



BUDGET

BUDGET MEASURES **BUDGET PAPER NO. 2**

2009-10

CIRCULATED BY

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FOR THE INFORMATION OF HONOURABLE MEMBERS
ON THE OCCASION OF THE BUDGET 2009-10

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FOREWORD

Budget Paper No. 2, *Budget Measures 2009-10* ensures that the Budget Papers provide comprehensive information on all Government decisions that involve changes to its revenue, expense and investing activities since the February 2009 *Updated Economic and Fiscal Outlook*.

Budget Paper No. 2 comprises three parts:

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

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

Expense measures are defined as those measures that affect expenses (on a Government Finance Statistics basis).

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

Notes

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation;
 - real growth in expenses is measured by the Consumer Price Index;
 - the Budget year refers to 2009-10, while the forward years refer to 2010-11, 2011-12 and 2012-13; and
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.

(d) The following notations are used:

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| nfp | not for publication |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

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

| | |
|-----|------------------------------|
| NSW | New South Wales |
| VIC | Victoria |
| QLD | Queensland |
| WA | Western Australia |
| SA | South Australia |
| TAS | Tasmania |
| ACT | Australian Capital Territory |
| NT | Northern Territory |

(f) In this paper the term Commonwealth refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term Australian Government is used when referring to the Government and the decisions and activities made by the Government on behalf of the Commonwealth of Australia.

Budget Paper No. 2, *Budget Measures 2009-10* is one of a series of Budget Papers that provides information to supplement the Budget Speech. A full list of the series is printed on the inside cover of this paper.

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Part 2: Expense Measures

Table 2: Expense measures since the February 2009 UEFO^(a)

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|------|--|----------------|----------------|----------------|----------------|----------------|
| | AGRICULTURE, FISHERIES AND FORESTRY | | | | | |
| | <i>Department of Agriculture, Fisheries and Forestry</i> | | | | | |
| 80 | Avian influenza border control – continuation | - | - | - | - | - |
| 80 | Department of Agriculture, Fisheries and Forestry – further efficiency | - | -3.4 | -3.2 | -2.9 | -2.5 |
| | Drought assistance | | | | | |
| 81 | – Exceptional Circumstances assistance for primary producers | - | 194.3 | - | - | - |
| 82 | – Exceptional Circumstances assistance for small businesses – extension | - | 10.3 | - | - | - |
| 83 | – interim income support for primary producers | - | 0.5 | - | - | - |
| 83 | – interim income support for small businesses | - | .. | - | - | - |
| 84 | – professional advice and planning | - | 21.3 | - | - | - |
| 84 | – re-establishment assistance – continuation | - | 24.7 | - | - | - |
| 85 | – transitional income support – extension | - | - | - | - | - |
| 85 | International mail program – continuation | - | - | - | - | - |
| 86 | Live Animal Trade Welfare Partnership | - | - | - | - | - |
| 132 | Nation Building and Jobs Plan – implementation costs | - | - | - | - | - |
| 86 | Quarantine border security – continuation | - | - | - | - | - |
| 87 | Securing the Future: protecting our industries from biological, chemical and physical risks program – continuation | - | - | - | - | - |
| 87 | Small block irrigators – exit grant package – expansion | - | - | - | - | - |
| 392 | Wheat export marketing – access arrangements | -0.9 | -0.6 | - | - | - |
| | <i>Land and Water Australia</i> | | | | | |
| 85 | Land and Water Australia – cessation of funding | - | -5.0 | -13.3 | -13.6 | -14.0 |
| | <i>Rural Industries Research and Development Corporation</i> | | | | | |
| 86 | Rural Industries Research and Development Corporation – further efficiency | - | -3.0 | -3.0 | -3.0 | -3.0 |
| | Portfolio total | -0.9 | 239.2 | -19.5 | -19.5 | -19.5 |
| | ATTORNEY-GENERAL'S | | | | | |
| | <i>Attorney-General's Department</i> | | | | | |
| 88 | Africa – law and justice frameworks – Australian assistance | - | 1.0 | 1.2 | 1.0 | 1.3 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | ATTORNEY-GENERAL'S (continued) | | | | | |
| 97 | Border protection – combating people smuggling – strengthening regional people smuggling laws and prosecutions | - | 1.1 | 1.1 | - | - |
| | Closing the Gap | | | | | |
| 213 | – funding for the Native Title system | - | -0.7 | -0.4 | -0.5 | -0.5 |
| 222 | – Northern Territory – law and order | - | 26.5 | 26.7 | 27.0 | - |
| 98 | Cole Inquiry Taskforce – continuation of funding | - | 0.8 | - | - | - |
| 99 | Commonwealth Law Ministers Meeting 2011 – funding | - | 0.5 | 1.1 | 0.9 | - |
| 99 | Continuity of Government – continuation of funding | - | - | - | - | - |
| 99 | Counter-terrorism – regional legal assistance | - | - | -1.7 | -1.8 | -1.8 |
| 100 | Critical Infrastructure Protection program – continuation | - | - | - | - | - |
| | Disaster Resilience | | | | | |
| 102 | – continuation and expansion of support for aerial firefighting | 4.0 | 3.5 | 3.3 | 3.1 | 2.9 |
| 102 | – National Emergency Warning System | 2.6 | 18.5 | 1.7 | 1.7 | 1.8 |
| 103 | Disaster Resilience Australia Package | - | 19.2 | 19.6 | 20.0 | 20.5 |
| 103 | Enhanced crisis coordination facilities | - | 5.8 | 2.2 | 1.8 | 1.9 |
| 104 | E-Security Review | - | 1.0 | 1.0 | 1.0 | 1.0 |
| 230 | Family Relationships Services Program – transfer of responsibilities to the Department of Families, Housing, Community Services and Indigenous Affairs | - | -4.8 | -4.9 | -5.0 | -5.0 |
| 106 | Indian Ocean Territories Grants – streamlined grants program | - | -0.4 | -0.4 | -0.4 | -0.4 |
| 372 | National Security Legislation Monitor – establishment | - | -0.3 | -0.3 | -0.3 | -0.3 |
| 109 | National security public information campaign – continuation | -3.0 | 1.0 | 1.0 | - | - |
| 109 | Personal Property Security Reform – additional resourcing | - | 1.4 | - | - | - |
| 110 | Respondent funding for Native Title claims – increased efficiencies | - | -0.6 | -0.6 | -0.7 | -0.7 |
| 111 | Royal Commission into the February 2009 Victorian Bushfires | 2.2 | 7.3 | - | - | - |
| 388 | Strategic compliance – continuing to address the abuse of tax havens | - | 0.4 | 0.4 | 0.4 | 0.4 |
| 112 | Wireless Priority Service System | - | - | - | - | - |
| | <i>Australian Crime Commission</i> | | | | | |
| 215 | Closing the Gap – National Indigenous Violence and Child Abuse Intelligence Task Force | - | 5.5 | - | - | - |
| 388 | Strategic compliance – continuing to address the abuse of tax havens | - | 1.8 | 3.2 | 2.4 | 2.0 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | ATTORNEY-GENERAL'S (continued) | | | | | |
| | <i>Australian Customs and Border Protection Service</i> | | | | | |
| 91 | Automated border processing (SmartGate) – maintenance | - | - | - | - | - |
| | Border protection | | | | | |
| 92 | – combating people smuggling – communications campaign | - | 1.5 | 2.5 | - | - |
| 94 | – combating people smuggling – increased aerial surveillance of Australia's northern waters | - | 8.2 | 8.2 | - | - |
| 94 | – combating people smuggling – increased maritime response capability | - | 3.4 | 2.9 | - | - |
| 95 | – combating people smuggling – international engagement to prevent and disrupt maritime people smuggling | - | 5.7 | 5.1 | 2.1 | 2.1 |
| 96 | – combating people smuggling – maritime surveillance – extension of contract for ACV Triton | - | 26.8 | 26.6 | - | - |
| 96 | – combating people smuggling – post-interdiction management of illegal entry vessels | - | 8.0 | 8.1 | 2.9 | 3.0 |
| 98 | China – Australian Customs and Border Protection Service – continuation | - | - | - | - | - |
| | Customs | | | | | |
| 100 | – risk-based approach to air cargo inspections | - | -4.2 | -4.2 | -4.3 | -4.4 |
| 101 | – risk-based approach to first port boarding inspections | - | -2.1 | -2.1 | -2.2 | -2.2 |
| 101 | – risk-based approach to sea cargo inspections | - | -8.2 | -8.2 | -8.1 | -8.0 |
| 106 | Illegal foreign fishing in northern waters – continuation of funding for on-land support services | - | - | - | - | - |
| 107 | International counter-terrorism – South-East Asia border security program | - | -2.2 | -1.8 | -1.8 | -2.3 |
| | Maritime surveillance | | | | | |
| 108 | – Bay class vessel replacement project | - | 1.0 | - | - | - |
| 108 | – Southern Ocean Maritime Patrol and Response Program | - | - | 60.5 | 59.6 | 60.3 |
| 263 | Overseas development assistance – Regional Assistance Mission to Solomon Islands – continuation | - | 0.6 | 0.8 | 0.8 | 0.1 |
| 86 | Quarantine border security – continuation | - | - | - | - | - |
| | <i>Australian Federal Police</i> | | | | | |
| 88 | Africa – law and justice frameworks – Australian assistance | - | 1.2 | 1.2 | 1.2 | 1.2 |
| 88 | Air Security Officer program – continuation | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | ATTORNEY-GENERAL'S (continued) | | | | | |
| | Australian Federal Police | | | | | |
| 89 | – contribution to the United Nations Mission in Sudan | - | 1.4 | 1.3 | - | - |
| 89 | – increase Australia's law enforcement contribution to Pakistan | - | 3.2 | 5.8 | 5.3 | 3.4 |
| 90 | – logistics and security arrangements for the deployment in Afghanistan – further efficiency | -6.6 | -8.8 | - | - | - |
| | Aviation security | | | | | |
| 91 | – Airport Police Commanders | - | - | - | - | - |
| 91 | – Airport Uniform Police supplementary funding | - | 9.0 | - | - | - |
| 92 | – Joint Airport Investigation Teams | - | - | - | - | - |
| 92 | – Unified Policing Model – lease and operating costs for accommodation | - | nfp | nfp | nfp | nfp |
| 93 | Border protection – combating people smuggling – enhancing Australian Federal Police and regional capability | - | 15.0 | 12.5 | 5.7 | 5.4 |
| 98 | Cole Inquiry Taskforce – continuation of funding | - | 1.4 | - | - | - |
| 101 | Diplomatic Guarding program – continuation of funding | - | - | - | - | - |
| 105 | Fighting terrorism at its source | - | - | - | - | - |
| 137 | Global terrorism – enhancing Australia's commitment to Afghanistan | 1.8 | 2.4 | 2.6 | - | - |
| 107 | Jakarta Centre for Law Enforcement Cooperation – continuation | - | - | - | - | - |
| 263 | Overseas development assistance – Regional Assistance Mission to Solomon Islands – continuation | - | -0.9 | -7.0 | -14.4 | -24.6 |
| 110 | Police Aviation Liaison Officers – continuation of funding | - | -1.5 | - | - | - |
| 110 | Regional Rapid Deployment Teams – continuation of funding | - | - | - | - | - |
| 388 | Strategic compliance – continuing to address the abuse of tax havens | - | - | 7.9 | 7.5 | 7.4 |
| 111 | Surge Capacity Phase Two – continuation of funding | - | - | - | - | - |
| | <i>Australian Security Intelligence Organisation</i> | | | | | |
| 255 | Counter-proliferation intelligence enhancement | - | - | - | - | - |
| | <i>Australian Transaction Reports and Analysis Centre</i> | | | | | |
| 88 | Africa – law and justice frameworks – Australian assistance | - | 1.9 | 1.9 | 1.9 | 2.0 |
| 90 | Australian Transaction Reports and Analysis Centre – efficiencies in reporting entity compliance | - | -0.7 | -0.7 | -0.7 | -0.7 |
| 388 | Strategic compliance – continuing to address the abuse of tax havens | - | 0.8 | 0.7 | 0.7 | 0.7 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | ATTORNEY-GENERAL'S (continued) | | | | | |
| | <i>Commonwealth Director of Public Prosecutions</i> | | | | | |
| 97 | Border protection – combating people smuggling – specialist prosecution unit | - | 4.6 | 6.7 | - | - |
| 98 | Cole Inquiry Taskforce – continuation of funding | - | 0.9 | - | - | - |
| 98 | Commonwealth Director of Public Prosecutions – efficiencies from in-house legal services | - | -0.6 | -0.6 | -0.6 | -0.6 |
| 388 | Strategic compliance – continuing to address the abuse of tax havens | - | 0.5 | 1.6 | 3.4 | 3.8 |
| | <i>Family Court of Australia</i> | | | | | |
| 104 | Family Court of Australia – reduction in the number of judicial officers | - | -1.2 | -1.3 | -1.3 | -1.3 |
| 105 | Federal Magistrates Court – savings from not appointing two federal magistrates | - | -0.7 | -1.4 | -1.4 | -1.4 |
| 111 | Restructure of the Federal Courts | - | 21.2 | 42.6 | 43.0 | 43.3 |
| | <i>Federal Court of Australia</i> | | | | | |
| 213 | Closing the Gap – funding for the Native Title system | - | .. | .. | -0.1 | -0.1 |
| 104 | Federal Court of Australia – reduction in the number of judicial officers | - | -1.6 | -1.6 | -1.6 | -1.6 |
| 111 | Restructure of the Federal Courts | - | 6.9 | 13.8 | 13.9 | 14.0 |
| | <i>Federal Magistrates Court of Australia</i> | | | | | |
| 105 | Federal Magistrates Court – savings from not appointing two federal magistrates | - | -0.7 | - | - | - |
| 111 | Restructure of the Federal Courts | - | -28.9 | -58.2 | -58.4 | -59.4 |
| | <i>High Court of Australia</i> | | | | | |
| 106 | High Court of Australia – additional resourcing | - | 1.1 | 0.9 | 0.7 | 0.8 |
| | <i>Insolvency and Trustee Service Australia</i> | | | | | |
| 107 | Insolvency and Trustee Service Australia – maintaining service standards | - | 7.0 | 7.3 | - | - |
| | <i>National Native Title Tribunal</i> | | | | | |
| 213 | Closing the Gap – funding for the Native Title system | - | -2.3 | -2.4 | -2.4 | -2.5 |
| 108 | National Native Title Tribunal – increased efficiencies | - | -0.5 | -1.0 | -1.1 | -1.1 |
| | <i>Office of Parliamentary Counsel</i> | | | | | |
| 109 | Office of Parliamentary Counsel – additional resourcing | - | 0.5 | 1.0 | 1.1 | 1.1 |
| | Portfolio total | 1.0 | 157.6 | 186.1 | 102.3 | 61.4 |
| | BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY | | | | | |
| | <i>Australian Broadcasting Corporation</i> | | | | | |
| | Australian Broadcasting Corporation | | | | | |
| 113 | – additional funding | - | 28.5 | 42.4 | 65.0 | - |
| 114 | – base funding | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY (continued) | | | | | |
| | Australian Broadcasting Corporation and Special Broadcasting Service Corporation | | | | | |
| 114 | – cessation of analog television simulcasting | - | - | -0.9 | -6.7 | - |
| 115 | – distribution and transmission efficiencies | - | nfp | nfp | nfp | - |
| 123 | Rural and Regional National Broadband Network Initiative – ABC regional broadband hubs | - | 2.5 | 4.7 | 8.1 | - |
| | <i>Australian Communications and Media Authority</i> | | | | | |
| 115 | Australian Communications and Media Authority – operational efficiencies | - | 0.7 | -0.9 | -0.9 | -1.0 |
| 100 | Critical Infrastructure Protection program – continuation | - | - | - | - | - |
| 117 | Digital dividend – technical planning and restacking | - | 4.0 | 6.5 | 7.1 | 5.4 |
| 117 | Digital Television Switchover – regional South Australia, Victoria and Queensland | - | 1.5 | 1.5 | 0.8 | - |
| 118 | Do Not Call Register- eligibility extension | - | 2.3 | 0.9 | 0.7 | 0.7 |
| | <i>Department of Broadband, Communications and the Digital Economy</i> | | | | | |
| 113 | Australian Broadband Guarantee – reduction in funding | - | -11.1 | -8.9 | -3.1 | - |
| 116 | Australian Communications Consumer Action Network – additional support | - | 1.2 | 2.0 | 2.1 | 2.1 |
| 116 | Community broadcasting National Training Program – continuation | - | 0.6 | 0.6 | 0.6 | 0.6 |
| 100 | Critical Infrastructure Protection program – continuation | - | - | - | - | - |
| 117 | Digital Television Switchover – regional South Australia, Victoria and Queensland | - | 25.8 | 51.4 | 40.9 | .. |
| 118 | National Broadband Network – implementation and establishment | - | 53.2 | - | - | - |
| 119 | National ICT Australia – funding extension | - | - | - | 25.0 | 23.8 |
| 120 | National Transmission Network – Residual Funding Pool – return of uncommitted funding | - | -0.4 | -0.4 | -0.3 | -0.3 |
| | <i>Regional Telecommunications Review Response</i> | | | | | |
| 120 | – Digital Regions Initiative | - | 1.6 | 5.1 | 6.1 | 2.8 |
| 121 | – enhanced Satellite Phone Subsidy Scheme | - | 2.9 | 2.4 | 2.5 | 3.6 |
| 122 | – Indigenous Communications Program | -6.7 | -8.5 | 1.7 | 5.8 | 4.5 |
| | <i>Rural and Regional National Broadband Network Initiative</i> | | | | | |
| 123 | – enhanced Digital Regions Initiative | - | 0.9 | 4.5 | 6.3 | 2.2 |
| 124 | – rural NBN coordinators | - | 0.8 | 1.4 | 1.4 | 1.4 |
| 125 | Television blackspots – alternative technical solutions | -0.6 | - | - | - | - |
| 125 | Television towers – improved coverage | - | nfp | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|-----------------|-----------------|----------------|
| | BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY (continued) | | | | | |
| | <i>Special Broadcasting Service Corporation</i> | | | | | |
| | Australian Broadcasting Corporation and Special Broadcasting Service Corporation | | | | | |
| 114 | – cessation of analog television simulcasting | - | - | -0.3 | -3.6 | - |
| 115 | – distribution and transmission efficiencies | - | nfp | nfp | nfp | - |
| | <i>Special Broadcasting Service Corporation</i> | | | | | |
| 124 | – additional funding | - | 4.0 | 5.0 | 11.0 | - |
| 124 | – base funding | - | - | - | - | - |
| | Portfolio total | -7.3 | 110.4 | 118.8 | 168.8 | 45.9 |
| | CLIMATE CHANGE | | | | | |
| | <i>Department of Climate Change</i> | | | | | |
| 126 | Australian Carbon Trust – establishment | - | 28.8 | 37.5 | 6.9 | 1.8 |
| 127 | Australian Climate Change Science Program – continuation of funding | - | - | - | - | - |
| | <i>Carbon Pollution Reduction Scheme</i> | | | | | |
| 127 | – Climate Change Action Fund – additional funding and rephasing | 1.0 | -100.0 | -400.0 | - | 100.0 |
| 128 | – Global Recession Buffer | - | - | - | 70.0 | 210.0 |
| 129 | – National Carbon Accounting Toolbox | - | 4.0 | 4.0 | 4.0 | 4.0 |
| | <i>Department of Climate Change</i> | | | | | |
| 411 | – accommodation fit-out(b) | - | 1.4 | - | - | - |
| 130 | – base departmental funding | - | -1.7 | -0.7 | -0.3 | 4.7 |
| 130 | Greenhouse Action in Regional Australia – termination | - | -3.9 | -3.9 | -3.9 | -3.9 |
| 131 | International negotiations on climate change – continuation of funding | - | - | - | - | - |
| | Portfolio total | 1.0 | -71.3 | -363.0 | 76.8 | 316.6 |
| | CROSS PORTFOLIO | | | | | |
| | <i>Various Agencies</i> | | | | | |
| 7 | Carbon Pollution Reduction Scheme – revised implementation(c) | - | - | -5,800.0 | -3,495.0 | 103.0 |
| | Portfolio total | - | - | -5,800.0 | -3,495.0 | 103.0 |
| | DEFENCE | | | | | |
| | <i>Defence Materiel Organisation</i> | | | | | |
| 133 | Australian Defence Force systems integration capabilities – improvements | - | - | - | - | - |
| 136 | Global supply chain opportunities | - | - | - | - | - |
| 140 | Priority Industry Capability Centres of Excellence | - | - | - | - | - |
| | <i>Department of Defence</i> | | | | | |
| 133 | Afghan National Army Trust Fund – contribution | - | 59.3 | 59.3 | 59.3 | 59.3 |
| 133 | Australian Defence Force Health Care Trial – expansion | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|-----------------|
| | DEFENCE (continued) | | | | | |
| 134 | Australia-United States enhanced defence cooperation – humanitarian assistance and disaster relief | - | - | - | - | - |
| 134 | Coastal surveillance – revised operational structure | - | -0.3 | 2.0 | - | - |
| 100 | Critical Infrastructure Protection program – continuation | - | - | - | - | - |
| 134 | Defence savings in the forward estimates period | - | - | -100.0 | -200.0 | -1,700.0 |
| 135 | Defence White Paper – new funding model | - | - | - | - | - |
| 103 | Enhanced crisis coordination facilities | - | 1.7 | - | - | - |
| 137 | Global terrorism – enhancing Australia's commitment to Afghanistan | - | 1,083.6 | 118.7 | 49.2 | - |
| | <i>Iraq</i> | | | | | |
| 137 | – Australian Defence Force embedded personnel commitment in Iraq – cessation | - | -49.5 | - | - | - |
| 138 | – Australian Defence Force security detachment – funding | - | 59.2 | 12.0 | 2.3 | - |
| 138 | Land operations in complex environments – improved capacity | - | - | - | - | - |
| 139 | Middle East Area of Operations – command and control enhancements | - | 87.5 | - | - | - |
| 139 | Military superannuation schemes – reduced number of medical reviews | - | -0.5 | -0.5 | -0.5 | -0.5 |
| 139 | Navy workforce – increased capability | - | - | - | - | - |
| 263 | Overseas development assistance – Regional Assistance Mission to Solomon Islands – continuation | - | 29.3 | - | - | - |
| 140 | Retention of accommodation on deployment | - | - | - | - | - |
| 140 | Superannuation contributions for operations – related allowances | - | 22.5 | - | - | - |
| 141 | Timor-Leste – continued funding to help maintain stability | - | 191.8 | 18.9 | 0.4 | - |
| | Portfolio total | - | 1,484.8 | 110.4 | -89.3 | -1,641.2 |
| | EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS | | | | | |
| | <i>Department of Education, Employment and Workplace Relations</i> | | | | | |
| 142 | Alternative Dispute Resolution Assistance Scheme – discontinuation | - | -4.9 | -4.9 | -4.9 | -4.9 |
| | An Innovation and Higher Education System for the 21st Century | | | | | |
| 142 | – Australian Universities Quality Agency – redirection of funding | - | - | -1.3 | -1.3 | -1.3 |
| 143 | – conditional funding and revised indexation arrangements | - | - | 58.3 | 173.2 | 297.1 |
| 144 | – demand-driven funding for higher education | - | 36.4 | 74.3 | 117.2 | 264.9 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued) | | | | | |
| | An Innovation and Higher Education System for the 21st Century | | | | | |
| 144 | – Education Investment Fund – Future Rounds | - | - | 350.0 | 250.0 | 125.0 |
| 145 | – Education Investment Fund – Round 2 | 40.0 | 227.2 | 247.6 | 78.2 | 19.5 |
| 148 | – funding for institutional performance targets | - | - | - | 68.7 | 137.7 |
| 148 | – Higher Education Equity Support Program – redirect funding | - | -6.0 | -12.2 | -12.4 | -12.7 |
| 149 | – Higher Education Loan Program (HELP) repayment reduction for education and nursing graduates | - | - | 3.7 | 25.6 | 48.1 |
| 150 | – increase in the maximum annual student contribution amount for education and nursing | - | 3.1 | 6.7 | 11.1 | 15.0 |
| 150 | – Learning and Teaching Performance Fund – redirect funding | - | -38.1 | -77.1 | -95.0 | -113.3 |
| 151 | – national quality and regulatory agency for higher education – establishment | - | 10.0 | 14.3 | 15.3 | 21.2 |
| 152 | – redirect funds to establish the Structural Adjustment Fund | - | -19.9 | -28.4 | -15.9 | - |
| 152 | – remove the loan fee on OS-HELP loans | - | 0.2 | 0.4 | 0.2 | 0.3 |
| 153 | – Structural Adjustment Fund | - | 50.5 | 70.7 | 56.0 | 25.0 |
| 153 | – Student Income Support – abolition of Commonwealth Education Costs Scholarships and Commonwealth Accommodation Scholarships programs | - | -54.2 | -119.8 | -215.9 | -264.1 |
| 154 | – Student Income Support – abolition of Commonwealth Scholarships for Associate Degrees program | - | -13.6 | -13.8 | -14.1 | -14.3 |
| 154 | – Student Income Support – administrative costs | - | 0.5 | 0.2 | 0.2 | 0.2 |
| 155 | – Student Income Support – increase Youth Allowance Parental Income Test threshold | - | 122.3 | 307.9 | 315.2 | 322.3 |
| 155 | – Student Income Support – Masters by coursework | - | - | - | 12.4 | 60.3 |
| 156 | – Student Income Support – means test exemption for equity and merit-based scholarships | - | 1.3 | 2.6 | 2.6 | 2.6 |
| 156 | – Student Income Support – reduction in the age of independence | - | 1.9 | 13.4 | 40.0 | 83.4 |
| 157 | – Student Income Support – relax personal income test | - | - | 55.5 | 114.6 | 117.2 |
| 157 | – Student Income Support – Relocation Scholarship | - | 24.7 | 50.8 | 54.8 | 60.2 |
| 158 | – Student Income Support – Student Start- Up Scholarship | - | 163.3 | 335.6 | 360.3 | 393.0 |
| 159 | – Student Income Support – Youth Allowance workforce participation criteria | - | -132.7 | -552.2 | -561.8 | -573.1 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|--|----------------|----------------|----------------|----------------|----------------|
| EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued) | | | | | |
| An Innovation and Higher Education System for the 21st Century | | | | | |
| 159 | - | 29.4 | 85.8 | 144.7 | 176.9 |
| | | | | | |
| 160 | - | -0.9 | -15.7 | -30.4 | -31.0 |
| 160 | - | - | - | - | - |
| 325 | - | -0.5 | -0.5 | -0.5 | -0.5 |
| 161 | - | 0.1 | - | - | - |
| 209 | - | 1.0 | 1.1 | 1.1 | 1.1 |
| Closing the Gap | | | | | |
| 211 | 10.1 | 142.8 | 165.4 | 260.8 | 280.1 |
| 217 | - | 4.4 | 2.3 | 2.3 | - |
| 217 | - | 2.9 | 2.9 | 2.3 | - |
| 218 | - | 12.3 | 11.7 | 11.5 | - |
| 218 | - | 11.2 | - | - | - |
| 222 | - | 1.0 | 1.0 | 1.0 | - |
| 225 | 1.0 | 2.1 | 3.3 | 3.6 | - |
| 161 | 1.1 | 4.8 | - | - | - |
| 381 | - | 1.5 | 2.5 | 1.0 | 1.0 |
| 162 | - | - | - | - | - |
| 228 | - | 0.7 | 41.6 | 94.7 | 138.0 |
| 162 | - | 7.8 | 1.9 | - | - |
| Drought assistance | | | | | |
| 81 | 1.0 | 9.6 | - | - | - |
| 82 | 0.1 | 0.5 | - | - | - |
| 163 | - | 26.0 | - | - | - |
| 163 | 1.8 | 6.7 | 7.2 | 8.1 | 9.2 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued) | | | | | |
| 164 | Expansion of VET FEE-HELP for full-fee students | - | 18.8 | 21.8 | 25.2 | 29.2 |
| 166 | Fair Work Australia – information and education | 6.0 | 8.3 | - | - | - |
| 166 | Family centred employment pilot project | - | - | - | - | - |
| | Fraud and compliance | | | | | |
| 328 | – Centrelink debts – increase in repayment rate | - | - | - | - | - |
| 330 | – increased Centrelink compliance review activity | - | -1.5 | -35.2 | -36.7 | -37.2 |
| 167 | Golden Gurus – mentoring support to business and community | - | - | - | - | - |
| 230 | Improving School Enrolment and Attendance Trial – continuation | - | 0.7 | - | - | - |
| 167 | Income support payments – asset test hardship provisions – modification | - | 0.9 | 1.0 | 1.1 | 1.2 |
| 168 | Job capacity assessments – additional assessments | - | 182.8 | 167.7 | 167.7 | 177.6 |
| | Jobs and Training Compact | | | | | |
| 168 | – monitoring and evaluation | - | 1.7 | 2.2 | - | - |
| 169 | – Building the Basics – Language, Literacy and Numeracy – additional training places and workforce development | 6.5 | 16.5 | 5.2 | - | - |
| 169 | – connecting people with job services | 2.0 | 3.2 | - | - | - |
| 170 | – early access to employment services for redundant workers | 36.8 | 65.7 | 126.7 | 69.3 | - |
| 170 | – improved participation requirements for 15 to 20 year olds | - | 100.6 | 41.0 | 25.4 | -8.6 |
| 171 | – improvements to assistance for job seekers | 21.0 | 0.1 | 0.1 | - | - |
| 172 | – information campaign on employment services and jobs | 8.6 | 7.2 | - | - | - |
| 172 | – Jobs Fund | 11.0 | 211.8 | 176.4 | 0.8 | - |
| 173 | – liquid assets waiting period – temporary change | 3.1 | 12.2 | 9.2 | - | - |
| 174 | – Local Employment Coordinators | - | - | - | - | - |
| 175 | – Pathways to Skills: Australian Apprenticeships Access Program – additional places | - | 21.2 | 6.2 | 6.4 | - |
| 175 | – Productivity Places Program – 10,000 additional places | - | 77.2 | - | - | - |
| 176 | – Securing Australian Apprenticeships – securing completions through RTOs | 0.9 | 4.5 | 4.3 | - | - |
| 176 | – Securing Australian Apprenticeships Re-commendations – all employees | 38.9 | 72.5 | 34.2 | - | - |
| 177 | – Training Supplement | - | 46.0 | 25.0 | 3.1 | - |
| 177 | – Youth Attainment and Transitions National Partnership | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued) | | | | | |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008-09 | - | -3.7 | -8.3 | -20.0 | -20.5 |
| 339 | – allocation of places for 2009-10 | - | -4.0 | -4.1 | -36.4 | -39.4 |
| 132 | Nation Building and Jobs Plan – implementation costs | 8.7 | 16.4 | 8.8 | - | - |
| | National Framework for Protecting Australia's Children | | | | | |
| 234 | – Special Child Care Benefit – increasing awareness and access | - | 9.1 | 9.0 | 9.2 | 9.4 |
| 235 | – Transition to Independent Living Allowance – increase | - | 1.3 | 1.3 | 1.3 | 1.4 |
| 178 | National Mental Health and Disability Strategy – Disability Support Pension Employment Incentive Pilot | - | 0.6 | 3.2 | 2.2 | 0.7 |
| 236 | Paid Parental Leave | - | 0.5 | 0.3 | 0.2 | 0.2 |
| 179 | Participation Taskforce Review – more flexible participation requirements for parents | - | .. | 3.9 | 3.6 | 3.5 |
| 180 | Prime Minister's Australia Asia Endeavour Awards | - | 3.5 | 3.8 | 3.9 | 3.8 |
| 180 | Quality Teacher Program – National Projects component – abolition | - | -7.7 | -8.1 | -8.3 | -8.1 |
| 181 | Reform of Australian Apprentices Incentive Funding – extend incentives to employers of custodial apprentices | - | 0.1 | 0.1 | 0.1 | 0.1 |
| 181 | Reform of Australian apprenticeships incentive funding – increased efficiency | - | - | - | - | - |
| | Reform of Australian Apprenticeships Incentives Funding | | | | | |
| 182 | – abolish Apprenticeship Training (Fee) Voucher | - | -51.1 | -57.1 | -57.1 | -57.6 |
| 183 | – abolish the Increased Opportunities for School-based New Apprentices in the Trades | - | -6.2 | -6.4 | -6.6 | -6.7 |
| 183 | – combine three incentive programs into one program – Tools for Your Trade | - | 1.6 | 7.2 | 7.4 | 7.4 |
| 184 | – extend employer incentives to all Diploma and Advanced Diploma courses | - | 10.0 | 15.9 | 12.9 | 8.2 |
| 185 | – provide support for Mid-Career Apprentices by extending funding to those aged 25 years and over | - | 11.3 | 14.0 | 13.9 | 13.9 |
| 185 | – reduce and phase out Fast Track Apprenticeships | - | -3.0 | -5.4 | -11.0 | -16.9 |
| 186 | – streamlined administration | - | -0.4 | -5.0 | -6.4 | -6.5 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|--|--|----------------|----------------|----------------|----------------|----------------|
| EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued) | | | | | | |
| 242 | Secure and sustainable pensions – increase to pension payments | - | 13.1 | 10.5 | 9.4 | 7.1 |
| 186 | Skills for the Carbon Challenge | - | 8.3 | 7.0 | 5.6 | 6.0 |
| 344 | Temporary Business (Long Stay) Visa (Subclass 457) reform – implementation | - | - | - | - | - |
| 187 | Transitional assistance to employment service providers – Business Adjustment Fund | 1.5 | 1.5 | - | - | - |
| 187 | Unlawful Termination Assistance Scheme – discontinuation | - | -5.9 | -6.1 | -6.1 | -6.1 |
| 188 | Vocational Education Broadband Network | - | 25.7 | 15.6 | - | - |
| 188 | Youth Development and Support Program – funding reallocation | - | - | - | - | - |
| <i>Fair Work Australia</i> | | | | | | |
| 165 | Fair Work Australia – implementation of workplace relations legislation | - | 11.2 | 7.1 | 6.5 | 6.6 |
| <i>Office of the Fair Work Ombudsman</i> | | | | | | |
| 165 | Fair Work Australia – implementation of workplace relations legislation | - | 25.1 | 24.2 | 22.5 | 19.7 |
| <i>Office of the Workplace Ombudsman</i> | | | | | | |
| 344 | Temporary Business (Long Stay) Visa (Subclass 457) reform – implementation | - | - | - | - | - |
| <i>Workplace Authority</i> | | | | | | |
| 165 | Fair Work Australia – implementation of workplace relations legislation | - | 20.4 | - | - | - |
| Portfolio total | | 200.2 | 1563.1 | 1709.7 | 1483.7 | 1672.3 |
| ENVIRONMENT, WATER, HERITAGE AND THE ARTS | | | | | | |
| <i>Australia Council</i> | | | | | | |
| 190 | ArtStart – establishment | - | 2.5 | 2.4 | 2.4 | 2.4 |
| 199 | Melba Foundation – continued support | - | 1.0 | 0.8 | 0.5 | - |
| 206 | Small to medium arts organisations – extension of funding | - | 1.0 | - | - | - |
| 207 | Territory orchestras – extension of funding | - | 0.2 | - | - | - |
| <i>Bureau of Meteorology</i> | | | | | | |
| Bureau of Meteorology | | | | | | |
| 192 | – additional funding | - | 2.2 | 4.8 | 4.6 | 4.5 |
| 193 | – Next generation weather forecast and warning system – national roll-out | - | 1.9 | 4.1 | 5.1 | 4.3 |
| 193 | – strategic radar enhancement project – establishment | - | 2.2 | 4.3 | 5.6 | 6.1 |
| <i>Department of the Environment, Water, Heritage and the Arts</i> | | | | | | |
| 189 | Action on Energy Efficiency – termination | - | -6.9 | -6.9 | -6.0 | -6.0 |
| 189 | Art Indemnity Australia – redirection of funding | - | -3.4 | -4.0 | -4.1 | -4.2 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | ENVIRONMENT, WATER, HERITAGE AND THE ARTS (continued) | | | | | |
| 190 | Arts Training Organisations – additional contribution | - | 1.1 | 1.3 | 1.3 | 1.7 |
| 190 | Australia – Antarctica Airlink – continuation | - | - | - | - | - |
| 191 | Australian Government international exhibitions insurance program – establishment | - | - | 2.0 | 2.0 | 2.1 |
| 191 | Australia's National and Commonwealth historic built heritage – protection and conservation | - | - | 5.0 | 5.0 | 5.0 |
| 192 | Bioremediation and revegetation trials | 1.0 | 7.0 | 2.0 | - | - |
| 192 | Books Alive – continuation | - | 2.0 | 2.0 | 2.0 | 2.0 |
| 127 | Carbon Pollution Reduction Scheme – Climate Change Action Fund – additional funding and rephasing | 1.5 | - | - | - | - |
| | Closing the Gap | | | | | |
| 211 | – Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program (IEP) Reform | - | 4.0 | 4.1 | 4.2 | 4.5 |
| 225 | – strengthening Australia's Indigenous visual arts industry – additional funding | - | 2.5 | 2.5 | 2.5 | 2.5 |
| 194 | Coal Mine Methane Reduction Program – termination | - | - | -2.1 | -2.1 | - |
| 194 | Commonwealth Environment Research Facilities Program – reduction in funding | - | - | -2.0 | -4.0 | -4.0 |
| 195 | Commonwealth terrestrial reserves – additional funding | - | 6.3 | 7.6 | 3.5 | 3.2 |
| 195 | Director of National Parks – continued supplementation | - | 3.5 | 1.3 | 1.3 | 1.4 |
| 195 | Energy Efficiency of Electrical Appliances – termination | - | -4.1 | -4.0 | -3.9 | - |
| 196 | Green Loans Program – better targeting | -8.5 | -20.9 | -39.8 | -39.8 | -16.7 |
| 196 | Greenhouse Challenge Plus – termination | - | -2.9 | -2.9 | -2.9 | -2.9 |
| 197 | Greenhouse Gas Abatement Program – termination | - | -1.7 | - | - | - |
| 197 | Heating, Ventilation and Air Conditioning High Efficiency Systems Strategy – contribution | - | 0.7 | 0.7 | 0.7 | - |
| 197 | Hot water system phase out – termination | - | - | - | - | - |
| 172 | Jobs and Training Compact – Jobs Fund | 6.2 | 53.5 | 0.4 | - | - |
| 198 | Local Greenhouse Action – termination | - | -3.4 | -3.4 | -3.0 | -3.0 |
| 198 | Low Emissions Technology and Abatement – termination | - | -5.0 | -2.0 | - | - |
| 198 | Maintaining Australia's presence in Antarctica – additional funding | - | 12.0 | 13.2 | - | - |
| 132 | Nation Building and Jobs Plan – implementation costs | 19.6 | 62.0 | 53.9 | 23.1 | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | ENVIRONMENT, WATER, HERITAGE AND THE ARTS (continued) | | | | | |
| 199 | National collecting institutions touring and outreach program – establishment | - | 1.0 | 1.0 | 1.0 | 1.0 |
| 199 | National Energy Efficiency Initiative – establishment | - | 100.0 | - | - | - |
| | National Strategy on Energy Efficiency | | | | | |
| 201 | – Building Code of Australia requirements for commercial buildings – enhancement | - | 1.5 | 0.8 | 0.5 | 0.5 |
| 201 | – commercial building energy efficiency – mandatory disclosure | - | 1.5 | 1.5 | 1.3 | 1.1 |
| 202 | – commercial building rating tools – enhancement | - | 0.7 | 0.7 | 0.6 | 0.5 |
| 202 | – energy efficiency labelling – enhancement | - | 4.2 | 4.7 | 4.8 | 4.6 |
| 203 | – Energy efficiency requirements for residential buildings – enhancement | - | 2.9 | 2.0 | 1.7 | 2.1 |
| 203 | – minimum performance standards for appliances and equipment – expansion | - | 4.1 | 4.1 | 4.2 | 4.2 |
| 204 | – Residential building energy efficiency – mandatory disclosure | - | 2.4 | 1.9 | 1.6 | 1.8 |
| 205 | Phase-out of Inefficient Light Bulbs – termination | - | -2.0 | -1.9 | -0.5 | - |
| 87 | Small block irrigators – exit grant package – expansion | - | - | - | - | - |
| 205 | Small Business and Household Initiative – termination | - | -5.9 | -0.5 | -0.4 | - |
| 206 | Solar Homes and Communities Plan – additional funding | - | 245.3 | - | - | - |
| 207 | Strategic National Response – termination | - | -1.2 | -1.2 | -1.2 | -1.2 |
| | <i>Water for the Future</i> | | | | | |
| 207 | – local plans for a future with less water | - | - | - | - | - |
| 208 | – national stormwater funding | - | - | - | - | - |
| 208 | – reallocation of Driving Reform in the Murray-Darling Basin funds | - | -52.7 | -53.5 | -19.4 | -19.5 |
| | <i>Great Barrier Reef Marine Park Authority</i> | | | | | |
| 205 | Reef HQ Aquarium, Townsville – continuation | - | - | - | - | - |
| | <i>Murray-Darling Basin Authority</i> | | | | | |
| 208 | Water for the Future – reallocation of Driving Reform in the Murray-Darling Basin funds | - | 41.1 | 37.7 | 19.4 | 19.5 |
| | <i>National Library of Australia</i> | | | | | |
| 200 | National Library of Australia – business case for digitisation of the national collections | - | 0.8 | - | - | - |
| | <i>National Museum of Australia</i> | | | | | |
| 200 | National Museum of Australia – accommodation of off-site collections – business case | - | - | - | - | - |
| | <i>National Water Commission</i> | | | | | |
| 208 | Water for the Future – reallocation of Driving Reform in the Murray-Darling Basin funds | - | 2.6 | 4.9 | - | - |
| | Portfolio total | 19.8 | 463.7 | 47.2 | 11.5 | 17.4 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|---|----------------|----------------|----------------|----------------|----------------|
| FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS | | | | | |
| <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | | | | | |
| An Innovation and Higher Education System for the 21st Century | | | | | |
| 155 | - | -55.4 | -147.6 | -150.9 | -154.0 |
| 156 | - | -1.3 | -4.6 | -13.5 | -20.6 |
| 209 | - | .. | - | - | - |
| 326 | - | -27.9 | -27.9 | -27.9 | -27.9 |
| 209 | - | 1.1 | 1.3 | 1.3 | 1.4 |
| Closing the Gap | | | | | |
| 210 | - | 0.7 | 0.8 | 0.8 | 0.8 |
| 210 | - | - | 0.5 | 0.5 | 0.5 |
| 211 | 7.7 | -109.5 | -98.9 | -243.5 | -271.3 |
| 213 | - | 7.0 | 13.4 | 20.1 | 21.6 |
| 214 | - | 5.9 | 7.8 | 8.0 | 5.0 |
| 215 | - | 9.6 | 12.4 | 12.6 | - |
| 216 | - | 7.9 | 5.3 | 4.2 | - |
| 216 | - | 3.9 | 3.8 | 3.3 | - |
| 217 | - | 0.5 | 0.5 | 0.5 | - |
| 219 | - | 5.5 | 5.7 | 5.9 | - |
| 220 | - | 25.1 | 25.3 | 25.6 | - |
| 220 | - | 7.7 | - | - | - |
| 222 | - | 10.0 | - | - | - |
| 223 | - | 0.3 | 1.2 | 1.2 | - |
| 223 | - | 7.9 | 9.3 | 10.7 | - |
| 224 | - | 9.3 | 9.5 | 9.7 | - |
| 224 | - | - | 3.6 | 3.6 | 3.6 |
| 226 | - | 9.6 | 11.4 | 13.3 | 14.2 |
| 227 | - | 2.2 | 2.2 | 2.3 | 2.3 |
| 227 | - | 2.0 | 0.6 | 0.4 | - |
| 228 | - | 1.8 | -36.9 | -114.5 | -190.9 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS (continued) | | | | | |
| 228 | Drought assistance – extension of the Family Support Drought Response Teams program | - | 7.6 | - | - | - |
| | Emergency Relief | | | | | |
| 229 | – assistance related to the Victorian bushfires and Queensland floods | 5.0 | - | - | - | - |
| 229 | – innovative projects to help build the financial capacity of people on low incomes | - | 25.0 | 25.0 | - | - |
| 230 | Family Relationships Services Program – transfer of responsibilities to the Department of Families, Housing, Community Services and Indigenous Affairs | - | 2.7 | 2.8 | 2.9 | 2.9 |
| | Fraud and compliance | | | | | |
| 328 | – Centrelink debts – increase in repayment rate | - | - | - | - | - |
| 328 | – establishing a data mining capability in Centrelink | - | -3.8 | -12.4 | -19.3 | -21.8 |
| 329 | – extend United Kingdom data exchange | - | -1.2 | -1.5 | -0.4 | -0.3 |
| 329 | – extending real estate asset reviews to Disability Support Pension | - | -1.3 | -6.1 | -8.1 | -10.3 |
| 330 | – increased Centrelink compliance review activity | - | -0.9 | -9.5 | -11.2 | -11.8 |
| 230 | Improving School Enrolment and Attendance Trial – continuation | - | - | - | - | - |
| 231 | Income management in cases of child neglect and by voluntary choice – continuation of trial | - | 3.0 | - | - | - |
| 170 | Jobs and Training Compact – improved participation requirements for 15 to 20 year olds | - | -18.9 | -32.3 | -32.4 | -32.9 |
| 232 | Maternity Immunisation Allowance – alignment of indexation with other family payments | - | -0.5 | -0.5 | -0.9 | -0.9 |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008-09 | -10.9 | -22.4 | -23.0 | -23.6 | -24.2 |
| 339 | – allocation of places for 2009-10 | - | -14.4 | -41.4 | -69.8 | -99.7 |
| 132 | Nation Building and Jobs Plan – implementation costs | 2.0 | 3.2 | 1.9 | 1.3 | - |
| 232 | National Companion Card – implementation | - | 0.8 | 0.6 | 0.5 | - |
| | National Framework for Protecting Australia's Children | | | | | |
| 233 | – Communities for Children Plus Program – establishment | - | 1.7 | 3.1 | 3.1 | 2.1 |
| 233 | – National Leadership Projects | - | 2.3 | 2.3 | 2.7 | 2.8 |
| 234 | – Special Child Care Benefit – increasing awareness and access | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|---|----------------|----------------|----------------|----------------|----------------|
| FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS (continued) | | | | | |
| National Framework for Protecting Australia's Children | | | | | |
| 235 | - | - | - | - | - |
| | | | | | |
| 235 | - | - | - | - | - |
| | | | | | |
| 236 | - | 4.8 | 237.5 | 465.4 | 478.1 |
| 237 | 48.0 | 3.7 | - | - | - |
| Reform of family payments | | | | | |
| 238 | - | -43.1 | -189.5 | -292.0 | -498.7 |
| 239 | - | -169.9 | -236.3 | -346.9 | -364.6 |
| Secure and sustainable pensions | | | | | |
| 240 | - | 5.1 | 3.3 | -14.5 | -49.8 |
| 241 | - | - | - | - | - |
| 242 | - | 2,427.2 | 3,294.6 | 3,483.9 | 3,709.2 |
| 244 | 373.1 | 0.1 | 434.2 | 458.4 | 482.5 |
| 245 | - | 0.3 | -0.1 | -0.7 | -0.8 |
| 246 | - | -133.2 | -265.5 | -338.4 | -417.7 |
| 247 | 19.2 | - | - | - | - |
| Superannuation | | | | | |
| 33 | 10.9 | - | - | - | - |
| 33 | - | 15.0 | - | - | - |
| 247 | - | 8.7 | 7.1 | 6.8 | 7.0 |
| 248 | 75.2 | 10.6 | - | - | - |
| <i>Torres Strait Regional Authority</i> | | | | | |
| 226 | - | 14.2 | 14.5 | 0.2 | - |
| Portfolio total | | | | | |
| | 530.2 | 2,050.5 | 3,007.6 | 2,840.6 | 2,535.7 |
| FINANCE AND DEREGULATION | | | | | |
| <i>Australian Electoral Commission</i> | | | | | |
| 249 | - | -1.5 | -1.5 | -1.5 | -1.5 |
| 214 | - | 1.2 | 4.7 | 3.1 | 3.5 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | FOREIGN AFFAIRS AND TRADE (continued) | | | | | |
| | <i>Australian Centre for International Agricultural Research</i> | | | | | |
| 252 | Australian Centre for International Agricultural Research – redirect funding | - | -0.4 | -0.4 | -0.4 | -0.4 |
| 261 | Overseas development assistance – food security through rural development | - | 11.0 | 15.0 | 21.0 | 22.0 |
| | <i>Australian Secret Intelligence Service</i> | | | | | |
| 255 | Border protection – combating people smuggling – enhanced intelligence capability | - | 11.9 | 9.5 | 2.8 | 3.2 |
| 99 | Continuity of Government – continuation of funding | - | - | - | - | - |
| 255 | Counter-proliferation intelligence enhancement | - | - | - | - | - |
| 257 | Enhancing regional counter-terrorism effectiveness | - | - | - | - | - |
| | <i>Australian Trade Commission</i> | | | | | |
| | Australian Trade Commission | | | | | |
| 253 | – Clean Energy Trade and Investment Strategy | - | 4.2 | 5.0 | 5.0 | - |
| 254 | – Export Market Development Grants scheme – additional funding | 50.0 | - | - | - | - |
| 254 | – reduction in promotional activities | - | -0.3 | -0.3 | -0.3 | -0.3 |
| | <i>Department of Foreign Affairs and Trade</i> | | | | | |
| 252 | APEC Business Advisory Council (ABAC) – hosting an ABAC meeting in 2010 and secretariat support | - | 0.3 | - | - | - |
| 253 | Australian Consulate-General in Nauru – continued funding | - | - | - | - | - |
| 254 | Border protection – additional resourcing to combat people smuggling – international engagement to prevent and disrupt maritime people smuggling | - | 4.1 | 4.6 | - | - |
| 103 | Enhanced crisis coordination facilities | - | 0.6 | 0.7 | 0.7 | 0.7 |
| 256 | Enhanced diplomacy – advancing national security and protecting Australians abroad – resourcing | - | 18.8 | 22.1 | 29.2 | 35.1 |
| 256 | Enhanced Pacific engagement | - | 1.9 | 1.9 | - | - |
| 257 | Enhancing Australia's Regional Engagement | - | 13.3 | 23.7 | 25.1 | 30.0 |
| 137 | Global terrorism – enhancing Australia's commitment to Afghanistan | - | 4.1 | 2.7 | 1.8 | 2.1 |
| 257 | Hosting the 35th Antarctic Treaty Consultative Meeting | - | .. | .. | 1.4 | - |
| 258 | International Commission on Nuclear Non-proliferation and Disarmament – operational costs | - | 7.7 | 1.6 | - | - |
| 258 | International Counter-Terrorism Capability and Programs | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | FOREIGN AFFAIRS AND TRADE (continued) | | | | | |
| 413 | Jakarta – new Chancery construction(b) | - | 0.5 | 0.4 | 0.4 | - |
| 259 | Kabul – new chancery construction project feasibility and planning | - | 3.0 | - | - | - |
| | Overseas development assistance | | | | | |
| 260 | – Debt to Health Swap with Government of Indonesia | - | - | - | - | - |
| 263 | – Regional Assistance Mission to Solomon Islands – continuation | - | 3.8 | 3.6 | 3.8 | 3.7 |
| 264 | Pandemic influenza preparedness – maintaining the delivery of Australian Government services overseas | - | 0.4 | .. | - | - |
| 265 | Protecting Australian diplomatic and consular posts overseas – security enhancements | - | 6.5 | 8.5 | 9.3 | 11.2 |
| 265 | Regional chemical, biological, radiological and nuclear security | - | - | - | - | - |
| 265 | Thailand – repatriation of Australian citizens and permanent residents | 0.1 | - | - | - | - |
| 266 | Trans-Pacific Partnership Agreement negotiation – Australia's participation | - | - | - | - | - |
| 266 | Travellers' Emergency Loans and Consular Emergency Services Schemes | - | 0.3 | 0.3 | 0.3 | 0.3 |
| 266 | United Nations Security Council – candidacy | - | 4.8 | 5.7 | - | - |
| | Portfolio total | 50.1 | 150.3 | 202.5 | 619.0 | 811.9 |
| | HEALTH AND AGEING | | | | | |
| | <i>Australian Institute of Health and Welfare</i> | | | | | |
| 270 | Australian Institute of Health and Welfare – improving access to data and analysis | - | 0.6 | 0.7 | 0.7 | 0.7 |
| | Council of Australian Governments' decision | | | | | |
| 380 | – Commonwealth investment in closing Indigenous data gaps | - | nfp | nfp | nfp | nfp |
| 381 | – implementing the Council of Australian Governments' federal financial framework – expanded roles | 0.7 | 8.9 | 9.7 | 4.9 | 4.8 |
| 323 | World Class Cancer Care – cancer data to improve cancer survival | - | 0.5 | 0.5 | 0.5 | 0.5 |
| | <i>Australian Radiation Protection and Nuclear Safety Agency</i> | | | | | |
| 265 | Regional chemical, biological, radiological and nuclear security | - | - | - | - | - |
| | <i>Australian Sports Anti-Doping Authority</i> | | | | | |
| 271 | Australian Sports Anti-Doping Authority – continued funding for Australia's anti-doping framework | - | 5.2 | 5.2 | 5.2 | 5.3 |
| | <i>Australian Sports Commission</i> | | | | | |
| 275 | European training base for Australian athletes – continuation | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | HEALTH AND AGEING (continued) | | | | | |
| | <i>Cancer Australia</i> | | | | | |
| 272 | Cancer Australia – improved lung cancer data and treatment guidelines | - | 0.9 | 2.4 | 1.7 | 1.7 |
| | <i>World Class Cancer Care</i> | | | | | |
| 323 | – Building Cancer Support Networks program – continued funding | - | - | - | - | - |
| 323 | – cancer data to improve cancer survival | - | 0.5 | 0.5 | 0.5 | 0.6 |
| 323 | – Mentoring for Regional Hospitals and Cancer Professionals program – continued funding | - | - | - | - | - |
| | <i>Department of Health and Ageing</i> | | | | | |
| 268 | Aged care viability supplements – increase | - | 2.4 | 11.0 | - | - |
| 268 | Assistive Technology in Community Care program – discontinuation | - | -6.6 | -6.3 | -6.4 | -6.5 |
| | <i>Australian Better Health Initiative</i> | | | | | |
| 269 | – cease promotional activities for 45 Year Old Health Check | - | -0.9 | -0.8 | -0.9 | -0.9 |
| 269 | – further efficiency | - | - | -26.2 | -27.1 | -27.6 |
| 270 | – promoting healthy lifestyles – further efficiency | - | - | -12.4 | -12.6 | -12.9 |
| 271 | Australian Red Cross Society – additional funding | - | 5.0 | 5.0 | - | - |
| 271 | Breast cancer treatment – continuation of funding for the Herceptin® program | - | - | - | - | - |
| | <i>Closing the Gap</i> | | | | | |
| 211 | – Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program (IEP) Reform | - | - | - | - | 0.6 |
| 212 | – expanding link-up services for the Stolen Generations | - | 2.3 | 5.5 | 6.1 | - |
| 213 | – improving eye and ear health services for Indigenous Australians | - | 6.2 | 15.4 | 18.3 | 18.5 |
| 214 | – Indigenous dental services in rural and regional areas | - | 1.3 | 2.9 | 3.4 | 3.4 |
| 221 | – Northern Territory – Indigenous health and related services | - | 6.5 | 52.5 | 54.1 | - |
| 224 | – quality assurance for the Aboriginal and Torres Strait Islander Medical Services pathology program – enhancement | - | 0.8 | 0.9 | 1.0 | 1.1 |
| 226 | Commonwealth Seniors Health Card – income test | - | 14.9 | 16.5 | 19.6 | 20.9 |
| 272 | Continence Aids Payment Scheme – more choice for users | - | 3.2 | -7.8 | -5.4 | -4.6 |
| 380 | Council of Australian Governments' decision – Commonwealth investment in closing Indigenous data gaps | - | nfp | nfp | nfp | nfp |
| 100 | Critical Infrastructure Protection program – continuation | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|--------------------------------------|---|----------------|----------------|----------------|----------------|----------------|
| HEALTH AND AGEING (continued) | | | | | | |
| 273 | Divisions of General Practice program – new funding formula | - | 1.9 | 3.1 | 2.6 | - |
| | Drought assistance | | | | | |
| 81 | – Exceptional Circumstances assistance for primary producers | 1.1 | 3.0 | - | - | - |
| 82 | – Exceptional Circumstances assistance for small businesses – extension | 0.1 | 0.2 | - | - | - |
| 273 | e-Health – electronic clinical information and communication network for north-west Tasmania | - | 0.3 | 0.7 | 0.2 | - |
| 274 | e-Health programs – further efficiency | - | -9.7 | -12.1 | -13.0 | - |
| 274 | Epidermolysis bullosa – national dressing scheme | - | 2.0 | 4.6 | 4.8 | 5.0 |
| 275 | Fairer income testing in residential aged care – ending the 28-day income test exemption | - | -4.0 | -9.2 | -10.0 | -10.9 |
| 330 | Fraud and compliance – matching of Medicare Benefits Schedule and Pharmaceutical Benefits Schedule data | - | - | -4.2 | -4.5 | -6.7 |
| | General practice training | | | | | |
| 276 | – consolidating regional training providers – further efficiency | - | -1.5 | -3.0 | -3.0 | -3.0 |
| 277 | – expanding the role of General Practice Education and Training Ltd | - | -0.2 | -0.8 | -0.8 | -0.8 |
| 277 | – extension of time for rural placements | - | - | -0.2 | -0.3 | -0.3 |
| 278 | Grants for physical activity projects in the community – discontinuation | - | -0.1 | .. | -1.6 | -1.6 |
| 278 | Health and hospital reform – establishment of the National Institute for Virology | - | - | - | - | - |
| | Health and Hospitals Fund | | | | | |
| 279 | – hospital infrastructure and other projects of national significance | 100.0 | 383.7 | 273.5 | 307.2 | 287.0 |
| 280 | – national cancer statement | 40.0 | 42.0 | 415.0 | 336.0 | 342.0 |
| 281 | – translational research and workforce training | 46.0 | 40.0 | 159.0 | 170.0 | 14.0 |
| 283 | Hearing services – introduction of hearing threshold | - | .. | -9.7 | -12.0 | -12.8 |
| 283 | Hospital Accountability and Performance Program – continuation | - | - | - | - | - |
| 284 | Improving Maternity Services Package | - | 8.8 | 24.7 | 29.7 | 49.5 |
| 285 | Indigenous access to health care services – further efficiency | - | -2.8 | -2.7 | -2.4 | -2.4 |
| 285 | Investment in Preventive Health (Environmental Health) program – further efficiency | - | -0.2 | -0.2 | -0.2 | -0.2 |
| 286 | Leadership in mental health reform – continuation and further efficiency | - | -5.0 | -5.0 | -5.0 | -5.0 |
| 286 | Magnetic Resonance Imaging – transitional funding for Gippsland and South Eastern NSW mobile unit | - | 0.6 | 0.9 | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | HEALTH AND AGEING (continued) | | | | | |
| 286 | Magnetic Resonance Imaging unit in north-west Tasmania – redirection of funding | - | -1.2 | -1.2 | -1.2 | -1.2 |
| | Medicare Benefits Schedule | | | | | |
| 287 | – a quality framework for reviewing services | - | 3.3 | 6.0 | - | - |
| 287 | – access to positron emission tomography services provided at Westmead and Royal North Shore Hospitals and Austin Health Services | - | - | - | - | - |
| 288 | – Better Access Initiative – continuing professional development | - | 0.2 | 0.3 | -19.9 | -2.3 |
| 288 | – Better Access Initiative – improved targeting for the most in need and better quality of services | - | -7.7 | -17.1 | -6.1 | 9.1 |
| 289 | – capping Extended Medicare Safety Net benefits for items with excessive fees | - | -21.5 | -62.8 | -79.4 | -97.4 |
| 290 | – capping Extended Medicare Safety Net benefits for items with excessive fees – obstetrics services | - | -3.8 | -49.1 | -63.1 | -82.5 |
| 291 | – diagnostic imaging and pathology services – bulk-billing incentives and rationalisation of patient episode initiation fees | - | 34.7 | 50.7 | 54.1 | 57.5 |
| 292 | – diagnostic imaging and pathology services – changes to fees for fully depreciated diagnostic imaging equipment | - | 0.1 | 0.1 | -64.7 | -68.7 |
| 292 | – diagnostic imaging and pathology services – improving competition | - | 0.1 | .. | - | - |
| 293 | – diagnostic imaging and pathology services – improving the quality of services and addressing workforce shortages | - | 5.4 | 7.9 | 0.3 | -8.8 |
| 294 | – diagnostic imaging and pathology services – rebalancing of pathology fees | - | -0.7 | -0.9 | -1.2 | -1.5 |
| 294 | – diagnostic imaging and pathology services – reviews of pathology and diagnostic imaging items | - | 2.4 | 3.6 | - | - |
| 295 | – ensuring the appropriate use of clinical procedures and adjusting to modern technologies | - | -23.2 | -37.9 | -40.8 | -43.7 |
| 295 | – new and revised listings | .. | 0.2 | 0.3 | 0.4 | 0.4 |
| 296 | – nurse practitioner workforce – expansion | - | 1.5 | 10.8 | 16.8 | 16.9 |
| 296 | – reversal of proposal to fund magnetic resonance imaging scans of the knee or brain – further efficiency | - | -4.0 | -3.9 | -3.7 | -3.6 |
| | Mental health | | | | | |
| 297 | – continuation of existing services in rural and remote areas | - | 2.7 | 1.5 | 1.2 | 1.3 |
| 297 | – continuation of Mental Health Support for Drought-Affected Communities program | - | 5.2 | - | - | - |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008-09 | - | -17.5 | -20.9 | -21.9 | -22.8 |
| 339 | – allocation of places for 2009-10 | - | -18.0 | -43.4 | -69.8 | -97.8 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | HEALTH AND AGEING (continued) | | | | | |
| 298 | National Illicit Drug Strategy – a more strategic approach | - | -3.3 | -5.7 | -6.1 | -9.6 |
| 298 | National Joint Replacement Registry – cost recovery | - | 0.6 | 0.3 | 0.4 | 0.4 |
| 299 | National Palliative Care Strategy – continuation of funding | - | - | - | - | - |
| 300 | National Return and Disposal of Unwanted Medicines program – additional funding | - | 0.5 | 0.6 | 0.7 | 0.8 |
| 300 | National Serology Reference Laboratory – additional funding for regulatory operations | - | 1.5 | 1.5 | 0.9 | 1.0 |
| 301 | Nursing education and recruitment – further efficiency | - | -0.6 | -0.6 | -0.6 | -0.6 |
| | Pharmaceutical Benefits Scheme | | | | | |
| 302 | – chemotherapy drugs – delayed implementation of more efficient arrangements | - | 5.3 | - | - | - |
| 302 | – enhancements to the National Prescribing Service | - | -9.1 | -12.1 | -13.6 | -16.2 |
| 303 | – extending the Pharmaceutical Benefits Scheme reference pricing policies to all non-exempt pharmaceutical items | - | -8.8 | -18.0 | -16.7 | -16.3 |
| 303 | – extending the therapeutic group premium policy | - | -12.5 | -28.5 | -29.7 | -40.9 |
| 304 | – extension to the listing of Plavix® and Iscover® (clopidogrel) | - | - | - | - | - |
| 304 | – increased uptake of Pharmaceutical Benefits Scheme online | - | - | - | - | - |
| 305 | – Interim increase in the handling fee under the section 100 Remote Aboriginal Health Service Program | - | - | - | - | - |
| 306 | – listing of Avastin® (bevacizumab) | - | 63.9 | 80.5 | 82.0 | 81.1 |
| 307 | – listing of Sutent® (sunitinib) | 6.3 | 34.3 | 29.5 | 27.6 | 26.9 |
| 307 | – minor new listings | 18.8 | 48.3 | 54.5 | 57.1 | 54.6 |
| 308 | Practice incentive payments – quality and administrative improvements – further efficiency | - | -4.9 | -1.3 | -14.1 | -15.2 |
| 309 | Prevocational training for doctors in general practice | - | 8.9 | 10.4 | 10.4 | 11.4 |
| 309 | Primary care – Sharing Health Care Initiative – further efficiency | - | -2.7 | -0.7 | - | - |
| 310 | Priority Health and Medical Research program – further efficiency | - | -4.1 | -4.3 | -4.4 | -4.5 |
| | Private health insurance | | | | | |
| 310 | – fair and sustainable support for the future | - | 119.3 | -713.5 | -613.8 | -614.9 |
| 312 | – transparent premium setting | - | - | - | - | - |
| 341 | Protection Visas – abolition of the 45 Day Rule | - | 1.2 | 1.3 | 1.3 | 1.4 |
| 312 | Prudential regulation of aged care providers – not to proceed with cost recovery | - | 2.1 | 2.2 | 2.1 | 2.2 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | HEALTH AND AGEING (continued) | | | | | |
| 313 | Public Health Education and Research Program – discontinuation | - | - | -6.6 | -11.3 | -11.5 |
| 313 | Radiation oncology – national radiotherapy single machine trial – discontinuation | - | -1.3 | -1.3 | -1.4 | -1.4 |
| 314 | Reduction of the business management training initiative – further efficiency | - | -1.0 | -1.2 | -1.3 | -1.3 |
| 239 | Reform of family payments – pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus | - | -2.9 | -8.2 | -12.6 | -15.0 |
| 315 | Review of the National Blood Arrangements | - | 0.7 | 0.7 | - | - |
| 315 | Rural Health Workforce – maintaining rural multidisciplinary training | - | 2.7 | 2.7 | 2.8 | 2.8 |
| 316 | Rural Health Workforce Strategy | - | 4.7 | 28.6 | 34.0 | 39.0 |
| | Secure and sustainable pensions | | | | | |
| 240 | – close the Pension Bonus Scheme | - | 0.1 | 0.2 | 0.3 | 0.4 |
| 242 | – increase to pension payments | - | 0.2 | 0.7 | 0.7 | 0.8 |
| 317 | – residential aged care | - | 3.4 | 7.2 | 7.2 | 2.9 |
| 246 | – tighten the income test taper | - | -0.2 | -0.5 | -0.6 | -0.6 |
| 318 | Shared Responsibility and Regional Partnership Agreements – further efficiency | - | -2.0 | -2.3 | -2.6 | -3.1 |
| 319 | Sporting facilities in Mackay – contribution | - | 1.3 | - | - | - |
| 319 | Stoma Appliance Scheme – implementing a new program framework | - | -0.6 | -4.0 | -4.3 | -4.3 |
| 319 | Support for diabetes – remove duplication in research effort | - | -7.7 | -7.9 | -8.0 | -8.2 |
| 320 | Support for Specialists to Re-Enter the Workforce – cessation | - | -0.6 | -0.6 | -0.7 | -0.7 |
| 320 | Surf Life Saving Australia – contribution to upgrade information and technology systems | 4.4 | - | - | - | - |
| 321 | Torres Strait health protection strategy | - | 3.8 | 3.9 | 1.2 | 1.3 |
| 321 | Victorian bushfire response – Commonwealth assistance to health services | 0.1 | 4.9 | - | - | - |
| 322 | Woomera Hospital – continued funding | - | - | - | - | - |
| 322 | Workforce program – realising efficiency savings from consolidation | - | -0.4 | -0.4 | -0.4 | -0.4 |
| | <i>Food Standards Australia New Zealand</i> | | | | | |
| 276 | Food Standards Australia New Zealand – funding for upgrading computer systems | - | 1.4 | 1.1 | - | - |
| | <i>National Health and Medical Research Council</i> | | | | | |
| 314 | Regulation of research involving human embryos and the prohibition of human cloning – continuation of funding | - | - | - | - | - |
| | Portfolio total | 217.5 | 715.4 | 161.9 | 49.2 | -223.5 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | HUMAN SERVICES | | | | | |
| | <i>Centrelink</i> | | | | | |
| 154 | An Innovation and Higher Education System for the 21st Century – Student Income Support – administrative costs | - | 20.0 | 6.6 | 6.7 | 6.7 |
| 209 | Care determinations – alignment across Family Assistance Office and Child Support Program | - | 5.5 | 1.0 | 0.3 | 0.3 |
| | <i>Centrelink</i> | | | | | |
| 325 | – appropriation arrangements | - | -2.3 | -2.3 | -2.3 | -2.3 |
| 325 | – call centre supplementation | - | 60.0 | 60.5 | - | - |
| 325 | – maintenance of online service infrastructure | - | 5.7 | - | - | - |
| 161 | Child Care Cost Estimator – improvement | - | 2.4 | - | - | - |
| 326 | Child Support Agency – income reconciliation | - | - | - | - | - |
| | <i>Closing the Gap</i> | | | | | |
| 211 | – Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program (IEP) Reform | 3.2 | 5.2 | 5.7 | 11.4 | 11.2 |
| 218 | – Northern Territory – enhancing education – school nutrition | - | 1.4 | 0.4 | 0.3 | - |
| 220 | – Northern Territory – income management – additional funding | - | 88.3 | 0.9 | 0.6 | 0.6 |
| 117 | Digital Television Switchover – regional South Australia, Victoria and Queensland | - | 6.2 | 4.9 | 3.9 | - |
| 162 | Disability Employment Services – new delivery model | - | - | - | - | - |
| 228 | Disability Support Pension – better and fairer assessments | 0.1 | 11.4 | 14.4 | 15.0 | 17.5 |
| 162 | Drought Assistance – Assistance for Isolated Children Scheme – extension | - | 0.5 | - | - | - |
| | <i>Drought assistance</i> | | | | | |
| 327 | – continuation of rural support services | - | 11.8 | - | - | - |
| 81 | – Exceptional Circumstances assistance for primary producers | 2.2 | 4.1 | 0.1 | - | - |
| 82 | – Exceptional Circumstances assistance for small businesses – extension | 0.1 | 0.3 | 0.2 | - | - |
| 83 | – interim income support for primary producers | 0.2 | .. | - | - | - |
| 83 | – interim income support for small businesses | .. | .. | - | - | - |
| 84 | – professional advice and planning | - | 1.6 | 0.2 | - | - |
| 84 | – re-establishment assistance – continuation | - | 0.6 | 1.0 | - | - |
| | <i>Fraud and compliance</i> | | | | | |
| 328 | – Centrelink debts – increase in repayment rate | - | 0.7 | - | - | - |
| 328 | – establishing a data mining capability in Centrelink | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | HUMAN SERVICES (continued) | | | | | |
| | Fraud and compliance | | | | | |
| 329 | – extend United Kingdom data exchange | - | - | - | - | - |
| 329 | – extending real estate asset reviews to Disability Support Pension | - | - | - | - | - |
| 330 | – increased Centrelink compliance review activity | - | 3.1 | 11.7 | 11.7 | 11.9 |
| 336 | Improving English language learning outcomes for newly arrived migrants | - | 1.1 | 0.2 | 0.2 | 0.2 |
| 230 | Improving School Enrolment and Attendance Trial – continuation | - | 3.1 | - | - | - |
| 231 | Income management in cases of child neglect and by voluntary choice – continuation of trial | 0.5 | 8.2 | - | - | - |
| 168 | Job capacity assessments – additional assessments | - | 3.1 | -1.9 | -2.0 | -2.0 |
| | Jobs and Training Compact | | | | | |
| 173 | – liquid assets waiting period – temporary change | 1.0 | .. | .. | .. | .. |
| 177 | – Training Supplement | 0.2 | 5.5 | 2.1 | 1.2 | - |
| 232 | Maternity Immunisation Allowance – alignment of indexation with other family payments | .. | 0.2 | - | - | - |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008-09 | -0.6 | -0.6 | -1.2 | -1.3 | -1.3 |
| 339 | – allocation of places for 2009-10 | - | -0.3 | -1.2 | -3.1 | -4.8 |
| 132 | Nation Building and Jobs Plan – implementation costs | 19.9 | 1.8 | - | - | - |
| 234 | National Framework for Protecting Australia's Children – Special Child Care Benefit – increasing awareness and access | 0.1 | 0.5 | 0.2 | 0.2 | 0.2 |
| 236 | Paid Parental Leave | 0.5 | 5.7 | 21.8 | 18.1 | 17.3 |
| 179 | Participation Taskforce Review – more flexible participation requirements for parents | - | 6.6 | 3.1 | 2.0 | 2.1 |
| 237 | Queensland floods – assistance | 3.8 | - | - | - | - |
| 239 | Reform of family payments – pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus | 0.6 | -3.8 | -3.5 | -6.6 | -6.9 |
| | Secure and sustainable pensions | | | | | |
| 240 | – close the Pension Bonus Scheme | 0.2 | 1.1 | 0.9 | -0.2 | .. |
| 241 | – increase in the Age Pension age | .. | 0.8 | 0.1 | 0.4 | 0.1 |
| 242 | – increase to pension payments | 3.8 | 22.9 | 7.9 | 6.1 | 6.2 |
| 244 | – new carer supplement | 2.0 | 7.2 | 2.6 | 2.6 | 2.6 |
| 245 | – social security agreements with Latvia, the Czech Republic and the Slovak Republic | - | 0.3 | 5.0 | 0.4 | 0.4 |
| 246 | – tighten the income test taper | 0.2 | 11.6 | 6.9 | 5.4 | 3.1 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|-------------------------------------|---|----------------|----------------|----------------|----------------|----------------|
| HUMAN SERVICES (continued) | | | | | | |
| 87 | Small block irrigators – exit grant package – expansion | - | - | - | - | - |
| 247 | South-East Queensland storms – assistance | 2.1 | - | - | - | - |
| 33 | Superannuation – account-based pensions – drawdown relief for retirees for 2008-09(c) | 2.2 | .. | - | - | - |
| 248 | Victorian bushfires – assistance | 16.1 | 14.5 | - | - | - |
| <i>Department of Human Services</i> | | | | | | |
| 209 | Care determinations – alignment across Family Assistance Office and Child Support Program | - | 3.8 | 4.8 | -5.9 | -10.3 |
| Child Support Agency | | | | | | |
| 326 | – additional funding | - | 64.7 | 47.4 | 54.6 | 56.6 |
| 326 | – income reconciliation | - | 26.6 | 28.9 | - | - |
| 220 | Closing the Gap – Northern Territory – income management – additional funding | - | 7.5 | - | - | - |
| 228 | Disability Support Pension – better and fairer assessments | - | - | - | - | - |
| Fraud and compliance | | | | | | |
| 328 | – Centrelink debts – increase in repayment rate | - | - | - | - | - |
| 328 | – establishing a data mining capability in Centrelink | - | - | - | - | - |
| 329 | – extend United Kingdom data exchange | - | - | - | - | - |
| 329 | – extending real estate asset reviews to Disability Support Pension | - | - | - | - | - |
| 330 | – increased Centrelink compliance review activity | - | - | - | - | - |
| 330 | – matching of Medicare Benefits Schedule and Pharmaceutical Benefits Schedule data | - | - | - | - | - |
| 231 | Income management in cases of child neglect and by voluntary choice – continuation of trial | - | 0.1 | - | - | - |
| 168 | Job capacity assessments – additional assessments | - | -132.0 | -125.7 | -125.6 | -126.5 |
| 331 | Service delivery reform – further development of initiatives | - | 5.0 | - | - | - |
| 248 | Victorian bushfires – assistance | 3.7 | 1.0 | - | - | - |
| <i>Medicare Australia</i> | | | | | | |
| 271 | Breast cancer treatment – continuation of funding for the Herceptin® program | - | - | - | - | - |
| 272 | Continence Aids Payment Scheme – more choice for users | - | 0.9 | 0.6 | 0.7 | 0.8 |
| 275 | Fairer income testing in residential aged care – ending the 28-day income test exemption | - | 0.3 | - | - | - |
| 330 | Fraud and compliance – matching of Medicare Benefits Schedule and Pharmaceutical Benefits Schedule data | - | 1.0 | 0.9 | 0.9 | 0.9 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | HUMAN SERVICES (continued) | | | | | |
| 283 | Hearing services – introduction of hearing threshold | - | 0.2 | .. | .. | .. |
| 284 | Improving Maternity Services Package | - | 2.4 | 0.7 | 0.8 | 0.9 |
| 286 | Magnetic Resonance Imaging unit in north-west Tasmania – redirection of funding | - | - | - | - | - |
| 331 | Medicare Australia – additional offices | - | 1.2 | 1.7 | 1.7 | 1.7 |
| | Medicare Benefits Schedule | | | | | |
| 288 | – Better Access Initiative – continuing professional development | - | - | 0.3 | .. | 0.1 |
| 288 | – Better Access Initiative – improved targeting for the most in need and better quality of services | - | 0.4 | .. | .. | 0.1 |
| 289 | – capping Extended Medicare Safety Net benefits for items with excessive fees | - | 1.6 | 0.4 | 0.2 | 0.1 |
| 290 | – capping Extended Medicare Safety Net benefits for items with excessive fees – obstetrics services | - | 2.4 | 0.4 | 0.2 | 0.2 |
| 291 | – diagnostic imaging and pathology services – bulk-billing incentives and rationalisation of patient episode initiation fees | - | 0.5 | 0.1 | 0.2 | 0.2 |
| 292 | – diagnostic imaging and pathology services – changes to fees for fully depreciated diagnostic imaging equipment | - | 0.1 | 0.4 | .. | - |
| 292 | – diagnostic imaging and pathology services – improving competition | - | 0.5 | 0.1 | 0.1 | 0.1 |
| 293 | – diagnostic imaging and pathology services – improving the quality of services and addressing workforce shortages | - | 0.1 | 0.3 | -0.1 | -0.4 |
| 295 | – ensuring the appropriate use of clinical procedures and adjusting to modern technologies | - | -0.2 | -0.3 | -0.3 | -0.4 |
| 295 | – new and revised listings | 0.1 | .. | .. | .. | .. |
| 296 | – nurse practitioner workforce – expansion | - | 8.9 | 2.1 | 0.6 | 0.6 |
| 296 | – reversal of proposal to fund magnetic resonance imaging scans of the knee or brain – further efficiency | .. | .. | .. | .. | .. |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008-09 | - | -0.2 | -0.5 | -0.8 | -1.1 |
| 339 | – allocation of places for 2009-10 | - | -0.3 | -0.6 | -0.9 | -1.2 |
| 236 | Paid Parental Leave | - | .. | 0.4 | 0.4 | 0.3 |
| | Pharmaceutical Benefits Scheme | | | | | |
| 303 | – extending the Pharmaceutical Benefits Scheme reference pricing policies to all non-exempt pharmaceutical items | - | 0.6 | 0.8 | 0.9 | 0.9 |
| 303 | – extending the therapeutic group premium policy | - | 0.5 | 0.8 | 0.8 | 0.9 |
| 304 | – extension to the listing of Plavix® and Iscover® (clopidogrel) | - | - | - | - | - |
| 306 | – listing of Avastin® (bevacizumab) | - | 0.1 | 0.1 | 0.1 | 0.1 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | HUMAN SERVICES (continued) | | | | | |
| | Pharmaceutical Benefits Scheme | | | | | |
| 307 | – listing of Sutent® (sunitinib) | .. | .. | .. | .. | .. |
| 307 | – minor new listings | .. | 0.1 | 0.1 | 0.2 | 0.2 |
| 308 | Practice incentive payments – quality and administrative improvements – further efficiency | - | 2.3 | 0.7 | 0.4 | 0.3 |
| 309 | Prevocational training for doctors in general practice | - | .. | .. | .. | .. |
| 310 | Private health insurance – fair and sustainable support for the future | - | 0.3 | - | - | - |
| 341 | Protection Visas – abolition of the 45 Day Rule | - | .. | .. | .. | .. |
| 316 | Rural Health Workforce Strategy | - | 6.5 | 1.9 | 0.9 | 1.0 |
| | Secure and sustainable pensions | | | | | |
| 240 | – close the Pension Bonus Scheme | - | .. | .. | .. | .. |
| 242 | – increase to pension payments | - | .. | .. | .. | .. |
| 317 | – residential aged care | 0.1 | 1.0 | - | - | - |
| 246 | – tighten the income test taper | - | .. | .. | .. | .. |
| | Portfolio total | 62.1 | 323.8 | 115.0 | 1.3 | -10.9 |
| | IMMIGRATION AND CITIZENSHIP | | | | | |
| | <i>Department of Immigration and Citizenship</i> | | | | | |
| | Border protection | | | | | |
| 332 | – combating people smuggling – engagement with Indonesia | - | 9.3 | 5.0 | - | - |
| 333 | – combating people smuggling – initiative to address irregular population flows | - | 8.2 | 8.1 | - | - |
| 334 | Border Protection – combating people smuggling – package to mitigate threats, gaps and vulnerabilities – continuation | - | - | - | - | - |
| 334 | Child Migrants Trust – continuation | - | - | - | - | - |
| 334 | Citizenship Support Grants Program – cessation of funding | - | -3.8 | -3.9 | -4.0 | -4.1 |
| 335 | Department of Immigration and Citizenship – efficiency improvements | - | -23.5 | -28.8 | -34.0 | -34.3 |
| 335 | Humanitarian Migration Program – non-refoulement obligations | - | - | - | - | - |
| 336 | Improving English language learning outcomes for newly arrived migrants | - | - | -3.9 | -8.8 | -9.2 |
| 337 | Migration Agents Registration Authority – operational reforms | - | 0.8 | .. | -0.2 | -0.2 |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008-09 | - | -5.4 | -4.6 | -1.9 | -0.7 |
| 339 | – allocation of places for 2009-10 | - | -9.2 | -10.9 | -10.9 | -11.2 |
| 340 | National Accreditation Authority for Translators and Interpreters Limited – additional funding | - | - | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | IMMIGRATION AND CITIZENSHIP (continued) | | | | | |
| 340 | New directions in immigration detention | - | - | - | - | - |
| 341 | Protection Visas – abolition of the 45 Day Rule | - | - | - | - | - |
| 342 | Providing for Australia's security – regional counter-terrorism assistance – continuation | - | - | - | - | - |
| 342 | Retirement Visa (Subclass 410) enhancements | - | - | - | - | - |
| 343 | Systems for People – operational costs | - | 32.9 | - | - | - |
| 344 | Temporary Business (Long Stay) Visa (Subclass 457) reform – implementation | - | - | - | - | - |
| 414 | Villawood Immigration Detention Centre – redevelopment(b) | - | 0.1 | 0.1 | 0.1 | 1.8 |
| 344 | Visa places for Iraqi locally engaged employees – extension of funding | - | - | - | - | - |
| | Portfolio total | - | 9.3 | -38.7 | -59.7 | -58.0 |
| | INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT | | | | | |
| | <i>Civil Aviation Safety Authority</i> | | | | | |
| 345 | Civil Aviation Safety Authority – governance | - | 0.5 | - | - | - |
| | <i>Department of Infrastructure, Transport, Regional Development and Local Government</i> | | | | | |
| 100 | Critical Infrastructure Protection program – continuation | - | - | - | - | - |
| 345 | Establishment of Regional Development Australia | - | -3.7 | -3.7 | -3.8 | -3.9 |
| 172 | Jobs and Training Compact – Jobs Fund | 0.3 | 119.1 | 70.5 | 0.1 | - |
| 346 | Local government payments – accelerating payments | 479.7 | -479.7 | - | - | - |
| 346 | Murray River Bridges Federation Fund project – delayed pending confirmation of route | - | -14.0 | - | - | - |
| 132 | Nation Building and Jobs Plan – implementation costs | 3.7 | 8.8 | 2.3 | - | - |
| | <i>Nation Building Plan for the Future</i> | | | | | |
| 347 | – Bruce Highway duplication and bring forward of funding | 18.0 | -30.0 | - | - | - |
| 348 | – Building Australia Fund – investing in metro rail | 263.0 | 196.0 | 469.7 | 834.6 | 1,143.4 |
| 349 | – Building Australia Fund – investing in Network 1 | 742.0 | 75.0 | 424.0 | 624.0 | 526.0 |
| 351 | National Road Safety Council – contribution | - | - | - | - | - |
| 352 | Remote Aviation Infrastructure Fund – upgrade of airstrips | - | 3.0 | - | - | - |
| | Portfolio total | 1,506.6 | -124.9 | 962.8 | 1,454.9 | 1,665.5 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | INNOVATION, INDUSTRY, SCIENCE AND RESEARCH | | | | | |
| | <i>Australian Nuclear Science and Technology Organisation</i> | | | | | |
| 363 | Australian Nuclear Science and Technology Organisation – additional funding of operational activities | - | 2.1 | 2.1 | 2.2 | - |
| 265 | Regional chemical, biological, radiological and nuclear security | - | - | - | - | - |
| | <i>Australian Research Council</i> | | | | | |
| | An Innovation and Higher Education System for the 21st Century | | | | | |
| 358 | – Excellence in Research for Australia | - | 9.6 | 7.3 | 4.3 | 4.7 |
| 362 | – Super Science Fellowships program | - | 2.6 | 7.3 | 9.8 | 7.5 |
| 364 | Development of innovative health technologies – bionic eye | - | 10.0 | 10.0 | 15.0 | 15.0 |
| 119 | National ICT Australia – funding extension | - | - | - | 25.0 | 23.8 |
| | <i>Commonwealth Scientific and Industrial Research Organisation</i> | | | | | |
| 359 | An Innovation and Higher Education System for the 21st Century – maintaining Australia's Marine National Facility | - | 6.8 | 5.7 | 7.3 | 9.8 |
| 364 | Consolidation of National Measurement Institute and Commonwealth Scientific and Industrial Research Organisation (CSIRO) Sydney accommodation | - | 0.6 | - | - | - |
| | <i>Department of Innovation, Industry, Science and Research</i> | | | | | |
| | An Innovation and Higher Education System for the 21st Century | | | | | |
| 353 | – Anglo-Australian Observatory – new governance arrangements | - | 4.1 | 10.4 | 10.5 | 11.4 |
| 353 | – Anglo-Australian Observatory – offsetting savings | - | - | -5.1 | -5.3 | -5.2 |
| 354 | – Australian Space Science Program | - | 6.4 | 12.9 | 14.1 | 15.1 |
| 354 | – Collaborative Research Networks program | - | - | 10.0 | 21.0 | 21.0 |
| 355 | – Commonwealth Commercialisation Institute – establishment | - | 20.6 | 38.5 | 58.9 | 78.1 |
| 143 | – conditional funding and revised indexation arrangements | - | - | - | 12.7 | 38.9 |
| 144 | – Education Investment Fund – Future Rounds | - | - | - | - | - |
| 145 | – Education Investment Fund – Round 2 | - | 159.6 | 79.2 | 82.8 | - |
| 355 | – Education Investment Fund – Super Science – strengthening Australia's research infrastructure | 28.0 | 208.4 | 258.4 | 239.6 | 172.6 |
| 357 | – European Molecular Biology Laboratory partner facility | - | 2.0 | 2.0 | 2.0 | 2.0 |
| 358 | – Joint Research Engagement program | - | - | - | - | - |
| 359 | – National Enabling Technologies Strategy | - | 7.5 | 7.6 | 7.7 | 7.8 |
| 360 | – postgraduate research – student support | - | 5.5 | 12.3 | 13.5 | 20.4 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | INNOVATION, INDUSTRY, SCIENCE AND RESEARCH (continued) | | | | | |
| | An Innovation and Higher Education System for the 21st Century | | | | | |
| 360 | – Questacon – continuation of the national science outreach program | - | 1.9 | 1.9 | 1.9 | 1.9 |
| 361 | – Research and Development Tax Credit | - | 4.7 | 6.4 | 10.2 | 9.8 |
| 362 | – Support for Industry Service Organisations program | - | 3.7 | 3.7 | 3.7 | 3.7 |
| 362 | – Sustainable Research Excellence in Universities | - | 30.5 | 120.5 | 160.5 | 200.5 |
| 364 | Bushfire Cooperative Research Centre – extension | - | - | 5.0 | 5.0 | 5.0 |
| 374 | Clean Energy Initiative | - | 100.0 | 100.0 | 100.0 | 100.0 |
| 364 | Consolidation of National Measurement Institute and Commonwealth Scientific and Industrial Research Organisation (CSIRO) Sydney accommodation | - | 0.9 | - | - | - |
| 375 | Department of Resources, Energy and Tourism – supplementary departmental funding | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 |
| 365 | International Science Linkages program – discontinuing 2009 funding round | - | -2.0 | - | - | - |
| 365 | Liquefied Petroleum Gas (LPG) Vehicle Scheme – reduced rebate for post-factory conversions | - | 48.8 | 26.7 | -4.1 | -27.5 |
| 366 | Questacon – maintenance of the National Science and Technology Centre | - | 3.7 | - | - | - |
| 366 | Royal Institution of Australia – establishment | 15.0 | - | - | - | - |
| 366 | Small Business Online Program | - | 5.0 | 5.0 | - | - |
| 367 | Small Business Support Line – establishment | - | 5.0 | 5.0 | - | - |
| | Textiles, clothing and footwear | | | | | |
| 367 | – Clothing and Household Textile Building Innovative Capability Program – additional funding | - | - | - | 5.0 | 5.0 |
| 367 | – competitive grants to build innovative capability – establishment | - | 0.5 | 4.4 | 9.5 | 9.5 |
| 368 | – Product Diversification Scheme – redirect funds to build innovative capability | - | - | -0.2 | -5.3 | -5.3 |
| 368 | – Supply Chain Opportunities – redirect funds to build innovative capability | - | -0.5 | -4.5 | -4.5 | -4.5 |
| | Portfolio total | 41.8 | 646.8 | 731.2 | 801.8 | 719.7 |
| | PRIME MINISTER AND CABINET | | | | | |
| | <i>Australian Institute of Family Studies</i> | | | | | |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.2 | -0.2 | -0.2 | -0.2 |
| | <i>Australian National Audit Office</i> | | | | | |
| 370 | Australian National Audit Office – enhanced professional capability | - | 2.9 | 4.7 | 5.8 | 5.8 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | PRIME MINISTER AND CABINET (continued) | | | | | |
| | <i>Australian Public Service Commission</i> | | | | | |
| 210 | Closing the Gap – APS Indigenous Employment Strategy | - | 2.0 | 2.0 | 2.0 | - |
| 371 | National Mental Health and Disability Employment Strategy – strategy support | - | - | - | - | - |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.3 | -0.3 | -0.3 | -0.3 |
| | <i>Department of the Prime Minister and Cabinet</i> | | | | | |
| 370 | Border protection – combating people smuggling – Australian Government management of border security and maritime people smuggling | - | 1.2 | 1.2 | - | - |
| 371 | Community Cabinet – enhancement | - | 1.0 | 1.1 | 1.1 | 1.1 |
| 381 | Council of Australian Governments' decision – implementing the Council of Australian Governments' federal financial framework – expanded roles | - | 1.1 | 2.6 | 2.9 | 2.9 |
| 371 | Department of the Prime Minister and Cabinet – additional funding | - | 1.8 | 1.8 | 1.8 | 1.8 |
| 103 | Enhanced crisis coordination facilities | - | 0.1 | 0.2 | 0.2 | 0.2 |
| 132 | Nation Building and Jobs Plan – implementation costs | - | 0.5 | - | - | - |
| 371 | National Australia Day activities | - | 0.9 | 0.9 | 0.9 | 0.9 |
| 372 | National Security Adviser Group – establishment | - | - | - | - | - |
| 372 | National Security Legislation Monitor – establishment | - | 0.3 | 0.3 | 0.3 | 0.3 |
| 373 | Office of the Information Commissioner – establishment | - | 3.0 | 5.0 | 5.0 | 5.1 |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.3 | -0.3 | -0.3 | -0.3 |
| | <i>National Archives of Australia</i> | | | | | |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.5 | -0.5 | -0.6 | -0.6 |
| | <i>Office of National Assessments</i> | | | | | |
| 372 | Office of National Assessments – new accommodation | - | 0.7 | 2.0 | 2.2 | 2.3 |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.3 | -0.3 | -0.3 | -0.3 |
| | <i>Office of the Commonwealth Ombudsman</i> | | | | | |
| 215 | Closing the Gap – Northern Territory – Commonwealth Ombudsman support | 0.8 | 0.8 | 0.8 | 0.8 | - |
| | <i>Office of the Official Secretary to the Governor-General</i> | | | | | |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.1 | -0.1 | -0.1 | -0.1 |
| | <i>Office of the Privacy Commissioner</i> | | | | | |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.1 | -0.1 | -0.1 | -0.1 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|---|--|----------------|----------------|----------------|----------------|----------------|
| PRIME MINISTER AND CABINET (continued) | | | | | | |
| <i>Office of the Renewable Energy Regulator</i> | | | | | | |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.1 | -0.1 | -0.1 | -0.1 |
| <i>Old Parliament House</i> | | | | | | |
| 373 | Prime Minister and Cabinet portfolio – further efficiencies | - | -0.1 | -0.1 | -0.1 | -0.1 |
| Portfolio total | | 0.8 | 14.4 | 20.8 | 21.2 | 18.6 |
| RESOURCES, ENERGY AND TOURISM | | | | | | |
| <i>Department of Resources, Energy and Tourism</i> | | | | | | |
| 374 | Clean Energy Initiative | - | 300.0 | 200.0 | 200.0 | 200.0 |
| 100 | Critical Infrastructure Protection program – continuation | - | - | - | - | - |
| 375 | Department of Resources, Energy and Tourism – supplementary departmental funding | 2.3 | 2.4 | 2.4 | 2.4 | 2.4 |
| 376 | Enhancing Australia's energy security | - | 2.0 | 1.1 | 1.0 | - |
| 376 | National Mine Safety Framework – implementation | - | 1.3 | 0.7 | 0.7 | 0.7 |
| 376 | Rum Jungle mine site – environmental rehabilitation | - | 0.3 | 0.3 | 0.3 | 0.3 |
| Portfolio total | | 2.3 | 306.0 | 204.4 | 204.4 | 203.4 |
| TREASURY | | | | | | |
| <i>Australian Bureau of Statistics</i> | | | | | | |
| <i>Australian Bureau of Statistics</i> | | | | | | |
| 378 | – Census field staff funding | - | - | 12.3 | 67.2 | - |
| 378 | – statistical capacity | - | 15.0 | 15.0 | 15.0 | 15.0 |
| <i>Council of Australian Governments' decision</i> | | | | | | |
| 380 | – Commonwealth investment in closing Indigenous data gaps | - | nfp | nfp | nfp | nfp |
| 381 | – implementing the Council of Australian Governments' federal financial framework – expanded roles | - | 4.4 | 2.8 | 4.2 | 2.1 |
| 387 | Secure and sustainable pensions – Pensioner and Beneficiary Living Cost Index | - | 9.3 | 4.4 | 3.5 | 1.0 |
| <i>Australian Competition and Consumer Commission</i> | | | | | | |
| 380 | Council of Australian Governments' decision – Australian Competition and Consumer Commission – implementing a system of national product safety regulation | 1.4 | 4.5 | 5.5 | 6.2 | 6.9 |
| 387 | Grocery mandatory unit pricing | - | 1.1 | 1.1 | - | - |
| 208 | Water for the Future – reallocation of Driving Reform in the Murray-Darling Basin funds | - | 1.7 | 1.7 | - | - |
| 392 | Wheat export marketing – access arrangements | 0.9 | 0.6 | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | TREASURY (continued) | | | | | |
| | <i>Australian Office of Financial Management</i> | | | | | |
| 378 | Australian Office of Financial Management – additional funding | - | 4.1 | 4.6 | 5.0 | 5.5 |
| | <i>Australian Prudential Regulation Authority</i> | | | | | |
| 379 | Australian Prudential Regulation Authority – continuation of the National Claims and Policies Database | - | 1.3 | 0.7 | 0.7 | 0.7 |
| | <i>Australian Securities and Investments Commission</i> | | | | | |
| 379 | Australian Securities and Investments Commission – enhanced monitoring and enforcement capabilities | - | 15.4 | 15.7 | 15.9 | 16.1 |
| 386 | Global recession – additional funding | - | - | 18.7 | - | - |
| 388 | Strategic compliance – continuing to address the abuse of tax havens | - | - | 0.8 | 0.7 | 0.4 |
| | <i>Australian Taxation Office</i> | | | | | |
| | An Innovation and Higher Education System for the 21st Century | | | | | |
| 149 | – Higher Education Loan Program (HELP) repayment reduction for education and nursing graduates | - | 0.8 | 0.5 | 1.4 | 2.6 |
| 361 | – Research and Development Tax Credit | - | 120.4 | 411.1 | 432.4 | 452.5 |
| 382 | Education Tax Refund – public awareness campaign | 9.3 | - | - | - | - |
| 163 | Expansion of income contingent loans to state-subsidised students in vocational education and training | 3.4 | 1.5 | 1.9 | 1.9 | 1.9 |
| | <i>Nation Building and Jobs Plan</i> | | | | | |
| 132 | – implementation costs | 14.8 | 5.0 | - | - | - |
| 387 | – Tax Bonus for Working Australians – reduction | -435.0 | - | - | - | - |
| 310 | Private health insurance – fair and sustainable support for the future | 1.0 | 4.8 | 18.1 | 33.6 | 9.1 |
| 239 | Reform of family payments – pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus | - | -33.0 | -43.0 | -66.0 | -68.0 |
| | <i>Strategic compliance</i> | | | | | |
| 388 | – continuing to address the abuse of tax havens | - | - | 28.7 | 24.6 | 20.9 |
| 389 | – managing taxation compliance risks related to Australia's economic recovery | - | 44.2 | 80.4 | 86.2 | 91.3 |
| 390 | – promoting a level playing field for small business | - | 15.6 | 17.2 | 17.6 | 15.9 |
| 390 | – supporting businesses and other taxpayers in financial distress | - | 24.4 | 24.7 | 24.1 | 26.8 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | TREASURY (continued) | | | | | |
| | Superannuation | | | | | |
| 35 | – contributing to sustainable retirement income reform by reducing the concessional contributions caps(c) | - | 4.9 | 16.5 | 16.4 | 17.4 |
| 391 | – contributing to sustainable retirement income reform by temporarily reducing the Government co-contribution | - | -385.0 | -395.0 | -410.0 | -205.0 |
| 35 | – payment of small and insoluble lost accounts to unclaimed monies(c) | - | - | 3.6 | 3.1 | 1.8 |
| | <i>Department of the Treasury</i> | | | | | |
| 13 | Carbon Pollution Reduction Scheme – GST treatment of units(c) | - | - | - | - | - |
| | Closing the Gap | | | | | |
| 216 | – Northern Territory – community stores | - | 0.3 | 0.3 | 0.3 | - |
| 217 | – Northern Territory – enhancing education – quality teaching and accelerated literacy | - | 13.4 | 13.8 | 10.4 | - |
| 219 | – Northern Territory – family support package | - | 5.1 | 5.3 | 5.5 | - |
| 220 | – Northern Territory – field operations | - | 0.9 | 2.9 | 4.3 | - |
| 221 | – Northern Territory – Indigenous health and related services | - | 8.0 | 5.0 | 5.0 | - |
| 223 | – Northern Territory – policing | - | 31.4 | 49.4 | 47.8 | - |
| | Drought assistance | | | | | |
| 81 | – Exceptional Circumstances assistance for primary producers | - | 211.2 | - | - | - |
| 82 | – Exceptional Circumstances assistance for small businesses – extension | - | 15.8 | - | - | - |
| | Federal finances | | | | | |
| 382 | – additional decisions – reward payment for improved Year 12 attainment levels | - | - | - | 50.0 | - |
| 382 | – rationalising payments – film and literature classification | - | 4.7 | -0.6 | -0.6 | -0.6 |
| 383 | – rationalising payments – GST compensation | 309.4 | -301.9 | -1.0 | -1.0 | -1.0 |
| 383 | – rationalising payments – organ transplantation services | - | 16.1 | -2.1 | -2.1 | -2.1 |
| 384 | – rationalising payments – repatriation general hospitals | - | 12.3 | -1.8 | -1.7 | -1.7 |
| 384 | – rationalising payments – Snowy Hydro Ltd tax compensation | 376.4 | -46.7 | -46.7 | -46.7 | -46.7 |
| 385 | – rationalising payments – social housing subsidy program | - | 9.9 | -2.0 | -2.0 | -2.0 |
| 385 | – rationalising payments – state cellar door subsidy savings | - | -184.6 | - | - | - |
| 386 | First Home Owners Boost – extension | - | 486.2 | 47.3 | 5.5 | - |
| 386 | Global recession – additional funding | - | - | 5.0 | - | - |
| | GST | | | | | |
| 16 | – Government response to Board of Taxation report: GST administration(c) | - | * | * | * | * |
| 16 | – representatives of incapacitated entities(c) | - | .. | .. | .. | .. |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | TREASURY (continued) | | | | | |
| 17 | GST and cross-border transport supplies(c) | - | - | -2.0 | -2.0 | -2.0 |
| | Health and Hospitals Fund | | | | | |
| 282 | Health Infrastructure Projects in Tasmania | - | 0.9 | 0.9 | 0.6 | - |
| 21 | Indirect Tax Concession Scheme – diplomatic and consular concessions(c) | .. | .. | .. | .. | .. |
| 177 | Jobs and Training Compact – Youth Attainment and Transitions National Partnership | - | - | - | 50.0 | - |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008- 09 | - | -37.9 | -39.7 | -41.3 | -42.6 |
| 339 | – allocation of places for 2009-10 | - | -44.5 | -105.1 | -170.7 | -240.0 |
| | Nation Building Plan for the Future | | | | | |
| 347 | – Bruce Highway duplication and bring forward of funding | 450.3 | -182.3 | 106.0 | 126.0 | - |
| 350 | – Investing in public transport links for our major cities | 32.0 | 30.0 | 79.0 | 65.0 | 74.0 |
| 299 | National Partnership Agreement – Queensland compensation for health care treatment provided to Papua New Guinean nationals | - | - | - | - | - |
| 301 | Northern Territory Medical School | - | - | 0.5 | 1.6 | 2.2 |
| 239 | Reform of family payments – pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus | - | - | - | - | - |
| | Regional Telecommunications Review Response | | | | | |
| 120 | – Digital Regions Initiative | - | 1.6 | 9.6 | 14.5 | 4.7 |
| 122 | – Indigenous Communications Program | - | 0.6 | 2.3 | 2.0 | 2.1 |
| 376 | Rum Jungle mine site – environmental rehabilitation | - | 2.0 | 1.2 | 3.5 | 0.3 |
| 391 | Streamlining tax law design – response to the Tax Design Review Panel report | - | 0.6 | 0.6 | 0.6 | - |
| 321 | Torres Strait health protection strategy | - | 0.9 | 0.9 | 0.9 | 0.9 |
| | <i>Productivity Commission</i> | | | | | |
| 381 | Council of Australian Governments' decision – implementing the Council of Australian Governments' federal financial framework – expanded roles | 0.9 | 3.4 | 3.4 | 3.1 | 3.0 |
| | Portfolio total | 764.8 | -81.7 | 380.3 | 412.2 | 163.6 |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|--|--|----------------|----------------|----------------|----------------|----------------|
| VETERANS' AFFAIRS | | | | | | |
| <i>Department of Veterans' Affairs</i> | | | | | | |
| 268 | Aged care viability supplements – increase An Innovation and Higher Education System for the 21st Century | - | 0.3 | 1.2 | - | - |
| 157 | – Student Income Support – Relocation Scholarship | - | 0.6 | 0.7 | 0.7 | 0.7 |
| 158 | – Student Income Support – Student Start-Up Scholarship | - | 1.2 | 2.0 | 2.1 | 2.1 |
| 393 | Clarke Review – review of unimplemented recommendations | - | - | - | - | - |
| 393 | Commemorations – Western Front ANZAC Trail | - | 1.3 | 3.1 | 2.7 | 2.9 |
| 226 | Commonwealth Seniors Health Card – income test | - | 0.1 | 0.1 | 0.1 | 0.1 |
| 394 | Defence Services Home Insurance Scheme – extension of eligibility | - | 1.3 | 2.2 | 2.9 | 3.2 |
| 394 | Department of Veterans' Affairs – additional departmental funding | 15.0 | - | - | - | - |
| 394 | Dependant Pension – lump-sum payment and closure | .. | 5.3 | -2.2 | -2.0 | -1.9 |
| 275 | Fairer income testing in residential aged care – ending the 28-day income test exemption | - | -0.8 | -1.7 | -1.8 | -2.0 |
| 395 | HomeFront, Rehabilitation Appliance program and Veterans' Home Care assessments | - | -1.0 | -1.1 | -1.1 | -1.1 |
| 395 | Improved payment arrangements for veterans residing overseas | - | 0.2 | 0.1 | 0.1 | 0.1 |
| Medicare Benefits Schedule | | | | | | |
| 288 | – Better Access Initiative – improved targeting for the most in need and better quality of services | - | -0.1 | -0.1 | -0.1 | -0.1 |
| 291 | – diagnostic imaging and pathology services – bulk-billing incentives and rationalisation of patient episode initiation fees | - | -2.4 | -3.7 | -3.5 | -3.4 |
| 292 | – diagnostic imaging and pathology services – changes to fees for fully depreciated diagnostic imaging equipment | - | - | - | - | -1.9 |
| 293 | – diagnostic imaging and pathology services – improving the quality of services and addressing workforce shortages | - | - | -0.1 | -0.4 | -0.8 |
| 294 | – diagnostic imaging and pathology services – rebalancing of pathology fees | - | 0.1 | .. | .. | .. |
| 295 | – ensuring the appropriate use of clinical procedures and adjusting to modern technologies | - | -1.2 | -1.9 | -1.7 | -1.7 |
| 295 | – new and revised listings | .. | .. | .. | .. | .. |
| 396 | Military compensation – review of current arrangements | 0.1 | 0.5 | - | - | - |

