

Part III: Capital measures

Table 1: Capital measures since the 2001-02 MYEFO

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
ATTORNEY-GENERAL'S				
<i>Australian Customs Service</i>				
Additional container x-ray machines	6.0	4.1	1.6	-1.4
Additional funding to address unauthorised arrivals	-	-	-	-
Additional pallet x-ray machines	2.0	0.8	0.8	-0.8
Doubling of Customs' National Marine Unit surveillance and response capacity	-1.5	-3.0	-3.0	-3.0
Improved data access for border control agencies	-	9.3	-	-
<i>Australian Federal Police</i>				
Australian Federal Police rapid response capability	1.0	0.5	..	-
Double the strike team capacity of the Australian Federal Police	-0.1	0.6	1.1	-0.9
Enhanced analytical and predictive crime capability for the Australian Bureau of Criminal Intelligence	-	-0.2	-0.5	-0.7
Enhancement of protective security services	-	-	-	-
E-security national agenda	-0.4	-0.4	-0.4	-0.4
Expansion of the Law Enforcement Cooperation Programme	2.9	0.3	-0.8	-0.7
Extension of Project Axiom	0.6	0.4	0.2	0.1
<i>Australian Security Intelligence Organisation</i>				
Enhanced technical capacity	-0.9	-1.2	-1.5	-2.0
Increased funding to intelligence agencies	1.2	0.6	-1.2	-0.6
Portfolio total	10.7	11.9	-3.6	-10.4
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
<i>Australian Sports Commission</i>				
Enhanced facilities at the Australian Institute of Sport	-	3.3	26.7	20.6
<i>National Archives of Australia</i>				
Repriorisation of capital expenditure from the National Archives of Australia	-3.0	-3.0	-3.0	-3.0
<i>Special Broadcasting Service Corporation</i>				
Special Broadcasting Service Corporation - refinancing of Artarmon property loan	-	-	-	-
Portfolio total	-3.0	0.3	23.7	17.6
DEFENCE				
<i>Department of Defence</i>				
Enhanced protective security	13.2	-	-	-
Enhancement to Defence's tactical response capability	0.5	24.1	37.5	24.7
E-security national agenda	0.3	0.1	0.1	0.2

Table 1: Capital measures since the 2001-02 MYEFO (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
DEFENCE (continued)				
Funding to cover shortfall in non-property sales	38.0	38.0	38.0	38.0
Incident response capability	0.5	11.2	17.4	6.9
Location of new immigration detention facility in South-East Queensland	nfp	nfp	nfp	nfp
Portfolio total	52.5	73.4	93.0	69.8
EDUCATION, SCIENCE AND TRAINING				
<i>Commonwealth Scientific and Industrial Research Organisation</i>				
CSIRO property sales	-	6.0	-	-
<i>Department of Education, Science and Training</i>				
Extension of the Postgraduate Education Loans Scheme	-	-	-	-
Portfolio total	-	6.0	-	-
EMPLOYMENT AND WORKPLACE RELATIONS				
<i>Department of Employment and Workplace Relations</i>				
Arrangements for the Third Employment Services Contract	3.2	-0.9	-0.9	-0.9
Portfolio total	3.2	-0.9	-0.9	-0.9
FINANCE AND ADMINISTRATION				
<i>Department of Finance and Administration</i>				
Deferral of the sale of the Commonwealth's shareholding in the Australian Submarine Corporation	-	-	-	-
Portfolio total	-	-	-	-
IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Construction of a purpose built permanent immigration reception and processing centre on Christmas Island	75.4	-7.2	-7.2	-7.2
Portfolio total	75.4	-7.2	-7.2	-7.2
TRANSPORT AND REGIONAL SERVICES				
<i>Department of Transport and Regional Services</i>				
Construction of a purpose built permanent immigration reception and processing centre on Christmas Island	41.0	-0.3	-0.3	-0.3
New freight and passenger facilities at Rumah Baru on West Island, Cocos (Keeling) Islands	-	-	-	-
Portfolio total	41.0	-0.3	-0.3	-0.3
TREASURY				
<i>Australian Taxation Office</i>				
A Better Superannuation System - quarterly Superannuation Guarantee contributions	6.4	-1.3	-1.3	-1.3
Baby Bonus - implementation and administration	-0.6	-0.6	-0.6	-0.6
Portfolio total	5.8	-1.9	-1.9	-1.9

Table 1: Capital measures since the 2001-02 MYEFO (continued)

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
CROSS PORTFOLIO				
<i>All Agencies</i>				
Reduce the Commonwealth Property Principles (CPP) rate to 11.0 per cent	-	-	-	-
Portfolio total	-	-	-	-
Total capital measures	185.5	81.2	102.7	66.7

- (a) The negative amounts in the forward years reflect depreciation on the initial capital investment.
(b) Loan transactions affect the Commonwealth's investments in financial assets, and for this reason are shown as having no impact on the fiscal balance.

