Securities and Investment Commission	-5.1	-3.6	-4.7	-4.1	-3.3
Australian Taxation Office	56.7	104.8	12.9	-35.7	-28.7
Australian Office of Financial Management	-0.1	4.0	-0.2	-0.2	-0.2
Memorandum item:					
Capital appropriations	438.9	1799.4	59.7	35.5	13.1

(a) Data in Table 20 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio provides policy advice to the Government with the aim of achieving strong, sustainable economic growth and the improved wellbeing of Australians.

Trends in Expenses

Major developments in portfolio expenses and funding relate to the implementation of the Government's tax reform initiatives, and costs associated with conducting the Commonwealth census in 2001. This increase in expenses is offset by changes in the Commonwealth/State financial relations set out in *The New Tax System* and reductions in public debt interest, reflecting a projected reduction in the Commonwealth's debt.

The increase in expenses between 1999-2000 and 2001-02 in the Treasury portfolio estimates is largely due to the impact of the Government's reforms to the taxation system and Commonwealth-State financial relations.

Treasury

The reduction in expenses is largely due to the changes resulting from *The New Tax System*. Under the revised arrangements the States and Territories will receive all the revenue from the GST in return for the abolition of Financial Assistance Grants to the States and Territories and the removal of a range of State and Territory taxes. GST revenue will not be shown in budgetary terms as an expense to the Commonwealth as it is considered to be a State tax.

The reduction in expenses is partially offset by increases in grants to balance State and Territory budgets as a result of the amendments to the tax reform programme. These included the GST exemption of basic food and some health and education items. The Commonwealth guarantee that the budgetary position of each State and Territory will be no worse off in the initial years following the introduction of the GST is met by providing budget balancing advances and grants to the States and Territories.

In 2000-01, the Government will establish a non-statutory Board of Taxation to continue the consultative arrangements that commenced in the Review of Business Taxation. The Department of the Treasury will be provided with additional funding of \$23 million over four years to administer the board.

Australian Bureau of Statistics

Departmental expenses are projected to increase by approximately \$100 million in 2001-02 to cover the cost of conducting the 2001 Census. The Australian Bureau of Statistics (ABS) is receiving additional funding of \$11 million over three years to implement the Government's decision to provide a Centenary of Federation gift to the nation in the form of named-identified census information, to be made available to the community in 2100.

Australian Securities and Investments Commission

The Australian Securities and Investments Commission's (ASIC) appropriation and expenses have increased by \$13 million per annum as a result of the transfer of responsibility for administering unclaimed moneys for non-bank Authorised Deposit-Taking Institutions (ADIs) from the States and Territories and bank ADIs from the Department of the Treasury.

Australian Taxation Office

Expenses for the Australian Taxation Office (ATO) have largely increased between 1999-2000 and 2000-01 because of the establishment of the Diesel and Alternative Fuels Grants Scheme and the DFRS. Expenses also increased as a result of the introduction of the *Fuels Sales Grants Scheme*, estimated to cost \$490 million over four years. The ATO has also received additional funding from 2000-01 onwards to implement the *Business*

Tax Reforms programme (\$44 million over two years), the changes to GST for food, health and education services made GST free in *The New Tax System (Goods and Services Tax) Act 1999* (\$60 million per annum) and the grants schemes outlined above (\$250 million over three years).

Expenses also increase in 2000-01 due to the change in the accounting treatment of the DFRS which is currently shown as an offset to revenue rather than an expense. To improve the transparency of the Commonwealth's financial transactions, from 2000-01 funding for the scheme will now be shown as an expense rather than an offset to revenue. This change in accounting treatment will increase the estimates for taxation revenue and expenses by approximately \$2 billion per annum.

Australian Office of Financial Management

The increase in appropriation revenue for the Australian Office of Financial Management (AOFM) is due to the change in accounting treatment of cash flows associated with management of the Commonwealth's debt. This will now be reflected in the AOFM's Statement of Revenue and Expenses rather than as a capital injection in the Statement of Assets and Liabilities, which will improve the transparency of the Commonwealth's financial transactions. AOFM interest and other financing expenses are projected to decline over the forward estimates as the Commonwealth retires debt.

Capital Movements

Treasury

The sharp increase in the Treasury's capital appropriations in 2000-01 relates to the Commonwealth's commitment that the State and Territories will be no worse off under the implementation of *The New Tax System*. The States and Territories will be advanced \$1.7 billion in 2000-01, which will be repayable without interest.

Australian Taxation Office

The Government is providing capital appropriations to the ATO to develop computer software for implementation of the *Business Tax Reform* measures and the *Fuels Sales Grants Scheme*.

The reduction in net capital investment in 2002-03 and 2003-04 reflects the acceleration of planned capital investment on computer software during 2000-01 to enable the ATO to deliver *A New Tax System — Measures for a Better Environment* and *Business Tax Reform*.

Portfolio Overview

The portfolio includes a number of agencies such as the Royal Australian Mint, the ABS and the ATO. Other bodies monitor and regulate the Australian business community at large. AOFM enhances the Commonwealth's capacity to manage its net debt portfolio.

Material agencies under the portfolio are: the Department of the Treasury; the Australian Bureau of Statistics; the Australian Securities and Investments Commission; the Australian Taxation Office; and the Australian Office of Financial Management.

Small agencies under the portfolio are: the Australian Competition and Consumer Commission; the Australian Prudential Regulation Authority; the Companies and Securities Advisory Committee; the National Competition Council; and the Productivity Commission.

VETERANS' AFFAIRS

Table 21: Summary of Expenses and Net Capital Investment^(a)

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Veterans' Affairs					
Expenses					
Department of Veterans' Affairs					
Administered	7406.7	8197.5	8301.1	8611.1	8764.8
Departmental	250.0	254.9	253.4	253.1	257.9
Net capital investment					
Department of Veterans' Affairs	13.2	8.3	2.3	2.3	3.4
Memorandum item:					
Capital appropriations	8.7	10.4	5.5	4.3	4.4

(a) Data in Table 21 relate to material agencies only and due to payments between agencies within the portfolio these numbers should not be added to form a total.

Note: Further information can be obtained from the Portfolio Budget Statement.

Summary of Major Developments in Portfolio Expenses and Net Capital Investment

The portfolio is responsible for fulfilling Australia's obligations to war veterans and their dependants. It recognises the achievements and sacrifice of those men and women who served Australia and its allies in war, defence and peacekeeping services and ensures that they are acknowledged and commemorated.

Trends in Expenses

Expenses are increasing overall due to the ageing of the veteran population with greater consequent demands on services provided by the Department. The population remains relatively stable as the expected reduction in the number of veterans is offset by an increased number of war widows and widowers.

Expenses have also increased due to the introduction of new measures in the Budget, and with the transfer of responsibility for the administration of the Military Compensation and Rehabilitation Service from the Department of Defence to the Department of Veterans' Affairs (DVA).

The Commonwealth will incur expenses of \$255 million in 2000-01 to support veterans, war widows, widowers and other dependants. Estimates include a four per cent increase in pensions and allowances granted through the implementation of *The New Tax System*.

Administered expenses relating to compensation and income support are expected to be \$5.3 billion in 2000-01. Expenses are expected to remain reasonably stable over the forward years as the expected reduction in the number of service and disability

pensioners is countered by an increased number of war widows and widowers and pension increases.

Administered expenses for health and other care services are estimated to increase from \$2.8 billion in 2000-01 to around \$3.4 billion in 2003-04, mainly due to the ageing of the veteran population.

Following a *Review of Service Entitlement Anomalies with Respect to South-East Asian Service 1955-75*, the Government will extend repatriation benefits and medals to certain deployments to South-East Asia in the period 1955-75 (\$16 million in 2000-01, \$36 million in 2001-02, \$37 million in 2002-03 and \$37 million in 2003-04).

Capital Movements

The Government will provide DVA with a capital injection of \$18 million over four years for the *Managing Health Care Information* Initiative. This injection funds the third and final stage of the development of a comprehensive database on veterans' health care. The initiative will deliver improved management of veterans' health expenditure and improved identification of veterans' health requirements, which will lead to a reduction in expenses over the Budget and forward years.

The Government is also providing DVA a further capital injection of \$3 million in 2000-01 for the partial alignment of disability and service pension payments with income support payments through the *Change the date of effect for grants and variations to compensation payments* measure.

Portfolio Overview

The portfolio ensures that the needs of war veterans, their war widows and widowers and dependants are identified and the veteran community is well informed of services available to them. It provides access to appropriate compensation and income support, health and other care services in recognition of the effects of war service.

Responsibility for the administration of the Military Compensation and Rehabilitation Service, which deals with the claims and rehabilitation services for current and former members of the Australian Defence Force who have been injured in the course of their service, has been transferred to DVA. Funding for the administration of this scheme will be transferred from the Department of Defence.

The Australian War Memorial (AWM) helps Australians to remember, interpret and understand the Australian experience of war and its enduring impact on Australian society. The AWM also maintains war graves in Australia and overseas.

Material agencies under the portfolio: the Department of Veterans' Affairs.

Small agencies under the portfolio: the Australian War Memorial.

CONTINGENCY RESERVE

Table 22: Summary of Expenses and Net Capital Investment

	1999-00	2000-01	2001-02	2002-03	2003-04
	\$m	\$m	\$m	\$m	\$m
Contingency Reserve					
Expenses	-60.4	273.8	1959.9	3596.3	5330.2
Net capital investment	0.0	56.4	209.7	148.2	397.5

The Contingency Reserve is the means of ensuring that the aggregate estimates are robust and based on the best information available at the time of publication.

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 that 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.

Appendix A: Expenses Statistics

Table A1: Total General Government Expenses by Agency^(a)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	1379	1323	1322	1317	1357
Australian Wool Research and Promotion Organisation	120	119	120	130	127
Grains Research and Development Corporation	104	103	99	96	93
Attorney-General's					
Attorney-General's Department	396	465	448	440	445
Australian Customs Service	583	626	632	642	649
Australian Federal Police	424	366	345	327	329
Family Court of Australia	122	113	114	115	113
Communications, Information Technology and the Arts					
Department of Communications, Information Technology and the Arts	693	639	644	465	420
Australian Broadcasting Corporation	661	683	714	736	753
Special Broadcasting Service Corporation	129	131	131	134	132
Defence					
Department of Defence	13213	13564	13661	14152	14773
Defence Housing Authority	245	261	279	281	275
Education, Training and Youth Affairs					
Department of Education, Training and Youth Affairs	11170	11552	11993	12473	12962
Employment, Workplace Relations and Small Business					
Department of Employment, Workplace Relations and Small Business	1490	1734	1726	1774	1762
Comcare	141	160	174	178	189
Environment and Heritage					
Department of Environment and Heritage	816	883	847	450	444
Family and Community Services					
Department of Family and Community Services	48842	55932	56316	58432	60449
Centrelink	1717	1753	1716	1680	1655