Table 2: Expense measures since the February 2009 UEFO^(a) (continued)

| Page | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| | \$m | \$m | \$m | \$m | \$m |
| VETERANS' AFFAIRS (continued) | | | | | |
| Pharmaceutical Benefits Scheme | | | | | |
| 302 | - | 0.5 | - | - | - |
| 302 | - | -1.1 | -1.1 | -1.2 | -1.3 |
| 303 | - | -0.7 | -1.4 | -1.3 | -1.2 |
| 303 | - | -0.7 | -1.5 | -1.5 | -1.5 |
| 304 | - | - | - | - | - |
| 306 | - | 1.5 | 1.8 | 1.6 | 1.4 |
| 307 | 0.3 | 1.8 | 1.5 | 1.4 | 1.4 |
| 307 | 1.7 | 4.7 | 5.3 | 5.3 | 5.2 |
| Secure and sustainable pensions | | | | | |
| 240 | 0.1 | 0.8 | 0.7 | -1.2 | -5.1 |
| 242 | 0.7 | 259.9 | 316.1 | 309.1 | 301.5 |
| 244 | 9.6 | 0.3 | 9.0 | 8.3 | 7.6 |
| 317 | - | 0.4 | 1.3 | 1.3 | 0.5 |
| 246 | 0.1 | -12.4 | -25.6 | -30.5 | -36.3 |
| 396 | - | 2.3 | 2.6 | 2.3 | 2.3 |
| 397 | - | 0.4 | 0.1 | - | - |
| Portfolio total | | | | | |
| 27.7 263.2 307.6 291.5 270.9 | | | | | |
| Decisions taken but not yet announced | | | | | |
| -123.0 -155.1 -55.7 -0.6 56.0 | | | | | |
| Depreciation expense | | | | | |
| -1.5 42.5 49.9 52.9 50.4 | | | | | |
| Total impact of expense measures(d) | | | | | |
| 3293.7 8122.6 2054.0 4940.5 6772.5 | | | | | |

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

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

(b) These measures can also be found in the capital measures summary table.

(c) These measures can also be found in the revenue measures summary table.

(d) Measures may not add due to rounding.

AGRICULTURE, FISHERIES AND FORESTRY

Avian influenza border control — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | - | - | - | - |

The Government will provide \$15.0 million in 2009-10 to the Australian Quarantine and Inspection Service to maintain enhanced border controls, aimed at preventing the entry of avian influenza (bird flu) into Australia. Provision for this funding has already been included in the forward estimates.

Department of Agriculture, Fisheries and Forestry — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | -3.4 | -3.2 | -2.9 | -2.5 |

The Government has identified further efficiencies related to departmental funding for the Department of Agriculture, Fisheries and Forestry. This measure will provide savings of \$12.0 million over four years through identifying lower priority activities that can cease with a minimal impact on the delivery of key Government objectives.

Drought assistance — Exceptional Circumstances assistance for primary producers

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 211.2 | - | - | - |
| Department of Agriculture, Fisheries and Forestry | - | 194.3 | - | - | - |
| Department of Education, Employment and Workplace Relations | 1.0 | 9.6 | - | - | - |
| Centrelink | 2.2 | 4.1 | 0.1 | - | - |
| Department of Health and Ageing | 1.1 | 3.0 | - | - | - |
| Total | 4.3 | 422.2 | 0.1 | - | - |

The Government will provide \$561.7 million over three years to continue support for primary producers in regions that have been declared eligible for Exceptional Circumstances assistance. Exceptional Circumstances assistance provides interest rate subsidies and income support to assist viable farm businesses and farm families who have been adversely affected by the prolonged drought. Eligible recipients are also provided with a health care concession card and access to Youth Allowance for their children.

The off-farm income exemption of \$20,000 per annum and the off-farm assets exemption of \$750,000 will remain. This will enable assistance to continue to be provided to a wider range of primary producers in areas declared eligible for Exceptional Circumstances assistance.

Part of the cost of this measure in 2008-09 will be met from within the existing resourcing of the Departments of Agriculture, Fisheries and Forestry and the Treasury. Exceptional Circumstances interest rate subsidies are administered by the States. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Further information on individual programs can be found in various press releases issued by the Minister for Agriculture, Fisheries and Forestry.

Drought assistance — Exceptional Circumstances assistance for small businesses — extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 15.8 | - | - | - |
| Department of Agriculture, Fisheries and Forestry | - | 10.3 | - | - | - |
| Department of Education, Employment and Workplace Relations | 0.1 | 0.5 | - | - | - |
| Centrelink | 0.1 | 0.3 | 0.2 | - | - |
| Department of Health and Ageing | 0.1 | 0.2 | - | - | - |
| Total | 0.2 | 27.1 | 0.2 | - | - |

The Government will provide \$36.3 million over three years to continue support for small businesses with up to 100 employees that are dependent on business from farmers in regions declared eligible for Exceptional Circumstances assistance.

The small business assistance provides interest rate subsidies and income support to assist viable farm-dependent businesses and families who have been adversely affected by the prolonged drought. Eligible recipients are also provided with a health care concession card and access to Youth Allowance for their children.

The non-business salaries and wages exemption of \$20,000 per annum and the non-business assets exemption of \$750,000 will remain. This will enable assistance to continue to be provided to a wider range of small businesses in areas declared eligible for Exceptional Circumstances assistance.

Part of the cost of this measure in 2008-09 will be met from within the existing resourcing of the Departments of Agriculture, Fisheries and Forestry and the Treasury. Exceptional Circumstances interest rate subsidies are administered by the States. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Further information can be found in various press releases issued by the Minister for Agriculture, Fisheries and Forestry.

Drought assistance — interim income support for primary producers

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | 0.5 | - | - | - |
| Centrelink | 0.2 | .. | - | - | - |
| Total | 0.2 | 0.5 | - | - | - |

The Government will provide \$1.5 million over two years to support primary producers in drought-affected regions that have been declared eligible for interim income support.

Once a fully completed application for a region has been received by the Australian Government and has been deemed to show a *prima facie* case for an Exceptional Circumstances declaration, interim income support is made available to eligible primary producers on conditions equivalent to the Exceptional Circumstances Relief Payment. Access to interim income support is available for up to six months while the Exceptional Circumstances application is assessed by the National Rural Advisory Council. Should the Government declare Exceptional Circumstances in that region, interim income support ceases and standard Exceptional Circumstances assistance arrangements commence.

The cost of this measure in 2008-09 will be met in part from within the existing resourcing of the Department of Agriculture, Fisheries and Forestry.

Drought assistance — interim income support for small businesses

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | .. | - | - | - |
| Centrelink | .. | .. | - | - | - |
| Total | .. | .. | - | - | - |

The Government will provide \$79,000 over two years to continue support for small businesses with up to 100 employees that are dependent on business from farmers in regions declared eligible for interim income support.

Once a fully completed application for a region has been received by the Australian Government and has been deemed to show a *prima facie* case for an Exceptional Circumstances declaration, interim income support is made available to eligible small businesses on conditions equivalent to the Exceptional Circumstances Relief Payment. Access to interim income support is available for up to six months while the Exceptional Circumstances application is assessed by the National Rural Advisory Council. Should the Government declare Exceptional Circumstances in that region, interim income support ceases and standard Exceptional Circumstances assistance arrangements commence.

The cost of this measure in 2008-09 will be met in part from within the existing resourcing of the Department of Agriculture, Fisheries and Forestry.

Drought assistance — professional advice and planning

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | 21.3 | - | - | - |
| Centrelink | - | 1.6 | 0.2 | - | - |
| Total | - | 22.8 | 0.2 | - | - |

The Government will provide \$23.0 million over two years to continue to provide taxable grants of up to \$5,500 to eligible farmers in Exceptional Circumstances-declared areas for professional business and financial planning advice. The grants may be used to undertake a farm business viability assessment and to obtain financial and agronomic advice on changes that may be necessary to ensure the farm business recovers from the drought.

Drought assistance — re-establishment assistance — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | 24.7 | - | - | - |
| Centrelink | - | 0.6 | 1.0 | - | - |
| Total | - | 25.3 | 1.0 | - | - |

The Government will provide \$26.3 million over two years to continue to assist primary producers in severe financial difficulty who decide to leave their farms. The assistance includes one-off exit grants of up to \$150,000. The net assets limit for determining eligibility for the full exit grant will be \$350,000. The assistance also includes grants of up to \$10,000 for advice and retraining, as well as up to \$10,000 to assist farming families to relocate. The assistance is not dependent on primary producers being eligible for Exceptional Circumstances assistance.

Drought assistance — transitional income support — extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | - | - | - | - |

The Government will provide \$5.7 million in 2009-10 to continue providing eligible farm families experiencing hardship with up to 12 months of income support payments equivalent to the Newstart Allowance. Eligibility criteria for assistance will include a similar income test to the Newstart Allowance and a limit on the net value of assets of \$1.5 million. Recipients of Exceptional Circumstances Relief Payments are not eligible for this support. Applicants will be required to obtain and act on business viability advice and training available through the *Australia's Farming Future – Climate Change Adjustment Program* announced in the 2008-09 Budget. The funding includes \$0.7 million in 2009-10 for Centrelink to deliver the program.

The cost of this measure will be met from within the existing resourcing of the Department of Agriculture, Fisheries and Forestry.

International mail program — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | - | - | - | - |

The Government will provide \$3.6 million in 2009-10 to maintain the activities undertaken by the Australian Quarantine and Inspection Service in response to high quarantine risk mail entering Australia. Provision for this funding has already been included in the forward estimates.

Land and Water Australia — cessation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------------------------|---------|---------|---------|---------|---------|
| Land and Water Australia | - | -5.0 | -13.3 | -13.6 | -14.0 |

The Government will cease funding for Land and Water Australia in 2009-10. Since Land and Water Australia commenced in 1990, a number of tertiary, public and private sector bodies have been established in the natural resource management research and development field. Priority research activities currently being undertaken by Land and Water Australia will be transferred to other agencies.

This measure will provide savings of \$45.9 million over four years. Lower savings are expected in 2009-10 due to the need to ensure Land and Water Australia's existing commitments are met.

Live Animal Trade Welfare Partnership

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | - | - | - | - |

The Government will provide \$1.6 million over three years from 2009-10 to form a partnership with the live animal export industry to improve animal welfare outcomes in countries importing Australian livestock. This contribution, matched by industry, will provide capacity-building and technical assistance. The measure will replace the animal welfare project component of the *International Agriculture Cooperation – Live Animal Trade Program – continuation* measure announced in the 2008-09 Budget.

The cost of this measure will be met from within the existing resourcing of the Department of Agriculture, Fisheries and Forestry.

Quarantine border security — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | - | - | - | - |
| Australian Customs and Border Protection Service | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide \$132.4 million in 2009-10 to maintain funding for quarantine border protection activities. The funding includes \$63.8 million for the Australian Customs and Border Protection Service and \$68.6 million for the Australian Quarantine and Inspection Service to maintain the enhanced level of quarantine screening in response to emerging quarantine risks and threats. Provision for this funding has already been included in the forward estimates.

Rural Industries Research and Development Corporation — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Rural Industries Research and Development Corporation | - | -3.0 | -3.0 | -3.0 | -3.0 |

The Government has identified further efficiencies in the Rural Industries Research and Development Corporation. This measure will provide savings of \$12.0 million over four years through identifying organisational efficiencies and reducing research duplication, while maintaining funding in priority areas.

Securing the Future: protecting our industries from biological, chemical and physical risks program — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | - | - | - | - |

The Government will provide \$5.0 million in 2009-10 to continue to improve Australia's ability to detect and respond to biosecurity threats, and to minimise the costs to industry and government caused by established pests and exotic pest and disease incursions. Provision for this funding has already been included in the forward estimates.

Small block irrigators — exit grant package — expansion

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Agriculture, Fisheries and Forestry | - | - | - | - | - |
| Department of the Environment, Water, Heritage and the Arts | - | - | - | - | - |
| Centrelink | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide an additional \$45.4 million in 2009-10 to increase the maximum size of farms that may be eligible for small block irrigator exit assistance from 15 to 40 hectares. Taxable grants that are available to eligible applicants for the removal of irrigation plantings and infrastructure will also be increased from up to \$10,000 to up to \$20,000. This additional support will bring total Government funding for the program to \$107.0 million over two years from 2008-09.

The program assists small block irrigators in the Murray-Darling Basin affected by drought and climate change who wish to cease irrigation farming but stay on the farm. The program provides taxable exit grants of up to \$150,000 to eligible irrigators with permanent water entitlements of at least 10 megalitres who sell their water entitlements to the Australian Government and cease irrigation farming. The program also provides complementary taxable grants of up to \$10,000 for advice and training.

The cost of this measure will be met from within the existing funding for the Sustainable Rural Water Use and Infrastructure program administered by the Department of the Environment, Water, Heritage and the Arts. Program delivery costs will be met from within the existing resources of the Department of Agriculture, Fisheries and Forestry, and Centrelink.

This measure was agreed with Senator Xenophon as part of negotiating the Nation Building and Jobs Plan announced on 3rd February 2009.

ATTORNEY-GENERAL'S

Africa — law and justice frameworks — Australian assistance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|------------|------------|------------|------------|
| Australian Transaction Reports and Analysis Centre | - | 1.9 | 1.9 | 1.9 | 2.0 |
| Australian Federal Police | - | 1.2 | 1.2 | 1.2 | 1.2 |
| Attorney-General's Department | - | 1.0 | 1.2 | 1.0 | 1.3 |
| Total | - | 4.1 | 4.3 | 4.2 | 4.4 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Transaction Reports and Analysis Centre</i> | - | <i>0.3</i> | - | - | - |

The Government will provide \$17.3 million over four years (including capital funding of \$0.3 million in 2009-10 for an office fit-out and computers) to assist African countries to develop effective law and justice frameworks. The Australian Federal Police, the Attorney-General's Department and the Australian Transaction Reports and Analysis Centre will provide technical assistance tailored to the needs and requirements of African partners. Assistance will include training for forensics specialists and financial intelligence units, as well as legal workshops.

This measure will contribute to the ability of African countries to maintain security and stability in support of broader human development outcomes as well as enabling greater cooperation between Australia and Africa to achieve mutually beneficial security and economic outcomes.

Air Security Officer program — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |

The Government will provide \$8.5 million in 2009-10 to continue the Air Security Officer (ASO) program. Under the program, ASOs provide a protective security and anti-hijacking capability for Australian civil aviation.

Future funding arrangements will be reviewed in the 2010-11 Budget.

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

Australian Federal Police — contribution to the United Nations Mission in Sudan

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | 1.4 | 1.3 | - | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | -0.3 | -0.4 | .. | - |

The Government will provide \$2.7 million over two years to maintain the contribution of 10 Australian Federal Police officers to the United Nations Mission in Sudan. The personnel will be deployed in advisory, mentoring and training roles to support the implementation of the Comprehensive Peace Agreement that was signed on 9 January 2005 to end the north-south civil war.

The measure is expected to lead to a reduction in revenue of \$0.7 million over two years as Australian Federal Police officers are taxed concessionally on their base pay and allowances while on deployment.

Australian Federal Police — increase Australia's law enforcement contribution to Pakistan

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | 3.2 | 5.8 | 5.3 | 3.4 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Federal Police</i> | - | 1.0 | - | - | - |

The Government will provide \$18.8 million over four years (including \$1.0 million in capital funding in 2009-10 for vehicles and an office fit-out) to increase Australia's law enforcement contribution to Pakistan.

This measure will develop the capacity of Pakistani law enforcement agencies to investigate transnational crime and terrorism, while strengthening the Australian Federal Police's ability to assist investigations and collect, analyse and disseminate criminal intelligence relating to Pakistan.

Australian Federal Police — logistics and security arrangements for the deployment in Afghanistan — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | -6.6 | -8.8 | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Federal Police | -3.9 | - | - | - | - |

The Government has identified total savings of \$19.4 million over two years (including \$3.9 million in capital savings in 2008-09 for vehicles) by having the Australian Defence Force, rather than private contractors, provide force protection and logistical support to Australian Federal Police officers deployed in Afghanistan.

The Australian Federal Police deployment in Afghanistan builds the capacity of the Afghan National Police in the areas of police reform, counter-narcotics investigation and criminal intelligence development.

Australian Transaction Reports and Analysis Centre — efficiencies in reporting entity compliance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Transaction Reports and Analysis Centre | - | -0.7 | -0.7 | -0.7 | -0.7 |

The Government has identified total savings of \$2.8 million over four years by refining the Australian Transaction Reports and Analysis Centre’s (AUSTRAC) approach to reporting entity compliance under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (the AML/CTF Act) to better reflect risk management practices. The AML/CTF Act requires reporting entities (for example, banks and other financial institutions) to provide compliance reports to AUSTRAC which provide information on measures taken to manage the risks of money laundering.

This measure will not impact on AUSTRAC’s other role which is to collect, analyse and disseminate financial intelligence to designated agencies.

Automated border processing (SmartGate) — maintenance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | - | - | - | - |

The Government will provide \$18 million over four years from 2009-10 for the maintenance and support of the specialised biometric hardware and software of the SmartGate kiosks located at the International Airports in Adelaide, Brisbane, Cairns, Melbourne and Auckland.

SmartGate kiosks give eligible travellers arriving into Australia's international airports the option to self-process through passport control. SmartGate uses the electronic information in the ePassport and facial recognition technology to perform the customs and immigration checks usually conducted by a customs officer.

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

Aviation security — Airport Police Commanders

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |

The Government will provide \$5.2 million in 2009-10 to maintain Airport Police Commanders at the 11 major Australian airports. Airport Police Commanders provide operational coordination of security and law enforcement activities.

Future funding arrangements will be reviewed in the 2010-11 Budget.

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

Aviation security — Airport Uniform Police supplementary funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | 9.0 | - | - | - |

The Government will provide an additional \$9.0 million in 2009-10 to meet increases in the cost of maintaining the current level of operational capability for Airport Uniform Police at the 11 major Australian airports (Adelaide, Alice Springs, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Melbourne, Perth and Sydney). The Airport Uniform Police provide a community police presence and response capability in the airport environment.

Aviation security — Joint Airport Investigation Teams

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |

The Government will provide \$9.1 million in 2009-10 to maintain the Joint Airport Investigation Teams at five major Australian airports (Sydney, Melbourne, Brisbane, Adelaide and Perth). The Joint Airport Investigation Teams comprise Australian Federal Police (AFP) officers, Customs officers and state and territory police. This measure will maintain the AFP’s capacity to investigate serious and organised crime in the aviation sector.

Future funding arrangements will be reviewed in the 2010-11 Budget.

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

Aviation security — Unified Policing Model — lease and operating costs for accommodation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | nfp | nfp | nfp | nfp |

The Government will provide funding for the leasing of accommodation for the Australian Federal Police at the 11 Australian major airports (Adelaide, Alice Springs, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Melbourne, Perth and Sydney). This measure will enable the Australian Federal Police to maintain its capacity to provide a timely and effective response to airport incidents.

Border protection — combating people smuggling — communications campaign

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | 1.5 | 2.5 | - | - |

The Government will provide \$4.0 million over two years to deliver a communications campaign to counter people smugglers’ marketing of maritime people smuggling ventures as a safe, low-risk option to achieve a migration outcome. The communications campaign will target a range of audiences, including communities in high-risk source and transit countries and key regional government agencies. This measure forms part of the Australian Government’s layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance responses

Border protection — combating people smuggling — enhancing Australian Federal Police and regional capability

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | 15.0 | 12.5 | 5.7 | 5.4 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | 1.4 | 1.9 | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Federal Police | - | 2.9 | - | - | - |

The Government will provide \$41.6 million over four years (including capital funding of \$2.9 million in 2009-10) to fund additional Australian Federal Police (AFP) officers for the People Smuggling Strike Team; establish a technical investigation unit in Indonesia; and deploy AFP liaison officers to Sri Lanka, Pakistan, Indonesia, Malaysia and Thailand.

The People Smuggling Strike Team will enhance the AFP's capability to investigate organised criminal elements by engaging with foreign law enforcement agencies to dismantle syndicates. The technical investigation unit will enhance the surveillance and technical capability of the Indonesian National Police and improve its effectiveness in combating people smuggling. The AFP liaison officers will develop relationships with overseas law enforcement organisations to support Australia's interests and to pursue strategies to address transnational organised crime, including people smuggling.

It is estimated the Australian Taxation Office will receive revenue of \$3.3 million over two years as a result of the tax treatment of the income and benefits received by AFP officers posted overseas.

This measure forms part of the Australian Government's layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance responses.

Border protection — combating people smuggling — increased aerial surveillance of Australia’s northern waters

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | 8.2 | 8.2 | - | - |

The Government will provide \$62.9 million over four years from 2009-10 for aerial surveillance of Australia’s northern waters. Aerial surveillance contributes to enforcement of Australia’s maritime borders through detecting illegal activity, including illegal foreign fishing and people smuggling.

This measure includes an increase in aerial surveillance of 2,215 hours per year in 2009-10 and 2010-11. It will provide a consolidated capacity of 19,428 hours per year of aerial surveillance in 2009-10 and 2010-11 and 17,213 hours per year of aerial surveillance for the two years thereafter. These aerial surveillance hours will be delivered through aircraft provided and operated by commercial contractors. This measure forms part of the Australian Government’s layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas intervention through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance responses.

Provision for funding of \$46.5 million over four years has already been included in the forward estimates.

Border protection — combating people smuggling — increased maritime response capability

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | 3.4 | 2.9 | - | - |

The Government will provide \$6.3 million over two years for additional maritime patrol and response capacity in Australia’s northern waters. This funding will allow the Southern Ocean Patrol Vessel, routinely deployed to patrol the Southern Ocean, to be deployed in Australia’s northern waters for 80 days per year. This measure forms part of the Australian Government’s layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance responses.

Border protection — combating people smuggling — international engagement to prevent and disrupt maritime people smuggling

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | 5.7 | 5.1 | 2.1 | 2.1 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | 0.3 | 0.4 | 0.1 | - |

The Government will provide \$15.1 million over four years to enhance engagement with countries from which people smuggling originates or through which asylum seekers transit. Funding will be provided to establish new Australian Customs and Border Protection Service posts in Colombo and Kuala Lumpur and for additional Customs officers to be deployed to an existing post in Jakarta. The Customs officers will work with other regional posts to coordinate operations, liaise with counterpart border agencies and strengthen regional prevention and disruption efforts.

These additional deployments support Customs' new role in leading whole-of-government strategic policy development, coordinating the counter-people smuggling intelligence effort and coordinating international engagement.

The Government will also establish a regional capacity-building fund for the development and implementation of projects aimed at improving port security and border management processes in source and transit countries. It is estimated the Australian Taxation Office will receive revenue of \$0.7 million over three years as a result of fringe benefits tax payable by the Australian Customs and Border Protection Service.

This measure forms part of the Australian Government's layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts – balanced by appropriate on-water and aerial surveillance responses.

Border protection — combating people smuggling — maritime surveillance — extension of contract for ACV Triton

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | 26.8 | 26.6 | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Customs and Border Protection Service</i> | - | 0.8 | - | - | - |

The Government will provide \$54.3 million over two years (including \$0.8 million of capital funding in 2009-10) to extend the lease of the Australian Customs and Border Protection vessel ACV *Triton* to 30 June 2011. This vessel is leased to operate in Australia’s northern waters to support surveillance and enforcement activities against illegal foreign fishing and maritime people smuggling.

This measure forms part of the Australian Government’s layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts – balanced by appropriate on-water and aerial surveillance responses.

Border protection — combating people smuggling — post-interdiction management of illegal entry vessels

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | 8.0 | 8.1 | 2.9 | 3.0 |

The Government will provide \$22.0 million over four years to tow and dispose of intercepted vessels that enter Australian waters illegally as part of people smuggling ventures.

Vessels apprehended in Australia’s northern waters will be towed to facilities in Broome or Darwin and, if required, destroyed by the Australian Fisheries and Management Authority on behalf of the Australian Border Protection and Customs Service. This measure forms part of the Australian Government’s layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts – balanced by appropriate on-water and aerial surveillance responses.

Border protection — combating people smuggling — specialist prosecution unit

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Commonwealth Director of Public Prosecutions | - | 4.6 | 6.7 | - | - |

The Government will provide \$11.3 million to establish a specialist prosecution unit for people smuggling offences. The unit, to be established within the Commonwealth Director of Public Prosecutions, will provide legal advice during investigations, assess briefs of evidence and conduct prosecutions for people smuggling offences. It will also draft material for requests for extradition and mutual assistance as well as participate in the training and liaison coordinated by the Attorney-General's Department for agencies of foreign governments, including Indonesia. This measure forms part of the Australian Government's layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance response.

Border protection — combating people smuggling — strengthening regional people smuggling laws and prosecutions

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | 1.1 | 1.1 | - | - |

The Government will provide \$2.3 million over two years from 2009-10 to combat people smuggling by providing technical legal assistance and training to major countries of origin and transit for people smuggling in South-East Asia. The Attorney-General's Department will work with foreign counterparts to develop and improve laws aimed at combating people smuggling. The measure will also improve Australia's capacity to extradite people smugglers to face prosecution.

This measure forms part of the Australian Government's layered response to the resurgent maritime people smuggling activity. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance response.

China — Australian Customs and Border Protection Service — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | - | - | - | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | -0.1 | -0.2 | -0.2 | -0.2 |

The Government will provide \$7.2 million over four years to continue Customs' presence in Beijing. The post will maintain Australia's capacity to engage with China on customs and trade matters, as well as transnational crime.

Provision for this funding has already been included in the forward estimates. This measure is also expected to lead to a reduction in revenue of \$0.7 million over four years as Customs personnel are taxed concessionally on their base pay and allowances while on deployment.

Cole Inquiry Taskforce — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Federal Police | - | 1.4 | - | - | - |
| Commonwealth Director of Public Prosecutions | - | 0.9 | - | - | - |
| Attorney-General's Department | - | 0.8 | - | - | - |
| Total | - | 3.1 | - | - | - |

The Government will provide \$3.1 million in 2009-10 to continue the work of the taskforce established to investigate and prosecute individuals and companies following the completion of the Cole Inquiry into the United Nations Oil-For-Food Program.

Commonwealth Director of Public Prosecutions — efficiencies from in-house legal services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Commonwealth Director of Public Prosecutions | - | -0.6 | -0.6 | -0.6 | -0.6 |

The Government has identified savings of \$2.4 million over four years by reducing in-house legal services for matters that are ancillary to the prosecution function of the Commonwealth Director of Public Prosecutions. This measure will not impact upon the ability of the Commonwealth Director of Public Prosecutions to carry out prosecutions.

Commonwealth Law Ministers Meeting 2011 — funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | 0.5 | 1.1 | 0.9 | - |

The Government will provide \$2.6 million over three years to enable Australia to host the 2011 Commonwealth Law Ministers Meeting (CLMM). The CLMM is a triennial meeting of the First Law Officers of the Commonwealth of Nations, which provides a forum to identify and resolve law and justice matters of common concern, including in relation to counter-terrorism, intellectual property, human rights, crime prevention and access to justice.

Continuity of Government — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | - | - | - | - |
| Australian Secret Intelligence Service | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide \$7.4 million over four years to maintain the Continuity of Government Plan, which provides for executive decision making during a national security incident or a major emergency.

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

Counter-terrorism — regional legal assistance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | - | -1.7 | -1.8 | -1.8 |

The Government will provide \$1.7 million in 2009-10 to continue work to assist countries to address shortcomings in counter-terrorism legislative arrangements. This funding will provide assistance to legislators in regional countries with the drafting, passage and implementation of counter-terrorism legislation.

The cost of this measure will be met from within the existing resourcing of the Attorney-General's Department. The measure will cease on 30 June 2010, returning savings of \$5.3 million over three years from 2010-11.

Critical Infrastructure Protection program — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | - | - | - | - |
| Department of Broadband, Communications and the Digital Economy | - | - | - | - | - |
| Australian Communications and Media Authority | - | - | - | - | - |
| Department of Resources, Energy and Tourism | - | - | - | - | - |
| Department of Health and Ageing | - | - | - | - | - |
| Department of Infrastructure, Transport, Regional Development and Local Government | - | - | - | - | - |
| Department of Defence | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide \$36.6 million over four years to continue the Critical Infrastructure Protection program. The program helps to ensure there are adequate risk management frameworks in place for critical infrastructure, such as electricity, communications and water supplies, to protect against natural disasters, accidents and terrorism.

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

Customs — risk-based approach to air cargo inspections

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | -4.2 | -4.2 | -4.3 | -4.4 |

The Government has identified total savings of \$17.1 million over four years by strengthening the risk-based approach to inspections and examinations of air cargo. This measure will maintain Customs' current focus on high-risk air cargo arriving at Australian airports.

Customs — risk-based approach to first port boarding inspections

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | -2.1 | -2.1 | -2.2 | -2.2 |

The Government has identified total savings of \$8.6 million over four years by strengthening the risk-based approach to first port boarding inspections. These boardings are undertaken on vessels when they first arrive in Australia so that officials can perform a range of border processing functions, including customs and immigration checks. Customs will continue to assess the risk of all vessels before arrival and board those vessels with a risk rating of high or medium. The rate at which low-risk vessels are boarded will be reduced.

Customs — risk-based approach to sea cargo inspections

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | -8.2 | -8.2 | -8.1 | -8.0 |

The Government has identified total savings of \$32.4 million over four years by strengthening the risk-based approach to inspections and examinations of sea cargo. This measure will maintain Customs' current focus on high-risk sea cargo arriving at Australian ports.

Diplomatic Guarding program — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |

The Government will provide \$122.4 million over four years from 2009-10 to continue the Diplomatic Guarding program. The program enables the Australian Federal Police to provide protective security to diplomatic and consular missions and to official establishments used by Australian High Office holders throughout Australia.

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

Disaster Resilience — continuation and expansion of support for aerial firefighting

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | 4.0 | 3.5 | 3.3 | 3.1 | 2.9 |

The Government will provide \$38.8 million over five years (including \$4.0 million in 2008-09) to maintain and expand aerial firefighting capability across Australia in bushfire seasons by extending the lease arrangements on aerial firefighting aircraft. The increase in funding recognises the threat posed by extended bushfire seasons. The additional funding will be provided to the National Aerial Firefighting Centre, which is responsible for the national coordination and sharing of aerial firefighting resources.

Additional funding of \$16.8 million (including \$4.0 million in 2008-09) will increase the Government's contribution for aerial firefighting arrangements to \$14.2 million for 2008-09 and \$14.0 million from 2009-10.

This measure includes funding of \$10.2 million in 2008-09, \$10.5 million in 2009-10, \$10.7 million in 2010-11, \$10.9 million in 2011-12 and \$11.1 million in 2012-13 already included in the forward estimates.

Disaster Resilience — National Emergency Warning System

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | 2.6 | 18.5 | 1.7 | 1.7 | 1.8 |

The Government will provide funding of \$26.3 million over five years (including \$2.6 million in 2008-09) to develop a new secure database which will give real-time access to up-to-date telephone numbers for a telephone-based emergency warning system to be operated and maintained by the States and Territories.

States and Territories will receive funding to research the feasibility of extending emergency warning system coverage to the delivery of location-based emergency warnings to all mobile telephones in an affected area rather than on billing address only.

Further information can be found in the joint press release of 23 February 2009 issued by the Attorney-General and the Minister for Broadband, Communications and the Digital Economy and the joint press release of 30 April 2009 issued by the Prime Minister and the Attorney-General.

Disaster Resilience Australia Package

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | 19.2 | 19.6 | 20.0 | 20.5 |

The Government will provide a further \$79.3 million over four years to increase the resilience of Australian communities to both natural and human made disasters. The Government will fund disaster mitigation efforts and better integrate the work of business and non-government organisations to assist communities to prepare for and recover from disaster events.

This measure enhances the Government's approach to emergency management by increasing Australia's resilience to a range of disasters, including extreme weather events due to climate change.

This measure will replace existing disaster mitigation grant programs, combining available funds to allow more flexible responses to potential disaster threats.

Provision for funding of \$20.0 million has already been included in the forward estimates.

Enhanced crisis coordination facilities

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|-------------|------------|------------|------------|
| Attorney-General's Department | - | 5.8 | 2.2 | 1.8 | 1.9 |
| Department of Defence | - | 1.7 | - | - | - |
| Department of Foreign Affairs and Trade | - | 0.6 | 0.7 | 0.7 | 0.7 |
| Department of the Prime Minister and Cabinet | - | 0.1 | 0.2 | 0.2 | 0.2 |
| Total | - | 8.1 | 3.1 | 2.8 | 2.8 |
| <i>Related capital (\$m)</i> | | | | | |
| Attorney-General's Department | - | 15.2 | - | - | - |
| Department of Foreign Affairs and Trade | - | 3.0 | - | - | - |
| Total | - | 18.1 | - | - | - |

The Government will provide \$34.9 million over four years from 2009-10 (including \$18.1 million in capital funding) for enhanced crisis coordination facilities to support the capacity of the Government to respond to and manage national and international emergencies. This initiative supports the recommendations of the 2008 *Homeland and Border Security Review*, which was commissioned by the Prime Minister.

E-Security Review

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | 1.0 | 1.0 | 1.0 | 1.0 |
| Department of Finance and Deregulation | - | 1.0 | 0.4 | 0.3 | 0.3 |
| Total | - | 2.0 | 1.4 | 1.4 | 1.3 |
| <i>Related capital (\$m)</i> | | | | | |
| Attorney-General's Department | - | 0.5 | - | - | - |

The Government will provide \$8.3 million over four years (including capital funding of \$0.5 million over four years) to the Attorney-General's Department and the Department of Finance and Deregulation (Finance) to implement the major recommendations of the *E-Security Review 2008*. The measure will involve the establishment of a national computer emergency response function within the Australian Government, and a review of government internet gateways to reduce them to the minimum number required for operational efficiency and reliability.

Funding for the Attorney-General's Department includes offsets of \$1.2 million over four years to be provided from the department's component of the Critical Infrastructure Protection program. Funding for Finance includes \$0.5 million over four years to be absorbed by the department.

Family Court of Australia — reduction in the number of judicial officers

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Family Court of Australia | - | -1.2 | -1.3 | -1.3 | -1.3 |

The Government will not fill two vacancies for judicial officers of the Family Court of Australia, reflecting an expected reduction in the workload of the Court.

This measure will provide savings of \$5.0 million over four years.

Federal Court of Australia — reduction in the number of judicial officers

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Federal Court of Australia | - | -1.6 | -1.6 | -1.6 | -1.6 |

The Government will not fill two vacancies for judicial officers of the Federal Court of Australia, reflecting an expected reduction in the workload of the Court.

This measure will provide savings of \$6.5 million over four years.

Federal Magistrates Court — savings from not appointing two federal magistrates

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Federal Magistrates Court of Australia | - | -0.7 | - | - | - |
| Family Court of Australia | - | -0.7 | -1.4 | -1.4 | -1.4 |
| Total | - | -1.4 | -1.4 | -1.4 | -1.4 |

The Government will not fill two vacancies for federal magistrates of the Federal Magistrates Court, given an expected reduction in workload.

As a result of the *Restructure of the Federal Courts* measure, these savings will be attributed to the Family Court from 2010.

This measure will provide savings of \$5.6 million over four years.

Fighting terrorism at its source

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | -0.2 | -0.2 | -0.2 | -0.2 |

The Government will provide \$82.8 million over four years to continue funding the Australian Federal Police (AFP) to respond to, investigate and disrupt terrorist activities offshore in conjunction with its regional law enforcement partners. The AFP will also undertake new capacity building initiatives in regional countries, focusing on criminal intelligence and forensic science by redirecting resources away from activities having less impact on terrorist activities overseas.

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

This measure is also expected to lead to a reduction in revenue of \$0.8 million over four years as a result of the tax treatment of the income and benefits received by Australian Federal Police officers posted overseas.

High Court of Australia — additional resourcing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| High Court of Australia | - | 1.1 | 0.9 | 0.7 | 0.8 |
| <i>Related capital (\$m)</i> | | | | | |
| High Court of Australia | - | 1.3 | 1.4 | 1.4 | 1.5 |

The Government will provide funding of \$9.0 million over four years (including capital funding of \$5.5 million) to allow the High Court of Australia to maintain its general assets and registry services and to improve its security arrangements.

Capital funding will allow the High Court to purchase additional library resources and implement new corporate information technology systems.

Illegal foreign fishing in northern waters — continuation of funding for on-land support services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | - | - | - | - |

The Government will provide \$39.1 million over four years to maintain on-land capability in support of on-water surveillance and response to illegal foreign fishing in Australia's northern waters. This will enable the continued apprehension and investigation of illegal foreign fishers in remote localities and the continuation of fisheries compliance activities.

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

Indian Ocean Territories Grants — streamlined grants program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | -0.4 | -0.4 | -0.4 | -0.4 |

The Government will adjust funding for the *Territories Grants – Indian Ocean Territories* program administered by the Attorney-General's Department to align future funding more closely with anticipated demand.

The program provides discretionary grant funding for residents of the Indian Ocean Territories to apply for the equivalent of any of the grant programs provided by the Western Australian Government. This program has a history of lower than budgeted expenditure.

This measure will provide savings of \$1.6 million over four years.

Insolvency and Trustee Service Australia — maintaining service standards

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Insolvency and Trustee Service Australia | - | 7.0 | 7.3 | - | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Insolvency and Trustee Service Australia</i> | - | 6.2 | 8.7 | - | - |

The Government will provide \$14.3 million over two years to maintain service delivery standards related to personal insolvency matters. This measure will allow the Insolvency and Trustee Service Australia to continue to deliver services in the personal insolvency system to a standard that provides confidence and certainty to participants.

These costs will be recovered consistent with existing cost-recovery arrangements.

International counter-terrorism — South-East Asia border security program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | -2.2 | -1.8 | -1.8 | -2.3 |

The Government will provide \$8.1 million over four years to support the South-East Asia border security program. This measure will provide assistance to border agencies in South-East Asia to address counter-terrorism and security threats before they reach Australia. Assistance will include training for intelligence collation as well as participation in exercises to improve inter-agency border cooperation.

Provision for funding of \$16.2 million over four years has already been included in the forward estimates. By amalgamating measures and better coordinating established networks, the Government will achieve efficiencies of \$8.1 million over four years.

Jakarta Centre for Law Enforcement Cooperation — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |

The Government will provide \$26.7 million over four years to continue funding for the Jakarta Centre for Law Enforcement Cooperation. The program provides operational support and capacity-building to Indonesian and other regional law enforcement agencies to strengthen their ability to respond to transnational crime and terrorism.

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

Maritime surveillance — Bay class vessel replacement project

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | 1.0 | - | - | - |
| Department of Finance and Deregulation | - | 0.1 | - | - | - |
| Total | - | 1.1 | - | - | - |

The Government will provide \$1.1 million in 2009-10 to develop and manage a commercial tender process for options to replace the *Bay* class vessels currently operated by the Australian Customs and Border Protection Service. The *Bay* class vessels contribute to Australia’s capacity to patrol and respond to maritime border threats, and are reaching the end of their anticipated operating life.

As a part of this measure, the Department of Finance and Deregulation will receive \$0.1 million in 2009-10 to fund a Gateway Review of the project. The Government’s Gateway Review process provides quality assurance so that the intended outcomes for major government projects will be achieved.

Maritime surveillance — Southern Ocean Maritime Patrol and Response Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | - | - | 60.5 | 59.6 | 60.3 |

The Government will provide \$240.7 million over five years (including \$60.3 million in 2013-14) to continue patrols in the Southern Ocean (including the Heard and McDonald Islands Exclusive Economic Zone) to detect, apprehend and deter illegal foreign fishing. The Southern Ocean Maritime Patrol and Response Program also protects Australian sovereignty and contributes to sea search and rescue missions. The funding will meet the lease and operating costs of a vessel capable of operating in the Southern Ocean and the cost of satellite services.

National Native Title Tribunal — increased efficiencies

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------|---------|---------|---------|---------|---------|
| National Native Title Tribunal | - | -0.5 | -1.0 | -1.1 | -1.1 |

The Government has identified efficiencies in the National Native Title Tribunal that will lead to savings of \$3.7 million over four years. Savings will be achieved through streamlining several aspects of the Tribunal’s corporate and related services.

National security public information campaign — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | -3.0 | 1.0 | 1.0 | - | - |

The Government will provide \$2.0 million over two years to continue the operation of the national security public information campaign which promotes the National Security Hotline to the community. There are also savings of \$3.0 million in 2008-09 from the program due to a decision to limit spending in that year.

Office of Parliamentary Counsel — additional resourcing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Office of Parliamentary Counsel | - | 0.5 | 1.0 | 1.1 | 1.1 |

The Government will provide \$3.7 million over four years to assist the Office of Parliamentary Counsel to sustain its role in the drafting of Bills for introduction into either House of the Parliament.

Personal Property Security Reform — additional resourcing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | 1.4 | - | - | - |

The Government will provide \$1.4 million in 2009-10 to provide additional testing equipment and specialist IT staff to support implementation of the personal property security register (PPSR) being developed by the Attorney-General's department. The additional equipment and staff will enable the department to undertake an extended system testing regime, and will assist business operators to adapt IT and business processes to take advantage of the new system.

Currently most of the States, Territories and the Australian Government maintain registers for some kinds of personal property securities. The introduction of the PPSR will bring these together into one, definitive register.

Police Aviation Liaison Officers — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | -1.5 | - | - | - |

The Government will provide \$3.0 million in 2009-10 to the Australian Federal Police (AFP) to continue the Police Aviation Liaison Officer (PALO) network at Australian airports. The PALO network facilitates the management of security at airports.

Future funding arrangements will be reviewed in the 2010-11 Budget.

Provision for funding of \$3 million has already been included in the forward estimates. As \$1.5 million of the cost of the measure will be met from within the existing resources of the AFP, \$1.5 million of the amount already in the forward estimates will be returned to the budget.

Regional Rapid Deployment Teams — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |

The Government will provide \$18.3 million over four years to continue the Australian Federal Police’s Regional Rapid Deployment Team capability, which provides a deterrence and response capacity to security threats at Australian regional airports.

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

Respondent funding for Native Title claims — increased efficiencies

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General’s Department | - | -0.6 | -0.6 | -0.7 | -0.7 |

The Government will adjust funding for the Native Title Respondent Funding Scheme. This adjustment will result in a saving of \$2.6 million over four years.

This measure reduces non-government respondent parties’ involvement in Native Title claims. It will ensure that non-government respondent parties are directed towards early resolution of issues affecting them, thereby enabling more timely resolution of Native Title claims.

Restructure of the Federal Courts

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Family Court of Australia | - | 21.2 | 42.6 | 43.0 | 43.3 |
| Federal Court of Australia | - | 6.9 | 13.8 | 13.9 | 14.0 |
| Federal Magistrates Court of Australia | - | -28.9 | -58.2 | -58.4 | -59.4 |
| Total | - | -0.8 | -1.9 | -1.6 | -2.0 |

The Government will improve access to justice, particularly in family law matters, by streamlining court structures. This will reduce the duplication of court administrative structures and corporate services by merging the existing Federal Magistrates Court into new, lower divisions of the Family Court and the Federal Court. This will provide savings of \$6.3 million over four years.

Associated staff and resources will be transferred to the Family Court and Federal Court.

Further information can be found in the press release of 5 May 2009 issued by the Attorney-General.

Royal Commission into the February 2009 Victorian Bushfires

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | 2.2 | 7.3 | - | - | - |

The Government will provide funding of \$9.6 million over two years (including \$2.3 million in 2008-09) to assist the Attorney-General's Department to co-ordinate the Australian Government's involvement in the Royal Commission into the Victorian Bushfires established by the Victorian Government on 16 February 2009.

Surge Capacity Phase Two — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | - | - | - | - |

The Government will provide \$19.7 million over four years to continue the Australian Federal Police's Surge Capacity capability to deploy protective security to special events and at-risk sites.

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

Wireless Priority Service System

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | - | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Attorney-General's Department</i> | - | - | - | - | - |

The Government will provide \$6.8 million over two years from 2009-10 for the continuation and upgrade of the Wireless Priority Service System (WPSS). The WPSS enables key decision makers and emergency service providers to communicate in a crisis via priority access to the mobile telephone network.

The cost of this measure will be met from within the existing resources of the Attorney-General's portfolio.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Australian Broadband Guarantee — reduction in funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | -11.1 | -8.9 | -3.1 | - |

The Government will reduce funding for the Australian Broadband Guarantee by \$23.1 million over three years.

This reduction in funding recognises the greater availability of metro-comparable broadband services to residential and small business premises that now exists, and does not affect the level of financial assistance available to eligible residents or businesses.

Australian Broadcasting Corporation — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Broadcasting Corporation | - | 28.5 | 42.4 | 65.0 | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Broadcasting Corporation</i> | - | 14.2 | - | - | - |

The Government will provide an additional \$150.0 million over three years from 2009-10 as a contribution towards the Australian Broadcasting Corporation (ABC). This funding will enable the ABC to meet key priorities including the establishment of a digital children's channel and to increase the level of Australian drama content to match the requirements placed on commercial television broadcasters.

This measure includes capital funding of \$13.6 million in 2009-10 for the ABC to maintain its current asset base and an additional \$0.5 million to support the introduction of a digital children's channel.

Funding requirements from 2012-13 will be determined in the context of the next triennial funding agreement for the ABC.

Further information in relation to the digital children's channel can be found in the press release of 22 April 2009 issued by the Minister for Broadband, Communications and the Digital Economy.

Australian Broadcasting Corporation — base funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Australian Broadcasting Corporation | - | - | - | - | - |

The Government will provide \$2.1 billion over three years from 2009-10 in base funding for the Australian Broadcasting Corporation.

This measure involves funding of \$698.7 million in 2009-10, \$716.0 million in 2010-11 and \$725.8 million in 2011-12. Provision for this funding has already been included in the forward estimates.

Australian Broadcasting Corporation and Special Broadcasting Service Corporation — cessation of analog television simulcasting

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Special Broadcasting Service Corporation | - | - | -0.3 | -3.6 | - |
| Australian Broadcasting Corporation | - | - | -0.9 | -6.7 | - |
| Total | - | - | -1.2 | -10.3 | - |

The Government will achieve savings of \$11.4 million over two years from 2010-11 by ceasing analog television transmission simulcasting and distribution services by the Australian Broadcasting Corporation and the Special Broadcasting Service Corporation, on a market-by-market basis, in line with the stated digital television switchover timetable. Analog transmissions will no longer be required when digital switchover has been completed in each market. The Government has committed to complete digital switchover by 31 December 2013.

Savings from ceasing analog television transmission simulcasting and distribution services from 2012-13 will be determined in the context of the next triennial funding agreement for the national broadcasters.

Further information can be found in the press releases of 19 October 2008 and 30 March 2009 by the Minister for Broadband, Communications and the Digital Economy.

Australian Broadcasting Corporation and Special Broadcasting Service Corporation — distribution and transmission efficiencies

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Broadcasting Corporation | - | nfp | nfp | nfp | - |
| Special Broadcasting Service Corporation | - | nfp | nfp | nfp | - |
| Total | - | - | - | - | - |

The Government will promote efficiencies and savings in the Australian Broadcasting Corporation and the Special Broadcasting Service Corporation from the more efficient use of distribution and transmission services, including through closer cooperation in arrangements with external providers.

Efficiencies and savings from 2012-13 will be determined in the context of the next triennial funding agreement for the national broadcasters.

The savings from this measure are not for publication (nfp) to protect the national broadcasters' position in any future negotiations with external distribution and transmission providers.

Australian Communications and Media Authority — operational efficiencies

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Communications and Media Authority | - | 0.7 | -0.9 | -0.9 | -1.0 |

The Government will improve the operational efficiency of the Australian Communications and Media Authority by consolidating the functions performed by its Perth and Adelaide offices. These offices will close in 2009-10 and these areas will be serviced by other offices as necessary.

The Government will provide funding of \$0.7 million in 2009-10 to the Australian Communications and Media Authority to implement the closures.

The office consolidation will deliver net savings of \$2.1 million over four years.

Australian Communications Consumer Action Network — additional support

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | 1.2 | 2.0 | 2.1 | 2.1 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Communications and Media Authority</i> | - | 1.2 | 2.0 | 2.1 | 2.1 |

The Government will provide an additional \$7.5 million over four years to further support the activities of the Australian Communications Consumer Action Network (ACCAN). This funding supplements \$0.8 million in existing funding allocated to ACCAN in 2009-10 under the Telecommunications Consumer Representation and Research Grants program, provision for which has already been included in the forward estimates.

ACCAN represents consumer interests in telecommunications, disseminates information to consumers through the internet and publications, engages and trains volunteer consumer advocates, coordinates responses to government-initiated processes, and conducts conferences and workshops.

The costs of this measure will be fully recovered from annual carrier licence charges collected by the Australian Communications and Media Authority under the *Telecommunications (Carrier Licence Charges) Act 1997*.

Community broadcasting National Training Program — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | 0.6 | 0.6 | 0.6 | 0.6 |

The Government will provide \$2.5 million over four years to continue the community broadcasting *National Training Program*, which enables the community broadcasting sector to plan and deliver accredited management and broadcasting skills training to community broadcasters, particularly in regional, rural and remote Australia. The program also addresses special training needs relating to radio for the print handicapped, and for Indigenous and ethnic broadcasters.

Digital dividend — technical planning and restacking

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Communications and Media Authority | - | 4.0 | 6.5 | 7.1 | 5.4 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Communications and Media Authority</i> | - | 0.3 | - | - | - |

The Government will provide \$23.4 million over four years to the Australian Communications and Media Authority to replan and move (restack) digital television services following the cessation of analog television broadcasting. This will help ensure more efficient use of the radio-frequency spectrum. This restacking will free up spectrum, known as the 'digital dividend', which will be made available for alternative uses.

Digital Television Switchover — regional South Australia, Victoria and Queensland

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|-------------|-------------|-------------|------------|
| Department of Broadband, Communications and the Digital Economy | - | 25.8 | 51.4 | 40.9 | .. |
| Centrelink | - | 6.2 | 4.9 | 3.9 | - |
| Australian Communications and Media Authority | - | 1.5 | 1.5 | 0.8 | - |
| Total | - | 33.5 | 57.8 | 45.6 | 0.0 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Broadband, Communications and the Digital Economy</i> | - | 1.4 | 0.2 | - | - |
| <i>Australian Communications and Media Authority</i> | - | 0.1 | - | - | - |
| Total | - | 1.6 | 0.2 | - | - |

The Government will provide \$138.7 million over three years to assist the switchover from analog to digital television in regional areas of South Australia, Victoria and Queensland. This is consistent with the Government's switchover timetable announced on 19 October 2008 and contributes towards the Government's commitment to complete digital television switchover by the end of 2013.

This measure will provide \$119.7 million over three years to the Department of Broadband, Communications and the Digital Economy for:

- an information and communications campaign;
- an assistance program to provide in-home assistance for eligible households; and

- a program to work with industry to drive digital take-up by consumers.

Provision of funding for the remaining areas of Australia will be considered closer to the scheduled switchover time.

This measure includes funding of \$3.9 million over three years to the Australian Communications and Media Authority to identify areas without access to digital television services and other technical switchover-related projects.

This measure also includes funding of \$15.1 million over three years for Centrelink to provide support to the Department of Broadband, Communications and the Digital Economy to deliver assistance for eligible households.

Do Not Call Register- eligibility extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Communications and Media Authority | - | 2.3 | 0.9 | 0.7 | 0.7 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Communications and Media Authority</i> | - | 1.5 | 0.7 | 0.7 | 0.7 |

The Government will provide \$4.7 million over four years to allow the registration of all Australian telephone and fax numbers on the Do Not Call Register. This will allow all organisations including businesses (particularly small business) and emergency service organisations to access the protections provided by the register.

The costs of this measure will be partially recovered by the Australian Communications and Media Authority from the telemarketing and fax marketing industries to a total of \$3.5 million over four years.

National Broadband Network — implementation and establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|------------|-------------|----------|----------|----------|
| Department of Broadband, Communications and the Digital Economy | - | 53.2 | - | - | - |
| Department of Finance and Deregulation | 0.2 | 0.9 | - | - | - |
| Total | 0.2 | 54.0 | - | - | - |

The Government will provide \$54.2 million over two years for the implementation and establishment of the National Broadband Network (NBN).

Funding of \$53.2 million in 2009-10 will be provided to the Department of Broadband, Communications and the Digital Economy to conduct an implementation study into the NBN that will examine detailed engineering, commercial and structural issues and report by early 2010. The funding will also support the department in the early implementation of a network in Tasmania, implementation of the regional backbone blackspots program, and development of legislation and a regulatory framework.

The Government will also provide \$0.2 million in 2008-09 and \$0.9 million in 2009-10 to the Department of Finance and Deregulation to assist in the implementation and establishment of the NBN company, given the department's role in advising the Minister for Finance and Deregulation as joint shareholder.

See also the related capital measures titled *National Broadband Network – initial investment* and *National Broadband Network – regional backbone blackspots program* in the Broadband, Communications and the Digital Economy portfolio.

