

APPENDIX A: POLICY DECISIONS TAKEN SINCE THE 2003-04 BUDGET

Summary of policy decisions taken since the 2003-04 Budget

Table A1: Revenue measures since the 2003-04 Budget^(a)

	2003-04	2004-05	2005-06	2006-07
	\$m	\$m	\$m	\$m
ATTORNEY-GENERAL'S				
Australia-Thailand Closer Economic Relations – Free Trade Agreement	-	-90.0	-100.0	-100.0
<i>Customs duty –</i>				
changes to Australia's duty free concessions	..	..	..	..
extension of concessions for goods used in the oil and gas sector	..	..	..	..
textile, clothing and footwear tariff reductions	-	-	-	-
<i>Textile, clothing and footwear assistance package post-2005 –</i>				
extension of the Expanded Overseas Assembly Provision scheme(c)	-	-	-5.0	-5.0
Import Credit Scheme(c)	-	-	-	-5.0
Portfolio total	..	-90.0	-105.0	-110.0
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
Postal Industry Ombudsman – establishment(c)	-	0.3	0.3	0.3
Regional Telecommunications Inquiry – cost recovery for enhanced regional telecommunications monitoring(c)	-	1.7	1.1	1.2
Portfolio total	-	2.0	1.4	1.4
HEALTH AND AGEING				
Medical Indemnity – Incurred-But-Not-Reported (IBNR) Indemnity Scheme Levy	*	*	*	*
Portfolio total	-	-	-	-
EDUCATION, SCIENCE AND TRAINING				
<i>Our Universities –</i>				
Commonwealth Grants Scheme - increased flexibility(c)	-	-	0.4	1.1
enhancements to higher education reform package(c)	-	-	-	2.4
Higher Education Loans Programme (HELP) extension extension(d)	-	-	0.1	0.2
Portfolio total	-	-	0.4	3.7
TRANSPORT AND REGIONAL SERVICES				
Air Passenger Ticket Levy – discontinuation	-96.7	-	-	-
Portfolio total	-96.7	-	-	-

Appendix A: Policy decisions taken since the 2003-04 Budget

Table A1: Revenue measures since the 2003-04 Budget^(a) (continued)

	2003-04	2004-05	2005-06	2006-07
	\$m	\$m	\$m	\$m
TREASURY				
Income tax				
Asset financing arrangements involving tax-preferred entities	-	*	*	*
<i>Capital gains tax –</i>				
demutualisation of friendly societies	..	..	..	..
preservation of pre-CGT interests in entities that demerge	-	-	-	-
small business concessions and discretionary trusts	*	*	*	*
Company tax loss recoupment rules	-	-	-	-
Concessions for Australian Defence Force personnel serving overseas	-11.0	-	-	-
<i>Deductible gift recipients –</i>				
changes to eligible organisations	*	*	*	*
deductions for contributions with an associated minor benefit	-	-	-3.0	-3.0
Family Tax Benefit – income tax deduction for the cost of tax agent fees(c)	-0.1	-	-	-
Farm Management Deposits scheme – clarifying eligibility rules	-	-	-	-
Foreign Investment Fund rules – additional approved stock exchange	..	..	..	..
Imputation – simplified rules for life insurance companies	..	..	..	..
International taxation – not proceeding with the foreign income tax exemption for temporary residents	40.0	40.0	45.0	45.0
<i>Superannuation –</i>				
changes to the taxation of overseas superannuation transfers	-	1.1	0.1	0.1
deferral of pension and annuity changes by three months	*	*	*	*
delayed replacement of the personal superannuation contributions rebate	-10.0	-	-	-
smaller reduction in the Superannuation Surcharge rate	65.0	145.0	205.0	175.0
<i>Tax administration –</i>				
amendments to the <i>Crimes (Taxation Offences) Act 1980</i>	-	-	-	-
changes to hardship provisions	..	..	..	..
new civil penalty to deter the promotion of tax avoidance schemes	-	-	15.0	25.0
Tax treatment of a payment out of the National Guarantee Fund	-	-	-	-
<i>Taxation of financial arrangements –</i>				
backdating elections under the foreign currency rules	-	..	-	-
deferral of reforms to commodity hedging taxation arrangements	*	*	*	*
Fringe benefits tax				
Transition arrangements for payments to worker entitlement funds	-	-	-	-
Portfolio total	83.9	186.1	262.1	242.1
Decisions taken but not yet announced	-	-43.0	48.0	27.0
Total impact of revenue measures(b)	-12.8	55.1	206.9	164.2

* 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 to revenue.