Table A1: Total General Government Expenses by Agency^(a) (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Finance and Administration					
Department of Finance and Administration	4613	4160	3892	3805	3687
Australian Electoral Commission	161	104	185	96	98
Office of Asset Sales and IT Outsourcing	33	15	0	0	0
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	805	787	788	799	829
Australian Agency for International Development	1228	1497	1571	1297	1351
Australian Trade Commission	331	331	332	180	180
Health and Aged Care					
Department of Health and Aged Care	24498	26313	27716	29085	30485
Health Insurance Commission	12551	13273	13794	14353	15063
Immigration and Multicultural Affairs					
Department of Immigration and Multicultural Affairs	774	895	876	904	923
Industry, Science and Resources					
Department of Industry, Science and Resources	1151	1024	1009	949	876
Australian Nuclear Science and Technology Organisation	112	115	120	124	118
Australian Sports Commission	117	99	90	93	94
Australian Tourist Commission	134	130	131	116	118
Commonwealth Scientific and Industrial Research Organisation	759	773	798	821	829
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	93	87	82	67	56
Aboriginal and Torres Strait Islander Commission	1071	1104	1159	1189	1220
Transport and Regional Services					
Department of Transport and Regional Services	2813	2812	3012	2704	2652
Civil Aviation Safety Authority	92	91	87	89	94
Treasury					
Department of the Treasury	18103	1866	4139	2685	2118
Australian Bureau of Statistics	256	280	371	279	269
Australian Securities and Investment Commission	150	163	161	160	158
Australian Taxation Office	4048	5290	5466	5607	5770
Australian Office of Financial Management	6548	8685	7997	8152	7953

Table A1: Total General Government Expenses by Agency^(a) (continued)

	Estimates		Projections		
	1999-00	2000-01	2001-02	2002-03	2003-04
	\$m	\$m	\$m	\$m	\$m
Veterans' Affairs					
Department of Veterans' Affairs	7657	8452	8554	8864	9023
Small Agencies	3404	3584	3529	3541	3544
Whole of Government and Inter-Agency amounts(a)	-15354	-18606	-17410	-16356	-15375
TOTAL EXPENSES	158392	153732	159728	163424	169061

(a) Estimates of inter-agency transactions are included in the Whole of Government and inter-agency entity. The entry for each portfolio does not include eliminations for inter-agency transactions within that portfolio. The estimated \$17.9 billion of eliminations in the Budget year includes around \$12 billion in the Health and Aged Care portfolio, reflecting the grants paid to the Health Insurance Commission; \$1.7 billion in the Family and Community Services portfolio, reflecting expenses paid to Centrelink; and \$270 million in the Defence portfolio, reflecting expenses paid to the Defence Housing Authority (DHA).

Table A2: Total Departmental Expenses by Agency^{(a)(b)}

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	336	309	311	285	289
Australian Wool Research and Promotion Organisation	120	119	120	130	127
Grains Research and Development Corporation	104	103	99	96	93
Attorney-General's					
Attorney-General's Department	236	225	217	209	204
Australian Customs Service	582	626	631	641	649
Australian Federal Police	416	366	345	327	329
Family Court of Australia	122	113	114	115	113
Communications, Information Technology and the Arts					
Department of Communications, Information Technology and the Arts	161	159	147	139	139
Australian Broadcasting Corporation	661	683	714	736	753
Special Broadcasting Service Corporation	129	131	131	134	132
Defence					
Department of Defence	11510	11804	11853	12281	12747
Defence Housing Authority	245	261	279	281	275
Education, Training and Youth Affairs					
Department of Education, Training and Youth Affairs	218	220	211	221	225
Employment, Workplace Relations and Small Business					
Department of Employment, Workplace Relations and Small Business	370	377	375	381	383
Comcare	141	160	174	178	189
Environment and Heritage					
Department of Environment and Heritage	442	460	461	422	416
Family and Community Services					
Department of Family and Community Services	2057	2164	2134	2098	2081
Centrelink	1717	1753	1716	1680	1655

Table A2: Total Departmental Expenses by Agency^{(a)(b)} (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Finance and Administration					
Department of Finance and Administration	465	324	317	312	310
Australian Electoral Commission	161	104	149	96	98
Office of Asset Sales and IT Outsourcing	33	15	0	0	0
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	684	663	668	681	711
Australian Agency for International Development	69	68	68	67	68
Australian Trade Commission	176	180	182	179	180
Health and Aged Care					
Department of Health and Aged Care	712	727	724	721	743
Health Insurance Commission	389	384	379	383	387
Immigration and Multicultural Affairs					
Department of Immigration and Multicultural Affairs	631	754	738	768	786
Industry, Science and Resources					
Department of Industry, Science and Resources	248	246	238	241	247
Australian Nuclear Science and Technology Organisation	112	115	120	124	118
Australian Sports Commission	117	99	90	93	94
Australian Tourist Commission	134	130	131	116	118
Commonwealth Scientific and Industrial Research Organisation	759	773	798	821	829
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	71	60	61	48	48
Aboriginal and Torres Strait Islander Commission	987	1020	1074	1103	1133
Transport and Regional Services					
Department of Transport and Regional Services	179	169	170	163	166
Civil Aviation Safety Authority	92	91	87	89	94
Treasury					
Department of the Treasury	110	102	95	97	99
Australian Bureau of Statistics	256	280	371	279	269
Australian Securities and Investment Commission	144	140	139	138	139
Australian Taxation Office	1700	1834	1683	1637	1616
Australian Office of Financial Management	3	6	6	6	6

Table A2: Total Departmental Expenses by Agency^{(a)(b)} (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Veterans' Affairs					
Department of Veterans Affairs	250	255	253	253	258
Small Agencies	3404	3584	3529	3541	3544
Whole of Government and Inter-Agency amounts(a)	-42	-42	-42	-42	-42
TOTAL DEPARTMENTAL EXPENSES	31415	32112	32057	32268	32819

- (a) Estimates of inter-agency transactions are included in Whole of Government and inter-agency amounts.
- (b) The difference between the figures in Table A2 above and the figures in Table A1 equals administered expenses by agency.

Table A3: Estimates of Average Staffing Level (ASL) of Agencies in the Commonwealth General Government Sector

	Average Staffing Levels		
	1999-00 Estimate	2000-01 Estimate	Change
Agriculture, Fisheries and Forestry			
Department of Agriculture, Fisheries and Forestry	2881.3	2758.0	-123.3
Australian Dried Fruits Board	1.0	1.0	-
Australian Fisheries Management Authority	101.0	114.0	13.0
Australian Horticultural Corporation	22.0	24.0	2.0
Australian Pork Corporation	55.0	55.0	-
Australian Wine and Brandy Corporation	31.0	35.0	4.0
Australian Wool Research and Promotion Organisation(a)	322.0	322.0	-
Cotton Research and Development Corporation	7.0	7.6	0.6
Dairy Research and Development Corporation	21.0	21.0	-
Fisheries Research and Development Corporation	9.0	9.0	-
Forest and Wood Products Research and Development Corporation	6.0	7.0	1.0
Grains Research and Development Corporation	33.0	35.0	2.0
Grape and Wine Research and Development Corporation	6.0	7.0	1.0
Horticultural Research and Development Corporation	18.4	18.0	-0.4
Land and Water Resources Research and Development Corporation	20.0	25.0	5.0
National Registration Authority for Agricultural and Veterinary Chemicals	112.0	112.0	-
Pig Research and Development Corporation	11.0	12.0	1.0
Rural Industries Research and Development Corporation	16.0	16.0	-
Sugar Research and Development Corporation	7.0	7.0	-
Tobacco Research and Development Corporation	0.5	0.5	-
Wheat Export Authority	6.0	7.0	1.0
<i>Total</i>	3686.2	3593.1	-93.1
Attorney-General's			
Attorney-General's Department	1527.9	1437.1	-90.8
Administrative Appeals Tribunal	161.0	163.0	2.0
Australian Customs Service	3833.0	4354.0	521.0
Australian Federal Police	2888.0	2914.0	26.0
Australian Institute of Criminology	40.0	43.0	3.0
Australian Law Reform Commission	22.0	22.0	-
Australian Secret Intelligence Organisation	537.2	538.8	1.6
Australian Transaction Reports and Analysis Centre (Austrac)	67.0	69.0	2.0
Criminology Research Council	0.5	1.0	0.5
Family Court of Australia	800.0	720.0	-80.0
Federal Court of Australia	310.0	310.0	-
High Court of Australia	83.0	83.0	-
Human Rights and Equal Opportunity Commission	128.0	123.0	-5.0

Table A3: Estimates of Average Staffing Level (ASL) of Agencies in the Commonwealth General Government Sector (continued)

	Average Staffing Levels		
	1999-00 Estimate	2000-01 Estimate	Change
Attorney-General's (continued)			
National Crime Authority	285.0	306.0	21.0
National Native Title Tribunal	226.0	208.0	-18.0
Office of Film and Literature Classification	45.0	50.0	5.0
Office of Parliamentary Counsel	40.0	42.0	2.0
Office of the Director of Public Prosecutions	415.0	415.0	-
<i>Total</i>	11408.6	11798.9	390.3
Communications, Information Technology and the Arts			
Department of Communications, Information Technology and the Arts	949.0	980.0	31.0
Australia Council	120.0	124.0	4.0
Australian Broadcasting Authority	155.0	150.0	-5.0
Australian Broadcasting Corporation	4200.0	4200.0	-
Australian Communications Authority	417.0	438.0	21.0
Australian Film Commission	55.0	54.0	-1.0
Australian Film Television and Radio School	149.0	145.0	-4.0
Australian National Maritime Museum	99.0	102.0	3.0
National Archives of Australia	325.0	325.0	-
National Gallery	220.0	220.0	-
National Library of Australia	450.0	468.0	18.0
National Museum of Australia	125.0	115.0	-10.0
Special Broadcasting Service Corporation	758.0	758.0	-
<i>Total</i>	8022.0	8079.0	57.0
Defence			
Department of Defence	16265.0	15725.0	-540.0
Military Reserves(b)	3746.0	3775.0	29.0
Permanent Military	51018.0	50929.0	-89.0
Defence Housing Authority	290.0	340.0	50.0
<i>Total</i>	71319.0	70769.0	-550.0
Education, Training and Youth Affairs			
Department of Education, Training and Youth Affairs	1360.0	1350.0	-10.0
Australian National Training Authority	107.7	106.0	-1.7
<i>Total</i>	1467.7	1456.0	-11.7
Employment, Workplace Relations and Small Business			
Department of Employment, Workplace Relations and Small Business	2078.4	2056.9	-21.5
Australian Industrial Registry	265.0	243.0	-22.0
Comcare	290.0	290.0	-

Table A3: Estimates of Average Staffing Level (ASL) of Agencies in the Commonwealth General Government Sector (continued)