National ICT Australia — funding extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | - | - | 25.0 | 23.8 |
| Australian Research Council | - | - | - | 25.0 | 23.8 |
| Total | - | - | - | 50.0 | 47.5 |

The Government will provide \$185.5 million over four years from 2011-12 (including \$45.1 million in 2013-14 and \$42.9 million in 2014-15) to extend funding for National ICT Australia Limited (NICTA).

NICTA undertakes research in a range of areas including intelligent transport systems, safety and security, environmental management, mobile systems and services, and software infrastructure, with a view to the commercialisation of research through spin-out companies and technology licensing.

NICTA's Australian Government funding is derived from two sources: the Department of Broadband, Communications and the Digital Economy's ICT Centre of Excellence program and the Australian Research Council's National Competitive Grants Program.

National Transmission Network — Residual Funding Pool — return of uncommitted funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | -0.4 | -0.4 | -0.3 | -0.3 |

The Government will return uncommitted funding from the National Transmission Network – Residual Funding Pool to the budget.

The National Transmission Network – Residual Funding Pool was created as part of the post-National Transmission Network sale arrangements to ensure that a number of Government commitments in relation to transmission arrangements were met. Uncommitted funding will be returned to the budget, but existing funding assistance for the transmission costs incurred by community broadcasters, Radio for the Print Handicapped, and three remote commercial broadcasters (Golden West Network, Imparja TV and North-West Radio) will continue.

This measure will provide savings of \$1.4 million over four years.

Regional Telecommunications Review Response — Digital Regions Initiative

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 1.6 | 9.6 | 14.5 | 4.7 |
| Department of Broadband, Communications and the Digital Economy | - | 1.6 | 5.1 | 6.1 | 2.8 |
| Total | - | 3.2 | 14.7 | 20.6 | 7.5 |

The Government will provide \$46.0 million over four years to establish a co-funded grants program with State, Territory and local governments to enhance broadband-enabled delivery of key health, education and emergency services in regional, rural and remote Australia.

This measure forms part of the Government’s initial response to the Regional Telecommunications Review and complements the Government’s enhanced National Broadband Network.

Further information can be found in the press release of 5 March 2009 issued by the Minister for Broadband, Communications and the Digital Economy.

Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Regional Telecommunications Review Response — enhanced Satellite Phone Subsidy Scheme

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | 2.9 | 2.4 | 2.5 | 3.6 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Broadband, Communications and the Digital Economy</i> | - | .. | - | - | - |

The Government will provide \$11.4 million over four years to continue and enhance the *Satellite Phone Subsidy Scheme*.

The enhanced scheme will allow replacement of older handsets for people living in areas without terrestrial mobile phone coverage and allow emergency service and health organisations to access the subsidy for additional handsets where needed. For people living in areas without terrestrial mobile phone coverage the level of subsidy has been increased from 60 to 85 per cent of the satellite phone handset cost, capped at \$1,000. For people living within coverage areas, but working or travelling in non-coverage areas for significant periods of time, the subsidy will be 50 per cent of the satellite phone handset cost, capped at \$700.

This measure forms part of the Government's initial response to the Regional Telecommunications Review.

Further information can be found in the press release of 5 March 2009 by the Minister for Broadband, Communications and the Digital Economy.

Regional Telecommunications Review Response — Indigenous Communications Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 0.6 | 2.3 | 2.0 | 2.1 |
| Department of Broadband, Communications and the Digital Economy | -6.7 | -8.5 | 1.7 | 5.8 | 4.5 |
| Total | -6.7 | -7.9 | 3.9 | 7.8 | 6.6 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Broadband, Communications and the Digital Economy</i> | - | .. | - | - | - |

The Government will provide \$30.0 million over four years to implement the Indigenous Communications Program, to provide community phones, basic public internet access facilities and computer training for remote Indigenous communities in partnership with the States and Territories.

The funding includes the redirection and reprofiling of \$26.3 million of funding (including \$6.7 million from 2008-09) from the Backing Indigenous Ability Telecommunications Program, provision for which had already been made in the forward estimates. The Government will also provide an additional \$3.7 million of funding in 2012-13 to the Indigenous Communications Program.

In partnership with the Northern Territory, South Australian, Western Australian, Queensland and New South Wales Governments, the Australian Government will provide \$7.0 million over four years as part of this program to facilitate the internet access and computer training components of the program.

This measure forms part of the Government's initial response to the Regional Telecommunications Review.

Further information can be found in the press release of 5 March 2009 issued by the Minister for Broadband, Communications and the Digital Economy.

Rural and Regional National Broadband Network Initiative — ABC regional broadband hubs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Australian Broadcasting Corporation | - | 2.5 | 4.7 | 8.1 | - |

The Government will provide \$15.3 million over three years to the Australian Broadcasting Corporation (ABC) to assist regional communities to create local broadband material to complement the roll-out of the National Broadband Network. Funding will be used to identify and employ local producers to work on cross-media stories and to provide training and equipment for the creation of user-generated content. The ABC will also establish community websites and genre portals through the ABC Local network to develop and host the material, allowing Australians with common interests to talk to one another and share experiences.

See also the related expense measures titled *Rural and Regional National Broadband Network Initiative – enhanced digital regions initiative* and *Rural and Regional National Broadband Network Initiative – rural NBN coordinators*, in the Broadband, Communications and the Digital Economy portfolio.

Rural and Regional National Broadband Network Initiative — enhanced Digital Regions Initiative

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | 0.9 | 4.5 | 6.3 | 2.2 |

The Government will provide \$14.0 million over four years to fast-track and enhance the Digital Regions Initiative. The Digital Regions Initiative will promote broadband-enabled delivery of health, education and emergency services in regional, rural and remote Australia. The additional funding will allow for a greater number of local broadband enabled projects to be rolled out. The initiative will be fast-tracked by introducing a two-stage assessment process to assist State, Territory and local governments in expediting the assessment of applications.

This initiative is in addition to the \$46.0 million over four years provided as part of the Government's initial response to the Regional Telecommunications Review.

See also the related expense measures titled *Regional Telecommunications Review – Digital Regions Initiative*, *Rural and Regional National Broadband Network Initiative – rural NBN coordinators* and *Rural and Regional National Broadband Network Initiative – ABC regional broadband hubs*, in the Broadband, Communications and the Digital Economy portfolio.

Rural and Regional National Broadband Network Initiative — rural NBN coordinators

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | 0.8 | 1.4 | 1.4 | 1.4 |

The Government will provide \$5.0 million over four years to support up to 12 regional coordinators to help local governments, community organisations and businesses to take up broadband in regional communities. This measure directly supports the implementation of the *National Broadband Network – regional backbone blackspots program*.

See also the related expense measures titled *Rural and Regional National Broadband Network Initiative – enhanced Digital Regions Initiative* and *Rural and Regional National Broadband Network Initiative – ABC regional broadband hubs*, in the Broadband, Communications and the Digital Economy portfolio.

Special Broadcasting Service Corporation — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Special Broadcasting Service Corporation | - | 4.0 | 5.0 | 11.0 | - |

The Government will provide an additional \$20.0 million over three years to the Special Broadcasting Service Corporation (SBS). This additional funding will allow the SBS to increase its level of local content by an additional 50 hours per annum from 2011-12.

Funding requirements from 2012-13 will be determined in the context of the next triennial funding agreement for the SBS.

Special Broadcasting Service Corporation — base funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Special Broadcasting Service Corporation | - | - | - | - | - |

The Government will provide \$362.6 million over three years from 2009-10 in base funding for the Special Broadcasting Service Corporation.

This measure involves funding of \$118.7 million in 2009-10, \$120.6 million in 2010-11 and \$123.3 million in 2011-12. Provision for this funding has already been included in the forward estimates.

Funding requirements from 2012-13 will be determined in the context of the next triennial funding agreement for the Special Broadcasting Service Corporation.

Television blackspots — alternative technical solutions

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | -0.6 | - | - | - | - |

The Government will no longer contribute funding to address the Kalorama North and Kalorama South television reception blackspots as the Yarra Ranges Shire Council has advised that it will not be proceeding with this project.

This measure will provide savings of \$0.6 million in 2008-09..

Television towers — improved coverage

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | nfp | - | - | - |

The Government will provide funding in 2009-10 to improve digital television reception in the Para Escarpment area in Adelaide.

The expenditure for this measure is not for publication (nfp) to protect the Government’s position in any future negotiations with external providers.

CLIMATE CHANGE

Australian Carbon Trust — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | 28.8 | 37.5 | 6.9 | 1.8 |

The Government will provide \$75.8 million over five years (including \$0.8 million in 2013-14) to support the establishment of the Australian Carbon Trust, comprising the Energy Efficiency Trust and the Energy Efficiency Savings Pledge Fund. The Australian Carbon Trust will be established with a corporation as a trustee.

Seed funding of \$50.0 million over two years will be provided for the Energy Efficiency Trust to promote private sector engagement in energy efficiency activities. The Energy Efficiency Trust will fund improvements such as more efficient lighting, ventilation, heating and air conditioning, and computer systems, which can be showcased with a view to mainstreaming this activity across the private sector. Upfront investment will be repaid when energy cost savings are realised, creating a revolving fund for further investment.

Funding of \$25.8 million over five years (including \$2.0 million as a contribution to the Australian Carbon Trust) will be provided to the Department of Climate Change for the Energy Efficiency Savings Pledge Fund initiative. The Australian Carbon Trust will administer this mechanism for households and small businesses to contribute voluntarily to reductions in Australia's greenhouse gas emissions in the context of the Carbon Pollution Reduction Scheme. Households and small businesses will be able to calculate the potential dollar savings from their energy efficiency actions and make tax deductible donations to the Energy Efficiency Savings Pledge Fund. The Australian Carbon Trust will use these donations to purchase and retire Australian emissions units or purchase carbon offsets.

The Energy Efficiency Savings Pledge Fund initiative includes funding for the development of a web-based calculator to estimate savings resulting from energy efficiency activities, and for a public awareness campaign to increase community awareness of the role of voluntary action in the Government's climate change mitigation strategy.

Further information can be found in the press release of 4 May 2009 issued by the Prime Minister, the Treasurer and the Minister for Climate Change and Water.

Australian Climate Change Science Program — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | - | - | - | - |

The Government will provide \$31.2 million over four years from 2009-10 to continue support for Australia's climate change research effort. This funding will be directed towards investment in Australia's climate modelling capability, building the understanding of key drivers of Australia's climate, and improving Australian climate projections. The funding is in addition to that provided for existing climate change research activities undertaken by the CSIRO, Bureau of Meteorology, universities and other agencies, and funding provided by the Australian Research Council.

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

Carbon Pollution Reduction Scheme — Climate Change Action Fund — additional funding and rephasing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | 1.5 | - | - | - | - |
| Department of Climate Change | 1.0 | -100.0 | -400.0 | - | 100.0 |
| Total | 2.5 | -100.0 | -400.0 | - | 100.0 |

The Government will provide an additional \$300.0 million over two years from 2013-14 to the Climate Change Action Fund under the Carbon Pollution Reduction Scheme. This will provide additional support for businesses, community sector organisations, workers, regions and communities to smooth the transition to a carbon constrained economy.

In addition, the Government will defer funding of \$100.0 million from 2009-10 and \$400.0 million from 2010-11 to 2012-13 and subsequent years, in recognition of the delay to the start date of the Carbon Pollution Reduction Scheme.

The remaining funding, previously incorporated in the budget estimates at the February 2009 *Updated Economic and Fiscal Outlook*, of up to \$200.0 million in 2009-10 will support businesses and community organisations that have significant energy costs, but do not receive emissions-intensive trade-exposed assistance, to take action to reduce carbon pollution through energy efficiency before the scheme commences. This funding will include:

- \$20.0 million for a business information package to provide advice to businesses on how the scheme will work and the impacts and opportunities that may arise;

- up to \$100.0 million for Early Action Energy Efficiency Strategies for Business, including energy audits and capital investment; and
- \$80.0 million for capital investment grants for businesses and community organisations.

The funding in 2009-10 will be provided to the Department of Climate Change, with some funding to subsequently be allocated between the Department of the Environment, Water, Heritage and the Arts, the Department of Innovation, Industry, Science and Research, and the Department of Resources, Energy and Tourism, after program governance and delivery arrangements have been settled.

A provision for the measure in 2010-11 and subsequent years has been made in the Contingency Reserve.

Funding of \$2.5 million in 2008-09 will support program design activities in the Department of Climate Change and the Department of the Environment, Water, Heritage and the Arts.

Further information can be found in the press release of 4 May 2009 issued by the Prime Minister, the Treasurer and the Minister for Climate Change and Water.

See also the related revenue measure titled *Carbon Pollution Reduction Scheme – revised implementation* in the Climate Change portfolio.

Carbon Pollution Reduction Scheme — Global Recession Buffer

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | - | - | 70.0 | 210.0 |

The Government will establish a Global Recession Buffer to provide additional assistance to emissions-intensive trade-exposed (EITE) industries at an estimated cost of \$1.1 billion over five years from 2011-12 (including \$235.0 million in 2013-14, \$260.0 million in 2014-15 and \$290.0 million in 2015-16). The buffer will operate for the first five years of the Carbon Pollution Reduction Scheme and provide:

- an additional 5 per cent of free Australian Emissions Units for EITE activities eligible for 90 per cent assistance, giving an effective rate of assistance of 94.5 per cent to these highly emissions-intensive trade-exposed activities in the first year of the scheme; and
- an additional 10 per cent of free Australian Emissions Units for EITE activities eligible for 60 per cent assistance, giving an effective rate of assistance of 66 per cent to these moderately emissions-intensive trade-exposed activities in the first year of the scheme.

Rates of assistance will decline at a rate of 1.3 per cent per year, in line with the Carbon Productivity Contribution set out in the Carbon Pollution Reduction Scheme White Paper.

A provision for this measure has been made in the Contingency Reserve.

Further information can be found in the press release of 4 May 2009 issued by the Prime Minister, the Treasurer and the Minister for Climate Change and Water.

See also the related revenue measure titled *Carbon Pollution Reduction Scheme – revised implementation* in the Climate Change portfolio.

Carbon Pollution Reduction Scheme — National Carbon Accounting Toolbox

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | 4.0 | 4.0 | 4.0 | 4.0 |

The Government will provide \$16.1 million over four years to develop emissions estimation tools, including capacity-building and user support systems, for the forestry and agriculture sectors. This will facilitate emissions estimation and reporting under the Carbon Pollution Reduction Scheme and help inform Government decisions in 2013 on coverage of the agriculture sector under the scheme. The emissions estimates will be consistent with the National Carbon Accounting System used for Australia's national emissions accounting and reporting.

This measure is in addition to funding provided for the National Carbon Accounting System as part of the measure titled *Department of Climate Change – base departmental funding*.

See also the related expense measure titled *Department of Climate Change – base departmental funding*.

Department of Climate Change — base departmental funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | -1.7 | -0.7 | -0.3 | 4.7 |
| <i>Related capital (\$m)</i> | | | | | |
| Department of Climate Change | - | 0.2 | - | - | - |

The Government will establish base departmental funding for the Department of Climate Change at \$55.5 million per annum, indexed. This will enable the department to coordinate the Government’s response to climate change, including through: the detailed design and implementation of the Carbon Pollution Reduction Scheme; participation in international climate change negotiations; support for climate change science and adaptation initiatives; and the preparation of national emissions accounts, projections and reporting.

Provision for most of this funding has already been included in the forward estimates. Savings over the years 2009-10 to 2011-12 are due to the rationalisation of climate change programs that are not complementary to the Carbon Pollution Reduction Scheme. Departmental funding for three lapsing programs, Greenhouse Action in Regional Australia, National Climate Change Adaptation and *Greenhouse Challenge Plus – Industry Partnerships*, will be reallocated to other priority activities under this measure. The Strategic Review of Australian Government Climate Change Programs recommended these programs be terminated as they are not complementary to the scheme.

Greenhouse Action in Regional Australia — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | -3.9 | -3.9 | -3.9 | -3.9 |

The Government will terminate the lapsing Greenhouse Action in Regional Australia program on 30 June 2009. The program aimed to build the capacity of the agriculture and land management sectors to reduce greenhouse gas emissions. The Strategic Review of Australian Government Climate Change Programs recommended that the program be terminated as it is not complementary to the Carbon Pollution Reduction Scheme and has been partly superseded by other climate change adaptation measures.

This measure will provide savings of \$15.4 million over four years.

International negotiations on climate change — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | - | - | - | - |

The Government will provide \$12.0 million over four years from 2009-10 to support Australia's engagement in international climate change activities. This funding will be directed towards meeting Australia's financial obligations as a party to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol to the UNFCCC, and enhancing strategic relationships and garnering support for Australia's objectives through engaging in cooperative activities with key countries.

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

This measure is in addition to funding provided to support international climate change functions as part of the measure titled *Department of Climate Change – base departmental funding*.

CROSS PORTFOLIO

Nation Building and Jobs Plan — implementation costs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|-------------|-------------|-------------|-------------|----------|
| Department of the Environment, Water, Heritage and the Arts | 19.6 | 62.0 | 53.9 | 23.1 | - |
| Department of Education, Employment and Workplace Relations | 8.7 | 16.4 | 8.8 | - | - |
| Department of Infrastructure, Transport, Regional Development and Local Government | 3.7 | 8.8 | 2.3 | - | - |
| Australian Taxation Office | 14.8 | 5.0 | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | 2.0 | 3.2 | 1.9 | 1.3 | - |
| Centrelink | 19.9 | 1.8 | - | - | - |
| Department of the Prime Minister and Cabinet | - | 0.5 | - | - | - |
| Department of Agriculture, Fisheries and Forestry | 0.7 | - | - | - | - |
| Total | 68.6 | 97.7 | 67.0 | 24.5 | - |

The Government will provide \$257.9 million over four years to implement the Nation Building and Jobs Plan. The implementation costs include program management and compliance activities.

The Government's \$42 billion Nation Building and Jobs Plan will provide direct Government investment in schools, housing, energy efficiency community infrastructure and roads and support to small businesses. The Nation Building and Jobs Plan also provides \$12.7 billion in payments to low- and middle-income Australians as an immediate stimulus to the economy and to support growth and jobs.

This measure includes funding of \$50.8 million over two years for a national media campaign to raise public awareness of how householders can improve the energy efficiency of their homes and how they can access the government assistance announced in the Nation Building and Jobs Plan.

This measure is in addition to funding provided for the Nation Building and Jobs Plan, announced in the February 2009 *Updated Economic and Fiscal Outlook*.

DEFENCE

Afghan National Army Trust Fund — contribution

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | 59.3 | 59.3 | 59.3 | 59.3 |

The Government will provide an annual contribution to the Afghan National Army Trust Fund of \$US50 million (\$A59.3 million) for each of the next five years. This contribution will support the development of the Afghan National Army and strengthen its ability to provide for the security of Afghanistan.

Australian Defence Force Health Care Trial — expansion

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | - | - | - | - |

The Government will provide \$44.5 million over three years from 2009-10 to extend the trial of the provision of basic medical and dental services to dependants of full-time Australian Defence Force members. The trial will be extended to Townsville, Darwin and Puckapunyal. This expansion will build on the initial phase of the trial for Australian Defence Force dependants at the Tindal, Cairns, East Sale and Singleton bases, and in the Pilbara region.

The trial provides free basic general practitioner services and free basic dental services up to a cap of \$300 per dependant per annum. The expanded trial will provide for approximately 16,000 Australian Defence Force dependants.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Australian Defence Force systems integration capabilities — improvements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Defence Materiel Organisation | - | - | - | - | - |

The Government will provide \$14.9 million over four years from 2009-10 to improve the ability of Australian industries to integrate complex technological and operational systems in support of Australian Defence Force capability development.

The cost of this measure will be met from within the existing resourcing of the Defence Materiel Organisation.

Australia-United States enhanced defence cooperation — humanitarian assistance and disaster relief

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | - | - | - | - |

The Government will provide \$7.7 million over four years from 2009-10 to implement the Australia-United States Humanitarian Assistance and Disaster Relief Joint Investment Program. The program will increase the ability of both countries to respond to regional natural disasters. This was agreed at the Australia-United States Ministerial Consultations in February 2008.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Coastal surveillance — revised operational structure

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | -0.3 | 2.0 | - | - |

The Government will provide \$1.7 million over two years for coastal surveillance activities conducted as part of Operation RESOLUTE. The savings in 2009-10 arise from changes to the composition of Australian Defence Force units deployed in support of Operation RESOLUTE.

Operation RESOLUTE provides domestic maritime security activities to protect Australia’s offshore maritime resources and to deter people smuggling.

Defence savings in the forward estimates period

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|----------|
| Department of Defence | - | - | -100.0 | -200.0 | -1,700.0 |

Savings of \$2 billion over three years from 2010-11 will be drawn from the Defence budget and returned in the period beyond 2015-16. This will allow Defence to deliver acquisitions set out under *Force 2030*, the 2009 Defence White Paper.

Force 2030 sets out a new strategic security assessment to 2030, and plans to build Australian Defence Force strategic capabilities over the long term.

An extensive program of savings and reinvestment will also ensure the achievement and affordability of *Force 2030*.

See also the related measure, *Defence White Paper – new funding model*.

Defence White Paper — new funding model

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | - | - | - | - |

The Government has introduced a new long-term funding model for Defence, consistent with a new strategic assessment and the capability plan set out in the 2009 Defence White Paper, *Force 2030*. This will provide greater certainty and stability for the Defence budget in the long term.

The White Paper sets out a range of initiatives designed to ensure that Australia has the defence capability required to support future security interests. These initiatives include the acquisition of major new capabilities, far reaching reforms to the Defence organisation and remediation to infrastructure and defence support systems.

The new long-term funding commitment and the change to Defence indexation will provide Defence planners with a stable clearly defined long-term funding envelope within which resourcing decisions can be managed.

In 2009-10, the Government will provide Defence with funding of around \$25 billion, not including operations. Over the next decade, the new funding model will provide Defence with total funding of \$308 billion.

Over the period to 2029-30, the Government will provide additional new funding of \$146.1 billion to Defence (against funding projections for Defence at the time of the *Updated Economic and Fiscal Outlook*), in line with its strategic assessment, by:

- continuing the commitment to grow underlying Defence funding by 3 per cent on average in real terms to 2017-18, with 2.2 per cent average real growth per annum thereafter to 2029-30
- providing fixed indexation at 2.5 per cent each year to 2020-30, which accords with the target for consumer price inflation agreed by the Australian Government and the Reserve Bank of Australia, for the purposes of Defence planning
- implementing a comprehensive program of reform, efficiencies and savings, generating around \$20 billion worth of savings over 10 years
- reprogramming existing capital acquisitions to meet the new strategic assessment and timetable in the 2009 Defence White Paper
- instituting a commitment by Defence to meet any shortfalls in the White Paper through further internal efficiencies within Defence.

The new funding model will apply from 1 July 2009, with increases resulting from this new indexation over the forward estimates being returned from 2016-17 onwards, in line with Defence's acquisition timetable for *Force 2030*.

Defence funding will transition to the new long-term path over 2013-14 and 2014-15. Defence funding will be \$1 billion below the new long-term funding path in 2013-14, and \$500 million lower in 2014-15 as higher funding levels are phased in. These amounts will be added back to the Defence budget from 2016-17 onwards.

See also the related savings measure *Defence savings in the forward estimates period*.

Global supply chain opportunities

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Defence Materiel Organisation | - | - | - | - | - |

The Government will provide \$15.3 million over four years from 2009-10 to assist Australian small and medium enterprises to compete for domestic and international Defence contracts. This will be achieved through training and mentoring industry with the goal of it becoming more competitive, more capable and with increased capacity to be able to compete for and win global supply chain opportunities.

The cost of this measure will be met from within the existing resourcing of the Defence Materiel Organisation.

Global terrorism — enhancing Australia’s commitment to Afghanistan

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|------------|----------------|--------------|-------------|------------|
| Department of Defence | - | 1,083.6 | 118.7 | 49.2 | - |
| Department of Foreign Affairs and Trade | - | 4.1 | 2.7 | 1.8 | 2.1 |
| Australian Federal Police | 1.8 | 2.4 | 2.6 | - | - |
| Total | 1.8 | 1,090.2 | 123.9 | 51.0 | 2.1 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | -53.3 | -5.1 | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| Department of Foreign Affairs and Trade | - | 0.3 | - | - | - |
| Australian Federal Police | - | 0.1 | - | - | - |
| Total | - | 0.4 | - | - | - |

The Government will provide \$1,269.4 million (including \$1.8 million in 2008-09) primarily for the net additional cost of an expanded commitment to Operation SLIPPER, Australia’s military contribution to international stabilisation and reconstruction efforts in Afghanistan.

The expanded role will be part of a whole-of-government approach, including the eight-month deployment of an Australian Defence Force taskforce to assist with the conduct of elections in Afghanistan.

Australian Federal Police officers will assist Dutch Military Task Force Oruzgan with the delivery of its police training program.

This measure is also expected to lead to a reduction in revenue of \$58.3 million over two years as deployed personnel are taxed concessionally on their base pay and allowances while on deployment.

Iraq — Australian Defence Force embedded personnel commitment in Iraq — cessation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | -49.5 | - | - | - |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | -0.1 | - | - | - |

In line with the Government’s commitment to reduce Australia’s military presence in Iraq, the Australian Defence Force’s embedded personnel commitment in Iraq will cease by 31 July 2009. The Government will provide \$2.2 million to meet the cost of this operation until its cessation.

Funding of \$51.7 million in 2009-10 was previously provided to meet the cost of repair and refurbishment of weapons, vehicles, other equipment and logistics costs for the Iraq operation. These costs are now attributed to operations in Afghanistan.

This measure is also expected to lead to a reduction in revenue of \$0.1 million in 2009-10 as Australian Defence Force personnel are taxed concessionally on their base pay and allowances while on deployment.

Iraq — Australian Defence Force security detachment — funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | 59.2 | 12.0 | 2.3 | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | -1.8 | -0.2 | - | - |

The Government will provide \$73.5 million over three years for the net additional cost of Operation KRUGER, the Australian Defence Force security detachment protecting the Australian Embassy in Baghdad, until June 2010.

This measure is also expected to lead to a reduction in revenue of \$2.0 million over two years as Australian Defence Force personnel are taxed concessionally on their base pay and allowances while on deployment.

Land operations in complex environments — improved capacity

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | - | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Defence</i> | - | - | - | - | - |

The Government will provide \$70.8 million over four years (including capital funding of \$29.1 million) from 2009-10 to increase the Army's capacity to deploy specialists to conduct field intelligence and information operations in support of land operations in our region.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Middle East Area of Operations — command and control enhancements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | 87.5 | - | - | - |

The Government will provide \$87.5 million in 2009-10 to the Australian Defence Force to improve efficiency in operations by consolidating support assets within the Persian Gulf region.

Military superannuation schemes — reduced number of medical reviews

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | -0.5 | -0.5 | -0.5 | -0.5 |

The Government will reduce the number of medical reviews required each year for the ongoing classification of invalidity pensioners in the military superannuation schemes. All invalidity pensioners will continue to have their invalidity status reviewed at regular intervals.

This measure will provide savings of \$2.0 million over four years and \$4.9 million over ten years.

Navy workforce — increased capability

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | - | - | - | - |

The Government will provide \$405.3 million over four years from 2009-10, and \$1.5 billion over a decade, to support the maintenance and development of the Australian Navy's operational capability through the provision of an additional 700 full-time Navy personnel

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Priority Industry Capability Centres of Excellence

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Defence Materiel Organisation | - | - | - | - | - |

The Government will provide \$9.2 million over four years from 2009-10 to establish the Priority Industry Capability Centres of Excellence. Defence will work with industry to investigate and develop initiatives, including skilled workforce development and technology incentives that improve defence industry capability or capacity.

The cost of this measure will be met from within the existing resourcing of the Defence Materiel Organisation.

Retention of accommodation on deployment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | - | - | - | - |

The Government will provide an additional \$30.9 million over four years from 2009-10 to allow eligible Australian Defence Force members to retain their rental accommodation while on deployment. This measure will apply to single members or members living away from their families who are deployed overseas for six months or longer.

The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Superannuation contributions for operations — related allowances

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | 22.5 | - | - | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | 3.4 | - | - | - |

The Government will provide \$22.5 million for additional superannuation payable under the *Superannuation Guarantee (Administration) Act 1992* on allowances paid to Australian Defence Force members serving on overseas operations in 2009-10. The measure will be funded under the existing 'no win, no loss' arrangements for overseas operations.

This measure is also expected to lead to an increase in revenue of \$3.4 million in 2009-10 from tax on contributions paid by the Department of Defence.

Timor-Leste — continued funding to help maintain stability

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Department of Defence | - | 191.8 | 18.9 | 0.4 | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | -10.6 | -2.3 | - | - |

The Government will provide \$211.1 million over three years for the net additional cost of extending Operation ASTUTE, Australia's military contribution to maintaining stability in Timor-Leste, until June 2010.

This measure is also expected to lead to a reduction in revenue of \$12.9 million over two years as Australian Defence Force personnel are taxed concessionally on their base pay and allowances while on deployment.

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

Alternative Dispute Resolution Assistance Scheme — discontinuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -4.9 | -4.9 | -4.9 | -4.9 |

The Government will cease funding for the Alternative Dispute Resolution Assistance Scheme announced in the *Mid-Year Economic and Fiscal Outlook 2005-06*. The Alternative Dispute Resolution Assistance Scheme was designed to provide financial assistance to eligible employers and employees choosing to use private alternative dispute resolution to resolve workplace disputes. The *Fair Work Act 2009* provides for a less legalistic approach to dispute resolution and removes the need for the Alternative Dispute Resolution Assistance Scheme.

This measure will provide savings of \$19.6 million over four years.

An Innovation and Higher Education System for the 21st Century — Australian Universities Quality Agency — redirection of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | -1.3 | -1.3 | -1.3 |

The Government will redirect funding from the Australian Universities Quality Agency (AUQA). This measure will provide savings of \$3.9 million over three years to offset the cost of establishing a new national quality and regulatory agency for higher education. The functions of AUQA will be subsumed by the new body.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – National Quality and Regulatory Agency for Higher Education – establishment* in the Education, Employment and Workplace Relations portfolio.

An Innovation and Higher Education System for the 21st Century — conditional funding and revised indexation arrangements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | 58.3 | 173.2 | 297.1 |
| Department of Innovation, Industry, Science and Research | - | - | - | 12.7 | 38.9 |
| Total | - | - | 58.3 | 185.9 | 336.0 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | - | - | .. | 0.5 | 2.2 |

The Government will provide an additional \$577.6 million over three years to higher education institutions as a result of changes in the indexation arrangements that apply under the *Higher Education Support Act 2003 (HESA)*. The Safety Net Adjustment component of the Higher Education Indexation Factor (HEIF) will be replaced by a professional wage and salary cost index. The index will be discounted by ten per cent to ensure universities continue to pursue improvements in productivity.

Transitional arrangements will apply from 2011. Maximum student contribution amounts will be indexed using the new index and higher education providers will also receive funding equivalent in value to the improved indexation on teaching and learning grants on a conditional basis. From 2012 for research grant and fellowship payments.

The revenue impact in this measure relates to amounts loaned under the Higher Education Loan Program (HELP) specifically the indexation on the outstanding HELP debt and associated loan fees. The additional public debt interest cost incurred by the Australian Government in financing the loans is separately accounted for in the budget papers.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – funding for institutional performance targets*.

An Innovation and Higher Education System for the 21st Century — demand-driven funding for higher education

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 36.4 | 74.3 | 117.2 | 264.9 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | - | - | .. | 0.4 | 1.8 |

The Government will provide \$490.6 million over four years for the introduction of a demand-driven funding system for domestic students at Australian public universities and the Bachelor Institute of Indigenous Tertiary Education. This will increase the opportunities available for Australians to undertake higher education by allowing universities to offer more Commonwealth-supported places in response to student demand.

The demand-driven entitlement model will be introduced in two stages. The first stage will lift the current caps on funding for overenrolments from 5 per cent to 10 per cent in 2010 and 2011, with the current funding floor maintained. These changes will also apply to the University of Notre Dame Australia. In the second stage, the current cap and floor on the number of undergraduate Commonwealth-supported places will be removed. The current Student Learning Entitlement, which imposes a limit on the amount of Commonwealth-funded study that a student can undertake, will also be abolished from 2012.

The revenue impact in this measure relates to amounts loaned under the Higher Education Loan Program (HELP) specifically the indexation on the outstanding HELP debt and associated loan fees. The additional public debt interest cost incurred by the Commonwealth in financing the loans is separately accounted for in the budget papers.

An Innovation and Higher Education System for the 21st Century — Education Investment Fund — Future Rounds

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | 350.0 | 250.0 | 125.0 |
| Department of Innovation, Industry, Science and Research | - | - | - | - | - |
| Total | - | - | 350.0 | 250.0 | 125.0 |

The Government will provide \$750.0 million over four years (including \$25 million in 2013-14) to fund future rounds from the Education Investment Fund.

\$500 million will be allocated for Round 3 projects and \$250 million will be partnered with up to \$400 million allocated for research under the Clean Energy Initiative to form a \$650 million Sustainability Round.

The two new funding rounds will provide higher education, research and vocational institutions with a further opportunity to bid for capital funding.

\$200 million of Round 3 funding will be allocated to support projects which assist universities to adjust to reforms in the higher education sector. There will be a particular focus on supporting collaboration between universities and the vocational education sector and developing stronger research networks.

Funding from the EIF will be subject to endorsement by the EIF Advisory Board once suitable projects are identified.

The funding split between departments is indicative only. Actual funding will reflect the outcomes of the funding rounds.

See also the related expense measure titled *Clean Energy Initiative*.

An Innovation and Higher Education System for the 21st Century — Education Investment Fund — Round 2

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|-------------|--------------|--------------|--------------|-------------|
| Department of Education, Employment and Workplace Relations | 40.0 | 227.2 | 247.6 | 78.2 | 19.5 |
| Department of Innovation, Industry, Science and Research | - | 159.6 | 79.2 | 82.8 | - |
| Total | 40.0 | 386.8 | 326.8 | 161.0 | 19.5 |

The Government will provide \$934.2 million over four years from the Education Investment Fund (EIF) to contribute funding to successful projects from the second round of the EIF. These projects were assessed by the EIF Advisory Board, following the invitation for applications on 16 February 2009 by the Minister for Education, Employment and Workplace Relations and the Minister for Innovation, Industry, Science and Research.

The following projects will be funded:

Higher Education

- Queensland University of Technology (Queensland) – Science and Technology Precinct – \$75.0 million;
- The University of Queensland (Queensland) – Advanced Engineering Building – \$50.0 million;
- Curtin University of Technology (Western Australia) – Engineering Pavilion – \$20.5 million;
- The Australian National University (Australian Capital Territory) – Stage 2 of the ANU Science Transformation: The Chemical Sciences Hub – \$90.0 million;
- La Trobe University (Victoria) – Rural Health School – \$59.5 million;
- The University of New South Wales (New South Wales) – Gateway @ College of Fine Arts – \$48.0 million;
- University of Ballarat (Victoria) – Science and Engineering Precinct – \$40.0 million;
- Charles Sturt University (New South Wales) – National Life Sciences Hub: An Integrated Science Hub in Food Security, Plant and Animal Health for Inland Australia – \$34.0 million;
- Charles Darwin University (Northern Territory) – Establishment of the Australian Centre of Indigenous Knowledge and Education – \$30.7 million;
- The University of Melbourne (Victoria) – Transforming Graduate Learning Spaces: A New Delivery Model for Professional Education in Australia – \$16.3 million; and
- Macquarie University (New South Wales) – Leadership in Advanced Surgical Education – \$16.6 million.

Vocational Education and Training

- Holmesglen Institute of TAFE (Victoria) – New Facility for Childhood Development, Vocational Colleges and Related Services – \$16.8 million;
- Central Gippsland Institute of TAFE (Victoria) – Chadstone Campus Development – \$16.2 million;
- TAFE NSW South Western Sydney Institute (New South Wales) – Macarthur Building Skills Centre – \$9.9 million;

- TAFE NSW Western Institute (New South Wales) – Heavy Vehicles Facility – \$9.7 million;
- Skillsets for a Low Carbon Economy (New South Wales) – \$5.0 million;
- Bendigo Regional Institute of TAFE (Victoria) – Training Facilities for the ‘Traditional Trades’ in Echuca – \$5.0 million;
- Energy Australia (New South Wales) – Silverwater Learning Centre – \$25.0 million;
- University of Ballarat (Victoria) – Manufacturing Technology Training Centres – \$18.1 million;
- Industries Services Training Pty Ltd (Northern Territory) – Mobile Trades Schools Training facilities – \$7.9 million;
- TAFE NSW Illawarra Institute (New South Wales) – Shellharbour Campus Children’s Services Training Facility – \$6.5 million;
- Tocal College (New South Wales) – Rural VET Infrastructure to Ensure Social Inclusion, Sustainable Land Use, Lower Carbon Agriculture, and Efficient Water Use – \$5.5 million; and
- TAFE NSW Sydney Institute (New South Wales) – Sustainable Hydraulics – \$6.4 million.

Research

- La Trobe University (Victoria) – Institute for Molecular Sciences – \$64.1 million;
- The Queensland Institute of Medical Research (Queensland) – Smart State Medical Research Centre – \$55.0 million;
- Sydney Institute of Marine Science (New South Wales) – World Class Marine Research Facility – \$19.5 million;
- The University of Melbourne (Victoria) – The Centre for Neural Engineering – \$17.5 million;
- University of Tasmania (Tasmania) – Institute for Marine and Antarctic Studies – \$45.0 million;
- University of Wollongong (New South Wales) – Australian Institute for Innovation Materials: Processing and Devices – \$43.8 million;

- University of Western Sydney (New South Wales) – Centre of Climate Change and Energy Research – \$40.0 million; and
- Australian Synchrotron (Victoria) – National Centre for Synchrotron Science: Outreach and Research Support Facilities – \$36.8 million.

An Innovation and Higher Education System for the 21st Century — funding for institutional performance targets

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | 68.7 | 137.7 |

The Government will provide \$206.4 million over two years from 2011-12 to reward higher education institutions for the achievement of performance targets. This funding will encourage institutions to increase participation and attainment rates in priority areas including students from low socio-economic backgrounds.

Performance payments of approximately 2.5 per cent of total government funding for teaching and learning will be provided, based on achievement against annual performance targets to be negotiated with each institution.

See also the related measure titled *An Innovation and Higher Education System for the 21st Century – support to increase participation of students from low socio-economic status backgrounds* in the Education, Employment and Workplace Relations portfolio.

An Innovation and Higher Education System for the 21st Century — Higher Education Equity Support Program — redirect funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -6.0 | -12.2 | -12.4 | -12.7 |

The Government will abolish the Higher Education Equity Support Program from 1 January 2010 and redirect the funding to support the participation of students from low socio-economic status backgrounds.

The Higher Education Equity Support Program provides funding to eligible higher education providers to undertake activities that assist in removing barriers to access for disadvantaged students and promote equality of opportunity in higher education. Higher education providers will now be rewarded for excellence in teaching and learning through new performance funding arrangements.

This measure will provide savings of \$43.3 million over four years to offset the cost of providing funding to support increased participation from students from low socio-economic backgrounds.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – support to increase participation of students from low socio-economic backgrounds*.

An Innovation and Higher Education System for the 21st Century — Higher Education Loan Program (HELP) repayment reduction for education and nursing graduates

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 0.8 | 0.5 | 1.4 | 2.6 |
| Department of Education, Employment and Workplace Relations | - | - | 3.7 | 25.6 | 48.1 |
| Total | - | 0.8 | 4.2 | 27.0 | 50.6 |

The Government will provide \$82.6 million over four years to reduce the required HELP debt repayments for education and nursing graduates working in these professions. HELP debts will be reduced by \$1,536 (indexed annually by the Consumer Price Index) for each year in which the graduates work in these professions, up to a maximum of five years. This will encourage students to enter and remain employed in the teaching and nursing professions.

Students who graduate from second semester 2009 onward will be eligible to receive the reduction.

See also the related measure titled *An Innovation and Higher Education System for the 21st Century – increase in the maximum annual student contribution amount for education and training*.

An Innovation and Higher Education System for the 21st Century — increase in the maximum annual student contribution amount for education and nursing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 3.1 | 6.7 | 11.1 | 15.0 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | - | - | 0.2 | 0.8 | 2.0 |

The Government will increase the maximum annual student contribution amount for education and nursing units of study, which will increase the funding available to the providers of education and nursing courses. Instead of a lower student contribution the Government will provide HELP debt repayments for education and nursing graduates who work in these professions.

The maximum contribution will increase from the National Priority Band (\$4,162 in 2009) to Band 1 (\$5,201 in 2009) and will apply to students commencing study from 1 January 2010.

The impact on the fiscal balance from providing additional HELP loans to students will be \$32.9 million over four years.

The revenue impact in this measure relates to amounts loaned under the HELP, specifically the indexation on the outstanding HELP debt and associated loan fees. The additional public debt interest cost incurred by the Australian Government in financing the loans is separately accounted for in the budget papers.

See also the related measure titled *An Innovation and Higher Education System for the 21st Century – Higher Education Loan Program (HELP) repayment reduction for education and nursing graduates*. This related measure will ensure that teachers and nurses not working in their profession are better off after these changes.

An Innovation and Higher Education System for the 21st Century — Learning and Teaching Performance Fund — redirect funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -38.1 | -77.1 | -95.0 | -113.3 |

The Government will redirect funding from the Learning and Teaching Performance Fund.

The Learning and Teaching Performance Fund was introduced in 2003 to reward universities for excellence in learning and teaching for undergraduates. Universities will now be rewarded for excellence in teaching and learning through new performance funding arrangements.

This measure will provide savings of \$323.6 million over four years to offset part of the cost of the Government's response to the Review of Australian Higher Education.

See also the related expense measures titled *An Innovation and Higher Education System for 21st Century – funding for institutional performance targets* and *An Innovation and Higher Education System for 21st Century – conditional funding and revised indexation arrangements*.

An Innovation and Higher Education System for the 21st Century — national quality and regulatory agency for higher education — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 10.0 | 14.3 | 15.3 | 21.2 |

The Government will provide \$60.8 million over four years to establish a new national quality and regulatory agency for higher education.

The agency will develop a national, standards-based quality and regulatory framework which will streamline current regulatory arrangements and reduce duplication across States and Territories. This will provide consistency in accreditation and in the assessment of institutional performance. The agency will help lift the quality of our universities as we move towards a demand-driven university system.

See also the related savings measure titled *An Innovation and Higher Education System for the 21st Century – Australian universities quality agency – redirect funds to establish a national quality and regulatory agency for higher education*.

An Innovation and Higher Education System for the 21st Century — redirect funds to establish the Structural Adjustment Fund

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -19.9 | -28.4 | -15.9 | - |

The Government will abolish the Diversity and Structural Adjustment Fund from 1 January 2010. This measure will provide savings of \$64.2 million over three years to partly offset the cost of providing structural adjustment assistance to universities, provided through the new Structural Adjustment Fund.

See also related expense measure titled *An Innovation and Higher Education System for the 21st Century – Structural Adjustment Fund*.

An Innovation and Higher Education System for the 21st Century — remove the loan fee on OS-HELP loans

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 0.2 | 0.4 | 0.2 | 0.3 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | - | -1.6 | -4.3 | -5.0 | -5.5 |

The Government will remove the 20 per cent loan fee on OS-HELP loans for students commencing study from 1 January 2010. OS-HELP is a loan scheme to assist eligible undergraduate students to undertake some of their course of study overseas.

Removing the 20 per cent loan fee is expected to encourage more Australian students to undertake overseas study and increase the take-up of OS-HELP loans.

Amounts loaned under the Higher Education Loan Program (HELP) are treated as financial assets and therefore only the concessional interest cost of offering the loan impacts on the fiscal balance. Indexation on the outstanding HELP debt and associated loan fees are treated as revenue. The additional public debt interest cost incurred by the Australian Government in financing the loans is separately accounted for in the budget papers.

An Innovation and Higher Education System for the 21st Century — Structural Adjustment Fund

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 50.5 | 70.7 | 56.0 | 25.0 |

The Government will provide \$202.1 million over four years to establish a new Structural Adjustment Fund to assist higher education institutions adapt to the introduction of a demand-driven system for Australian Government funded higher education places for Australian students. The Fund will be established in 2009-10.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – redirect funds to establish the Structural Adjustment Fund* in the Education, Employment and Workplace Relations portfolio.

An Innovation and Higher Education System for the 21st Century — Student Income Support — abolition of Commonwealth Education Costs Scholarships and Commonwealth Accommodation Scholarships programs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -54.2 | -119.8 | -215.9 | -264.1 |

The Government will redirect funding by abolishing the Commonwealth Education Costs Scholarships and Commonwealth Accommodation Scholarships programs from 1 January 2010. This measure will provide savings of \$654.1 million over four years to help offset the introduction of the new Education Allowance and Relocation Allowance.

Current Commonwealth Scholarship holders will continue to be supported and their payments will not be affected.

See also the related expense measures titled *An Innovation and Higher Education System for the 21st Century – Student Income Support – Education Allowance* and *An Innovation and Higher Education System for the 21st Century – Student Income Support – Relocation Allowance* in the Education, Employment and Workplace Relations portfolio.

An Innovation and Higher Education System for the 21st Century — Student Income Support — abolition of Commonwealth Scholarships for Associate Degrees program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -13.6 | -13.8 | -14.1 | -14.3 |

The Government will redirect funding by abolishing Commonwealth Scholarships for Associate Degrees. This measure will contribute to reforms being made by the Government to increase access to student income support for students who need it most, including those from low socio-economic backgrounds, rural and regional areas and Indigenous students.

All current recipients will continue to receive their scholarship payments.

This measure will provide savings of \$55.7 million over four years which will be redirected to fund changes to the student income support system.

See also the related expense measures titled *An Innovation and Higher Education System for the 21st Century – Student Income Support – Education Allowance* and *An Innovation and Higher Education System for the 21st Century – Student Income Support – Relocation Allowance* in the Education, Employment and Workplace Relations portfolio.

An Innovation and Higher Education System for the 21st Century — Student Income Support — administrative costs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|-------------|------------|------------|------------|
| Centrelink | - | 20.0 | 6.6 | 6.7 | 6.7 |
| Department of Education, Employment and Workplace Relations | - | 0.5 | 0.2 | 0.2 | 0.2 |
| Total | - | 20.5 | 6.8 | 6.9 | 6.9 |

The Government will provide \$41.1 million over four years for the administrative costs associated with the Student Income Support package, including information technology redesign and communication strategies.

An Innovation and Higher Education System for the 21st Century — Student Income Support — increase Youth Allowance Parental Income Test threshold

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 122.3 | 307.9 | 315.2 | 322.3 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -55.4 | -147.6 | -150.9 | -154.0 |
| Total | - | 66.9 | 160.4 | 164.3 | 168.3 |

The Government will provide \$559.9 million over four years to relax the parental income test to improve student access to the Youth Allowance.

The Parental Income Test threshold applying under Youth Allowance (currently \$32,800) will be increased to align with the income test threshold applying to the maximum rate of Family Tax Benefit (FTB) Part A (currently \$42,559). The threshold will be linked to the FTB index (the Consumer Price Index) to ensure consistency is maintained over time. The Youth Allowance per child taper rate will be replaced with a 20 per cent family taper rate.

All changes will take effect from 1 January 2010.

This measure will help better target student income support to those most in need, including students from low socio-economic backgrounds and other disadvantaged groups.

An Innovation and Higher Education System for the 21st Century — Student Income Support — Masters by coursework

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | 12.4 | 60.3 |

The Government will provide \$72.7 million over two years to extend student income support to all coursework Masters program students from 1 January 2012.

This funding will broaden access to student income support in recognition of the value of Masters level study.

An Innovation and Higher Education System for the 21st Century — Student Income Support — means test exemption for equity and merit-based scholarships

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 1.3 | 2.6 | 2.6 | 2.6 |

The Government will provide \$9.1 million over four years to exempt equity and merit-based scholarship income from means testing for the purposes of student income support payments from 1 January 2010. The exemption will be available up to the equivalent indexed value of Commonwealth Scholarships (\$6,622 per year in 2009) and will apply to scholarship holders for higher education, vocational education and training, school and Australian Apprenticeships.

This measure will help ensure that all scholarship recipients, whether in receipt of a Commonwealth scholarship or a scholarship provided by the university, are treated alike in terms of eligibility for student income support.

An Innovation and Higher Education System for the 21st Century — Student Income Support — reduction in the age of independence

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 1.9 | 13.4 | 40.0 | 83.4 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -1.3 | -4.6 | -13.5 | -20.6 |
| Total | - | 0.6 | 8.8 | 26.5 | 62.8 |

The Government will provide \$98.7 million over four years to progressively reduce the Youth Allowance age of independence for students from 25 years to 22 years.

The age of independence will be reduced from 25 years in 2009 to 24 years in 2010, 23 years in 2011 and 22 years from 2012. Independent students are not subject to the parental income and assets test.

This measure, as part of the income support package, will help better target student income support to those most in need, including students from low socio-economic backgrounds and other disadvantaged groups.

An Innovation and Higher Education System for the 21st Century — Student Income Support — relax personal income test

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | 55.5 | 114.6 | 117.2 |

The Government will provide \$287.3 million over three years from 2010-11 to increase the level of personal income at which Youth Allowance and Austudy begin to be reduced from \$236 to \$400 per fortnight. Payments will then be reduced by \$0.50 for every dollar of income earned between \$400 and \$480 per fortnight and by \$0.60 for every dollar earned in excess of \$480 per fortnight.

The increase in the income thresholds will take effect from 1 January 2011 and will mean that students can earn more before their student support payments are reduced. The thresholds will be indexed annually according to movements in the Consumer Price Index.

An Innovation and Higher Education System for the 21st Century — Student Income Support — Relocation Scholarship

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|-------------|-------------|-------------|-------------|
| Department of Education, Employment and Workplace Relations | - | 24.7 | 50.8 | 54.8 | 60.2 |
| Department of Veterans' Affairs | - | 0.6 | 0.7 | 0.7 | 0.7 |
| Total | - | 25.3 | 51.5 | 55.5 | 60.9 |

The Government will provide \$193.2 million over four years to introduce a Relocation Allowance for eligible Youth Allowance and ABSTUDY students and relocate to attend university.

This measure will replace the existing Commonwealth Accommodation Scholarships (CAS) and provide dependent students who live away from home and independent students who are unable to live at home with a \$4,000 allowance in their first year at university and \$1,000 in each year thereafter. Existing CAS holders will continue to receive support under their current arrangements.

The funding includes \$2.7 million over four years to extend access to the Relocation Allowance to eligible recipients of the Veterans' Children Education Scheme and the *Military Rehabilitation and Compensation Act 2004* Education and Training Scheme.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – Student Income Support – Education Allowance* and the related savings measures titled *An Innovation and Higher Education System for the 21st Century – Student Income Support – Commonwealth Education Costs Scholarships and Commonwealth Accommodation Scholarships* and *An Innovation and Higher Education System for the 21st Century – Student Income Support – abolition of Commonwealth Associate Degrees program*.

An Innovation and Higher Education System for the 21st Century — Student Income Support — Student Start-Up Scholarship

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|--------------|--------------|--------------|--------------|
| Department of Education, Employment and Workplace Relations | - | 163.3 | 335.6 | 360.3 | 393.0 |
| Department of Veterans' Affairs | - | 1.2 | 2.0 | 2.1 | 2.1 |
| Total | - | 164.6 | 337.6 | 362.3 | 395.1 |

The Government will provide \$1,259.6 million over four years to introduce a new Student Start-Up Scholarship for all university students receiving student income support. The Student Start-Up Scholarship will come into effect on 1 January 2010 and will initially be set at \$2,254 in 2010 then adjusted annually by the Consumer Price Index. The allowance will be paid in two six-month instalments.

The funding includes \$7.4 million to extend access to the Student Start-Up Scholarship to eligible recipients of the Veterans' Children Education scheme and the *Military Rehabilitation and Compensation Act 2004* Education and Training scheme.

This measure will replace the existing *Commonwealth Education Costs Scholarship*. Students currently receiving Commonwealth Scholarships will be ineligible but their existing scholarships will be grandfathered. Indigenous scholarships will remain unchanged.

See also the related expense measures titled *An Innovation and Higher Education System for the 21st Century – Student Income Support – Relocation Allowance*, *An Innovation and Higher Education System for the 21st Century – Student Income Support – Commonwealth Education Costs Scholarships and Commonwealth Accommodation Scholarships* and *An Innovation and Higher Education System for the 21st Century – Student Income Support – abolition of Commonwealth Scholarships for Associate Degrees program* in the Education, Employment and Workplace Relations Portfolio.

An Innovation and Higher Education System for the 21st Century — Student Income Support — Youth Allowance workforce participation criteria

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -132.7 | -552.2 | -561.8 | -573.1 |

The Government will tighten the workforce participation criteria for establishing independence under Youth Allowance by removing the following two eligibility criteria:

- the criterion that the recipient worked part-time for at least 15 hours per week for two years or more since leaving school; and
- the criterion that the recipient earned, in an 18-month period since leaving school, an amount equivalent to 75 per cent of the maximum rate of pay under Wage Level A of the Australian Pay and Classification Scale generally applicable to trainees (in 2009 this requires earnings of \$19,532).

These changes will apply from 1 January 2010 and will not apply to students who have already satisfied the workforce participation criteria and are already independent.

The measure will provide savings of \$1,819.9 million over four years, which will be redirected to help fund other improvements to student income support.

An Innovation and Higher Education System for the 21st Century — support to increase participation of students from low socio-economic status backgrounds

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 29.4 | 85.8 | 144.7 | 176.9 |

The Government will provide \$436.9 million over four years to universities to support increased participation from students from low socio-economic status backgrounds. Funding equivalent to 2 per cent of teaching and learning grants will be provided in 2010, rising to 3 per cent in 2011 and 4 per cent in 2012.

The additional funding will provide \$324.7 million to support a new financial loading for students from low socio-economic status backgrounds and provide \$108.2 million to universities to build long-term partnerships with schools and communities which lift the aspirations of students from low socio-economic and other disadvantaged backgrounds. This funding includes \$4.0 million over four years in departmental costs.

See also the related measure titled *An Innovation and Higher Education System for the 21st Century – funding for institutional performance targets* in the Education, Employment and Workplace Relations portfolio and the related savings measure titled *An Innovation and Higher Education System for the 21st Century – higher education equity support – redirect funding*.

An Innovation and Higher Education System for the 21st Century — Workplace Productivity Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -0.9 | -15.7 | -30.4 | -31.0 |

The Government will abolish the Workplace Productivity Program from 1 January 2010. The Workplace Productivity Program was introduced in the 2003-04 Budget to encourage higher education providers to progress workplace reform.

This measure will provide savings of \$78 million over four years which will be used to offset some of the costs of the considerable additional investment being made by the Government in higher education.

Business-School Connections Roundtable

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |

The Government will provide \$0.45 million to sponsor a Business-School Connections Roundtable and to develop a practical strategy to foster partnerships between schools, business and the community. The roundtable will consist of representatives from business, community and education organisations and will oversee the development of a strategy to ensure all secondary schools benefit from a business connection. This initiative is part of the Government's broader commitment to stronger business-schools linkages to create a broad and supportive environment for students that involves business, the community and parents in schooling.

The cost of this measure will be met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

This measure responds to key priorities from the productivity stream of the Australia 2020 Summit.

Further information can be found in the press release of 23 April 2009 issued by the Minister for Education.

Child Care Cost Estimator — improvement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Centrelink | - | 2.4 | - | - | - |
| Department of Education, Employment and Workplace Relations | - | 0.1 | - | - | - |
| Total | - | 2.5 | - | - | - |

The Government will provide \$2.5 million in 2009-10 to improve the existing estimator used in Centrelink, Family Assistance and Child Support calculations.

In addition to providing estimates of possible entitlements to a Centrelink payment or Family Assistance, the new *Child Care Cost Estimator* will give families a clearer idea of the levels of Child Care Benefit and Child Care Tax Rebate assistance they may be entitled to, and what their out-of-pocket child care expenses may be.

Families will be able to use service fee data from information available on www.mychild.gov.au, a quote from a child care service provider, or their own estimate. The enhanced estimator will be available online from 1 January 2010.

Council of Australian Governments — Skills Recognition Taskforce

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 1.1 | 4.8 | - | - | - |

The Government will provide \$5.9 million over two years for the ongoing operation of the COAG Skills Recognition Taskforce.

The COAG Skills Recognition Taskforce supports the Intergovernmental Agreement for a national licensing system for a range of economically important trades and other occupations, removing inconsistencies across state borders and allowing for a more mobile workforce.

Disability Employment Services — new delivery model

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |
| Centrelink | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will implement reforms to the disability employment services from 1 March 2010 with total funding of \$1.2 billion over four years. The new contracts will run over the period from 1 March 2010 to 30 June 2012. The total funding includes provision for a tender to select suitable providers, assistance to transition job seekers to the new program, and monitoring and evaluation.

The reforms will include an increased focus on training and skills development and the needs of employers; more flexibility in the delivery of employment services for people with a disability; and a reduction in the administrative requirements for employment services providers.

The new Disability Employment Services program will replace the existing Vocational Rehabilitation Services and the Disability Employment Network programs, and assist people with a disability to find and maintain employment. Jobseekers with higher level needs will also be able to access long-term ongoing support if required.

Further information can be found in the press release of 7 April 2009 issued by the Minister for Employment Participation.

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

Drought Assistance — Assistance for Isolated Children Scheme — extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 7.8 | 1.9 | - | - |
| Centrelink | - | 0.5 | - | - | - |
| Total | - | 8.3 | 1.9 | - | - |

The Government will provide \$10.1 million over two years to extend the Distance Education Allowance Supplement of \$1,061 per annum per student until 30 June 2010, the Additional Boarding Allowance of \$1,000 per annum per student and the consequential ABSTUDY Boarders' rate for School Fees Allowance until 31 December 2010.

The extension of these measures, which are specifically targeted at geographically isolated families, will help ensure that current levels of financial assistance are maintained for rural families who may be experiencing financial hardship as a result of living in drought-affected areas.

Drought Assistance — schools — extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 26.0 | - | - | - |

The Government will provide \$26.0 million in 2009-10 to extend the existing Drought Assistance for Schools program for 12 months. This program provides grants of up to \$10,000 per school per annum to assist the operation of government and non-government schools in Exceptional Circumstances-declared areas. The extension of this program until 30 June 2010 will assist rural families experiencing financial hardship as a result of the drought to meet ongoing education expenses.

Expansion of income contingent loans to state-subsidised students in vocational education and training

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|------------|------------|------------|-------------|-------------|
| Department of Education, Employment and Workplace Relations | 1.8 | 6.7 | 7.2 | 8.1 | 9.2 |
| Australian Taxation Office | 3.4 | 1.5 | 1.9 | 1.9 | 1.9 |
| Total | 5.2 | 8.2 | 9.1 | 10.0 | 11.1 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | - | - | 1.3 | 2.8 | 4.5 |

The Government will provide income contingent loans to state-subsidised diploma and advanced diploma students in Victoria, but without the loan fee and credit transfer requirements applying under VET FEE-HELP.

Under existing arrangements, VET FEE-HELP is available to full-fee students in diploma or advanced diploma courses where significant credit towards a university degree will be provided by undertaking the course.

The Victorian Government has agreed to make a contribution of \$22.4 million over the first four years of the scheme. These payments from Victoria are separately accounted for in the Budget papers.

Amounts loaned under the Higher Education Loan Program (HELP) are treated as financial assets and therefore only the concessional interest cost of offering the loan impacts on the fiscal balance. Indexation on the outstanding HELP debt and associated loan fees are treated as revenue. The additional public debt interest cost incurred by the Australian Government in financing the loans is separately accounted for in the budget papers.

See also the related expense measure titled *Expansion of VET FEE-HELP for full-fee students*.

Expansion of VET FEE-HELP for full-fee students

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 18.8 | 21.8 | 25.2 | 29.2 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | - | 21.8 | 31.7 | 43.1 | 55.7 |

To complement the expansion of income contingent loans to state-subsidised vocational education and training students in Victoria, the Government will extend VET FEE-HELP for full-fee diploma and advanced diploma students in Victoria. This will be achieved by waiving the normal requirement for access to VET FEE-HELP that the course guarantees significant credit towards a university course.

Amounts under the Higher Education Loan Program (HELP) are treated as financial assets and therefore only the concessional interest cost of offering the loan impacts on the fiscal balance. Indexation on the outstanding HELP debt and associated loan fees are treated as revenue. The additional public debt interest cost incurred by the Australian Government in financing the loans is separately accounted for in the Budget papers.

See also the related expense measure titled *Expansion of income contingent loans to state-subsidised students in vocational education and training*.

Fair Work Australia — implementation of workplace relations legislation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|-------------|-------------|-------------|-------------|
| Office of the Fair Work Ombudsman | - | 25.1 | 24.2 | 22.5 | 19.7 |
| Workplace Authority | - | 20.4 | - | - | - |
| Fair Work Australia | - | 11.2 | 7.1 | 6.5 | 6.6 |
| Total | - | 56.6 | 31.3 | 29.0 | 26.3 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Fair Work Australia</i> | - | 2.3 | 1.0 | - | - |
| <i>Office of the Fair Work Ombudsman</i> | - | 2.3 | 1.0 | - | - |
| Total | - | 4.5 | 2.0 | - | - |

The Government will provide \$149.7 million (including capital of \$6.5 million) over four years for the implementation of the Government's new workplace relations arrangements.

Fair Work Australia and the Office of the Fair Work Ombudsman will commence on 1 July 2009 rather than 1 January 2010, as previously announced. This measure will provide funding for:

- processing of an increased number of collective agreements, including expired agreements expected to be renegotiated once the new legislation takes effect;
- administration of an increased number of claims under the new unfair dismissal protection law;
- implementation of the 'better off overall' test to ensure that employees covered by an agreement are better off in comparison to the relevant awards;
- increased information advisory services, including an information line that will integrate information services currently provided by existing agencies and support the volume of calls expected with the commencement of the new law;
- education activities to assist employers and employees in understanding the new workplace relations legislation; and
- an increased number of Fair Work inspectors who will assist employers, employees and organisations to comply with the new workplace relations laws.

In addition, the measure includes funding for the Workplace Authority which will continue to operate for a limited period in 2009-10 to finalise approval of Individual Transitional Employee Agreements lodged before 31 December 2009.

See also the related expense measure titled *Fair Work Australia – information and education* in the Education, Employment and Workplace Relations portfolio.

This is a saving of \$197.9m (over four years) when compared to the previous forward estimates.

Fair Work Australia — information and education

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 6.0 | 8.3 | - | - | - |

The Government will provide \$14.3 million over two years for information and education activities to support the introduction of the new workplace relations system

This measure includes grants to selected organisations to run education and information services to assist employees, employers and small businesses in understanding the new workplace relations laws with a focus on collective bargaining and the Small Business Fair Dismissal Code.

More information can be found in the press release of 13 April 2009 issued by the Minister for Employment and Workplace Relations.

See also the related measure titled *Fair Work Australia – implementation of workplace relations legislation* in the Education, Employment and Workplace Relations portfolio.

Family centred employment pilot project

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |

The Government will provide \$7.2 million over four years from 2008-09 to conduct a pilot project that will assist disadvantaged families by supporting at least one family member into employment and/or education.

The pilot will be offered in three locations targeting families with children under the age of 16 years where no parent has worked for at least 12 months. Family-based personal development and employment plans will be developed with each participating family. These plans will incorporate the family's needs in a range of areas such as accommodation, health, employment, education and training.

The objective of the pilot is to test integrated, family-centred service models for jobless families.

The cost of this measure will be met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Golden Gurus — mentoring support to business and community

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |

The Government will provide \$0.4 million over three years to build on and strengthen existing activities which engage skilled retired Australians aged 55 years and over (Golden Gurus) to provide mentoring support to small businesses and the community. This measure will establish a national Golden Guru community to connect Golden Guru mentors with small business and the community sector. Individual state and territory schemes will be invited to join the national Golden Guru community.

The cost of this measure will be offset by savings within the Department of Education, Employment and Workplace Relations.

This measure delivers on an Australia 2020 Summit productivity stream idea.

Further information can be found in the press release of 23 April 2009 issued by the Minister for Education, Employment and Workplace Relations.

Income support payments — asset test hardship provisions — modification

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 0.9 | 1.0 | 1.1 | 1.2 |

The Government will increase the readily available funds limit, which determines whether a person can access the assets test hardship provisions to receive an income support payment, at a cost of \$4.2 million over four years. Readily available funds are assets that can be converted to cash quickly and include term deposits, shares and some insurance bonds.

This measure increases the amount of readily available funds an income support recipient can have when relying on the hardship provisions. For instance, the limit for a single person with no children receiving Newstart Allowance will increase from \$6,000 to \$11,785.80, and for a couple it will increase from \$10,000 to \$21,268.00. This measure will affect recipients of non-student income support payments including Newstart Allowance and Parenting Payment and aligns the limit with those in place for the hardship provisions for other welfare payments.

Job capacity assessments — additional assessments

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 182.8 | 167.7 | 167.7 | 177.6 |
| Centrelink | - | 3.1 | -1.9 | -2.0 | -2.0 |
| Department of Human Services | - | -132.0 | -125.7 | -125.6 | -126.5 |
| Total | - | 53.8 | 40.1 | 40.1 | 49.1 |
| <i>Related capital (\$m)</i> | | | | | |
| Department of Education, Employment and Workplace Relations | - | .. | - | - | - |

The Government will provide additional funding of \$183.2 million over four years to meet an expected increase in the number of job capacity assessments required. This includes funding of \$32.8 million over four years for a tender process to secure and administer new contracts with job capacity assessment service providers from 1 July 2010. Funding for the tender process will include \$12,000 in capital in 2009-10.

From 1 July 2009 the administration of the job capacity assessment program will be transferred from the Department of Human Services to the Department of Education, Employment and Workplace Relations, to consolidate employment assessment and referral services and reduce the cost of administration.

Jobs and Training Compact — monitoring and evaluation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 1.7 | 2.2 | - | - |

The Government will provide \$3.9 million over two years to monitor and evaluate major elements of the Jobs and Training Compact.

This measure will assess the impact on employment of the Local Jobs and Get Communities Working elements of the Jobs Fund. It will also assess the effectiveness of the Local Employment Coordinators, Connecting People with Job Services, and Early Access to Employment Services for Redundant Workers initiatives.

See also the related expense measures titled *Jobs and Training Compact – Jobs Fund*, *Jobs and Training Compact – Local Employment Coordinators*, *Jobs and Training Compact – connecting people with job services*, and *Jobs and Training Compact – early access to employment services for redundant workers* in the Education, Employment and Workplace Relations portfolio.

Jobs and Training Compact — Building the Basics — Language, Literacy and Numeracy — additional training places and workforce development

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 6.5 | 16.5 | 5.2 | - | - |

The Government will provide \$28.2 million over three years to provide 5,888 additional language, literacy and numeracy (LLN) training places for adults aged 25 years and over. The funding will also assist in developing the LLN workforce by increasing the number of trainers and encouraging the acquisition of further qualifications. The extra training places will comprise 4,138 places for job seekers, 1,500 Workplace English Language and Literacy places to provide employees with vocationally-oriented intensive training, and 250 places in short courses designed to attract disengaged adults into further LLN training. This measure will assist adult workers who are vulnerable to redundancy or have recently been retrenched to remain in or return to the workforce.

Jobs and Training Compact — connecting people with job services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 2.0 | 3.2 | - | - | - |

The Government will provide \$5.2 million over two years to establish a national hotline and website to link people with job services.

This measure will provide a central point for information, advice and support for Australians seeking education, training and employment options. The website will guide individuals through the range of assistance available and connect them with employment and training opportunities. The call centre will provide an alternative means of access for those not able to use the website.

Jobs and Training Compact — early access to employment services for redundant workers

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 36.8 | 65.7 | 126.7 | 69.3 | - |

The Government will provide \$298.5 million over four years to enable redundant workers to gain early access to employment services to assist them to find employment or an appropriate education or training course as quickly as possible.

All redundant workers will have access to intensive personalised assistance, regardless of their eligibility for government benefits or level of job readiness. Services available to redundant workers include a comprehensive skills assessment, career advice and targeted referral to education and training.

This measure allows workers made redundant on or after 24 February 2009 to access the higher level of assistance from 1 April 2009. This measure will cease on 31 March 2011.

Further information can be found in the press release of 24 February 2009 issued by the Prime Minister.

Jobs and Training Compact — improved participation requirements for 15 to 20 year olds

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 100.6 | 41.0 | 25.4 | -8.6 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -18.9 | -32.3 | -32.4 | -32.9 |
| Total | - | 81.6 | 8.7 | -7.0 | -41.4 |

The Government will strengthen participation requirements for young unemployed Australians aged 15 to 20 years old seeking to receive Youth Allowance (Other) or Family Tax Benefit Part A at a cost of \$41.9 million over four years.

Young people without a Year 12 or equivalent qualification will be required to undertake full time education or training in order to receive Youth Allowance (Other) or for their families to receive Family Tax Benefit (Part A) for that child. Where study or training is undertaken on a part time basis, additional activities will be required to fulfil their participation requirements.

This measure forms part of the Compact with Young Australians established by COAG on 30 April 2009, which guarantees an education or training place for every Australian under 25. This measure will help ensure that young people 15 to 20 years old are either working or working towards a year 12 or equivalent qualification.

The measure will commence from 1 July 2009 for new Youth Allowance (Other) claimants and from 1 January 2010 for all Family Tax Benefit (Part A) recipients and existing Youth Allowance (Other) recipients.

Jobs and Training Compact — improvements to assistance for job seekers

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 21.0 | 0.1 | 0.1 | - | - |

The Government will provide \$21.2 million over three years to ensure job seekers have more streamlined access to job search assistance through improvements to the Job Network.

This measure includes:

- changing the existing Job Seeker Account to allow employment service providers to allocate funding more flexibly across all of their service delivery sites, rather than being required to quarantine funding to specific sites; and
- providing greater flexibility in the use of funding for the Wage Assist wage subsidy program.

This brings the Job Seeker Account and Wage Assist provisions of Job Network into line with the changes to employment services to be introduced from 1 July 2009 under Job Services Australia.

In addition, the measure includes changes to fees paid to Job Network providers, in response to the current economic circumstances, by:

- providing a one-off increase in the quarterly service fee in recognition of the recent increases in job seeker numbers; and
- changing outcome fee arrangements in light of reduced job vacancies, by allowing extra time for providers to find alternative work for job seekers displaced during a specified outcome period and still qualify for an outcome payment.

Further information can be found in the press release of 24 February 2009 issued by the Minister for Employment Participation.

Jobs and Training Compact — information campaign on employment services and jobs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 8.6 | 7.2 | - | - | - |

The Government will provide \$15.8 million over two years for a national communication campaign. The campaign will focus on increasing awareness of the assistance available for unemployed people and recently retrenched workers, including services available in Jobs Services Australia (formerly Job Network), the new Disability Employment Services and training and reskilling initiatives.

Jobs and Training Compact — Jobs Fund

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|-------------|--------------|--------------|------------|----------|
| Department of Education, Employment and Workplace Relations | 11.0 | 211.8 | 176.4 | 0.8 | - |
| Department of Infrastructure, Transport, Regional Development and Local Government | 0.3 | 119.1 | 70.5 | 0.1 | - |
| Department of the Environment, Water, Heritage and the Arts | 6.2 | 53.5 | 0.4 | - | - |
| Total | 17.4 | 384.3 | 247.3 | 1.0 | - |

The Government will provide \$650.0 million over four years to establish a Jobs Fund that will support jobs and skill development through projects that build community infrastructure and social capital in local communities.

The Jobs Fund will provide grants to support innovative social or infrastructure projects that create jobs and employment opportunities in communities most affected by the economic downturn. Projects will also be expected to deliver positive environmental, heritage and social outcomes.

The Government will allocate:

- \$300.0 million for the *Local Jobs program* to invest in community and other projects, in one-off grants of up to \$2.0 million, that help protect the environment, promote sustainability or build local infrastructure. \$60.0 million is to be set aside for heritage related projects including the preservation of national heritage-listed buildings and historic properties managed by the National Trust, community heritage projects including locally significant buildings, and natural heritage projects such as walking trails and the upgrade of public spaces. In addition, \$40.0 million is to be set aside for the construction of bike paths.

- \$200.0 million for the *Get Communities Working* program, which will invest in local council and not-for-profit projects of up to \$2.0 million to upgrade vital community facilities and build community capacity.
- \$150.0 million for Infrastructure Employment Projects to support infrastructure projects that target local community needs and create jobs in construction, related industries and the general community in areas that are vulnerable to the impact of large scale losses of employment as a result of the economic downturn.

The *Local Jobs* program was agreed with the Australian Greens as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

The *Get Communities Working* program was agreed with Senator Steve Fielding as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

The Local Employment Coordinators will work with community stakeholders to identify and develop projects for consideration for the Local Jobs and Get Communities Working streams.

See also the related expense measure titled *Jobs and Training Compact – Local Employment Coordinators* in the Education, Employment and Workplace Relations Portfolio.

Further information can be found in the press release of 5 April 2009 issued by the Prime Minister.

Jobs and Training Compact — liquid assets waiting period — temporary change

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 3.1 | 12.2 | 9.2 | - | - |
| Centrelink | 1.0 | .. | .. | .. | .. |
| Total | 4.1 | 12.3 | 9.2 | 0.0 | 0.0 |

The Government will amend the liquid assets waiting period for people who have become unemployed, including retrenched workers, so they can access income support more quickly, at a cost of \$25.6 million over five years.

This measure will double the maximum amount of liquid assets an eligible person can have before they are subject to a waiting period to gain access to income support. Liquid assets are assets in the form of cash or those which can be easily converted into cash, including shares and term deposits. A single person without dependants will be able to have an increased maximum of \$5,000 in liquid assets and couples can have \$10,000. The change will affect applicants for Newstart Allowance, Youth Allowance, Sickness Allowance and Austudy payments.

This change started on 1 April 2009 and will cease on 31 March 2011.

This measure was agreed with the Australian Greens as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

Further information can be found in the press release of 12 March 2009 issued by the Minister for Employment Participation.

Jobs and Training Compact — Local Employment Coordinators

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |

The Government will provide \$20.0 million over three years from 2008-09 to engage Local Employment Coordinators in priority regional areas.

The coordinators will manage and drive local responses to unemployment. Assistance will be offered to streamline service delivery, better link employment and training services, facilitate training and upskilling opportunities and ensure opportunities provided by government programs and the private sector are used to boost the local economy.

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

See also the related expense measure *Jobs and Training Compact – Jobs Fund* in the Education, Employment and Workplace Relations portfolio.

Further information can be found in the press release of 5 April 2009 issued by the Prime Minister.

Jobs and Training Compact — Pathways to Skills: Australian Apprenticeships Access Program — additional places

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 21.2 | 6.2 | 6.4 | - |

The Government will provide \$33.7 million over three years to fund an additional 5,500 training places in 2009-10 for vulnerable young job seekers as part of an enhanced Australian Apprenticeships Access Program. The new places will provide individualised support and training to vulnerable jobseekers who are most likely to be affected by the impact of the economic downturn.

The 5,500 places will provide individualised support and training and comprise:

- 3,650 places for 19 to 24 year-old job seekers who are most likely to be affected by the impact of the economic downturn at a cost of \$10.9 million; and
- 1,850 places for retrenched workers, at a cost of \$3.5 million.

The measure will also enhance the Australian Apprenticeships Access Program, for the new and existing places, through more tailored support for individual needs, improved research and greater incentives for access brokers to achieve positive outcomes for job seekers at a cost of \$19.4 million.

The funding for additional places for 19 to 24 year-old jobseekers and enhancements to the program elements can be found in the press release of 4 March 2009 issued by the Prime Minister and Minister for Education, Employment and Workplace Relations.

Jobs and Training Compact — Productivity Places Program — 10,000 additional places

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 77.2 | - | - | - |

The Government will provide \$77.2 million in 2009-10 to offer an additional 10,000 training places at Certificate III-level qualification or higher under the Productivity Places Program.

This measure increases the number of training places provided under the *Skilling Australia for the Future* initiative to more than 700,000 over the five years from 2007-08 to 2011-12 and will help to ensure that Australians can develop the skills that industry needs and allow newly redundant workers to upgrade their skills.

Jobs and Training Compact — Securing Australian Apprenticeships — securing completions through RTOs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 0.9 | 4.5 | 4.3 | - | - |

The Government will provide \$9.7 million over three years to fund Registered Training Organisations to deliver required off-the-job training where an Australian apprentice has been made redundant and cannot complete their required training with an employer. This measure will allow Australian Apprentices at the Certificate III, IV, Diploma and Advanced Diploma level to maintain the value of their investment in training by allowing them to complete the off-the-job component of their training arrangements through a non-indentured pathway.

The initiative commences 1 July 2009 and runs for a two-year period. Further information can be found in the press release of 19 February 2009 issued by the Minister for Education, Employment and Workplace Relations.

Jobs and Training Compact — Securing Australian Apprenticeships Re-commencements — all employees

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 38.9 | 72.5 | 34.2 | - | - |

The Government will provide \$145.6 million over three years to provide additional incentive payments for all employers who employ out-of-trade apprentices. This measure allows out-of-trade apprentices and trainees to remain connected with the workforce and maintain their training. Additional payments of up to \$2,800 will be available to employers, including Group Training Organisations, eligible for standard incentives, who take on an out-of-trade Australian Apprentice at the Certificate III or IV level, in skills shortage areas as defined by the National Skills Needs List, or at the Diploma or Advanced Diploma level.

Payments will be backdated to 1 January 2009 and will be made through Australian Apprenticeship Centres. These incentives will be available for two years until 31 December 2010.

Further information can be found in the press release of 19 February 2009 issued by the Minister for Education, Employment and Workplace Relations.

Jobs and Training Compact — Training Supplement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 46.0 | 25.0 | 3.1 | - |
| Centrelink | 0.2 | 5.5 | 2.1 | 1.2 | - |
| Total | 0.2 | 51.5 | 27.1 | 4.3 | - |

The Government will provide \$83.1 million over four years to provide a training Supplement of \$41.60 per fortnight for eligible job seekers engaged in full-time accredited training.

The supplement will be available to job seekers on Newstart Allowance or Parenting Payment who have not completed Year 12, or equivalent, or who are upgrading their qualification to better equip them to find future employment.

The supplement will be paid through the income support system and will apply to those who commence approved training during the period 1 July 2009 to 30 June 2011.

Recipients of the Training Supplement may also be eligible to receive the \$208 *Education Entry Payment* and the \$950 *Temporary Supplement*.

Jobs and Training Compact — Youth Attainment and Transitions National Partnership

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Treasury | - | - | - | 50.0 | - |
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |
| Total | - | - | - | 50.0 | - |

The Government will provide up to \$644.0 million over five years (including up to \$50.0 million in 2013-14) in support of a Youth Attainment and Transitions National Partnership to improve the education and training of young people across Australia. The National Partnership aims to assist young people to complete Year 12 or an equivalent qualification and enter the workforce.

Details of the National Partnership will be finalised with state and territory governments through the Council of Australian Governments in conjunction with the non-government school system. Funding for all elements of the National Partnership, except reward payments, could be progressively transferred from existing Commonwealth programs to States and Territories.