Table 2: Capital measures up to the 2001-02 MYEFO

	2002-03	2003-04	2004-05	2005-06
	\$m	\$m	\$m	\$m
DEFENCE				
<i>Defence Housing Authority</i>				
Accelerating Sale and lease back programme	-150.0	-100.0	-100.0	-
Sales of Excess property	-122.0	-66.0	-66.0	-
<i>Department of Defence</i>				
Proceeds of Defence Property Sales	-528.1	-	-	-
Portfolio total	-800.1	-166.0	-166.0	-
EMPLOYMENT, WORKPLACE RELATIONS AND SMALL BUSINESS				
<i>Department of Employment, Workplace Relations and Small Business</i>				
Small Business Assistance Package - Development of an E-Commerce Business Authentication Framework	-1.3	-1.3	-0.7	-
Portfolio total	-1.3	-1.3	-0.7	-
IMMIGRATION AND MULTICULTURAL AFFAIRS				
<i>Department of Immigration and Multicultural Affairs</i>				
Funding to manage unauthorised arrivals	-0.4	-4.4	-4.4	-4.4
Portfolio total	-0.4	-4.4	-4.4	-4.4
TRANSPORT AND REGIONAL SERVICES				
<i>Department of Transport and Regional Services</i>				
Funding for Asia Pacific Space Centre	53.6	11.2	-	-
Portfolio total	53.6	11.2	-	-
Total Capital Measures	-748.2	-160.5	-171.1	-4.4

- (a) The negative amounts in the forward years reflect depreciation on the initial capital investment.
- (b) Loan transactions affect the Commonwealth's investments in financial assets, and for this reason are shown as having no impact on the fiscal balance.

ATTORNEY-GENERAL'S

Additional container x-ray machines

Capital (\$m)

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

Explanation

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

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

Additional funding to address unauthorised arrivals

Capital (\$m)

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

Explanation

The Government has provided additional funding of \$0.7 million in 2001-02 for the establishment of a Custom's function on Christmas Island.

See also the related expense measure titled *Additional funding to address unauthorised arrivals* in the Immigration and Multicultural and Indigenous Affairs portfolio.

Additional pallet x-ray machines

Capital (\$m)

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

Explanation

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

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

Doubling of Customs' National Marine Unit surveillance and response capacity

Capital (\$m)

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

Explanation

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

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

Improved data access for border control agencies

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Customs Service	-	9.3	-	-

Explanation

The Government will provide additional funding of \$9.3 million in capital to strengthen Australia's border security (associated depreciation cost will be absorbed from within existing resources of the Australian Customs Service). This measure will provide database development and analysis tools for border control authorities with access to international airline computer reservation and departure control systems.

See also the related expense measure titled *Improved data access for border control agencies* in the Attorney-General's portfolio.

Australian Federal Police rapid response capability

Capital (\$m)

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

Explanation

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

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

Double the strike team capacity of the Australian Federal Police

Capital (\$m)

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

Explanation

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

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

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

Capital (\$m)

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

Explanation

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

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

Enhancement of protective security services

Capital (\$m)

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

Explanation

Following the 11 September 2001 terrorist attacks, the Government provided additional funding of \$3.2 million in 2001-02 for light armed vehicles and equipment purchases to increase close personal protection services and enhance counter-terrorism crime capacity.

See also the related expense measure titled *Enhancement of protective security services* in the Attorney-General's portfolio.

E-security national agenda

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Federal Police	-0.4	-0.4	-0.4	-0.4
Department of Defence	0.3	0.1	0.1	0.2
Total	-0.1	-0.3	-0.3	-0.2

Explanation

The Government will provide additional funding to strengthen the Defence Signals Directorate's communication and information security assessment role. The funding will go towards improving IT equipment within the Directorate. The equipment will enable the Directorate to perform further technology reviews, architecture analysis and security audits on the national information infrastructure.

The Government will fund the Australian Federal Police (AFP) for depreciation for those capital costs being absorbed by the AFP.

See also the related expense measure titled *E-security national agenda* in the Attorney-General's portfolio.