	Average Staffing Levels		
	1999-00 Estimate	2000-01 Estimate	Change
Employment, Workplace Relations and Small Business (continued)			
National Occupational Health and Safety Commission	136.0	138.0	2.0
Equal Opportunity for Women in the Workplace Agency	21.0	21.0	-
<i>Total</i>	2790.4	2748.9	-41.5
Environment and Heritage			
Department of Environment and Heritage	2635.9	2631.5	-4.4
Australian Greenhouse Office	135.0	165.0	30.0
Australian Heritage Commission	82.4	83.2	0.8
Director of National Parks	261.0	261.0	-
Great Barrier Reef Marine Park Authority	157.0	160.0	3.0
<i>Total</i>	3271.3	3300.7	29.4
Family and Community Services			
Department of Family and Community Services(c)	5592.7	5573.2	-19.5
Australian Institute of Family Studies	35.7	39.1	3.4
Centrelink	20423.0	21254.0	831.0
<i>Total</i>	26051.4	26866.3	814.9
Finance and Administration			
Department of Finance and Administration	766.8	741.1	-25.7
Australian Electoral Commission	814.0	814.0	-
Commonwealth Grants Commission	65.1	65.1	-
Commonwealth Superannuation Administration (ComSuper)	342.0	332.0	-10.0
Office of Asset Sales and IT Outsourcing	52.0	61.0	9.0
<i>Total</i>	2039.9	2013.2	-26.7
Foreign Affairs and Trade			
Department of Foreign Affairs and Trade	3490.0	3388.0	-102.0
AusAid	580.0	580.0	-
Australia-Japan Foundation	6.5	6.5	-
Australian Centre for International Agricultural Research	50.0	52.0	2.0
Australian Trade Commission	1033.0	1042.0	9.0
<i>Total</i>	5159.5	5068.5	-91.0
Health and Aged Care			
Department of Health and Aged Care	2761.0	2615.4	-145.6
Aged Care Standards and Accreditation Agency	140.0	150.0	10.0
Australia New Zealand Food Authority	89.0	88.0	-1.0
Australian Institute of Health and Welfare	74.0	74.0	-
Australian Radiation Protection and Nuclear Safety Agency	118.0	130.0	12.0
Health Insurance Commission	3850.0	3400.0	-450.0

Table A3: Estimates of Average Staffing Level (ASL) of Agencies in the Commonwealth General Government Sector (continued)

	Average Staffing Levels		
	1999-00 Estimate	2000-01 Estimate	Change
Health and Aged Care (continued)			
Private Health Insurance Administration Council	6.5	6.5	-
Private Health Insurance Ombudsman	8.0	7.0	-1.0
Professional Services Review Scheme	17.0	30.0	13.0
<i>Total</i>	7063.5	6500.9	-562.6
Immigration and Multicultural Affairs			
Department of Immigration and Multicultural Affairs	3711.0	3805.0	94.0
Migration Review Tribunal	114.0	74.1	-39.9
Refugee Review Tribunal	186.0	108.5	-77.5
<i>Total</i>	4011.0	3987.6	-23.4
Industry, Science and Resources			
Department of Industry, Science and Resources	1621.0	1609.0	-12.0
Australian Geological Survey Organisation	425.0	426.5	1.5
Australian Institute of Marine Science	159.1	154.9	-4.2
Australian Nuclear Science and Technology Organisation	795.0	791.0	-4.0
Australian Sports Commission	398.8	365.3	-33.5
Australian Sports Drug Agency	46.0	43.0	-3.0
Australian Tourist Commission	203.4	222.0	18.6
Commonwealth Scientific and Industrial Research Organisation	6200.0	6067.0	-133.0
IP Australia	682.0	731.0	49.0
National Standards Commission	32.0	32.0	
<i>Total</i>	10562.3	10441.7	-120.6
Parliament			
Department of the Senate	250.0	250.0	-
Department of the House of Representatives	232.3	240.0	7.7
Department of the Parliamentary Library	178.0	175.0	-3.0
Department of Parliamentary Reporting Staff	280.0	280.0	-
Joint Houses of Parliament	267.4	267.4	-
<i>Total</i>	1207.7	1212.4	4.7
Prime Minister and Cabinet			
Department of Prime Minister and Cabinet	383.0	390.0	7.0
Aboriginal and Torres Strait Islander Commercial Development Corp	13.0	16.0	3.0
Aboriginal and Torres Strait Islander Commission	1250.0	1250.0	-
Aboriginal Hostels Ltd	396.0	400.0	4.0
Australian Institute of Aboriginal and Torres Strait Islander Studies	64.0	62.0	-2.0
Australian National Audit Office	272.0	280.0	8.0
Indigenous Land Corporation	64.0	71.0	7.0
Office of Inspector-General of Intelligence and Security	5.2	4.6	-0.6

Table A3: Estimates of Average Staffing Level (ASL) of Agencies in the Commonwealth General Government Sector (continued)

	Average Staffing Levels		
	1999-00 Estimate	2000-01 Estimate	Change
Prime Minister and Cabinet (continued)			
Office of National Assessments	55.0	62.0	7.0
Office of the Commonwealth Ombudsman	82.0	82.0	-
Office of the Official Secretary to the Governor General	71.9	74.3	2.4
Public Service and Merit Protection Commission	125.0	125.0	-
Torres Strait Regional Authority	31.0	33.0	2.0
<i>Total</i>	2812.1	2849.9	37.8
Transport and Regional Services			
Department of Transport and Regional Services	933.0	965.0	32.0
Australian Maritime Safety Authority	360.0	269.0	-91.0
Civil Aviation Safety Authority	608.0	628.0	20.0
National Capital Authority	63.8	73.2	9.4
<i>Total</i>	1964.8	1935.2	-29.6
Treasury			
Department of the Treasury	500.0	521.0	21.0
Australian Bureau of Statistics	3050.0	3075.0	25.0
Australian Competition and Consumer Commission	372.0	397.0	25.0
Australian Office of Financial Management	20.0	42.0	22.0
Australian Prudential Regulation Authority	397.0	406.0	9.0
Australian Securities and Investment Commission	1270.0	1200.0	-70.0
Australian Taxation Office(d)	15111.0	18355.0	3244.0
Companies and Securities Advisory Committee	3.0	3.0	-
National Competition Council	21.0	22.0	1.0
Productivity Commission	205.0	200.0	-5.0
<i>Total</i>	20949.0	24221.0	3272.0
Veterans' Affairs			
Department of Veterans' Affairs	2442.0	2533.0	91.0
Australian War Memorial	215.0	218.0	3.0
<i>Total</i>	2657.0	2751.0	94.0
Total	186443.4	189593.3	3149.9

- (a) AWRAP ASL reflects a large contingent of overseas staff.
- (b) The ASL estimate 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 ATO indicates an increase in ASL of 3244 in 2000-01, which is necessary for the implementation of the Government's tax initiatives under *The New Tax System* and *Business Tax Reform*. This increase will be funded significantly by financial contributions from the States and Territories.

Note: This table includes estimates of ASL provided by general government sector agencies. ASL figures reflect the average number of employees receiving salary or wages over the financial year, with adjustments for casual and part-time staff, to show the full time equivalent. This also includes non-uniformed staff and overseas personnel.

Table A4: Estimates of Commonwealth General Government Expenses by Function and Sub-function

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
General public services					
Legislative and executive affairs	574	480	551	450	440
Financial and fiscal affairs	5339	6601	6781	6811	6973
Foreign economic aid	2110	2338	2412	2147	2230
General research	1496	1557	1561	1571	1579
General services	460	439	446	448	459
Government superannuation benefits	5506	5263	5063	5057	5099
<i>Total General public services</i>	<i>15486</i>	<i>16678</i>	<i>16814</i>	<i>16484</i>	<i>16780</i>
Defence	<i>10440</i>	<i>10606</i>	<i>10657</i>	<i>11075</i>	<i>11533</i>
Public order and safety					
Courts and legal services	567	584	578	577	579
Other Public order and safety	620	584	556	534	537
<i>Total Public order and safety</i>	<i>1187</i>	<i>1168</i>	<i>1133</i>	<i>1112</i>	<i>1116</i>
Education					
Higher education	3808	3932	3988	4057	4123
Vocational and other education	1066	1119	1099	1106	1110
Non-government schools	2968	3209	3462	3734	4031
Government schools	1798	1871	1966	2044	2149
<i>Schools</i>	<i>4766</i>	<i>5080</i>	<i>5428</i>	<i>5778</i>	<i>6181</i>
Student assistance	637	646	668	700	722
General administration	37	37	36	37	38
School education - specific funding	76	100	103	104	104
<i>Total Education</i>	<i>10390</i>	<i>10915</i>	<i>11321</i>	<i>11783</i>	<i>12277</i>
Health					
Medical services and benefits	9662	10215	10674	11199	11704
Hospital services	1128	1229	1183	1227	1200
Health care agreements	5956	6243	6603	6967	7414
<i>Hospital services and health care agreements</i>	<i>7084</i>	<i>7473</i>	<i>7786</i>	<i>8194</i>	<i>8614</i>
Pharmaceutical services and benefits	4034	4347	4540	4769	5098
Aboriginal and Torres Strait Islander health	169	189	197	212	220
Health services	491	544	533	554	563
Other health services	611	649	670	710	763
<i>Other health services</i>	<i>1102</i>	<i>1193</i>	<i>1203</i>	<i>1264</i>	<i>1325</i>
General administration	857	905	950	989	1019
Health assistance to the aged	502	713	780	807	820
<i>Total Health</i>	<i>23409</i>	<i>25035</i>	<i>26131</i>	<i>27434</i>	<i>28800</i>
Social security and welfare					
Assistance to the aged	19754	23377	23123	24477	25769
Assistance to veterans and dependents	4546	5227	5257	5389	5360
Assistance to people with disabilities	6722	7272	7677	7998	8479
Assistance to families with children	15154	17970	18767	19475	20078
Assistance to the unemployed	5750	5698	5491	5399	5280
Assistance to the sick	87	96	95	99	100
<i>Assistance to the unemployed and the sick</i>	<i>5837</i>	<i>5794</i>	<i>5586</i>	<i>5499</i>	<i>5379</i>

Table A4: Estimates of Commonwealth General Government Expenses by Function and Sub-function (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Social security and welfare (continued)					
Common youth allowance	1978	2211	2301	2403	2455
Other welfare programmes	242	233	217	197	192
Aboriginal advancement nec	1204	1259	1307	1336	1366
General administration	1924	1983	1949	1901	1888
<i>Total Social security and welfare</i>	<i>57361</i>	<i>65327</i>	<i>66185</i>	<i>68674</i>	<i>70966</i>
Housing and community amenities					
Housing	1178	1333	1100	1294	1198
Urban and regional development	58	65	48	26	26
Environment protection	621	653	810	438	436
<i>Total Housing and community amenities</i>	<i>1858</i>	<i>2050</i>	<i>1959</i>	<i>1759</i>	<i>1661</i>
Recreation and culture					
Broadcasting	504	514	523	535	541
Arts and cultural heritage	685	694	624	581	582
Sport and recreation	145	135	97	101	102
National estate and parks	151	151	112	104	104
<i>Total Recreation and culture</i>	<i>1484</i>	<i>1493</i>	<i>1356</i>	<i>1322</i>	<i>1329</i>
Fuel and energy	<i>48</i>	<i>52</i>	<i>38</i>	<i>36</i>	<i>37</i>
Agriculture, fisheries and forestry					
Wool industry	120	119	120	130	127
Grains industry	105	104	100	97	94
Dairy industry	213	201	270	273	274
Cattle, sheep and pig industry	139	107	99	98	100
Fishing, horticulture and other agriculture	128	129	166	167	169
General assistance not allocated to specific industries	612	481	445	433	431
Rural assistance	149	147	127	130	142
Natural resources development	333	356	351	137	136
General administration	54	49	50	46	46
<i>Total Agriculture, fisheries and forestry</i>	<i>1852</i>	<i>1694</i>	<i>1729</i>	<i>1510</i>	<i>1518</i>
Mining and mineral resources (other than fuels), manufacturing and construction					
	<i>888</i>	<i>850</i>	<i>947</i>	<i>754</i>	<i>684</i>
Transport and communication					
Communication	634	604	689	566	528
Rail transport	103	71	161	1	0
Air transport	194	183	115	117	104
Road transport	878	927	1038	969	882
Sea transport	229	158	158	159	161
Other transport and communication	139	132	132	128	129
<i>Total Transport and communication</i>	<i>2177</i>	<i>2074</i>	<i>2294</i>	<i>1939</i>	<i>1805</i>