The National Partnership will support the bringing forward of the Council of Australian Government 90 per cent Year 12 or equivalent educational attainment rate target from 2020 to 2015, and will consist of five elements:

- Youth Connections to provide case management and support 'at risk' young people to remain engaged in, or reconnect with, education and training;
- Community and Education Engagement to assist community and business engagement with schools and so encourage student engagement, deepen learning experiences, lift attainment and improve educational outcomes;
- National Career Development to support career development and youth engagement activities which require a national approach to their implementation;
- Quality On-The-Job Workplace Learning payments to the states and territories to coordinate work placements for school students participating in vocational education and training; and
- up to \$100.0 million of reward payments to the states and territories for achievement of improved rates of participation in Years 10 to 12 and attainment of Year 12 or equivalent level qualification, with up to \$50.0 million provided in each of 2011-12 and 2013-14.

Funding for this National Partnership will consist of up to \$100.0 million of additional funding, with the remaining \$544.0 million of the cost of this measure being met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

National Mental Health and Disability Strategy — Disability Support Pension Employment Incentive Pilot

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 0.6 | 3.2 | 2.2 | 0.7 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | - | 0.1 | - | - | - |

The Government will provide \$6.8 million over four years (including \$0.1 million of capital expenditure) to establish an Employment Incentive Pilot to support ongoing employment opportunities for up to 1,000 Disability Support Pension recipients who are being assisted by a specialist disability employment service provider. Employers will be eligible for an employment incentive of up to \$3,000 for each participant who undertakes ongoing employment for a minimum of eight hours per week for 26 weeks.

The Disability Support Pension wage subsidy pilot will commence from 1 March 2010 and operate until 30 June 2012.

See also related expense measure titled *National Mental Health and Disability Employment Strategy – Australian Public Service strategy* in the Prime Minister and Cabinet portfolio.

Participation Taskforce Review — more flexible participation requirements for parents

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Centrelink | - | 6.6 | 3.1 | 2.0 | 2.1 |
| Department of Education, Employment and Workplace Relations | - | .. | 3.9 | 3.6 | 3.5 |
| Total | - | 6.6 | 7.1 | 5.6 | 5.6 |
| <i>Related capital (\$m)</i> | | | | | |
| Centrelink | - | 1.9 | - | - | - |

The Government will change the participation requirements for certain principal carer parents at a cost of \$26.8 million over four years (including \$1.9 million of capital investment). The changes respond to the recommendations of the Participation Taskforce, established in May 2008 to provide advice to the Government on the barriers to greater participation in the workforce, particularly for parents.

The changes will allow greater flexibility in participation requirements for principal carer parents by:

- allowing principal carers to undertake activities to satisfy part-time participation requirements through more flexible study rules, allowing combinations of study and paid work;
- providing a break in participation requirements over the Christmas/New Year holiday periods;
- being more responsive to individual family circumstances; and
- providing more ways of reporting earnings and participation efforts, such as through telephone and web-based channels.

These changes will apply from 1 July 2010.

Prime Minister’s Australia Asia Endeavour Awards

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 3.5 | 3.8 | 3.9 | 3.8 |

The Government will provide \$14.9 million over four years to support a new international scholarship scheme – the Prime Minister’s Australia Asia Endeavour Awards – enabling the best and brightest students at undergraduate and postgraduate levels from Australia and the Asia-Pacific to participate in a series of two-way exchanges that integrate study and work opportunities. These scholarships will help to build links with Australia’s neighbours with long term benefits for trade and security, as well as enriching our cultures.

This measure expands upon the existing Endeavour Awards program and responds to key priorities from the security, communities and productivity streams of the Australia 2020 Summit.

Further information can be found in the press release of 23 April 2009 issued by the Minister for Education.

Quality Teacher Program — National Projects component — abolition

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -7.7 | -8.1 | -8.3 | -8.1 |

The Government will not proceed with unallocated funding for the National Projects component of the *Quality Teacher Program*. the Government has taken a more strategic approach and invested substantial funding through the *Smarter Schools – Improving Teacher Quality National Partnership*.

The Council of Australian Governments agreed on 29 November 2008 to provide funding of \$550 million over four years from 2008-09 to fund the National Partnership to deliver quality teaching initiatives to attract, train, place, develop and retain quality teachers and school leaders.

Reform of Australian Apprentices Incentive Funding — extend incentives to employers of custodial apprentices

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 0.1 | 0.1 | 0.1 | 0.1 |

The Government will provide \$0.4 million over four years to extend eligibility for incentives to employers of custodial Australian Apprentices at all certificate levels, payable once apprentices are released from incarceration.

The measure will assist employers by enabling them to access incentive payments in respect of custodial Australian Apprentices who have commenced and undertaken apprenticeship training during a period of their incarceration.

Reform of Australian apprenticeships incentive funding — increased efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |

The Government will not continue the arrangement for sharing completion incentives for Australian apprentices with multiple employers. This program arrangement came into effect on 1 July 2005 and was implemented as a time-limited program. It offered incentives to employers who made a major contribution to an apprentice's training, even if their apprentice had moved on to another workplace. Employers who provided 25 per cent or more of a Certificate III or IV apprentice's training were able to receive a share of the completion incentive.

The arrangement was found to be overly complex. From 1 July 2009, employers of eligible apprentices who complete their apprenticeship will receive the full completion incentive rather than sharing this with previous employers. The amount paid to employers overall will not change.

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

Reform of Australian Apprenticeships Incentives Funding — abolish Apprenticeship Training (Fee) Voucher

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -51.1 | -57.1 | -57.1 | -57.6 |

The Government will achieve improved outcomes through implementing new and more efficient arrangements for funding Australian Apprenticeship incentives and personal benefits to apprentices and their employers. The *Apprenticeship Training (Fee) Voucher* program is an underperforming program with a low take-up rate and has been largely superseded by the *Productivity Places Program*, which funds the cost of training and qualifications at Certificate II and above.

Low take-up rates have meant that only \$4.5 million was spent under this program in 2007-08 and only \$15.0 million is expected to be spent in 2008-09. The savings achieved from abolishing this underperforming program will be used to extend support under the Mid-Career Apprentices program to those aged 25 years and over; extending employer incentives to all Diploma and Advanced Diploma qualifications; the more generous arrangements under the *Tools for your trade* payment, and extend employer incentives to custodial apprentices. The new payment will be available to Australian Apprentices in selected trade occupations, agricultural occupations and, if in rural and regional Australia, horticultural occupations. Savings will also be used to offset other priority expenditure.

This measure will achieve savings of \$222.9 million over four years.

See also the related expense measures titled *Reform of Australian Apprenticeships Incentives Funding – provide support for Mid-Career Apprentices by extending funding to those aged 25 years and over*, *Reform of Australian Apprenticeships Incentives Funding – Extend employer incentives to all Diploma and Advanced Diploma courses*, *Reform of Australian Apprenticeships Incentives Funding – combine three incentive programs into one program – Tools for Completion* and *Reform of Australian Apprenticeships Incentives Funding – extend incentives to employers of custodial apprentices*.

Reform of Australian Apprenticeships Incentives Funding — abolish the Increased Opportunities for School-based New Apprentices in the Trades

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -6.2 | -6.4 | -6.6 | -6.7 |

The *Increased Opportunities for School-based Apprentices in the Trades* program will be abolished from 1 July 2009. Take-up rates for this program have been low. There are a number of other overlapping programs that provide targeted assistance for school-based apprentices including the *Group Training Australian Apprenticeships Targeted Initiatives Program*, the *Joint Group Training Program*, Australian Technical Colleges and other State and Territory Government programs.

In addition, the Government has previously provided significant new funding to assist school based apprentices, including under the *Trade Training Centres in Schools* program which provides \$2.5 billion over 10 years; and the *Schools Grants for on-the-job training* measure which provides \$98 million over four years for grants to schools to enable students to undertake on-the-job training for one day a week for 20 weeks.

This measure will achieve savings of \$25.9 million over four years.

Reform of Australian Apprenticeships Incentives Funding — combine three incentive programs into one program — Tools for Your Trade

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 1.6 | 7.2 | 7.4 | 7.4 |

The Government will provide net additional funds of \$23.6 million over four years to combine and extend the *Tools For Your Trade*, the *Commonwealth Trade Learning Scholarship* and the *Apprenticeship Wage Top-Up* to provide a \$3,800 personal cash benefit. This new payment will be paid in five instalments for apprentices in skills shortages occupations and apprentices in all agriculture occupations and, in rural and regional areas, horticulture occupations through a new *Tools for Your Trade* payment.

This measure will introduce new eligibility rules that will extend support to some groups of apprentices that currently do not receive one or more of these payments. The creation of a single program providing cash payments will reduce the current administrative complexity involved with allocating funds through three separate programs, each with different administrative and eligibility requirements. Savings achieved from reduced administrative complexity will be re-invested in expanded incentive payments. The implementation of streamlined administration and consolidation of sub-programs reduces expenses.

The new payment will be available to Australian Apprentices in selected trade occupations, agricultural occupations and, if in rural and regional Australia, horticultural occupations.

Reform of Australian Apprenticeships Incentives Funding — extend employer incentives to all Diploma and Advanced Diploma courses

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 10.0 | 15.9 | 12.9 | 8.2 |

The Government will provide an additional \$47.0 million over four years to continue employer incentives — mainly commencement, recommencement and completion payments — for apprentices undertaking selected Diplomas and Advance Diplomas. This is an ongoing measure.

This measure will support the COAG Participations and Productivity agenda to double the number of Diploma and Advanced Diploma completions between 2009 and 2020.

Reform of Australian Apprenticeships Incentives Funding — provide support for Mid-Career Apprentices by extending funding to those aged 25 years and over

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 11.3 | 14.0 | 13.9 | 13.9 |

The Government will provide an additional \$53.1 million over four years to support more Mid-Career Apprentices. Currently support is only available to employers of apprentices aged 30 years and over in an occupation listed on the National Skills Needs Lists and is capped to a maximum of 10,000 new commencements each year.

This measure will extend support to apprentices aged 25 years and over and remove the limit on the number of eligible apprentices able to receive this support. Support under the initiative is \$150 a week for first-year full-time apprentices, and \$100 per week for second year apprentices in Certificate III and IV programs.

This measure complements COAG's Compact with Young Australians which ensures every Australian under the age of 25 will have a guaranteed education or training place.

Reform of Australian Apprenticeships Incentives Funding — reduce and phase out Fast Track Apprenticeships

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -3.0 | -5.4 | -11.0 | -16.9 |

The *Fast Track Apprenticeships* program tackles skill shortages by increasing the number of tradespeople in undersupplied industries through accelerated competency based apprenticeship models. Currently the program provides direct assistance to a large number of smaller individual projects and will be redeveloped to focus on a small number of large projects which demonstrate the development and dissemination of best practice. The new program will be time-limited and operate over the next four years.

It is expected that program outcomes will set benchmark processes for future delivery of accelerated apprenticeship pathways and enhance the flexibility of the national training system.

This measure will achieve savings of \$36.3 million over four years.

Reform of Australian Apprenticeships Incentives Funding — streamlined administration

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -0.4 | -5.0 | -6.4 | -6.5 |

The Government will achieve administrative efficiencies and save a total of \$18.3 million over four years by streamlining administration arrangements across the Australian Apprentices incentive programs.

New streamlined administrative arrangements will reduce departmental expenses by a total of \$24.1 million over four years by reducing the number of separate payments, combining three payments into a single 'Tools for Completion' payment, reduce employer administration by making cash payments rather than reimbursements, and introduce more consistent eligibility arrangements. This will be offset by a one-off cost of \$5.8 million to establish the *Tools for Completion* payment arrangements.

See also the related expense measure titled *Reform of Australian Apprenticeships Incentives Funding – Combine three incentive programs into one program – Tools for Completion* in Education, Employment and Workplace Relations portfolio.

Skills for the Carbon Challenge

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 8.3 | 7.0 | 5.6 | 6.0 |

The Government will provide \$26.9 million over four years to improve the capacity of industry and the vocational education and training sector to respond to climate change.

Funding of \$20 million over four years will be used to establish a pilot Skills for Sustainability Incentives Program which will provide support for approximately 5,000 Australian Apprentices per year in selected National Skills Needs List occupations undertaking a threshold level of sustainability skills related training. Additional funding will drive the development and trial of qualifications and training resources that incorporate sustainability principles, green skills and responsive educational approaches in a number of key industries.

This measure responds to key priorities from the Productivity and Sustainability streams of the Australia 2020 Summit.

Further information can be found in the press release of 23 April 2009 issued by the Minister for Education, Employment and Workplace Relations.

Transitional assistance to employment service providers — Business Adjustment Fund

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 1.5 | 1.5 | - | - | - |

The Government will provide \$3.6 million over two years to provide assistance to not-for-profit organisations that were unsuccessful in gaining business, or that have lost substantial business, in the recent employment services tender.

Eligible organisations will have access to specialist business advisors and will be able to apply for grants of up to \$100,000 to develop and implement new business plans to reposition their organisation and respond to new opportunities.

An amount of \$0.6 million of the total cost of this measure will be met from within existing resourcing of the Department of Education, Employment and Workplace Relations

Further information can be found in the press release of 1 April 2009 issued by the Minister for Employment Participation.

Unlawful Termination Assistance Scheme — discontinuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -5.9 | -6.1 | -6.1 | -6.1 |

The Government will cease funding for the Unlawful Termination Assistance Scheme announced in the *Mid-Year Economic and Fiscal Outlook 2005-06*. The Unlawful Termination Assistance Scheme was designed to provide financial assistance to people who believed they may have been unlawfully terminated under section 659 of the *Workplace Relations Act 1996*. Following passage of the *Fair Work Act 2009*, unfair dismissal laws will be amended from 1 July 2009. The new system is intended to focus on simpler, less legalistic processes, and the Unlawful Termination Assistance Scheme will therefore no longer be necessary.

This measure will provide savings of \$24.2 million over four years.

Vocational Education Broadband Network

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 25.7 | 15.6 | - | - |

The Government will provide \$81.9 million over three years (including \$40.5 million in 2008-09) to provide the infrastructure to support a Vocational Education Broadband Network. This measure will support a high speed broadband network for the training sector. This will create a single post-secondary high speed network, connecting vocational education and training providers to the same network serving universities and other research institutions. The network will feature an online training marketplace, enabling private and community providers to offer courses across Australia.

The measure will assist in supporting foundation skills training, such as language, literacy and numeracy, through the provision of infrastructure to support low cost delivery. It also responds to key priorities from the Productivity stream of the Australia 2020 Summit.

Further information can be found in the press release of 23 April 2009 issued by the Minister for Education, Employment and Workplace Relations.

Youth Development and Support Program — funding reallocation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |

The Government will reallocate funding of \$0.5 million per annum to the new Youth Development and Support Program from the former Youth Sponsorship Initiative program to fund organisations to support initiatives aimed at offering development opportunities for young people. The new program will allow eligible organisations to apply for project funding of up to \$75,000.

The cost of this measure will be met from within the existing resourcing of the Department of Education, Employment and Workplace Relations.

ENVIRONMENT, WATER, HERITAGE AND THE ARTS

Action on Energy Efficiency — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -6.9 | -6.9 | -6.0 | -6.0 |

The Government will terminate the lapsing Action on Energy Efficiency program on 30 June 2009, providing savings of \$25.8 million over four years. This program is being replaced by the *National Strategy on Energy Efficiency – Energy efficiency labelling – enhancement*, *National Strategy on Energy Efficiency – Minimum performance standards for appliances and equipment – expansion* and *National Strategy on Energy Efficiency – Heating, Ventilation and Air Conditioning High Efficiency Systems Strategy – contribution* measures.

See also the related expense measures titled *National Strategy on Energy Efficiency – Energy efficiency labelling – enhancement*, *National Strategy on Energy Efficiency – Minimum performance standards for appliances and equipment – expansion* and *National Strategy on Energy Efficiency – Heating, Ventilation and Air Conditioning High Efficiency Systems Strategy – contribution*.

Art Indemnity Australia — redirection of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -3.4 | -4.0 | -4.1 | -4.2 |

The Government will redirect funding from the Art Indemnity Australia program. This measure will provide savings of \$15.8 million over four years from 2009-10 to offset the costs of establishing a replacement art exhibitions insurance program and other arts and culture measures in the Environment, Water, Heritage and the Arts portfolio.

See also the related expense measure titled *Australian Government International Exhibitions Insurance program – establishment* in the Environment, Water, Heritage and the Arts portfolio.

Arts Training Organisations — additional contribution

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 1.1 | 1.3 | 1.3 | 1.7 |

The Government will contribute \$5.4 million over four years towards operational funding for the National Institute of Dramatic Art, Australian Ballet School and Australian Youth Orchestra. The funding will be used for salaries, rent and utilities costs, and touring expenses, to enable these organisations to continue to deliver elite training to young Australians pursuing careers in theatre, dance and music.

ArtStart — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|---------|---------|---------|---------|---------|
| Australia Council | - | 2.5 | 2.4 | 2.4 | 2.4 |

The Government will provide \$9.6 million over four years to support young and emerging artists. One-off grants of up to \$10,000 will be provided to individual graduate artists to enable them to create a major work or event to build their portfolio and increase their self-sufficiency. A minimum of 200 grants will be provided in each year of the program.

Australia — Antarctica Airlink — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | - | - | - |

The Government will provide \$11.7 million in 2009-10 to continue the operations of the Australia – Antarctica Airlink. Funding beyond 2009-10 will be considered after the first full flying season is completed in 2009.

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

Australian Government international exhibitions insurance program — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | 2.0 | 2.0 | 2.1 |

The Government will provide \$6.1 million over three years from 2010-11 to support the touring of significant cultural exhibitions (valued between \$50.0 million and \$2.0 billion) from international institutions and private cultural collections to venues across Australia.

The program will assist eligible Australian not-for-profit organisations, including public collecting institutions and organisations which curate or manage international exhibitions, with the purchase of cover from either Comcover or a private provider. The program replaces the existing Art Indemnity Australia program.

See also the related expense measure titled *Art Indemnity Australia – redirection of funding* in the Environment, Water, Heritage and the Arts Portfolio.

Australia's National and Commonwealth historic built heritage — protection and conservation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | 5.0 | 5.0 | 5.0 |

The Government will provide \$14.9 million over three years from 2010-11 for competitive grants for high-priority activities to protect and conserve Australia's National-listed and Commonwealth-listed historic built heritage.

Funding of \$6.0 million in 2009-10 will also be provided for the conservation of National-listed and Commonwealth-listed historic built heritage sites, through the Government's *Jobs Fund*.

See also the related expense measure titled *Jobs and Training Compact – Jobs Fund* in the Education, Employment and Workplace Relations portfolio.

Bioremediation and revegetation trials

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | 1.0 | 7.0 | 2.0 | - | - |

The Government will provide \$10.0 million over three years for bioremediation and revegetation trials in newly-identified suitable sites in and around South Australia's Lower Lakes. The trials will engage and involve local communities.

This measure was agreed with the Australian Greens as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

Books Alive — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 2.0 | 2.0 | 2.0 | 2.0 |

The Government will provide \$8.0 million over four years to continue the Books Alive program. The program promotes the reading of books, in particular those of Australian writers. The measure will be delivered by the Australia Council.

Bureau of Meteorology — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------|---------|---------|---------|---------|---------|
| Bureau of Meteorology | - | 2.2 | 4.8 | 4.6 | 4.5 |

The Government will provide net additional funding of \$16.1 million over four years to the Bureau of Meteorology following a review of the agency's functions and finances.

The Bureau will retain all revenue received from providing specialised weather services to the aviation and defence sectors from 1 January 2010, rather than the revenue being paid into consolidated revenue. This net additional funding will enable the Bureau to cease the current practice of cross-subsidising these specialist services from other services.

Bureau of Meteorology — Next generation weather forecast and warning system — national roll-out

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Bureau of Meteorology | - | 1.9 | 4.1 | 5.1 | 4.3 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Bureau of Meteorology</i> | - | 1.6 | 3.0 | 2.8 | 2.7 |

The Government will provide \$30.5 million over five years (including \$5.1 million in 2013-14) to roll out advanced weather forecasting and warning technology throughout Australia. The system is currently in place in Victoria. The national roll-out will enable more efficient and enhanced weather service delivery, including seven day forecasts for 650 locations and increased accuracy and responsiveness to the public and emergency services organisations during emergency events such as bushfires.

This measure includes capital funding of \$11.6 million over five years (including \$1.5 million in 2013-14) for the development and integration of hardware and for data storage.

Bureau of Meteorology — strategic radar enhancement project — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Bureau of Meteorology | - | 2.2 | 4.3 | 5.6 | 6.1 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Bureau of Meteorology</i> | - | 1.7 | 4.3 | 4.3 | 4.3 |

The Government will provide \$48.0 million over seven years (including \$6.9 million in 2013-14, \$4.4 million in 2014-15 and \$3.9 million in 2015-16) for the Bureau of Meteorology to install and maintain four new weather radars at Wollongong (New South Wales), Hobart (Tasmania), Mount Isa (Queensland), and Croker Island/Maningrida (Northern Territory). The new radars will address priority radar coverage gaps.

This measure includes capital funding of \$17.4 million over seven years (including \$2.6 million in 2013-14 and \$40,000 per annum in 2014-15 and 2015-16) for the purchase and installation of radars and associated infrastructure.

Coal Mine Methane Reduction Program — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | -2.1 | -2.1 | - |

The Government will terminate the Coal Mine Methane Reduction Program on 30 June 2010. The Strategic Review of Australian Government Climate Change Programs recommended the program be terminated as it is not complementary to the Carbon Pollution Reduction Scheme. Existing contractual commitments will be honoured.

This measure will provide savings of \$4.2 million over two years from 2010-11.

Commonwealth Environment Research Facilities Program — reduction in funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | -2.0 | -4.0 | -4.0 |

The Government will redirect funding from the Commonwealth Environment Research Facilities Program. This measure will provide savings of \$10.0 million over three years to offset measures in the Environment, Water, Heritage and the Arts portfolio.

See also the related expense measure titled *Closing the Gap – strengthening Australia’s Indigenous visual arts industry – support* in the Environment, Water, Heritage and the Arts portfolio.

Commonwealth terrestrial reserves — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 6.3 | 7.6 | 3.5 | 3.2 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of the Environment, Water, Heritage and the Arts</i> | - | 3.2 | 2.2 | - | - |

The Government will provide \$26.0 million over four years (including capital funding of \$5.5 million over two years) to support the management of Commonwealth terrestrial reserves. The measure includes funding to remove or treat asbestos in a number of buildings in Commonwealth national parks, to manage historic sites in Kakadu National Park, to repair and maintain visitor infrastructure and staff housing, and to upgrade assets in Commonwealth parks and reserves.

Director of National Parks — continued supplementation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 3.5 | 1.3 | 1.3 | 1.4 |

The Government will provide \$7.6 million over four years to continue supplementation for the Director of National Parks for Kakadu National Park. The supplementation covers the period from 1 July 2009 until the reintroduction of park-use fees on 1 April 2010, as well as the cost of an ongoing exemption from the fees for Northern Territory residents.

Energy Efficiency of Electrical Appliances — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -4.1 | -4.0 | -3.9 | - |

The Government will terminate the *Energy Efficiency of Electrical Appliances* program on 30 June 2009, providing savings of \$12.0 million over three years. This program is being replaced by the *Energy efficiency labelling – enhancement and Minimum performance standards for appliances and equipment – expansion measures*.

See the *Energy efficiency labelling – enhancement and Minimum performance standards for appliances and equipment – expansion* expense measure in the Environment, Water, Heritage and the Arts portfolio.

Green Loans Program — better targeting

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | -8.5 | -20.9 | -39.8 | -39.8 | -16.7 |

The Government will better target the *Green Loans* program, announced in the 2008-09 Budget, by refocusing the program and reducing the number of subsidised low-interest loans from 200,000 to 75,000 over five years. The increased availability of Government rebates, including through the recently announced *Energy Efficient Homes* package, is expected to reduce demand for low-interest loans under the program.

The centrepiece of the *Green Loans* program will be the home assessment component. This will include home energy and water audits, and practical information to help householders to achieve energy and water savings. The tailored assessments will provide enhanced links to existing rebates and other assistance available to Australian households.

This measure will provide savings of \$125.7 million over five years.

Greenhouse Challenge Plus — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -2.9 | -2.9 | -2.9 | -2.9 |

The Government will terminate the Department of the Environment, Water, Heritage and the Arts component of the lapsing Greenhouse Challenge Plus program on 30 June 2009. The program aimed to assist companies to build the capacity to measure and reduce their greenhouse gas emissions. The Strategic Review of Australian Government Climate Change Programs recommended that the program be terminated as it is not complementary to the Carbon Pollution Reduction Scheme.

This measure will provide savings of \$11.7 million over four years.

See also the related expense measure titled *Department of Climate Change – base departmental funding* in the Climate Change portfolio.

Greenhouse Gas Abatement Program — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -1.7 | - | - | - |

The Government will terminate the Greenhouse Gas Abatement Program on 30 June 2009. The Strategic Review of Australian Government Climate Change Programs recommended the program be terminated as it is not complementary to the Carbon Pollution Reduction Scheme. Existing contractual commitments will be honoured.

This measure will provide savings of \$1.7 million in 2009-10.

Heating, Ventilation and Air Conditioning High Efficiency Systems Strategy — contribution

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 0.7 | 0.7 | 0.7 | - |

The Government will provide \$2.0 million over three years as a contribution to the Heating, Ventilation and Air Conditioning High Efficiency Systems Strategy that has been endorsed by the Ministerial Council on Energy.

The strategy is intended to achieve whole-of-life improvements in the energy efficiency of heating, ventilation and air conditioning systems, encompassing design, manufacture, installation, operation and maintenance, particularly in commercial building applications. The strategy includes the development of training activities, best practice guidance and systems documentation standards.

Hot water system phase out — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | - | - | - |

The Government will terminate the *Hot water system phase out* program on 30 June 2009. This program is being replaced by the *Energy efficiency labelling – enhancement* measure. There are no related savings as the cost of this program was met from within the existing resourcing of the Department of the Environment, Water, Heritage and the Arts.

See the *Energy efficiency labelling – enhancement* expense measure in the Environment, Water, Heritage and the Arts portfolio.

Local Greenhouse Action — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -3.4 | -3.4 | -3.0 | -3.0 |

The Government will terminate the lapsing Local Greenhouse Action program on 30 June 2009. The program aimed to improve the energy efficiency of local government operations and to encourage engagement with their communities on climate change issues. The Strategic Review of Australian Government Climate Change Programs recommended that the program be terminated as it is not complementary to the Carbon Pollution Reduction Scheme.

This measure will provide savings of \$12.9 million over four years.

Low Emissions Technology and Abatement — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -5.0 | -2.0 | - | - |

The Government will terminate the lapsing Low Emissions Technology and Abatement program on 30 June 2009. The program provided funding for small abatement and technology projects in industry, local government and communities. The Strategic Review of Australian Government Climate Change Programs recommended that the program be terminated as it is not complementary to the Carbon Pollution Reduction Scheme.

This measure will provide savings of \$7.0 million over two years.

Maintaining Australia's presence in Antarctica — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 12.0 | 13.2 | - | - |

The Government will provide \$25.2 million over two years to meet the increased costs of maintaining Australia's presence in Antarctica. This expansion of funding for the current Australian Antarctic program will contribute to the maintenance of station operations and Antarctic science projects.

Melba Foundation — continued support

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|---------|---------|---------|---------|---------|
| Australia Council | - | 1.0 | 0.8 | 0.5 | - |

The Government will provide \$2.3 million over three years to continue support for the Melba Foundation to undertake classical recordings, while the Foundation secures funding from non-government sources.

The Melba Foundation is a charitable trust that promotes Australia's finest classical musicians and artists in both the international and national markets.

National collecting institutions touring and outreach program — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 1.0 | 1.0 | 1.0 | 1.0 |

The Government will provide \$4.0 million over four years from 2009-10 to support the touring of cultural collections by the National Gallery of Australia, National Library of Australia, National Museum of Australia, Australian National Maritime Museum, National Portrait Gallery, Bundanon Trust and National Film and Sound Archive.

The measure will enable the national collecting institutions to: develop and tour cultural collections across Australia, providing greater access throughout Australia to national collections; tour Australian cultural material overseas; and bring international cultural material and touring exhibitions to Australia.

National Energy Efficiency Initiative — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 100.0 | - | - | - |

The Government will provide \$100.0 million in 2009-10 for investment in an integrated system of renewable energy, smart grid and smart meter technology and infrastructure in a regional city of at least 25,000 people.

Subject to an implementation study, a competitive grant is expected to be provided to a consortium of state and local government, public and private energy companies and other private sector providers. The initiative is aimed at creating, in one Australian city, town or region, an energy network that integrates a smart grid with smart meters in homes, thereby enabling greater energy efficiency, reduced emissions and use of alternative energy sources such as solar power.

The funding has been accounted for in the budget estimates as a grant expense. However, as part of the implementation study, the Government will investigate the options of equity funding in the consortium or the provision of loans repayable in certain circumstances.

National Library of Australia — business case for digitisation of the national collections

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| National Library of Australia | - | 0.8 | - | - | - |

The Government will provide \$0.8 million in 2009-10 to develop a business case for infrastructure that would enable the National Archives of Australia, National Film and Sound Archive and National Library of Australia to digitise their existing collections and collect, manage and improve public access to their digital collections. The business case will inform future government consideration of whether to proceed with the project.

National Museum of Australia — accommodation of off-site collections — business case

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| National Museum of Australia | - | - | - | - | - |

The Government will develop a business case for options that would improve accommodation and public access to the National Museum of Australia's off-site collections. The business case will inform future government consideration of whether to proceed with the project.

The cost of this measure will be met from within the existing resourcing of the National Museum of Australia.

National Strategy on Energy Efficiency — Building Code of Australia requirements for commercial buildings — enhancement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 1.5 | 0.8 | 0.5 | 0.5 |

The Government will provide \$3.3 million over four years to increase the energy efficiency requirements for commercial buildings in the 2010 version of the Building Code of Australia. The new requirements will apply to new buildings and new work in existing buildings. A package of energy efficiency measures with a benefit-to-cost ratio in the order of two-to-one will be developed, including elements such as glazing, artificial lighting, and heating, ventilation and air-conditioning systems.

Elements of this measure are subject to a Regulatory Impact Analysis.

Further information can be found in the press release of 30 April 2009 issued by the Prime Minister.

National Strategy on Energy Efficiency — commercial building energy efficiency — mandatory disclosure

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 1.5 | 1.5 | 1.3 | 1.1 |

The Government will provide \$5.3 million over four years to accelerate and expand a national regime for the mandatory disclosure of commercial building energy efficiency at the point of sale or lease to improve awareness of building energy performance. The regime will commence in 2010 for office buildings larger than 2,000 square metres, with coverage to expand to a wider range of commercial buildings by 2012.

Elements of this measure are subject to a Regulatory Impact Analysis.

Further information can be found in the press release of 30 April 2009 issued by the Prime Minister.

National Strategy on Energy Efficiency — commercial building rating tools — enhancement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 0.7 | 0.7 | 0.6 | 0.5 |

The Government will provide \$2.6 million over four years to increase the scope and uptake of the existing commercial building energy efficiency rating tool, the National Australian Built Environment Rating System (NABERS) Energy, through a more effective national governance framework. The new framework includes transferring the role of chair of the NABERS steering committee from the New South Wales Government to the Australian Government.

The measure also includes funding to develop new rating tools for the sustainable design and performance of an expanded range of commercial building types to facilitate transparency and consistency across jurisdictions. The development of the rating tools will support new measures for the mandatory disclosure of commercial building energy efficiency and will inform the development of more stringent energy efficiency requirements under the Building Code of Australia.

Further information can be found in the press release of 30 April 2009 issued by the Prime Minister.

National Strategy on Energy Efficiency — energy efficiency labelling — enhancement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 4.2 | 4.7 | 4.8 | 4.6 |

The Government will provide \$18.3 million over four years to help improve the energy efficiency of electrical appliances. The measure includes funding to:

- revise the current six-star energy rating label to a 10-star system and extend it across a wider range of products;
- continue the phase-out of incandescent light bulbs and inefficient electric hot water systems;
- expand the enforcement and verification testing program for electrical appliances; and
- upgrade or expand consumer and retailer information programs and tools, including web-based calculators and the www.energyrating.gov.au website.

Elements of this measure are subject to a Regulatory Impact Analysis.

This measure replaces the lapsing Action on Energy Efficiency program and the existing Energy Efficiency of Electrical Appliances, Phase-out of Inefficient Light Bulbs and Hot Water System Phase-out programs.

See also the related expense measures titled *Energy Efficiency of Electrical Appliances – termination, Phase-out of Inefficient Light Bulbs – termination and Hot Water System Phase-out – termination* in the Environment, Heritage and the Arts portfolio.

National Strategy on Energy Efficiency — Energy efficiency requirements for residential buildings — enhancement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 2.9 | 2.0 | 1.7 | 2.1 |

The Government will provide \$8.7 million over four years to increase the minimum energy efficiency requirements for all classes of new residential buildings in the 2010 version of the Building Code of Australia, in partnership with the States and Territories.

The Building Code of Australia requirements are proposed to be increased from the current five-star to a six-star level, or equivalent, and to include specific performance requirements for hot water systems and artificial lighting in new residential buildings. The measure also includes funding to develop an improved nationwide software tool for assessing the thermal performance of residential buildings, and to develop industry capacity to use the new rating system to deliver more energy efficient housing.

Elements of this measure are subject to a Regulatory Impact Analysis.

Further information can be found in the press release of 30 April 2009 issued by the Prime Minister.

National Strategy on Energy Efficiency — minimum performance standards for appliances and equipment — expansion

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 4.1 | 4.1 | 4.2 | 4.2 |

The Government will provide \$16.6 million over four years to introduce greenhouse gas emissions-related performance standards and expand minimum energy performance standards to a wider range of energy consuming products. The measure includes funding to:

- develop Commonwealth legislation for the implementation of greenhouse and energy minimum standards to replace the current state-regulated minimum energy performance standards;
- expand the list of products covered by minimum energy performance standards and accelerate the introduction of standards for a range of products including computers and home entertainment equipment; and
- review minimum standards every three years for all major appliances.

Elements of this measure are subject to a Regulatory Impact Analysis.

This measure replaces the lapsing Action on Energy Efficiency program and the existing Energy Efficiency of Electrical Appliances program.

See also the related expense measure titled *Energy Efficiency of Electrical Appliances – termination* in the Environment, Heritage and the Arts portfolio.

National Strategy on Energy Efficiency — Residential building energy efficiency — mandatory disclosure

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 2.4 | 1.9 | 1.6 | 1.8 |

The Government will provide \$7.8 million over four years for the development of requirements, to be phased in from 2010, to disclose publicly the energy, greenhouse and water performance of residential buildings at the time of sale or lease. This will enable home buyers and renters to assess the environmental performance of different housing options.

Mandatory disclosure will apply to houses and apartments, beginning with energy performance and extending progressively to carbon emissions and water use. The measure also includes funding to implement a nationally consistent software tool or equivalent process for assessing the energy, greenhouse and water performance of residential buildings, and to develop industry capacity to deliver home assessments to facilitate the disclosure of building performance.

Elements of this measure are subject to a Regulatory Impact Analysis.

Further information can be found in the press release of 30 April 2009 issued by the Prime Minister.

Phase-out of Inefficient Light Bulbs — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -2.0 | -1.9 | -0.5 | - |

The Government will terminate the *Phase-out of Inefficient Light Bulbs* program on 30 June 2009, providing savings of \$4.4 million over three years. This program is being replaced by the *Energy efficiency labelling – enhancement* measure.

See also the related expense measure titled *Energy efficiency labelling – enhancement*.

Reef HQ Aquarium, Townsville — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Great Barrier Reef Marine Park Authority | - | - | - | - | - |

The Government will provide \$3.7 million over four years from 2009-10 to continue support for the operations of the Reef HQ Aquarium in Townsville. The cost of this measure will be met from within the existing resourcing of the Great Barrier Reef Marine Park Authority.

Small Business and Household Initiative — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -5.9 | -0.5 | -0.4 | - |

The Government will terminate the Small Business and Household Initiative on 30 June 2009. The initiative aimed to encourage action by households and small businesses to reduce their greenhouse gas emissions through the provision of information. The Strategic Review of Australian Government Climate Change Programs recommended the program be terminated as it is not complementary to the Carbon Pollution Reduction Scheme.

This measure will provide savings of \$6.8 million over three years.

Small to medium arts organisations — extension of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|---------|---------|---------|---------|---------|
| Australia Council | - | 1.0 | - | - | - |

The Government will provide \$1.0 million in 2009-10 to the Australia Council to continue support for small to medium arts organisations, and to provide international touring support for Australian artists.

This measure will give young and regionally-based Australians increased opportunities to participate in the arts, and increase community awareness of and access to the arts.

Solar Homes and Communities Plan — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 245.3 | - | - | - |

The Government will provide an additional \$271.7 million in 2009-10 (including \$26.4 million already included in the forward estimates) to continue the Solar Homes and Communities Plan until the introduction of Solar Credits as part of the expanded Renewable Energy Target. The Solar Homes and Communities Plan provides rebates of up to \$8,000 for the installation of solar power panels in homes and grants for up to half of the cost of a two kilowatt system for community buildings.

This additional funding will enable household rebates to be paid for eligible applications received until the program transitions to Solar Credits under the expanded Renewable Energy Target on 1 July 2009. Following this, households, small businesses and community groups will be able to receive assistance with the upfront costs of installing micro-generation units, including solar panel systems, through Solar Credits. Solar Credits will provide first-time solar photovoltaic installations with a subsidy initially five times greater than large-scale renewables, up to the first 1.5 kilowatts of installed capacity.

Further information on Solar Credits can be found in the press release of 17 December 2008 issued by the Treasurer, the Minister for Climate Change and Water and the Minister for the Environment, Heritage and the Arts.

Strategic National Response — termination

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | -1.2 | -1.2 | -1.2 | -1.2 |

The Government will terminate the Department of the Environment, Water, Heritage and the Arts' component of the lapsing Strategic National Response program on 30 June 2009. The program aimed to coordinate greenhouse policy issues across government and facilitate engagement with business, industry and the community. The Strategic Review of Australian Government Climate Change Programs recommended that the program cease as a discrete program and be delivered as core business of the Department of Climate Change.

This measure will provide savings of \$4.7 million over four years.

Territory orchestras — extension of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------|---------|---------|---------|---------|---------|
| Australia Council | - | 0.2 | - | - | - |

The Government will provide \$0.2 million in 2009-10 to the Australia Council to continue support for the Canberra Symphony Orchestra and the Darwin Symphony Orchestra. Funding of \$0.1 million for each orchestra will assist in maintaining the financial viability and operations of the orchestras.

Water for the Future — local plans for a future with less water

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | - | - | - |

The Government will provide \$200.0 million over three years from 2009-10 for grants to local municipalities in the Murray-Darling Basin to assist them in planning for a future with less water and to invest in associated local water savings initiatives.

The cost of this measure will be met from within the existing resourcing of the Sustainable Rural Water Use and Infrastructure program under the Water for the Future package.

This measure was agreed with Senator Xenophon as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

Water for the Future — national stormwater funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | - | - | - | - |

The Government will provide a minimum of \$200.0 million over four years from 2009-10 to create a new component under the National Urban Water and Desalination Plan to provide greater incentives for the development of stormwater harvesting projects that use urban stormwater to reduce demand on potable water supplies.

Funding will be provided for up to 50 per cent of project costs, capped at a maximum of \$20.0 million per project. The minimum size of projects will also be reduced from the existing \$30.0 million to \$4.0 million to increase opportunities for smaller towns and cities to participate.

The cost of this measure will be met from within the existing resourcing of the National Urban Water and Desalination Plan under the Water for the Future package.

This measure was agreed with Senator Xenophon as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

Water for the Future — reallocation of Driving Reform in the Murray-Darling Basin funds

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Murray-Darling Basin Authority | - | 41.1 | 37.7 | 19.4 | 19.5 |
| National Water Commission | - | 2.6 | 4.9 | - | - |
| Australian Competition and Consumer Commission | - | 1.7 | 1.7 | - | - |
| Department of the Environment, Water, Heritage and the Arts | - | -52.7 | -53.5 | -19.4 | -19.5 |
| Total | - | -7.2 | -9.2 | - | - |

The Government will reallocate funding of \$196.2 million over eight years (including \$67.6 million over the four years from 2013-14) from the existing Driving Reform in the Murray-Darling Basin component of the Water for the Future package. Funding will be reallocated to the National Water Commission (\$7.5 million over two years), the Australian Competition and Consumer Commission (\$3.4 million over two years) and the Murray-Darling Basin Authority (\$185.3 million over eight years). This measure will enable these agencies to undertake new responsibilities arising from amendments to the *Water Act 2007* and the signing of the Intergovernmental Agreement on Murray-Darling Basin Reform on 3 July 2008.

This measure will also provide savings of \$16.4 million over two years.

FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS

Care determinations — alignment across Family Assistance Office and Child Support Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | - | 5.5 | 1.0 | 0.3 | 0.3 |
| Department of Human Services | - | 3.8 | 4.8 | -5.9 | -10.3 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | .. | - | - | - |
| Total | - | 9.3 | 5.8 | -5.6 | -10.0 |

The Government will ensure that parents only have to participate in one care determination in order to work out their entitlements for both child support and family assistance purposes. At present, care determinations for child support purposes are made by the Child Support Program in the Department of Human Services, while separate care determinations for Family Tax Benefit purposes are undertaken by Centrelink.

This measure will deliver a simpler and more convenient process for parents and remove the duplication of effort between the Child Support Program and Centrelink, and provide savings of \$0.5 million over four years. Ongoing savings will be approximately \$10 million per annum from 2012-13.

Children with a disability — additional outside school hours care

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 1.1 | 1.3 | 1.3 | 1.4 |
| Department of Education, Employment and Workplace Relations | - | 1.0 | 1.1 | 1.1 | 1.1 |
| Total | - | 2.0 | 2.4 | 2.4 | 2.5 |

The Government will provide \$9.3 million over four years to provide an additional 250 places for outside school hours and vacation care for teenagers with a disability or a severe medical condition. Services delivering the extra places will commence in September 2009.

The measure will help to ensure that teenagers with a disability can access care appropriate to their needs, and parents and carers of teenagers with a disability can increase their participation in employment.

Closing the Gap — APS Indigenous Employment Strategy

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Australian Public Service Commission | - | 2.0 | 2.0 | 2.0 | - |

The Government will provide \$6.0 million over three years to the Australian Public Service (APS) Commission to continue the APS Indigenous Employment Strategy. The strategy aims to increase the employment and retention of Indigenous Australians across the APS and is designed to address Indigenous recruitment, vocational training and retention issues.

The Government has committed, under the COAG National Partnership on Indigenous Economic Participation, to a target of 2.6 per cent Indigenous public sector employment by 2015.

Closing the Gap — Business Action Agenda

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 0.7 | 0.8 | 0.8 | 0.8 |

The Government will provide \$3.0 million over four years for a Business Action Agenda to encourage and support businesses to provide employment opportunities for Indigenous Australians. The agenda will include establishing a national Indigenous economic participation advisory group to assist in leveraging corporate action to improve Indigenous employment and business outcomes. The group will also provide strategic advice to the Government on initiatives to improve Indigenous economic participation.

Closing the Gap — Clearinghouse

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | 0.5 | 0.5 | 0.5 |

The Government will provide an additional \$1.5 million over three years for a Clearinghouse to gather and disseminate evidence on effective policy interventions to address Indigenous disadvantage. The 2008-09 Budget provided funding in 2008-09 and 2009-10 for the Clearinghouse and this measure continues funding for a further three years.

The Australian Government's contribution is to be matched by the States and Territories.

Closing the Gap — Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program (IEP) Reform

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|-------------|-------------|-------------|-------------|-------------|
| Department of Education, Employment and Workplace Relations | 10.1 | 142.8 | 165.4 | 260.8 | 280.1 |
| Centrelink | 3.2 | 5.2 | 5.7 | 11.4 | 11.2 |
| Department of the Environment, Water, Heritage and the Arts | - | 4.0 | 4.1 | 4.2 | 4.5 |
| Department of Health and Ageing | - | - | - | - | 0.6 |
| Department of Finance and Deregulation | 0.4 | - | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | 7.7 | -109.5 | -98.9 | -243.5 | -271.3 |
| Total | 21.4 | 42.5 | 76.3 | 33.0 | 25.0 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | <i>3.4</i> | <i>0.6</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| <i>Department of Education, Employment and Workplace Relations</i> | <i>-</i> | <i>0.3</i> | <i>-</i> | <i>-</i> | <i>-</i> |
| Total | 3.4 | 0.9 | - | - | - |

The Government is reforming the Community Development Employment Projects (CDEP) program and the Indigenous Employment Program to assist more Indigenous job seekers to prepare for and take up work, with net additional funding of \$202.4 million over five years (including \$24.8 million in 2008-09).

The CDEP program will cease in non-remote areas with established economies from 1 July 2009. A new Community Support Service will be provided in urban and regional locations with significant Indigenous populations to assist Indigenous people to access employment and other services.

In communities with limited and emerging economies, the CDEP program will be restructured into two streams:

- a Work Readiness Service stream that will provide a personal development pathway for job seekers from foundation skills to work readiness, including through the provision of up to 3,000 paid on-the-job work experience placements, with wage subsidies provided to work experience employers as an incentive to create these opportunities; and

- a Community Development stream, which will fund community projects and build the capacity of local communities, service providers and enterprises.

From 1 July 2009, new participants will be paid standard income support payments, with existing participants continuing to access CDEP wages until 30 June 2011 before transferring to income support payments, consistent with other Indigenous job seekers.

In addition, employment and training opportunities for Indigenous job seekers will be created across government services and in the Cape York welfare reform trial communities.

Under these reforms, the Government will also expand the Indigenous Employment Program, providing more support for individuals, communities, employers and industry bodies.

Additional funding will also be provided for the Workplace English Language and Literacy program to train workers in language, literacy and numeracy skills.

Further information on the reforms can be found in the press release of 19 December 2008 issued jointly by the Minister for Families, Housing and Community Services and Indigenous Affairs and the Minister for Employment Participation.

Closing the Gap — expanding link-up services for the Stolen Generations

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 2.3 | 5.5 | 6.1 | - |

The Government will provide an additional \$13.8 million over three years to address additional recommendations of the *Bringing Them Home* report. The report, completed in 1997, highlighted past practices of forced removal of Indigenous children from their families, commonly known as the Stolen Generations. The funding will provide for an additional 11 Link-Up caseworkers and additional support staff to help members of the Stolen Generations to trace, locate and reunite with their families. This expansion will allow up to 351 extra family reunions and over 100 'return to country' reunions for individuals and families affected by past practices of forced removal.

This measure builds on the \$15.7 million announced in the 2008-09 Budget measure *Closing the Gap – Bringing Them Home counsellors and Link-Up services*.

Further information can be found in the press release of 13 February 2009 issued by the Prime Minister.

Closing the Gap — funding for the Native Title system

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 7.0 | 13.4 | 20.1 | 21.6 |
| Federal Court of Australia | - | .. | .. | -0.1 | -0.1 |
| Attorney-General's Department | - | -0.7 | -0.4 | -0.5 | -0.5 |
| National Native Title Tribunal | - | -2.3 | -2.4 | -2.4 | -2.5 |
| Total | - | 4.0 | 10.6 | 17.1 | 18.4 |

The Government will provide \$50.1 million over four years for the Native Title system to speed up the resolution of Native Title claims. This funding, which includes additional resourcing for Native Title Representative Bodies, will enable the Government to continue to pursue a more efficient system that increasingly resolves Native Title issues through agreement-making and mediation, rather than litigation. This measure includes additional funding of \$45.8 million over four years for the Department of Families, Housing, Community Services and Indigenous Affairs and \$4.3 million over four years for the Attorney-General's Department.

This \$50.1 million is in addition to \$73.0 million over four years already included in the forward estimates. Part of the funding already provided in the forward estimates (\$16.3 million over four years) will be reallocated to the Department of Families, Housing, Community Services and Indigenous Affairs from the Attorney-General's Department (\$6.5 million), the Federal Court of Australia (\$0.2 million) and the National Native Title Tribunal (\$9.6 million).

This measure has been implemented in response to the *2008 Review of Funding of the Native Title System* and contributes to Closing the Gap initiatives and Indigenous economic development.

Closing the Gap — improving eye and ear health services for Indigenous Australians

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 6.2 | 15.4 | 18.3 | 18.5 |

The Government will provide \$58.3 million over four years to improve eye and ear health services for Indigenous Australians. This funding will help reduce the extent of avoidable vision and hearing loss among Indigenous Australians, and will support closing the gap in education and employment outcomes by reducing barriers to reading and writing.

This funding will provide for additional eye and ear surgical procedures, expanded ear health workforce training, investment in hearing medical equipment, ear health promotion, improved trachoma (a form of eye disease) control and better access to optometrists.

Further information can be found in the joint press release of 26 February 2009 issued by the Prime Minister and the Minister for Families, Housing, Community Services and Indigenous Affairs.

Closing the Gap — Indigenous dental services in rural and regional areas

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 1.3 | 2.9 | 3.4 | 3.4 |

The Government will provide \$11.0 million over four years to deliver dental treatment and preventive services to Indigenous people in rural and regional areas. This funding will provide for transportable dental facilities serviced by dental health professionals of address the high incidence of untreated tooth decay and gum disease experienced by Indigenous people. This funding also provides for an evaluation of the effectiveness of the strategies, including cost-effectiveness and equity, to inform any further activity after the initial four years.

Closing the Gap — Indigenous electoral participation program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Australian Electoral Commission | - | 1.2 | 4.7 | 3.1 | 3.5 |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Electoral Commission | - | 0.4 | - | - | - |

The Government will provide \$13.0 million over four years (including \$0.4 million in capital in 2009-10) to the Australian Electoral Commission to provide electoral education and promote enrolment and voting in Indigenous communities in remote, regional and urban areas.

Closing the Gap — Indigenous Healing Foundation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 5.9 | 7.8 | 8.0 | 5.0 |

The Government will provide \$26.6 million over four years to establish an Indigenous Healing Foundation. With a focus on the Stolen Generations, the Foundation will develop and deliver programs at the community level to address the impact of trauma and hurt experienced by Indigenous people. The Indigenous Healing Foundation will develop a best practice evidence base for programs and will provide training to mainstream service providers and to Indigenous people in healing professions.

Further information can be found in the joint press release of 13 February 2009 issued by the Prime Minister, the Minister for Families, Housing, Community Services and Indigenous Affairs, and the Minister for Health and Ageing.

Closing the Gap — National Indigenous Violence and Child Abuse Intelligence Task Force

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------|---------|---------|---------|---------|---------|
| Australian Crime Commission | - | 5.5 | - | - | - |

The Government will provide \$5.5 million in 2009-10 to the Australian Crime Commission for continuation of the National Indigenous Violence and Child Abuse Intelligence Task Force to provide a more complete picture of the nature of Indigenous family violence and abuse.

Closing the Gap — Northern Territory – Commonwealth Ombudsman support

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Office of the Commonwealth Ombudsman | 0.8 | 0.8 | 0.8 | 0.8 | - |

The Government will provide \$3.3 million over four years to the Commonwealth Ombudsman to fund the continuation of outreach visits to remote Indigenous communities and independent oversight of the Northern Territory Emergency Response through the delivery of effective complaint handling, and the identification and resolution of systemic issues.

Closing the Gap — Northern Territory – community engagement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 9.6 | 12.4 | 12.6 | - |

The Government will provide \$34.6 million over three years to continue community engagement as part of the Northern Territory Emergency Response. This measure includes funding for Indigenous Engagement Officers and community leadership and governance development activities.

By establishing a relationship with Indigenous people based on consultation, engagement and partnership, the Government will maximise the impact of its policies in closing the gap in Indigenous disadvantage.

Closing the Gap — Northern Territory – community stores

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|----------|------------|------------|------------|----------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 7.9 | 5.3 | 4.2 | - |
| Department of the Treasury | - | 0.3 | 0.3 | 0.3 | - |
| Total | - | 8.2 | 5.6 | 4.5 | - |

The Government will provide \$18.3 million over three years to continue maintaining and improving the functioning of community stores to ensure they are providing adequate food supply and services to Indigenous people living in the Northern Territory. This measure includes funding to assess, license and monitor stores to address problems associated with poor-quality food, limited range and high prices in community stores. Governance and leadership training will also be provided to bolster the capacity and functioning of community stores.

This funding includes \$0.9 million over three years which will be paid to the Northern Territory Government. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States and Territories, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Closing the Gap — Northern Territory – coordination and policy advice

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 3.9 | 3.8 | 3.3 | - |

The Government will provide \$11.0 million over three years to continue policy advice, program management and whole-of-government coordination, to ensure that the implementation of measures in Northern Territory Indigenous communities occurs smoothly and effectively. The measure also includes funding for monitoring and an evaluation in 2011-12, which will help to ensure policies in the Northern Territory have maximum impact in addressing Indigenous disadvantage.

Closing the Gap — Northern Territory – crèches

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 4.4 | 2.3 | 2.3 | - |

The Government will provide \$9.1 million over three years to fund the operation of eight new crèches established under the Northern Territory Emergency Response, construct and operate a ninth new crèche, and complete upgrades to two more existing crèches. This funding includes expenditure of \$2.2 million in 2009-10 for construction and upgrades. The crèches will provide a platform for the delivery of early childhood services such as immunisation and health screening, parenting support and information, nutrition programs, and child abuse prevention and awareness education.

Closing the Gap — Northern Territory – early childhood

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 0.5 | 0.5 | 0.5 | - |

The Government will provide \$1.5 million over three years to extend existing child and family support services in the Northern Territory. These services will support vulnerable Indigenous families to address complex issues such as substance abuse and family violence. Projects will develop parenting skills, address family violence, child development and wellbeing, and link families with other services such as housing, health and education.

Closing the Gap — Northern Territory – enhancing education – quality teaching and accelerated literacy

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|----------|-------------|-------------|-------------|----------|
| Department of the Treasury | - | 13.4 | 13.8 | 10.4 | - |
| Department of Education, Employment and Workplace Relations | - | 2.9 | 2.9 | 2.3 | - |
| Total | - | 16.2 | 16.7 | 12.7 | - |

The Government will provide \$45.7 million over three years to continue and expand education initiatives in the Northern Territory. This will assist Northern Territory education providers to accelerate the learning outcomes of their Indigenous students. This measure includes funding of:

- \$23.0 million over three years for the continuation of the Quality Teaching Initiative, which will provide assistance to 1,345 educational staff in remote Indigenous communities with professional development, workplace coaching, laptops for assistant teachers, and grants and completion incentives to encourage the acquisition of nationally-recognised professional qualifications; and
- \$22.7 million over three years for the continuation of four existing accelerated literacy specialist teams in 35 schools in remote Indigenous communities and the expansion of the program into a further 22 schools in Indigenous communities in the Northern Territory.

This funding includes \$37.6 million which will be paid to the Northern Territory Government. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Further funding of \$7.0 million will be provided for 15 additional classrooms in Northern Territory remote communities through the Government's \$14.7 billion Building the Education Revolution initiative, which was announced in February 2009 as part of the *Updated Economic and Fiscal Outlook*. These classrooms will be in addition to 25 additional classrooms in schools in Northern Territory Indigenous communities funded in 2007-08 and 2008-09.

Closing the Gap — Northern Territory – enhancing education – school nutrition

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|-------------|-------------|-------------|---------|
| Department of Education, Employment and Workplace Relations | - | 12.3 | 11.7 | 11.5 | - |
| Centrelink | - | 1.4 | 0.4 | 0.3 | - |
| Total | - | 13.7 | 12.0 | 11.8 | - |

The Government will provide \$37.5 million over three years as a contribution towards the continuation of the School Nutrition Program established in the Northern Territory. The program aims to improve school attendance, student performance and health by providing nutritious breakfasts and lunches to school students. The program will also provide job opportunities and training for local Indigenous people living in remote communities and support the local economy by purchasing goods from local retailers.

Closing the Gap — Northern Territory – enhancing education – teacher housing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 11.2 | - | - | - |

The Government will provide \$11.2 million in 2009-10 as a contribution towards the construction of 22 additional houses for teachers at schools in Indigenous communities in the Northern Territory.

Funding for the construction of houses for teachers in government schools will be provided through the Northern Territory Government, while funding for non-government schools will be provided through the Northern Territory Block Grant Authority. A contribution will be sought from the Northern Territory Government and the non-government school sector for the land, site development costs and ongoing house maintenance.

This funding is in addition to the \$5.0 million jointly announced on 22 October 2008 by the Minister for Education and the Federal Member for Lingiari for up to 10 additional teacher houses in the Wadeye community. These housing initiatives will help attract and retain teachers and assist in meeting the Government's commitment to provide an additional 200 teachers, over four years from the 2008 school year, in Indigenous communities in the Northern Territory.

Closing the Gap — Northern Territory – family support package

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|-------------|-------------|-------------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 5.5 | 5.7 | 5.9 | - |
| Department of the Treasury | - | 5.1 | 5.3 | 5.5 | - |
| Total | - | 10.5 | 10.9 | 11.4 | - |

The Government will provide \$32.9 million over three years to continue family support services in the Northern Territory. The funding will provide continued support to the mobile child protection team and Indigenous family and community workers in remote areas and for the continued operation of established safe houses.

The family support package is directed to ensuring that families, particularly children, who are at risk of violence or abuse, can access safe, secure and supportive services.

This funding includes \$15.8 million over three years which will be paid to the Northern Territory Government. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Closing the Gap — Northern Territory – field operations

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|-------------|-------------|-------------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 25.1 | 25.3 | 25.6 | - |
| Department of the Treasury | - | 0.9 | 2.9 | 4.3 | - |
| Total | - | 26.0 | 28.2 | 29.9 | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | - | <i>2.4</i> | <i>2.3</i> | <i>2.3</i> | - |

The Government will provide \$84.1 million over three years (including capital funding of \$7.0 million) to continue field operations in Northern Territory communities. This measure includes funding for the continued presence of Government Business Managers and interpreter services in Indigenous communities to facilitate the effective delivery of government services. The measure will also establish a Regional Operations Centre to coordinate services provided by local agencies to Indigenous communities.

This funding includes \$8.1 million over three years which will be paid to the Northern Territory Government. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States and Territories, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Closing the Gap — Northern Territory – income management – additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|--------------|------------|------------|------------|
| Centrelink | - | 88.3 | 0.9 | 0.6 | 0.6 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 7.7 | - | - | - |
| Department of Human Services | - | 7.5 | - | - | - |
| Department of Finance and Deregulation | - | 0.4 | 0.1 | - | - |
| Total | - | 103.8 | 0.9 | 0.6 | 0.6 |

The Government will provide \$105.9 million to continue income management in the Northern Territory and to provide financial management services to income support recipients.

This measure includes funding in 2009-10 for Centrelink to administer income management and for the Department of Human Services to provide income management cards (the BasicsCard) to income support recipients. It also includes funding for the Department of Human Services and Centrelink to undertake a tender process for a BasicsCard provider, and to cover costs associated with the transition to the new contract in mid-2010. A small amount of funding is provided thereafter for the ongoing maintenance of related Centrelink IT systems.

Under this measure, 50 per cent of income support and family assistance payments are income managed for the purchase of items such as food and clothing. This ensures that these payments are spent on items that contribute to a safe and healthy environment for families and children, while limiting funds for items that can fuel anti-social behaviours.

The Government has committed to ensuring the income management model is consistent with the *Racial Discrimination Act 1975(RDA)*. Prior to making a decision on an RDA-compliant income management model which would be implemented from July 2010, consultations will be held with affected Northern Territory communities.

This measure also provides funding for financial management services to help individuals and families manage their income effectively and for the Department of Finance and Deregulation to undertake a Gateway Review of the BasicsCard procurement and transition.

See also the related expense measure titled *Closing the Gap – Northern Territory – income management* in the February 2009 *Updated Economic and Fiscal Outlook*.

Closing the Gap — Northern Territory – Indigenous health and related services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 8.0 | 5.0 | 5.0 | - |
| Department of Health and Ageing | - | 6.5 | 52.5 | 54.1 | - |
| Total | - | 14.5 | 57.5 | 59.1 | - |

The Government will provide \$131.1 million over three years for additional Indigenous health and related services in the Northern Territory. This funding includes \$99.3 million for the continuation of expanded primary health care services in remote locations, and regional support and coordination, including regionally-based primary health and specialist services. This component of the funding also provides for the Remote Area Health Corps, which will assist in the recruitment and placement of medical professionals to deliver health services as part of this measure.

The remaining funding allocation will allow follow-up services arising from the child health checks to continue to be delivered, including \$15.7 million for dental, hearing and ear, nose and throat specialist services, \$11.0 million for the continuation of the sexual assault mobile outreach services and associated health workforce training, and \$5.1 million for substance use rehabilitation and treatment services.

This funding includes \$18.0 million which will be paid to the Northern Territory Government to assist in the delivery of these services. Under the framework for federal financial relations commencing 1 January 2009, payments to the States and Territories, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Closing the Gap — Northern Territory – language, literacy and numeracy training for Indigenous job seekers

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 1.0 | 1.0 | 1.0 | - |

The Government will provide \$3.0 million over three years for language, literacy and numeracy training projects in nine Indigenous communities in the Northern Territory. These innovative community-based projects will provide over 160 training places aimed at enhancing the ongoing employment prospects of Indigenous job seekers.

Closing the Gap — Northern Territory – law and order

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| Attorney-General's Department | - | 26.5 | 26.7 | 27.0 | - |

The Government will provide \$80.2 million over three years for the continued operation of 81 night patrol services in the Northern Territory.

This measure also includes funding to increase the number of legal assistance service providers, continue the operation of the Northern Territory Welfare Rights Project, and enable the Northern Territory Aboriginal Interpreter Service to meet demands resulting from the Northern Territory Emergency Response.

Closing the Gap — Northern Territory – Local Priorities Fund

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 10.0 | - | - | - |

The Government will provide \$10.0 million in 2009-10 for a Local Priorities Fund to meet local needs such as minor infrastructure enhancements and community facilities which cannot be funded through other established programs. The fund will enable Government Business Managers to respond rapidly to needs identified in Indigenous communities.

Closing the Gap — Northern Territory – playgroups

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 0.3 | 1.2 | 1.2 | - |

The Government will provide \$2.8 million over three years to continue to support playgroups in the Northern Territory. The playgroups provide Indigenous children with structured learning through culturally appropriate activities in a safe environment for children and their carers. This is expected to strengthen early childhood development and the parenting skills of Indigenous families participating in the playgroups.

Closing the Gap — Northern Territory – policing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 31.4 | 49.4 | 47.8 | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 7.9 | 9.3 | 10.7 | - |
| Total | - | 39.3 | 58.7 | 58.5 | - |

The Government will provide \$156.6 million over three years to continue a range of law and order activities to provide greater safety and security to people in Northern Territory Indigenous communities.

This measure includes funding for:

- 60 Northern Territory police officers to replace Australian Federal Police officers deployed as part of the initial Northern Territory Emergency Response;
- five permanent and ten temporary police stations; and
- activities supporting restrictions on alcohol and pornography.

This measure will help ensure the protection of women and children, reduce alcohol-fuelled violence and promote personal responsibility.

This funding includes \$128.6 million over three years which will be paid to the Northern Territory Government. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

See also the related expense measure titled *Closing the Gap – Northern Territory – remote policing* in the February 2009 *Updated Economic and Fiscal Outlook*.

Closing the Gap — Northern Territory – youth diversion

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 9.3 | 9.5 | 9.7 | - |

The Government will provide \$28.4 million over three years for youth diversionary services in the Northern Territory. This will offer a range of safe and healthy activities for Indigenous youth in the Northern Territory as an alternative to drinking and other forms of substance abuse. The funding will provide for the continuation of the Northern Territory Youth Development Network, which provides community-supported youth activities and builds the capacity of the youth and recreation sectors in the Northern Territory. The measure also includes funding to establish a Community Responsive Youth Support and Recreational Fund for infrastructure and youth services to reduce problem behaviours.

Closing the Gap — quality assurance for the Aboriginal and Torres Strait Islander Medical Services pathology program – enhancement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.8 | 0.9 | 1.0 | 1.1 |

The Government will provide \$3.8 million over four years to extend and expand the Aboriginal and Torres Strait Islander Medical Services pathology program beyond its current expiry date of 31 July 2009. The program improves the management of diabetes by providing Indigenous communities with access to immediate on-site blood testing at participating medical services sites. The funding also allows for a projected increase in the number of medical services sites participating in the program.

Closing the Gap — Reconciliation Australia – continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | 3.6 | 3.6 | 3.6 |

The Government will provide \$10.8 million over three years from 2010-11 to support the operation of Reconciliation Australia. Reconciliation Australia is an independent not-for-profit organisation, which works in partnership with corporations, governments and community groups to educate, involve and encourage the community to take responsibility for reconciliation between Indigenous and non-Indigenous Australians. One of its key initiatives is the Reconciliation Action Plan program, through which Reconciliation Australia works with organisations to identify specific actions that encourage reconciliation, such as employing more Indigenous people and improving cultural awareness.

Closing the Gap — Sporting Chance Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | 1.0 | 2.1 | 3.3 | 3.6 | - |

The Government will provide \$10.0 million over four years (including \$1.0 million in 2008-09) to expand the Sporting Chance Program. The Sporting Chance Program uses sport to encourage Indigenous students to maintain engagement with school education.

Funding of \$5.0 million over four years will be provided to enlist Former Origin Greats (FOGs) to establish school-based sports academies with a rugby league focus in Queensland and New South Wales.

Further funding of \$5.0 million over four years will also be provided to establish around 10 school-based sports academies with the focus on involving girls in sport.

This funding is in addition to \$10.0 million announced by the Prime Minister on 9 December 2008 to support 15 existing and new Clontarf school-based sports academies, mostly in Western Australia and the Northern Territory.

Closing the Gap — strengthening Australia's Indigenous visual arts industry – additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | - | 2.5 | 2.5 | 2.5 | 2.5 |

The Government will redirect funding from the Commonwealth Environment Research Facilities program to provide \$9.9 million over four years to further support the Indigenous visual arts industry.

This funding will allow for expanded support for art centre operations – ensuring appropriate staffing, training and remuneration of art centre employees. It will also provide for \$0.6 million over three years to support the implementation and monitoring of a voluntary Indigenous Art Commercial Code of Conduct.

This measure delivers on elements of the Government's response to the Senate Inquiry into the Indigenous visual arts sector, *Indigenous Art – Securing the future*, tabled on 8 August 2008 by the Minister for the Environment, Heritage and the Arts.

Closing the Gap — Torres Strait Major Infrastructure Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------------|---------|---------|---------|---------|---------|
| Torres Strait Regional Authority | - | 14.2 | 14.5 | 0.2 | - |

The Government will provide \$29.0 million over three years to provide environmental health infrastructure in the Torres Strait Islands under stage four of the Torres Strait Major Infrastructure Program. This infrastructure will include water treatment, reticulated sewerage and drainage projects, which will improve the health and wellbeing of Indigenous people living in the Torres Strait Islands. The Australian Government's contribution will be matched by the Queensland Government.

Commonwealth Seniors Health Card — income test

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 14.9 | 16.5 | 19.6 | 20.9 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 9.6 | 11.4 | 13.3 | 14.2 |
| Department of Veterans' Affairs | - | 0.1 | 0.1 | 0.1 | 0.1 |
| Total | - | 24.6 | 28.0 | 33.1 | 35.2 |

The Government will not proceed with an element of the measure *Responsible Economic Management – Commonwealth Seniors Health Card – adjusted taxable income test* announced in the 2008-09 Budget to change the Commonwealth Seniors Health Card income test to include gross tax-free superannuation pension income in the adjusted taxable income test. This will increase costs associated with the Commonwealth Seniors Health Card by around \$120.9 million over the forward estimates.

The Government will proceed with the other element of the measure – to include income that is salary sacrificed to superannuation in the income assessment, with effect from 1 July 2009. This change will be consistent with changes that have been legislated in respect of a range of other pension and allowance income tests, and arrangements that have existed for Age Pension for some time.

Coordinator General for remote Indigenous services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 2.2 | 2.2 | 2.3 | 2.3 |

The Government will provide \$9.0 million over four years to establish the position of Coordinator General for remote Indigenous services.

The Coordinator General will drive implementation of substantial government investment, particularly in housing, infrastructure and employment, in targeted remote Indigenous locations. The Coordinator General will do this by advising on, reviewing, monitoring and overseeing delivery against agreed local plans and commitments, initially in the Council of Australian Government (COAG) Remote Service Delivery National Partnership locations.

The position will be established as a Statutory Office, reporting directly to the Minister for Families, Housing, Community Services and Indigenous Affairs. The Coordinator General will have the power to report on Commonwealth, state or territory agencies which do not comply with requests to provide information.

Further information can be found in the joint press release of 26 February 2009 issued by the Prime Minister and the Minister for Families, Housing, Community Services and Indigenous Affairs.

Disability Parking Scheme — a national approach

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 2.0 | 0.6 | 0.4 | - |

The Government will provide \$3.0 million over three years to harmonise accessible parking schemes across Australia for people with a disability.

The measure includes funding for the production and distribution of a national permit; development of consistent national eligibility criteria and entitlements, and implementation of a national communications strategy, including a national website. State and Territory governments will administer the new arrangements, which are expected to be in place by June 2012.

Harmonising disability parking schemes will solve a range of problems for people with a disability, including not being eligible for disability parking in other States.

Disability Support Pension — better and fairer assessments

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | 0.1 | 11.4 | 14.4 | 15.0 | 17.5 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 1.8 | -36.9 | -114.5 | -190.9 |
| Department of Education, Employment and Workplace Relations | - | 0.7 | 41.6 | 94.7 | 138.0 |
| Department of Human Services | - | - | - | - | - |
| Total | 0.1 | 13.9 | 19.1 | -4.8 | -35.4 |

The Government will improve the assessment process for the Disability Support Pension (DSP) to provide faster and fairer assessment for people applying for the DSP. It will also provide increased assistance to new entrants to the DSP, with enhanced information and support services to assist people to re-engage in some work in cases where the person has the capacity to do so. New arrangements will be put in place to assist people with a disability to participate in the workforce, including the piloting of work force re-engagement contacts for new DSP recipients. This measure is expected to result in savings of \$7.2 million over four years.

A more differentiated assessment process will be introduced, involving an improved triage system, which will enable those who are clearly eligible for DSP to be fast-tracked and those clearly not eligible to be directed into more appropriate support programs. New arrangements will also be put in place to ensure that assessors have access to clients’ medical and employment history in order to ensure a fair assessment.

In addition, the tables for the assessment of work-related impairment for DSP will be updated from 1 January 2012, to ensure they are consistent with contemporary medical and rehabilitation practices. This will be done in consultation with the disability sector and relevant medical bodies.

Drought assistance — extension of the Family Support Drought Response Teams program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 7.6 | - | - | - |

The Government will provide \$7.6 million in 2009-10 to continue social and emotional counselling services to support families in drought-affected local communities. Support will be provided by 25 Family Support Drought Response Teams, as part of the Family Relationship Services Program.

Emergency Relief — assistance related to the Victorian bushfires and Queensland floods

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | 5.0 | - | - | - | - |

The Government provided an additional \$5.0 million in 2008-09 to the Emergency Relief program to assist churches and other non-government organisations to provide emergency relief in the form of food and other essential supplies to those affected by the Victorian bushfires and Queensland floods.

Emergency Relief — innovative projects to help build the financial capacity of people on low incomes

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 25.0 | 25.0 | - | - |

The Government will provide an additional \$50.0 million over two years for the Emergency Relief program to help build the longer term financial capacity of people on low incomes, including the unemployed.

The measure provides funding to assist church, community and charitable organisations to support people on low incomes through a range of financial management initiatives, including financial counselling, no-interest loans, matched savings and support to develop financial literacy and education programs.

The new funding will help vulnerable individuals and families, including those affected by the economic downturn, to build or rebuild their assets and improve their money management skills.

This measure builds on the previously announced measure *Emergency Relief Program – additional funding* which was noted in the February 2009 *Updated Economic and Fiscal Outlook*.

This measure was agreed with the Australian Greens as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

Family Relationships Services Program — transfer of responsibilities to the Department of Families, Housing, Community Services and Indigenous Affairs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 2.7 | 2.8 | 2.9 | 2.9 |
| Attorney-General's Department | - | -4.8 | -4.9 | -5.0 | -5.0 |
| Total | - | -2.1 | -2.1 | -2.1 | -2.1 |

The Government will improve administration of the Family Relationships Services Program by transferring funding for the Family Relationship Advice Line (with the exception of the legal advice component) and the Family Relationships Online programs from the Attorney-General's Department to the Department of Families, Housing, Community Services and Indigenous Affairs. By consolidating these services in the Department of Families, Housing, Community Services and Indigenous Affairs, rather than having responsibility shared across the two departments, services can be delivered more efficiently.

The measure will result in savings of \$8.4 million over four years. The Attorney-General's Department will retain responsibility for the family law system and family dispute resolution.

Improving School Enrolment and Attendance Trial — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | - | 3.1 | - | - | - |
| Department of Education, Employment and Workplace Relations | - | 0.7 | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | - | - | - |
| Total | - | 3.8 | - | - | - |

The Government will provide \$3.8 million in 2009-10 to continue the School Enrolment and Attendance trial announced in the 2008-09 Budget. Trials have commenced in six communities in the Northern Territory: Hermannsburg, Katherine, Katherine Town Camp, Wallace Rock Hole, Wadeye and Tiwi Islands and will be established in two additional metropolitan locations outside the Northern Territory.

Under the trial, parents receiving Australian Government income support payments with children of compulsory school age are required to provide details of their child's school enrolment to Centrelink. Where they fail to do so, they can have their payments temporarily suspended.

Parents are also required to take reasonable steps to ensure their children regularly attend school. Where children are not regularly attending school, and parents cannot then demonstrate they are taking steps to ensure their children attend school, they may have their income support payments temporarily suspended. Reinstatement of payments will occur if parents meet the requirements within a 13 week period. After the 13 week suspension period, Centrelink has the discretion to cancel a parent's income support payment if investigations indicate this is warranted. Other benefits, such as the Family Tax Benefit, will remain available to parents during any period of suspension.

Income management in cases of child neglect and by voluntary choice — continuation of trial

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | 0.5 | 8.2 | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 3.0 | - | - | - |
| Department of Human Services | - | 0.1 | - | - | - |
| Total | 0.5 | 11.4 | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| Centrelink | - | 1.4 | - | - | - |

The Government will provide an additional \$13.2 million over two years (including capital funding of \$1.4 million) to continue income management in cases of child neglect and where chosen voluntarily. The trial, first announced in the 2008-09 Budget, commenced in the Kimberley region of Western Australia and the Cannington District of Perth.

In this trial, income management arrangements direct up to 70 per cent of income support and family payments to meet essential household and family expenses. This helps to ensure that parents are taking care of their children and meeting the children's essential needs.

This measure will also provide funding of \$2.5 million for associated financial management support services to aid individuals and families participating in income management to appropriately spend their income, develop self-reliance and exit income management.

Maternity Immunisation Allowance — alignment of indexation with other family payments

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | .. | 0.2 | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -0.5 | -0.5 | -0.9 | -0.9 |
| Total | 0.0 | -0.3 | -0.5 | -0.9 | -0.9 |

The Government will change the timing of the indexation of Maternity Immunisation Allowance from twice a year to once a year, the other major family assistance payment indexation arrangements. The first annual indexation will occur on 1 July 2010.

Maternity Immunisation Allowance consists of two non-means tested payments of around \$123 each, with the first at 18 to 24 months of age and the second at four to five years of age once certain immunisations have been completed.

National Companion Card — implementation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 0.8 | 0.6 | 0.5 | - |

The Government will provide \$1.8 million over three years to establish a National Companion Card Scheme. This will extend the reciprocal Companion Card Scheme currently operating in some States to a national reciprocal scheme covering all eligible Australians.

The scheme enables Companion Card holders to participate in affiliated activities and visit venues and events without incurring the cost of a second ticket for their companion/carer. This measure will ensure that Companion Card holders and their companion/carer will be able to take part in the scheme, regardless of which State or Territory they live in or are visiting.

The Government will facilitate the establishment of the National Companion Card Scheme through consultation with key stakeholders; developing national program guidelines and an intergovernmental agreement; expanding the number of participating firms through a national affiliate strategy; and developing a national website. The States and Territories will administer the scheme.

The scheme will be fully implemented by 30 June 2012.

National Framework for Protecting Australia's Children — Communities for Children Plus Program — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 1.7 | 3.1 | 3.1 | 2.1 |

The Government will provide \$10.0 million over four years to establish up to eight innovative service delivery sites across Australia to reduce child abuse and neglect in disadvantaged communities. Building on the Communities for Children initiative, the Communities for Children Plus program will provide intensive early intervention services to an additional 1,200 children and families in their local community.

The program will bring Australian, State and Territory government services together to address the risk factors for child abuse and neglect before they escalate.

The measure is part of the National Framework for Protecting Australia's Children agreed at Council of Australian Governments on 30 April 2009. Further information can be found in the press release of 30 April 2009, issued by the Prime Minister.

National Framework for Protecting Australia's Children — National Leadership Projects

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 2.3 | 2.3 | 2.7 | 2.8 |

The Government will provide \$10.0 million over four years for four national leadership projects to improve the effectiveness of Australia's child protection systems, including:

- developing a National Research Agenda for child protection to improve the evidence base underpinning policy;
- improving information-sharing about families and children at risk and improving data consistency to support and contribute to the evidence base;
- supporting workforce development projects to improve the responsiveness of services for at risk children and victims of abuse and neglect through improved professional training and establishing a common approach to assessment and referral of children; and
- developing National Standards for Out-of-Home Care to enhance national consistency and improve outcomes for children and young people unable to live with their birth families due to neglect or abuse.

The measure is part of the National Framework for Protecting Australia's Children agreed at Council of Australian Governments on 30 April 2009. Further information can be found in the press release of 30 April 2009, issued by the Prime Minister.

National Framework for Protecting Australia's Children — Special Child Care Benefit — increasing awareness and access

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 9.1 | 9.0 | 9.2 | 9.4 |
| Centrelink | 0.1 | 0.5 | 0.2 | 0.2 | 0.2 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | - | - | - |
| Total | 0.1 | 9.5 | 9.2 | 9.4 | 9.6 |

The Government will provide \$3.0 million over five years for the development and delivery of a communication strategy to increase awareness of the availability and application process for the Special Child Care Benefit. The measure is expected to result in increased expenditure on Special Child Care Benefit of \$34.8 million over four years due to the expected increase in the take-up of existing entitlements, bringing the total cost of the measure to \$37.8 million over five years.

Under the measure the Government will also clarify the definition of 'at risk' in the Special Child Care Benefit Guidelines. This will help child care services and community, family and children's services understand the circumstances in which a child is eligible for Special Child Care Benefit.

Special Child Care Benefit covers up to the full fee charged to a family for child care costs for a limited period where a child is assessed as being at risk of abuse or neglect or where the family is in temporary financial hardship.

The measure is part of the National Framework for Protecting Australia's Children agreed by COAG on 30 April 2009. Further information can be found in the Prime Minister's Press release of 30 April 2009.