Expansion of the Law Enforcement Cooperation Programme

Capital (\$m)

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

Explanation

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

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

Extension of Project Axiom

Capital (\$m)

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

Explanation

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

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

Enhanced technical capacity

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Security Intelligence Organisation	-0.9	-1.2	-1.5	-2.0

Explanation

The Government will fund the Australian Security Intelligence Organisation \$2.2 million over four years to enhance and develop technical investigative capacity. This enhancement will result in a greater use of existing capital equipment and therefore increased depreciation.

See also the related expense measure titled *Enhanced technical capacity* in the Attorney-General's portfolio.

Increased funding to intelligence agencies

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Security Intelligence Organisation	1.2	0.6	-1.2	-0.6

Explanation

Following a review of Australia's counter-terrorism arrangements, the Government will provide additional capital to the Australian Security Intelligence Organisation (ASIO) over the next two years to enhance counter terrorism capabilities. This additional capital will complement the existing equipment, which is expected to depreciate faster following heightened levels of activity, consistent with the Government's commitment to the war against terrorism.

See also the related expense measure titled *Increased funding to intelligence agencies* in the Attorney-General's portfolio.

COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Enhanced facilities at the Australian Institute of Sport

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Australian Sports Commission	-	3.3	26.7	20.6

Explanation

The Government will invest \$65.4 million over four years, beginning in 2003-04 and including \$14 million in 2006-07, to improve the infrastructure and facilities at the Australian Institute of Sport's Bruce Campus. The investment plan includes redeveloped athlete accommodation and enhanced specialised facilities for sports such as rowing and water polo.

See also the related expense measure titled *Enhanced facilities at the Australian Institute of Sport* in the Communications, Information Technology and the Arts portfolio.

Reprioritisation of capital expenditure from the National Archives of Australia

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
National Archives of Australia	-3.0	-3.0	-3.0	-3.0

Explanation

The Government will reallocate \$12 million in capital expenditure from the National Archives of Australia to support increased funding for the National Museum of Australia.

See also the related expense measures titled *Reprioritisation of funding from the National Archives of Australia* and *Additional funding for the National Museum of Australia* in the Communications, Information Technology and the Arts portfolio.

Special Broadcasting Service Corporation — refinancing of Artarmon property loan

Capital (\$m)

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

Explanation

The Government has allowed the Special Broadcasting Service Corporation (SBS) to borrow funds from the private sector until July 2002.

The Government will provide a loan of \$24 million in 2002-03 to the SBS, to be repaid over ten years. Funding will be used to refinance the above private sector loan which becomes due on 1 July 2002.

The provision of loans from the Budget only affects the composition of the Commonwealth's financial assets. As such this measure has a zero impact on the fiscal balance.

SBS took out a private sector loan in 1992 in order to consolidate its Sydney properties from Bondi Junction and Milson's Point to Artarmon. The loaned funds were used to purchase, refurbish and enhance the Artarmon property.

DEFENCE

Enhanced protective security

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Defence	13.2	-	-	-

Explanation

The Government has provided additional capital funding to improve security infrastructure around military bases in light of the heightened state of alert resulting from the War Against Terrorism.

See also the related expense measure titled *Enhanced protective security* in the Attorney-General's portfolio.

Enhancement to Defence's tactical response capability*Capital (\$m)*

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

Explanation

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

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

Funding to cover shortfall in non-property sales*Capital (\$m)*

	2002-03	2003-04	2004-05	2005-06
Department of Defence	38.0	38.0	38.0	38.0

Explanation

The Government will provide funding of \$38 million per annum to invest in Defence capability. This will enable the Department of Defence to make up for an expected funding shortfall in proceeds from the sale of non-property assets, below the level previously assumed by the Department of Defence.

Incident response capability*Capital (\$m)*

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

Explanation

The Government will provide additional capital funding to the Department of Defence to build the facilities required to support a permanent Incident Response Regiment to respond to Chemical, Biological, Radiological, Nuclear and Explosive (CBRNE)

incidents. This facility will include a regimental headquarters, a range of secure storage and some live-in accommodation.

See also the related expense measure titled *Incident response capability* in the Attorney-General's portfolio.

Location of new immigration detention facility in South-East Queensland

Capital (\$m)

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

Explanation

The Government has selected 22 hectares of land at the Meeandah Army Stores Site at Pinkenba in South-East Queensland as the preferred location for a new Immigration Detention Centre that will provide facilities for visa overstayers, those found working in breach of their visa conditions and unauthorised air arrivals. The Meeandah site is surplus and is to be sold in 2002-03. Retention of a portion of the land for the proposed facility will result in a reduction in the expected sale proceeds.

A final decision on the location of the facility will be taken following the completion of community consultation processes.

See also the related expense measure titled *Location of new immigration detention facility in South-East Queensland: offsetting reduction in costs* in the Immigration and Multicultural and Indigenous Affairs portfolio.