Table A4: Estimates of Commonwealth General Government Expenses by Function and Sub-function (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Other economic affairs					
Tourism and area promotion	150	138	139	124	126
Vocational and Industry training	467	440	437	438	438
Labour market assistance to job seekers and industry	1604	1806	1808	1887	1878
Industrial relations	109	112	107	102	102
Immigration	574	687	671	699	713
<i>Total Labour and employment affairs</i>	<i>2754</i>	<i>3044</i>	<i>3024</i>	<i>3127</i>	<i>3130</i>
Other economic affairs nec	529	561	553	546	543
<i>Total Other economic affairs</i>	<i>3432</i>	<i>3743</i>	<i>3716</i>	<i>3797</i>	<i>3799</i>
Other purposes					
Interest on Commonwealth behalf	9088	8575	7943	8114	7910
Interest on behalf of States and Territories	0	0	0	0	0
Interest received on Commonwealth stock	0	0	0	0	0
<i>Public debt interest</i>	<i>9088</i>	<i>8575</i>	<i>7943</i>	<i>8114</i>	<i>7910</i>
General revenue assistance - States and Territories	17752	477	730	748	767
General capital assistance - States and Territories	0	0	0	0	0
Debt assistance	-7	50	2	1	0
Local government assistance	1271	1322	1369	1417	1466
Revenue assistance to the States and Territories	135	139	147	151	154
Assistance to other governments	85	1131	3235	1654	1065
<i>General purpose inter-government transactions</i>	<i>19237</i>	<i>3119</i>	<i>5481</i>	<i>3971</i>	<i>3453</i>
Natural disaster relief	83	64	64	64	64
Contingency reserve	-60	274	1960	3596	5330
Asset sales	33	15	0	0	0
<i>Total Other purposes</i>	<i>28381</i>	<i>12046</i>	<i>15448</i>	<i>15745</i>	<i>16756</i>
Total Expenses	158392	153732	159728	163424	169061

Note: Lines in italics within sub functions are subtotals of the indented items above.

Table A5: Estimates of Commonwealth General Government Expenses by Economic Type

	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Expenses					
Goods and services					
Employees	16121	15856	15591	15638	15879
Suppliers	13335	14095	13597	13159	13330
Depreciation and amortisation	2533	2823	3160	3475	3654
Net write down of assets	1056	1008	1035	1078	1129
Net foreign exchange losses	397	3	0	0	0
Net losses from the sale of assets	51	4	1	1	1
Other goods and services expenses	4759	5005	5243	5530	5895
Total goods and services	38253	38795	38628	38880	39888
Subsidies benefits and grants					
Personal benefits	60942	69313	71830	76304	80678
Subsidies	5382	7000	7614	8001	8247
Grants	45212	29713	33421	31836	32056
Total subsidies benefits and grants	111536	106026	112866	116141	120981
Interest and other					
Interest and other financing costs	8604	8911	8234	8404	8192
Total interest and other	8604	8911	8234	8404	8192
Total general government expenses	158392	153732	159728	163424	169061

Appendix B: Expense Measures

Table B1: Expense Measures since the 1999-2000 MYEFO

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Agriculture, Fisheries and Forestry				
<i>Department of Agriculture, Fisheries and Forestry</i>				
AQIS - Maintaining quarantine integrity during East Timor operations	-	-	-	-
AQIS - Maintaining quarantine integrity during the Olympics	1.6	-	-	-
AQIS - Renewal of quarantine resourcing	-	8.5	-	-
Assistance to farmers in central north-east South Australia	1.1	1.0	-	-
Building a national approach to animal and plant health	4.5	6.3	6.2	5.3
Continuation of the Agriculture - Advancing Australia Package	37.8	74.2	90.7	106.7
Exceptional circumstances recovery assistance	0.4	-	-	-
Implementing the National Biotechnology Strategy	0.1	1.2	1.2	1.2
Pricing review of departmental resourcing	-1.0	-2.0	-2.0	-2.0
Portfolio total	44.4	89.2	96.1	111.2
Attorney-General's				
<i>Administrative Appeals Tribunal</i>				
Establishment of the Administrative Review Tribunal	-11.2	-27.0	-27.2	-27.4
<i>Attorney-General's Department</i>				
Agreements for the delivery of Commonwealth Legal Aid Services by State and Territory Legal Aid Commissions	2.4	10.4	14.4	18.4
Diversions programmes for juveniles in the Northern Territory	5.0	5.0	5.0	5.0
Establishment of the Administrative Review Tribunal	10.2	19.2	19.4	19.7
Management of native title litigation involving the Commonwealth	2.0	2.0	2.0	2.0
Microwave video link capacity for law enforcement agencies	3.4	-	-	-
Pricing review of departmental resourcing	-2.0	-2.0	-2.0	-2.0
Protection of the national information infrastructure	0.6	-	-	-
Protective security for Diplomatic and Consular Missions	10.4	-	-	-
Unauthorised Arrivals in Australia - legislative changes to support law enforcement	-	-	-	-
<i>Australian Customs Service</i>				
Pricing review of departmental resourcing	-2.5	-5.0	-5.0	-5.0
Unauthorised Arrivals in Australia - lease a charter vessel to transport unauthorised arrivals intercepted at sea or at islands off the mainland	nfp	nfp	nfp	nfp
<i>Australian Federal Police</i>				
Continued Australian Police presence in the United Nations Transitional Administration in East Timor	25.4	25.9	26.3	26.7
Protection of the national information infrastructure	0.2	-	-	-
Unauthorised Arrivals in Australia - additional resourcing to investigate and detect organised people smuggling	3.9	4.0	4.1	4.1
<i>Australian Security Intelligence Organisation</i>				
Investment in ASIO capabilities(a)	0.5	5.2	5.2	6.6
Protection of the national information infrastructure	0.6	-	-	-

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
<i>National Crime Authority</i>				
Targeting of serious and large scale fraud and related crime against the Commonwealth	8.1	8.4	8.8	-
Portfolio total	57.0	46.1	50.9	48.0
Communications, Information Technology and the Arts				
<i>Australian Broadcasting Corporation</i>				
Digital Broadcasting - resourcing for digital distribution and transmission	nfp	nfp	nfp	nfp
<i>Australian Communications Authority</i>				
Creating and administering a number pool of local rate and freephone numbers	0.7	0.2	0.2	0.2
Study to examine the feasibility of market based allocation of local rate and freephone numbers	0.6	-	-	-
Universal service obligation contestability arrangements	1.8	1.0	1.0	1.0
<i>Department of Communications, Information Technology and the Arts</i>				
Centenary of Federation - public awareness campaign	3.2	-	-	-
Continuation of resourcing for the Australian Film Finance Corporation	-	50.0	50.0	50.0
Continuation of resourcing for the National Office of the Information Economy	-	-	-	-
Regional Communications Partnership Fund	-	-	-	-
Regional Equalisation Plan for digital television - taxable grants	-	-	0.3	0.3
Increased funding for major performing arts - response to the Major Performing Arts Inquiry	6.8	9.4	10.0	7.9
<i>National Archives of Australia</i>				
Papers of former Prime Ministers	-	-	-	-
<i>Special Broadcasting Service Corporation</i>				
Additional resources for the Special Broadcasting Service Corporation for programme acquisition	2.0	2.7	3.5	-
Digital Broadcasting - resourcing for digital distribution and transmission	nfp	nfp	nfp	nfp
Portfolio total	15.1	63.3	65.0	59.4
Defence				
<i>Department of Defence</i>				
Increasing operational availability of Reserves	20.0	-	-	-
Protection of the national information infrastructure	0.6	-	-	-
Review of service entitlements anomalies with respect to South-East Asian service 1955-75	-	-	-	-
Supplementation for commercial rents	-	20.1	20.7	21.3
Supplementation for purchase of Defence Housing Authority services	68.9	68.6	68.4	68.7
Portfolio total	89.5	88.7	89.1	90.0

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Education, Training and Youth Affairs				
<i>Department of Education, Training and Youth Affairs</i>				
Additional resourcing for the Assistance for Isolated Children Scheme	2.2	4.5	4.8	5.1
Amalgamation of the Advanced English for Migrants Programme with the Literacy and Numeracy Programme	-3.1	-5.6	-5.7	-5.7
Australian Student Traineeship Foundation - funding for work placement coordination and community partnership projects	-	-	-	-
Discovering Democracy Programme	-	-	-	-
Education Services for Overseas Students - strengthening the regulatory framework	1.0	1.0	1.0	1.0
Grant to the Australian - American Education (Fulbright) Foundation	-	-	-	-
Increased funding for the Research Infrastructure Equipment and Facilities Scheme	4.0	4.0	4.1	4.2
Increased permanent migrant intake	1.2	3.6	5.0	6.4
Maintain support for the Jobs Pathway Programme	10.3	-	-	-
New Apprenticeships - Workforce Skills Development Programme	-	-	-	-
Regional Health Package - More Doctors, Better Services	1.8	3.6	5.8	8.1
Strategic Partnerships with Industry - Research and Training Scheme	-	-	-	-
Portfolio total	17.2	11.0	14.9	19.0
Employment, Workplace Relations and Small Business				
<i>Department of Employment, Workplace Relations and Small Business</i>				
Business Entry Point Initiative	-	-	-	-
Dairy Regional Assistance Programme	15.0	15.0	15.0	-
Employee Entitlements Support Scheme	55.0	40.0	40.0	-
Retail Grocery Industry Ombudsman Scheme	-	-	-	-
Portfolio total	70.0	55.0	55.0	-
Environment and Heritage				
<i>Australian Greenhouse Office</i>				
Establishment of a regulator for the mandatory target for the uptake of renewable energy in power supplies	-0.6	-0.5	-0.4	1.5
<i>Department of the Environment and Heritage</i>				
Interim Sydney Harbour Federation Trust	-	-	-	-
Implementing the National Biotechnology Strategy	-	-	-	-
Pricing review of departmental resourcing	-5.0	-5.0	-5.0	-5.0
Product stewardship arrangements for waste oil	24.7	24.5	24.2	24.0
Portfolio total	19.1	19.0	18.8	20.5