National Framework for Protecting Australia's Children — Transition to Independent Living Allowance — increase

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | 1.3 | 1.3 | 1.3 | 1.4 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | - | - | - |
| Total | - | 1.3 | 1.3 | 1.3 | 1.4 |

From 1 July 2009, the Government will increase the Transition to Independent Living Allowance (TILA) for young people leaving care from \$1,000 to \$1,500 at a cost of \$5.3 million over four years.

The TILA provides one-off financial support for young people leaving formal state-based care or informal care, such as out-of-home care and Indigenous kinship care arrangements. The TILA assists with the costs associated with moving from care to independent living such as moving, furniture, education and transport costs.

This measure is part of the National Framework for Protecting Australia's Children agreed at COAG on 30 April 2009. Further information can be found in the Prime Minister's press release of 30 April 2009.

National Plan to Reduce Violence against Women and their Children — implementation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | - | - | - |

The Government will redirect funding of \$55.2 million over four years from the Women's Safety Agenda program to implement a number of new initiatives which will progress the National Plan to Reduce Violence against Women and their Children.

The measures include: national online and telephone crisis support, counselling and referral services; a trial of Respectful Relationships programs in schools; a social change marketing campaign; research to be conducted by the National Centre of Excellence for the Prevention of Violence against Women; and continuation of the National Advisory Council on Violence against Women.

In addition, the Government will work with the States and Territories through the Council of Australian Governments to jointly agree a National Plan to Reduce Violence against Women and their Children by early 2010.

Paid Parental Leave

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|------------|-------------|--------------|--------------|--------------|
| Centrelink | 0.5 | 5.7 | 21.8 | 18.1 | 17.3 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 4.8 | 237.5 | 465.4 | 478.1 |
| Department of Education, Employment and Workplace Relations | - | 0.5 | 0.3 | 0.2 | 0.2 |
| Department of Finance and Deregulation | - | 0.3 | 0.2 | - | - |
| Medicare Australia | - | .. | 0.4 | 0.4 | 0.3 |
| Total | 0.5 | 11.3 | 260.1 | 484.0 | 495.9 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | - | 74.3 | 224.3 | 229.3 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Centrelink</i> | - | 2.3 | 4.6 | - | - |

The Government will introduce a Paid Parental Leave scheme from 1 January 2011 at an estimated cost of \$730.7 million over five years. The scheme will help parents spend time with newborns, improving outcomes for parents and their child. It will also promote continued participation and contact with the workforce.

The government funded scheme will provide eligible parents with up to 18 weeks of leave at the Federal Minimum Wage, currently \$543.78 per week. These payments will be treated as taxable income and will affect entitlement to family assistance payments, but will not be counted as income for income support payments. People who elect not to receive Paid Parental Leave or who do not qualify will continue to receive the Baby Bonus and other family payments, where they meet eligibility requirements.

Primary carers will be eligible for the scheme if they:

- earned less than \$150,000 in the full financial year prior to the birth or adoption of a child;
- have worked at least 330 hours over the 10 months preceding the birth or adoption of a child; and
- have also worked continuously with one or more employers for at least 10 of the 13 months before the expected date of birth or adoption.

In some cases Paid Parental Leave will be able to be transferred to another caregiver if the primary carer returns to work before they have received their full Paid Parental Leave entitlement.

Parents who choose to receive Paid Parental Leave will not receive the Baby Bonus, except in cases of multiple births where parents will not receive the Baby Bonus for the first child only. Parents who choose to receive Paid Parental Leave will also not be eligible for the Family Tax Benefit Part B and the dependent spouse, child-housekeeper and housekeeper tax offsets for the 18 week period or whilst they are in receipt of Paid Parental Leave.

The paid paternity leave component will be considered as part of the comprehensive review of the scheme which will take place in 2013.

Consideration of superannuation payments while on statutory Paid Parental Leave will also be deferred until the review. The Australian Taxation Office has advised the Government that it considers that salary paid while on parental leave and other ancillary leave payments are ordinary time earnings for superannuation guarantee purposes. The Government will clarify that superannuation guarantee contributions will not apply to voluntary paid parental leave payments, and the Government will review this position when it reviews the treatment of superannuation under the paid parental leave scheme. The Government will also defer the application of superannuation guarantee contributions for ancillary leave payments until this review is completed in 2013.

Queensland floods — assistance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | 48.0 | 3.7 | - | - | - |
| Centrelink | 3.8 | - | - | - | - |
| Total | 51.8 | 3.7 | - | - | - |

The Government is providing \$55.5 million over two years to assist people adversely affected by the floods in north Queensland which began in January 2009.

On 29 January 2009, Tropical Cyclone Ellie caused a rain depression in the Far North/Northern regions and Gulf region of North Western Queensland which resulted in flooding in townships between Townsville and Cairns.

Payments of \$1,000 per eligible adult and \$400 per eligible child were made available to people who, as a direct result of the flooding, were adversely affected. This includes people who were seriously injured, and people whose principal place of residence sustained major damage, was destroyed or was inaccessible for a period of more than 48 hours.

The Government also made available ex-gratia payments of \$5,000 for funeral costs to support the immediate family of people who lost their lives as a direct result of the flooding caused by Tropical Cyclone Ellie. An ex-gratia income recovery subsidy of up to the maximum rate of Newstart Allowance was also made available for a period of 13 weeks to employees, small business persons or farmers who lost their income as a direct result of the flooding.

On 12 January 2009, Ex-Tropical Cyclone Charlotte exacerbated the monsoonal flooding in the Gulf region of North Western Queensland, isolating communities for an extended period. An ex-gratia income recovery subsidy of up to the maximum rate of Newstart Allowance was made available for a period of 13 weeks to employees, small business persons or farmers who lost their income as a direct result of the flooding caused by Tropical Cyclone Charlotte in the North Western Queensland regions.

Reform of family payments — Family Tax Benefit Part A (FTB-A) — removing the link to pension indexation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -43.1 | -189.5 | -292.0 | -498.7 |

From 1 July 2009, Family Tax Benefit Part A (FTB-A) payment rates will be indexed by the Consumer Price Index consistent with other family payments such as Family Tax Benefit Part B and the Baby Bonus. This will replace the current arrangement whereby maximum rates of FTB-A for children under the age of 16 are benchmarked to a proportion of the combined couple rate of pension payments, or adjusted by the Consumer Price Index, whichever is higher.

This is expected to result in reduced outlays of \$1.0 billion over four years compared to current indexation arrangements.

This measure will help reduce the long-term cost to the budget of a substantial and growing expenditure, contributing to the return of the budget to surplus and the reduction of net debt.

Reform of family payments — pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|------------|---------------|---------------|---------------|---------------|
| Department of the Treasury | - | - | - | - | - |
| Department of Health and Ageing | - | -2.9 | -8.2 | -12.6 | -15.0 |
| Centrelink | 0.6 | -3.8 | -3.5 | -6.6 | -6.9 |
| Australian Taxation Office | - | -33.0 | -43.0 | -66.0 | -68.0 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -169.9 | -236.3 | -346.9 | -364.6 |
| Total | 0.6 | -209.6 | -291.0 | -432.1 | -454.5 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | - | 1.0 | 3.0 | 5.0 |

The Government will reform family payments through maintaining the higher income thresholds for family payments at their current level until July 2012.

The following higher income thresholds will remain fixed until July 2012: the Family Tax Benefit Part B primary earner income threshold, which will remain at \$150,000; the income threshold for receiving the dependency tax offsets, which will remain at \$150,000; the Baby Bonus eligibility threshold, which will remain at \$75,000 of family income in the six months following the birth or adoption of a child (equivalent to \$150,000 a year); and the higher income-free area of Family Tax Benefit Part A, which will remain at \$94,316 of family income (plus \$3,796 for each child after the first). These thresholds would ordinarily be indexed by the Consumer Price Index.

The measure reforms family payments by better targeting family assistance to those families most in need of help with the cost of raising their children and is expected to result in savings of \$1.4 billion over four years.

Secure and sustainable pensions — close the Pension Bonus Scheme

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|------------|------------|------------|--------------|--------------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 5.1 | 3.3 | -14.5 | -49.8 |
| Centrelink | 0.2 | 1.1 | 0.9 | -0.2 | .. |
| Department of Veterans' Affairs | 0.1 | 0.8 | 0.7 | -1.2 | -5.1 |
| Department of Health and Ageing | - | 0.1 | 0.2 | 0.3 | 0.4 |
| Medicare Australia | - | .. | .. | .. | .. |
| Total | 0.3 | 7.1 | 5.1 | -15.6 | -54.5 |

The Government will close the Pension Bonus Scheme to new entrants from 20 September 2009. Existing members of the scheme will continue to accrue entitlements under existing rules.

The Government is closing the scheme to new entrants as evaluation data has indicated that the vast majority of participants would have continued in the workforce in the absence of the scheme.

The measure will result in a net saving of \$57.6 million over five years (including a cost of \$0.3 million in 2008-09).

The Government will continue to encourage workforce participation among older Australians by establishing a new pension income test concession for employment income. Under the new Work Bonus, 50 per cent of the first \$500 per fortnight of employment income will not count for income test purposes.

See also the related expense measure titled *Secure and Sustainable Pensions – tighten the income test taper and provide incentive for workforce participation* in the Families, Housing, Community Services and Indigenous Affairs portfolio.

Secure and sustainable pensions — increase in the Age Pension age

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | .. | 0.8 | 0.1 | 0.4 | 0.1 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | - | - | - |
| Total | 0.0 | 0.8 | 0.1 | 0.4 | 0.1 |

The Government will increase the qualifying age for the Age Pension and the Commonwealth Seniors Health Card for men and women to 67 years of age from 2023. The transition to the higher Age Pension age will commence in July 2017, with the qualifying age increasing by six months every two years, to reach 67 on 1 July 2023. This timeline dovetails with the current process for increasing the female Age Pension age, which is being increased from 63.5 today to 65 years of age by July 2013. The current Age Pension age for men is 65.

The Intergenerational Report projected that the percentage of people aged over 65 will increase from 13 per cent to 25 per cent by 2047, reflecting changing demographics and increases in life expectancy. When the Age Pension was introduced in 1909, a male retiring at age 65 would have expected to spend 11 years in retirement. At that time, around half of the male population reached retirement age. Today, over 85 per cent of the male population reaches retirement age and can expect to spend over 19 years in retirement.

This measure will help reduce the long-term cost to the budget of a substantial and growing expenditure, contributing to the return of the budget to surplus and the reduction of net debt.

Secure and sustainable pensions — increase to pension payments

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|------------|----------------|----------------|----------------|----------------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 2,427.2 | 3,294.6 | 3,483.9 | 3,709.2 |
| Department of Veterans' Affairs | 0.7 | 259.9 | 316.1 | 309.1 | 301.5 |
| Centrelink | 3.8 | 22.9 | 7.9 | 6.1 | 6.2 |
| Department of Education, Employment and Workplace Relations | - | 13.1 | 10.5 | 9.4 | 7.1 |
| Department of Health and Ageing | - | 0.2 | 0.7 | 0.7 | 0.8 |
| Medicare Australia | - | .. | .. | .. | .. |
| Total | 4.5 | 2,723.4 | 3,629.8 | 3,809.2 | 4,024.8 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | 11.0 | 15.0 | 22.0 | 32.0 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | - | - | - |
| Total | - | 11.0 | 15.0 | 22.0 | 32.0 |
| <i>Related capital (\$m)</i> | | | | | |
| Department of Veterans' Affairs | .. | 1.7 | - | - | - |

The Government will provide \$14.2 billion over five years (including \$4.5 million in 2008-09 for administration changes) to improve the financial security of pensioners. The new pension package (comprising the base pension and the Pension Supplement) will deliver the following increases:

- a \$32.49 per week increase for single pensioners on the full rate of pension; and
- a \$10.14 per week (combined) increase for couple pensioners on the full rate of pension.

These increases will be provided in two forms, through an increase in the base rate of pension for singles; and through an increase in a new Pension Supplement for both singles and couples.

The Government will provide a \$30 per week increase in the single basic pension rate.

For the new Pension Supplement, the Government will provide:

- a \$2.49 per week increase for singles; and
- a \$10.14 per week combined increase for couples.

These increases bring the amount paid to singles to two-thirds (66.3 per cent) of that received by couples combined. This new ratio applies across both the base pension and new Pension Supplement.

The current benchmark of the single base pension to Male Total Average Weekly Earnings will be lifted by more than 10 per cent, from 25 per cent to 27.7 per cent. This new benchmark will be enshrined in legislation.

The measure will also make pension payment arrangements simpler and easier to understand for pensioners. From 20 September 2009, the Goods and Services Tax pension supplement, Pharmaceutical Allowance, Utilities Allowance and Telephone Allowance will be consolidated, together with the increases noted above, into the new Pension Supplement.

The Pension Supplement will be paid fortnightly, in conjunction with the base pension. From 1 July 2010 pensioners will have greater choice under the new arrangements in how frequently they receive the pension supplement. Around half of the Supplement will become available on a quarterly basis.

These increases in assistance will apply to recipients of the Age Pension, Service Pension, Disability Support Pension, Carer Payment, Bereavement Allowance, Widow B Pension, Wife Pension, Income Support Supplement and to War Widow/ers, and will take effect on 20 September 2009. The new Pension Supplement will also be provided to Widow Allowees, Partner Allowees and other income support recipients over age pension age.

The measure will also introduce new flexible advanced payment arrangements for pensioners to help them meet unexpected expenses. Under new arrangements, pensioners will be able to seek more than one advance per annum, with the maximum amounts increased to three times the maximum weekly basic pension (more than \$700 for each member of a pensioner couple and more than \$900 for a single pensioner) or 7.5 per cent of the annual pension entitlement, whichever is the lower. Advances will be repaid over six months by direct deductions from pension payments.

A new Seniors Supplement will be established for Commonwealth Seniors Health Card holders and veterans eligible for the Gold Card. The Seniors Concession Allowance and the Telephone Allowance will be consolidated into the new Seniors Supplement. The single rate of the Seniors Supplement will include an extra \$129 a year, to bring it to two thirds of the rate paid to couples combined.

Existing Pensioner Tax Offset and Senior Australian Tax Offset arrangements will continue to ensure that maximum rate pensioners do not pay tax. Some part-rate pensioners on higher incomes, including some who already pay tax, will pay tax on the pension increase.

Secure and sustainable pensions — new carer supplement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|--------------|------------|--------------|--------------|--------------|
| Centrelink | 2.0 | 7.2 | 2.6 | 2.6 | 2.6 |
| Department of Veterans' Affairs | 9.6 | 0.3 | 9.0 | 8.3 | 7.6 |
| Department of Families, Housing, Community Services and Indigenous Affairs | 373.1 | 0.1 | 434.2 | 458.4 | 482.5 |
| Total | 384.8 | 7.6 | 445.8 | 469.3 | 492.7 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Veterans' Affairs</i> | .. | 0.7 | - | - | - |

The Government will provide \$1.8 billion over five years (including \$384.8 million in 2008-09) to improve assistance to carers through the introduction of a new carer supplement, in recognition of the contribution carers make in caring for people with disabilities and the frail aged. The new supplement will be ongoing and non-taxable. The first payment will be made by 30 June 2009 with subsequent payments starting from 1 July 2010.

The new supplement will provide:

- \$600 per annum to all Carer Allowance recipients for each person being cared for; and
- \$600 per annum to all Carer Payment recipients.

People who receive both Carer Payment and Carer Allowance will be eligible for both payments.

The existing Child Disability Assistance Payment of \$1,000 per annum for carers who are paid Carer Allowance (child) will continue.

Secure and sustainable pensions — social security agreements with Latvia, the Czech Republic and the Slovak Republic

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 0.3 | -0.1 | -0.7 | -0.8 |
| Centrelink | - | 0.3 | 5.0 | 0.4 | 0.4 |
| Total | - | 0.6 | 4.9 | -0.3 | -0.4 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | - | .. | .. | .. |

The Government will provide \$4.9 million over four years to extend the current network of reciprocal social security agreements to include Latvia, the Czech Republic and the Slovak Republic.

These agreements are expected to commence on 1 January 2011 and will improve access to the Age Pension for people who live for a time in both Australia and the nations who are party to the agreements. Australia and these nations will share responsibility for the pension, each paying a proportion of their pension based on relevant eligibility criteria and the period of residence or insurance that recipients have accrued in each country.

These agreements also deal with 'double coverage' of superannuation by removing the obligation for an employer to make compulsory superannuation or social security contributions in two jurisdictions in respect of the same work done by the same employee sent to work in the other jurisdiction. The employer's superannuation (or social security) obligation will instead remain in the employee's home country.

Secure and sustainable pensions — tighten the income test taper

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|------------|------------|----------|----------|----------|
| Centrelink | 0.2 | 11.6 | 6.9 | 5.4 | 3.1 |
| Medicare Australia | - | .. | .. | .. | .. |
| Department of Health and Ageing | - | -0.2 | -0.5 | -0.6 | -0.6 |
| Department of Veterans' Affairs | 0.1 | -12.4 | -25.6 | -30.5 | -36.3 |
| Department of Families, Housing, Community Services and Indigenous Affairs(a) | - | -133.2 | -265.5 | -338.4 | -417.7 |
| Total | 0.3 | -134.1 | -284.7 | -364.1 | -451.5 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Veterans' Affairs</i> | <i>0.1</i> | <i>1.2</i> | <i>-</i> | <i>-</i> | <i>-</i> |

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

The Government will increase the income test taper from 40 to 50 cents in the dollar for a single pensioner and from 20 to 25 cents in the dollar for each member of a couple, for income above the relevant income free threshold. This threshold is currently \$138 per fortnight for single pensioners and \$240 per fortnight for pensioner couples (combined).

As part of this measure, the higher income test threshold for pensioners with children (currently \$162.60) will be abolished to align the pension income test with the allowance and family payments income tests. This recognises that assistance with the care of children is provided directly through Family Tax Benefit and Child Care Benefit.

Existing part pensioners affected by the income test changes will keep existing entitlements, maintained in real terms, plus an increase of \$10.14 per week for singles or couples combined.

These measures to tighten the income test will help ensure that pension payments are better directed to those with less private means.

To increase incentives to undertake paid employment, an income test concession for employment income will be introduced for people of Age Pension age and for veterans of Service Pension age. Employment income will be assessed fortnightly, with only half of the first \$500 of fortnightly employment income to be counted in assessing their pension entitlement.

This measure will provide savings of \$1.6 billion over five years (including \$0.4 million in administrative costs in 2008-09) and will commence on 20 September 2009.

This measure will help reduce the long-term cost to the budget of a substantial and growing expenditure, contributing to the return of the budget to surplus and the reduction of net debt.

South-East Queensland storms — assistance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | 19.2 | - | - | - | - |
| Centrelink | 2.1 | - | - | - | - |
| Total | 21.3 | - | - | - | - |

The Government provided \$19.2 million in 2008-09 under the Australian Government Disaster Recovery Payment program to assist people adversely affected by the storms in south-east Queensland that began on 16 November 2008.

Payments of \$1,000 per eligible adult and \$400 per eligible child have been made available to people who, as a direct result of the storms, were seriously injured and required hospitalisation for at least 48 hours or whose principal place of residence was significantly damaged or destroyed.

This measure also includes funding for Centrelink of \$2.1 million in 2008-09.

Tuggeranong Office Park — accommodation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Families, Housing, Community Services and Indigenous Affairs | - | 8.7 | 7.1 | 6.8 | 7.0 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | - | 16.7 | 10.0 | - | - |

The Government will provide \$56.4 million over four years (including \$26.8 million in capital funding) for the costs associated with the lease of the Tuggeranong Office Park by the Department of Families, Housing, Community Services and Indigenous Affairs. Funding will be provided for building improvements, rent commitments, and building management and maintenance expenses.

The measure will provide for an upgrade of accommodation at Tuggeranong Office Park, which has not been refurbished since 1991, and will assist the Department of Families, Housing, Community Services and Indigenous Affairs to meet its obligations under the Occupational Health and Safety and Disability Discrimination Acts.

Victorian bushfires — assistance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | 16.1 | 14.5 | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | 75.2 | 10.6 | - | - | - |
| Department of Human Services | 3.7 | 1.0 | - | - | - |
| Total | 95.0 | 26.1 | - | - | - |

The Government will provide \$85.8 million in payments over two years to assist people adversely affected by the bushfires in Victoria that began in late January 2009.

Australian Government Disaster Recovery Payments of \$1,000 per eligible adult and \$400 per eligible child have been made available to people who were adversely affected. This includes people who were seriously injured or experienced psychological trauma; and people whose principal place of residence sustained major damage, was destroyed, was inaccessible for a period of more than 24 hours, or experienced a utility failure for a period of more than 48 hours.

An ex-gratia income recovery subsidy of up to the maximum rate of Newstart Allowance was also made available for a period of 26 weeks to employees, small business persons or farmers who lost their income as a direct result of the bushfires.

The Government has also made available ex-gratia payments of \$5,000 for funeral costs to support the immediate family of people who lost their lives as a direct result of the bushfires.

This measure also includes \$35.3 million over two years to enable Centrelink and the Department of Human Services to deliver payments and provide support services to affected individuals.

FINANCE AND DEREGULATION

Australian Electoral Commission — savings measures

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Australian Electoral Commission | - | -1.5 | -1.5 | -1.5 | -1.5 |

The Government will reduce funding for the Australian Electoral Commission with savings to be achieved by reducing expenditure on Electoral Education Centres, the use of in-house legal advice rather than external legal providers and through implementing general efficiency measures.

Savings will also be achieved by closing the Electoral Education Centres located in Melbourne and Adelaide, and ceasing financial support for the Western Australian Electoral Education Centre. The internet and printed material will provide alternative means of providing electoral education.

This measure will provide savings of \$6.1 million over four years.

Commonwealth Grants Framework

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | 1.0 | 1.0 | 0.8 | 0.7 |

The Government will provide \$3.5 million over four years to establish a Grants Framework Unit in the Department of Finance and Deregulation. The unit will implement the new Commonwealth Grants Policy Framework comprising Commonwealth Grant Guidelines (CGGs) and a range of regulatory and reporting reforms. The CGGs will provide whole-of-government guidance on grants administration.

Further information can be found in the press release of 9 December 2008 issued by the Minister for Finance and Deregulation.

Department of Finance and Deregulation — increased efficiencies

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | -1.1 | -1.1 | -1.1 | -1.1 |

The Government will reduce funding for the Department of Finance and Deregulation, with efficiencies to be achieved in several areas including by reducing administrative support provided to the Finance portfolio ministers and other parliamentarians, and streamlining activity relating to information technology standards and public – private partnerships advice.

This measure will provide savings of \$4.3 million over four years.

Ministerial and Opposition staff — additional positions

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | 7.9 | 8.3 | 8.8 | 9.2 |

The Government will provide \$34.2 million over four years to increase the number of Ministerial, Opposition, Australian Greens and Independent staff by a total of 44 positions.

The proposed increase in staffing is consistent with recommendations made by an independent review conducted by Mr Alan Henderson PSM and reflects the review’s assessment of the excessive demands on staff in the face of the challenges facing the Australian Government.

Property management — improved framework

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | 3.6 | 2.3 | 2.1 | 2.1 |

The Government will provide \$10.1 million over four years to implement a Commonwealth Property Management Framework. The framework will outline whole-of-government policy and governance arrangements in order to improve the efficiency and effectiveness of property management across *Financial Management and Accountability Act 1997* agencies.

Recruitment advertising — guidelines

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | - | - | - | - |

The Government will develop and issue Guidelines on Recruitment Advertising that specify the maximum size and placement of recruitment advertisements.

The use of the guidelines will result in more efficient recruitment advertising expenditure across *Financial Management and Accountability Act 1997* agencies, delivering value for money for taxpayers.

West Block refurbishment project — stage one

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | 0.8 | .. | - | - |

The Government will provide \$0.9 million over two years to the Department of Finance and Deregulation for planning and preparation of a detailed business case for the West Block refurbishment project. West Block is a heritage-listed building occupied by the Australian Electoral Commission in the Australian Capital Territory. The refurbishment project will address the capacity of the building to achieve current building and energy efficiency standards.

Whole-of-government procurement contracting — Microsoft volume sourcing agreement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | - | - | - | - |

The Government has decided that the Department of Finance and Deregulation will manage a volume sourcing agreement (VSA) made with Microsoft for supply of Microsoft products to Australian Government agencies. The centralised VSA provides an opportunity to achieve savings by utilising the Commonwealth's combined purchasing power and reducing administration costs. The savings will be retained by agencies.

The Department of Finance and Deregulation will receive funding from agencies to cover the cost of the across government VSA.

FOREIGN AFFAIRS AND TRADE

APEC Business Advisory Council (ABAC) — hosting an ABAC meeting in 2010 and secretariat support

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 0.3 | - | - | - |

The Government will allocate \$1.8 million over four years to provide ongoing secretariat support to the Asia Pacific Economic Cooperation (APEC) Business Advisory Council (ABAC) and for the Council to host a meeting in Melbourne in February 2010. The meeting will provide an opportunity for businesses and governments to meet to contribute to APEC initiatives.

ABAC, which was established in 1995, is a private sector arm of the APEC forum used to advise APEC economic leaders and officials on issues of interest to business. The Government is committed to APEC as a pre-eminent regional forum and support for Australian involvement in ABAC will ensure the needs of the Australian business community are reflected at APEC meetings.

The cost for the Secretariat is being fully met from within the resources of the Department of Foreign Affairs and Trade.

Australian Centre for International Agricultural Research — redirect funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Centre for International Agricultural Research | - | -0.4 | -0.4 | -0.4 | -0.4 |

The Government will not proceed with new agricultural research for development projects in Thailand from 2009-10 worth \$1.6 million over four years. The funding will be redirected to other priority activities within Australia's overseas development assistance program.

Australian Consulate-General in Nauru — continued funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | - | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | - | - | - | - |

The Government will provide \$8.8 million over four years to continue the operations of the Australian Consulate-General in Nauru on an ongoing basis.

Ongoing funding of a diplomatic post in Nauru will assist in the continued strong management of Australia's bilateral relationship, including a proposed Pacific Partnership for Development in line with the Government's Pacific policy agenda as set out in the Prime Minister's *Port Moresby Declaration* on 6 March 2008.

The measure includes funding for staff resources, rental of office space, and costs for essential upgrades to equipment.

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

Australian Trade Commission — Clean Energy Trade and Investment Strategy

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------------|---------|---------|---------|---------|---------|
| Australian Trade Commission | - | 4.2 | 5.0 | 5.0 | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Trade Commission</i> | - | 0.7 | - | - | - |

The Government will provide \$14.9 million over three years (including \$0.7 million in capital funding in 2009-10) to facilitate export opportunities for Australian clean energy firms and inward investment to expand Australia's clean energy capability. This will include the appointment of Australian Trade Commission clean energy advisers in Australia and overseas.

This measure forms part of the Government's election commitment to deliver a Clean Energy Export Strategy to encourage the development of a strong and vibrant Australian clean energy industry.

Australian Trade Commission — Export Market Development Grants scheme — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------|---------|---------|---------|---------|---------|
| Australian Trade Commission | 50.0 | - | - | - | - |

The Government provided an additional \$50.0 million in 2008-09 for the Export Market Development Grants scheme. The scheme provides small and medium-sized Australian businesses with taxable grants to reimburse a proportion of eligible export promotion costs.

Australian Trade Commission — reduction in promotional activities

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------|---------|---------|---------|---------|---------|
| Australian Trade Commission | - | -0.3 | -0.3 | -0.3 | -0.3 |

The Government will reduce expenditure on promotional activities that raise community awareness of Austrade’s Getting into Export Program. The program itself will continue and information about the program will still be available for interested businesses at Austrade offices, TradeStart offices and on the Austrade website.

This measure will provide savings of \$1.2 million over four years.

Border protection — additional resourcing to combat people smuggling — international engagement to prevent and disrupt maritime people smuggling

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 4.1 | 4.6 | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | 1.1 | - | - | - |

The Government will provide \$9.7 million (including \$1.1 million in capital funding for fit out costs) over two years to enhance the Department of Foreign Affairs and Trade’s contribution to combat people smuggling. This measure will support increased engagement with key regional countries on people smuggling and provide support for the development of sub-regional consultations under the auspices of the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (Bali Process).

This measure will re-establish a full-time Ambassador for People Smuggling Issues, establish a support unit to the Ambassador, and establish new positions in Jakarta, Colombo, Islamabad and Kuala Lumpur to engage host governments on people smuggling. It will also fund annual Bali Process meetings at both ministerial and senior officials level.

This measure forms part of the Australian Government's layered response to the resurgent maritime people smuggling threat. The focus is on preventive overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts – balanced by appropriate on-water and aerial surveillance responses.

Border protection — combating people smuggling — enhanced intelligence capability

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Secret Intelligence Service | - | 11.9 | 9.5 | 2.8 | 3.2 |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Secret Intelligence Service | - | 3.2 | - | - | - |

The Government will provide \$30.5 million over four years to enhance the intelligence-related capabilities of the Australian Secret Intelligence Service. This measure is part of the Australian Government's layered response to the resurgent maritime people smuggling threat.

Counter-proliferation intelligence enhancement

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Secret Intelligence Service | - | - | - | - | - |
| Australian Security Intelligence Organisation | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide \$32.3 million over four years to maintain Australia's counter-proliferation intelligence efforts through ongoing intelligence collection, analysis and coordination.

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

Enhanced diplomacy — advancing national security and protecting Australians abroad — resourcing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 18.8 | 22.1 | 29.2 | 35.1 |
| <i>Related capital (\$m)</i> | | | | | |
| Department of Foreign Affairs and Trade | - | 0.2 | 0.2 | 0.5 | 0.3 |

The Government will provide an additional \$106.5 million over four years (including \$1.3 million in capital funding for office fit-outs and updated IT systems) to implement the Government's national security agenda. The funding will be used to enhance Australia's security and protect Australians abroad by providing additional staff and resources at a number of overseas posts and in Canberra.

The Government will also not proceed with a range of saving initiatives, including the measure *Responsible Economic Management – Department of Foreign Affairs and Trade – budget sustainability* announced in the 2008-09 Budget. This will further increase the base funding for the Department of Foreign Affairs and Trade by \$51.8 million over four years.

The funding will be allocated according to the Government's foreign and trade policy priorities, including enhancing engagement with Asia, increasing Australia's involvement with multilateral organisations and servicing increased trade opportunities for Australian businesses.

Enhanced Pacific engagement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 1.9 | 1.9 | - | - |

The Government will provide \$3.8 million over two years to continue to develop enhanced relations with Pacific island countries, consistent with the Prime Minister's *Port Moresby Declaration* on 6 March 2008. The measure will provide for negotiation of further Pacific Partnerships for Development, and the development of a roadmap for negotiations for a trade and economic agreement (PACER Plus) between Australia, New Zealand and Pacific island countries.

The Pacific Agreement on Closer Economic Relations (PACER) is an economic treaty that focuses on regional integration objectives, trade facilitation and non-compulsory technical assistance. It also creates the framework for the gradual introduction of a regional free trade agreement encompassing Australia, New Zealand and Pacific island countries (PACER Plus).

The measure builds on the measure *Pacific Engagement Strategy* announced in the *Mid-Year Economic and Fiscal Outlook 2008-09*.

Enhancing Australia's Regional Engagement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 13.3 | 23.7 | 25.1 | 30.0 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | 6.5 | 7.4 | - | - |

The Government will provide \$106.0 million over four years (including \$13.8 million in capital funding for fit-outs and equipment) to enhance Australia's diplomatic engagement with India, Pakistan, Africa and Latin America. The measure will provide for new resources to better manage Australia's relationships with countries in these regions. Funding will also be provided for a feasibility study on options for the future of the Australian Embassy in Islamabad.

Enhancing regional counter-terrorism effectiveness

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Secret Intelligence Service | - | - | - | - | - |

The Government will provide \$43.7 million over four years to continue to enhance counter-terrorism capabilities in our region.

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

Hosting the 35th Antarctic Treaty Consultative Meeting

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | .. | .. | 1.4 | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | - | - | .. | - |

The Government will provide \$1.4 million over three years (including \$0.02 million in capital funding) to host the 35th Antarctic Treaty Consultative Meeting in 2012. The funding will cover the costs of preparing and hosting the two-week meeting, including staffing, venue hire, translation and simultaneous interpretation, and official functions.

Hosting this meeting will reinforce Australia's support for deepening cooperation in Antarctic affairs and highlight our commitment to scientific research and environmental protection in Antarctica.

International Commission on Nuclear Non-proliferation and Disarmament — operational costs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 7.7 | 1.6 | - | - |

The Government will provide \$9.2 million over two years to continue the work of the International Commission on Nuclear Non-proliferation and Disarmament. The establishment of the Commission was announced by the Prime Minister on 9 June 2008. It is expected to complete its work in 2010. The funding will cover the Commission's costs including the development and production of the final Commission report.

This builds on the measure *International Commission on Nuclear Non-proliferation and Disarmament – Establishment* announced in the *Mid-Year Economic and Fiscal Outlook 2008-09*.

International Counter-Terrorism Capability and Programs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | - | - | - | - |

The Government will provide \$28.1 million over three years, beginning in 2010-11, to continue coordination of whole-of-government international counter-terrorism engagement, facilitate continuity in the delivery of counter-terrorism programs to specific countries, and further Australia's counter-terrorism objectives in multilateral forums such as the United Nations and APEC.

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

Kabul — new chancery construction project feasibility and planning

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 3.0 | - | - | - |

The Government will provide \$3.0 million in 2009-10 to undertake a feasibility and planning study into the construction of a purpose-built Australian chancery in Kabul, Afghanistan. This measure builds on the measure *Afghanistan – Australian diplomatic presence – continuation and expansion* announced in the 2008-09 Budget and the measure *Afghanistan – purchase of land for new chancery in Kabul* announced in the February 2009 Updated Economic and Fiscal Outlook.

Overseas development assistance — Afghanistan and Pakistan Increased Assistance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| AusAID | - | 3.0 | 7.0 | 31.0 | 39.0 |

The Government will provide \$352.8 million over four years to continue and expand assistance to *Afghanistan and Pakistan*. Funding of \$272.8 million has already been included in the forward estimates.

This measure will provide funding to: maintain and increase humanitarian and development assistance to Afghanistan; support initiatives in Pakistan aimed at counter-radicalisation through improved education and employment opportunities; and improve food security, rural development and national and provincial governance in Pakistan.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — Debt to Health Swap with Government of Indonesia

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | - | - | - | - |

The Government will enter into negotiations with the Government of Indonesia to forgive \$75.0 million in debt owed by Indonesia to Australia. It is proposed that the debt will be cancelled over six years from 2011-12 on the condition that the Government of Indonesia invests \$37.5 million in the Global Fund to Fight AIDS, Tuberculosis and Malaria over the same period. Indonesian contributions are expected to support programs to prevent, treat and contain tuberculosis, which is one of the country's leading health burdens.

The cost of this measure will be met from within the existing resourcing of the portfolio.

This measure delivers on the Government's commitment, and is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — Economic Infrastructure

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| AusAID | - | 11.9 | 22.3 | 166.2 | 253.2 |
| <i>Related capital (\$m)</i> | | | | | |
| AusAID | - | - | 0.6 | - | - |

The Government will provide \$454.2 million over four years (including \$0.6 million in capital funding in 2010-11) to help developing countries recover from the global recession and reduce poverty through improved infrastructure, primarily in partner countries' transport, electricity and telecommunications sectors. This measure will fund high-priority basic infrastructure in both rural and urban areas, focusing on Vietnam, the Philippines, East Timor, Indonesia, Papua New Guinea, Cambodia and the Lao People's Democratic Republic.

The measure will also fund multilateral institutions to establish the necessary policies and institutional capacity for partner countries to operate and maintain infrastructure effectively.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — food security through rural development

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| AusAID | - | 27.1 | 38.1 | 122.3 | 206.8 |
| Australian Centre for International Agricultural Research | - | 11.0 | 15.0 | 21.0 | 22.0 |
| Total | - | 38.1 | 53.1 | 143.3 | 228.8 |
| <i>Related capital (\$m)</i> | | | | | |
| AusAID | - | 0.6 | 0.4 | - | - |

The Government will provide \$464.3 million over four years (including \$1.0 million in capital funding over two years from 2009-10) to support increases in global food production and strengthen the ability of selected countries in the Asia-Pacific region and Africa to address food and financial insecurity. This measure will help to: increase agricultural productivity and sustainability; improve rural livelihoods and market functionality (including through improving regulation, reducing barriers to trade and supporting the construction of community assets); enhance financial services and facilitate export market opportunities; and build community resilience to respond to natural and economic shocks, including through improving the targeting and quality of services and the monitoring and evaluation of social protection initiatives.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — improving responsiveness and accountability in government

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| AusAID | - | 4.6 | 5.9 | 59.9 | 68.1 |

The Government will provide \$138.6 million over four years to continue and expand measures designed to increase the responsiveness and accountability of governments in our region. This new funding will help improve the effectiveness of government in selected partner developing countries in the Asia-Pacific region, including by: increasing leadership capacity; funding anti-corruption activities; enhancing the engagement of civil society with decision-makers and government; and improving the capacity of the public sector in Pacific Island Forum countries and East Timor.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — Nauru

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| AusAID | - | nfp | nfp | nfp | nfp |

The Government will provide development assistance to the Republic of Nauru over four years from 2009-10. Arrangements, including the amount of funding, will be finalised during upcoming Pacific Partnership for Development negotiations between the two countries. This will replace the existing annual Memoranda of Understanding.

Pacific Partnerships for Development are based on the Prime Minister's *Port Moresby Declaration* of 6 March 2008, and seek to improve governance, increase investment in economic infrastructure and achieve better outcomes in health and education through shared responsibility between Australia and partner countries.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — performance-linked aid

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| AusAID | - | 7.0 | 25.8 | 146.7 | 156.0 |
| <i>Related capital (\$m)</i> | | | | | |
| AusAID | - | - | - | 0.6 | - |

The Government will provide \$336.1 million over four years (including \$0.6 million in capital funding in 2011-12) to continue performance-linked aid measures. This measure will fund the inclusion of incentive-based elements in bilateral *Pacific Partnerships for Development* negotiated between the Government and partner governments in Pacific island countries, and fund further support for some existing performance-based aid arrangements in Asia and elsewhere. Additional development assistance will be released to partner countries once mutually agreed performance milestones are achieved.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — Prime Minister's Pacific Australia Awards

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| AusAID | - | 0.8 | 0.8 | 0.8 | 0.8 |

The Government will provide \$3.0 million over four years to enhance the existing Australian Leadership Awards program targeted at high-achieving students in the Pacific region, including Papua New Guinea and East Timor. This measure will deliver 30 additional work placements per year for four years for postgraduate students, beginning in the 2010 academic year. The scholarships will assist with nation building, strengthening institutional capacity and leadership in partner developing countries, and building linkages between Australia and these countries.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Overseas development assistance — Regional Assistance Mission to Solomon Islands — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|-------------|-------------|--------------|--------------|
| Department of Defence | - | 29.3 | - | - | - |
| Department of Foreign Affairs and Trade | - | 3.8 | 3.6 | 3.8 | 3.7 |
| Australian Customs Service | - | 0.6 | 0.8 | 0.8 | 0.1 |
| AusAID | - | -0.5 | -1.8 | -7.9 | -19.5 |
| Australian Federal Police | - | -0.9 | -7.0 | -14.4 | -24.6 |
| Total | - | 32.3 | -4.5 | -17.6 | -40.3 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | -6.3 | -10.0 | -8.1 | -7.2 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Federal Police</i> | - | 4.4 | - | - | - |
| <i>Department of Foreign Affairs and Trade</i> | - | 0.2 | 0.1 | .. | .. |
| Total | - | 4.6 | 0.1 | 0.0 | 0.0 |

The Government will provide \$777.3 million over four years (including \$4.8 million in capital funding) to continue the *Regional Assistance Mission to Solomon Islands (RAMSI)*. The measure was announced in the 2005-06 Budget with \$771.0 million already included in the forward estimates.

The extra funding provided above the forward estimates over the four years represents the combination of: the net additional cost of extending Operation ANODE in 2009-10 (Australia's military contribution to Solomon Islands); additional funding for an enhanced public diplomacy strategy and further assistance to customs and excise activities; and a gradual phase-down of RAMSI's work as the capacity of the Solomon Islands Government improves. The measure is also expected to lead to a reduction in revenue of \$31.6 million over four years reflecting concessional tax treatment of certain deployee base pay and allowances.

The capital funding includes \$4.4 million in 2009-10 for the Australian Federal Police to supply housing and diesel generators to personnel deployed in Solomon Islands and local police, and \$0.4 million over four years from 2009-10 for the Department of Foreign Affairs and Trade, for the fit out and refurbishment of accommodation, telecommunications equipment and motor vehicles to support seven overseas positions.

This measure will assist the Solomon Islands Government to: build capacity to deliver sustainable economic growth and balanced budgets; strengthen the public service by providing advisory support and implementing a public sector improvement program; improve capacity in the law and justice sector by continuing the deployment of Australian Defence Force and Australian Federal Police personnel; and enhance advocacy, public diplomacy and anti-corruption activities.

This measure is part of the Government's commitment to increase Australia's overseas development assistance over the long term.

Pandemic influenza preparedness — maintaining the delivery of Australian Government services overseas

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 0.4 | .. | - | - |

The Government will provide \$0.4 million over two years to replace ageing stocks of anti-viral medication and antibiotics for use by staff at high-risk overseas posts in the event of a pandemic outbreak of influenza, including avian or swine influenza.

The original stocks were purchased through the measure *Avian Influenza – maintaining the delivery of Australian Government services overseas* announced in the 2006-07 Budget.

Protecting Australian diplomatic and consular posts overseas — security enhancements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 6.5 | 8.5 | 9.3 | 11.2 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | 12.6 | 3.4 | 1.2 | 1.5 |

The Government will provide \$54.2 million over four years (including \$18.7 million in capital funding for security works and fit-out costs) to enhance security at Australian diplomatic and consular posts overseas. The measure aims to ensure adequate levels of protection are provided for personnel, visitors, property and information. This includes enhancement to both physical and information and communication technology security.

Regional chemical, biological, radiological and nuclear security

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | - | - | - | - |
| Australian Radiation Protection and Nuclear Safety Agency | - | - | - | - | - |
| Australian Nuclear Science and Technology Organisation | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide \$2.7 million over four years to strengthen the security of chemical, biological, radiological and nuclear-related materials to decrease their vulnerability to wrongful acquisition or use by terrorists.

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

Thailand — repatriation of Australian citizens and permanent residents

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | 0.1 | - | - | - | - |

The Government has provided \$0.1 million in 2008-09 to enable the Department of Foreign Affairs and Trade to facilitate the repatriation of Australian citizens and permanent residents from Thailand during the forced closure of Bangkok's airports in November and December 2008.

Trans-Pacific Partnership Agreement negotiation — Australia's participation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | - | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | - | - | - | - |

The Government will provide \$1.8 million over two years to progress negotiations on a Trans-Pacific Partnership Agreement. The negotiations are focused on expanding the current Trans-Pacific Strategic Economic Partnership Agreement between Brunei Darussalam, Chile, Singapore and New Zealand to include Australia, the United States, Peru and possibly Vietnam.

The cost of this measure will be met from within the existing resourcing of the Department of Foreign Affairs and Trade.

Travellers' Emergency Loans and Consular Emergency Services Schemes

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 0.3 | 0.3 | 0.3 | 0.3 |

The Government will provide an additional \$1.0 million over four years for the Travellers' Emergency Loans and Consular Emergency Services Schemes to meet increased demand for the schemes. The schemes assist Australian travellers who need temporary financial assistance, including for emergency repatriation and/or medical evacuation. The number of Australians travelling overseas has continued to increase with a concomitant increase in the demand for consular assistance.

United Nations Security Council — candidacy

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | 4.8 | 5.7 | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | 0.6 | - | - | - |

The Government will provide \$11.2 million over two years (including \$0.6 million in capital funding in 2009-10) to continue Australia's bid for a two-year term (2013-14) on the United Nations Security Council. The candidacy demonstrates the Government's ongoing commitment to the United Nations. Membership of the Security Council would enhance Australia's ability to shape international responses to security issues.

The measure will support the campaign through funding additional staff at the New York mission and supplementing smaller missions on an as needs basis; deploying Special Envoys; supporting ministerial campaigning at key multilateral meetings; and undertaking public diplomacy.

This measure builds on the measure *United Nations Security Council – Candidacy* announced in the *Mid-Year Economic and Fiscal Outlook 2008-09*.

HEALTH AND AGEING

Aged care viability supplements — increase

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 2.4 | 11.0 | - | - |
| Department of Veterans' Affairs | - | 0.3 | 1.2 | - | - |
| Total | - | 2.6 | 12.2 | - | - |

The Government will provide \$14.8 million over two years to increase the viability supplement paid to eligible aged care providers in regional, rural and remote areas. This increase will enable efficient providers in these areas to earn returns on investment more in line with those achieved by efficient providers in metropolitan areas and major cities. Under this measure, increased viability supplements will be paid to eligible aged care providers who provide Residential Care, Multi-Purpose Services and Aboriginal and Torres Strait Islander Flexible Services.

The Government recognises that population ageing will place increasing demands on the aged care system in coming years. The Government will continue to consider the longer term needs of the aged care system, taking into account relevant recommendations in the final report of the National Health and Hospitals Reform Commission.

Assistive Technology in Community Care program — discontinuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -6.6 | -6.3 | -6.4 | -6.5 |

The Government will cease the Assistive Technology in Community Care program. This program was introduced in 2007 to encourage the use of assistive technology among community care providers. This technology can include home safety devices, medication dispensers and communication technology to reduce isolation.

Funding will cease for this program as the aged care industry is now aware of the availability and benefits of such technology.

This measure will provide savings of \$25.8 million over four years.

Australian Better Health Initiative — cease promotional activities for 45 Year Old Health Check

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.9 | -0.8 | -0.9 | -0.9 |

The Government will cease funding for the promotion of the 45 Year Old Health Check program, provided as part of the Australian Better Health Initiative. The 45 Year Old Health Check provides eligible people aged between 45 and 49 years access to a health examination through their general practitioner and will continue to be funded through the Medicare Benefits Schedule. The uptake rate of the 45 Year Old Health Check has been above original estimates, indicating that further promotional activities are no longer necessary.

This measure will provide savings of \$3.5 million over four years.

Australian Better Health Initiative — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | -26.2 | -27.1 | -27.6 |

The Government will reduce duplication in health funding by ceasing three components of the Australian Better Health Initiative from 30 June 2010. The components that will cease relate to supporting lifestyle and risk modification, encouraging active self-management of chronic disease, and the Primary Care Incentive Fund. There will be no change to any existing contracts.

Funding for similar outcomes is now provided through other Government initiatives such as the *Australian Primary Care Collaboratives Program*. The Government also has a number of major reform processes in train, such as the *National Preventative Health Taskforce* and the development of a *National Primary Health Care Strategy*, which will embed the outcomes of these small targeted initiatives into the mainstream health system.

This measure will provide savings of \$80.9 million over three years.

Australian Better Health Initiative — promoting healthy lifestyles — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | -12.4 | -12.6 | -12.9 |

The Government will reduce duplication in the health system by reducing funding for the promoting healthy lifestyles component of the Australian Better Health Initiative beyond 30 June 2010.

Similar nationwide activities intended to deliver the same health outcomes will be funded as part of the new Council of Australian Governments *National Partnership Agreement on Preventive Health*, which provides \$872.1 million over six years. This includes an extension of the Measure Up campaign, which conducts national marketing to raise awareness on healthy lifestyle choices. The measure *Health and Hospitals Reform – Preventative Health – Osborne Division of General Practice’s Obesity Program* in the 2008-09 Budget will continue to be funded until 30 June 2012.

This measure will provide savings of \$37.9 million over three years.

Australian Institute of Health and Welfare — improving access to data and analysis

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Institute of Health and Welfare | - | 0.6 | 0.7 | 0.7 | 0.7 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Institute of Health and Welfare</i> | - | 0.3 | - | - | - |

The Government will provide \$2.9 million over four years (including \$0.3 million in capital funding in 2009-10) to allow the Australian Institute of Health and Welfare to meet the demand for expanded content and analysis in its flagship publications, and to increase the accessibility of data.

The publications supported by this funding are the biennial *Australia’s Health and Australia’s Welfare*, and *The Health and Welfare of Australia’s Aboriginal and Torres Strait Islander Peoples*, which is co-published with the Australian Bureau of Statistics.

Data accessibility will be enhanced by producing some publications in formats suitable for the visually impaired, and by publishing health and welfare expenditure data in online tables.

Australian Red Cross Society — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 5.0 | 5.0 | - | - |

The Government will provide an additional \$10.0 million over two years to the Australian Red Cross Society. These funds will assist the Australian Red Cross Society to perform its health-related work in humanitarian relief and community support in Australia and the region. This funding will be subject to agreement on the high-level priority areas for the use of the funds, and is in addition to the \$5.0 million provided to the Australian Red Cross Society announced in February 2009 in the *Updated Economic and Fiscal Outlook*.

Australian Sports Anti-Doping Authority — continued funding for Australia's anti-doping framework

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Sports Anti-Doping Authority | - | 5.2 | 5.2 | 5.2 | 5.3 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Sports Anti-Doping Authority</i> | - | 0.2 | - | - | - |

The Government will provide \$21.1 million over four years (including \$0.2 million in capital funding in 2009-10) to continue funding for the Australian Sports Anti-Doping Authority's education programs, athlete testing regime, investigation and prosecution framework. These programs will facilitate Australia's compliance with the revised World Anti-Doping Code.

This measure will help reduce the use of performance enhancing drugs in sport.

Breast cancer treatment — continuation of funding for the Herceptin® program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |
| Medicare Australia | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide \$168.0 million over four years from 2009-10 to continue funding for the Herceptin® program. The program provides free access to Herceptin® for patients affected by late-stage metastatic breast cancer.

This measure involves funding of \$42.0 million per year, including funding of \$0.5 million per year for Medicare Australia to administer the program. Provision for this funding has already been included in the forward estimates.

Further information can be found in the press release of 3 May 2009 issued by the Minister for Health and Ageing.

Cancer Australia — improved lung cancer data and treatment guidelines

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------|---------|---------|---------|---------|---------|
| Cancer Australia | - | 0.9 | 2.4 | 1.7 | 1.7 |

The Government will provide \$6.8 million over four years to Cancer Australia to improve the treatment of people affected by lung cancer. This funding will support the collection of data to better measure clinical outcomes of patients. It will also fund priority lung cancer research and support the development of best practice guidelines to assist healthcare professionals to treat lung cancer patients.

Continence Aids Payment Scheme — more choice for users

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 3.2 | -7.8 | -5.4 | -4.6 |
| Medicare Australia | - | 0.9 | 0.6 | 0.7 | 0.8 |
| Total | - | 4.1 | -7.1 | -4.7 | -3.9 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Medicare Australia</i> | - | 0.8 | - | - | - |

The Government will replace the Continence Aids Assistance Scheme, which provides subsidised continence products to eligible individuals, with a Continence Aids Payment Scheme. The Continence Aids Payment Scheme will allow greater freedom in the choice of products and suppliers for users of continence aids. The existing scheme provides subsidised continence products purchased through a sole provider up to the value of \$479.40. The new payment starting from 1 July 2010 will be equivalent to the current subsidy, will be indexed annually, and eligibility will be determined in the same way as under the current scheme.

This measure will provide savings of \$10.7 million over four years as the Government will no longer pay administrative overheads for the provision and delivery of continence products through a sole provider.

Divisions of General Practice program — new funding formula

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 1.9 | 3.1 | 2.6 | - |

The Government will provide \$7.6 million over three years to implement a new funding formula for the Divisions of General Practice program. The program delivers a range of health programs that support local general practices and the community.

The new formula is based on the new classification system, Australian Standard Geographical Classification — Remoteness Areas. This system is outlined in the expense measure titled Rural Health Workforce Strategy in the Health and Ageing portfolio. The new formula will boost funding for some Divisions, particularly where there has been significant population growth.

The Divisions of General Practice deliver community services including: improving patient access to general practitioners, particularly in regional and remote areas; prevention and early intervention of disease; supporting multidisciplinary care; and better management of chronic disease.

Longer term funding arrangements will be considered prior to the expiry of the new funding agreements on 30 June 2012.

e-Health — electronic clinical information and communication network for north-west Tasmania

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.3 | 0.7 | 0.2 | - |

The Government will provide \$1.2 million over four years for the development of a virtual network that will link data from health care providers in the north-west of Tasmania into a single integrated electronic clinical information and communication system. This network will allow for improved communications between general practitioners and other health professionals which will support the provision of coordinated health care to patients in the region.

See also the related expense measures titled *Magnetic Resonance Imaging unit in north-west Tasmania – redirection of funding* and *Health Infrastructure Projects in Tasmania* in the Health and Ageing portfolio.

e-Health programs — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -9.7 | -12.1 | -13.0 | - |

The Government will refocus funding for the e-Health Implementation program following an external review of the National E-Health Transition Authority. Savings will be achieved from the completion of HealthConnect on 30 June 2009 and the identification of further efficiencies within the e-Health Implementation program. HealthConnect originally funded State and Territory governments to implement needs-based projects to improve the safety and quality of clinical communications. This measure does not impact on the Government’s funding commitment to the National E-Health Transition Authority agreed through the Council of Australian Governments on 29 November 2008.

This measure will provide savings of \$34.8 million over three years.

Epidermolysis bullosa — national dressing scheme

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 2.0 | 4.6 | 4.8 | 5.0 |

The Government will provide \$16.4 million over four years to establish a national *Epidermolysis bullosa* dressing scheme to support eligible patients in meeting the high costs of treatment and ensure a nationally consistent level of care.

Epidermolysis bullosa is a rare genetic disease primarily affecting children, and is characterised by extremely fragile and blister prone skin. Management of this disease requires frequent application of specialised dressing and bandages to reduce skin damage and the risk of infection. There are approximately 250 patients requiring specialised dressing, which may cost more than \$5,000 per month for the most severe form of the disease.

Access to the scheme will be restricted to those patients meeting certain eligibility criteria. These criteria will be based on the severity of the condition and the clinical requirements for specific dressings, and will be developed in consultation with clinical experts.

European training base for Australian athletes — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Sports Commission | - | - | - | - | - |

The Government will provide \$10.9 million over four years from 2009-10. This measure will enable the continued operation of a European training base for Australian athletes in Gavirate, Northern Italy. The training facility provides athlete accommodation, recovery facilities, sports medicine and drugs testing amenities and access to state of the art training facilities.

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

Fairer income testing in residential aged care — ending the 28-day income test exemption

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 0.3 | - | - | - |
| Department of Veterans' Affairs | - | -0.8 | -1.7 | -1.8 | -2.0 |
| Department of Health and Ageing | - | -4.0 | -9.2 | -10.0 | -10.9 |
| Total | - | -4.5 | -10.9 | -11.8 | -12.9 |

The Government will apply the income test for residential aged care from the day of entry, removing the current 28-day delay. This will align the residential income-tested fee with other aged care fees payable from the day of entry into the aged care facility and will ensure an equitable sharing of costs of residential care where the resident has the capacity to pay. The income test itself will not change.

This measure will provide savings of \$40.0 million over four years.

Food Standards Australia New Zealand — funding for upgrading computer systems

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Food Standards Australia New Zealand | - | 1.4 | 1.1 | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Food Standards Australia New Zealand</i> | - | 0.1 | 0.3 | - | - |

The Government will provide \$2.9 million over two years (including \$0.4 million in capital funding for hardware and software items) to Food Standards Australia New Zealand to fund the development and implementation of two data management and modelling systems to replace the existing systems. The upgrade of the information technology systems will allow Food Standards Australia New Zealand to continue to meet its obligations in assessing the safety of proposed changes to the Australian and New Zealand food supply as well as assessing the risk to the population in food emergencies.

General practice training — consolidating regional training providers — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -1.5 | -3.0 | -3.0 | -3.0 |

The Government will consolidate the number of regional training providers to improve the efficiency of the Australian General Practice Training program.

Regional training providers organise the placement of trainee general practitioners, and assist in their continued education, in accordance with the Australian General Practice Training program. This measure will consolidate and restructure elements of the regional training provider program to better reflect factors such as hospital and health services within each training provider’s catchment area and the training and financial performance of existing providers.

This consolidation and restructure will result in a reduced number of training providers and deliver savings of \$10.4 million over four years.

General practice training — expanding the role of General Practice Education and Training Ltd

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.2 | -0.8 | -0.8 | -0.8 |

The Government will expand the role of General Practice Education and Training Ltd to include administering the Prevocational General Practice Placements Program. This will better integrate and align educational and workforce programs for general practitioners.

The Prevocational General Practice Placements Program aims to increase the number of postgraduate medical students who choose to become general practitioners by providing them with the opportunity to experience the general practice environment prior to determining their area of speciality. Greater integration of the delivery of vocational and pre-vocational education and training programs in general practice will be achieved by streamlining the administration of various training programs under the single auspice of General Practice Education and Training Ltd.

This measure will provide savings of \$2.6 million over four years.

General practice training — extension of time for rural placements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | -0.2 | -0.3 | -0.3 |

The Government will modify the rules of the Australian General Practice Training Program to allow medical registrars to remain in training practice locations for longer periods of time.

The measure will extend the time of a rural placement for trainee GP specialists from six months to 12 months. This will ensure greater medical continuity in the community and provide trainees with a broader exposure to the rural medical environment. It will also reduce the number of relocation subsidies paid under this program.

This measure will provide savings of \$0.8 million over four years.

Grants for physical activity projects in the community — discontinuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.1 | .. | -1.6 | -1.6 |

The Government will cease funding for the Healthy Active Australia – grants for physical activity projects in the community program. This program has provided grants to organisations to conduct local and national initiatives that promote increased levels of physical activity. Existing commitments will continue to be met and the objectives of the program will now be pursued through the National Partnership Agreement on Preventive Health, which was agreed by the Council of Australian Governments on 29 November 2008 to address the rising prevalence of lifestyle-related chronic diseases. The Government has committed \$872.1 million over six years to the agreement.

This measure will provide savings of \$3.3 million over four years.

Health and hospital reform — establishment of the National Institute for Virology

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will provide \$20.0 million over three years towards the establishment of the new National Institute for Virology at St Vincent’s Hospital in Sydney.

The National Institute for Virology will support the National Centre in HIV Epidemiology and Clinical Research, which is recognised internationally as a research leader in the field of HIV/AIDS.

The cost of this measure will be met from funding provided as part of the 2008-09 Budget measure *Health and Hospitals Reform – Better Outcomes for Hospitals and Community Health*.

Health and Hospitals Fund — hospital infrastructure and other projects of national significance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | 100.0 | 383.7 | 273.5 | 307.2 | 287.0 |
| Total | 100.0 | 383.7 | 273.5 | 307.2 | 287.0 |

The Government will provide \$1.5 billion over seven years (including \$104.1 million in 2013-14 and \$10.0 million in 2014-15) from the Health and Hospitals Fund to support the development of health infrastructure projects of national significance. The Commonwealth will collaborate with the States and Territories to expand and modernise key public hospitals across Australia to improve hospital care. This will increase elective surgery capacity, enhance sub-acute care services, improve emergency department facilities and improve access to hospital services. This package builds on the investment in Australia's health and hospital system under the National Healthcare SPP and National Partnerships announced in the Council of Australian Governments' Communiqué of 29 November 2008. The following projects will be funded:

- Australian Red Cross Blood Service principal site development (Victoria) — \$120.0 million;
- Donor Tissue Bank of Victoria — \$13.0 million;
- expansion of Townsville Hospital (Queensland) — \$250.0 million;
- expansion of Rockhampton Hospital (Queensland) — \$76.0 million;
- Health and Medical Research Institute (South Australia) — \$200.0 million;
- replacement of the rehabilitation unit at the Fiona Stanley Hospital (Western Australia) — \$255.7 million;
- Midland Health Campus (Western Australia) — \$180.1 million;
- Kimberley Renal Service (Western Australia) — \$8.6 million;
- replacement of the paediatrics unit in Broome (Western Australia) — \$7.9 million;
- hospital emergency department in Alice Springs (Northern Territory) — \$13.6 million;
- Northern Territory Medical Program through Charles Darwin and Flinders Universities — \$27.8 million;

- short-term patient accommodation at Royal Darwin Hospital (Northern Territory) – \$18.6 million;
- acute medical and surgical service unit in Launceston (Tasmania) – \$40.0 million;
- Narrabri District Health Service Centre in Griffith (New South Wales) – \$27.0 million;
- Clinical School and Research Centre at Blacktown (New South Wales) – \$17.6 million;
- Nepean Health Services Redevelopment (New South Wales) – \$96.4 million;
- Oral Health Centre at the University of Queensland – \$104.0 million; and
- Health Care Infrastructure in Rural Australia – \$9.2 million.

See also the related expense measures titled *Health and Hospitals Fund – better cancer care* and *Health and Hospitals Fund – translational research and workforce training in the Health and Ageing portfolio*.

Health and Hospitals Fund — national cancer statement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | 40.0 | 42.0 | 415.0 | 336.0 | 342.0 |
| Total | 40.0 | 42.0 | 415.0 | 336.0 | 342.0 |

The Government will provide \$1.3 billion over six years (including \$101.1 million in 2013-14) from the Health and Hospitals Fund to support infrastructure to deliver a world-class cancer care system in Australia. This funding will help modernise cancer services and improve detection, survival and treatment outcomes. The Government’s investment in nationally-significant cancer projects will improve access to cancer care, particularly for patients in regional and rural Australia.

This investment will fund:

- two integrated cancer centres focused especially on treating rare and complex cancers: Lifehouse at the Royal Prince Alfred Hospital (New South Wales) will receive \$100 million, and the Parkville Comprehensive Cancer Centre (Victoria) will receive \$426.1 million;
- \$560 million to build a network of up to 11 regional cancer centres across Australia, including the Australian Capital Territory Integrated Cancer Centre (\$27.9 million);

- state-of-the-art digital mammography equipment for BreastScreen Australia, replacing 205 existing analogue machines around Australia (\$120 million); and
- the Garvan St Vincent’s Campus Cancer Centre (New South Wales) (\$70 million).

See also the related expense measures titled *Health and Hospitals Fund – hospitals infrastructure and other projects of national importance* and *Health and Hospitals Fund – translational research and workforce training* in the Health and Ageing portfolio.

Health and Hospitals Fund — translational research and workforce training

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | 46.0 | 40.0 | 159.0 | 170.0 | 14.0 |
| Total | 46.0 | 40.0 | 159.0 | 170.0 | 14.0 |

The Government will provide \$430.3 million over six years (including \$1.3 million in 2013-14) from the Health and Hospitals Fund to support translational medical research infrastructure. This translational research investment will provide new medical research infrastructure in the areas of mental health and neurological disorders, child health, Indigenous health and medical bionics. The funding has been targeted at projects that will focus on translating research into clinical practice to deliver better health outcomes for all Australians.

It is anticipated that, subject to meeting the requirements of the Health and Hospitals Fund Advisory Board, the following translational research projects will receive funding:

- Monash Health Research Precinct Translation Facility in Clayton, Victoria – \$71.0 million;
- Eccles Institute – John Curtin School of Medical Research in Canberra, Australian Capital Territory – \$60 million;
- Ingham Health Research Institute Facilities in Sydney, New South Wales – \$46.9 million;
- Stage two of the Menzies Research Institute in Hobart, Tasmania – \$44.7 million;
- Smart Therapies Institute in Brisbane, Queensland – \$40.0 million;
- The Melbourne Neuroscience Project in Melbourne, Victoria – \$39.8 million;
- Hunter Medical Research Institute in Newcastle, New South Wales – \$35.0 million;
- New Research and Training Facility in Darwin, Northern Territory – \$34.2 million;

- New Research and Training Facility in Darwin, Northern Territory – \$34.2 million;
- Clinical medical teaching and research facilities through the University of Notre Dame in Melbourne, Victoria, and Sydney, New South Wales – \$22.8 million;
- Nepean Clinical School in Kingswood, New South Wales – \$17.2 million;
- Academic and Research Precinct for Melbourne’s North in Epping, Victoria – \$14.0 million; and
- Children’s Bioresource Centre in Melbourne, Victoria – \$4.7 million.

See also the related expense measures titled *Health and Hospitals Fund – hospitals infrastructure and other projects of national significance* and *Health and Hospitals Fund – better cancer care*.

Health Infrastructure Projects in Tasmania

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 0.9 | 0.9 | 0.6 | - |

The Government will provide \$2.4 million over three years to fund health infrastructure projects in Tasmania.

This measure will provide \$1.4 million to upgrade chemotherapy and cancer facilities in north-west Tasmania, with a focus on the North West Regional Hospital at Burnie. The upgrade will support such projects as extending the chemotherapy unit, and purchasing chemotherapy chairs. Funding will also be provided to upgrade the Mersey Community Hospital chemotherapy unit and the provision of a mobile chemotherapy/day procedure unit for the west coast of north-west Tasmania.

This measure will provide \$1.0 million to upgrade a portion of the additional patient accommodation proposed for Launceston to establish six ‘family-style’ units. The upgraded accommodation will benefit the families of patients from across the region requiring treatment at Launceston General Hospital.

See also the related measures titled *Magnetic Resonance Imaging unit in north-west Tasmania – redirection of funding* and *e-Health – electronic clinical information and communication network for north-west Tasmania* in the Health and Ageing portfolio.

Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Hearing services — introduction of hearing threshold

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 0.2 | .. | .. | .. |
| Department of Health and Ageing | - | .. | -9.7 | -12.0 | -12.8 |
| Total | - | 0.2 | -9.7 | -12.0 | -12.8 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 0.4 | - | - | - |

The Government will introduce a minimum hearing loss threshold to determine eligibility for hearing devices through the Australian Government Hearing Services program, with effect from 1 January 2010.

Establishing this threshold will ensure that priority is given to fitting hearing devices for people who will gain a substantial improvement to their level of hearing. A level of hearing loss of less than 23 decibels is regarded to be within the acceptable normal hearing range and would no longer entail automatic eligibility for a hearing device through the Hearing Services program.

Eligible people whose hearing loss is below the fitting threshold, but who have a demonstrated clinical need for a hearing device, will still be able to be fitted with a free hearing device.

This measure will provide savings of \$33.9 million over four years.

Hospital Accountability and Performance Program — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will provide \$39.6 million over four years to continue funding for the Hospital Accountability and Performance Program (formerly known as the Hospital Information, Performance Information Program). This funding will continue and expand work to enhance hospital-related patient classification systems on diagnoses and treatments, costing methods and national minimum data sets. Enhanced information will enable nationally consistent measurement and monitoring of hospital-provided services and associated costs.

This work will contribute to the Government's commitment to develop comparable performance measures across the public and private sectors and provide necessary information to inform the Activity Based Funding model for hospitals, which was supported by the Council of Australian Governments in November 2008.

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

Improving Maternity Services Package

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 8.8 | 24.7 | 29.7 | 49.5 |
| Medicare Australia | - | 2.4 | 0.7 | 0.8 | 0.9 |
| Total | - | 11.2 | 25.4 | 30.5 | 50.4 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Medicare Australia</i> | - | 3.1 | - | - | - |

The Government will provide \$120.5 million over four years for the introduction of Medicare-supported midwifery services to provide greater choice for women during pregnancy, birthing and postnatal maternity care. This measure includes \$3.1 million in capital funding in 2009-10 for Medicare Australia.

The new arrangements will allow midwives to work as private practitioners, provide services subsidised by the Medical Benefits Schedule and prescribe medications subsidised under the Pharmaceutical Benefits Schedule. The Government will also provide subsidised medical indemnity for eligible midwives working in collaborative arrangements in hospitals and healthcare settings. To ensure that Australia maintains its strong record of safety and quality in maternity care, a safety and quality framework, including professional guidance and an advanced midwifery credentialing framework, will be developed. A new 24-hour, seven-days-a-week helpline will also be established to provide antenatal, birthing and postnatal maternity advice and information to women, partners and families during the ante-natal period and up to 12 months following the birth of a child.

The measure will also assist women in rural and remote areas by expanding the Medical Specialist Outreach Assistance Program to provide integrated outreach maternity service teams for women in under serviced areas. The expanded teams will include midwives, obstetricians, general practitioners and other health professionals, such as paediatricians and Aboriginal health workers. Additionally, funding will be provided for the professional development of midwives and for general practitioners to undertake additional training to become GP obstetricians or GP anaesthetists. The package will be implemented progressively from 1 July 2009.

Indigenous access to health care services — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -2.8 | -2.7 | -2.4 | -2.4 |

The Government will not proceed with funding for two further urban brokerage sites that were to be selected as part of the *Improving Indigenous access to health care services* measure included in the 2006-07 Budget.

Activities to increase Aboriginal and Torres Strait Islander people's access to mainstream primary health care services will continue to be funded through the *National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes* announced in the Council of Australian Governments' Communiqué of 29 November 2008. The Commonwealth has committed \$805.5 million over four years to this Agreement.

Existing funding commitments for the three brokerage services already selected will continue.

This measure will provide savings of \$10.3 million over four years.

Investment in Preventive Health (Environmental Health) program — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.2 | -0.2 | -0.2 | -0.2 |

The Government will reduce funding for the Investment in *Preventive Health (Environmental Health)* program by ceasing the component of the program that supports the development of environmental protection measures. This will address an existing duplication of responsibilities with the National Health and Medical Research Council.

The Investment in *Preventive Health (Environmental Health)* program will continue to support the implementation of the National Environmental Health Strategy 2007-2012, environmental health activities in Aboriginal and Torres Strait Islander communities, and environmental health policy advice to the Australian Government and its agencies.

This measure will provide savings of \$0.9 million over four years.

Leadership in mental health reform — continuation and further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -5.0 | -5.0 | -5.0 | -5.0 |

The Government will continue its leadership role in progressing ongoing national mental health reform and improved national evaluation, accountability and reporting mechanisms, at a cost of \$46.6 million over four years. This program funding will refocus aspects of mental health service delivery to new areas needed to meet community expectations and continue innovation and best practice in mental health.

Provision of \$66.6 million over four years was previously included in the forward estimates. This measure will provide savings of \$20.0 million over four years as less funding over the forward estimates will be required, reflecting the revised focus on key priorities.

Magnetic Resonance Imaging — transitional funding for Gippsland and South Eastern NSW mobile unit

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.6 | 0.9 | - | - |

The Government will provide \$1.5 million over two years to extend funding for the mobile magnetic resonance imaging machine, currently operating in Gippsland and South Eastern New South Wales, until 30 June 2011. Funding for this service was previously provided as part of a trial, which was due to cease on 31 October 2009. The funding will allow uninterrupted delivery of magnetic resonance imaging services to residents in Gippsland and South Eastern New South Wales.

Magnetic Resonance Imaging unit in north-west Tasmania — redirection of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | - | - | - | - |
| Department of Health and Ageing | - | -1.2 | -1.2 | -1.2 | -1.2 |
| Total | - | -1.2 | -1.2 | -1.2 | -1.2 |

The Government is redirecting funding of \$4.8 million over four years previously allocated to a proposed additional Magnetic Resonance Imaging (MRI) unit in north-west Tasmania to projects to improve health infrastructure in the region, and will therefore discontinue the Invitation to Apply process for the MRI unit.

The establishment of a Medicare-eligible MRI unit at Launceston General Hospital has resulted in it no longer being viable for an additional Medicare-eligible MRI unit to be located in north-west Tasmania.

See also the related expense measures *e-Health – electronic clinical information and communication network for north-west Tasmania* in the Health and Ageing portfolio and *Health Infrastructure Projects in Tasmania* in the Treasury portfolio.

Medicare Benefits Schedule — a quality framework for reviewing services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 3.3 | 6.0 | - | - |

The Government will provide \$9.3 million over two years to put in place a new evidence-based framework for reviewing services listed on the Medicare Benefits Schedule. The new framework will take effect from 1 January 2010.

Under the new arrangements, services will be evaluated and aligned with contemporary evidence to ensure clinical relevance and appropriate pricing. New services will be evaluated three years after being listed. This will improve health outcomes for patients and help maintain the financial sustainability of the Medicare Benefits Schedule.

Medicare Benefits Schedule — access to positron emission tomography services provided at Westmead and Royal North Shore Hospitals and Austin Health Services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will provide \$6.8 million over four years to give access to the Medicare Benefits Schedule for positron emission tomography services provided at Westmead Hospital and the Royal North Shore Hospital in New South Wales and Austin Health Services in Victoria.

Positron emission tomography is a nuclear medicine technique that produces a three-dimensional image of functional processes in the body, and is used in the monitoring and treatment of cancer.

The cost of the measure will be met from existing funding provided as part of the measure *Health and Hospital Reform – better outcomes for hospitals and community health* announced in the 2008-09 Budget.

Medicare Benefits Schedule — Better Access Initiative — continuing professional development

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.2 | 0.3 | -19.9 | -2.3 |
| Medicare Australia | - | - | 0.3 | .. | 0.1 |
| Total | - | 0.2 | 0.6 | -20.0 | -2.2 |

The Government will introduce additional mandatory mental health training requirements for general psychologists, social workers and occupational therapists, under the *Better Access to Psychiatrists, Psychologists and GPs through the MBS* initiative. In addition, one-off support payments of \$200 will be provided to allied health professionals providing mental health services in rural areas to assist them in undertaking the new training requirements.

Allied mental health professionals who do not undertake the required professional development will not be able to access Medicare items after 30 June 2011. This will help ensure high-quality services to patients as providers will be required to maintain their skills in order to continue to provide services eligible for the Medicare rebate. It is estimated that 80 per cent of all allied health professionals who currently access these items have already completed the required training.

This measure is expected to result in savings of \$21.4 million over four years.

Medicare Benefits Schedule — Better Access Initiative — improved targeting for the most in need and better quality of services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 0.4 | .. | .. | 0.1 |
| Department of Veterans' Affairs | - | -0.1 | -0.1 | -0.1 | -0.1 |
| Department of Health and Ageing | - | -7.7 | -17.1 | -6.1 | 9.1 |
| Total | - | -7.4 | -17.2 | -6.1 | 9.1 |

The Government will introduce a new Medicare Benefits Schedule item for General Practice Mental Health Care Plans, with effect from 1 July 2009.

Under the new arrangements a lower fee Medicare Benefits Schedule item for General Practice Mental Health Care Plans will be established for general practitioners who have not completed level 1 mental health training. Services provided by general practitioners who have completed this training will attract the current higher Medicare rebate. This will provide an incentive for general practitioners who have not completed level 1 mental health training to update their skills and also recognises the higher level of expertise of those general practitioners who have completed the training.

This measure will result in savings of \$21.7 million over four years.

Medicare Benefits Schedule — capping Extended Medicare Safety Net benefits for items with excessive fees

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 1.6 | 0.4 | 0.2 | 0.1 |
| Department of Health and Ageing | - | -21.5 | -62.8 | -79.4 | -97.4 |
| Total | - | -19.9 | -62.4 | -79.2 | -97.3 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 0.9 | - | - | - |

The Government will introduce a cap on Medicare benefits payable under the Extended Medicare Safety Net for a range of items with excessive fees, including to all assisted reproductive technology items and items for treatment of varicose veins, the injection of a therapeutic substance into the eye, hair transplants and a cataract surgery item. The caps will take effect from 1 January 2010.

In 2008, expenditure on the Extended Medicare Safety Net was \$414.1 million, an increase of 29.7 per cent from the previous year. The items to be capped accounted for around 28 per cent of all expenditure on the Extended Medicare Safety Net in 2008 and the expenditure on these items has grown at an average rate of approximately 50 per cent per year for the past two years.

There is evidence that the Extended Medicare Safety Net has enabled some doctors to charge excessive fees resulting in windfalls being paid by taxpayers through Medicare. The cap will encourage patients whose doctors charge excessive fees to seek other providers who charge more reasonable fees. The Extended Medicare Safety Net was introduced in the 2003-04 Budget.

This measure will provide savings of \$257.9 million over four years.

Medicare Benefits Schedule — capping Extended Medicare Safety Net benefits for items with excessive fees — obstetrics services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 2.4 | 0.4 | 0.2 | 0.2 |
| Department of Health and Ageing | - | -3.8 | -49.1 | -63.1 | -82.5 |
| Total | - | -1.5 | -48.7 | -62.9 | -82.3 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 1.7 | - | - | - |

The Government will introduce a cap on Medicare benefits payable under the Extended Medicare Safety Net for a range of items with excessive fees including all obstetric items and some ultrasound items related to pregnancy. At the same time, the scheduled fees for the obstetrics items will also be increased from 1 January 2010, benefiting patients particularly in rural and regional areas.

The Extended Medicare Safety Net was introduced in the 2003-04 Budget. In 2008, expenditure on the Extended Medicare Safety Net was \$414.1 million, an increase of 29.7 per cent from the previous year, with obstetrics-related items accounting for 30 per cent of all expenditure.

There is evidence that the Extended Medicare Safety Net has enabled some doctors to charge excessive fees, resulting in windfalls being paid by taxpayers through Medicare. The cap will encourage patients whose doctors charge excessive fees to seek other providers who charge more reasonable fees.

The capping of the obstetric items will achieve savings of \$351.3 million over four years and the increase in schedule fees will cost the Government \$157.6 million over four years. The measure will provide net savings of \$193.7 million over four years.

See also the related savings measure titled *Medicare Benefits Schedule – capping Extended Medicare Safety Net benefits for items with excessive fees* and *Improving Maternity Services Package* in the Health and Aging portfolio.

Medicare Benefits Schedule — diagnostic imaging and pathology services — bulk-billing incentives and rationalisation of patient episode initiation fees

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 34.7 | 50.7 | 54.1 | 57.5 |
| Medicare Australia | - | 0.5 | 0.1 | 0.2 | 0.2 |
| Department of Veterans' Affairs | - | -2.4 | -3.7 | -3.5 | -3.4 |
| Total | - | 32.9 | 47.1 | 50.8 | 54.3 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 0.4 | - | - | - |

The Government will provide \$948.4 million over four years for bulk-billing incentives for diagnostic imaging services and pathology collection services, to further protect public access to services and address out-of-pocket expenses. This additional funding will be offset by savings of \$763.4 million over four years from rationalising pathology Patient Episode Initiation fees.

In the diagnostic imaging sector, out-of-hospital providers that provide bulk-billed services for ultrasound, computed tomography, diagnostic radiology, nuclear medicine imaging, or magnetic resonance imaging will be paid an incentive payment of 10 per cent of the Medicare Benefit Schedule fee, commencing on 1 November 2009. This will cost \$600.4 million over four years.

In the pathology sector, bulk-billing incentives will be introduced for Medicare Benefit Schedule items for all Patient Episode Initiation fees. These are Medicare benefits paid to pathologists for the collection of samples. The bulk-billing incentive will be an additional \$1.60 for collections by public providers, and between \$2.00 and \$4.00 for collections by private pathology providers. This will cost \$348.0 million over four years.

At the same time, fees for pathology collections will be adjusted to reflect efficiencies in the pathology sector, and to support the financial sustainability of Medicare. This is expected to save \$763.4 million over four years. Collection fees for aged care homes, cancer specimens, and patients unable to leave their homes, will remain unchanged and will increase where the services are bulk-billed.

This measure will provide net additional funding of \$185.4 million over four years, including capital funding of \$0.4 million in 2009-10 for Medicare Australia.