EDUCATION, SCIENCE AND TRAINING

CSIRO Property sales

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Commonwealth Scientific and Industrial Research Organisation	-	6.0	-	-

Explanation

This measure reflects the Government's decision to set the Commonwealth Property Principles (CPP) rate at 11 per cent, a reduction of 3-4 per cent from the previous rate.

Two CSIRO properties — Marmion (WA) and Cleveland (Qld) — that previously would have been sold will now be retained by the Commonwealth.

See the related cross portfolio capital measure titled *Reduce the Commonwealth Property Principles (CPP) rate to 11.0 per cent.*

Extension of the Postgraduate Education Loans Scheme

Capital (\$m)

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

Explanation

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

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

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

EMPLOYMENT AND WORKPLACE RELATIONS

Arrangements for the Third Employment Services Contract

Capital (\$m)

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

Explanation

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

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

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

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

FINANCE AND ADMINISTRATION

Deferral of the sale of the Commonwealth's shareholding in the Australian Submarine Corporation

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Finance and Administration	-	-	-	-

Explanation

The Government has decided to indefinitely suspend the sale of the Commonwealth's interest in the Australian Submarine Corporation Pty Ltd (ASC). The sale of the ASC affects the Commonwealth's investment in financial assets, and for this reason, it is shown as having a zero impact on fiscal balance.

See also the related expense measure titled *Deferral of the sale of the Commonwealth's shareholding in the Australian Submarine Corporation – sale costs* in the Finance and Administration portfolio.

IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Construction of a purpose built permanent immigration reception and processing centre on Christmas Island

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
Department of Immigration and Multicultural and Indigenous Affairs	75.4	-7.2	-7.2	-7.2
Department of Transport and Regional Services	41.0	-0.3	-0.3	-0.3
Total	116.4	-7.5	-7.5	-7.5

Explanation

The Government has agreed to the construction of a purpose built permanent immigration reception and processing centre on Christmas Island. The centre and associated works will have a capital cost of \$195 million over 2001-02 and 2002-03, excluding capital of \$3.9 million. This includes \$74.7 million provided in 2001-02 to the Department of Immigration and Multicultural and Indigenous Affairs (DIMIA) and \$116.4 million provided across DIMIA and the Department of Transport and Regional Services in 2002-03. The construction of this facility has been fast-tracked, in order for it to be completed by the end of January 2003.

This funding allows for the provision of all required elements for an Immigration Reception and Processing Centre on Christmas Island, including: immigration reception and processing centre buildings; kitchen and associated site works; security arrangements, including fencing; roads and water supply; other associated works; and additional housing.

See also the related expense measure titled *Construction of a purpose built permanent immigration reception and processing centre on Christmas Island* in the Immigration and Multicultural and Indigenous Affairs portfolio.

TRANSPORT AND REGIONAL SERVICES

New freight and passenger facilities at Rumah Baru on West Island, Cocos (Keeling) Islands

Capital (\$m)

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

Explanation

The Government will construct a new all-weather freight and passenger facility at Rumah Baru on the Cocos (Keeling) Islands to replace the existing jetty that is unsafe and close to the end of its economic life. The new facility will improve the safety, efficiency and reliability of freight and passenger transfers on the Cocos (Keeling) Islands. The total cost of the facility is \$16 million, with funding to be provided through existing resourcing of \$10.4 million specifically for the facility, and \$5.6 million to be re-directed from other projects in the Indian Ocean Territory Capital Replacement Programme. Work on the new facility will commence in 2002-03 and is expected to take two years to complete.

TREASURY

A Better Superannuation System — quarterly Superannuation Guarantee contributions

Capital (\$m)

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

Explanation

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

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

Baby Bonus — implementation and administration

Capital (\$m)

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

Explanation

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

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

CROSS PORTFOLIO

Reduce the Commonwealth Property Principles rate to 11.0 per cent

Capital (\$m)

	2002-03	2003-04	2004-05	2005-06
All Agencies	-	-	-	-

Explanation

The Government has reviewed the Commonwealth Property Principles (CPP) rate and reduced it from 14 — 15 per cent to 11 per cent. The CPP rate represents the minimum return required by the Commonwealth for investing in property. The rate has been reduced to reflect the significant reduction in the Commonwealth's cost of funds since the rate was first set in 1996. As a result of this reduction, the CPP rate is now aligned with the rate used for the Capital User Charge. Both rates are applied to ensure that the Commonwealth's allocation of financial capital appropriately takes into account the costs of funds and the risks associated with Commonwealth investment.