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Family and Community Services				
<i>Department of Family and Community Services</i>				
<i>Amendments to A New Tax System (Family Assistance and Related Measures) Bill (2000)</i>	0.7	0.2	0.2	0.2
Change the date of effect for grants and variations to compensation payments	..	0.1	0.1	0.1
Child Support Package - a lower cap on payer income subject to child support formula assessment	..	..	..	..
Child Support Package - assessment of income for child support parents undertaking overtime/second jobs	0.3	0.7	0.7	0.7
Child Support Package - an increase in the Family Tax Benefit income test deduction for payers with a subsequent family	0.1	5.3	5.7	6.1
Child Support Package - lower formula percentages for payers exercising contact with their children	1.4	16.4	14.5	15.2
Child Support Package - post separation counselling and support for non-resident parents	0.2	0.4	-	-
Compliance Strategy - measures to improve control of incorrect payment and fraud - detection	-14.9	-31.0	-29.2	-31.0
Compliance Strategy - measures to improve control of incorrect payment and fraud - deterrence - publicity campaign to encourage customer compliance	0.7	-6.4	-21.3	-0.5
Compliance Strategy - measures to improve control of incorrect payment and fraud - research and development projects	-12.9	-17.1	-6.7	-0.9
Continuation of payment to voluntary work agencies	1.2	1.6	1.6	1.7
Enhanced integrity of the family migration stream	-0.2	-0.2	-0.2	-0.2
Establishment of the Administrative Review Tribunal	-	-	-	-
Expansion of the Community Development Employment Projects Scheme	-6.9	-14.2	-14.6	-15.0
Extend Double Orphan Pension eligibility	..	..	..	..
Extension of the Retirement Assistance for Farmers Scheme	1.5	1.9	1.9	2.0
Family Assistance Office review mechanism	10.7	3.2	0.1	0.1
Further simplification of the <i>Social Security Act (1991)</i>	0.2	-0.2	-1.1	-1.7
Increase in Youth Allowance assets limits for farms and businesses	18.5	36.8	37.7	38.6
Increased permanent migrant intake	2.9	4.7	5.5	8.9
Introduction of a Preparing for Work Activity Agreement for new claimants of unemployment benefits	-25.8	-59.8	-62.2	-64.2
Introduction of new entry requirements for aged parent migrants	0.5	2.7	3.1	1.8
Pay Family Allowance to carers of orphaned children	0.3	0.2	0.3	0.4
Pricing review of departmental resourcing	-8.1	-18.1	-28.6	-36.2
Protection of people affected by the termination of the Social Security Agreement with the United Kingdom	-0.8	-2.8	-4.0	-5.5
Removal of anomaly between ABSTUDY and the social security income test	1.3	0.4	0.4	0.4
Removal of direct deduction rules from partners of compensation recipients	0.3	3.8	4.1	4.3

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Family and Community Services (continued)				
Review of service entitlements anomalies with respect to South-East Asian service 1955-75	-12.9	-26.6	-27.2	-27.8
Revised means test treatment of private trusts and private companies	22.2	-37.7	-126.6	-132.6
Stronger Families and Communities Strategy - 'Can Do Community' Initiative	0.8	1.8	1.8	0.8
Stronger Families and Communities Strategy - national communication campaign	3.5	2.5	1.0	1.0
Stronger Families and Communities Strategy - Early Intervention Parenting and Family Relationship Support Initiative	2.6	12.1	14.2	17.2
Stronger Families and Communities Strategy - greater flexibility and choice in child care initiative	4.0	12.0	20.1	29.3
Stronger Families and Communities Strategy - Local Solutions to Local Problems Initiative	1.5	4.8	4.6	4.6
Stronger Families and Communities Strategy - longitudinal study of Australian children	0.2	1.8	0.5	3.6
Stronger Families and Communities Strategy - National Skills Development Programme for volunteers and the International Year of the Volunteer	3.8	6.0	3.0	3.0
Stronger Families and Communities Strategy - Potential Leadership in Local Communities Initiative	3.0	11.7	11.2	11.2
Stronger Families and Communities Strategy - Stronger Families Fund	2.5	7.5	13.0	17.0
<i>The New Tax System</i> - GST Assistance Scheme for low income earners	9.6	-	-	-
Unauthorised Arrivals in Australia - apply the activity test to recipients of Special Benefits	4.0	0.9	-1.9	-2.0
Welfare reform pilots - mature age participation pilot	3.0	0.1	-	-
Welfare reform pilots - tailored assistance for the very long term unemployed pilot	1.4	-	-	-
Welfare reform pilots - workless families assistance pilot	2.4	..	-	-
Portfolio total	22.8	-74.5	-178.3	-149.3
Finance and Administration				
<i>Department of Finance and Administration</i>				
Assistance to farmers in central north-east South Australia	-	-	-	-
Mapping of the Australian Antarctic Territory extended Continental Shelf	15.8	11.6	1.4	1.6
Reduction in departmental resourcing	-5.0	-5.0	-5.0	-5.0
<i>Office of Asset Sales and Information Technology Outsourcing</i>				
Continuation of resourcing for OASITO	5.0	-	-	-
Portfolio total	15.8	6.6	-3.6	-3.4
Foreign Affairs and Trade				
<i>Australian Agency for International Development</i>				
Australian Youth Ambassadors for Development Programme	-	-	-	-

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Foreign Affairs and Trade (continued)				
Debt forgiveness for Heavily Indebted Poor Countries	*	*	*	*
Establishment of an ongoing East Timor Aid Programme	25.0	25.0	25.0	25.0
Extension of the Australia-South Pacific 2000 Programme	-	-	-	-
Grant to the Commonwealth's Trade and Investment Access Facility	-	-	-	-
Increased contribution to the Commonwealth Fund for Technical Cooperation	-	-	-	-
<i>Australian Secret Intelligence Service</i>				
ASIS Capabilities(a)	-	4.9	4.9	4.9
<i>Department of Foreign Affairs and Trade</i>				
Pricing review of departmental resourcing	1.1	1.1	1.1	1.1
Portfolio total	26.1	31.0	31.0	31.0
Health and Aged Care				
<i>Australia New Zealand Food Authority</i>				
Food Safety Protection	6.5	6.5	6.5	6.6
<i>Department of Health and Aged Care</i>				
A Better Medication Management System	21.6	15.7	-9.7	-16.0
Consumer and community involvement in influencing health decisions	2.3	2.3	2.3	2.3
Delete nasal sprays from the Pharmaceutical Benefits Scheme	-7.0	-17.6	-18.4	-19.2
Early detection of bowel cancer	1.6	2.0	1.9	1.7
Enhancing the evaluation expertise provided to the Pharmaceutical Benefits Advisory Committee	0.8	0.8	0.8	0.8
Ensuring quality care	2.9	2.8	2.8	3.0
Establishment of an Australian Cord Blood Banking Network	2.2	2.2	2.3	2.3
Fringe Benefits Tax transitional grants for public and not-for-profit hospitals	88.0	80.5	72.0	-
Further reforms to the Hearing Services Programme	-10.9	-4.2	-4.4	-4.5
Health technology quality enhancement	7.8	7.9	-2.2	-60.0
Improved pharmaceutical benefits entitlement monitoring	-5.7	-18.0	-20.7	-22.2
Increased permanent migrant intake	0.7	3.7	7.2	10.7
Introduction of new entry requirements for aged parent migrants	-2.8	-1.7	5.1	7.6
National Alcohol Harm Reduction Strategy	1.0	1.0	1.0	1.0
National Childhood Nutrition Programme	6.5	6.5	-	-
National Depression Initiative	-	-	-	-
National radiotherapy single machine unit trial	1.0	2.9	2.9	2.9
National Strategy for an Ageing Australia	1.5	1.5	1.5	1.5
Nucleic acid testing and other measures to improve the safety of fresh blood products	8.3	7.4	7.9	8.5
Reduction in amounts payable to the Health Insurance Commission for processing Medicare and related benefits	-2.0	-2.0	-2.0	-2.0
Reform of Public Health and Safety Regulatory Arrangements	1.5	-	-	-
Regional Health Package - More Doctors, Better Services	66.2	123.0	161.3	192.5
Residential Aged Care Funding Equalisation and Assistance Package	8.9	27.0	41.4	29.4
Response to findings of the Vietnam Veterans' Health Study	0.7	0.7	0.7	0.7

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Health and Aged Care (continued)				
Review of service entitlements anomalies with respect to South-East Asian service 1955-75	-0.8	-1.5	-1.5	-1.5
Revised means test treatment of private trusts and private companies	-	-2.3	-4.8	-5.0
Simpler income testing arrangements for residential aged care fees	1.8	2.2	2.6	3.1
Simplified billing for no or known gaps	4.0	4.1	4.1	4.2
Subsidisation of the accreditation fee for small residential aged care facilities	1.8	1.3	1.3	1.9
Portfolio total	208.3	254.6	262.0	150.3
Immigration and Multicultural Affairs				
<i>Department of Immigration and Multicultural Affairs</i>				
Enhanced integrity of the family migration stream	-	-	-	-
Establishment of the Administrative Review Tribunal	9.4	22.7	22.3	22.5
Future directions for the Overseas Student Visa Programme	0.6	1.6	2.4	2.6
Increased permanent migrant intake	3.8	7.0	7.8	8.0
Introduction of new entry requirements for aged parent migrants	1.0	4.1	4.2	2.8
Long term strategy for immigration detention facilities	1.0	1.0	8.7	10.7
Response to the Review of Illegal Workers in Australia	13.1	12.2	11.9	11.8
Revised resourcing arrangements for detention costs	-2.7	-24.5	-25.1	-25.6
Unauthorised Arrivals in Australia - combating people smuggling in transit countries	1.0	1.0	1.0	1.0
Unauthorised Arrivals in Australia - initiatives to address the situation of displaced Afghan and Iraqi refugees	5.0	5.1	5.3	5.4
Unauthorised Arrivals in Australia - offshore resources to support the integrity of migration entry processes	4.6	3.6	3.7	3.7
Unauthorised Arrivals in Australia - pilot programme for targeted reintegration assistance and to support character checking	2.0	-	-	-
Unauthorised Arrivals in Australia - establish a new detention facility at Darwin and close the Curtin facility	-1.5	-5.4	-5.5	-5.6
Unauthorised Arrivals in Australia - resources to expedite offshore processing, information flows and cooperation in relation to humanitarian migration	1.7	1.2	1.2	1.2
<i>Migration Review Tribunal</i>				
Establishment of the Administrative Review Tribunal	-4.3	-10.1	-10.1	-10.2
Pricing review of departmental resourcing - Migration Review Tribunal	-	-	-	-
<i>Refugee Review Tribunal</i>				
Establishment of the Administrative Review Tribunal	-5.6	-13.8	-13.4	-13.5
Pricing review of departmental resourcing - Refugee Review Tribunal	-0.8	-0.7	-1.2	-1.2
Portfolio total	28.3	4.9	13.1	13.6