Medicare Benefits Schedule — diagnostic imaging and pathology services — changes to fees for fully depreciated diagnostic imaging equipment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.1 | 0.1 | -64.7 | -68.7 |
| Medicare Australia | - | 0.1 | 0.4 | .. | - |
| Department of Veterans' Affairs | - | - | - | - | -1.9 |
| Total | - | 0.2 | 0.5 | -64.7 | -70.6 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | .. | .. | - | - |

The Government will modify Medicare Benefits Schedule (MBS) fees for certain diagnostic imaging items to provide greater incentives for diagnostic imaging service providers to update capital equipment. In particular, existing arrangements for 'capital sensitive' items that provide a lower schedule fee for services provided using older machines and technologies will be extended to a wider range of diagnostic imaging modalities, namely ultrasound, diagnostic radiology, nuclear medicine imaging and magnetic resonance imaging. This measure will improve patient access to newer, better quality equipment, reducing exposure to unnecessary radiation.

Where a service is rendered by a piece of capital equipment that is fully depreciated, the MBS fee for that service will be reduced by 50 per cent. These arrangements have been in place for computed tomography since 1997 and for angiography since 2001.

Capital equipment located in remote areas and eligible for a Remote Area Exemption will not be affected by these new arrangements.

This measure will take effect on 1 July 2011 and is expected to save \$134.5 million over four years.

Medicare Benefits Schedule — diagnostic imaging and pathology services — improving competition

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 0.5 | 0.1 | 0.1 | 0.1 |
| Department of Health and Ageing | - | 0.1 | .. | - | - |
| Total | - | 0.6 | 0.1 | 0.1 | 0.1 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 2.4 | - | - | - |

The Government will provide \$3.4 million over four years to improve competition in the diagnostic imaging and pathology sectors.

Currently, under the *Health Insurance (Eligible Collection Centres) Approval Principles 2008* licensing scheme, the number of collection centres a pathology services provider (approved pathology authority) may operate is highly regulated according to a formula that takes account of annual population growth. Under the new arrangements, providers will have greater freedom to choose the number of collection centres they operate. This will cost \$3.2 million over four years.

Funding of \$0.1 million will be provided to amend request forms for diagnostic services to both inform parents and allow them to use the forms to obtain services from any provider.

Medicare Benefits Schedule — diagnostic imaging and pathology services — improving the quality of services and addressing workforce shortages

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 5.4 | 7.9 | 0.3 | -8.8 |
| Medicare Australia | - | 0.1 | 0.3 | -0.1 | -0.4 |
| Department of Veterans' Affairs | - | - | -0.1 | -0.4 | -0.8 |
| Total | - | 5.5 | 8.2 | -0.3 | -10.0 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 0.1 | - | - | - |

The Government will provide net additional funding of \$3.5 million over four years to improve the quality of diagnostic imaging and pathology services and address workforce shortages.

The number of specialist pathologist training places will increase to 50 and offer financial support of \$100,000 per specialist per year. To help recruit and retain pathologists in rural locations, a rural loading of \$20,000 per year will be available for 20 of the new places and a mentoring and academic support program will be introduced. This will cost \$17.3 million over four years.

Funding will also be provided to continue and implement a range of initiatives to improve the quality of pathology services, including the development of guidelines for reporting cancer, at a cost of \$1.5 million over four years.

To address the workforce shortages in the diagnostic imaging industry, 15 additional training places, at a cost of approximately \$100,000 per specialist per year, will be funded at a total cost of \$5.4 million over four years.

To help support sustainability of the Medicare Benefits Schedule, the Government will conduct a trial allowing doctors to request certain x-ray images without a specialist radiologist report. Funding will also be provided for a campaign to assist doctors to adopt best practice for pathology and diagnostic imaging referrals. This will result in net savings of \$20.7 million over four years.

Medicare Benefits Schedule — diagnostic imaging and pathology services — rebalancing of pathology fees

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | 0.1 | .. | .. | .. |
| Department of Health and Ageing | - | -0.7 | -0.9 | -1.2 | -1.5 |
| Total | - | -0.6 | -0.9 | -1.2 | -1.5 |

The Government will modify the Medicare Benefits Schedule for certain pathology items to better align the fees with the level of professional expertise required to analyse specimens, and to better reflect changes in the cost of providing the services as the result of improved technologies.

There will be increases in the schedule fees for eight anatomical pathology items which require specialised manual processes and highly skilled analysis. On average, the fee increases for these items will be \$53.00.

Schedule fees will be reduced by an average of \$0.56 for 259 items that require less complex testing, mainly done on an automated basis.

This is expected to result in a net saving of \$4.1 million over four years.

Medicare Benefits Schedule — diagnostic imaging and pathology services — reviews of pathology and diagnostic imaging items

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 2.4 | 3.6 | - | - |

The Government will provide \$6.0 million over two years for detailed reviews of diagnostic imaging and pathology items listed on the Medicare Benefits Schedule. The reviews will be undertaken by the Department of Health and Ageing in consultation with industry stakeholders. They will investigate whether fee levels in the Medicare Benefits Schedule reflect current and best medical practice.

Medicare Benefits Schedule — ensuring the appropriate use of clinical procedures and adjusting to modern technologies

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -23.2 | -37.9 | -40.8 | -43.7 |
| Medicare Australia | - | -0.2 | -0.3 | -0.3 | -0.4 |
| Department of Veterans' Affairs | - | -1.2 | -1.9 | -1.7 | -1.7 |
| Total | - | -24.7 | -40.1 | -42.9 | -45.7 |

The Government will amend the Medicare Benefits Schedule (MBS) fees for a number of procedural items that are able to be performed more quickly and safely due to improvements in technology or where the service can be delivered as a standard consultation or a less complex procedure. This measure will take effect from 1 November 2009.

Examples of items where MBS fees will be amended include certain cataract surgery procedures, and certain coronary angiography procedures.

This measure will provide savings of \$153.4 million over four years.

Medicare Benefits Schedule — new and revised listings

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | .. | 0.2 | 0.3 | 0.4 | 0.4 |
| Department of Veterans' Affairs | .. | .. | .. | .. | .. |
| Medicare Australia | 0.1 | .. | .. | .. | .. |
| Total | 0.1 | 0.2 | 0.3 | 0.4 | 0.4 |

The Government will provide \$1.4 million over five years for new and revised listings on the Medicare Benefits Schedule and Veterans' Benefits added since the *Updated Economic and Fiscal Outlook* released in February 2009.

The amendments to the Medicare Benefits Schedule include:

- a new item for capsule endoscopy for the surveillance of Peutz-Jeghers syndrome;
- new items for the implantation of a device for the management of faecal incontinence; and
- revision of an item for the treatment of clavicle fracture to permit an assistant surgeon to be present during surgery.

Further information can be found in the summary of changes included in the regular updates to the Medicare Benefits Schedule located in the downloads section of the MBS Online home page (www.health.gov.au/mbsonline).

Medicare Benefits Schedule — nurse practitioner workforce — expansion

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 8.9 | 2.1 | 0.6 | 0.6 |
| Department of Health and Ageing | - | 1.5 | 10.8 | 16.8 | 16.9 |
| Total | - | 10.5 | 12.9 | 17.4 | 17.6 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 1.0 | 0.3 | - | - |

The Government will provide \$59.7 million over four years to expand the role of nurse practitioners, including by providing Medicare Benefits Schedule and Pharmaceutical Benefits Scheme support from November 2010. This measure will provide for the development of a long-term and sustainable model for nurse practitioners, helping to improve the flexibility and capacity of Australia's health workforce.

Nurse practitioners must be registered nurses with at least five years experience who hold a higher degree in nursing, such as a Masters of Nursing (Nursing Practitioner). Nurse practitioners undertake a range of medical procedures that do not currently attract Medicare rebates. This measure will allow nurse practitioners to provide certain services subsidised by the Medicare Benefits Schedule and prescribe medications subsidised under the Pharmaceutical Benefits Scheme. Expanding the role of nurse practitioners will assist in addressing the challenges facing Australia's health workforce, particularly in regional and remote areas.

Medicare Benefits Schedule — reversal of proposal to fund magnetic resonance imaging scans of the knee or brain — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | .. | .. | .. | .. | .. |
| Department of Health and Ageing | - | -4.0 | -3.9 | -3.7 | -3.6 |
| Total | 0.0 | -4.0 | -3.9 | -3.8 | -3.6 |

The Government will not proceed with the proposal to fund Medicare-eligible magnetic resonance imaging scans of the knee or brain requested by general practitioners.

This measure was first announced in the *2007 Pre-Election Economic and Fiscal Outlook* but is yet to commence. Implementing the measure would have allowed general practitioners to refer patients directly for Medicare-eligible magnetic resonance imaging scans of the knee or brain without a referral to, or assessment by, a specialist.

Magnetic resonance imaging scans of the knee or brain that are requested by specialists will remain eligible for Medicare benefits and this measure will not affect the current arrangements for other requests for Medicare-eligible magnetic resonance imaging scans.

This measure will provide savings of \$15.3 million over four years.

Mental health — continuation of existing services in rural and remote areas

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 2.7 | 1.5 | 1.2 | 1.3 |

The Government will provide \$6.7 million over four years to extend the Mental Health Services in Rural and Remote Areas program. The program provides funding to non-government organisations to deliver mental health services to people living in rural and remote areas of Australia.

This additional funding will maintain access to mental health services in rural and remote areas of high need, including areas affected by drought.

Mental health— continuation of Mental Health Support for Drought-Affected Communities program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 5.2 | - | - | - |

The Government will provide an additional \$5.2 million in 2009-10 to continue the mental health component of the *Mental Health – increased mental health services for drought-affected communities* measure announced in the 2007-08 Budget. This component funds individual Divisions of General Practice to support mental health professionals and community leaders to respond to the psychological impact of drought.

See also the related measure *Drought assistance – Exceptional Circumstances for primary producers* in the Department of Agriculture, Fisheries and Forestry portfolio.

National Illicit Drug Strategy — a more strategic approach

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -3.3 | -5.7 | -6.1 | -9.6 |

The Government will consolidate funding under the National Illicit Drug Strategy to improve efficiency and outcomes through a more strategic approach.

The savings under this measure will be from research projects and funding for drug-related services will be preserved. The Government will continue to provide funding of \$733.5 million over the forward estimates period for anti-drug activities.

Existing commitments under the National Psycho-stimulants and Illicit Drug Diversion Initiatives will be met. Funding will also be redirected to provide \$0.3 million per annum in additional funding for the Australian National Council on Drugs to support its ongoing work, and to provide \$2.9 million in additional funding for the component of the Government’s current National Drug Strategy Campaign relating to the use of ice.

This measure will provide savings of \$24.7 million over four years.

National Joint Replacement Registry — cost recovery

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.6 | 0.3 | 0.4 | 0.4 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Health and Ageing</i> | - | 1.6 | 1.6 | 1.7 | 1.7 |

The Government will meet the future costs of the National Joint Replacement Registry through a levy on suppliers of joint replacement prostheses. This is consistent with the Government’s cost recovery guidelines.

The registry provides information on the post-operative performance of joint replacement products. While the registry has been funded by the Government since 1998, the Government considers it appropriate for significant stakeholders in this sector to meet the costs of the registry.

This measure will provide savings of \$5.0 million over four years.

National Palliative Care Strategy — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will provide \$14.4 million over four years to continue the National Palliative Care Strategy, which provides a coordinated national approach for quality palliative care. The key objective of the strategy is to reduce inappropriate palliative patient admissions to hospitals, which will be achieved by way of developing an evidence-based approach to delivering quality care for patients. This funding will also support initiatives that improve workforce development, access to clinical and performance information, and data collection.

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

National Partnership Agreement — Queensland compensation for health care treatment provided to Papua New Guinean nationals

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | - | - | - | - |

The Government will provide \$16.2 million over four years to the Queensland Government to continue to provide health care to Papua New Guinean nationals in Queensland's public hospitals under the Torres Strait Treaty. The treaty, between the Australian and Papua New Guinean governments, allows for free movement in the Torres Strait for Papua New Guinean coastal people who live in and keep the traditions of the region. This funding was previously provided under the Australian Health Care Agreement between the Australian and Queensland governments.

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

Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

National Return and Disposal of Unwanted Medicines program — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.5 | 0.6 | 0.7 | 0.8 |

The Government will provide an additional \$2.9 million over five years for the National Return and Disposal of Unwanted Medicines program to meet an increase in demand for this service.

This measure increases funding for the service to an average of \$2.1 million per year. The National Return and Disposal of Unwanted Medicines program enables consumers to return unwanted or out-of-date medicines to any pharmacy. The program provides for the safe disposal of unused and expired medicines to minimise accidental poisoning (especially of children), medication misuse and toxic releases into the environment.

Funding for 2008-09 of \$0.3 million will be met from within the existing resourcing for the Fourth Community Pharmacy Agreement.

National Serology Reference Laboratory — additional funding for regulatory operations

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 1.5 | 1.5 | 0.9 | 1.0 |

The Government will provide \$4.8 million over four years to the National Serology Reference Laboratory to continue and extend existing regulatory operations currently undertaken for the Australian Red Cross Blood Service and the Therapeutic Goods Administration. These regulatory operations include additional testing for Hepatitis B, serological and nucleic acid testing and other testing essential to the ongoing integrity of Australia’s blood supply. This funding will also provide for new services in relation to in-vitro diagnostic device testing and quality assurance undertaken for the Therapeutic Goods Administration.

Northern Territory Medical School

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | - | 0.5 | 1.6 | 2.2 |

The Government will contribute \$4.4 million over three years from 2010-11 towards recurrent costs for the Northern Territory Medical School. This recurrent funding will be in addition to the capital grant of \$27.8 million over three years provided by the Government for the establishment of the Northern Territory Medical School. This capital grant will be funded from the Health and Hospitals Fund established in 2008-09.

See also the related expense measure titled *Health and Hospital Fund – hospital infrastructure and other projects of national significance* in the Health and Ageing portfolio.

Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Nursing education and recruitment — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.6 | -0.6 | -0.6 | -0.6 |

The Government will consolidate a number of nursing education and recruitment initiatives into a single program. The programs to be consolidated are:

- the Bringing Nurses Back into the Workforce program;
- the Rural Nurse Initiative (Nurse Scholarship program);
- Retraining Scholarships for More Practice Nurses and Allied Workers in Metropolitan Areas;
- Additional Practice Nurses for Rural Australia; and
- the Mental Health Postgraduate Scholarships scheme.

These programs support nursing education, and professional training, and provide incentives to encourage nurses back into the workforce: consolidating them means that funding to areas of high priority can be better targeted. The Government will maintain the same number of scholarships.

This measure will result in savings of \$2.3 million over four years as a result of administrative efficiencies.

Pharmaceutical Benefits Scheme — chemotherapy drugs — delayed implementation of more efficient arrangements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 5.3 | - | - | - |
| Department of Veterans' Affairs | - | 0.5 | - | - | - |
| Total | - | 5.9 | - | - | - |

The Government has delayed the implementation of the 2008-09 Budget measure *Responsible Economic Management – Chemotherapy Drugs – more efficient arrangements* until 1 September 2009. The delay is to allow further consultation with stakeholders, including industry stakeholders, to ensure the safe, efficient and effective implementation of this measure.

The delay will reduce the savings from this measure by \$5.9 million in 2009-10.

Further information can be found in the press release of 27 April 2009 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — enhancements to the National Prescribing Service

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | -1.1 | -1.1 | -1.2 | -1.3 |
| Department of Health and Ageing | - | -9.1 | -12.1 | -13.6 | -16.2 |
| Total | - | -10.2 | -13.2 | -14.8 | -17.5 |

The Government will provide an additional \$21.0 million over four years to the National Prescribing Service to enhance the scope and reach of the assistance the service provides to medical practitioners. This is expected to result in savings of \$76.6 million over four years to the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme through improvements in the quality and appropriateness of prescribing.

The National Prescribing Service provides support to health practitioners to improve prescribing practices through education and feedback. The service focuses on therapeutic areas where it has been shown that changes to prescribing can lead to better health outcomes for patients.

This measure is expected to provide net savings of \$55.6 million over four years.

Pharmaceutical Benefits Scheme — extending the Pharmaceutical Benefits Scheme reference pricing policies to all non-exempt pharmaceutical items

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 0.6 | 0.8 | 0.9 | 0.9 |
| Department of Veterans' Affairs | - | -0.7 | -1.4 | -1.3 | -1.2 |
| Department of Health and Ageing | - | -8.8 | -18.0 | -16.7 | -16.3 |
| Total | - | -9.0 | -18.6 | -17.0 | -16.6 |

The Government will extend the Pharmaceutical Benefits Scheme reference pricing policies to all non-exempt pharmaceutical items in a therapeutic group. Currently there is an anomaly whereby some medicines within some therapeutic groups are not currently included in the reference pricing methodology. This measure will result in a lower price to the Government for some medicines as, under therapeutic group pricing policy, the cheapest medicines in the group are used as the basis for the price paid for the other medicines in the group. The Government will maintain current arrangements for individuals who, for clinical reasons, require a specific brand.

This measure is expected to provide savings of \$61.2 million over four years.

Pharmaceutical Benefits Scheme — extending the therapeutic group premium policy

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 0.5 | 0.8 | 0.8 | 0.9 |
| Department of Veterans' Affairs | - | -0.7 | -1.5 | -1.5 | -1.5 |
| Department of Health and Ageing | - | -12.5 | -28.5 | -29.7 | -40.9 |
| Total | - | -12.7 | -29.3 | -30.4 | -41.5 |

The Government will establish an additional therapeutic group covering statin drugs on the Pharmaceutical Benefits Scheme. This will result in the Government paying a lower price for some medicines within the new therapeutic group, as the price of the cheapest medicine in the group will be used as the basis for the price paid for the other medicines within the group. The Government will maintain current arrangements for individuals who, for clinical reasons, require a specific brand.

The creation of the new therapeutic group is expected to deliver savings of \$113.8 million over four years.

Pharmaceutical Benefits Scheme — extension to the listing of Plavix® and Iscover® (clopidogrel)

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |
| Department of Veterans' Affairs | - | - | - | - | - |
| Medicare Australia | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government has extended the listing of Plavix® and Iscover® (clopidogrel) on the Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme from 1 February 2009, at an estimated cost of \$101.3 million over five years (including \$7.7 million in 2008-09). This includes funding for administering payments through Medicare Australia.

The extension of the listing will provide subsidised access in combination with aspirin for adults who suffer from Acute Coronary Syndrome. Previously only patients who were clinically unable to take aspirin were provided with subsidised access through the Pharmaceutical Benefits Scheme.

The average cost to the Pharmaceutical Benefits Scheme of providing Plavix® and Iscover® will be approximately \$585 per course of treatment. Each course of treatment requires eight prescriptions. General consumers will pay a \$32.90 co-payment per prescription and concession card holders will pay a \$5.30 co-payment per prescription.

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

Further information can be found in the press release of 1 February 2009 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — increased uptake of Pharmaceutical Benefits Scheme online

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will provide \$6.8 million over five years to fund the increased uptake of the Pharmaceutical Benefits Scheme (PBS) Online processing system.

There has been a higher than anticipated uptake of the PBS Online processing system by community pharmacies. To support this demand the Government will provide \$3.5 million over five years to assist with the installation of online processing software in community pharmacies. The Government will also provide \$0.6 million over three years to assist with the installation of online processing software in public hospitals.

In addition, \$2.6 million over five years will be provided for public hospitals that submit claims directly to Medicare Australia through PBS Online. Public hospitals will be entitled to a \$0.40 script incentive for each script they process through PBS Online.

Funding for this measure will be met from within the existing resourcing for the Fourth Community Pharmacy Agreement.

Pharmaceutical Benefits Scheme — Interim increase in the handling fee under the section 100 Remote Aboriginal Health Service Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will provide \$3.1 million over two years from 2008-09 to provide an interim increase of \$1.55 in the handling fee paid to pharmacists per prescription under the Remote Aboriginal Health Service Program under section 100 of the *National Health Act 1953*. The increase will take the handling fee to \$2.69. It will be back-dated to 1 January 2009 and will continue until 30 June 2010. The ongoing level of the handling fee will be determined following a review of the program due to be completed by mid-2009.

The section 100 Remote Aboriginal Health Service Program improves access to essential medicines for clients of remote Aboriginal health services.

Funding for this measure will be met from within the existing resourcing for the Fourth Community Pharmacy Agreement.

Pharmaceutical Benefits Scheme — listing of Avastin® (bevacizumab)

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|------------|------------|------------|------------|
| Department of Health and Ageing | - | 63.9 | 80.5 | 82.0 | 81.1 |
| Department of Veterans' Affairs | - | 1.5 | 1.8 | 1.6 | 1.4 |
| Medicare Australia | - | 0.1 | 0.1 | 0.1 | 0.1 |
| Total | - | 65.4 | 82.4 | 83.7 | 82.6 |
| <i>Related revenue (\$m)</i> | | | | | |
| Department of Health and Ageing | - | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> |

The Government will list Avastin® (bevacizumab) on the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme, from 1 July 2009, at an estimated cost of \$314.1 million over four years. This includes funding for administering payments through Medicare Australia. A pricing agreement negotiated between the Government and the drug manufacturer allows for offsets to the gross cost of Avastin®.

Avastin® will be listed for the treatment of metastatic colorectal cancer (bowel cancer).

Each patient requires approximately 13.5 prescriptions per year, resulting in an average annual cost to the Pharmaceutical Benefits Scheme of approximately \$31,500 per patient. General consumers will pay a \$32.90 co-payment per prescription and concession card holders will pay a \$5.30 co-payment per prescription.

Further information can be found in the press release of 3 May 2009 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — listing of Sutent® (sunitinib)

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|------------|------------|------------|------------|
| Department of Health and Ageing | 6.3 | 34.3 | 29.5 | 27.6 | 26.9 |
| Department of Veterans' Affairs | 0.3 | 1.8 | 1.5 | 1.4 | 1.4 |
| Medicare Australia | .. | .. | .. | .. | .. |
| Total | 6.6 | 36.1 | 31.0 | 29.0 | 28.3 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Health and Ageing</i> | - | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> |

The Government has listed Sutent® (sunitinib) on the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme, from 1 May 2009, at an estimated cost of \$131.1 million over five years. This includes funding for administering payments through Medicare Australia. A pricing agreement negotiated between the Government and the drug manufacturer allows for offsets to the gross cost of Sutent®.

Sutent® is used for the treatment of renal cell carcinoma, a form of kidney cancer.

Each patient requires approximately nine prescriptions per year, resulting in an average annual cost to the Pharmaceutical Benefits Scheme of approximately \$59,800 per patient. General consumers will pay a \$32.90 co-payment per prescription and concession card holders will pay a \$5.30 co-payment per prescription.

Further information can be found in the press releases of 1 May 2009 and 3 May 2009 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — minor new listings

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|------------|------------|------------|------------|------------|
| Department of Health and Ageing | 18.8 | 48.3 | 54.5 | 57.1 | 54.6 |
| Department of Veterans' Affairs | 1.7 | 4.7 | 5.3 | 5.3 | 5.2 |
| Medicare Australia | .. | 0.1 | 0.1 | 0.2 | 0.2 |
| Total | 20.5 | 53.0 | 60.0 | 62.7 | 60.0 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Health and Ageing</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> | <i>nfp</i> |

The Government has agreed to a number of minor new listings on the Pharmaceutical Benefits Scheme and Repatriation Pharmaceutical Benefits Scheme since the *Mid-Year Economic and Fiscal Outlook 2008-09*, at a cost of \$256.2 million over five years. This includes funding for administering payments through Medicare Australia.

The minor new listings (including extensions to Pharmaceutical Benefits Scheme listings) are medicines that have been listed at either no additional cost to the Budget (because they replace existing listings) or at an estimated cost each of less than \$10.0 million per annum.

The Government has negotiated a discount that is not included for commercial reasons and consequently is not disclosed.

Minor new listings include:

- Aclasta®, for the treatment of osteoporosis;
- Vfend®, for the treatment of specific fungal infections;
- Nexavar®, for the treatment of primary liver cancer; and
- Pegatron®, for the treatment of hepatitis C.

Further information can be found in the press releases of 1 November 2008, 1 December 2008, 1 February 2009, 1 March 2009, 1 April 2009 and 1 May 2009 issued by the Minister for Health and Ageing and the updates to the Schedule of Pharmaceutical Benefits issued by the Department of Health and Ageing.

Practice incentive payments — quality and administrative improvements — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 2.3 | 0.7 | 0.4 | 0.3 |
| Department of Health and Ageing | - | -4.9 | -1.3 | -14.1 | -15.2 |
| Total | - | -2.6 | -0.6 | -13.7 | -14.8 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Medicare Australia</i> | - | 4.7 | 1.2 | - | - |

The Government will introduce improvements to the Practice Incentives Program and the General Practice Immunisation Incentive, to improve quality and safety, and simplify administrative processes.

This measure will introduce a requirement for around 750 non-accredited general practices to adhere to proper vaccine storage and handling processes in order to remain eligible to claim incentives under the General Practice Immunisation Incentive program. This requirement will be implemented in August 2010 and will improve the quality and safety of child immunisation.

The Procedural GP, Practice Nurse, Domestic Violence and After Hours Practice Incentives Program incentives will now be paid retrospectively instead of in advance, which will lower the cost of recovering overpayments for these services. The Government will also introduce a Practice Incentives Program online administration system and update Practice Incentives Program practice records annually to ensure the accuracy of payments. In addition, for those Practice Incentives Program payments that continue to be paid on a prospective basis, recalculations which are undertaken to ensure accuracy of payments will now be made bi-annually rather than quarterly.

This measure will provide savings of \$25.8 million over four years.

Prevocational training for doctors in general practice

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 8.9 | 10.4 | 10.4 | 11.4 |
| Medicare Australia | - | .. | .. | .. | .. |
| Total | - | 8.9 | 10.4 | 10.5 | 11.4 |

The Government will provide \$41.2 million over four years for additional places in the Prevocational General Practice Placement Program. The program provides opportunities for junior doctors to gain clinical experience in primary care with the aim of encouraging them to take up general practice as a career. This measure will enable approximately 160 additional places per year to be offered over the next four years, bringing the total number of annual places up to 410 in 2012-13.

Primary care — Sharing Health Care Initiative — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -2.7 | -0.7 | - | - |

The Government will better target the Sharing Health Care Initiative by refocussing research and targeting projects on chronic disease self-management in hard-to-reach groups such as Indigenous populations and people from culturally and linguistically diverse backgrounds.

The Sharing Health Care Initiative supports improvements in self-management of chronic disease by encouraging more effective use of health care systems, enhancing collaboration between patients and health professionals, and funding research into chronic disease interventions.

This measure will provide savings of \$3.3 million over two years.

Priority Health and Medical Research program — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -4.1 | -4.3 | -4.4 | -4.5 |

The Government will reduce funding for the Priority Health and Medical Research program. The program provided \$5 million a year for the Minister for Health and Ageing to fund health and medical research projects outside the National Health and Medical Research Council's competitive grants process. Terminating this program will ensure all health and medical research project proposals are assessed under the expert scrutiny of the National Health and Medical Research Council's panel review process.

Existing projects that have already been approved for funding will continue. Funding for health and medical research projects will continue to be made available through the National Health and Medical Research Council.

This measure will provide savings of \$17.2 million over four years to 2012-13.

Private health insurance — fair and sustainable support for the future

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|------------|--------------|---------------|---------------|---------------|
| Department of Health and Ageing | - | 119.3 | -713.5 | -613.8 | -614.9 |
| Australian Taxation Office | 1.0 | 4.8 | 18.1 | 33.6 | 9.1 |
| Medicare Australia | - | 0.3 | - | - | - |
| Total | 1.0 | 124.3 | -695.4 | -580.2 | -605.8 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | - | - | 70.0 | 75.0 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 0.3 | - | - | - |

Effective 1 July 2010, the Government will introduce three new 'Private Health Insurance Incentive Tiers' to better balance the mix of incentives for people to take out private health insurance. Existing arrangements will remain unchanged for singles with income of less than \$75,000 per annum and families with incomes of less than \$150,000 per annum. Income in this context refers to income for Medicare levy surcharge (the surcharge) purposes.

- Tier 1 will apply to singles with income of more than \$75,000 (more than \$150,000 for families), based on current projections. The private health insurance rebate will be 20 per cent, increasing to 25 per cent at 65 years of age, and to 30 per cent at 70 years. The private health insurance surcharge for not taking out complying private health insurance will remain at 1 per cent.

- Tier 2 will apply to singles with income of more than \$90,000 (more than \$180,000 for families). The private health insurance rebate will be 10 per cent, increasing to 15 per cent at 65 years of age, and to 20 per cent at 70 years. The surcharge for not taking out complying private health insurance will be increased to 1.25 per cent.
- Tier 3 will apply to singles with income of more than \$120,000 (more than \$240,000 for families). No private health insurance rebate will be provided. The surcharge for not taking out complying private health insurance will be increased to 1.5 per cent.

All income thresholds will continue to be indexed to wages, keeping these changes fair and sustainable into the future. The income thresholds will also be adjusted for families with more than one child in the same manner as existing arrangements for the surcharge.

The measure will result in net savings of \$1.9 billion over five years. It will reduce Government expenditure on the private health insurance rebate by \$1.8 billion over four years and will increase revenue through the surcharge by \$145.0 million over the same period. The total cost to implement this measure will be \$69.0 million over five years, which includes \$66.6 million for the Australian Taxation Office (including \$963,000 in 2008-09), \$1.9 million for the Department of Health and Ageing, and \$540,000 for Medicare Australia.

The financial impact of premium growth on the forward estimates for the private health insurance rebate is currently allocated to the Contingency Reserve. The savings from this measure relating to projected premium growth have also been allocated to the Contingency Reserve.

This measure will help reduce the long term cost to the budget of a substantial and growing expenditure, contributing to the return of the budget to surplus and the reduction of net debt.

| | Current surcharge thresholds (projected 2010-11) | Tier 1 | Tier 2 | Tier 3 |
|---------------------------------|---|------------------------------|------------------------------|-------------------|
| Singles | \$0 - \$75,000 | \$75,001 - \$90,000 | \$90,001 - \$120,000 | \$120,001+ |
| Families | \$0 - \$150,000 | \$150,001 - \$180,000 | \$180,001 - \$240,000 | \$240,001+ |
| Medicare levy surcharge | nil | 1.00% | 1.25% | 1.50% |
| Private health insurance rebate | | | | |
| Less than 65 years | 30% | 20% | 10% | nil |
| 65 to 69 years | 35% | 25% | 15% | nil |
| 70 years or over | 40% | 30% | 20% | nil |

Private health insurance — transparent premium setting

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will publish individual insurers’ average private health insurance premium increases at the conclusion of each annual premium approval round. This will include details of the reasons provided by insurers for the increases in premiums. Currently, the Government publishes only the average premium increases across all insurers. This measure, to be implemented as part of the 2010 premium round, will enhance the transparency of the premium-setting process by providing consumers with a better understanding of the Government’s role in the proposed premium increases.

The cost of this measure will be met from within the existing resourcing of the Department of Health and Ageing.

Prudential regulation of aged care providers — not to proceed with cost recovery

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 2.1 | 2.2 | 2.1 | 2.2 |

The Government will not proceed with cost-recovery of aged care prudential regulation activities as previously announced as part of the 2005-06 Health and Ageing Portfolio Additional Estimates Statements.

The Government currently oversees the prudential regulation of approved aged care providers who charge accommodation bonds for residents entering their aged care facility. In undertaking this activity, the Government reduces the risk of the aged care provider defaulting on the refund of the bond. The cost to the Government of continuing to fund prudential regulation is \$8.6 million over four years.

Public Health Education and Research Program — discontinuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | -6.6 | -11.3 | -11.5 |

The Government will discontinue the Public Health Education and Research Program. The program has led to improvements in public health education and research capacity in Australia, and the development and delivery of post-graduate awards and certificates in public health. As a result, post-graduate Master of Public Health programs are now well established in universities. In addition, the most recent review of the program concluded that successive government investments have increased the public health workforce capacity to address population health issues.

This measure will provide savings of \$29.5 million over three years, while funding provided in 2009-10 will meet existing commitments.

Radiation oncology — national radiotherapy single machine trial — discontinuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -1.3 | -1.3 | -1.4 | -1.4 |

The Government will cease funding for the National Radiotherapy Single Machine Unit Trial program announced in the 2000-01 Budget. The trial was carried out in Victoria to evaluate the viability of single radiotherapy machine centres in providing radiotherapy services to rural and regional patients. The trial concluded in 2006-07 and no further trials are proposed at this stage. The results of the trial are currently being assessed.

This measure will provide savings of \$5.4 million over four years.

Reduction of the business management training initiative — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -1.0 | -1.2 | -1.3 | -1.3 |

The Government will not proceed with funding for the business management training component of the measure *A Better Future for Indigenous Australians – family-centred primary health care* announced in the 2007-08 Budget. This initiative provided funding for the upskilling and training of 100 business managers in order to enhance the business management capacity of Aboriginal Community Controlled Health Organisations through higher education, training and on-line resources.

Existing commitments to train the 100 Aboriginal Medical Service business managers will be maintained under this measure. Successful aspects of this initiative will be incorporated into a broader program focused on continuous quality improvement and accreditation.

This measure will provide savings of \$4.7 million over four years.

Regulation of research involving human embryos and the prohibition of human cloning — continuation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| National Health and Medical Research Council | - | - | - | - | - |

The Government will provide \$12.7 million over four years from 2009-10 to continue to fund regulatory activities related to research involving human embryos and the prohibition of human cloning.

This funding will enable the administration, licensing, monitoring and compliance, and inspection activities required to support the *Research Involving Human Embryos Act 2002* and the *Prohibition of Human Cloning Act 2002*. This will continue to assure governments and the community that human cloning and other practices, such as the misuse of human embryos for research purposes, will not occur in Australia.

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

Review of the National Blood Arrangements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 0.7 | 0.7 | - | - |

The Government will provide an additional \$1.5 million over two years to expand the scope of the planned review of the national blood arrangements. This funding will provide for an independent assessment of potential financial efficiencies, including alternative funding options, and develop recommendations for changes to the National Blood Agreement arrangements to ensure the sustainability of the sector. The agreement sets out the commitment among the Australian, state and territory governments to a coordinated national approach to policy setting, governance and management of the Australian blood sector.

Rural Health Workforce — maintaining rural multidisciplinary training

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 2.7 | 2.7 | 2.8 | 2.8 |

The Government will provide \$10.9 million over four years to increase funding for two existing rural training programs.

Additional funding of \$6.8 million over four years will be provided under the *University Departments of Rural Health* program to encourage students of medicine, nursing and other health professions to pursue a career in rural practice by providing opportunities for students to practise their clinical skills in a rural environment.

In addition, \$4.1 million over four years will allow 30 full-time equivalent annual placements for dental students to undertake clinical training in rural areas with the aim of encouraging those students to practise in rural areas upon graduation. This funding will be provided through the *Dental Training Expanding Rural Placements* program.

Rural Health Workforce Strategy

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|----------|-------------|-------------|-------------|-------------|
| Medicare Australia | - | 6.5 | 1.9 | 0.9 | 1.0 |
| Department of Health and Ageing | - | 4.7 | 28.6 | 34.0 | 39.0 |
| Total | - | 11.2 | 30.5 | 35.0 | 39.9 |
| <i>Related capital (\$m)</i> | | | | | |
| Medicare Australia | - | 14.3 | 2.1 | - | - |
| Department of Health and Ageing | - | 1.3 | 0.1 | .. | .. |
| Total | - | 15.6 | 2.2 | 0.0 | 0.0 |

The Government will provide \$134.4 million over four years to support regional and remote communities facing health workforce shortages. New programs and changes to existing programs will ensure that health professionals will be further encouraged to work in rural and remote areas and those who choose to remain in these areas will receive greater support. Changes to the geographic classification system will result in more than 2,400 doctors and about 500 communities becoming eligible for support for the first time.

The Registrars Rural Incentive Payments Scheme and Rural Retention Program will be consolidated into a new program, the General Practice Rural Incentives Program, and a rural relocation payment will be introduced. The new program will provide relocation and retention incentive payments for general practitioners in rural areas with incentives varying according to both remoteness and time spent working in a specified area. These payments will assist in recruiting and retaining general practitioners in regional and remote areas at a cost of \$64.3 million over four years including \$5.2 million in capital funding for Medicare Australia.

Return of service obligations on bonded and overseas trained doctors who work in regional and remote areas will be amended. In addition, the rate of reimbursement of debt under the HECS Reimbursement Scheme will be adjusted according to remoteness. This component will provide greater incentives for doctors to work in regional and remote areas at a cost of \$47.5 million over four years including \$3.9 million in capital funding for Medicare Australia.

As part of this strategy, the Government will provide \$22.6 million over four years, including \$7.2 million in capital funding for Medicare Australia, to increase locum relief to doctors in regional and remote areas to allow them to undertake professional development opportunities and take holidays. The existing Training for Rural and Remote General Practitioners Program will be extended to doctors working in urban areas in order to better equip them to undertake a rural locum placement. Urban doctors participating in this program will be required to undertake a rural locum placement. A salary subsidy will also be introduced to assist rural doctors in recruiting locums to their practice.

In addition to the new and amended programs described above, the Government will transition rural health service delivery and rural medical workforce programs to a new geographical classification system to better reflect the current distribution of the population. This new classification system, the Australian Standard Geographical Classification – Remoteness Areas, is based on 2006 Census data and has five area categories: major cities of Australia, inner regional Australia, outer regional Australia, remote Australia and very remote Australia. All areas, other than those in the major cities of Australia category, will be eligible for rural medical workforce programs.

The new and amended programs described above are affected by the new classification system. The new classification system and the additional areas that will be included means that more than 2,400 GPs will become eligible for rural medical workforce support programs.

Secure and sustainable pensions — residential aged care

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 3.4 | 7.2 | 7.2 | 2.9 |
| Medicare Australia | 0.1 | 1.0 | - | - | - |
| Department of Veterans' Affairs | - | 0.4 | 1.3 | 1.3 | 0.5 |
| Total | 0.1 | 4.7 | 8.5 | 8.5 | 3.4 |

The Government will provide \$25.3 million over five years for a new funding supplement paid to aged care providers on behalf of self-funded retirees and some part-pensioners to support access under changes to arrangements for residents' fees being introduced as part of the increase to the Age Pension.

The Government will ensure that pensioners in aged care retain at least 30 per cent of the \$32.49 per week pension increase to help meet their incidental expenses. As a result, pensioners in aged care will benefit from the increased pension, having more money for incidental expenses – \$10.09 more per week than they currently have. As the maximum basic daily fee in residential aged care is linked to the rate of the single pension, the remaining 70 per cent of the pension increase will go to aged care homes in the form of an increase in the basic daily fee.

This will see the maximum basic daily fee decrease from 85 per cent to 84 per cent of the total base pension amount. As a result of the \$32.49 a week increase in the pension, the maximum basic daily fee will rise from \$233.87 per week to \$256.27 per week. Once this measure is fully implemented, aged care homes will receive an additional \$195 million per year.

In addition, aged care residents who are in care on 19 September 2009, and who do not receive a pension and so do not benefit from the pension increase, or are part-pensioners who do not benefit significantly from the pension increase, will have their existing fee levels fixed at the current level until they leave care.

Those entering care after 19 September 2009 and who do not receive a pension or do not receive a significant benefit from the pension increase, will initially pay the same level of fees as is currently paid by residents. Over 4 years, their fees will gradually increase until they are paying 84 per cent of the pension, consistent with other residents. To ensure that aged care homes receive the same level of income for all new residents entering care from 20 September 2009, a compensating Government funded aged care supplement will be introduced.

The new basic daily fees and the Government supplement will start from 20 September 2009 in line with the commencement of pension changes.

Shared Responsibility and Regional Partnership Agreements — further efficiency

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -2.0 | -2.3 | -2.6 | -3.1 |

The Government will redirect funding for the health components of Shared Responsibility Agreements and Regional Partnership Agreements. Since the *Strengthening Indigenous Communities* package was announced in the 2006-07 Budget, \$21.2 million over four years has been contributed to these agreements. Following a refocusing of priorities, the Government will honour existing commitments, but will not make further investments in the health components of this initiative.

The Government will continue to work in partnership with Indigenous communities and with all levels of government to close the gap in Indigenous disadvantage, as announced by the Council of Australian Governments' communiqué on 29 November 2008, in particular through the *National Partnership on Closing the Gap in Indigenous Health Outcomes*, to which the Commonwealth will contribute \$805.5 million over four years.

This measure will provide savings of \$10.0 million over four years.

Sporting facilities in Mackay — contribution

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 1.3 | - | - | - |

The Government will provide \$1.3 million in 2009-10 to assist with the redevelopment of the Harrup Park Country Club in Mackay, Queensland as promised during the 2007 election. This funding will contribute to improved facilities for both spectators and players, including a new building with international-standard change rooms, media facilities, administration offices and improved amenities.

Stoma Appliance Scheme — implementing a new program framework

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.6 | -4.0 | -4.3 | -4.3 |

The Government will review the Stoma Appliance Scheme and establish a revised program framework that reduces the cost of the program. The review will examine the current schedule of products and the process by which new products are added to the schedule. It is anticipated that implementing the outcomes of the review will deliver a reduction in the current cost of the scheme. Consumers will continue to have access to a range of free products through the scheme.

The Stoma Appliance Scheme provides stoma-related products, such as pouches, skin protectors, flow filters and creams to help people with a stoma to better manage their condition.

This measure is expected to result in net savings of \$13.3 million over four years.

Support for diabetes — remove duplication in research effort

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -7.7 | -7.9 | -8.0 | -8.2 |

The Government will reduce funding for the *Support for Diabetes Research* measure announced in the *Mid-Year Economic and Fiscal Outlook 2004-05*. This measure established a research program into islet cell transplantation to treat Type 1 diabetes and promoted the Lift for Life program to control Type 2 diabetes.

New therapies for Type 1 diabetes have emerged as more promising treatment options and research into these will continue to be assessed and funded through the National Health and Medical Research Council. Existing contracts for research into islet cell transplantation will not be affected. The Lift for Life program is now expected to be undertaken by commercial fitness program operators.

This measure will provide savings of \$31.9 million over four years.

Support for Specialists to Re-Enter the Workforce — cessation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.6 | -0.6 | -0.7 | -0.7 |

The Government will cease funding for the Support for Specialists to Re-Enter the Workforce program announced in November 2003. The program has assisted medical practitioners to resume clinical practice following a break in their career. The uptake of places has been low and the program is no longer considered a cost-effective means of encouraging the re-entry of specialists into clinical practice.

This measure will provide savings of \$2.6 million over four years.

Surf Life Saving Australia — contribution to upgrade information and technology systems

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | 4.4 | - | - | - | - |

The Government will provide \$4.4 million to Surf Life Saving Australia, as a contribution to help upgrade Surf Life Saving Australia's information and technology system. The new system will provide coordinated data collection and improvements to the administrative and business processes across the organisation to allow it to better plan and deploy services. This will also facilitate better interaction with other emergency services and emergency data systems.

Surf Life Saving Australia includes over 306 local surf life saving clubs, and is a peak body for coastal public safety, surf rescue and lifesaver training.

This funding builds on the 2008-09 Budget measure *Saving lives in the water*.

Torres Strait health protection strategy

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | 3.8 | 3.9 | 1.2 | 1.3 |
| Department of the Treasury | - | 0.9 | 0.9 | 0.9 | 0.9 |
| Total | - | 4.7 | 4.8 | 2.1 | 2.2 |

The Government will provide \$13.8 million over four years to enhance Australia's capacity to protect the Torres Strait from incursions of communicable disease that may occur through the cross-border movement of people in the Torres Strait Protected Zone. Disease protection in the Torres Strait will be enhanced through the provision of \$9.2 million for the upgrading and extension of the health clinic on Sabai Island to accommodate Papua New Guinean patients seeking medical attention. Funding will also be used to develop and implement a culturally appropriate sexual health education campaign.

Funding of \$4.5 million will enable the continuation of mosquito detection, control and eradication in the region and the appointment of a Torres Strait Islands communications officer to undertake additional surveillance and implement communicable disease control activities. Of this funding, \$3.6 million will be provided to the Queensland Government to assist in the delivery of the program.

Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

Victorian bushfire response — Commonwealth assistance to health services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | 0.1 | 4.9 | - | - | - |

The Government will provide \$7.3 million over two years to assist with the coordination of the health response to the Victorian bushfire in 2009. This contribution will complement the funding provided by the Victorian Government and will be used for mental health, primary care and aged care services to address the health needs of those affected by the bushfires in the short, medium and longer term.

Funding of \$2.3 million in 2008-09 will be met from within the existing resourcing of the Department of Health and Ageing.

Woomera Hospital — continued funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | - | - | - | - |

The Government will provide \$5.1 million over four years from 2009-10 to the South Australian Government to meet the terms of the existing *Agreement between the Commonwealth of Australia and the State of South Australia for the Administration and Management of the Hospital at Woomera*. The Woomera Hospital is owned by the Australian Government and provides services to members of the Australian Defence Force and personnel representing foreign defence forces, civilian residents of Woomera, and other individuals who need to use the hospital services.

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

Workforce program — realising efficiency savings from consolidation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Health and Ageing | - | -0.4 | -0.4 | -0.4 | -0.4 |

The Government will consolidate the 18 elements of the Workforce program into three distinct sub-programs: Health Workforce Innovation and Reform, Medical Training and Supply, and Nursing and Allied Health Training and Supply. These programs, which have average funding of around \$404.4 million per year across the forward estimates, aim to increase the supply and retention of health professionals and influence their decision to choose to work in areas of workforce shortage through recruitment, education and training initiatives.

This measure will provide savings of \$1.5 million over four years through administrative efficiencies.

World Class Cancer Care — Building Cancer Support Networks program — continued funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------|---------|---------|---------|---------|---------|
| Cancer Australia | - | - | - | - | - |

The Government will provide \$2.6 million over four years to continue to support the Building Cancer Support Networks program. This funding will provide grants to improve access to community support for people with cancer and their carers. Projects funded from this program include information resources for Aboriginal and Torres Strait Islander communities, online forums for people living with cancer and support for carers of cancer patients.

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

World Class Cancer Care — cancer data to improve cancer survival

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Institute of Health and Welfare | - | 0.5 | 0.5 | 0.5 | 0.5 |
| Cancer Australia | - | 0.5 | 0.5 | 0.5 | 0.6 |
| Total | - | 1.0 | 1.1 | 1.0 | 1.1 |

The Government will provide \$4.2 million over four years to allow the Australian Institute of Health and Welfare and Cancer Australia to establish a national cancer monitoring centre. The centre will contribute to the fight against cancer through better coordination of and timely access to national data. The monitoring centre will undertake two pilot studies; one study will establish and collect data relating to distance spread of cancer at diagnosis and recurrence, while the other study will benchmark clinical outcomes following cancer treatment using existing and new data sources.

World Class Cancer Care — Mentoring for Regional Hospitals and Cancer Professionals program — continued funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------|---------|---------|---------|---------|---------|
| Cancer Australia | - | - | - | - | - |

The Government will provide \$15.1 million over four years to continue the *Mentoring for Regional Hospitals and Cancer Professionals* program. This program promotes effective use of the health workforce by encouraging specialists to spend more time in rural and regional areas and to be available to confer with regional colleagues.

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This measure will also continue funding the *Cancer Services Network National Demonstration* pilot program, which provides a mechanism to link regional and metropolitan cancer services, with a focus on Aboriginal and Torres Strait Islander people and people living in rural and regional areas.

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

HUMAN SERVICES

Centrelink — appropriation arrangements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Education, Employment and Workplace Relations | - | -0.5 | -0.5 | -0.5 | -0.5 |
| Centrelink | - | -2.3 | -2.3 | -2.3 | -2.3 |
| Total | - | -2.7 | -2.7 | -2.7 | -2.8 |

The Government will streamline Centrelink appropriation arrangements resulting in savings of \$10.9 million over four years. Centrelink currently receives a substantial portion of its funding through the Departments of Families, Housing, Community Services and Indigenous Affairs, and Education, Employment and Workplace Relations. From 1 July 2009 Centrelink will receive all of its funding directly from the budget and this will reduce the administrative costs and red tape associated with overseeing the interagency processes that form part of the current funding arrangements.

Centrelink — call centre supplementation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| Centrelink | - | 60.0 | 60.5 | - | - |

The Government will provide \$120.5 million over two years from 2009-10 to ensure Centrelink is able to meet demand arising from customers making increased use of call centres, and a trend towards longer and more complex calls. This measure will also support Centrelink's emergency response capability.

Centrelink — maintenance of online service infrastructure

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| Centrelink | - | 5.7 | - | - | - |

The Government will provide an additional \$5.7 million in 2009-10 to maintain the information technology infrastructure that delivers Centrelink's online customer services.

Continuation of this additional funding beyond 2009-10 will be examined as part of broader service delivery improvements being considered by the Department of Human Services.

See also the related expense measure titled *Service Delivery Reform – further development of initiatives* in the Human Services portfolio.

Child Support Agency — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Human Services | - | 64.7 | 47.4 | 54.6 | 56.6 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -27.9 | -27.9 | -27.9 | -27.9 |
| Total | - | 36.8 | 19.5 | 26.7 | 28.7 |

The Government will provide the Child Support Agency, part of the Department of Human Services, with an additional \$223.2 million over four years to reduce the growth in child support debt and maintain customer service standards, such as telephone response times.

The need for additional funding has resulted from increased work associated with child support reforms which culminated in the application of a new child support formula from 1 July 2008. The number and cost of interactions with clients have proved to be greater than was estimated at the time. Costs have also been incurred as a result of the separation of the Child Support Agency's information technology and corporate services functions from the Australian Taxation Office.

These costs will be partially offset by reduced Family Tax Benefit (FTB) outlays of \$111.6 million over four years, resulting in a net cost of \$111.6 million over four years. These offsets will occur as the measure will lead to greater child support payments being made and child support payments are taken into account when calculating FTB entitlements.

Child Support Agency — income reconciliation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Human Services | - | 26.6 | 28.9 | - | - |
| Centrelink | - | - | - | - | - |
| Total | - | 26.6 | 28.9 | - | - |

The Government will provide \$85.8 million over three years to enable the Child Support Agency (CSA), part of the Department of Human Services, to complete outstanding reconciliations of estimated parental income against actual income levels.

The outstanding reconciliations have arisen due to the additional work associated with changes introduced in the *Child Support Legislation Amendment Act 1998* which had the effect of increasing manual intervention in the reconciliation process. Further outstanding reconciliations have arisen due to CSA system errors.

Where debts between parents are identified, they are legally debts to the Commonwealth and some applications for debt waiver are expected. The Department of Finance and Deregulation will receive funding to examine applications to waive amounts owed to the Commonwealth.

The reconciliations will ensure that child support payments made reflect the capacity of parents to contribute to the cost of their children.

Provision of \$30.2 million has already been made in the forward estimates.

Drought assistance — continuation of rural support services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| Centrelink | - | 11.8 | - | - | - |

The Government will provide \$11.8 million in 2009-10 to continue the drought assistance mobile service and rural support services for communities affected by drought. The mobile service involves Centrelink staff travelling to rural communities, with a primary focus on providing better access to services for communities without a Centrelink office. The mobile service also assists people to access other Australian, state and local government services.

This funding also provides for the continuation of work to coordinate services in the Murray-Darling basin, particularly in the southern irrigation areas in New South Wales, Victoria and South Australia.

The funding will also provide for 10 rural support officers and five social workers to strengthen the delivery of Government services to rural Australia.

Fraud and compliance — Centrelink debts — increase in repayment rate

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | - | 0.7 | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | - | - | - | - |
| Department of Human Services | - | - | - | - | - |
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |
| Total | - | 0.7 | - | - | - |

The Government will increase the standard rate of debt repayment for Centrelink customers who have been overpaid. From 1 January 2010, Centrelink customers repaying a social welfare debt will repay their debt at a standard rate of 15 per cent of the value of their current benefit instead of the current 14 per cent. The debt repayment rate can be reduced by Centrelink, on request by the client, if it causes personal hardship. This measure will help reduce the growth in income support and family assistance debt.

This measure will cost \$0.7 million in 2009-10 to administer and is expected to increase repayment of debts by \$102.7 million over four years. These debt repayments do not impact upon the fiscal balance of the Australian Government.

Fraud and compliance — establishing a data mining capability in Centrelink

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Human Services | - | - | - | - | - |
| Centrelink | - | - | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -3.8 | -12.4 | -19.3 | -21.8 |
| Total | - | -3.8 | -12.4 | -19.3 | -21.8 |

The Government will establish an ongoing data mining capability in Centrelink that will help identify customers most at risk of receiving incorrect payments. This will include using advanced statistical techniques to identify high-risk customers who would otherwise not have been identified under current approaches.

The cost of this measure will be met through redirected compliance activities within Centrelink and terminating or reducing less effective reviews. This measure will provide net savings of \$57.4 million over four years.

Fraud and compliance — extend United Kingdom data exchange

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Human Services | - | - | - | - | - |
| Centrelink | - | - | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -1.2 | -1.5 | -0.4 | -0.3 |
| Total | - | -1.2 | -1.5 | -0.4 | -0.3 |

The Government will extend data matching reviews undertaken with the United Kingdom, currently applied to the Age Pension, to the Disability Support Pension, Carer Payment and Commonwealth Seniors Health Card. Data matching of customer reported and actual United Kingdom pension income will test the accuracy of benefits received by people receiving the Disability Support Pension and Carer Payment and holders of the Commonwealth Seniors Health Card. This measure will reduce overpayments and will lead to the recovery of amounts already incorrectly paid.

The cost of this measure will be met from the savings from redirected compliance activities within Centrelink. The measure will provide \$3.4 million in net savings over four years.

Fraud and compliance — extending real estate asset reviews to Disability Support Pension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Human Services | - | - | - | - | - |
| Centrelink | - | - | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -1.3 | -6.1 | -8.1 | -10.3 |
| Total | - | -1.3 | -6.1 | -8.1 | -10.3 |

The Government will extend the real estate asset reviews currently applied to recipients of the Age Pension to recipients of the Disability Support Pension. This will help prevent debts arising from non-reporting and under-reporting of real estate asset values (other than the family home) and improve the accuracy of payments of the Disability Support Pension.

The cost of this measure will be met from redirected compliance activities within Centrelink. The measure will provide net savings of \$25.9 million over four years.

Fraud and compliance — increased Centrelink compliance review activity

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Centrelink | - | 3.1 | 11.7 | 11.7 | 11.9 |
| Department of Human Services | - | - | - | - | - |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -0.9 | -9.5 | -11.2 | -11.8 |
| Department of Education, Employment and Workplace Relations | - | -1.5 | -35.2 | -36.7 | -37.2 |
| Total | - | 0.7 | -33.0 | -36.2 | -37.1 |

The Government will increase the number of compliance reviews that Centrelink undertakes, using information obtained from existing data matching programs such as Tax File Number Declaration form matching and Pay As You Go payment summary matching. From 1 January 2010, Centrelink will expand the number of reviews of customers by 6,250 in 2009-10 and by 31,250 in the following years. The measure is an extension of existing compliance programs, which improve the accuracy of social welfare payments and minimise debt accrued by customers.

This measure will cost \$38.4 million over four years to administer and is expected to reduce welfare overpayments by \$144 million over four years, resulting in net savings of \$105.6 million over four years.

Fraud and compliance — matching of Medicare Benefits Schedule and Pharmaceutical Benefits Schedule data

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 1.0 | 0.9 | 0.9 | 0.9 |
| Department of Human Services | - | - | - | - | - |
| Department of Health and Ageing | - | - | -4.2 | -4.5 | -6.7 |
| Total | - | 1.0 | -3.3 | -3.7 | -5.8 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Medicare Australia</i> | - | 0.6 | - | - | - |

The Government will establish expanded data matching of Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Schedule (PBS) data to help identify unusual claiming patterns for health service activity, such as unusually high claiming of prescriptions or overuse of medical services. This will allow inappropriate or fraudulent claims to be investigated and addressed.

This measure will cost \$4.2 million over four years to implement and is expected to result in a reduction in MBS and PBS payments of \$15.4 million over four years, resulting in net savings of \$11.3 million over four years.

Medicare Australia — additional offices

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Medicare Australia | - | 1.2 | 1.7 | 1.7 | 1.7 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Medicare Australia</i> | - | 0.8 | - | - | - |

The Government will provide \$7.0 million over four years, including capital of \$0.8 million, to establish Medicare Australia offices in Belmont, Western Australia, and Belmont and Warrawong, New South Wales. The new Medicare Australia offices will be co-located with Centrelink Customer Service Centres and will make it more convenient for people to access Medicare services in these areas.

Further information on the new Medicare Australia office in Belmont, Western Australia, can be found in the press release of 22 April 2009 issued by the Minister for Human Services.

This measure delivers on the Government's election commitment.

Service delivery reform — further development of initiatives

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Human Services | - | 5.0 | - | - | - |

The Government will provide \$5.0 million in 2009-10 to continue the development of service delivery reform initiatives and to develop an overarching business plan for agencies in the Human Services portfolio, including Centrelink and Medicare Australia.

The initiatives are expected to focus on opportunities to improve services for Australian citizens, through a more integrated national service delivery system.

This funding extends the 2008-09 Budget measure *Service Delivery Reform* in the Human Services portfolio.

IMMIGRATION AND CITIZENSHIP

Border protection — combating people smuggling — engagement with Indonesia

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | 9.3 | 5.0 | - | - |

The Government will provide \$14.3 million over two years to enhance whole-of-government capabilities in responding to increasing irregular migration flows in Indonesia. The measure will provide increased funding for the Regional Cooperation Arrangements in Indonesia, whereby the Department of Immigration and Citizenship funds the International Organisation for Migration to provide care and support (including housing, food and medical assistance) to unauthorised arrivals intercepted in Indonesia.

In addition, the measure will provide additional funding to the International Organisation for Migration to support the Indonesian Government in managing immigration detention facilities in Tanjung Pinang and Jakarta, and establishing temporary transit facilities.

The measure will also support Indonesia's Directorate-General of Immigration officials to develop identity management capabilities and systems, especially facial recognition capabilities.

Funding for activities under this measure forms part of Australia's overseas development assistance program.

This measure also forms part of the Australian Government's layered response to the resurgent maritime people smuggling threat. The focus is on preventive overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance responses.

Border protection — combating people smuggling — initiative to address irregular population flows

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | 8.2 | 8.1 | - | - |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | -0.1 | -0.1 | - | - |

The Government will provide \$16.4 million over two years (including \$0.1 million in revenue forgone) to enhance whole-of-government capabilities to respond to increasing irregular migration through the Asian region.

This measure will support the development of a regional framework for the management and resolution of the status of asylum seekers and irregular migrants, in cooperation with the United Nations High Commissioner for Refugees (UNHCR) and the International Organisation for Migration. Funding is provided for a secondee to the UNHCR, contributing to Australia's overseas development assistance.

This measure will provide funding for the UNHCR to undertake regional advocacy to encourage countries to become signatories to the Convention relating to the Status of Refugees (1951). Additional funding will also be provided to the United Nations Office on Drugs and Crime to build capacity in Pakistan and Afghanistan to disrupt people smuggling operations and prosecute perpetrators.

This measure will enable increased evidence-based research capacity to monitor and analyse irregular migration information, and the deployment of officers to Jakarta, Hanoi, Colombo, Kuala Lumpur and Dubai to enhance liaison and operational capabilities to assist in preventing illegal immigration to Australia.

The measure is expected to lead to a reduction in revenue of \$0.1 million over two years as a result of the tax treatment of income and benefits received by personnel posted overseas.

This measure forms part of the Australian Government's layered response to resurgent maritime people smuggling activity. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts – balanced by appropriate on-water and aerial surveillance responses.

Border Protection — combating people smuggling — package to mitigate threats, gaps and vulnerabilities — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government will provide \$8.9 million over four years to continue the lapsing measure *People smuggling – package to mitigate threats, gaps and vulnerabilities* announced in the *2005-06 Budget*. The measure will maintain the Department of Immigration and Citizenship’s ability to respond to people smuggling developments. It provides for improved intelligence and compliance support, including additional Border Intelligence officers at Australia’s international air and seaports, and increased offshore compliance officers and airline liaison officers.

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

Child Migrants Trust — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government will provide \$0.6 million over four years from 2008-09 to continue funding to the Child Migrants Trust. The Trust provides family tracing and counselling services to former child migrants from the United Kingdom and Malta who arrived in Australia post World War II. The cost of this measure will be met from within the existing resourcing of the Department of Immigration and Citizenship.

Citizenship Support Grants Program — cessation of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | -3.8 | -3.9 | -4.0 | -4.1 |

The Government will not proceed with funding for the Citizenship Support Grants Program which was introduced as part of the measure *Citizenship Test – initiatives to support implementation* announced in the *Mid-Year Economic and Fiscal Outlook 2007-08*.

The Citizenship Support Grants Program was implemented in 2008-09 as a pilot discretionary grant program, to provide support for clients who would have difficulty undertaking the Citizenship Test. The program overlaps with services provided through other programs and will not be continued. Ongoing support for people wishing to pursue Australian citizenship is available through the Department of Immigration and Citizenship, including through the resource book *Becoming an Australian Citizen* and the Adult Migrant English Program.

This measure will provide savings of \$15.8 million over four years.

Department of Immigration and Citizenship — efficiency improvements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | -23.5 | -28.8 | -34.0 | -34.3 |

The Government will improve the administration and efficiency of the Department of Immigration and Citizenship's national office and service delivery network.

Efficiencies will be achieved through: removing overlap and duplication in service provision; reducing expenditure on consultants (other than IT consultants); improving contract pricing and administration of services; and expanding the use of electronic lodgement of health reports and documentation (eHealth).

This measure will provide savings of \$120.6 million over four years.

Humanitarian Migration Program — non-refoulement obligations

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Immigration and Citizenship</i> | - | - | - | - | - |

The Government will provide \$4.8 million (including capital of \$0.2 million for information technology changes) over four years to implement a system of complementary protection for people to whom Australia has *non-refoulement* (non-return) obligations under international human rights treaties, other than the 1951 Convention Relating to the Status of Refugees.

Currently, individuals who cannot be granted refugee status, but also cannot return home as their lives could be threatened (or they would be at risk of torture), can only be granted a visa through ministerial intervention powers, which are non-compellable and non-reviewable.

This measure establishes a visa pathway, through the Protection Visa process, for *non-refoulement* applicants, improving the transparency of the application process and providing access to merits and judicial review.

This measure will align Australia's asylum procedures with international practice and the recommendations of the United Nations High Commissioner for Refugees to consider all international protection issues in a single procedure.

The cost of this measure will be met from within the existing resourcing of the Department of Immigration and Citizenship.

Improving English language learning outcomes for newly arrived migrants

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Centrelink | - | 1.1 | 0.2 | 0.2 | 0.2 |
| Department of Immigration and Citizenship | - | - | -3.9 | -8.8 | -9.2 |
| Total | - | 1.1 | -3.7 | -8.7 | -9.1 |

The Government will reform the design and delivery of the Adult Migrant English Program (AMEP) to enhance client outcomes and improve cost effectiveness.

The measure will support program reforms, including additional counselling support for all clients, and expanded services to include 15 to 17 year old new arrivals who drop out of school within their first year of arrival. Savings in this program will be achieved through improved pricing, administration and contractual arrangements for the delivery of services.

The AMEP is a national settlement program that provides English language tuition for eligible migrants and humanitarian entrants who do not have functional English.

This measure will provide net savings of \$20.4 million over four years.

Migration Agents Registration Authority — operational reforms

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | 0.8 | .. | -0.2 | -0.2 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Immigration and Citizenship</i> | - | 4.0 | - | - | - |

The Government will provide \$24.4 million over four years to establish a new body in the Department of Immigration and Citizenship to regulate migration agents. From 1 July 2009, the Migration Agents Registration Authority (MARA) function will be moved from the Migration Institute of Australia to the new Office of the MARA in the Department of Immigration and Citizenship.

The MARA is a professional association of migration agents. Its functions include: the processing of applications for migration agent registration; administration of a scheme to professionally develop migration agents; and investigating complaints about possible breaches of the Migration Agents Code of Conduct.

The move will address key recommendations from the 2007-08 Review of Statutory Self-Regulation of the Migration Advice Profession. The cost of this measure will be partially offset from existing resources.

The Government will continue to collect migration agent registration fees to contribute to meeting MARA costs. MARA assets (\$4.0 million in 2009-10) will be transferred to consolidated revenue.

Further information can be found in the press release of 9 February 2009 issued by the Minister for Immigration and Citizenship.

Migration Program — reduction in skill stream places for 2008-09

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|--------------|--------------|--------------|---------------|---------------|
| Medicare Australia | - | -0.2 | -0.5 | -0.8 | -1.1 |
| Centrelink | -0.6 | -0.6 | -1.2 | -1.3 | -1.3 |
| Department of Education, Employment and Workplace Relations | - | -3.7 | -8.3 | -20.0 | -20.5 |
| Department of Immigration and Citizenship | - | -5.4 | -4.6 | -1.9 | -0.7 |
| Department of Health and Ageing | - | -17.5 | -20.9 | -21.9 | -22.8 |
| Department of Families, Housing, Community Services and Indigenous Affairs | -10.9 | -22.4 | -23.0 | -23.6 | -24.2 |
| Department of the Treasury | - | -37.9 | -39.7 | -41.3 | -42.6 |
| Total | -11.5 | -87.7 | -98.2 | -110.7 | -113.1 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Customs and Border Protection Service</i> | - | -3.4 | -3.4 | -3.4 | -3.4 |
| <i>Department of Immigration and Citizenship</i> | - | -4.8 | - | - | - |
| <i>Australian Taxation Office</i> | - | -109.5 | -120.1 | -128.2 | -136.7 |
| <i>Total</i> | - | -117.7 | -123.5 | -131.6 | -140.1 |

The Government will reduce the number of skill stream places in the 2008-09 Migration Program by 18,500 places (133,500 places down to 115,000 places). The reduction in the ceiling has been made as a result of changed economic conditions since the 2008-09 Budget. The net impact of this measure will be to reduce the fiscal balance by \$114.8 million over five years.

The decrease in the size of the Migration Program will lead to a reduction in expenditure on visa processing, health, education, employment and other services relative to previous estimates. This will be more than offset by a decrease in estimated revenue from visa application charges, GST and other tax revenue.

Further information can be found in the press release of 16 March 2009 issued by the Minister for Immigration and Citizenship.

Migration Program — allocation of places for 2009-10

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Medicare Australia | - | -0.3 | -0.6 | -0.9 | -1.2 |
| Centrelink | - | -0.3 | -1.2 | -3.1 | -4.8 |
| Department of Education, Employment and Workplace Relations | - | -4.0 | -4.1 | -36.4 | -39.4 |
| Department of Immigration and Citizenship | - | -9.2 | -10.9 | -10.9 | -11.2 |
| Department of Families, Housing, Community Services and Indigenous Affairs | - | -14.4 | -41.4 | -69.8 | -99.7 |
| Department of Health and Ageing | - | -18.0 | -43.4 | -69.8 | -97.8 |
| Department of the Treasury | - | -44.5 | -105.1 | -170.7 | -240.0 |
| Total | - | -90.7 | -206.7 | -361.7 | -494.1 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Immigration and Citizenship</i> | - | 19.3 | 19.8 | 27.1 | 27.7 |
| <i>Australian Customs and Border Protection Service</i> | - | -4.3 | -7.7 | -12.0 | -15.5 |
| <i>Australian Taxation Office</i> | - | -138.0 | -304.3 | -487.8 | -695.0 |
| <i>Total</i> | - | -123.0 | -292.2 | -472.7 | -682.8 |

The Government will provide up to 168,700 places in the 2009-10 Migration Program. This is a decrease of 21,600 places from the previous planning level of 190,300 places, and a decrease of 3,100 places from the revised 2008-09 planning level of 171,800 places. The 2009-10 Migration Program will comprise 108,100 skill stream places, 60,300 family stream places and 300 special eligibility places.

For 2009-10, skill stream places will be reduced by 25,400 places from previous planning levels to 108,100 places. The decrease reflects changed economic conditions. The impact will be to reduce expenditure on visa processing, health, education, employment and other services. These savings will be more than offset by lower revenue from visa application charges, GST and other taxes.

The family stream will be increased by 3,800 places from previous planning levels to 60,300 places. It is being increased in order to meet higher demand for places, particularly spouse and child places. The impact will be to increase expenditure on health, education, employment and other services for family stream applicants. This cost will be partially offset by increased revenue, including from significant visa application charges that apply to the contributory parent visa.

The net impact on the fiscal balance will be a decrease of \$417.7 million over four years.

The Government has also begun to develop a longer term planning framework for migration, based on a long-term average net overseas migration range of between 150,000 and 230,000 people per year. The 2009-10 Migration Program is expected to contribute to net overseas migration in the order of 180,000 people per year.

See also the related expense measure *Migration Program – reduction in skill stream places for 2008-09* in the Immigration and Citizenship portfolio.

National Accreditation Authority for Translators and Interpreters Limited — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government has provided \$0.6 million in 2008-09 to the National Accreditation Authority for Translators and Interpreters Limited as a one-off contribution to ensure its continued solvency. The Authority is an independent company, jointly owned by the Australian and State and Territory governments, and is the only accreditation authority for interpreters and translators in Australia.

The cost of this measure will be met from within the existing resourcing of the Department of Immigration and Citizenship.

New directions in immigration detention

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government will provide \$77.4 million over four years from 2009-10 for ongoing implementation of the new immigration detention values. The measure will support the use of a risk-based detention policy, focusing on the more timely resolution of the status of people of immigration concern. The measure increases the use of early intervention mechanisms and provides for more active caseload management to obtain prompt immigration outcomes, whether they be returning a person to their home country or granting a visa.

This measure will include a national Assisted Voluntary Return Service and a Community Status Resolution Service, to actively manage clients to resolve their immigration status. It will build on the measure *Case management and community care pilot – continuation* announced in the 2008-09 Budget.

In accordance with the Government's new immigration detention values, mandatory detention continues to be an integral part of the Government's immigration policy, being an essential component of strong border control. All unauthorised arrivals, unlawful non-citizens who present unacceptable risks to the community and unlawful non-citizens who have repeatedly refused to comply with their visa conditions are subject to mandatory detention.

Further information can be found in the Minister for Immigration and Citizenship's speech of 29 July 2008.

The cost of this measure will be fully offset by savings from the restructuring of existing immigration detention operations and more effective contract management.

Protection Visas — abolition of the 45 Day Rule

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|----------|------------|------------|------------|------------|
| Department of Health and Ageing | - | 1.2 | 1.3 | 1.3 | 1.4 |
| Medicare Australia | - | .. | .. | .. | .. |
| Department of Immigration and Citizenship | - | - | - | - | - |
| Total | - | 1.2 | 1.3 | 1.4 | 1.4 |

The Government will provide \$5.4 million over four years to abolish the 45 Day Rule. The rule denies work rights and Medicare access to Protection Visa applicants who do not lodge an application for a protection visa within 45 days of arrival in Australia. This measure includes funding of \$5.2 million over four years to the Department of Health and Ageing and \$0.1 million over four years to Medicare Australia.

Under the new arrangements, Protection Visa applicants who hold a substantive visa at the time of lodging an application will be permitted to work and access Medicare. Applicants who do not hold a substantive visa will be permitted to work and access Medicare provided they engage with the Department of Immigration and Citizenship and can demonstrate there is an acceptable reason for the delay in applying for protection. This measure will prevent asylum seekers within Australia from experiencing unnecessary hardship while their applications are being processed.

The administrative costs to the Department of Immigration and Citizenship of implementing this measure will be fully offset by savings of \$0.1 million over four years from the department's national and state offices.

Providing for Australia’s security — regional counter-terrorism assistance — continuation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government will provide \$12.6 million over four years from 2009-10 to continue to assist Asia-Pacific countries to strengthen their capacity to curb terrorist and other irregular trans-border movements, through the provision of training and technical advice in document fraud detection and immigration intelligence. This program will continue until 30 June 2013.

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

Retirement Visa (Subclass 410) enhancements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government will provide \$0.1 million in 2009-10 to extend the Retirement Visa (Subclass 410) validity period from four to 10 years, and to remove the current statutory limit on work rights for holders. Currently, Retirement Visas (Subclass 410) are valid for four years and do not allow holders to work more than 20 hours per week.

The measure will provide applicants with more certainty regarding their length of stay in Australia, and allow paid and volunteer work to be undertaken. Around 8,700 visa holders will be affected by these changes. The Retirement Visa (Subclass 410) closed to new primary applicants from July 2005.

The cost of this measure will be met from within the existing resourcing of the Department of Immigration and Citizenship.

Sale of underutilised land

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government will provide \$0.4 million in 2009-10 for the Department of Immigration and Citizenship to manage the sale of underutilised land owned by the department. The cost will be met from within the existing resourcing of the Department of Immigration and Citizenship. The department has identified two sites of land that are surplus to current requirements: Sugarmill Road, Meeandah, Queensland; and Maygar Barracks, Broadmeadows, Victoria.

The department will undertake Vendor Due Diligence to prepare the sites for sale.

Systems for People — operational costs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | 32.9 | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Immigration and Citizenship</i> | - | 1.9 | - | - | - |

The Government will provide \$34.8 million in 2009-10 (including capital of \$1.9 million) to the Department of Immigration and Citizenship to support and maintain the Systems for People information technology program.

The program was initiated in 2006 to address limitations in the department's information systems identified by the Palmer and Comrie reports. The program aims to develop the department's information technology systems to improve client service, with particular emphasis on support for decision making and better records management.

The Government will consider funding beyond 2009-10 in the 2010-11 Budget, taking account of the outcomes of the implementation of the Gershon Review.

Temporary Business (Long Stay) Visa (Subclass 457) reform — implementation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |
| Department of Education, Employment and Workplace Relations | - | - | - | - | - |
| Office of the Workplace Ombudsman | - | - | - | - | - |
| Total | - | - | - | - | - |

The Government will provide \$8.4 million over five years (including \$0.2 million in 2008-09) to continue initiatives to strengthen the integrity and effectiveness of the Business (Long Stay) Visa (Subclass 457) program.

This measure will implement market-based salary levels; raise English language requirements for applicants in certain occupations; introduce formal skills assessment for high-risk applicants; and develop and implement training benchmarks to clarify the existing requirements for employers. The reforms will help to prevent exploitation of temporary overseas workers.

This measure continues the implementation of the measure *Temporary working visas – enhanced arrangements* announced in the 2008-09 Budget.

The cost of this measure will be met from within the existing resources of the Department of Education, Employment and Workplace Relations.

Further information can be found in the press release of 1 April 2009 issued by the Minister for Immigration and Citizenship.

Visa places for Iraqi locally engaged employees — extension of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | - | - | - | - |

The Government will extend the funding for the measure *Visa places for Iraqi locally engaged employees* announced in the 2008-09 Budget for a further 12 months. To date some 500 visas have been granted from a total of 600 places. The extension will ensure that the remaining eligible applicants will be appropriately assessed and considered.

This measure aims to protect the former locally engaged employees from Iraq who are potentially at risk as a consequence of their employment by the Australian Government.

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

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

Civil Aviation Safety Authority — governance

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Civil Aviation Safety Authority | - | 0.5 | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| Civil Aviation Safety Authority | - | 0.1 | - | - | - |

The Government will provide \$0.6 million in 2009-10 to establish a board for the Civil Aviation Safety Authority (CASA). The board will comprise five expert members and have responsibility for CASA's strategic direction, risk management and corporate planning. The board will also support CASA's regulatory and safety oversight role. Funding beyond 2009-10 will be considered in the 2010-11 Budget context following a review of CASA's funding arrangements.

Establishment of Regional Development Australia

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | - | -3.7 | -3.7 | -3.8 | -3.9 |

The Government will transition the former Area Consultative Committees into the Regional Development Australia network. The new Regional Development Australia network will see the Australian, State and Territory governments and local government delivering an integrated approach to regional development. The role of the Regional Development Australia network is to provide high-level policy advice to government. The new joint arrangements will be implemented progressively from 1 July 2009. This measure will provide savings of \$15.1 million over four years.

Local government payments — accelerating payments

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | 479.7 | -479.7 | - | - | - |

The Commonwealth provides general purpose financial assistance grants to local governments to enhance their capacity to provide services to the community. The Commonwealth has decided to make the first quarter payment for 2009-10 in the 2008-09 financial year.

The net effect will be an additional payment of \$479.7 million in 2008-09 with a corresponding reduction in 2009-10. Accelerating the provision of funding to local government will assist the Government’s strategy of supporting economic growth and jobs. Local governments will be able to bring forward their delivery of some services into 2008-09 or early 2009-10, when they may otherwise have been provided later in 2009 or in 2010.

Over the two years of 2008-09 and 2009-10, local governments will still receive their full financial assistance grant entitlements.

Murray River Bridges Federation Fund project — delayed pending confirmation of route

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | - | -14.0 | - | - | - |

The Government will close the Federation Fund special account, which was created in 1998 to fund projects celebrating the Centenary of Federation. The remaining \$14.0 million balance was for the Echuca Bridge project which has been delayed primarily due to the status of native title over the preferred route.

Nation Building Plan for the Future — Bruce Highway duplication and bring forward of funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | 18.0 | -30.0 | - | - | - |
| Department of the Treasury | 450.3 | -182.3 | 106.0 | 126.0 | - |
| Total | 468.3 | -212.3 | 106.0 | 126.0 | - |

The Government will provide \$488.0 million over four years (including \$176.0 million in 2008-09) towards the duplication of a 12-kilometre section of the Bruce Highway between Cooroy and Curra (Section B) to provide a four-lane divided highway.

The Government will also bring forward \$292.3 million of Nation Building Program funds from 2009-10 to 2008-09 to assist states to progress major road projects more quickly, consistent with the Government's economic stimulus objectives.

Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions, will be made by the Australian Treasury to state treasuries.

See also the related expense measures titled *Nation Building Plan for the Future – Building Australia Fund – investing in Network 1*, *Nation Building Plan for the Future – Building Australia Fund – investing in metro rail* and *Nation Building Plan for the Future – investing in public transport links for our major cities* in the Infrastructure, Transport, Regional Development and Local Government portfolio and *Nation Building Plan for the Future – investing in public transport links for our major cities* in the Treasury portfolio.

See also the related capital measure titled *Nation Building Plan for the Future – Building Australia Fund – investing in port and rail projects* in the Infrastructure, Transport, Regional Development and Local Government portfolio.

Nation Building Plan for the Future — Building Australia Fund — investing in metro rail

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | 263.0 | 196.0 | 469.7 | 834.6 | 1,143.4 |

The Government will provide \$3.9 billion over six years (including \$263.0 million in 2008–09 and \$1,034.0 million in 2013–14) as contributions towards five major rail projects that have been recommended by Infrastructure Australia. The funding allocated to the projects is as follows:

- West Metro — preconstruction work (Sydney, New South Wales): \$91.0 million in 2008–09 towards engineering and design work to further develop the West Metro project. When completed, the project will provide a 25-kilometre metro system from Central Station to Westmead Hospital and will link up with the proposed CBD Metro from Central Station to Rozelle;
- Regional Rail Express (West Werribee to Sunshine, Victoria): \$3,225.0 million over six years (including \$150.0 million in 2008–09 and \$1,034.0 million in 2013–14) towards the separation of V/Line (regional) and metro rail services between West Werribee and Southern Cross Station via Sunshine. This will improve the capacity of lines operating on four corridors. The project involves an extension of platforms and other capital works to enable eight car trains to operate on the Geelong and Bacchus Marsh lines; and a new station at Tarneit. Construction will also include duplication of existing tracks between Sunshine and Kensington and the utilisation of disused tracks from South Kensington to Southern Cross Station;
- East West Rail Tunnel — preconstruction work (Melbourne, Victoria): \$40.0 million over two years from 2011–12 towards for a rail tunnel from Dynon to St Kilda Road;
- Gawler Rail Line Modernisation (Adelaide, South Australia): \$293.5 million over five years (including \$14.0 million in 2008–09) towards the acceleration of renewal projects (re-sleepering, electrification and station enhancement) on the Gawler line. The line is 43 kilometres in length and has 24 stations; and
- Noarlunga to Seaford Rail Extension (Adelaide, South Australia): \$291.2 million over five years (including \$8.0 million in 2008–09) towards a 5.5-kilometre dual-track, electrified extension of the existing rail line from Noarlunga to Seaford in the south of Adelaide, including a 1.2-kilometre viaduct and bridge over the Onkaparinga River. The project cost includes new rail lines and electrification, two new stations and train stabling.

Funding for this measure will be provided from the Building Australia Fund.

See also the related expense measures titled *Nation Building Plan for the Future – Building Australia Fund – investing in Network 1*, *Nation Building Plan for the Future – investing in public transport links for our major cities* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding in the Infrastructure, Transport, Regional Development and Local Government portfolio* and *Nation Building Plan for the Future – investing in public transport links for our major cities* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding in the Treasury portfolio*.

See also the related capital measure titled *Nation Building Plan for the Future – Building Australia Fund – Investing in port and rail projects* in the Infrastructure, Transport, Regional Development and Local Government portfolio.

Nation Building Plan for the Future — Building Australia Fund — investing in Network 1

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | 742.0 | 75.0 | 424.0 | 624.0 | 526.0 |

The Government will provide \$3.0 billion over six years (including \$742.0 million in 2008–09 and \$562.0 million in 2013–14) as contributions towards three road projects that have been recommended by Infrastructure Australia. The funding allocated to these projects is as follows:

- Hunter Expressway (Hunter Valley, New South Wales): \$1,451.0 million over six years (including \$158.0 million in 2008–09 and \$162.0 million in 2013–14) towards the construction of 40 kilometres of dual carriageway linking the F3 and the New England Highway near Branxton;
- Pacific Highway – Kempsey bypass (Kempsey to Frederickton, New South Wales): \$618.0 million over five years (including \$100.0 million in 2008–09) towards the construction of 14.5 kilometres of a four-lane divided highway to the east of Kempsey and Frederickton; approximately 2.2 kilometres of bridging over the Macleay River Floodplain; grade separated interchanges at South Kempsey and Frederickton; and the retention of the existing Pacific Highway as a local road; and
- Ipswich Motorway – additional works (Brisbane, Queensland): \$884.0 million (including \$484.0 million in 2008–09 and \$400.0 million in 2013–14) towards additional works on the construction of eight kilometres of the Ipswich Motorway between Dinmore and Goodna, and 2.5 kilometres between Wacol and Darra; and planning for the Ipswich Motorway between Darra and Rocklea.

Funding for these road projects will be provided from the *Building Australia Fund*.

See also the related expense measures titled *Nation Building Plan for the Future – Building Australia Fund – investing in metro rail*, *Nation Building Plan for the Future – investing in public transport links for our major cities* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding in the Infrastructure, Transport, Regional Development and Local Government portfolio* and *Nation Building Plan for the Future – investing in public transport links for our major cities* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding in the Treasury portfolio*.

See also the related capital measure titled *Nation Building Plan for the Future – Building Australia Fund – investing in port and rail projects* in the Infrastructure, Transport, Regional Development and Local Government portfolio.

Nation Building Plan for the Future — Investing in public transport links for our major cities

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | 32.0 | 30.0 | 79.0 | 65.0 | 74.0 |

The Government will provide \$317.0 million over six years (including \$32.0 million in 2008–09 and \$37.0 million in 2013–14) as contributions towards three projects in Australia’s major cities. The funding allocated to the projects is as follows:

- Brisbane Inner City Rail Feasibility Study (Brisbane, Queensland): \$20.0 million in 2008–09 towards a detailed feasibility study of additional river crossing capacity and cross city capacity for the provision of a rail loop that services the major stops north and south of the Brisbane River to cater for future growth;
- O-Bahn Track Extension (Adelaide, South Australia): \$61.0 million over four years (including \$5.0 million in 2008–09) towards dedicated tracks and associated improvements for the final 4.5 kilometres of Adelaide’s high speed O-Bahn dedicated corridor. The proposed works include provision of on-road priority along Hackney Road and Dequetteville Terrace by providing a single reversible lane in the median, including traffic signal improvements; a two-way dedicated corridor along Rundle Road; and two-way dedicated lanes in Grenfell and Currie Streets; and
- Northbridge Rail Link – the Hub (Perth, Western Australia): \$236.0 million over six years (including \$7.0 million in 2008–09 and \$37.0 million in 2013–14) towards the sinking of the central city section of the Perth–Fremantle railway line and construction of a new rail platform. This will make available new land to develop above the rail line and is the first stage required for the Hub urban redevelopment project.

Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions will be made by the Australian Treasury to state treasuries.

See also the related expense measures titled *Nation Building Plan for the Future – Building Australia Fund – Investing in Network 1*, *Nation Building Plan for the Future – Building Australia Fund – Investing in metro rail* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding in the Infrastructure, Transport, Regional Development and Local Government portfolio* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding in the Treasury portfolio*.

See also the related capital measure titled *Nation Building Plan for the Future – Building Australia Fund – Investing in port and rail projects* in the Infrastructure, Transport, Regional Development and Local Government portfolio.

National Road Safety Council — contribution

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | - | - | - | - | - |

The Government will provide \$3.0 million over five years to establish the National Road Safety Council (NRSC). The NRSC will bring together key community leaders and experts to support the implementation of national road safety strategies, action plans and other safety initiatives agreed by the Australian Transport Council.

The cost of this measure will be met from within the existing resourcing of the Department of Infrastructure, Transport, Regional Development and Local Government.

Remote Aviation Infrastructure Fund — upgrade of airstrips

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | - | 3.0 | - | - | - |

The Government will provide \$3.0 million in 2009-10 to upgrade Remote Air Services Subsidy (RASS) scheme airstrips that require immediate improvement from the charter safety standard to the higher regular public transport standard. This funding will be used to upgrade airstrips prioritised on the basis of safety concerns. The airstrips to be upgraded and the works required will be identified following inspections and technical assessments.

INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

An Innovation and Higher Education System for the 21st Century — Anglo-Australian Observatory — new governance arrangements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 4.1 | 10.4 | 10.5 | 11.4 |

The Government will provide \$36.5 million over four years to meet ongoing operational costs of the Anglo-Australian Observatory under a new governance arrangement within the Innovation, Industry, Science and Research portfolio.

The Anglo-Australian Observatory is Australia's main optical astronomy facility and is currently administered by the Anglo-Australian Telescope Board (AATB) with funding contributions from the Australian and United Kingdom (UK) governments. The UK Government will reduce its contribution in 2009-10 and fully withdraw its contribution from the commencement of 2010-11. This additional funding will replace the UK Government's funding and cover increased site lease costs which reflect the commercial value of the site. The additional funding will ensure that from 1 July 2010, subject to the repeal of the *Anglo-Australian Telescope Agreement Act 1970*, the Australian Government will acquire the assets of the AATB.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – Anglo-Australian Observatory – offsetting savings* in the Innovation, Industry, Science and Research portfolio.

An Innovation and Higher Education System for the 21st Century — Anglo-Australian Observatory — offsetting savings

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | - | -5.1 | -5.3 | -5.2 |

The Government will replace the Anglo-Australian Telescope Board (AATB), which currently administers the Anglo-Australian Observatory, with new governance arrangements for the observatory within the Innovation, Industry, Science and Research portfolio. The abolition of AATB reflects the withdrawal of funding support by the United Kingdom Government and the transfer of ownership of the observatory to the Australian Government.

This measure will provide savings of \$15.6 million over three years.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century Anglo-Australian Observatory – new governance arrangements* in the Innovation, Industry, Science and Research portfolio.

An Innovation and Higher Education System for the 21st Century — Australian Space Science Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 6.4 | 12.9 | 14.1 | 15.1 |

The Government will provide \$48.6 million over four years to support the establishment of the Australian Space Science Program.

Funding of \$40.0 million over four years will be available for the establishment of the Australian Space Research Program, which will support space research, innovation and skills development.

Funding of \$8.6 million over four years will help establish a Space Policy Unit in the Department of Innovation, Industry, Science and Research to coordinate Australia's national and international civil space activities, including partnerships with international space agencies.

An Innovation and Higher Education System for the 21st Century — Collaborative Research Networks program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | - | 10.0 | 21.0 | 21.0 |

The Government will provide \$114.1 million over six years from 2010-11 (including \$20.7 million per annum from 2013-14 to 2015-16) to establish the Collaborative Research Networks program. The program will assist those regional universities that are less research intensive, but have identified areas of research strength, to develop collaborative links with other universities and make the structural adjustments required to boost their international competitiveness and research quality in line with the Government's reforms in this area.

See also the related expense measures titled *An Innovation and Higher Education System for the 21st Century – Sustainable Research Excellence in Universities* and *An Innovation and Higher Education System for the 21st Century – Joint Research Engagement*.

An Innovation and Higher Education System for the 21st Century — Commonwealth Commercialisation Institute — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 20.6 | 38.5 | 58.9 | 78.1 |

The Government will provide \$196.1 million over four years to establish the Commonwealth Commercialisation Institute, which will support research commercialisation and early stage company development by small and medium enterprises. The Government will develop guidelines to ensure funding supports viable additional innovation activity.

An Innovation and Higher Education System for the 21st Century — Education Investment Fund — Super Science — strengthening Australia's research infrastructure

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | 28.0 | 208.4 | 258.4 | 239.6 | 172.6 |

The Government will provide \$906.9 million over five years to support a range of projects that will strengthen Australia's research infrastructure. Funding of \$901.0 million over five years will be allocated from the Education Investment Fund (EIF) for direct investment in infrastructure, while \$6.0 million over four years will be separately appropriated for administrative expenses to support the delivery of these projects. The EIF expenditure includes support for the Australian Nuclear Science and Technology Organisation (\$62 million over four years starting in 2009-10), the Australian Institute of Marine Science (\$55 million over three years starting in 2009-10) and the Commonwealth Scientific and Industrial Research Organisation (\$120 million over four years starting in 2009-10).

This Super Science initiative will boost infrastructure and research capacity in three key areas of Australian research strength: space science and astronomy, marine and climate science, and future technology (nanotechnology and life sciences). These areas have been identified as both existing research strengths and of strategic importance for Australia's future. They are also consistent with the priorities identified in the Strategic Roadmap for Australian Research Infrastructure announced by the Minister for Innovation, Industry, Science and Research in September 2008.

The projects that will be funded under this initiative are:

- the replacement of Australia's Marine National Facility, the RV *Southern Surveyor*, operated by the CSIRO (\$120 million);

- a national network of research data storage and collaboration infrastructure to be built by the Australian Research Collaboration Service (\$97 million);
- a new facility in Perth to support the proposed Square Kilometre Array radio astronomy telescope (\$80 million);
- additional facilities for the Australian Nuclear Science and Technology Organisation (\$62 million);
- additional tropical marine research facilities for the Australian Institute of Marine Science (\$55 million);
- support for the Integrated Marine Observing System hosted by the University of Tasmania (\$52 million);
- the Australian National Fabrication Facility, involving participation from 13 universities, the CSIRO, and private industry (\$50 million);
- the Bio-molecular Platforms and Informatics Project managed by Bioplatforms Australia (\$50 million);
- upgrade of the Climate High Performing Computing Facilities hosted by the Australian National University (\$50 million);
- the Australian Research and Data Commons project led by Monash University (\$48 million);
- extension and upgrading of the Australian Research and Education Network run by AARNet Pty Ltd, comprising 38 Australian universities and the CSIRO (\$37 million);
- support for the Terrestrial Ecosystem Research Network hosted by the University of Queensland (\$35 million);
- establishment of collaborative infrastructure networks to support new drug discovery, novel cell therapies, development of nanomedicines, and integrated population health solutions, through a collaboration of universities, non-profit research institutions, the CSIRO and private industry (\$35 million);
- the Atlas of Living Australia project hosted by the CSIRO (\$30 million);
- the establishment of facilities to enhance understanding of urban resource use and management, involving a collaboration between several universities including the University of Melbourne, University of New South Wales, Australian National University and Griffith University (\$20 million);

- the Australian Phenomics Network project led by the Australian National University (\$15 million);
- the Climate Geoscience Platform project for groundwater monitoring led by AuScope (\$15 million);
- support to Astronomy Australia Limited to sustain investments in national radio and optical astronomy infrastructure (\$10 million);
- the Australian Plant Phenomics Facility led by the University of Adelaide (\$10 million);
- upgrade of the National Plasma Fusion Facility at the Australian National University (\$10 million);
- the National Ion Accelerators project led by the Australian National University and the University of Melbourne (\$10 million); and
- the Population Health Research Network hosted by the University of Western Australia (\$10 million).

In addition to laying strong foundations for future scientific achievement in Australia, many of the projects that will be funded through this measure are able to be implemented at short notice, and will thereby provide economic stimulus.

An Innovation and Higher Education System for the 21st Century — European Molecular Biology Laboratory partner facility

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 2.0 | 2.0 | 2.0 | 2.0 |

The Government will provide \$8.0 million over four years to support the establishment and development of a European Molecular Biology Laboratory (EMBL) facility on the campus of Monash University in Victoria. As an associate member of the EMBL, Australia is collaborating with a world leader in molecular biology research.

This measure will support Australia’s participation in major international research projects and also provide access to the EMBL’s world-leading research infrastructure and expertise in bioinformatics, researcher training and research commercialisation. It will also promote research collaboration and researcher mobility between Australia and Europe.

An Innovation and Higher Education System for the 21st Century — Excellence in Research for Australia

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Research Council | - | 9.6 | 7.3 | 4.3 | 4.7 |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Research Council | - | 4.5 | 2.6 | 1.4 | 1.4 |

The Government will provide \$35.8 million over four years to establish the Excellence in Research for Australia (ERA) initiative. The initiative will involve the Australian Research Council (ARC) using quantitative and qualitative analysis to evaluate the quality of research conducted by Australia's tertiary education institutions. From this analysis, the ARC will be able to detail, by institution and by discipline, those areas in which research is internationally competitive and emerging areas where there are opportunities for development and further research investment. This will allow Australia's academic achievements to be more readily measured against international peers.

An Innovation and Higher Education System for the 21st Century — Joint Research Engagement program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | - | - | - | - |

The Government will redirect \$1.2 billion over four years (including \$158.8 million in 2009-10, \$323.9 million in 2010-11, \$330.0 million in 2011-12 and \$337.6 million in 2012-13) from the Institutional Grants Scheme for a new Joint Research Engagement program. The new program will use a revised allocation formula which removes competitive grant income as a driver of funding. This change is intended to give greater emphasis to end-user research by encouraging and supporting collaborative research activities between universities, industry and end-users.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – Sustainable Research Excellence in Universities* in the Innovation, Industry, Science and Research portfolio.

An Innovation and Higher Education System for the 21st Century — maintaining Australia's Marine National Facility

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Commonwealth Scientific and Industrial Research Organisation | - | 6.8 | 5.7 | 7.3 | 9.8 |

The Government will provide \$29.6 million over four years to carry out maintenance on Australia's Marine National Facility, the RV *Southern Surveyor*, and increase its operating time to 180 sea days per year until June 2013.

The RV *Southern Surveyor* is a research vessel owned and operated by the CSIRO that is available to marine scientists to explore and study Australia's oceans.

This measure includes \$2.4 million over three years for project management costs associated with the purchase of a replacement vessel. Funding of the replacement vessel will, subject to meeting the requirements of the fund, be provided through the Education Investment Fund.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – Education Investment Fund – Strengthening Australia's research infrastructure*.

An Innovation and Higher Education System for the 21st Century — National Enabling Technologies Strategy

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 7.5 | 7.6 | 7.7 | 7.8 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of Innovation, Industry, Science and Research</i> | - | 3.9 | 1.5 | 1.4 | 1.1 |

The Government will provide \$38.2 million over four years to develop a National Enabling Technologies Strategy. The strategy will set the direction for future technology development, including the uptake of biotechnology and nanotechnology products and processes across the economy and society, and thus position Australia to better capture the potential of this technology.

The funding will provide for the establishment of a National Office of Enabling Technology as a business unit in the Innovation, Industry, Science and Research portfolio, which will develop and manage the implementation of a four-year strategy. Additional resources will also be provided to the National Measurement Institute to build its capacity and expertise in nanometrology and biotechnology measurement infrastructure.

An Innovation and Higher Education System for the 21st Century — postgraduate research — student support

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 5.5 | 12.3 | 13.5 | 20.4 |

The Government will provide \$51.7 million over four years to increase the annual stipend provided to postgraduate research students through the Australian Postgraduate Awards and International Postgraduate Research Scholarships from \$20,007 to \$22,500. This stipend will be indexed annually by the Consumer Price Index to ensure that financial support for postgraduate students is maintained in real terms.

An Innovation and Higher Education System for the 21st Century — Questacon — continuation of the national science outreach program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 1.9 | 1.9 | 1.9 | 1.9 |

The Government will provide \$7.6 million over four years to continue Questacon’s national science outreach programs, such as early childhood and Indigenous education programs and the Invention Convention. Funding under this measure will include the development and coordination of science communication activities to support students, teachers and communities across Australia.

An Innovation and Higher Education System for the 21st Century — Research and Development Tax Credit

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 120.4 | 411.1 | 432.4 | 452.5 |
| Department of Innovation, Industry, Science and Research | - | 4.7 | 6.4 | 10.2 | 9.8 |
| Total | - | 125.1 | 417.5 | 442.6 | 462.3 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | - | 55.0 | 400.0 | 400.0 |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Taxation Office | - | - | 1.3 | - | - |

The Government will provide \$1.4 billion over four years to replace the existing Research and Development Tax Concessions with a new Research and Development (R&D) Tax Credit with effect from 1 July 2010. This measure is expected to be partially offset by the revenue gain over the same period from abolishing the existing R&D Tax Concessions. On a underlying cash basis, the ongoing measure (the R&D Tax Credit) is expected to be revenue neutral over its first four years of operation.

The R&D Tax Credit will consist of a 40 per cent non-refundable tax credit and a 45 per cent refundable tax credit for firms with a turnover of \$20 million or less. The new refundable tax credit will not be subject to an expenditure cap. The definition of R&D that is eligible for the new R&D Tax Credit will be tightened to ensure that the support is better targeted. R&D expenditure undertaken in Australia by foreign-owned firms will be eligible for the 40 per cent non-refundable tax credit.

Since the program does not start until 1 July 2010, as an interim measure the Government will lift the expenditure cap on eligible R&D that can be claimed under the existing R&D Tax Offset from \$1 million to \$2 million with effect from 1 July 2009.

This funding includes \$31 million over four years to the Department for Innovation, Industry, Science and Research and \$7.2 million over four years to the Australian Taxation Office to administer the new R&D Tax Credit.

An Innovation and Higher Education System for the 21st Century — Super Science Fellowships program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------|---------|---------|---------|---------|---------|
| Australian Research Council | - | 2.6 | 7.3 | 9.8 | 7.5 |

The Government will provide \$29.7 million over five years (including \$2.5 million in 2013-14) to establish a three-year postdoctoral fellowship program that will focus on encouraging postdoctoral research into space science and astronomy; marine science and the climate frontier; and future industries such as nanotechnology and life sciences.

The program will be administered under the National Competitive Grants Program by the Australian Research Council and will involve two rounds, with individual grants awarded being up to \$72,500 per annum.

An Innovation and Higher Education System for the 21st Century — Support for Industry Service Organisations program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 3.7 | 3.7 | 3.7 | 3.7 |

The Government will provide \$14.7 million over four years to continue its assistance for Standards Australia and the National Association of Testing Authorities. The assistance will support Australian participation in international standards and conformance bodies, and ensure Australian standards and conformity assessment procedures are in alignment with international practices and do not disadvantage Australian consumers or industry.

An Innovation and Higher Education System for the 21st Century — Sustainable Research Excellence in Universities

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 30.5 | 120.5 | 160.5 | 200.5 |

The Government will provide \$813.0 million over five years (including \$301.0 million in 2013-14) to supplement the Research Infrastructure Block Grants (RIBG) program so that it is better able to assist universities meet the indirect costs of their research.

Research grants provided by bodies such as the Australian Research Council and the National Health and Medical Research Council cover only the direct costs of research – indirect costs such as capital maintenance and administrative overheads are not funded. The RIBG program is currently used to help universities cover some of these indirect costs but, despite this, many universities need to use funding from other sources to meet the full costs of their research. This measure will help address this gap.

In addition to the extra funding, there will be changes to the way in which the funding allocations to universities are calculated. Funding will be allocated on the basis of negotiated funding agreements as follows: 20 per cent on the basis of a university's relative success in attracting research income (the current means of determining all of the RIBG funding); and 80 per cent contingent on universities undertaking activity-based costing of the indirect costs of research and meeting performance targets which are to be developed and agreed during 2009-10.

See also the related expense measure titled *An Innovation and Higher Education System for the 21st Century – Joint Research Engagement* in the Innovation, Industry, Science and Research portfolio.

Australian Nuclear Science and Technology Organisation — additional funding of operational activities

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Nuclear Science and Technology Organisation | - | 2.1 | 2.1 | 2.2 | - |

The Government will provide \$6.4 million over three years to the Australian Nuclear Science and Technology Organisation (ANSTO) to assist it to meet increased operating expenses, particularly those relating to reactor fuel assemblies.

Operating costs associated with the OPAL Reactor have increased substantially over the past few years. This additional funding will help ANSTO to meet its contractual obligations to the suppliers of fuel for continued operation of its OPAL reactor, which will enable the continuation of its key operating and research activities.

Bushfire Cooperative Research Centre — extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | - | 5.0 | 5.0 | 5.0 |

The Government will provide \$15.0 million over three years from 2010-11 to the Bushfire Cooperative Research Centre (CRC) in Melbourne. The Bushfire CRC brings together university and public sector researchers with industry to collaborate on research and development projects associated with bushfires. Its current focus is on prevention, preparation and suppression of bushfires, community self-sufficiency (including education) and protection of people and property.

This measure was agreed with the Australian Greens as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

Consolidation of National Measurement Institute and Commonwealth Scientific and Industrial Research Organisation (CSIRO) Sydney accommodation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 0.9 | - | - | - |
| Commonwealth Scientific and Industrial Research Organisation | - | 0.6 | - | - | - |
| Total | - | 1.5 | - | - | - |

The Government will provide \$1.5 million in 2009-10 to conduct scoping and feasibility studies for the proposed consolidation of the National Measurement Institute's chemical and physical metrology laboratories on the CSIRO West Lindfield site in Sydney.

Development of innovative health technologies — bionic eye

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------|---------|---------|---------|---------|---------|
| Australian Research Council | - | 10.0 | 10.0 | 15.0 | 15.0 |

The Government will provide \$50.0 million over four years to establish a competitive grant program managed under the Australian Research Council's Special Research Initiatives Scheme to facilitate research leading to the development of a functional bionic eye.

Funding will be available to assist up-front research efforts to prove the efficacy and biostability of implantable medical devices such as a bionic eye and to develop appropriate mechanical and software control systems. Funding will be awarded to organisations and associated partners that can best deliver a collaborative approach that brings together specialists from a wide range of relevant fields to position Australia as a leader in bionic vision technology.

This measure responds to a key priority identified at the 2020 Summit by the group that discussed policy challenges arising from developing a Long-Term National Health Strategy.

International Science Linkages program — discontinuing 2009 funding round

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | -2.0 | - | - | - |

The Government will not proceed with funding for the 2009 competitive grants round under the International Science Linkages program announced in the 2001-02 Budget.

This program supported a range of collaborative projects. However, a funding round will not proceed in 2009, given the significant support for innovation, science, commercialisation and research being provided through the Government's response to the *Review of the National Innovation System*.

This measure will provide savings of \$2.0 million in 2009-10.

Liquified Petroleum Gas (LPG) Vehicle Scheme — reduced rebate for post-factory conversions

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 48.8 | 26.7 | -4.1 | -27.5 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Taxation Office</i> | - | -8.0 | -17.2 | -21.9 | -22.8 |

The Government will manage strong demand under the LPG Vehicle Scheme by reducing the rebate for post-factory conversions to LPG fuel systems, at an estimated cost of \$7.9 million over five years (including a saving of \$36.0 million in 2013-14).

The rebate will be reduced from the current \$2,000 per conversion to \$1,750 per conversion from 1 July 2009, and then reduce further to \$1,500 from 1 July 2010, \$1,250 from 1 July 2011, and \$1,000 from 1 July 2012. For privately owned new cars the \$2,000 rebate for factory fitted LPG fuel systems will remain unchanged.

While the reduced rebate will help to manage expenditure over the life of the program, higher levels of demand are still expected in 2009-10 and 2010-11, resulting in an increase in the expenditure in those years.

This measure results in a reduction in excise revenue of \$83.9 million over five years (including \$14.0 million in 2013-14) because LPG displaces other, fully excisable fuels.

Questacon — maintenance of the National Science and Technology Centre

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 3.7 | - | - | - |

The Government will provide \$3.7 million in 2009-10 to enable Questacon to carry out urgent maintenance and repair works on the National Science and Technology Centre in Canberra.

Royal Institution of Australia — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | 15.0 | - | - | - | - |

The Government will provide \$15.0 million in 2008-09 to establish the Royal Institution of Australia as a national science exchange with the intention of it becoming a leading national institution in the fields of science and technology. The Royal Institution of Australia will be established in Adelaide and will bring together scientists, industry, government and the community to further public knowledge on the use of science and technology in everyday life. The Government's contribution is a one-off endowment to the Royal Institution of Australia.

Small Business Online Program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 5.0 | 5.0 | - | - |

The Government will provide \$10.0 million over two years to assist small businesses take advantage of e-business opportunities and expand their online presence. Funding under this measure will be provided to eligible organisations to provide advice and assistance to small businesses on e-business issues.

Small Business Support Line — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 5.0 | 5.0 | - | - |

The Government will provide \$10.0 million over two years to establish a small business support line and referral service to assist small businesses better manage in the current global recession. The support line will provide initial advice on issues such as: obtaining finance; cash flow management; retail leasing; personal stress and hardship counselling; and promotion and marketing. The support line will refer small businesses to specialist advisers for more complex or detailed advice.

Textiles, clothing and footwear — Clothing and Household Textile Building Innovative Capability Program — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | - | - | 5.0 | 5.0 |

The Government will provide \$25.0 million over five years (including \$5.0 million in 2013-14, \$5.0 million in 2014-15 and \$5.0 million in 2015-16) for the Textiles, Clothing and Footwear Post-2005 Strategic Investment Program Scheme to be expanded and renamed the Clothing and Household Textile Building Innovative Capability Program.

The expanded program will increase the level of assistance to clothing and household textile firms and refocus support to develop innovative capability at the enterprise level.

See also the related savings measure titled *Textiles, clothing and footwear – Product Diversification Scheme – redirect funds to build innovative capability* in the Innovation, Industry, Science and Research portfolio.

Textiles, clothing and footwear — competitive grants to build innovative capability — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | 0.5 | 4.4 | 9.5 | 9.5 |

The Government will provide \$32.5 million over six years (including \$4.4 million in 2013-14 and \$4.2 million in 2014-15) to establish a competitive grants program to support larger strategic projects that will build innovative capability at the enterprise and workplace level in the textiles, clothing and footwear industries. The first grants for this program will be provided in 2010-11.

This measure responds to recommendations one and five of the Review of the Australian Textile, Clothing and Footwear Industries, *Building Innovative Capability*.

See also the related savings measure titled *Textiles, Clothing and Footwear – Supply Chain Opportunities – redirect funds to build innovative capability* in the Innovation, Industry, Science and Research portfolio.

Textiles, clothing and footwear — Product Diversification Scheme — redirect funds to build innovative capability

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | - | -0.2 | -5.3 | -5.3 |

The Government will redirect funding from the Textiles, Clothing and Footwear Product Diversification Scheme. This measure will provide savings of \$26.7 million over seven years (including savings of \$5.3 million in 2013-14, \$5.3 million in 2014-15, \$5.3 million in 2015-16 and \$0.1 million in 2016-17) to partially offset the additional funding provided to the Clothing and Household Textile Building Innovative Capability Program.

As the recipients of the Product Diversification Scheme must have importing and manufacturing capabilities, use of the program has been limited to a small number of large firms who receive duty credits under the scheme. The Product Diversification Scheme has therefore provided little incentive for innovation and skills enhancement.

See also the related expense measure titled *Textiles, Clothing and Footwear – Clothing and Household Textile Building Innovative Capability – additional funding* in the Innovation, Industry, Science and Research portfolio.

Textiles, clothing and footwear — Supply Chain Opportunities — redirect funds to build innovative capability

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | -0.5 | -4.5 | -4.5 | -4.5 |

The Government will redirect funding from the Textiles Clothing and Footwear Supply Chain Opportunities Program. This measure will provide savings of \$23.0 million over seven years (including \$4.5 million in 2013-14, \$4.3 million in 2014-15 and \$0.2 million in 2015-16) to partially offset the new Textiles, Clothing and Footwear Strategic Capability Program. This measure will support the change in focus of government assistance towards supporting greater innovation in the textile, clothing and footwear industries.

The Textiles, Clothing and Footwear Supply Chain Opportunities Program was designed to provide grants to subsidise key capital investment to strengthen the domestic supply chain. Redirecting the funding to support building innovative capacity at the enterprise level is consistent with the reform directions set out in the Review of the Australian Textile, Clothing and Footwear Industries, *Building Innovative Capability*.

See also the related expense measure titled *Textiles, Clothing and Footwear – Strategic Capability – competitive grants to build innovative capability* in the Innovation, Industry, Science and Research portfolio.

PRIME MINISTER AND CABINET

Australian National Audit Office — enhanced professional capability

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian National Audit Office | - | 2.9 | 4.7 | 5.8 | 5.8 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian National Audit Office</i> | - | 0.2 | 0.7 | - | - |

The Government will provide \$20.1 million over four years (including capital funding of \$0.9 million) to increase the ANAO's resource base. This will allow the ANAO to enhance its auditing activities, including performance audits, information technology audits and other specialist audit activities and increase technical support and quality assurance capability.

Border protection — combating people smuggling — Australian Government management of border security and maritime people smuggling

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Prime Minister and Cabinet | - | 1.2 | 1.2 | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of the Prime Minister and Cabinet</i> | - | 0.4 | - | - | - |

The Government will provide \$2.8 million over two years to the Department of Prime Minister and Cabinet to manage border security and maritime people smuggling issues, including the development of policy advice and to provide support to the newly created Border Protection Committee of Cabinet.

This measure forms part of the Australian Government's layered response to the resurgent maritime people smuggling threat. The focus is on preventative overseas interventions through strengthened operational, diplomatic and regional capacity-building efforts — balanced by appropriate on-water and aerial surveillance responses.

Community Cabinet — enhancement

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Prime Minister and Cabinet | - | 1.0 | 1.1 | 1.1 | 1.1 |

The Government will provide an additional \$4.2 million over four years to enhance the Community Cabinet program and further direct engagement with the general community. The funding will help to meet the cost of logistical support and briefing, reporting and analysis of issues raised by the community.

Department of the Prime Minister and Cabinet — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Prime Minister and Cabinet | - | 1.8 | 1.8 | 1.8 | 1.8 |

The Government will provide additional funding of \$7.2 million over four years to enable the Department of the Prime Minister and Cabinet to sustain its role as a central policy agency and support the Government's program delivery.

National Australia Day activities

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Prime Minister and Cabinet | - | 0.9 | 0.9 | 0.9 | 0.9 |

The Government will provide \$3.7 million over four years to continue funding for the National Australia Day Council, for Australia Day activities, including the Australian of the Year Awards announcement and the Australia Day Live concert.

National Mental Health and Disability Employment Strategy — strategy support

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------------|---------|---------|---------|---------|---------|
| Australian Public Service Commission | - | - | - | - | - |

The Government will provide \$0.6 million over four years to the Australian Public Service Commission (APSC) for the *National Mental Health and Disability Employment Strategy*. The APSC will develop training and best practice advice for agencies and managers, and establish and support disability network forums.

The cost of this measure will be absorbed by the Australian Public Service Commission.

See also related expense measure titled *National Mental Health and Disability Employment Strategy – Disability Support Pension wage subsidy pilot* in the Education, Employment and Workplace Relations portfolio.

National Security Adviser Group — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Prime Minister and Cabinet | - | - | - | - | - |
| <i>Related capital (\$m)</i> | | | | | |
| Department of the Prime Minister and Cabinet | - | - | - | - | - |

The Government will provide \$17.9 million over five years (including \$0.7 million in capital funding in 2008-09) to establish the National Security Adviser Group within the Department of the Prime Minister and Cabinet. The National Security Adviser Group will support the implementation of the recommendations of the Homeland and Border Security Review conducted by Mr Ric Smith AO PSM, including improvements to strategic leadership and coordination of national security in Australia.

National Security Legislation Monitor — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of the Prime Minister and Cabinet | - | 0.3 | 0.3 | 0.3 | 0.3 |
| Attorney-General's Department | - | -0.3 | -0.3 | -0.3 | -0.3 |
| Total | - | - | - | - | - |

The Government will provide \$1.4 million over four years to establish the National Security Legislation Monitor in the Department of the Prime Minister and Cabinet, to review the operation of counter-terrorism and national security legislation.

The cost of this measure will be met from within the existing resourcing of the Attorney-General's portfolio.

Office of National Assessments — new accommodation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------|---------|---------|---------|---------|---------|
| Office of National Assessments | - | 0.7 | 2.0 | 2.2 | 2.3 |

The Government will provide \$7.2 million over four years as a contribution to the higher costs of the Office of National Assessments arising from its relocation to new accommodation.

Office of the Information Commissioner — establishment

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Prime Minister and Cabinet | - | 3.0 | 5.0 | 5.0 | 5.1 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Department of the Prime Minister and Cabinet</i> | - | 2.5 | - | - | - |

The Government will provide \$20.1 million over four years (including \$2.5 million in capital funding) to establish the Office of the Information Commissioner. The establishment of the Office will include the appointment of an Information Commissioner and a Freedom of Information (FOI) Commissioner. The existing Office of the Privacy Commissioner will also be incorporated into the new agency. As a result, information policy, privacy protection and FOI functions will be combined in one agency. The legislation to establish the new Office will also contain reforms to the *Freedom of Information Act 1982*.

Further information can be found in the press release of 24 March 2009 issued by the Cabinet Secretary.

Prime Minister and Cabinet portfolio — further efficiencies

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Office of the Privacy Commissioner | - | -0.1 | -0.1 | -0.1 | -0.1 |
| Office of the Renewable Energy Regulator | - | -0.1 | -0.1 | -0.1 | -0.1 |
| Office of the Official Secretary to the Governor-General | - | -0.1 | -0.1 | -0.1 | -0.1 |
| Old Parliament House | - | -0.1 | -0.1 | -0.1 | -0.1 |
| Australian Institute of Family Studies | - | -0.2 | -0.2 | -0.2 | -0.2 |
| Department of the Prime Minister and Cabinet | - | -0.3 | -0.3 | -0.3 | -0.3 |
| Office of National Assessments | - | -0.3 | -0.3 | -0.3 | -0.3 |
| Australian Public Service Commission | - | -0.3 | -0.3 | -0.3 | -0.3 |
| National Archives of Australia | - | -0.5 | -0.5 | -0.6 | -0.6 |
| Total | - | -1.9 | -1.9 | -1.9 | -1.9 |

The Government will reduce funding for a range of agencies within the Prime Minister and Cabinet portfolio, with savings achieved through reductions in non-essential agency operating expenditure.

This measure will provide savings of \$7.6 million over four years.

RESOURCES, ENERGY AND TOURISM

Clean Energy Initiative

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Resources, Energy and Tourism | - | 300.0 | 200.0 | 200.0 | 200.0 |
| Department of Innovation, Industry, Science and Research | - | 100.0 | 100.0 | 100.0 | 100.0 |
| Total | - | 400.0 | 300.0 | 300.0 | 300.0 |

The Government will provide \$3.5 billion over nine years for the establishment of the Clean Energy Initiative (CEI). The CEI will support a series of substantial new measures to encourage further innovation in clean energy generation and low emissions technologies, which will contribute to Australia's transition to a low-carbon economy. The new measures will focus on carbon capture and storage (CCS), solar and non-solar renewable technologies.

Carbon Capture and Storage Flagships

The Government will provide \$2.0 billion over nine years. This includes \$200.0 million from the Education Investment Fund (EIF) over four years. The CCS Flagship projects will help accelerate the development and deployment of low emission coal technologies by supporting the demonstration in Australia of industrial-scale CCS flagship projects.

The funding under this measure is intended to support the demonstration of industrial-scale projects in Australia and is expected to include a carbon dioxide storage hub.

Project funding for the CCS Flagship projects will be subject to a competitive process and the intention is to maximise, to the extent possible, the range of technologies that are tested. The Government intends to contribute up to one-third of the cost of selected projects.

Funding from the EIF will be subject to endorsement by the EIF Advisory Board once suitable projects are identified.

Solar Flagships

The Government will provide up to \$1.5 billion over six years to support up to four solar energy generation projects in Australia. This includes \$135.0 million in 2009-10 to be redirected from the Renewable Energy Fund and up to \$200.0 million from the EIF, to support four solar energy generation projects in Australia. The projects will research and demonstrate, on an industrial scale, the viability of different types (solar thermal and photovoltaic) of solar energy technology.

Funding from the EIF will be subject to endorsement by the EIF Advisory Board once suitable projects are identified.

Renewables Australia

The Government will provide funding of up to \$465 million, including \$365 million to be redirected from the non-solar related elements of the Renewable Energy Fund, to establish an independent innovation investment body, Renewables Australia (RA).

RA will promote the development, commercialisation and deployment of renewable energy technologies through activities such as supporting collaborative research in high-priority renewable technologies; and supporting and advising government, industry and the community on the promotion, development and implementation of renewable technologies.

Department of Resources, Energy and Tourism — supplementary departmental funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Resources, Energy and Tourism | 2.3 | 2.4 | 2.4 | 2.4 | 2.4 |
| Department of Innovation, Industry, Science and Research | -1.2 | -1.2 | -1.2 | -1.2 | -1.2 |
| Total | 1.1 | 1.2 | 1.2 | 1.2 | 1.2 |

The Government will provide \$11.9 million over five years to cover operating costs of the Department of Resources, Energy and Tourism. The Department of Innovation, Industry, Science and Research will transfer \$1.2 million per annum and the remaining funding will come from the budget on an ongoing basis.

This supplementary funding will allow the Department of Resources, Energy and Tourism to meet the costs of additional support services and functions required for its ongoing operations.

Enhancing Australia's energy security

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Resources, Energy and Tourism | - | 2.0 | 1.1 | 1.0 | - |

The Government will provide \$4.1 million over three years to help improve Australia's energy security. Funding of \$3.8 million over three years will be provided for the Government's share of administrative expenses associated with energy market reform initiatives managed through the Ministerial Council on Energy. Further funding of \$0.3 million in 2009-10 will be provided for a simulation exercise to test and improve liquid fuel emergency response procedures in accordance with the Government's obligations under the National Liquid Fuel Emergency Response Plan.

National Mine Safety Framework — implementation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Resources, Energy and Tourism | - | 1.3 | 0.7 | 0.7 | 0.7 |

The Government will provide \$3.3 million over four years to develop and implement the National Mine Safety Framework (NMSF). The NMSF is a Council of Australian Governments' initiative to align state and territory Occupational Health and Safety regimes into a nationally consistent framework for Australia's mining industry.

The NMSF is intended to improve safety and increase employee mobility within the industry through appropriate regulatory, training and information frameworks. The development and implementation of the NMSF is being managed through the Ministerial Council on Mineral and Petroleum Resources. It is anticipated that State and Territory governments will also contribute to the cost of its development.

Rum Jungle mine site — environmental rehabilitation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 2.0 | 1.2 | 3.5 | 0.3 |
| Department of Resources, Energy and Tourism | - | 0.3 | 0.3 | 0.3 | 0.3 |
| Total | - | 2.3 | 1.5 | 3.8 | 0.6 |

The Government will provide \$8.3 million over four years to implement comprehensive environmental monitoring and maintenance, including repair where necessary, at the former Commonwealth Rum Jungle uranium mine site in the Northern Territory, which operated from 1954 to 1971.

This funding will also assist in the development of a strategy to resolve environmental, economic development and Indigenous land access issues associated with the mine site.

The Northern Territory Government will deliver the on-ground activities for this measure. Under the new framework for federal financial relations, commencing 1 January 2009, payments to the States, with a few exceptions will be made by the Australian Treasury to state treasuries.

TREASURY

Australian Bureau of Statistics — Census field staff funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Australian Bureau of Statistics | - | - | 12.3 | 67.2 | - |

The Government will provide \$79.5 million to the Australian Bureau of Statistics (ABS) over two years from 2010-11 for remuneration of field staff for the 2011 Census of Population and Housing.

The funding will enable the ABS to provide remuneration which reflects the workload of Census field staff, consistent with workplace legislation.

Australian Bureau of Statistics — statistical capacity

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Australian Bureau of Statistics | - | 15.0 | 15.0 | 15.0 | 15.0 |

The Government will provide \$60.0 million over four years to maintain the statistical capacity of the Australian Bureau of Statistics. The funding will support the scope and quality of statistical outputs over the forward years.

Australian Office of Financial Management — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Office of Financial Management | - | 4.1 | 4.6 | 5.0 | 5.5 |

The Government will provide \$19.2 million over four years to the Australian Office of Financial Management to undertake the debt management activities resulting from the deterioration in the global economy. The funding will support market liaison and increased operational capacity.

Australian Prudential Regulation Authority — continuation of the National Claims and Policies Database

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Prudential Regulation Authority | - | 1.3 | 0.7 | 0.7 | 0.7 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Australian Prudential Regulation Authority</i> | - | 1.3 | 0.7 | 0.7 | 0.7 |

The Government will provide \$3.5 million over four years to the Australian Prudential Regulation Authority (APRA) to continue to operate the National Claims and Policies Database (NCPD).

The NCPD provides a central database for public liability and professional indemnity insurance information, allowing APRA and other stakeholders to identify and monitor trends, establish industry benchmarks, set levels for insurance premiums and allocate reserves for claims.

The cost of the NCPD will continue to be recovered from industry through a special levy on regulated institutions that offer public and product liability and professional indemnity insurance.

Australian Securities and Investments Commission — enhanced monitoring and enforcement capabilities

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Securities and Investments Commission | - | 15.4 | 15.7 | 15.9 | 16.1 |

The Government will provide \$63.2 million over four years to support the Australian Securities and Investments Commission (ASIC) to meet the costs of additional specialist and staff, legal and forensic resources, and support three new full-time Commissioners appointed by the Government in December 2008.

This will enable ASIC to increase monitoring and enforcement activities, market research and analysis; increase the supervision of brokers, intermediaries, operators of exchange trade products and markets; promote higher standards for risk assessment and risk management practices; and manage conflicts of interest by market participants.

Council of Australian Governments' decision — Australian Competition and Consumer Commission — implementing a system of national product safety regulation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Competition and Consumer Commission | 1.4 | 4.5 | 5.5 | 6.2 | 6.9 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Competition and Consumer Commission</i> | - | 0.1 | .. | 0.1 | 0.1 |

The Government will provide \$24.8 million over five years to the Australian Competition and Consumer Commission to implement reforms to Australia's consumer product safety framework. This measure implements the Australian Government's commitments in respect of decisions taken by Council of Australian Governments during 2008.

This measure will enhance consumer safety in all States and Territories by delivering a single national product safety law with consistent enforcement by the Australian Government and state and territory regulators. These reforms include an increased ability to identify hazards posed by consumer products, a single point of information provision for consumers and an improved recall system.

This measure includes \$0.2 million in capital funding over four years for developing IT systems.

Council of Australian Governments' decision — Commonwealth investment in closing Indigenous data gaps

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------|---------|---------|---------|---------|---------|
| Total | - | nfp | nfp | nfp | nfp |

The Government will provide additional funding to Commonwealth data agencies to address deficiencies in Indigenous data which are required to enable reporting against the performance indicators identified in the *National Indigenous Reform Agreement* with the States and Territories. This measure implements the Commonwealth's commitments in respect of decisions taken by Council of Australian Governments during 2008.

Provision has been made in the Contingency Reserve to reflect this decision, with the final amounts to be settled after consultation with the States and Territories on data collection issues.

Council of Australian Governments' decision — implementing the Council of Australian Governments' federal financial framework — expanded roles

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|------------|-------------|-------------|-------------|-------------|
| Australian Institute of Health and Welfare | 0.7 | 8.9 | 9.7 | 4.9 | 4.8 |
| Australian Bureau of Statistics | - | 4.4 | 2.8 | 4.2 | 2.1 |
| Productivity Commission | 0.9 | 3.4 | 3.4 | 3.1 | 3.0 |
| Department of Education, Employment and Workplace Relations | - | 1.5 | 2.5 | 1.0 | 1.0 |
| Department of the Prime Minister and Cabinet | - | 1.1 | 2.6 | 2.9 | 2.9 |
| Total | 1.6 | 19.4 | 21.0 | 16.0 | 13.8 |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Institute of Health and Welfare | - | 1.3 | - | - | - |
| Department of the Prime Minister and Cabinet | - | 0.8 | - | - | - |
| Australian Bureau of Statistics | - | 0.4 | 0.3 | - | - |
| Total | - | 2.4 | 0.3 | - | - |

The Government will provide \$74.5 million over five years (including \$2.7 million in capital funding) to implement a performance reporting framework that supports the *Intergovernmental Agreement on Federal Financial Relations*. This measure implements the Australian Government's commitments in respect of decisions taken by COAG during 2008.

This measure involves funding for the Australian Institute of Health and Welfare, the Australian Bureau of Statistics, and the National Centre for Vocational Education Research to develop data for performance indicators specified in the six new National Agreements and new National Partnerships with the States and Territories.

In addition, funding of \$10.2 million over four years (including \$0.8 million in capital funding), will be provided for the COAG Reform Council to undertake an expanded role in monitoring, assessing and reporting under the new performance reporting framework.

This measure also includes funding for the Productivity Commission to collate performance information for the COAG Reform Council's analysis and assessment, report on the economic impacts and benefits of COAG's reform agenda and provide relevant data and secretariat services to the Indigenous Expenditure Report Steering Committee.

Education Tax Refund — public awareness campaign

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | 9.3 | - | - | - | - |

The Government will provide \$9.3 million in 2008-09 to the Australian Taxation Office to provide information on the Education Tax Refund to eligible claimants. The information campaign encourages eligible claimants to retain receipts so they can apply for a tax refund on eligible expenses incurred as a result of educating their primary and secondary school children.

The Education Tax Refund will help working families meet the cost of educating their children through primary and secondary school.

Federal finances — additional decisions — reward payment for improved Year 12 attainment levels

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | - | - | 50.0 | - |

The Commonwealth will make available up to \$100.0 million of reward payments for the achievement of improved performance against the national Year 12 attainment levels.

Up to \$50.0 million will be paid in 2011-12 based on 2010 participation data and up to \$50.0 million be paid in 2013-14 based on 2012 attainment data.

Federal finances — rationalising payments — film and literature classification

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 4.7 | -0.6 | -0.6 | -0.6 |

The Commonwealth will meet its future payment commitments to the States in respect of film and literature classification by providing a single payment of \$4.7 million in 2009-10 and ceasing future annual payments.

One of the objectives of COAG’s new federal financial framework is to rationalise the number of payments made between the Commonwealth and the States. COAG has provided in-principle endorsement for several payments to be cashed out, with one final payment equal to the present value of the future stream of payments.

The Cooperative National Censorship Scheme ensures that Australians are able to make informed decisions about films, publications and computer games which they, or those in their care, may view, read or play. The Commonwealth compensates the States for revenues they gave up with the introduction of the national scheme. Cashing out these payments does not affect the on-going operation of the scheme, which will now be fully funded by the Commonwealth.

Federal finances — rationalising payments — GST compensation

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | 309.4 | -301.9 | -1.0 | -1.0 | -1.0 |

The Government will recover an overpayment of compensation to the States in 2009-10 in respect of GST concessions provided to small businesses and non-profit organisations.

One of the objectives of COAG's new federal financial framework is to rationalise the number of payments made between the Commonwealth and the States. COAG has provided in-principle endorsement for several payments to be cashed out, with one final payment equal to the present value of the future stream of payments.

In 2004-05, the Commonwealth and the States agreed to allow small businesses and non-profit organisations which voluntarily registered for the GST to pay and report GST on an annual rather than monthly or quarterly basis. The Commonwealth agreed to compensate the States for the consequential deferral of GST revenue. Final tax return data indicates that the impact of the measure on GST revenue was much lower than forecast, resulting in a significant overpayment of compensation.

The amount to be recovered is the present value of the overpayment less the present value of the stream of future annual payments. In the 2008-09 Budget, it was expected that the recovery would be in 2008-09. The Government will now recover the net overpayment of \$301.9 million in 2009-10. This arrangement will extinguish all current and future Commonwealth and State commitments in respect of this measure.

Federal finances — rationalising payments — organ transplantation services

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 16.1 | -2.1 | -2.1 | -2.1 |

The Commonwealth will meet its future payment commitments to the States in respect of organ transplantation services by providing a single payment of \$16.1 million in 2009-10 and ceasing future annual payments.

One of the objectives of COAG's new federal financial framework is to rationalise the number of payments made between the Commonwealth and the States. COAG has provided in-principle endorsement for several payments to be cashed out, with one final payment equal to the present value of the future stream of payments.

Under long standing arrangements, the Commonwealth reimburses New South Wales and South Australia for 40 per cent of the cost of certain organ and tissue transplantation-related services that are conducted by the Australian Red Cross Blood Service. The States will now be responsible for fully funding these services.

Federal finances — rationalising payments — repatriation general hospitals

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 12.3 | -1.8 | -1.7 | -1.7 |

The Commonwealth will meet its future payment commitments to the States in respect of repatriation general hospitals by providing a single payment of \$12.3 million in 2009-10 and ceasing future annual payments.

One of the objectives of COAG's new federal financial framework is to rationalise the number of payments made between the Commonwealth and the States. COAG has provided in-principle endorsement for several payments to be cashed out, with one final payment equal to the present value of the future stream of payments.

The Commonwealth provides payments to the States related to staff transfer costs such as accrued leave credits, income maintenance and superannuation differentials, in accordance with agreements on the integration of the Commonwealth's former repatriation general hospitals with the state hospital systems.

Federal finances — rationalising payments — Snowy Hydro Ltd tax compensation

Expense (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | 376.4 | -46.7 | -46.7 | -46.7 | -46.7 |

The Commonwealth will meet its future payment commitments to New South Wales and Victoria in respect of Snowy Hydro Ltd tax compensation by providing a single payment of \$376.4 million in 2008-09 and ceasing future annual payments.

One of the objectives of COAG's new federal financial framework is to rationalise the number of payments made between the Commonwealth and the States. COAG has provided in-principle endorsement for several payments to be cashed out, with one final payment equal to the present value of the future stream of payments.

The Commonwealth provides compensation to New South Wales and Victoria for Commonwealth taxes paid by Snowy Hydro Ltd in proportion to the States' shareholdings. Prior to its corporatisation, these taxes would have been payable to the shareholders through tax equivalence schemes.

Federal finances — rationalising payments — social housing subsidy program

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 9.9 | -2.0 | -2.0 | -2.0 |

The Commonwealth will meet its future payment commitments to the States under the social housing subsidy program by providing a single payment of \$9.9 million in 2009-10 and ceasing future annual payments.

One of the objectives of COAG's new federal financial framework is to rationalise the number of payments made between the Commonwealth and the States. COAG has provided in-principle endorsement for several payments to be cashed out, with one final payment equal to the present value of the future stream of payments.

The social housing subsidy program provides funding to subsidise the costs of financing rental accommodation for low- and middle-income earners.

Federal finances — rationalising payments — state cellar door subsidy savings

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | -184.6 | - | - | - |

The States have previously agreed to return to the Commonwealth savings arising to them from the Commonwealth's introduction of the wine equalisation tax producer rebate. The Commonwealth will recover these savings in a single payment in 2009-10.

One of the objectives of COAG's new federal financial framework is to rationalise the number of payments made between the Commonwealth and the States. COAG has provided in-principle endorsement for several payments to be cashed out, with one final payment equal to the present value of the future stream of payments.

The present value of estimated State savings since the Commonwealth introduced the wine equalisation tax producer rebate is \$63.0 million, of which \$3.2 million has already been recovered. Rather than the States returning these savings to the Commonwealth annually, the Commonwealth will recover the present value of the future stream of annual payments. The net impact in 2009-10 will be that the Commonwealth will recover \$184.6 million. This will extinguish all current and future State commitments in respect of this measure.

First Home Owners Boost — extension

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 486.2 | 47.3 | 5.5 | - |

The Government will provide \$539.0 million over three years to extend the First Home Owners Boost for six months to support the housing market and first home buyers.

For eligible first home buyers entering into contracts between 1 July 2009 and 30 September 2009 (inclusive) the First Home Owners Boost will continue to provide \$7,000 for the purchase of established homes and \$14,000 for the purchase of new homes. In combination with the existing \$7,000 First Home Owners Scheme grant, this means that first home owners will receive a total of \$14,000 for established homes and \$21,000 for new homes.

For eligible first home buyers entering into contracts between 1 October 2009 and 31 December 2009 (inclusive) the First Home Owners Boost will provide \$3,500 for the purchase of established homes and \$7,000 for the purchase of new homes. When combined with the existing First Home Owners Scheme grant, this means that first home owners will receive a total of \$10,500 for established homes and \$14,000 for new homes.

Global recession — additional funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Securities and Investments Commission | - | - | 18.7 | - | - |
| Department of the Treasury | - | - | 5.0 | - | - |
| Total | - | - | 23.7 | - | - |

The Government will provide \$23.7 million in 2010-11 to the Treasury and the Australian Securities and Investments Commission (ASIC) to continue, for an additional year, the funding for the *Global financial crisis – additional funding for regulators and the Treasury* measure announced in the *Mid-Year Economic and Fiscal Outlook 2008-09*. This will help ensure that Australia's financial regulators continue to have the resources to maintain strong oversight of Australia's financial system during the global financial crisis.

Grocery mandatory unit pricing

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Competition and Consumer Commission | - | 1.1 | 1.1 | - | - |

The Government will provide \$2.2 million over two years to the Australian Competition and Consumer Commission to establish a unit pricing code for retail supermarkets. The unit pricing scheme will be implemented via a mandatory industry code under Part IVB of the *Trade Practices Act 1974*. This will provide consumers with pricing information based on standard units of weight, or other applicable measures, so that consumers can compare prices between products.

Nation Building and Jobs Plan — Tax Bonus for Working Australians — reduction

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -435.0 | - | - | - | - |

The Government agreed to an amendment to the 2009 *Updated Economic and Fiscal Outlook* measure *Nation Building and Jobs Plan – Tax bonus for working Australians* to reduce by \$50 each of the Bonus payment amounts. A \$900 Bonus is being paid to eligible taxpayers with a taxable income in 2007-08 of \$80,000 or less. A \$600 Bonus is being paid to eligible taxpayers with a taxable income in 2007-08 between \$80,001 and \$90,000, and a \$250 Bonus is being paid to eligible taxpayers with a taxable income in 2007-08 between \$90,001 and \$100,000.

This measure was agreed with the minor parties as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

Secure and sustainable pensions — Pensioner and Beneficiary Living Cost Index

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Bureau of Statistics | - | 9.3 | 4.4 | 3.5 | 1.0 |
| <i>Related capital (\$m)</i> | | | | | |
| <i>Australian Bureau of Statistics</i> | - | 0.2 | 0.1 | 0.1 | - |

The Government will provide \$18.5 million over four years to the Australia Bureau of Statistics to develop a new Pensioner and Beneficiary Living Cost Index, for use in the cost of living indexation of base rates of income support pensions covered by the Government's pension reform. These include the Age Pension, Disability Support Pension, Carer Payment and Service Pension. This includes \$0.3 million in capital funding.

Strategic compliance — continuing to address the abuse of tax havens

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Crime Commission | - | 1.8 | 3.2 | 2.4 | 2.0 |
| Australian Transaction Reports and Analysis Centre | - | 0.8 | 0.7 | 0.7 | 0.7 |
| Commonwealth Director of Public Prosecutions | - | 0.5 | 1.6 | 3.4 | 3.8 |
| Attorney-General's Department | - | 0.4 | 0.4 | 0.4 | 0.4 |
| Australian Taxation Office | - | - | 28.7 | 24.6 | 20.9 |
| Australian Federal Police | - | - | 7.9 | 7.5 | 7.4 |
| Australian Securities and Investments Commission | - | - | 0.8 | 0.7 | 0.4 |
| Total | - | 3.5 | 43.2 | 39.7 | 35.6 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | - | 61.0 | 56.0 | 48.0 |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Transaction Reports and Analysis Centre | - | 0.1 | - | - | - |
| Australian Crime Commission | - | .. | - | - | - |
| Total | - | 0.2 | - | - | - |

The Government will provide \$122 million over four years to continue to address tax fraud involving the use of offshore tax havens. This additional funding maintains the Government's commitment to deal effectively with offshore tax evasion and will allow the continuation of cross-agency investigations and prosecutions of tax haven abuse.

This measure represents an extension of the work commenced under Project Wickenby. This measure will also complement international developments combating the abuse of tax havens.

The measure includes \$0.1 million in capital funding in 2009-10 (including \$0.1 million for the Australian Transactions Reporting and Analysis Centre and \$25,000 for the Australian Crime Commission) to further develop information and communication technology capabilities between agencies to support the strategic intelligence function.

This measure is estimated to result in an additional \$165.0 million in revenue in fiscal balance terms over three years from 2010-11. In underlying cash terms, the expected increase in receipts is \$127.0 million over three years from 2010-11.

Strategic compliance — managing taxation compliance risks related to Australia's economic recovery

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 44.2 | 80.4 | 86.2 | 91.3 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | 105.0 | 175.0 | 470.0 | 525.0 |

The Government will provide \$302.1 million over four years to the Australian Taxation Office (ATO) to address known risks in the tax system that could further erode Australia's revenue base and to address risks that will emerge as Australia's economy recovers from the economic downturn and returns to growth. Three areas for additional compliance attention are large and medium businesses, data matching to identify compliance anomalies and non-compliance by individuals with high net wealth.

As Australia's economy recovers, risks will emerge or magnify as companies seek to maximise competitive advantage via tax minimisation strategies, particularly in the large and medium business market.

The ATO will also undertake additional compliance activity in relation to individuals with net wealth between \$5 million and \$30 million.

The ATO will also increase its compliance data matching activities to identify unreported income and obligations in relation to public, private and foreign owned companies.

This measure is estimated to result in an additional \$1.3 billion in revenue in fiscal balance terms over four years. In underlying cash terms, the expected increase in receipts is \$820 million over four years.

This measure will help to protect the revenue base and promote community confidence in the tax system.

Strategic compliance — promoting a level playing field for small business

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 15.6 | 17.2 | 17.6 | 15.9 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | 59.5 | 72.2 | 87.2 | 94.5 |
| <i>Related capital (\$m)</i> | | | | | |
| Australian Taxation Office | - | - | 2.3 | 2.3 | - |

The Government will provide \$70.9 million over four years to the Australian Taxation Office (ATO) to help ensure that small business and other taxpayers continue to meet taxation and other superannuation obligations during the global economic downturn.

This measure will allow the early identification of and engagement with small businesses that may engage in cash economy activities, tax minimisation schemes and serial insolvency practices, and help maintain employee entitlements.

The measure includes \$4.6 million in capital funding for the ATO in 2010-11 and 2011-12 to implement system changes to support early identification and engagement.

This measure is estimated to result in an additional \$313.4 million in revenue in fiscal balance terms over four years. In underlying cash terms, the expected increase in receipts is \$216.7 million over four years.

Strategic compliance — supporting businesses and other taxpayers in financial distress

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 24.4 | 24.7 | 24.1 | 26.8 |
| <i>Related revenue (\$m)</i> | | | | | |
| Australian Taxation Office | - | 5.0 | 17.0 | 3.0 | 4.0 |

The Government will provide \$100.1 million over four years to the Australian Taxation Office (ATO) to assist small businesses and other taxpayers experiencing financial distress to remain viable and stay engaged in the tax system.

The ATO will provide assistance to at-risk taxpayers, including early identification of those experiencing financial distress and continuing to provide flexible payment arrangements. Early intervention with struggling businesses will help them to stay in business and continue to contribute to tax receipts.

This measure is estimated to result in an additional \$29.0 million in revenue in fiscal balance terms over four years. In underlying cash terms, the expected increase in receipts is \$815.0 million due to less debt write-offs.

Streamlining tax law design — response to the Tax Design Review Panel report

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | 0.6 | 0.6 | 0.6 | - |

The Government will provide \$1.8 million over three years to the Department of the Treasury to support the engagement of private sector experts to provide advice on tax policy design. This arose from a recommendation by the Tax Design Review Panel.

Further information can be found in the press release of 22 August 2008 issued by the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs.

Superannuation — contributing to sustainable retirement income reform by temporarily reducing the Government co-contribution

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -385.0 | -395.0 | -410.0 | -205.0 |

The Government will temporarily reduce the matching rate and maximum co-contribution that is payable on an individual's eligible personal non-concessional superannuation contributions, with effect from 1 July 2009. This measure is estimated to save \$1.395 billion over the forward estimates period. This measure contributes to sustainable retirement income reform.

The temporary reduction in the co-contribution matching rate is not expected to have a significant impact on the level of superannuation contributions because the scheme will remain very generous — the matching rate will continue to provide a return on contributions of at least 100 per cent.

Under this measure, the matching rate will be:

- 100 per cent for 2009-10, 2010-11 and 2011-12, with a maximum co-contribution of \$1000, reduced by 3.333 cents for each dollar by which the person's total income exceeds the shade out threshold for receiving the full co-contribution;
- 125 per cent for 2012-13 and 2013-14, with a maximum co-contribution of \$1,250, reduced by 4.167 cents for each dollar of total income above the shade out threshold; and
- 150 per cent from 2014-15 onwards, with a maximum co-contribution of \$1,500, reduced by 5 cents for each dollar of total income above the shade out threshold.

Wheat export marketing — access arrangements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Competition and Consumer Commission | 0.9 | 0.6 | - | - | - |
| Department of Agriculture, Fisheries and Forestry | -0.9 | -0.6 | - | - | - |
| Total | - | - | - | - | - |

The Government will redirect funding of \$1.5 million over two years from 2008-09 from the Department of Agriculture, Fisheries and Forestry to the Australian Competition and Consumer Commission (ACCC) for its new role under the *Wheat Export Marketing Act 2008*.

Under the Act, wheat exporters that own a port export wheat facility must have an access undertaking approved by the ACCC by 1 October 2009, unless the facility is subject to a certified state-based access regime. An access undertaking contains the terms and conditions under which access to port terminal services is offered to other wheat exporters.

VETERANS' AFFAIRS

Clarke Review — review of unimplemented recommendations

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | - | - | - | - |

The Government will provide \$0.2 million over two years from 2008-09 to review the recommendations of the Clarke Review, not accepted by the previous government, with a particular focus on recommendations relating to Australian members of the British Commonwealth Occupational Force in Japan and Australian Defence Force participants in the British nuclear tests in Australia.

The Clarke Review was conducted in 2002 and considered potential anomalies in access to veterans' entitlements and the benefits available to disability pensioners. The Review made a total of 109 recommendations, with 58 of the recommendations being implemented. This review will ensure that the remaining recommendations are further considered in conjunction with new submissions from the veteran community.

The cost of this measure will be met from within the existing resourcing of the Department of Veterans' Affairs.

Commemorations — Western Front ANZAC Trail

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | 1.3 | 3.1 | 2.7 | 2.9 |

The Government will provide \$10.0 million over four years to assist visitors to the battle fields of France and Belgium to better understand Australia's contribution on the Western Front in World War I.

This measure will help establish partnerships with local communities on Australian World War I battlefields, such as Fromelles and Villers-Bretonneux, to create a trail of local museums and memorials, and to provide information and education packages to support the trail concept.

The trail will also help illustrate Australia's contribution on the Western Front in the lead-up to the centenary of conflicts in World War I.

Further information can be found in the press release of 24 April 2009 issued by the Minister for Veterans' Affairs.

Defence Services Home Insurance Scheme — extension of eligibility

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | 1.3 | 2.2 | 2.9 | 3.2 |
| <i>Related revenue (\$m)</i> | | | | | |
| <i>Department of Veterans' Affairs</i> | - | 1.5 | 2.5 | 3.1 | 3.5 |

The Government will expand eligibility for the Defence Services Home Insurance Scheme to members of the Defence Home Ownership Assistance Scheme. This measure will allow Australian Defence Force personnel, who are entitled to assistance under the new Defence Home Ownership Assistance Scheme, to access Defence Services Home Insurance Scheme building and contents insurance products. This expansion of the Defence Services Home Insurance Scheme is an additional benefit offered to serving members and will assist in the retention of Australian Defence Force personnel.

This measure will result in a net saving of \$1.0 million over four years, representing the difference between premiums received and claims paid during this period. Over time this measure is expected to be budget neutral, with the cost of claims matching the premiums received.

Department of Veterans' Affairs — additional departmental funding

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | 15.0 | - | - | - | - |

The Government will provide an additional \$15.0 million in 2008-09 to the Department of Veterans' Affairs to supplement departmental funding. This funding will support the department in delivering services to the veteran community.

Dependant Pension — lump-sum payment and closure

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | .. | 5.3 | -2.2 | -2.0 | -1.9 |

The Government will simplify the veterans' compensation system by closing the Dependant Pension from the end of September 2009, providing existing recipients with a one-off lump-sum payment equivalent to three years of payments. The Dependant Pension was initially implemented to compensate widows and children who had suffered as a result of a war-caused disability to a veteran. New grants for the Dependant Pension ceased in 1985. Rates for the pension have been frozen since 1964, with the exception of a one-off increase in July 2000 to compensate for the impact of the GST.

This measure will provide net savings of \$0.8 million over four years, primarily from reduced administration costs.

HomeFront, Rehabilitation Appliance program and Veterans' Home Care assessments

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | -1.0 | -1.1 | -1.1 | -1.1 |

The Government will improve access to veterans' services by streamlining the current assessment processes used to determine eligibility for the HomeFront, Rehabilitation Appliance and Veterans' Home Care programs. These programs aim to help veterans remain in their homes and thereby delay entry into residential aged care facilities. All three programs will now be accessed through a Veterans' Home Care program assessment. This new centralised assessment process will reduce the need for multiple assessments and ensure that veterans are linked effectively to the program that best suits their needs.

This measure will provide savings of \$4.2 million over four years.

Improved payment arrangements for veterans residing overseas

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | 0.2 | 0.1 | 0.1 | 0.1 |

The Government will provide \$0.5 million over four years to allow the Department of Veterans' Affairs to make payments to clients residing overseas directly into their overseas bank accounts. Clients will be able to choose whether they continue with their existing arrangements or have payments made directly into an overseas bank account. These changes are consistent with existing payment arrangements for other Australian Government agencies, including Centrelink and the Child Support Agency.

Military compensation — review of current arrangements

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | 0.1 | 0.5 | - | - | - |

The Government will provide \$0.5 million over two years to fund a review of military compensation arrangements. The review will examine the operation of the *Military Rehabilitation and Compensation Act 2004* to date, the legislative schemes that governed military compensation prior to the Act, and the level of medical and financial care provided to injured Defence personnel. It will also examine the suitability of access to military compensation schemes for members of the Australian Federal Police who have been deployed overseas. The review will ensure that members and former members of the Australian Defence Force and their dependants have access to appropriate compensation arrangements that give due recognition to the effects of their defence service.

Suicide prevention — response to the Independent Study into Suicide in the Ex-service Community

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | 2.3 | 2.6 | 2.3 | 2.3 |

The Government will provide \$9.5 million over four years to fund the Government's response to the Independent Study into Suicide in the Ex-service Community. The study, prepared by Professor David Dunt, was commissioned in August 2008 to examine the broad issues of suicide in the ex-service community.

The Government has accepted the recommendations made by Professor Dunt. The Government's response will include appointing five full-time clinical psychologists to the Department of Veterans' Affairs to provide mental health advice to new specialised claims managers and assist with broader mental health policy and program design and delivery. In addition, existing mental health and suicide prevention programs will be strengthened and improvements made to processing for complex claims, especially those involving chronic mental conditions.

Further information can be found in the press release of 4 May 2009 issued by the Minister for Veterans' Affairs.

War-caused disabilities — review of pharmaceutical costs

| Expense (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------------|---------|---------|---------|---------|---------|
| Department of Veterans' Affairs | - | 0.4 | 0.1 | - | - |

The Government will provide \$0.5 million over two years to conduct a study into the cost to veterans of pharmaceuticals used to treat war-caused disabilities. The study will investigate the concerns of the ex-service community regarding the pharmaceutical co-payment, which requires veterans to contribute to the cost of pharmaceuticals. The study will provide the Government with options for managing the cost to veterans of pharmaceuticals for war-caused disabilities and will include consultation with the ex-service community.

Part 1: Revenue Measures

Table 1: Revenue measures since the February 2009 UEFO^(a)

| Page | | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---|----------|-------------|-----------------|-----------------|--------------|
| | | \$m | \$m | \$m | \$m | \$m |
| ATTORNEY-GENERAL'S | | | | | | |
| <i>Australian Customs and Border Protection Service</i> | | | | | | |
| 14 | Changing the taxation definition of beer and wine | - | 10.0 | 10.0 | 10.0 | 10.0 |
| | Migration Program | | | | | |
| 338 | – reduction in skill stream places for 2008-09(b) | - | -3.4 | -3.4 | -3.4 | -3.4 |
| 339 | – allocation of places for 2009-10(b) | - | -4.3 | -7.7 | -12.0 | -15.5 |
| <i>Insolvency and Trustee Service Australia</i> | | | | | | |
| 107 | Insolvency and Trustee Service Australia – maintaining service standards(b) | - | 6.2 | 8.7 | - | - |
| | Portfolio total | - | 8.5 | 7.6 | -5.4 | -8.9 |
| BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY | | | | | | |
| <i>Australian Communications and Media Authority</i> | | | | | | |
| 116 | Australian Communications Consumer Action Network – additional support(b) | - | 1.2 | 2.0 | 2.1 | 2.1 |
| 118 | Do Not Call Register- eligibility extension(b) | - | 1.5 | 0.7 | 0.7 | 0.7 |
| | Portfolio total | - | 2.7 | 2.7 | 2.8 | 2.8 |
| CROSS PORTFOLIO | | | | | | |
| <i>Various Agencies</i> | | | | | | |
| 7 | Carbon Pollution Reduction Scheme – revised implementation | - | - | -7,450.0 | -2,990.0 | 988.0 |
| | Portfolio total | - | - | -7,450.0 | -2,990.0 | 988.0 |
| EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS | | | | | | |
| <i>Department of Education, Employment and Workplace Relations</i> | | | | | | |
| An Innovation and Higher Education System for the 21st Century | | | | | | |
| 143 | – conditional funding and revised indexation arrangements(b) | - | - | .. | 0.5 | 2.2 |
| 144 | – demand-driven funding for higher education(b) | - | - | .. | 0.4 | 1.8 |
| 150 | – increase in the maximum annual student contribution amount for education and nursing(b) | - | - | 0.2 | 0.8 | 2.0 |
| 152 | – remove the loan fee on OS-HELP loans(b) | - | -1.6 | -4.3 | -5.0 | -5.5 |
| 163 | Expansion of income contingent loans to state-subsidised students in vocational education and training(b) | - | - | 1.3 | 2.8 | 4.5 |
| 164 | Expansion of VET FEE-HELP for full-fee students(b) | - | 21.8 | 31.7 | 43.1 | 55.7 |
| | Portfolio total | - | 20.3 | 28.9 | 42.6 | 60.7 |

Table 1: Revenue measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS | | | | | |
| | <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | | | | | |
| 242 | Secure and sustainable pensions – increase to pension payments(b) | - | - | - | - | - |
| | Portfolio total | - | - | - | - | - |
| | FINANCE AND DEREGULATION | | | | | |
| | <i>Department of Finance and Deregulation</i> | | | | | |
| 8 | Medibank Private Limited – conversion to a 'for profit' government business enterprise | nfp | nfp | nfp | nfp | nfp |
| | Portfolio total | - | - | - | - | - |
| | FOREIGN AFFAIRS AND TRADE | | | | | |
| | <i>Department of Foreign Affairs and Trade</i> | | | | | |
| 257 | Hosting the 35th Antarctic Treaty Consultative Meeting(b) | - | - | - | .. | - |
| | Portfolio total | - | - | - | .. | - |
| | HEALTH AND AGEING | | | | | |
| | <i>Department of Health and Ageing</i> | | | | | |
| 298 | National Joint Replacement Registry – cost recovery(b) | - | 1.6 | 1.6 | 1.7 | 1.7 |
| 306 | Pharmaceutical Benefits Scheme – listing of Avastin® (bevacizumab)(b) | - | nfp | nfp | nfp | nfp |
| 307 | – listing of Sutent® (sunitinib)(b) | - | nfp | nfp | nfp | nfp |
| 307 | – minor new listings(b) | nfp | nfp | nfp | nfp | nfp |
| | Portfolio total | - | 1.6 | 1.6 | 1.7 | 1.7 |
| | IMMIGRATION AND CITIZENSHIP | | | | | |
| | <i>Department of Immigration and Citizenship</i> | | | | | |
| 9 | Citizenship and Resident Return visas – increased application fees | - | 3.3 | 3.2 | 3.7 | 3.7 |
| 337 | Migration Agents Registration Authority – operational reforms(b) | - | 4.0 | - | - | - |
| 338 | Migration Program – reduction in skill stream places for 2008-09(b) | - | -4.8 | - | - | - |
| 339 | – allocation of places for 2009-10(b) | - | 19.3 | 19.8 | 27.1 | 27.7 |
| 343 | Sale of underutilised land(b) | - | - | - | - | - |
| 9 | Visa Application Charge – increase | - | 86.0 | 95.6 | 106.6 | 114.1 |
| | Portfolio total | - | 107.7 | 118.5 | 137.4 | 145.6 |
| | TREASURY | | | | | |
| | <i>Australian Prudential Regulation Authority</i> | | | | | |
| 379 | Australian Prudential Regulation Authority – continuation of the National Claims and Policies Database(b) | - | 1.3 | 0.7 | 0.7 | 0.7 |

Table 1: Revenue measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | TREASURY (continued) | | | | | |
| | <i>Australian Securities and Investments Commission</i> | | | | | |
| 11 | ASIC fees – annual indexation | - | - | 14.3 | 27.8 | 42.2 |
| | <i>Australian Taxation Office</i> | | | | | |
| 10 | Amendments to the assistance in collection provisions | - | - | - | - | - |
| 10 | Amendments to the Australian Business Register | - | - | - | - | - |
| 361 | An Innovation and Higher Education System for the 21st Century – Research and Development Tax Credit(b) | - | - | 55.0 | 400.0 | 400.0 |
| 89 | Australian Federal Police – contribution to the United Nations Mission in Sudan(b) | - | -0.3 | -0.4 | .. | - |
| | Border protection | | | | | |
| 93 | – combating people smuggling – enhancing Australian Federal Police and regional capability(b) | - | 1.4 | 1.9 | - | - |
| 333 | – combating people smuggling – initiative to address irregular population flows(b) | - | -0.1 | -0.1 | - | - |
| 95 | – combating people smuggling – international engagement to prevent and disrupt maritime people smuggling(b) | - | 0.3 | 0.4 | 0.1 | - |
| | Capital gains tax | | | | | |
| 11 | – extension of capital loss roll-over for complying superannuation fund mergers | * | * | * | - | - |
| 12 | – further amendments to the small business concessions | * | * | * | * | * |
| 12 | – limited roll-over for fixed trusts | - | * | * | * | * |
| | Carbon Pollution Reduction Scheme | | | | | |
| 13 | – GST treatment of units | - | - | - | - | - |
| 13 | – income tax treatment of units (technical changes) | * | * | * | * | * |
| 14 | Changing the taxation definition of beer and wine | - | 20.0 | 20.0 | 20.0 | 25.0 |
| 98 | China – Australian Customs and Border Protection Service – continuation(b) | - | -0.1 | -0.2 | -0.2 | -0.2 |
| 14 | Entrepreneurs' tax offset – defer the application of the income test | - | -35.0 | -3.0 | - | - |
| 105 | Fighting terrorism at its source(b) | - | -0.2 | -0.2 | -0.2 | -0.2 |
| 15 | Financial Claims Scheme – amendments to taxation laws | * | * | * | * | * |
| 15 | Fringe benefits tax – exemption for donations to deductible gift recipients | * | * | * | * | * |
| 137 | Global terrorism – enhancing Australia's commitment to Afghanistan(b) | - | -53.3 | -5.1 | - | - |
| | GST | | | | | |
| 16 | – Government response to Board of Taxation report: GST administration | - | * | * | * | * |
| 16 | – representatives of incapacitated entities | - | .. | .. | .. | .. |

Table 1: Revenue measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | TREASURY (continued) | | | | | |
| 17 | GST and cross-border transport supplies | - | - | -2.0 | -2.0 | -2.0 |
| | Improving fairness and integrity in the tax system | | | | | |
| 18 | – better targeting the concessions for Employee Share Schemes | - | 10.0 | 90.0 | 60.0 | 40.0 |
| 19 | – better targeting the income tax exemption for employment income earned by Australians working overseas | - | - | 215.0 | 225.0 | 235.0 |
| 19 | – extending the tax file number withholding arrangements to closely held trusts | - | - | 50.0 | 50.0 | 50.0 |
| 20 | – tightening access to non-commercial business losses | - | - | 330.0 | 240.0 | 130.0 |
| 21 | – tightening the non-commercial loan rules | - | .. | 10.0 | 10.0 | 10.0 |
| 21 | Indirect Tax Concession Scheme – diplomatic and consular concessions | .. | .. | .. | .. | .. |
| | International tax | | | | | |
| 22 | – Australia – Isle of Man taxation agreement | - | - | .. | .. | .. |
| 22 | – changes to the thin capitalisation regime for approved authorised deposit taking institutions | - | - | - | - | - |
| 23 | – review of the foreign source income anti-tax-deferral (attribution) regimes | - | - | * | * | * |
| | Iraq | | | | | |
| 137 | – Australian Defence Force embedded personnel commitment in Iraq – cessation(b) | - | -0.1 | - | - | - |
| 138 | – Australian Defence Force security detachment – funding(b) | - | -1.8 | -0.2 | - | - |
| 24 | Life insurance – immediate annuity business | .. | * | * | * | * |
| 365 | Liquified Petroleum Gas (LPG) Vehicle Scheme – reduced rebate for post-factory conversions(b) | - | -8.0 | -17.2 | -21.9 | -22.8 |
| 24 | Managed investment trusts – election to allow capital gains tax to be the primary code for disposals of shares, units and real property | - | * | * | * | * |
| 8 | Medibank Private Limited – conversion to a 'for profit' government business enterprise Migration Program | nfp | nfp | nfp | nfp | nfp |
| 338 | – reduction in skill stream places for 2008-09(b) | - | -109.5 | -120.1 | -128.2 | -136.7 |
| 339 | – allocation of places for 2009-10(b) | - | -138.0 | -304.3 | -487.8 | -695.0 |
| 25 | Off-market share buy-backs – implementing the Board of Taxation recommendations | - | * | * | * | * |
| 263 | Overseas development assistance – Regional Assistance Mission to Solomon Islands – continuation(b) | - | -6.3 | -10.0 | -8.1 | -7.2 |
| 236 | Paid Parental Leave(b) | - | - | 74.3 | 224.3 | 229.3 |
| 26 | Pay As You Go (PAYG) Instalments – cash flow relief for small business | - | -720.0 | 720.0 | - | - |

Table 1: Revenue measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | TREASURY (continued) | | | | | |
| | Personal Income Tax | | | | | |
| 26 | – exemption of income recovery subsidy payments for Australian disasters | - | - | - | - | - |
| 27 | – increasing the Medicare levy low-income thresholds | - | -85.0 | -40.0 | -40.0 | -40.0 |
| 27 | Petroleum resource rent tax – extension of the offshore exploration incentive | - | - | - | * | * |
| | Philanthropy | | | | | |
| 28 | – additional prescribed private funds | - | -4.4 | -1.9 | -4.4 | -2.1 |
| 28 | – Australian disaster relief funds | - | - | - | - | - |
| 29 | – reforming the 'in Australia' requirements that apply to tax exempt entities | - | * | * | * | * |
| 29 | – triennial review of the deductible gift recipient registers | - | * | * | * | * |
| 30 | – updating the list of deductible gift recipients | - | -76.9 | -2.3 | -1.2 | -1.3 |
| 310 | Private health insurance – fair and sustainable support for the future(b) | - | - | - | 70.0 | 75.0 |
| 239 | Reform of family payments – pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus(b) | - | - | 1.0 | 3.0 | 5.0 |
| 31 | Repeal of certain unlimited amendment periods in the income tax laws | - | .. | .. | .. | .. |
| | Secure and sustainable pensions | | | | | |
| 242 | – increase to pension payments(b) | - | 11.0 | 15.0 | 22.0 | 32.0 |
| 245 | – social security agreements with Latvia, the Czech Republic and the Slovak Republic(b) | - | - | .. | .. | .. |
| 31 | Small Business and General Business Tax Break – additional assistance to small business and enhancements | - | -30.0 | -63.0 | -47.0 | -2.0 |
| 32 | Special Disability Trusts – changes to the taxation of unexpended income and the capital gains tax main residence exemption | .. | -1.0 | -1.0 | -1.0 | -1.0 |
| | Strategic compliance | | | | | |
| 388 | – continuing to address the abuse of tax havens(b) | - | - | 61.0 | 56.0 | 48.0 |
| 389 | – managing taxation compliance risks related to Australia's economic recovery(b) | - | 105.0 | 175.0 | 470.0 | 525.0 |
| 390 | – promoting a level playing field for small business(b) | - | 59.5 | 72.2 | 87.2 | 94.5 |
| 390 | – supporting businesses and other taxpayers in financial distress(b) | - | 5.0 | 17.0 | 3.0 | 4.0 |
| | Superannuation | | | | | |
| 33 | – account-based pensions – drawdown relief for retirees for 2008-09 | -2.0 | -8.0 | - | - | - |
| 33 | – account-based pensions – further drawdown relief for retirees | - | -3.0 | -9.0 | - | - |

Table 1: Revenue measures since the February 2009 UEFO^(a) (continued)

| Page | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|-------------|---------------|-----------------|----------------|----------------|
| | \$m | \$m | \$m | \$m | \$m |
| TREASURY (continued) | | | | | |
| Superannuation | | | | | |
| 34 | - | * | * | * | * |
| | | | | | |
| 35 | - | 625.0 | 640.0 | 720.0 | 825.0 |
| 35 | - | - | 187.3 | 39.2 | 11.5 |
| 36 | - | - | 0.6 | 2.1 | 4.8 |
| 140 | - | 3.4 | - | - | - |
| 37 | - | -3.1 | -3.2 | -0.3 | -0.3 |
| 141 | - | -10.6 | -2.3 | - | - |
| 37 | * | * | * | * | * |
| <i>Department of the Treasury</i> | | | | | |
| 17 | * | * | * | * | * |
| Portfolio total | | | | | |
| | -2.0 | -452.7 | 2,165.3 | 1,988.1 | 1,876.3 |
| VETERANS' AFFAIRS | | | | | |
| <i>Department of Veterans' Affairs</i> | | | | | |
| 394 | - | 1.5 | 2.5 | 3.1 | 3.5 |
| Portfolio total | | | | | |
| | - | 1.5 | 2.5 | 3.1 | 3.5 |
| Decisions taken but not yet announced | | | | | |
| | - | - | - | - | - |
| Total impact of revenue measures(c) | | | | | |
| | -2.0 | -256.1 | -4,990.0 | -630.7 | 3,220.0 |

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

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

(b) These measures can also be found in the expense measures summary table.