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Industry, Science and Resources				
<i>Australian Geological Survey Organisation</i>				
Reallocation of departmental resources	-0.8	-0.8	-0.8	-0.8
<i>Australian Sports Commission</i>				
Building on our sporting achievements	5.0	-	-	-
<i>Australian Sports Drug Agency</i>				
Tough on Drugs in Sport - blood tests as part of our anti-doping programme	-	-	-	-
<i>Commonwealth Scientific and Industrial Research Organisation</i>				
Supplementation for commercial rents and sales costs	-	5.9	8.4	10.7
<i>Department of Industry, Science and Resources</i>				
Continued resourcing for the Science and Technology Awareness Programme	2.8	1.4	-	-
Continued resourcing for the Australian Building Codes Board	1.0	-	-	-
Implementing the National Biotechnology Strategy	-	8.2	9.2	9.2
Pricing review of departmental resourcing	-5.0	-5.0	-5.0	-5.0
Reallocation of funds from the Textile Clothing and Footwear Post 2000 Initiative	-0.5	-0.5	-0.5	-0.5
Reallocation of Technology Diffusion Programme Funds	-4.7	-8.0	-	-
Reallocation of departmental resources	-0.5	-0.6	-0.6	-
South Pacific and Regional Free Trade Agreement - Textiles, Clothing and Footwear Scheme	0.4	0.4	0.4	0.4
Portfolio total	-2.3	1.0	11.1	14.0
Prime Minister and Cabinet				
<i>Aboriginal and Torres Strait Islander Commission</i>				
Expansion of the Community Development Employment Projects Scheme	9.2	19.0	19.5	20.0
<i>Department of the Prime Minister and Cabinet</i>				
Commonwealth Heads of Government Meeting - 2001	16.4	16.4	-	-
<i>Office of the Commonwealth Ombudsman</i>				
Systems and desktop replacement for the Office of the Commonwealth Ombudsman	0.2	0.1	0.1	0.1
<i>Torres Strait Regional Authority</i>				
Expansion of the Community Development Employment Projects Scheme	0.5	1.0	1.1	1.1
Portfolio total	26.3	36.6	20.7	21.2
Transport and Regional Services				
<i>Department of Transport and Regional Services</i>				
Adelaide Airport noise amelioration	10.3	24.2	23.7	5.5
Beef 2000 Exposition	-	-	-	-
National Parking Regime at leased Federal Airports	0.4	0.5	0.6	0.7

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Transport and Regional Services (continued)				
Improvement in services to the Indian Ocean Territories	2.9	2.9	2.9	2.9
Reduction in departmental resourcing	-2.0	-2.0	-2.0	-2.0
Year 2002 - Year of the Outback	-	0.2	0.4	-
Portfolio total	11.6	25.8	25.6	7.1
Treasury				
<i>Australian Bureau of Statistics</i>				
Reduction in departmental resourcing	-3.0	-3.0	-3.0	-3.0
Retention of name identified census forms	0.8	5.8	4.0	-
<i>Australian Competition and Consumer Commission</i>				
Airport regulation	0.9	0.9	0.9	0.9
Extend communications regulation	0.9	-	-	-
Provisioning for legal services	10.0	-	-	-
Monitoring of the prices of certain milk products	-	-	-	-
Monitoring tax reform price exploitation	15.5	6.5	-	-
Postal services regulation	1.0	1.0	1.0	1.0
<i>Australian Securities and Investments Commission</i>				
Continuation of managed investments regulation	2.9	-	-	-
Transfer of responsibility for unclaimed moneys from the States and Territories to the Commonwealth	3.3	3.3	3.2	3.2
<i>Australian Taxation Office</i>				
Administration of the Fuels sales grants scheme	9.5	-	-	-
Business tax reform	20.6	22.9	-	-
Fuels sales grants scheme	110.0	120.0	125.0	135.0
<i>Department of the Treasury</i>				
Business tax reform	4.5	5.5	6.5	6.5
Portfolio total	177.0	162.9	137.6	143.6
Veterans' Affairs				
<i>Department of Veterans' Affairs</i>				
A Better Medication Management System	0.5	1.0	0.1	0.2
Change the date of effect for grants and variations to compensation payments	0.9	-2.3	-2.5	-2.8
Delete nasal sprays from the Pharmaceutical Benefits Scheme	0.1	0.2	0.2	0.2
Extension of 'Their Service - Our Heritage' Commemorative Programme	5.0	5.0	3.6	3.6
Extension of the Retirement Assistance for Farmers Scheme	0.4	0.3	0.3	0.4
Further simplification of the <i>Social Security Act (1991)</i>	0.3	..	-0.2	-0.2
Health technology quality enhancement	-0.8	-1.0	-0.8	-0.8
Improved pharmaceutical benefits entitlement monitoring	..	-0.4	-0.6	-0.7
Managing health care information	-4.2	-8.3	-8.5	-8.7
National radiotherapy single machine unit trial	..	..	..	..
Refurbishment of war cemeteries and Gardens of Remembrance in Australia and overseas	1.1	1.1	1.1	1.1
Removal of anomaly between ABSTUDY and the social security income test	..	..	..	..

Table B1: Expense Measures since the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Veterans' Affairs (continued)				
Removal of direct deduction rules from partners of compensation recipients	0.2	0.2	0.2	0.2
Residential Aged Care Funding Equalisation and Assistance Package	1.1	3.3	5.1	3.6
Residential Care Development Scheme	6.8	-	-	-
Response to findings of the Vietnam Veterans' Health Study	8.2	7.0	7.2	7.1
Review of service entitlements anomalies with respect to South-East Asian service 1955-75	16.2	36.4	36.9	36.8
Revised means test treatment of private trusts and companies	3.2	-2.6	-8.8	-8.9
Simpler income testing arrangements for residential aged care fees	0.3	0.3	0.3	0.4
Veterans' Home Care	6.4	-29.4	-15.4	-18.9
Portfolio total	45.5	10.8	18.4	12.7
Total expense measures(b)	871.5	832.0	727.5	588.8

- (a) Measures for ASIO and ASIS are listed in the summary table but are not further disclosed in the explanation of measures for security reasons.
- (b) Measures may not add due to rounding.

Table B2: Expense Measures up to the 1999-2000 MYEFO

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
DEMOCRATS AMENDMENTS - TAX REFORM				
Environment and Heritage				
<i>Department of the Environment and Heritage</i>				
Compressed Natural Gas and Liquid Petroleum Gas vehicle conversion	15.0	20.0	20.0	20.0
Supporting Photovoltaics Systems	4.0	6.0	9.0	12.0
Supporting the Development and Commercialisation of Renewable Energy	4.0	5.0	7.0	10.0
Supporting Renewable Remote Power Generation	66.0	66.0	66.0	66.0
Greenhouse Gas Abatement Programme	100.0	100.0	100.0	100.0
Diesel National Environment Protection Measure (NEPM)	10.0	10.0	10.0	10.0
Oil Recycling	15.0	15.0	15.0	15.0
Portfolio total	214.0	222.0	227.0	233.0
Family and Community Services				
<i>Department of Family and Community Services</i>				
A New Tax System - pension supplement	450.3	441.3	738.3	738.0
A New Tax System - extend family allowance and family tax benefit to families with dependent children aged 16-24 years	54.7	54.8	54.7	50.0
A New Tax System - Aged Persons Savings Bonus and Self Funded Retirees Supplementary Bonus	181.9	0.1	..	..
Additional Resources for Supported Accommodation Assistance Programme	15.0	15.0	15.0	15.0
Portfolio total	701.9	511.2	808.0	803.0
Health and Aged Care				
<i>Department of Health and Aged Care</i>				
Childhood Nutrition Programme	-	-	-	-
Industry, Science and Resources				
<i>Department of Industry, Science and Resources</i>				
Book industry assistance plan	60.0	60.0	60.0	60.0
Portfolio total	60.0	60.0	60.0	60.0
Transport and Regional Services				
<i>Department of Transport and Regional Services</i>				
Local Government Financial Assistance Grants	911.7	944.9	979.0	979.0
Identified Local Road Grants	404.6	419.3	434.4	434.4
Portfolio total	1316.3	1364.2	1413.4	1413.4
Treasury				
<i>Department of the Treasury</i>				
A New Tax System - grants to balance State and Territory budgets	966.5	238.1	336.6	161.9
<i>Australian Taxation Office</i>				
Funding for the Australian Taxation Office to cover the increased cost of administering the Goods and Services Tax (GST)	60.0	60.0	60.0	60.0
Conversion of Diesel Fuel Credit Scheme to Diesel Fuel Grants Scheme	-261.8	-294.0	-314.0	-327.0

Table B2: Expense Measures up to the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Treasury (continued)				
Maintain current price relativities between Diesel and Compressed Natural Gas (CNG) and other alternative transport fuels	9.0	12.0	18.0	24.0
Portfolio total	773.7	16.1	100.6	-81.1
Veterans' Affairs				
<i>Department of Veterans Affairs</i>				
A New Tax System - pension supplement	50.0	49.0	82.0	82.0
Portfolio total	50.0	49.0	82.0	82.0
Total Democrats Amendments - Tax Reform	3115.9	2222.5	2691.0	2510.3
Other Expense Measures up to MYEFO				
Agriculture, Fisheries and Forestry				
<i>Agriculture, Fisheries and Forestry - Australia</i>				
Commonwealth contribution for trade liberalisation research	-	-	-	-
Assistance to the Australian Lamb Industry	9.5	1.6	-	-
Exceptional circumstances - Batlow Fruit Growers, New South Wales	0.7	-	-	-
Exceptional circumstances - Mallee Region, Victoria	4.7	0.4	-	-
Portfolio total	14.9	2.0	-	-
Attorney-General's				
<i>Australian Federal Police</i>				
Revised funding arrangements for the AFP Reform Programme and AFP Adjustments Scheme (AFPAS)	18.0	20.0	-	-
Civilian police for the UN Transitional Administration in East Timor	-	-	-	-
<i>Australian Customs Service</i>				
Enhanced Border Protection	4.0	3.9	3.9	-
Portfolio total	22.0	23.9	3.9	-
Communications, Information Technology and the Arts				
<i>Department of Communications, Information Technology and the Arts</i>				
Trials in Innovative Government Electronic Regional Services (TIGERS)	2.0	5.0	-	-
NetAlert	-	1.0	-	-
<i>Networking the Nation</i> Local Government Fund	3.0	15.0	12.0	10.0
Launceston Broadband Project	3.0	3.0	3.0	3.0
Building IT Strengths (BITS)	10.0	56.0	30.0	25.0
Connecting Tasmanian Schools	-	-	-	-
Expanded mobile phone coverage	-	-	-	-
Building Additional Rural Networks (BARN)	10.0	20.0	20.0	10.0
Portfolio total	28.0	100.0	65.0	48.0

Table B2: Expense Measures up to the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Defence				
<i>Department of Defence</i>				
East Timor peace enforcement and peace keeping	810.0	767.0	615.0	615.0
Provision of Safe Haven to displaced Kosovars(c)	-	-	-	-
Provision of Safe Haven to internally displaced persons from East Timor	-	-	-	-
Portfolio total	810.0	767.0	615.0	615.0
Education, Training and Youth Affairs				
<i>Department of Education, Training and Youth Affairs</i>				
Youth Pathways Action Plan Taskforce	-	-	-	-
Additional funds for higher education staff salaries	43.3	43.8	44.1	44.8
Tasmanian Environmental Tourism Employment and Training Initiative	3.1	3.1	-	-
Grandfathering of benefits for some ABSTUDY students	-	-	-	-
Portfolio total	46.4	46.9	44.1	44.8
Environment and Heritage				
<i>Department of the Environment and Heritage</i>				
Additional Funding for Heritage Initiatives	-	-	-	-
Sale of Halon to the United States for essential use	6.0	-	-	-
<i>Great Barrier Reef Marine Park Authority</i>				
Funding to offset the reduction in revenue related to the Environment Management Charge	-	-	-	-
Portfolio total	6.0	-	-	-
Family and Community Services				
<i>Department of Family and Community Services</i>				
Pilot programme to provide free pre-marriage education for couples	0.1	-	-	-
Commonwealth State Disability Agreement - additional funding to address unmet need in State provided disability services	50.0	100.0	-	-
Exceptional circumstances - Batlow Fruit Growers, New South Wales	0.1	..	-	-
Exceptional circumstances - Mallee Region, Victoria	0.4	0.1	-	-
Youth Pathways Action Plan Taskforce	-	-	-	-
Flooding in NSW and Queensland 1998 - assistance to farmers suffering significant loss	-	-	-	-
Introduction of a temporary protection visa subclass	0.1	0.1	0.1	0.1
Portfolio total	50.7	100.2	0.1	0.1
Finance and Administration				
<i>Department of Finance and Administration</i>				
Flooding in NSW and Queensland 1998 - assistance to farmers suffering significant loss	-	-	-	-
Poultry Farmers - assistance to those directly affected by Newcastle disease	-	-	-	-