(c) Measures may not add due to rounding.

CROSS PORTFOLIO

Carbon Pollution Reduction Scheme — revised implementation

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|----------|----------|---------|
| Various Agencies | - | - | -7,450.0 | -2,990.0 | 988.0 |
| <i>Related expense (\$m)</i> | | | | | |
| Various Agencies | - | - | -5,800.0 | -3,495.0 | 103.0 |

The Government will delay the start date of the Carbon Pollution Reduction Scheme (the scheme) by one year, to 1 July 2011, to help Australian businesses manage the impacts of the global recession. The measure is expected to be broadly budget neutral (with a cost of \$260.0 million over three years from 2010-11). The financial impact of this measure reflects both the impact of the revised implementation and changes in economic parameters since the release of the February 2009 *Updated Economic and Fiscal Outlook*.

To support jobs and assist businesses, a fixed price of \$10 per tonne of CO₂-e will apply to emissions in 2011-12. The market will set the price of Australian Emissions Units dated 2012-13 onwards.

Previously announced industry and household assistance will be delayed until the scheme is introduced in 2011-12.

- On commencement of the scheme, emissions-intensive trade-exposed assistance and the Electricity Sector Adjustment Scheme will be delivered in a way that provides assistance equivalent to the assistance that would have been received if the price were flexible (but the price at acquittal of liability were \$10 per tonne of CO₂-e).
- In 2011-12, household assistance will be proportionately adjusted to align the level of assistance with the lower estimated cost of living impacts resulting from an initial \$10 fixed carbon price. In 2012-13, household assistance will be provided on the basis of the estimated cost of living impacts of a flexible carbon price. Each year, the adequacy of this assistance will be reviewed in the context of the Budget.
- Fuel tax transitional arrangements will be deferred by one year, with all other elements kept in place, and calibrated to the expected carbon price.

Provision for this measure has been made in the contingency reserve.

Further information can be found in the press releases of 4 May 2009 issued by the Prime Minister, Treasurer and Minister for Climate Change and Water.

FINANCE AND DEREGULATION

Medibank Private Limited — conversion to a 'for profit' government business enterprise

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | nfp | nfp | nfp | nfp | nfp |
| Australian Taxation Office | nfp | nfp | nfp | nfp | nfp |
| Total | - | - | - | - | - |

The Government will convert Medibank Private Limited (MPL) to a 'for profit' Government-owned business enterprise in early 2009-10. This will improve the competitive neutrality between MPL and 'for profit' competitors by making MPL liable for company tax and dividends, which will help drive future efficiency gains. These payments have not been published due to their commercial nature.

The Government remains committed to keeping MPL in public hands.

IMMIGRATION AND CITIZENSHIP

Citizenship and Resident Return visas — increased application fees

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | 3.3 | 3.2 | 3.7 | 3.7 |

The Government will increase the application fees for citizenship by around 10 per cent from 1 July 2009. For example, the general citizenship application fee, for people born outside Australia, will be \$260 (previous cost \$240).

Various fees apply to different citizenship applications and a full list of the fees is available on the Department of Immigration and Citizenship website — www.immi.gov.au.

The change will more closely align Australian citizenship fees to those levied by key comparator countries, such as the United States, United Kingdom and New Zealand.

This measure is expected to increase revenue by \$13.8 million over four years.

Visa Application Charge — increase

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Immigration and Citizenship | - | 86.0 | 95.6 | 106.6 | 114.1 |

From 1 July 2009, the Government will increase a number of visa application charges by 20 per cent for, instead of by the increase in the Consumer Price Index (CPI). The changes will help offset the wider costs associated with the operation of the migration and temporary entrant program.

Visa application charges that will not be subject to a 20 per cent increase include: tourist visas and other visas that were increased in the measure *Visa Application Charge — increase* announced in the 2008-09 Budget; second instalment contributory parent visa application charges (which are increased in line with health, aged care and social security costs instead of the CPI); and humanitarian protection visas lodged in Australia, which are charged at a rate of \$30 and not indexed.

A list of visa application charges is available on the Department of Immigration and Citizenship website — www.immi.gov.au.

This measure will increase revenue by \$402.3 million over four years.

TREASURY

Amendments to the assistance in collection provisions

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | - | - | - |

The Government has amended the assistance in collection provisions to overcome a number of technical problems that could have prevented the Commissioner of Taxation from fulfilling Australia's existing and future treaty obligations, with effect from 26 March 2009. This measure has no revenue impact.

The assistance in collection provisions give effect to Australia's obligations under certain tax treaties which require each country to assist the other in the collection of outstanding tax debts.

The amendments have expanded the types of payments that can be remitted by the Commissioner to a foreign country and have clarified the operation and role of the foreign claims register.

Amendments to the Australian Business Register

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | - | - | - |

The Government will improve the integrity and efficiency of the Australian Business Register by providing the Registrar of the Australian Business Register with enhanced powers of administration, with effect from the date of Royal Assent of the enabling legislation. This measure has no direct revenue impact.

The changes will allow the Registrar to achieve and maintain an accurate register and will introduce objection rights for a range of decisions of the Registrar.

The measure was introduced into Parliament on 19 March 2009.

Annual indexation of ASIC fees

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Securities and Investments Commission | - | - | 14.3 | 27.8 | 42.2 |

The Government will index fees and charges collected by the Australian Securities and Investments Commission (ASIC) to the Consumer Price Index from 2010-11. This measure is estimated to raise \$84.3 million over three years to 2013-14. The last significant increase in the fees charged by ASIC occurred in June 2004.

Capital gains tax — extension of capital loss roll-over for complying superannuation fund mergers

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | * | * | * | - | - |

The Government has enhanced the optional capital gains tax loss roll-over for complying superannuation fund mergers announced on 23 December 2008 to further remove impediments to fund mergers. These enhancements have an ongoing unquantifiable but small revenue impact.

The roll-over will be extended by one year to 30 June 2011 so that superannuation funds will have more time to use the roll-over.

The measure will now also apply to mergers involving pooled superannuation trusts where the continuing entity has at least five members and to mergers involving the complying superannuation business of life insurance companies.

The measure will permit merging superannuation entities in a net capital loss position to elect to roll over assets with accrued capital gains as well as assets with accrued capital losses.

In addition, the roll-over will be expanded to permit the transferring superannuation entity's previously realised net capital losses to be transferred to the continuing superannuation entity and the roll-over or transfer of revenue losses to the continuing entity.

Capital gains tax — further amendments to the small business concessions

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | * | * | * | * | * |

The Government will make several changes to the small business capital gains tax (CGT) concessions provisions so that they operate flexibly and as intended. This measure has an ongoing unquantifiable revenue impact.

A transitional rule will extend the time for taxpayers to choose to access the concessions where the choice arises from changes to the concessions announced in the 2008-09 Budget and the 2008-09 Mid-Year Economic and Fiscal Outlook. This extension of time will apply from Royal Assent of the amending legislation.

Access to the concessions for assets acquired on the death of an individual will be extended to cover assets that have passed to a testamentary trust where the individual would have been able to access the concessions at the time of their death. This extension will apply to CGT events happening in the 2006-07 income year and later income years.

The provisions which treat certain distributions to entities connected with a private company as dividends will be excluded from applying to the small business CGT retirement exemption. This exclusion will apply from Royal Assent of the amending legislation.

This measure was introduced into Parliament together with the previously announced changes to the concessions on 19 March 2009.

Capital gains tax — limited roll-over for fixed trusts

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | * | * | * | * |

The Government will provide a limited capital gains tax (CGT) roll-over for assets transferred between trusts that have the same beneficiaries with the same entitlements and no material discretionary elements (typically referred to as fixed trusts), with effect from 1 November 2008. This measure has an ongoing unquantifiable revenue impact.

Typically, the transfer of assets from one trust to another would trigger a CGT taxing point.

As a result of this measure, trustees of eligible trusts will be able to defer the CGT consequences of the asset transfer until the receiving trust subsequently deals with the asset. This will allow eligible trusts to restructure without immediate CGT consequences. The measure will be accompanied by appropriate integrity rules.

Carbon Pollution Reduction Scheme — GST treatment of units

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | - | - | - |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of the Treasury</i> | - | - | - | - | - |

The Government will amend the GST law to further clarify the GST treatment of the Carbon Pollution Reduction Scheme (CPRS), with effect from the introduction of the CPRS. This measure has no revenue impact.

The changes ensure consistent GST treatment for all units recognised under the CPRS by treating eligible international units and all Kyoto units as personal property rights and not rights within the meaning of real property in the GST law.

Further details can be found in the commentary to the exposure draft of the CPRS legislation released on 10 March 2009 and in the White Paper titled *Carbon Pollution Reduction Scheme: Australia's Low Pollution Future* released on 15 December 2008.

Carbon Pollution Reduction Scheme — income tax treatment of units (technical changes)

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | * | * | * | * | * |

With effect from the introduction of the Carbon Pollution Reduction Scheme (CPRS) all Kyoto units registered in Australia will be subject to the Scheme's proposed tax treatment, whether or not a unit can be surrendered to meet an Australian emissions liability. Any income that is derived from units registered in Australia will be treated as having an Australian source and, therefore, as assessable in Australia (subject to Australia's Double Tax Treaties). Units held by a taxpayer will be valued at historical cost unless they elect the alternative market value method. This measure has an ongoing unquantifiable revenue impact.

Further details can be found in the commentary to the exposure draft of the CPRS legislation released on 10 March 2009 and in the White Paper titled *Carbon Pollution Reduction Scheme: Australia's Low Pollution Future* released on 15 December 2008.

Changing the taxation definition of beer and wine

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 20.0 | 20.0 | 20.0 | 25.0 |
| Australian Customs and Border Protection Service | - | 10.0 | 10.0 | 10.0 | 10.0 |
| Total | - | 30.0 | 30.0 | 30.0 | 35.0 |

The Government will alter the taxation definitions of beer and wine to ensure that beer and wine-based products that attempt to mimic spirit based products are taxed as a spirit product, with effect from 1 July 2009. This measure has an ongoing gain to revenue which is estimated to be \$125 million over the forward estimates period.

The definition of beer will be changed to ensure that beer has a certain level of bitterness, and to clarify that the addition of sugar, artificial sweeteners and spirits may result in the resultant product being taxed as a spirit based product.

The definition of grape wine products will be changed to exclude products that add the flavour of any alcoholic beverage, other than wine. Other changes to the definition of grape wine products will act to provide certainty as to the circumstances where alcohol can be added to a grape wine product.

Entrepreneurs' tax offset — defer the application of the income test

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -35.0 | -3.0 | - | - |

The Government will defer the application of the income test for the entrepreneurs' tax offset (ETO) announced in the 2008-09 Budget for 12 months. This measure has a cost to revenue which is estimated to be \$38 million over the forward estimates period.

The deferral ensures that the timing and nature of the income test is consistent with the Government's broader income testing reforms. The Government will consult on the form of the income test, which will apply from the 2009-10 financial year.

Financial Claims Scheme — amendments to taxation laws

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | * | * | * | * | * |

The Government will ensure that payments made by the Australian Prudential Regulation Authority (APRA) or by a liquidator under the Financial Claims Scheme are treated for tax purposes in the same manner as if they had been paid by an institution to which the scheme applies. This measure will only apply if the Financial Claims Scheme is activated, with effect from the date of Royal Assent of the amending legislation. This measure has an ongoing unquantifiable revenue impact.

The Financial Claims Scheme allows APRA to pay depositors in failed financial institutions some part of their deposit, or claimants in relation to policies of failed general insurers, part of the amount they are entitled to under the policy, subject to a global limit determined by the Treasurer when the scheme is activated in a particular case. The scheme legislation did not include the consequential amendments of the tax law needed to ensure appropriate tax outcomes in relation to the scheme.

This measure was introduced into Parliament on 19 March 2009.

Fringe benefits tax — exemption for donations to deductible gift recipients

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | * | * | * | * | * |

The Government will amend the fringe benefits tax (FBT) law to ensure that donations to deductible gift recipients (DGRs) made under salary sacrifice arrangements do not result in an employer incurring an FBT liability, with effect from the 2008-09 FBT year. This measure has an ongoing unquantifiable revenue impact.

The changes will align the tax outcome of donations to DGRs made under salary sacrifice arrangements with donations made personally by employees or under Workplace Giving arrangements.

Further information can be found in the media release of 24 February 2009 issued by the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs.

GST — Government response to Board of Taxation report: GST administration

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | * | * | * | * |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of the Treasury</i> | - | * | * | * | * |

The Government will implement most of the Board of Taxation’s (Board’s) recommendations from its review of the legal framework for the administration of the goods and services tax (GST), with most significant changes taking effect from 1 July 2010. This measure is expected to have an ongoing unquantifiable revenue impact and is also expected to have an unquantifiable impact on GST payments to the States.

The package of reforms will reduce the compliance costs of the GST, achieve greater standardisation between the GST and income tax regimes, reduce anomalies and streamline the GST administrative framework.

In addition, the Treasury will review the ‘margin scheme’ GST provisions affecting property transactions and the GST financial services provisions to determine if reforms can be made to simplify the provisions whilst maintaining the intended effect of current policy. The Government has also asked the Board to review the cross-border provisions of the GST law with a view to simplifying the current law and reducing the number of non-residents required to register for GST.

Those components of the package that are a change to the GST base are subject to the unanimous agreement of the States and Territories.

GST — representatives of incapacitated entities

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | .. | .. | .. | .. |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of the Treasury</i> | - | .. | .. | .. | .. |

The Government will restore the intent of the GST law by ensuring that a representative appointed over an incapacitated entity is liable for, or entitled to, the GST consequences that arise from actions the representative undertakes during its appointment. The measure has effect from 1 July 2000 and will have an ongoing negligible impact on revenue as it is generally consistent with existing practice.

The Government will also ensure that the activities of a representative are treated as activities of the incapacitated entity for the purposes of determining the GST consequences for the representative.

The intention of the current GST law is that representatives of incapacitated entities are liable for the GST payable, and for other requirements of the law, during the period of their appointment. However, a recent Federal Court decision held that the current law does not achieve this intention.

Further information can be found in the press release of 6 February 2009 issued by the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs.

GST and cross-border transport supplies

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | -2.0 | -2.0 | -2.0 |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of the Treasury</i> | - | - | -2.0 | -2.0 | -2.0 |

The Government will amend the GST law to reduce GST compliance costs for businesses involved in the domestic transport of exported and imported goods, with effect from 1 July 2010. This measure has an ongoing cost to revenue which is estimated to be \$6.0 million over the forward estimates period and is also expected to decrease GST payments to the States by \$6.0 million over this period.

The changes to the law will ease compliance costs for domestic transporters and non-residents, improve consistency in the GST treatment of postal and non-postal containerised goods, and assist sub-contracted transport suppliers with GST compliance.

This measure is subject to the unanimous agreement of the States and Territories.

Guarantee of state and territory borrowing

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | * | * | * | * | * |

The Government has announced a guarantee over eligible borrowings undertaken by states and territories. This initiative is designed to maintain states' access to funding during the global financial crisis.

The guarantee will be available for both new and existing securities. A fee will be payable for access to the guarantee, set at 30 basis points for new issuances by AAA (Aaa) rated states and 35 basis points for new issuances by AA+ (Aa1) rated states. A lower fee will apply to any existing stock a state elects to have covered by the guarantee. The fee for stock will be set at 15 basis points for AAA rated states and 20 basis points for AA+ rated states.

The amount of revenue collected from the guarantee fee cannot be quantified at this time. Revenue collections will depend on the duration of the guarantee and the level of uptake.

This measure creates a remote and unquantifiable contingent liability. For further information see Budget Statement 8.

Improving fairness and integrity in the tax system — better targeting the concessions for Employee Share Schemes

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 10.0 | 90.0 | 60.0 | 40.0 |

The Government will better target eligibility for the employee share scheme tax concessions to employees with an adjusted taxable income of less than \$60,000. The measure will take effect with respect to shares and rights acquired after 7:30pm (AEST) on 12 May 2009. This measure will have an ongoing gain to revenue which is estimated to be \$200.0 million over the forward estimates period.

The measure forms part of a package of measures to improve fairness and integrity in the tax system.

Currently an employee can elect to be assessed on discounts provided on shares or rights in the income year the shares or rights are acquired. If no election is made, the discount (which includes gains on shares or rights) is taxed at a later time (such as when restrictions on the shares or rights are lifted). If an employee elects to be taxed upfront they receive a tax exemption of up to \$1,000 on the discount.

The measure will remove the existing election and assess discounts provided on shares or rights in the income year the shares or rights are acquired. Removing the tax deferral option will ensure that remuneration in the form of share discounts is taxed at an appropriate time and rate, and reduces tax avoidance opportunities.

The measure will also limit access to the upfront concession to employees with an adjusted taxable income of less than \$60,000. This ensures that the concessions encourage a better take-up and availability of employee share arrangements by low and middle-income employees.

Improving fairness and integrity in the tax system — better targeting the income tax exemption for employment income earned by Australians working overseas

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | 215.0 | 225.0 | 235.0 |

The Government will better target the income tax exemption for foreign employment income, with effect from 1 July 2009. The exemption will apply to income earned as an aid worker, a charitable worker, under certain types of government employment or on projects that are in the national interest. This measure will have an estimated gain to revenue of \$675.0 million over the forward estimate period.

The measure forms part of a package of measures to improve fairness and integrity in the tax system.

Currently, certain foreign employment income earned by Australians working overseas for a continuous period of 91 days or more is exempt from income tax. The original intent of this measure was to relieve double taxation, however, in practice little foreign tax may actually be paid on the foreign income concerned.

Instead, foreign employment income will generally become taxable and taxpayers will be entitled to a foreign income tax offset for foreign tax paid on the foreign employment income. This will relieve double taxation for those individuals.

Improving fairness and integrity in the tax system — extending the tax file number withholding arrangements to closely held trusts

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | 50.0 | 50.0 | 50.0 |

The Government will extend the tax file number (TFN) withholding arrangements to closely held trusts, including family trusts, with effect from the 2010-11 income year. This measure has an estimated revenue impact of \$150 million over the forward estimates period.

The measure forms part of a package of measures to improve fairness and integrity in the tax system.

The measure will ensure that assessable distributions to beneficiaries of closely held trusts align with the amounts included by these beneficiaries in their tax returns. The measure will not apply to income upon which tax is directly payable by the trustee of the trust, such as the income assessable to minors. Individuals who have tax withheld by trustees can claim a credit for that tax in their tax return.

The measure also aligns with the Government's commitment to ensure a high level of compliance with existing taxation laws by improving the efficiency and effectiveness of the Australian Taxation Office's income matching system.

Improving fairness and integrity in the tax system — tightening access to non-commercial business losses

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | 330.0 | 240.0 | 130.0 |

The Government will tighten the application of the rules on the use of non-commercial losses to prevent high income individuals from offsetting excess deductions from non-commercial business activities against salary and other income. The measure has effect from the 2009-10 income year. The measure will have an ongoing gain to revenue which is estimated to be \$700.0 million over the forward estimates period.

The measure forms part of a package of measures to improve fairness and integrity in the tax system.

The measure will ensure excess deductions from unprofitable business activities cannot be used to reduce salary and wage income of high income earners. Taxpayers with an adjusted taxable income of over \$250,000 will instead have excess deductions quarantined to the business activity. The existing rules will continue to apply to taxpayers with an adjusted taxable income of \$250,000 or less. The new test for taxpayers with adjusted taxable income greater than \$250,000 will restrict the ability of such taxpayers to claim losses for non-commercial activities that are more likely to be in the nature of lifestyle choices or hobbies.

Taxpayers will still have the ability to apply to the Commissioner of Taxation for relief from the rules if there are exceptional circumstances or because the nature of the activities means that a taxpayer is temporarily carrying on an uncommercial business but the activities they are undertaking are nonetheless independently assessed as commercially viable.

Improving fairness and integrity in the tax system — tightening the non-commercial loan rules

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | .. | 10.0 | 10.0 | 10.0 |

The Government will ensure that benefits provided by a private company to its shareholders or their associates are taxed by tightening the rules that prevent shareholders and their associates avoiding tax on distributions and benefits they receive from private companies. The measure has effect from 1 July 2009. This measure will have an estimated revenue impact of \$30 million over the forward estimates period.

The measure forms part of a package of measures to improve fairness and integrity in the tax system.

The measure extends the non-commercial loan rules to include payments by way of a licence or right to use real property and chattels. This reduces the scope for private companies to allow their shareholders or associates to use company assets such as real estate, cars and boats for free, or at less than their arm's length value.

The measure will provide greater equity in treatment between the shareholders of private companies on the one hand and employees more generally. In kind benefits provided by employers to an employee are generally subject to fringe benefits tax.

Other technical amendments will be made to strengthen Division 7A, including to ensure that corporate limited partnerships cannot be used to circumvent its operation.

Indirect Tax Concession Scheme — diplomatic and consular concessions

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | .. | .. | .. | .. | .. |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of the Treasury</i> | .. | .. | .. | .. | .. |

The Government has provided indirect tax refunds (including for GST) for certain countries' diplomatic and consular representation under the Indirect Tax Concession Scheme, with effect from the time specified in implementing determinations issued by the Minister for Foreign Affairs. This measure has a negligible ongoing revenue impact, and a negligible ongoing impact on GST payments to the States.

Six countries have received new or upgraded concessions for their diplomatic representation (Brazil, Egypt, France, Libya, Nepal, Vietnam) and nine countries have received new or upgraded concessions for their consular representation (Brazil, France, Egypt, Eritrea, Iraq, Oman, Paraguay, Vietnam, Former Yugoslav Republic of Macedonia).

International tax — Australia — Isle of Man taxation agreement

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | .. | .. | .. |

The Government signed the Australia-Isle of Man Taxation Agreement which will allocate taxing rights over certain income derived by individuals between the two jurisdictions, with effect from 1 July 2010. This measure has an ongoing negligible gain to revenue.

The Agreement will apply to income from pensions, annuities, government service and to certain payments made to visiting students and business apprentices. The Agreement will also establish an administrative mechanism to help resolve transfer pricing disputes.

The Agreement was signed in conjunction with a tax information exchange agreement between Australia and the Isle of Man, which will provide for bilateral cooperation to prevent tax avoidance and evasion. Jointly, the two agreements will promote greater economic and administrative cooperation.

Further information can be found in the press release of 30 January 2009 issued by the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs.

International tax — changes to the thin capitalisation regime for approved authorised deposit taking institutions

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | - | - | - |

The Government will change the thin capitalisation regime for approved authorised deposit taking institutions, with effect from 1 January 2009. This measure has no revenue impact.

The changes will clarify how treasury shares, the previous insurance asset known as excess market value over net assets and capitalised software costs, will be recognised under the thin capitalisation provisions.

The thin capitalisation regime is an integrity measure designed to ensure Australian and foreign owned multi-national entities do not allocate an excessive amount of debt to their Australian operations.

International tax — review of the foreign source income anti-tax-deferral (attribution) regimes

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | * | * | * |

The Government will reform Australia's anti-tax-deferral (attribution) regimes which ensure that residents can not accumulate income offshore and thereby defer, or even avoid, Australian tax, with effect for income years on or after Royal Assent to the legislation. This measure will have an ongoing unquantifiable revenue impact.

These changes implement most of the recommendations of the Board of Taxation review of the attribution regimes.

To implement the Board's recommendations, the Government will:

- modernise the controlled foreign company (CFC) provisions and rewrite them into the *Income Tax Assessment Act 1997*;
- repeal and replace the foreign investment fund (FIF) provisions with a specific narrowly defined anti-avoidance rule;
- repeal the deemed present entitlement rules; and
- amend the transferor trust rules to enhance their effectiveness and improve their integrity.

The operation of these regimes has, over time, become inefficient, and in light of growing global interactions, poorly targeted. The compliance costs imposed are disproportionate to the integrity risk to the revenue. The reforms will reduce compliance costs for affected businesses and help ensure that Australia's managed funds remain competitive in global financial markets.

The Government will consult on the implementation of these reforms.

Life insurance — immediate annuity business

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | .. | * | * | * | * |

The Government will introduce legislation to confirm that the non-assessable non-exempt income of life insurance companies includes income from assets supporting immediate annuity policies that satisfy the pre-July 2000 immediate annuity conditions, with effect from 1 July 2002. The immediate annuity conditions will not apply to immediate annuity policies that are superannuation income streams, with effect from the 2007-08 income year. This measure has a negligible impact.

This measure will reduce compliance costs for life insurance companies by confirming that the immediate annuity conditions did not change when they were transferred to the *Income Tax Assessment Act 1997*.

In addition, from the 2007-08 income year, the approved annuity conditions will not apply to immediate annuity policies issued by life insurance companies that are superannuation income streams. This will ensure that all providers of superannuation income streams are taxed consistently.

Managed investment trusts — election to allow capital gains tax to be the primary code for disposals of shares, units and real property

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | * | * | * | * |

The Government will allow Australian managed investment trusts (MITs), except those that are taxed like companies, to make an irrevocable election to apply the capital gains tax (CGT) regime as the primary code for taxing certain disposals of assets, with effect from the 2008-09 income year. This measure has an ongoing unquantifiable revenue impact.

This measure implements the interim advice of the Board of Taxation review of taxation of MITs.

This measure will ensure that the taxation treatment of disposals of assets (primarily shares in a company, units in a unit trust and real property investments) by MITs is consistent with the taxation treatment of disposals of similar investments by complying superannuation funds, subject to appropriate integrity rules including that the investments meet the eligible investment business rules in Division 6C of the *Income Tax Assessment Act 1936*.

MITs that can elect into the regime will be required to make an irrevocable election to apply the CGT regime to all disposals of eligible investments in the first income year that commences on or after the 2008-09 income year. Currently, gains and losses on disposal of investments by MITs may be on capital or revenue account, depending upon the characterisation of the investment activities concerned.

This measure furthers the Government's commitment to promote Australia as a financial services hub and will ensure that Australian managed funds remain competitive in global financial markets.

Off-market share buy-backs — implementing the Board of Taxation recommendations

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | * | * | * | * |

The Government will implement the recommendations of the Board of Taxation to improve the taxation treatment of off-market share buy-backs, with effect from the date of Royal Assent of the amending legislation. The measure has an ongoing unquantifiable revenue impact.

Off-market share buy-backs are a mechanism for companies to return surplus capital to shareholders, and therefore facilitate the optimal allocation of capital across the economy.

To implement the Board's recommendations, the Government will introduce legislation to:

- establish a self-executing specific provision to debit the franking account of a company that undertakes an off-market share buy-back to cancel the tax benefit of streaming imputation credits from non-resident to resident shareholders;
- deny notional losses to shareholders that participate in off-market share buy-backs conducted by listed companies;
- modify the income tax law to specify the basis for determining the capital/dividend split, extend the period of lodgement for a distribution statement for a company conducting an off-market share buy-back, and confirm that certain integrity rules do not apply to tender style off-market share buy-backs; and
- transfer the share buy-back provisions from the *Income Tax Assessment Act 1936* to the *Income Tax Assessment Act 1997*.

The Government also endorses the Board recommendation that the Australian Taxation Office remove the '14 per cent administrative cap' on the level of discount for off-market share buy-backs undertaken by listed companies.

This measure will increase certainty and flexibility for companies undertaking off-market share buy-backs and their shareholders.

Pay As You Go (PAYG) Instalments — cash flow relief for small business

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -720.0 | 720.0 | - | - |

The Government will provide cash flow relief for small business by reducing Pay As You Go (PAYG) instalments for the 2009-10 income year for all taxpayers who pay quarterly PAYG instalments based on their previous year's tax adjusted by GDP growth. This measure will have no net revenue impact over the forward estimates period.

For the 2009-10 income year, the Government will reduce the GDP adjustment factor for calculating quarterly instalments under the GDP adjustment method from around 9 per cent to 2 per cent. This aligns it with the expected increase in the Consumer Price Index for 2009-10, as forecast in the February 2009 *Updated Economic and Fiscal Outlook*.

This reduction will provide cash flow benefits to around 1.5 million eligible small businesses, individuals, trusts and small superannuation funds, by ensuring that their PAYG instalment amounts for the 2009-10 income year more closely approximate their actual income tax liability for that income year.

Further information can be found in the press release of 28 March 2009 issued by the Treasurer and the Minister for Small Business, Independent Contractors and the Service Economy.

Personal Income Tax — exemption of income recovery subsidy payments for Australian disasters

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | - | - | - |

The Government has made the income recovery subsidy payments for the Victorian bushfires and for the North Queensland floods of January and February 2009 exempt from income tax. These payments will also be excluded from the calculation of separate net income, which is used to determine entitlement to certain tax offsets. This measure has no revenue impact.

The income recovery subsidy payment will provide financial assistance to employees, small business owners and farmers who can demonstrate they have experienced a loss of income as a direct result of the 2009 Victorian bushfires or North Queensland floods.

Personal Income Tax — increasing the Medicare levy low-income thresholds

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -85.0 | -40.0 | -40.0 | -40.0 |

The Government will increase the Medicare levy low-income thresholds to \$17,794 for individuals and \$30,025 for individuals in families, with effect from 1 July 2008. This measure has an ongoing cost to revenue which is estimated to be \$205.0 million over the forward estimates period.

The additional amount of threshold for each dependent child or student will also increase to \$2,757. The increase in these thresholds takes into account movements in the Consumer Price Index and ensures that low-income families and individuals are not liable to pay the Medicare levy.

The Government will also increase the Medicare levy threshold for pensioners below Age Pension age to \$25,299, with effect from 1 July 2008. This increase will ensure that pensioners below Age Pension age do not pay the Medicare levy when they do not have an income tax liability.

Petroleum resource rent tax — extension of the offshore exploration incentive

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | - | * | * |

The Government will extend the offshore exploration incentive in the petroleum resource rent tax (PRRT) by one year.

The incentive allows a 150 per cent uplift on PRRT deductions for exploration expenditure incurred in designated offshore frontier areas (DFAs). DFAs must be more than 100 kilometres from an existing commercialised oil discovery, and must not be adjacent to an area designated in the previous year's acreage volume. DFAs may constitute up to 20 per cent of exploration permits issued in a year. This measure has applied to the annual offshore acreage releases for 2004 to 2008.

This will enable this incentive to apply to the 2009 annual offshore acreage release. The revenue impact is nil in the first two years of the forward estimates period, and a small unquantifiable cost in the third and fourth years of the forward estimates period. There will be an ongoing small cost to revenue, as an exploration permit has a maximum life of 16 years.

Philanthropy — additional prescribed private funds

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -4.4 | -1.9 | -4.4 | -2.1 |

Since the *Mid Year Economic and Fiscal Outlook 2008-09* (MYEFO), the Government has approved 17 funds for prescription as prescribed private funds (PPFs), and one fund has been declared no longer to be a PPF. Funds approved as PPFs since MYEFO have an ongoing estimated cost to revenue of \$33.3 million over the forward estimates period. This represents an increase of \$12.8 million over the forward estimates since the *Updated Economic and Fiscal Outlook 2008-09*.

PPFs allow businesses, families, and individuals to establish and donate to a charitable trust of their own, for the purposes of disbursing funds to a range of other deductible gift recipients.

Philanthropy — Australian disaster relief funds

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | - | - | - |

The Government has extended the general deductible gift recipient (DGR) category for Australian disaster relief funds to allow a Treasury minister to declare an event to be a disaster for tax purposes. In addition, public benevolent institutions, which must normally operate for direct relief efforts, will also be able to establish Australian disaster relief funds for longer-term recovery and community reconstruction efforts. This measure has no revenue impact.

Taxpayers may claim an income tax deduction for certain gifts of money or property to DGRs.

Further information can be found in the press releases from 24 February and 27 March 2009 issued by the Assistant Treasurer and Minister for Competition Policy and Consumer Affairs.

Philanthropy — reforming the 'in Australia' requirements that apply to tax exempt entities

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | * | * | * | * |

The Government will amend the 'in Australia' requirements in Division 50 of the *Income Tax Assessment Act 1997* to ensure that Parliament retains the ability to fully scrutinise those organisations seeking to pass money to overseas charities and other entities. This measure has an ongoing unquantifiable revenue impact and will have effect from the date of Royal Assent of the amending legislation.

A recent High Court of Australia decision held that charities may be pursuing their objectives principally 'in Australia' even where they merely pass funds within Australia to another charitable institution that conducts its activities overseas.

The measure will reverse the decision that charities and other income tax exempt entities can direct funds to overseas projects outside the current restrictions. The measure will reinstate the principles underlying the current integrity rules.

Philanthropy — triennial review of the deductible gift recipient registers

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | * | * | * | * |

The Government will provide a mechanism to conduct a triennial review of the guidelines for, and organisations on, the four deductible gift recipient (DGR) registers, with effect from the 2009-10 income year. The reviews will provide a mechanism for the Government to ensure the continued relevance and benefits of the Government's policy objectives for the registers. The review is designed to bring the governance of the registers in line with those DGRs that are endorsed and accountable to the Australian Taxation Office. This measure has an ongoing unquantifiable revenue impact.

The registers list those eligible cultural organisations, environmental organisations, harm prevention charities and overseas aid organisations which can receive tax deductible donations, and are jointly administered by the Minister of the relevant department and a Treasury Minister.

The Government will also make a minor change to the taxation secrecy disclosure rules to ensure that participating agencies can share any necessary information in support of the reviews.

Philanthropy — updating the list of deductible gift recipients

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -76.9 | -2.3 | -1.2 | -1.3 |

Since the *Mid-Year Economic and Fiscal Outlook 2008-09*, the following organisations have been approved as deductible gift recipients (DGRs):

- ACT Region Crime Stoppers Limited;
- Australasian College of Emergency Medicine;
- Diplomacy Training Program Limited;
- Leeuwin Ocean Adventure Foundation Limited;
- Royal Institution of Australia;
- Yachad Accelerated Learning Project Limited, until 30 June 2009;
- PWR Melbourne 2009 Limited (Parliament of the World’s Religions), until 1 January 2010;
- Bunbury Diocese Cathedral Rebuilding Fund, until 19 December 2010;
- St George’s Cathedral Restoration Fund, until 31 December 2010;
- Grattan Institute, until 5 March 2011; and
- 2009 Victorian Bushfire Appeal Trust Account, until 6 February 2014.

In addition, there were also:

- 25 admissions to the Register of Environmental Organisations;
- 71 admissions to, and 10 removals from, the Register of Cultural Organisations;
- 4 admissions to the Register of Harm Prevention Charities; and
- 5 admissions to the Overseas Aid Gift Deduction Scheme.

Taxpayers may claim an income tax deduction for certain gifts of money or property to DGRs. This measure has an estimated ongoing cost to revenue of \$91.8 million over the forward estimates period. This represents an increase of \$81.7 million over the forward estimates since the *Updated Economic and Fiscal Outlook 2008-09*.

The Register of Environmental Organisations can be found on the Department of the Environment, Water, Heritage and the Arts website at www.environment.gov.au. The Register of Cultural Organisations can be found on the Department of the Environment, Water, Heritage and the Arts website at www.arts.gov.au. The Register of Harm Prevention Charities can be found on the Department of Families, Housing, Community Services and Indigenous Affairs website at www.fahcsia.gov.au. The list of developing country relief funds on the Overseas Aid Gift Deduction Scheme can be found on the AusAID website at www.ausaid.gov.au.

Repeal of certain unlimited amendment periods in the income tax laws

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | .. | .. | .. | .. |

The Government will provide more certainty for taxpayers and simplify the tax law by repealing certain provisions that provide unlimited amendment periods, with effect from the date of Royal Assent of the enabling legislation. This measure has an ongoing negligible cost to revenue.

The Government considers that for these provisions the Commissioner of Taxation has sufficient time under the general amendment period provisions to review an assessment.

Small Business and General Business Tax Break — additional assistance to small business and enhancements

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -30.0 | -63.0 | -47.0 | -2.0 |

The Government will expand the Small Business and General Business Tax Break announced in the *February 2009 Updated Economic and Fiscal Outlook* to provide additional assistance to small businesses. A bonus deduction of 50 per cent will be available to small businesses that acquire an eligible asset between 13 December 2008 and 31 December 2009 and install it ready for use by 31 December 2010. The previously announced 30 per cent and 10 per cent bonuses will continue to apply to all other businesses. This expansion will have an estimated cost to revenue of \$141 million over the forward estimates period.

The Government has also enhanced the Tax Break for all businesses since it was announced on 3 February 2009. A taxpayer can now aggregate their investment in assets that are substantially identical, or that form a set, to meet the threshold. Where assets are jointly held, a taxpayer can recognise all other business interests in the asset for the purpose of meeting the threshold, but will only be able to claim the Tax Break on their interest in the asset. Where a taxpayer has met the investment threshold for an asset, they can claim additional investment in the assets as part of the Tax Break. These enhancements have an unquantifiable but small revenue impact.

Special Disability Trusts — changes to the taxation of unexpended income and the capital gains tax main residence exemption

Revenue (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | .. | -1.0 | -1.0 | -1.0 | -1.0 |

The Government will ensure that the unexpended income of a Special Disability Trust is taxed at the relevant beneficiary's personal income tax rates rather than automatically at the top personal tax rate plus Medicare Levy, with effect from the 2008-09 income year.

The Government will also extend the capital gains tax main residence exemption to include a residence that is owned by a Special Disability Trust and used by the relevant beneficiary as their main residence, with effect from the 2009-10 income year.

This measure has an ongoing cost to revenue which is estimated to be \$4.0 million over the forward estimates period.

The measure delivers on the Government's commitment to help support people with severe disability, their families and carers. It will further assist immediate family members and carers to make private financial provision for the care and accommodation needs of people with severe disability.

Superannuation — account-based pensions — drawdown relief for retirees for 2008-09

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Taxation Office | -2.0 | -8.0 | - | - | - |
| <i>Related expense (\$m)</i> | | | | | |
| Centrelink | 2.2 | .. | - | - | - |
| <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | 10.9 | - | - | - | - |
| <i>Total</i> | 13.1 | 0.0 | - | - | - |

The Government has provided relief for retirees by halving the minimum payment amounts for 2008-09. This measure has an estimated cost to revenue of \$10.0 million over two years. The measure is also expected to increase Government expenditure by \$11 million in 2008-09 through higher pension outlays. The measure also includes additional funding for Centrelink services of \$2.0 million.

A minimum payment must be made from an account-based pension at least annually. Minimum payments are determined by age and vary between 4 per cent and 14 per cent of the value of the pension account balance at 1 July each year. This rule is designed so that retirees draw down on their superannuation savings over the course of their retirement.

This change addresses concerns that the minimum payment requirement for 2008-09 was based on account balances at 1 July 2008, when equity values were higher. The measure reduces the need for account-based pension holders to sell assets at a loss in order to meet the minimum payment requirement.

Further details can be found in the joint press release of 18 February 2009 issued by the Treasurer and the Minister for Superannuation and Corporate Law.

Superannuation — account-based pensions — further drawdown relief for retirees

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -3.0 | -9.0 | - | - |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | - | 15.0 | - | - | - |

The Government will halve the minimum payment amounts for account-based pensions for 2009-10. This measure has an estimated cost to revenue of \$12.0 million over two years. The measure is also expected to increase Government expenditure by \$15.0 million in 2009-10 through higher pension outlays.

Reducing the minimum payment amounts for account-based pensions will assist pension account balances to recover from capital losses from the global recession.

This measure extends the pension drawdown relief provided by the Government for 2008-09 (see the related revenue measure *Superannuation – account-based pensions – drawdown relief for retirees for 2008-09*).

The reduction in the minimum payment amounts applies to account-based, allocated and market-linked (term allocated) pensions.

Superannuation — amendments to the general unclaimed money regime and other amendments resulting from the temporary residents' superannuation measure

Revenue (\$m)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | * | * | * | * |

The Government has amended the general unclaimed money regime relating to superannuation to align a superannuation provider's obligations under the general regime with the obligations under the temporary resident unclaimed superannuation regime. The amended regime will apply to payments of unclaimed money due after 1 July 2009. The measure has an ongoing unquantifiable revenue impact.

Currently, superannuation providers are required to work out if they have unclaimed money in respect of a half year and report and pay these amounts to the Commissioner of Taxation by a set statement date. The new regime will require superannuation providers to work out their unclaimed money on a date set by the Commissioner of Taxation and pay and report these amounts on a date also set by the Commissioner of Taxation. This will ensure consistency with the new temporary resident unclaimed money arrangements and facilitate more efficient administration.

Superannuation — contributing to sustainable retirement income reform by reducing the concessional contributions caps

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | 625.0 | 640.0 | 720.0 | 825.0 |
| <i>Related expense (\$m)</i> | | | | | |
| Australian Taxation Office | - | 4.9 | 16.5 | 16.4 | 17.4 |

The Government will improve equity in the superannuation system by reducing the concessional contributions cap to \$25,000 per annum (indexed), with effect from the 2009-10 financial year. The transitional concessional contributions cap (applicable to individuals aged 50 and over for the 2009-10, 2010-11 and 2011-12 financial years) will be reduced to \$50,000 per annum. This measure contributes to sustainable retirement income reform. This measure will have an ongoing gain to revenue which is estimated to be \$2.810 billion over the forward estimates period. The measure also includes an increase in resourcing for the ATO of \$55.3 million over this period.

'Grandfathering' arrangements will apply to certain members with defined benefit interests as at 12 May 2009 whose notional taxed contributions would otherwise exceed the reduced cap. Similar arrangements were applied when the concessional contributions cap was first introduced.

The annual cap on non-concessional contributions is \$150,000 per annum for the 2008-09 financial year and will remain at that level in 2009-10. In the future, the cap will be calculated as six times the level of the (indexed) concessional contributions cap.

Superannuation — payment of small and insoluble lost accounts to unclaimed monies

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | 187.3 | 39.2 | 11.5 |
| <i>Related expense (\$m)</i> | | | | | |
| Australian Taxation Office | - | - | 3.6 | 3.1 | 1.8 |

The Government will improve the efficiency of the superannuation system by requiring superannuation providers to transfer lost accounts which have balances less than \$200, or which have been inactive for five years and for which there are insufficient records to identify the owner of the account, to unclaimed monies. Former holders of these lost accounts will still be able to reclaim their money from the ATO at any time.

This measure will have effect from the 2010-11 income year and result in a gain to revenue which is estimated to be \$238.0 million over the forward estimates period. The measure is also expected to increase government expenditure by \$8.4 million over this period.

Lost account balances are currently only paid to unclaimed monies when a member reaches age 65 and cannot be found by a fund trustee, or when a member dies and the trustee cannot ensure the benefit is received by the person entitled to receive the benefit.

The measure will assist in rationalising the Lost Members Register and reduce the number of small or inactive accounts that funds are required to administer and apply the costly member protection rules to. It will also improve equity where costs are currently apportioned across other fund members in applying the member protection rules.

Superannuation — trans-Tasman retirement savings portability scheme

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | - | 0.6 | 2.1 | 4.8 |

The Government has agreed in principle to the signing of a memorandum of understanding with New Zealand to establish a trans-Tasman retirement savings portability scheme. The scheme will have effect from a date set in accordance with the memorandum of understanding. The final details of the scheme are currently being settled with New Zealand. This measure has an ongoing gain to revenue estimated to be \$7.5 million over the forward estimates period.

The trans-Tasman portability scheme will permit transfers of superannuation savings between certain Australian superannuation funds and New Zealand KiwiSaver funds. Currently, members of Australian superannuation funds may only transfer their retirement savings within the Australian superannuation system.

The introduction of the scheme will facilitate the free movement of people, potentially removing an impediment to trans-Tasman labour market mobility. It will also enable individuals to streamline and consolidate their personal retirement savings (where split across the two countries) which will reduce their exposure to multiple sets of fees and charges.

The establishment of the scheme is consistent with, and supports, the movement toward a single economic market between Australia and New Zealand.

Tax exemption for certain grants to small businesses and primary producers affected by the Victorian bushfires

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | - | -3.1 | -3.2 | -0.3 | -0.3 |

The Government will exempt from tax the Clean-up and Restoration Grants paid to small businesses and primary producers affected by the Victorian bushfires, with effect from 1 July 2008. This measure has an ongoing cost to revenue which is estimated to be \$6.9 million over the forward estimates.

On 18 February 2009, the Commonwealth and Victorian governments announced a Clean-up and Restoration Grant of up to \$25,000. This was part of a \$51 million package to assist small businesses and primary producers affected by the Victorian bushfires.

Business related expenses that are funded by using the grant would generally be deductible.

Uniform capital allowance regime — technical changes

| Revenue (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | * | * | * | * | * |

The Government will make a number of technical amendments to the uniform capital allowance regime to correct deficiencies and improve certainty for taxpayers. This measure has an ongoing unquantifiable revenue impact.

Part 3: Capital Measures

Table 3: Capital measures since the February 2009 UEFO^(a)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | AGRICULTURE, FISHERIES AND FORESTRY | | | | | |
| | <i>Australian Fisheries Management Authority</i> | | | | | |
| 407 | Australian Fisheries Management Authority – boat destruction facilities – reduction in funding | -5.6 | - | - | - | - |
| | Portfolio total | -5.6 | - | - | - | - |
| | ATTORNEY-GENERAL'S | | | | | |
| | <i>Attorney-General's Department</i> | | | | | |
| 103 | Enhanced crisis coordination facilities(b) | - | 15.2 | - | - | - |
| 104 | E-Security Review(b) | - | 0.5 | - | - | - |
| 112 | Wireless Priority Service System(b) | - | - | - | - | - |
| | <i>Australian Crime Commission</i> | | | | | |
| 388 | Strategic compliance – continuing to address the abuse of tax havens(b) | - | .. | - | - | - |
| | <i>Australian Customs and Border Protection Service</i> | | | | | |
| 96 | Border protection – combating people smuggling – maritime surveillance – extension of contract for ACV Triton(b) | - | 0.8 | - | - | - |
| | <i>Australian Federal Police</i> | | | | | |
| 89 | Australian Federal Police – increase Australia's law enforcement contribution to Pakistan(b) | - | 1.0 | - | - | - |
| 408 | – internally funded capital program | - | -4.0 | -10.0 | -10.0 | -10.0 |
| 90 | – logistics and security arrangements for the deployment in Afghanistan – further efficiency(b) | -3.9 | - | - | - | - |
| 93 | Border protection – combating people smuggling – enhancing Australian Federal Police and regional capability(b) | - | 2.9 | - | - | - |
| 137 | Global terrorism – enhancing Australia's commitment to Afghanistan(b) | - | 0.1 | - | - | - |
| 263 | Overseas development assistance – Regional Assistance Mission to Solomon Islands – continuation(b) | - | 4.4 | - | - | - |
| | <i>Australian Transaction Reports and Analysis Centre</i> | | | | | |
| 88 | Africa – law and justice frameworks – Australian assistance(b) | - | 0.3 | - | - | - |
| 388 | Strategic compliance – continuing to address the abuse of tax havens(b) | - | 0.1 | - | - | - |
| | <i>High Court of Australia</i> | | | | | |
| 106 | High Court of Australia – additional resourcing(b) | - | 1.3 | 1.4 | 1.4 | 1.5 |
| | Portfolio total | -3.9 | 22.6 | -8.6 | -8.6 | -8.6 |

Table 3: Capital measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
| | BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY | | | | | |
| | <i>Australian Broadcasting Corporation</i> | | | | | |
| 113 | Australian Broadcasting Corporation – additional funding(b) | - | 14.2 | - | - | - |
| | <i>Australian Communications and Media Authority</i> | | | | | |
| 117 | Digital dividend – technical planning and restacking(b) | - | 0.3 | - | - | - |
| 117 | Digital Television Switchover – regional South Australia, Victoria and Queensland(b) | - | 0.1 | - | - | - |
| | <i>Department of Broadband, Communications and the Digital Economy</i> | | | | | |
| 117 | Digital Television Switchover – regional South Australia, Victoria and Queensland(b) | - | 1.4 | 0.2 | - | - |
| | <i>National Broadband Network</i> | | | | | |
| 409 | – initial investment | - | - | - | - | - |
| 410 | – regional backbone blackspots program | - | 250.0 | - | - | - |
| | <i>Regional Telecommunications Review Response</i> | | | | | |
| 121 | – enhanced Satellite Phone Subsidy Scheme(b) | - | .. | - | - | - |
| 122 | – Indigenous Communications Program(b) | - | .. | - | - | - |
| | Portfolio total | - | 266.1 | 0.2 | - | - |
| | CLIMATE CHANGE | | | | | |
| | <i>Department of Climate Change</i> | | | | | |
| | <i>Department of Climate Change</i> | | | | | |
| 411 | – accommodation fit-out | - | 11.8 | - | - | - |
| 130 | – base departmental funding(b) | - | 0.2 | - | - | - |
| 411 | – information technology network | - | - | - | - | - |
| | Portfolio total | - | 12.0 | - | - | - |
| | DEFENCE | | | | | |
| | <i>Department of Defence</i> | | | | | |
| 138 | Land operations in complex environments – improved capacity(b) | - | - | - | - | - |
| | Portfolio total | - | - | - | - | - |
| | EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS | | | | | |
| | <i>Department of Education, Employment and Workplace Relations</i> | | | | | |
| 211 | Closing the Gap – Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program (IEP) Reform(b) | - | 0.3 | - | - | - |
| 168 | Job capacity assessments – additional assessments(b) | - | .. | - | - | - |

Table 3: Capital measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS (continued) | | | | | |
| 178 | National Mental Health and Disability Strategy – Disability Support Pension Employment Incentive Pilot(b) | - | 0.1 | - | - | - |
| | <i>Fair Work Australia</i> | | | | | |
| 165 | Fair Work Australia – implementation of workplace relations legislation(b) | - | 2.3 | 1.0 | - | - |
| | <i>Office of the Fair Work Ombudsman</i> | | | | | |
| 165 | Fair Work Australia – implementation of workplace relations legislation(b) | - | 2.3 | 1.0 | - | - |
| | Portfolio total | - | 4.9 | 2.0 | - | - |
| | ENVIRONMENT, WATER, HERITAGE AND THE ARTS | | | | | |
| | <i>Bureau of Meteorology</i> | | | | | |
| | <i>Bureau of Meteorology</i> | | | | | |
| 193 | – Next generation weather forecast and warning system – national roll-out(b) | - | 1.6 | 3.0 | 2.8 | 2.7 |
| 193 | – strategic radar enhancement project – establishment(b) | - | 1.7 | 4.3 | 4.3 | 4.3 |
| | <i>Department of the Environment, Water, Heritage and the Arts</i> | | | | | |
| 195 | Commonwealth terrestrial reserves – additional funding(b) | - | 3.2 | 2.2 | - | - |
| 412 | Water for the Future – accelerated water buy-backs for the Murray-Darling Basin | 250.0 | 100.0 | 50.0 | 100.0 | - |
| | <i>National Gallery of Australia</i> | | | | | |
| 412 | National Gallery of Australia building refurbishment and enhancement project – additional funding | - | - | - | - | - |
| | Portfolio total | 250.0 | 106.6 | 59.6 | 107.2 | 7.0 |
| | FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS | | | | | |
| | <i>Department of Families, Housing, Community Services and Indigenous Affairs</i> | | | | | |
| | <i>Closing the Gap</i> | | | | | |
| 211 | – Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program (IEP) Reform(b) | 3.4 | 0.6 | - | - | - |
| 220 | – Northern Territory – field operations(b) | - | 2.4 | 2.3 | 2.3 | - |
| 247 | Tuggeranong Office Park – accommodation(b) | - | 16.7 | 10.0 | - | - |
| | Portfolio total | 3.4 | 19.7 | 12.4 | 2.3 | - |
| | FINANCE AND DEREGULATION | | | | | |
| | <i>Australian Electoral Commission</i> | | | | | |
| 214 | Closing the Gap – Indigenous electoral participation program(b) | - | 0.4 | - | - | - |

Table 3: Capital measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | FINANCE AND DEREGULATION (continued) | | | | | |
| | <i>Department of Finance and Deregulation</i> | | | | | |
| 414 | Villawood Immigration Detention Centre – redevelopment | - | 5.9 | 25.4 | 63.1 | 47.3 |
| | Portfolio total | - | 6.3 | 25.4 | 63.1 | 47.3 |
| | FOREIGN AFFAIRS AND TRADE | | | | | |
| | <i>AusAID</i> | | | | | |
| | Overseas development assistance | | | | | |
| 260 | – Economic Infrastructure(b) | - | - | 0.6 | - | - |
| 261 | – food security through rural development(b) | - | 0.6 | 0.4 | - | - |
| 262 | – performance-linked aid(b) | - | - | - | 0.6 | - |
| | <i>Australian Secret Intelligence Service</i> | | | | | |
| 255 | Border protection – combating people smuggling – enhanced intelligence capability(b) | - | 3.2 | - | - | - |
| | <i>Australian Trade Commission</i> | | | | | |
| 253 | Australian Trade Commission – Clean Energy Trade and Investment Strategy(b) | - | 0.7 | - | - | - |
| | <i>Department of Foreign Affairs and Trade</i> | | | | | |
| 253 | Australian Consulate-General in Nauru – continued funding(b) | - | - | - | - | - |
| 413 | Bangkok – new Chancery construction | - | - | - | - | 51.9 |
| 254 | Border protection – additional resourcing to combat people smuggling – international engagement to prevent and disrupt maritime people smuggling(b) | - | 1.1 | - | - | - |
| 103 | Enhanced crisis coordination facilities(b) | - | 3.0 | - | - | - |
| 256 | Enhanced diplomacy – advancing national security and protecting Australians abroad – resourcing(b) | - | 0.2 | 0.2 | 0.5 | 0.3 |
| 257 | Enhancing Australia's Regional Engagement(b) | - | 6.5 | 7.4 | - | - |
| 137 | Global terrorism – enhancing Australia's commitment to Afghanistan(b) | - | 0.3 | - | - | - |
| 413 | Jakarta – new Chancery construction | - | - | - | - | 107.4 |
| 263 | Overseas development assistance – Regional Assistance Mission to Solomon Islands – continuation(b) | - | 0.2 | 0.1 | .. | .. |
| 265 | Protecting Australian diplomatic and consular posts overseas – security enhancements(b) | - | 12.6 | 3.4 | 1.2 | 1.5 |
| 266 | Trans-Pacific Partnership Agreement negotiation – Australia's participation(b) | - | - | - | - | - |
| 266 | United Nations Security Council – candidacy(b) | - | 0.6 | - | - | - |
| | Portfolio total | - | 29.0 | 12.1 | 2.4 | 161.1 |

Table 3: Capital measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|---|---|----------------|----------------|----------------|----------------|----------------|
| HEALTH AND AGEING | | | | | | |
| <i>Australian Institute of Health and Welfare</i> | | | | | | |
| 270 | Australian Institute of Health and Welfare – improving access to data and analysis(b) | - | 0.3 | - | - | - |
| 381 | Council of Australian Governments' decision – implementing the Council of Australian Governments' federal financial framework – expanded roles(b) | - | 1.3 | - | - | - |
| <i>Australian Sports Anti-Doping Authority</i> | | | | | | |
| 271 | Australian Sports Anti-Doping Authority – continued funding for Australia's anti-doping framework(b) | - | 0.2 | - | - | - |
| <i>Department of Health and Ageing</i> | | | | | | |
| 316 | Rural Health Workforce Strategy(b) | - | 1.3 | 0.1 | .. | .. |
| <i>Food Standards Australia New Zealand</i> | | | | | | |
| 276 | Food Standards Australia New Zealand – funding for upgrading computer systems(b) | - | 0.1 | 0.3 | - | - |
| Portfolio total | | - | 3.1 | 0.4 | .. | .. |
| HUMAN SERVICES | | | | | | |
| <i>Centrelink</i> | | | | | | |
| 231 | Income management in cases of child neglect and by voluntary choice – continuation of trial(b) | - | 1.4 | - | - | - |
| 236 | Paid Parental Leave(b) | - | 2.3 | 4.6 | - | - |
| 179 | Participation Taskforce Review – more flexible participation requirements for parents(b) | - | 1.9 | - | - | - |
| <i>Medicare Australia</i> | | | | | | |
| 272 | Contingence Aids Payment Scheme – more choice for users(b) | - | 0.8 | - | - | - |
| 330 | Fraud and compliance – matching of Medicare Benefits Schedule and Pharmaceutical Benefits Schedule data(b) | - | 0.6 | - | - | - |
| 283 | Hearing services – introduction of hearing threshold(b) | - | 0.4 | - | - | - |
| 284 | Improving Maternity Services Package(b) | - | 3.1 | - | - | - |
| 331 | Medicare Australia – additional offices(b) | - | 0.8 | - | - | - |
| <i>Medicare Benefits Schedule</i> | | | | | | |
| 289 | – capping Extended Medicare Safety Net benefits for items with excessive fees(b) | - | 0.9 | - | - | - |
| 290 | – capping Extended Medicare Safety Net benefits for items with excessive fees – obstetrics services(b) | - | 1.7 | - | - | - |
| 291 | – diagnostic imaging and pathology services – bulk-billing incentives and rationalisation of patient episode initiation fees(b) | - | 0.4 | - | - | - |

Table 3: Capital measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | HUMAN SERVICES (continued) | | | | | |
| | Medicare Benefits Schedule | | | | | |
| 292 | – diagnostic imaging and pathology services – changes to fees for fully depreciated diagnostic imaging equipment(b) | - | .. | .. | - | - |
| 292 | – diagnostic imaging and pathology services – improving competition(b) | - | 2.4 | - | - | - |
| 293 | – diagnostic imaging and pathology services – improving the quality of services and addressing workforce shortages(b) | - | 0.1 | - | - | - |
| 296 | – nurse practitioner workforce – expansion(b) | - | 1.0 | 0.3 | - | - |
| 308 | Practice incentive payments – quality and administrative improvements – further efficiency(b) | - | 4.7 | 1.2 | - | - |
| 310 | Private health insurance – fair and sustainable support for the future(b) | - | 0.3 | - | - | - |
| 316 | Rural Health Workforce Strategy(b) | - | 14.3 | 2.1 | - | - |
| | Portfolio total | - | 36.9 | 8.2 | - | - |
| | IMMIGRATION AND CITIZENSHIP | | | | | |
| | <i>Department of Immigration and Citizenship</i> | | | | | |
| 335 | Humanitarian Migration Program – non- refoulement obligations(b) | - | - | - | - | - |
| 343 | Systems for People – operational costs(b) | - | 1.9 | - | - | - |
| | Portfolio total | - | 1.9 | - | - | - |
| | INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT | | | | | |
| | <i>Civil Aviation Safety Authority</i> | | | | | |
| 345 | Civil Aviation Safety Authority – governance(b) | - | 0.1 | - | - | - |
| | <i>Department of Infrastructure, Transport, Regional Development and Local Government</i> | | | | | |
| 415 | Nation Building Plan for the Future – Building Australia Fund – Investing in port and rail projects | - | - | - | - | - |
| | Portfolio total | - | 0.1 | - | - | - |
| | INNOVATION, INDUSTRY, SCIENCE AND RESEARCH | | | | | |
| | <i>Australian Research Council</i> | | | | | |
| 358 | An Innovation and Higher Education System for the 21st Century – Excellence in Research for Australia(b) | - | 4.5 | 2.6 | 1.4 | 1.4 |

Table 3: Capital measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 \$m | 2009-10 \$m | 2010-11 \$m | 2011-12 \$m | 2012-13 \$m |
|------|---|----------------|----------------|----------------|----------------|----------------|
| | INNOVATION, INDUSTRY, SCIENCE AND RESEARCH (continued) | | | | | |
| | <i>Department of Innovation, Industry, Science and Research</i> | | | | | |
| 359 | An Innovation and Higher Education System for the 21st Century – National Enabling Technologies Strategy(b) | - | 3.9 | 1.5 | 1.4 | 1.1 |
| 416 | Innovation Investment Follow-on Fund | - | - | - | - | - |
| | Portfolio total | - | 8.4 | 4.0 | 2.7 | 2.4 |
| | PRIME MINISTER AND CABINET | | | | | |
| | <i>Australian National Audit Office</i> | | | | | |
| 370 | Australian National Audit Office – enhanced professional capability(b) | - | 0.2 | 0.7 | - | - |
| | <i>Department of the Prime Minister and Cabinet</i> | | | | | |
| 370 | Border protection – combating people smuggling – Australian Government management of border security and maritime people smuggling(b) | - | 0.4 | - | - | - |
| 381 | Council of Australian Governments' decision – implementing the Council of Australian Governments' federal financial framework – expanded roles(b) | - | 0.8 | - | - | - |
| 372 | National Security Adviser Group – establishment(b) | - | - | - | - | - |
| 373 | Office of the Information Commissioner – establishment(b) | - | 2.5 | - | - | - |
| | Portfolio total | - | 3.9 | 0.7 | - | - |
| | TREASURY | | | | | |
| | <i>Australian Bureau of Statistics</i> | | | | | |
| 380 | Council of Australian Governments' decision – Commonwealth investment in closing Indigenous data gaps(b) | - | nfp | nfp | nfp | nfp |
| 381 | – implementing the Council of Australian Governments' federal financial framework – expanded roles(b) | - | 0.4 | 0.3 | - | - |
| 387 | Secure and sustainable pensions – Pensioner and Beneficiary Living Cost Index(b) | - | 0.2 | 0.1 | 0.1 | - |
| | <i>Australian Competition and Consumer Commission</i> | | | | | |
| 380 | Council of Australian Governments' decision – Australian Competition and Consumer Commission – implementing a system of national product safety regulation(b) | - | 0.1 | .. | 0.1 | 0.1 |
| | <i>Australian Taxation Office</i> | | | | | |
| 361 | An Innovation and Higher Education System for the 21st Century – Research and Development Tax Credit(b) | - | - | 1.3 | - | - |
| 390 | Strategic compliance – promoting a level playing field for small business(b) | - | - | 2.3 | 2.3 | - |

Table 3: Capital measures since the February 2009 UEFO^(a) (continued)

| Page | | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------|---|--------------|--------------|--------------|--------------|--------------|
| | | \$m | \$m | \$m | \$m | \$m |
| | TREASURY (continued) | | | | | |
| | <i>Department of the Treasury</i> | | | | | |
| 417 | Global Recession – increased capital for the Asian Development Bank | - | - | - | - | - |
| | Portfolio total | - | 0.6 | 4.0 | 2.4 | 0.1 |
| | VETERANS' AFFAIRS | | | | | |
| | <i>Department of Veterans' Affairs</i> | | | | | |
| | Secure and sustainable pensions | | | | | |
| 242 | – increase to pension payments(b) | .. | 1.7 | - | - | - |
| 244 | – new carer supplement(b) | .. | 0.7 | - | - | - |
| 246 | – tighten the income test taper(b) | 0.1 | 1.2 | - | - | - |
| | Portfolio total | 0.1 | 3.6 | - | - | - |
| | Decisions taken but not yet announced | - | - | - | - | - |
| | Depreciation expense | 1.5 | -42.5 | -49.9 | -52.9 | -50.4 |
| | Total capital measures(c) | 245.5 | 438.2 | 70.4 | 51.5 | 159.1 |

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

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

(b) These measures can also be found in the expense measures summary table.

(c) Measures may not add due to rounding.

AGRICULTURE, FISHERIES AND FORESTRY

Australian Fisheries Management Authority — boat destruction facilities — reduction in funding

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Australian Fisheries Management Authority | -5.6 | - | - | - | - |

The Government will not proceed with the construction of a boat destruction facility in the Torres Strait to dispose of apprehended illegal foreign fishing vessels. Vessels can be disposed of at existing boat destruction facilities in other locations, including the facility at Skardon River near Weipa, Queensland. This measure will provide savings of \$5.6 million in 2008-09.

ATTORNEY-GENERAL'S

Australian Federal Police — internally funded capital program

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---------------------------|---------|---------|---------|---------|---------|
| Australian Federal Police | - | -4.0 | -10.0 | -10.0 | -10.0 |

The Government has identified savings of \$34.0 million over four years from 2009-10 from the Australian Federal Police's internally funded capital program. The Australian Federal Police has identified asset replacement and maintenance that can be deferred until 2013 without affecting its operational capability.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

National Broadband Network — initial investment

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | - | - | - | - |

The Government will make an initial investment of \$4.7 billion towards an enhanced National Broadband Network.

The Government has established a company to build and operate a new National Broadband Network to deliver telephony and high speed broadband to Australian homes, schools and businesses. The preliminary estimate is that the enhanced National Broadband Network will cost up to \$43 billion, with detailed engineering, commercial and structural requirements to be finalised through an implementation study to be completed by early 2010. Within the funding envelope, the Government's objective is to achieve 90 per cent coverage using fibre to the premises technology, with remaining coverage to be achieved through wireless and satellite technologies.

The company has been established under corporations law and will operate as a government business enterprise. Private investment will be encouraged but ownership caps will be established to protect the Government's objective of establishing a wholesale-only open access network that is independent of retail providers. The Government intends to sell down its interest within five years after the network is built and fully operational.

The Government's initial investment includes \$4.45 billion for an equity injection to the company that will build and operate the network and an investment in the early rollout of a fibre-based broadband network in Tasmania. The profile of these investments is expected to be \$30.0 million in 2008-09, \$750.0 million in 2009-10, and \$3,670.0 million in 2010-11.

A further \$250.0 million in 2009-10 will be invested to upgrade regional backbone blackspots.

The investment is not expected to have a direct impact on the underlying cash or fiscal balances. The additional public debt interest cost incurred by the Government is accounted for in the budget papers. Provision for the expected public debt interest cost related to the Government's expected investment in the National Broadband Network over the forward estimates will be drawn from the Building Australia Fund.

Further information can be found in the joint press release of 7 April 2009 issued by the Prime Minister, the Treasurer, the Minister for Finance and Deregulation and the Minister for Broadband, Communications and the Digital Economy.

See also the related capital and expense measures titled *National Broadband Network – implementation and establishment* and *National Broadband Network – regional backbone blackspots program* in the Broadband, Communications and the Digital Economy portfolio.

National Broadband Network — regional backbone blackspots program

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Broadband, Communications and the Digital Economy | - | 250.0 | - | - | - |

The Government will provide \$250.0 million in 2009-10 to improve the supply of fibre optic transmission backbone services, also referred to as 'backhaul', to a number of regional centres where there is a lack of competitive backhaul services ('blackspots'). Stakeholder consultation on this initiative commenced in April 2009 to help identify and prioritise locations for investment, technical parameters and funding arrangements. These transmission links will put in place key infrastructure for the rollout of the National Broadband Network.

This forms part of the Government's \$4.7 billion initial investment in the enhanced National Broadband Network and will be funded from the Building Australia Fund.

Further information can be found in the press release of 23 April 2009 issued by the Minister for Broadband, Communications and the Digital Economy.

See also the related capital and expense measures titled *National Broadband Network – initial investment* and *National Broadband Network – implementation and establishment* in the Broadband, Communications and the Digital Economy portfolio.

CLIMATE CHANGE

Department of Climate Change — accommodation fit-out

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | 11.8 | - | - | - |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of Climate Change</i> | - | 1.4 | - | - | - |

The Government will provide \$13.2 million in 2009-10 to fit out the offices of the Department of Climate Change at 2 Constitution Avenue, Canberra. An accommodation upgrade is required to meet Government security, occupational health and safety, and environmental standards. The fit-out is expected to achieve the maximum National Australian Built Environment Rating System rating of five stars.

Department of Climate Change — information technology network

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of Climate Change | - | - | - | - | - |

The Government will provide \$3.0 million in 2008-09 for the Department of Climate Change to migrate to a secure information technology network and to upgrade storage and backup facilities.

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

ENVIRONMENT, WATER, HERITAGE AND THE ARTS

National Gallery of Australia building refurbishment and enhancement project — additional funding

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------|---------|---------|---------|---------|---------|
| National Gallery of Australia | - | - | - | - | - |

The Government will provide \$14.8 million in 2009-10 for the completion of the National Gallery of Australia's building refurbishment and enhancement project, with the additional funding necessary given increases in the estimated project costs. The funding will enable the completion of the expanded entrance and additional gallery space originally announced in the *Mid-Year Economic and Fiscal Outlook 2006-07*.

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

Water for the Future — accelerated water buy-backs for the Murray-Darling Basin

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of the Environment, Water, Heritage and the Arts | 250.0 | 100.0 | 50.0 | 100.0 | - |

The Government will bring forward \$500.0 million of funding in the Restoring the Balance in the Murray-Darling Basin program, under the Water for the Future package, to accelerate the purchase of water entitlements from willing sellers and expedite the return of water to the environment. This measure will be funded by reducing program expenditure in 2013-14 (\$240.0 million), 2014-15 (\$200.0 million) and 2015-16 (\$60.0 million).

This measure was agreed with Senator Xenophon as part of negotiating the Nation Building and Jobs Plan announced on 3 February 2009.

FOREIGN AFFAIRS AND TRADE

Bangkok — new Chancery construction

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | - | - | - | 51.9 |

The Government will provide an additional \$87.5 million over five years (including \$35.5 million in 2013-14) to relocate the Australian embassy in Bangkok to a more secure location. Construction is expected to commence in 2012-13 and be completed by March 2014. The total cost is estimated to be \$193.4 million.

Capital funding will cover the construction and fitout of new buildings. It will also provide heightened physical and communications security measures, and the inclusion of a Head of Mission residence on site.

The measure will be funded from reserves held in the Overseas Property Special Account of the Department of Foreign Affairs and Trade.

Jakarta — new Chancery construction

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Foreign Affairs and Trade | - | - | - | - | 107.4 |
| <i>Related expense (\$m)</i> | | | | | |
| <i>Department of Foreign Affairs and Trade</i> | - | 0.5 | 0.4 | 0.4 | - |

The Government will provide an additional \$269.5 million over six years (including \$160.8 million between 2013-14 and 2014-15) to relocate the Australian embassy in Jakarta to a more secure location. Construction is expected to commence in 2012-13 and be completed by December 2014. The total cost of the project is estimated to be \$415.1 million.

Capital funding will cover the construction and fit out of new buildings. It will also provide heightened physical and communications security measures, and the inclusion of a Head of Mission residence on site. The expense funding of \$1.3 million over three years will cover costs associated with the development and review of plans for the building and tenant fitouts.

The measure will be funded from reserves held in the Overseas Property Special Account of the Department of Foreign Affairs and Trade.

IMMIGRATION AND CITIZENSHIP

Villawood Immigration Detention Centre — redevelopment

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Finance and Deregulation | - | 5.9 | 25.4 | 63.1 | 47.3 |
| <i>Related expense (\$m)</i> | | | | | |
| Department of Finance and Deregulation | - | 0.3 | 0.1 | .. | .. |
| Department of Immigration and Citizenship | - | 0.1 | 0.1 | 0.1 | 1.8 |
| <i>Total</i> | - | 0.3 | 0.2 | 0.2 | 1.8 |

The Government will provide \$186.7 million over five years (including \$175.0 million in capital funding) to redevelop the Villawood Immigration Detention Centre.

The redevelopment aims to upgrade and enhance the Detention Centre to meet current standards for design and fit out of immigration detention facilities. The redevelopment project will be managed by the Department of Finance and Deregulation (Finance) and overseen by a joint Finance and Department of Immigration and Citizenship steering committee.

This measure is informed by scoping studies and preliminary design as part of the *Villawood Immigration Detention Centre – redevelopment – scoping and design* measure announced in the 2008-09 Budget.

INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT

Nation Building Plan for the Future — Building Australia Fund — Investing in port and rail projects

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|---------|---------|---------|---------|---------|
| Department of Infrastructure, Transport, Regional Development and Local Government | - | - | - | - | - |

The Government has made provision for a possible equity contribution of \$365.0 million in 2009-10 in relation to the Gold Coast Light Rail project. This project has been recommended by Infrastructure Australia. The Government's contribution will be made subject to negotiations with the project proponents and the establishment of an appropriate equity vehicle. This project will provide a light rail public transport link between Griffith University (Gold Coast Campus) and Broadbeach via Southport.

The Government has also made provision for possible equity contributions in relation to projects at Darwin and Oakajee ports, pending recommendation of the projects by Infrastructure Australia, negotiations with the project proponents and the establishment of an appropriate equity vehicle. The details of the projects are as follows:

- Oakajee Port Common User Facilities (Geraldton, Western Australia): development of common use port components, including maritime and land-based facilities such as the breakwater, turning basin, channel, navigational aids, and port administration offices; and
- Darwin Port Expansion (Darwin, Northern Territory): including land reclamation, a second rail dump and a new berth, ship loader and conveyor equipment, to deliver improved traffic management to the Port of Darwin and the Alice Springs to Darwin railhead.

Funding for these projects would be provided from the *Building Australia Fund*.

See also the related expense measures titled *Nation Building Plan for the Future – Building Australia Fund – Investing in Network 1*, *Nation Building Plan for the Future – Building Australia Fund – Investing in metro rail*, *Nation Building Plan for the Future – Investing in public transport links for our major cities* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding* in the Infrastructure, Transport, Regional Development and Local Government portfolio and *Nation Building Plan for the Future – Investing in public transport links for our major cities* and *Nation Building Plan for the Future – Bruce Highway and bring forward of funding* in the Treasury portfolio.

INNOVATION, INDUSTRY, SCIENCE AND RESEARCH

Innovation Investment Follow-on Fund

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------|---------|---------|---------|---------|
| Department of Innovation, Industry, Science and Research | - | - | - | - | - |

The Government will provide up to \$83.0 million from the Innovation Investment Fund Revolving Fund to provide a targeted temporary response to the reduced access to venture capital currently being experienced by early stage innovative Australian companies as a result of the global financial crisis.

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

TREASURY

Global Recession — increased capital for the Asian Development Bank

| Capital (\$m) | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|----------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury | - | - | - | - | - |

The Government will contribute US\$197.6 million (A\$287.5 million) over 10 years of additional paid in capital toward the Asian Development Bank's (ADB) US\$110 billion General Capital Increase to assist in supporting countries in the Asia-Pacific Region during the global recession and meet the region's ongoing development needs. Australia will also increase its uncalled capital subscription by US\$5.6 billion (A\$8.1 billion) which would only be drawn down in the unlikely event that the ADB is unable to meet its financial obligations. Founded in 1966, the ADB has never drawn on its uncalled capital subscriptions.

These resources will be used to support economic recovery and stability in the Asia Pacific region, which will in turn support economic recovery in Australia.