Table B2: Expense Measures up to the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Finance and Administration (continued)				
GST - implementation and monitoring in the Commonwealth government sector	-	-	-	-
Portfolio total	-	-	-	-
Foreign Affairs and Trade				
<i>AusAid</i>				
Australia's contribution to the Heavily Indebted Poor Countries (HIPC) initiative	11.5	11.5	-	-
Aid for East Timor	-	-	-	-
Portfolio total	11.5	11.5	-	-
Health and Aged Care				
<i>Department of Health and Aged Care</i>				
General Practice Memorandum of Understanding**	62.1	85.2	98.4	98.4
Aged Care Residential Care Subsidy Principles 1997 - change to definition of 'homeowner' to ensure protection for people with low value homes	0.8	0.8	0.8	0.8
Exceptional circumstances - Batlow Fruit Growers, New South Wales	..	-	-	-
Exceptional circumstances - Mallee Region, Victoria	0.1	-	-	-
Provision of Safe Haven to displaced Kosovars	-	-	-	-
Provision of Safe Haven to internally displaced persons from East Timor	-	-	-	-
Private Health Insurance - Reduction in Medicare payment lag times for simplified billing	-	-	-	-
<i>Australia New Zealand Food Authority</i>				
Australia New Zealand Food Authority - additional funding	-	-	-	-
Portfolio total	63.0	86.0	99.2	99.2
Immigration and Multicultural Affairs				
<i>Department of Immigration and Multicultural Affairs</i>				
Enhanced Border Protection	30.5	31.1	31.7	32.3
Extension of Regulation of the Migration Advice Industry	1.7	1.8	1.3	-
Provision of Safe Haven to displaced Kosovars	-	-	-	-
Provision of Safe Haven to internally displaced persons from East Timor	-	-	-	-
Introduction of a temporary protection visa subclass	-	-	-	-
Portfolio total	32.2	32.9	33.0	32.3
Industry, Science and Resources				
<i>Australian Sports Commission</i>				
Women and the Olympics	-	-	-	-
<i>Department of Industry, Science and Resources</i>				
St John's Ambulance - First Aid Services for the Sydney 2000 Games	-	-	-	-
Paralympic torch relay	-	-	-	-
Olympic media unit	0.3	-	-	-

Table B2: Expense Measures up to the 1999-2000 MYEFO (continued)

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Industry, Science and Resources				
Schoolchildren attending the Paralympics	-	-	-	-
Upgrade of the Domain International Athletics Centre, Hobart	-	-	-	-
Development of Erythropoietin (EPO) detection test	-	-	-	-
Portfolio total	0.3	-	-	-
Transport and Regional Services				
<i>Department of Transport and Regional Services</i>				
Flinders Island Runway	-	-	-	-
Geelong Road	-	60.0	60.0	-
The National Highway and Roads of National Importance Programmes	30.0	30.0	30.0	30.0
Establishment of an Australian Rural Partnerships Foundation	1.0	0.7	0.7	-
Alice Springs to Darwin Rail Link	10.0	30.0	-	-
Portfolio total	41.0	120.7	90.7	30.0
Treasury				
<i>Department of the Treasury</i>				
Assistance for cellar door and mail order sales of wine	14.7	15.4	16.1	16.9
<i>Australian Competition and Consumer Commission</i>				
Additional funding for retail price monitoring	-	-	-	-
Portfolio total	14.7	15.4	16.1	16.9
Veterans' Affairs				
<i>Department of Veterans Affairs</i>				
General Practice Memorandum of Understanding(d)	2.6	3.8	5.1	5.1
Portfolio total	2.6	3.8	5.1	5.1
Total impact of other expense measures up to MYEFO	1143.3	1310.3	972.2	891.4
Memorandum item:				
Total Democrats Amendments - Tax Reform	3115.9	2222.5	2691.0	2510.3
Total impact of other expense measures up to MYEFO	1143.3	1310.3	972.2	891.4
Total expense measures up to MYEFO(d)	4259.2	3532.8	3663.2	3401.7

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

(a) Expenses on an AAS31 basis.

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

(c) In addition to this, the Department of Defence spent \$7 million in 1998-99 by reprogramming within the global budget. Total Defence expenditure for the measure is \$35.9 million.

(d) This total includes the impact on expenses of the General Practice Memorandum of Understanding which was included in 'other variations' in the contingency reserve at Budget time.

Appendix C: General Government Net Capital Investment and Capital Appropriations

Table C1: Net Capital Investment by Agency^(a)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	-15.6	-8.1	-2.4	-2.4	-4.7
Australian Wool Research and Promotion Organisation	-6.2	-6.4	-2.6	-2.3	-2.3
Grains Research and Development Corporation	-0.1	-0.1	-0.1	-0.1	-0.1
<i>Total</i>	-21.9	-14.6	-5.1	-4.8	-7.1
Attorney-General's					
Attorney-General's Department	-4.7	-4.7	2.0	-1.7	-2.3
Australian Customs Service	41.2	11.1	-20.5	-17.3	-11.6
Australian Federal Police	-3.4	-0.8	-4.0	-1.5	-1.5
Family Court of Australia	6.0	5.2	-1.0	-1.1	0.0
<i>Total</i>	39.2	10.7	-23.5	-21.6	-15.4
Communications, Information Technology and the Arts					
Department of Communications, Information Technology and the Arts	81.9	-79.3	0.7	-2.6	-2.7
Australian Broadcasting Corporation	20.5	71.2	61.7	10.4	-18.1
Special Broadcasting Service Corporation	4.4	22.0	5.0	2.6	4.0
<i>Total</i>	106.7	14.0	67.4	10.5	-16.8
Defence					
Department of Defence	927.1	151.7	518.7	493.2	349.9
Defence Housing Authority	-198.2	-124.7	-142.5	53.7	101.8
<i>Total</i>	728.8	27.0	376.1	546.9	451.7
Education, Training and Youth Affairs					
Department of Education, Training and Youth Affairs	-0.4	-0.3	0.8	-0.2	0.4
<i>Total</i>	-0.4	-0.3	0.8	-0.2	0.4
Employment, Workplace Relations and Small Business					
Department of Employment, Workplace Relations and Small Business	9.3	11.2	-1.8	-1.9	-0.2
Comcare	0.0	0.0	0.0	0.0	0.0
<i>Total</i>	9.3	11.2	-1.8	-1.9	-0.2
Environment and Heritage					
Department of Environment and Heritage	-16.5	-7.3	-8.3	-7.1	-8.4
<i>Total</i>	-16.5	-7.3	-8.3	-7.1	-8.4

Table C1: Net Capital Investment by Agency^(a) (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Family and Community Services					
Department of Family and Community Services	5.6	0.6	-0.8	9.6	-2.8
Centrelink	-28.3	13.6	20.4	-1.3	-12.5
<i>Total</i>	-22.8	14.1	19.6	8.3	-15.3
Finance and Administration					
Department of Finance and Administration	-100.9	-295.4	-113.8	-78.8	89.9
Australian Electoral Commission	-2.4	0.0	-5.2	-3.3	-3.3
Office of Asset Sales and IT Outsourcing	-25.2	0.0	0.1	0.0	0.0
<i>Total</i>	-128.5	-295.3	-118.9	-82.2	86.6
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	-10.3	-8.6	-4.6	-12.6	-13.2
Australian Agency for International Development	0.3	-1.4	-1.4	0.2	0.1
Australian Trade Commission	5.6	-0.6	0.0	0.1	0.0
<i>Total</i>	-4.5	-10.6	-6.0	-12.3	-13.0
Health and Aged Care					
Department of Health and Aged Care	-42.8	2.8	-7.2	-6.9	-6.3
Health Insurance Commission	11.5	26.2	9.7	-6.6	2.2
<i>Total</i>	-31.3	28.9	2.5	-13.5	-4.1
Immigration and Multicultural Affairs					
Department of Immigration and Multicultural Affairs	23.1	-7.3	5.0	-1.5	-34.5
<i>Total</i>	23.1	-7.3	5.0	-1.5	-34.5
Industry, Science and Resources					
Department of Industry, Science and Resources	24.5	-2.0	-0.4	1.3	-6.4
Australian Nuclear Science and Technology Organisation	11.8	55.7	80.5	99.0	78.1
Australian Sports Commission	-1.6	-3.6	-3.9	-4.7	-4.7
Australian Tourist Commission	-0.3	-0.3	-1.0	-0.8	-0.6
Commonwealth Scientific and Industrial Research Organisation	-11.4	63.1	25.9	-54.0	0.5
<i>Total</i>	23.0	112.8	101.1	40.8	66.9
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	1.1	-0.2	-0.1	-0.2	-0.2
Aboriginal and Torres Strait Islander Commission	-3.3	-0.9	-0.9	-0.9	0.0
<i>Total</i>	-2.3	-1.2	-1.0	-1.2	-0.2
Transport and Regional Services					
Department of Transport and Regional Services	13.0	-25.4	-2.5	-11.6	-15.1
Civil Aviation Safety Authority	-1.8	6.5	3.9	2.1	0.2
<i>Total</i>	11.2	-18.9	1.4	-9.4	-14.9

Table C1: Net Capital Investment by Agency^(a) (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Treasury					
Department of the Treasury	4.1	4.5	-2.9	-2.6	-0.5
Australian Bureau of Statistics	-10.1	-5.6	14.9	-12.3	-3.5
Australian Securities and Investment Commission	-5.1	-3.6	-4.7	-4.1	-3.3
Australian Taxation Office	56.7	104.8	12.9	-35.7	-28.7
Australian Office of Financial Management	-0.1	4.0	-0.2	-0.2	-0.2
<i>Total</i>	45.5	104.1	20.1	-54.8	-36.1
Veterans' Affairs					
Department of Veterans' Affairs	13.2	8.3	2.3	2.3	3.4
<i>Total</i>	13.2	8.3	2.3	2.3	3.4
Small agencies	23.4	21.0	17.3	13.4	12.5
Whole of Government and Inter-Agency amounts(a)	0.0	209.0	209.7	148.2	397.5
Total net capital investment	795.3	205.6	658.8	559.9	853.0

(a) Estimates of inter-agency transactions are included in Whole of Government and inter-agency amounts.

Table C2: Capital Appropriations by Portfolio^(a)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Agriculture, Fisheries and Forestry					
Department of Agriculture, Fisheries and Forestry	23.0	0.0	0.0	0.0	0.0
Australian Wool Research and Promotion					
Organisation	0.0	0.0	0.0	0.0	0.0
Grains Research and Development Corporation	0.0	0.0	0.0	0.0	0.0
Agriculture, Fisheries and Forestry Portfolio	23.0	0.0	0.0	0.0	0.0
Attorney-General's					
Attorney-General's Department	39.4	15.0	0.0	0.0	0.0
Australian Customs Service	65.8	2.4	0.0	0.0	0.0
Australian Federal Police	85.2	36.1	10.0	0.0	0.0
Family Court of Australia	2.8	0.0	0.0	0.0	0.0
Attorney-General's Portfolio	193.1	53.5	10.0	0.0	0.0
Communications, Information Technology and the Arts					
Department of Communications, Information Technology and the Arts	44.5	1.8	1.1	0.1	0.1
Australian Broadcasting Corporation	33.2	141.3	50.3	68.8	37.0
Special Broadcasting Service Corporation	9.1	23.4	8.0	8.0	6.8
Communications, Information Technology and the Arts Portfolio	86.8	166.6	59.4	76.8	43.9
Defence					
Department of Defence	765.6	752.9	698.4	526.2	335.2
Defence Housing Authority	0.0	0.0	0.0	0.0	0.0
Defence Portfolio	765.6	752.9	698.4	526.2	335.2
Education, Training and Youth Affairs					
Department of Education, Training and Youth Affairs	464.5	660.8	617.2	603.5	527.0
Education, Training and Youth Affairs Portfolio	464.5	660.8	617.2	603.5	527.0
Employment, Workplace Relations and Small Business					
Department of Employment, Workplace Relations and Small Business	123.8	0.0	0.0	0.0	0.0
Comcare	0.1	0.0	0.0	0.0	0.0
Employment, Workplace Relations and Small Business Portfolio	123.9	0.0	0.0	0.0	0.0
Environment and Heritage					
Department of Environment and Heritage	22.4	0.0	0.0	0.0	0.0
Environment and Heritage Portfolio	22.4	0.0	0.0	0.0	0.0

Table C2: Capital Appropriations by Portfolio^(a) (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Family and Community Services					
Department of Family and Community Services	155.8	160.3	145.8	123.7	123.7
Centrelink	26.2	20.3	8.1	7.9	7.9
Family and Community Services Portfolio	182.0	180.6	153.9	131.6	131.6
Finance and Administration					
Department of Finance and Administration	863.3	918.0	851.8	846.3	828.4
Australian Electoral Commission	4.0	0.0	0.0	0.0	0.0
Office of Asset Sales and IT Outsourcing	10.7	0.0	0.0	0.0	0.0
Finance and Administration Portfolio	878.0	918.0	851.8	846.3	828.4
Foreign Affairs and Trade					
Department of Foreign Affairs and Trade	22.3	0.0	0.0	0.1	0.0
Australian Agency for International Development	209.8	211.5	232.7	207.5	169.6
Australian Trade Commission	0.2	0.0	0.0	0.1	0.0
Foreign Affairs and Trade Portfolio	232.2	211.6	232.7	207.7	169.6
Health and Aged Care					
Department of Health and Aged Care	51.2	69.4	41.5	47.6	38.5
Health Insurance Commission	0.0	0.0	0.0	0.0	0.0
Health and Aged Care Portfolio	51.2	69.4	41.5	47.6	38.5
Immigration and Multicultural Affairs					
Department of Immigration and Multicultural Affairs	29.3	75.9	0.0	0.0	0.0
Immigration and Multicultural Affairs Portfolio	29.3	75.9	0.0	0.0	0.0
Industry, Science and Resources					
Department of Industry, Science and Resources	133.6	63.5	66.4	44.8	29.4
Australian Nuclear Science and Technology Organisation	3.0	53.1	70.7	89.3	75.8
Australian Sports Commission	0.0	0.0	0.0	0.0	0.0
Australian Tourist Commission	0.0	0.0	0.0	0.0	0.0
Commonwealth Scientific and Industrial Research Organisation	0.0	0.0	0.0	0.0	0.0
Industry, Science and Resources Portfolio	136.6	116.6	137.1	134.1	105.1
Prime Minister and Cabinet					
Department of Prime Minister and Cabinet	8.1	0.0	0.0	0.0	0.0
Aboriginal and Torres Strait Islander Commission	85.6	87.4	90.2	92.1	94.4
Prime Minister and Cabinet Portfolio	93.8	87.4	90.2	92.1	94.4
Transport and Regional Services					
Department of Transport and Regional Services	44.7	7.7	0.0	0.0	0.0
Civil Aviation Safety Authority	0.0	6.0	0.0	0.0	0.0
Transport and Regional Services Portfolio	44.7	13.7	0.0	0.0	0.0

Table C2: Capital Appropriations by Portfolio^(a) (continued)

	Estimates		Projections		
	1999-00 \$m	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Treasury					
Department of the Treasury	314.1	1732.4	16.8	13.1	13.1
Australian Bureau of Statistics	11.3	0.0	0.0	0.0	0.0
Australian Securities and Investment Commission	0.0	0.0	0.0	0.0	0.0
Australian Taxation Office	113.6	62.9	42.9	22.5	0.0
Australian Office of Financial Management	0.0	4.1	0.0	0.0	0.0
Treasury Portfolio	438.9	1799.4	59.7	35.5	13.1
Veterans' Affairs					
Department of Veterans' Affairs	8.7	10.4	5.5	4.3	4.4
Veterans' Affairs	8.7	10.4	5.5	4.3	4.4
Small agencies	0.0	0.0	0.0	0.0	0.0
Whole of Government and Inter-Agency amounts(a)	4.5	10.1	205.2	1.2	0.0
Total	3779.1	5126.7	3162.6	2706.9	2291.2

(a) Estimates of inter-agency transactions are included in Whole of Government and inter-agency amounts.

Appendix D: Net Capital Investment Measures

Table D1: Net Capital Investment Measures since the 1999-2000 MYEFO

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Agriculture, Fisheries and Forestry				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Creation of a new Horticultural Service Company	-	-	-	-
Portfolio total	-	-	-	-
Attorney-General's				
<i>Attorney-General's Department</i>				
Establishment of the Administrative Review Tribunal	-	-	-	-
<i>Australian Federal Police</i>				
Microwave video link capacity for law enforcement agencies	1.1	-	-	-
<i>Australian Security Intelligence Organisation</i>				
Investment in ASIO capabilities(a)	-	2.9	2.0	2.2
Microwave video link capacity for law enforcement agencies	0.2	-	-	-
Portfolio total	1.3	2.9	2.0	2.2
Communications, Information Technology and the Arts				
<i>Australian Broadcasting Corporation</i>				
Digital broadcasting - resourcing for digital equipment	20.0	7.9	2.5	-4.4
Loan facility to the Australian Broadcasting Corporation	-	-	-	-
<i>Special Broadcasting Service Corporation</i>				
Digital broadcasting - resourcing for digital equipment	18.3	2.2	1.5	3.8
Portfolio total	38.3	10.1	4.0	-0.6
Defence				
<i>Department of Defence</i>				
Achievement of improved submarine capability	128.0	-	-	-
Additional resourcing for logistic support and corporate management systems	80.0	-4.0	-4.0	-4.0
Sale of Defence property	-480.2	-7.9	-50.0	-2.5
Portfolio total	-272.2	-11.9	-54.0	-6.5
Family and Community Services				
<i>Centrelink</i>				
Family Assistance Office review mechanism	1.1	-0.1	-0.1	-0.1
Revised means test treatment of private trusts and private companies	4.0	-	-	-
Portfolio total	5.1	-0.1	-0.1	-0.1

**Table D1: Net Capital Investment Measures since the 1999-2000 MYEFO
(continued)**

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Finance and Administration				
<i>Department of Finance and Administration</i>				
Future of Employment National	-	-	-	-
Portfolio total	-	-	-	-
Immigration and Multicultural Affairs				
<i>Department of Immigration and Multicultural Affairs</i>				
Response to the Review of Illegal Workers in Australia	0.5	-0.1	-0.1	-0.1
Unauthorised Arrivals in Australia - establish a new detention facility at Darwin and close the Curtin facility	2.8	-0.2	-0.2	-0.2
Portfolio total	3.4	-0.3	-0.3	-0.3
Industry, Science and Resources				
<i>Commonwealth Scientific and Industrial Research Organisation</i>				
CSIRO Property Review - proceeds from sales	-23.0	-31.0	-53.0	-
<i>Department of Industry, Science and Resources</i>				
Support for the development of Gas to Liquids Technology	-	-	-	-
Portfolio total	-23.0	-31.0	-53.0	-
Prime Minister and Cabinet				
<i>Office of the Commonwealth Ombudsman</i>				
Systems and desktop replacement for the Office of the Commonwealth Ombudsman	0.2	-0.1	-0.1	-0.1
Portfolio total	0.2	-0.1	-0.1	-0.1
Transport and Regional Services				
<i>Department of Transport and Regional Services</i>				
Indian Ocean Territories Infrastructure Development Programme	21.9	15.7	15.7	15.7
Portfolio total	21.9	15.7	15.7	15.7
Treasury				
<i>Australian Taxation Office</i>				
Administration of the Fuels sales grants scheme	1.7	-	-	-
Business tax reform	17.2	21.1	-	-
<i>Department of the Treasury</i>				
Australia's policy towards Papua New Guinea	-	-	-	-
Capital payment to the European Bank for Reconstruction and Development	-	-	-	-
Capital payment to the Multilateral Investment Guarantee Agency	-	-	-	-
Portfolio total	18.9	21.1	-	-

**Table D1: Net Capital Investment Measures since the 1999-2000 MYEFO
(continued)**

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Veterans' Affairs				
<i>Australian War Memorial</i>				
Bradbury Aircraft Hall exhibition fit-out	1.0	-	-	-
<i>Department of Veterans' Affairs</i>				
Change the date of effect for grants and variations to compensation payments	2.9	-	-	-
Managing health care information	5.1	4.5	4.3	4.4
Portfolio total	9.0	4.5	4.3	4.4
Total capital measures(b)	-197.1	11.0	-81.6	14.7

(a) Measures for ASIO and ASIS are listed in the summary table but are not further disclosed in the explanation of measures for security reasons.

(b) Measures may not add due to rounding.

Table D2: Net Capital Investment Measures up to the 1999-2000 MYEFO

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
Attorney-General's				
<i>Australian Customs Service</i>				
Enhanced Border Protection	-0.8	-0.8	-0.8	-
Portfolio total	-0.8	-0.8	-0.8	-
Environment and Heritage				
<i>National Parks and Wildlife</i>				
Equity injection for Kakadu and Uluru Kata-Tjuta National	-	-	-	-
Portfolio total	-	-	-	-
Immigration and Multicultural Affairs				
<i>Department of Immigration and Multicultural Affairs</i>				
Enhanced Border Protection	-0.3	-0.3	-0.3	-0.3
Portfolio total	-0.3	-0.3	-0.3	-0.3
Defence				
<i>Department of Defence</i>				
East Timor peace enforcement and peace keeping	256.0	111.0	27.0	27.0
Portfolio total	256.0	111.0	27.0	27.0
Total capital measures	254.9	109.9	25.9	26.7