(b) Measures may not add due to rounding.

(c) Details of this measure may be found under Expenses.

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

Table A2: Expense measures since the 2003-04 Budget^(a)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
AGRICULTURE, FISHERIES AND FORESTRY				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Drought assistance - Exceptional Circumstances assistance	333.4	264.1	12.1	-
Drought assistance - interim support	50.3	7.2	-	-
National Water Initiative - addressing water over-allocation in the Murray-Darling Basin	-	*	*	*
Rotterdam and Stockholm Conventions - ratification	-	-	-	-
Portfolio total	383.7	271.3	12.1	0.0
ATTORNEY-GENERAL'S				
<i>Attorney-General's Department</i>				
Combating trafficking in persons - whole of government strategy	0.2	0.1	0.1	0.1
National Threat Assessment Centre - establishment	0.1	0.4	0.3	0.3
<i>Australian Customs Service</i>				
Aviation security - enhancement	-	0.8	1.7	-
<i>Australian Federal Police</i>				
Aviation security - enhancement	-	3.6	2.8	2.9
Combating trafficking in persons - whole of government strategy	1.2	1.6	1.6	1.7
East Timor - support for the police and justice institutions	-	4.4	4.9	4.0
Solomon Islands - Regional Assistance Mission	80.3	25.0	-	-
<i>Australian Security Intelligence Organisation</i>				
Aviation security - enhancement	-	1.3	1.4	1.4
National Threat Assessment Centre - establishment	2.9	8.5	8.4	8.7
<i>Office of the Director of Public Prosecutions</i>				
HIH Insurance Group - collapse related prosecutions	2.8	5.8	5.5	-
Portfolio total	87.4	51.5	26.5	18.9
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
<i>Australian Communications Authority</i>				
Regional Telecommunications Inquiry - enhanced regional telecommunications monitoring	1.7	1.1	1.2	1.2
Unsolicited electronic messaging (spam) regulatory regime	-	-	-	-
<i>Australian Sports Commission</i>				
Australian soccer – interim assistance	3.0	3.0	3.0	-
Inaugural World Peace Game – contribution	0.1	-	-	-
<i>Department of Communications, Information Technology and the Arts</i>				
Deaflympic Games - assistance	-	4.0	-	-
<i>Regional Telecommunications Inquiry -</i>				
Higher Bandwidth Incentive Scheme	4.2	15.0	35.7	17.9
information technology training and support	2.1	3.2	3.0	1.8
other Inquiry recommendations	6.6	0.2	0.2	1.8

Appendix A: Policy decisions taken since the 2003-04 Budget

Table A2: Expense measures since the 2003-04 Budget^(a)(continued)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS (continued)				
Satellite Phone Handset Subsidy Scheme	0.9	1.2	1.2	0.7
terrestrial mobile phone coverage	2.4	7.6	3.9	2.0
<i>National Office for the Information Economy</i>				
<i>Regional Telecommunications Inquiry -</i>				
broadband demand aggregation brokers	2.2	3.2	3.0	-
Coordinated Communications Infrastructure Fund	2.4	8.5	8.5	4.3
National Broadband Strategy Implementation Group	1.0	0.7	0.6	0.5
Portfolio total	26.6	47.8	60.2	30.1
DEFENCE				
<i>Department of Defence</i>				
National Threat Assessment Centre - establishment	0.7	0.5	0.5	0.5
Solomon Islands - Regional Assistance Mission	97.7	12.6	-	-
Portfolio total	98.3	13.1	0.5	0.5
EDUCATION, SCIENCE AND TRAINING				
<i>Department of Education, Science and Training</i>				
<i>James Cook University - rehabilitation sciences</i>				
facility	3.7	2.4	-	-
<i>Our Universities -</i>				
Commonwealth Grants Scheme - increased flexibility	-	11.0	11.6	9.8
enhancements to higher education reform package	6.0	40.4	47.4	59.7
regional universities loading extension	4.7	4.8	5.1	5.3
Pensioner Education Supplement - continuation of payment through study breaks	0.6	0.9	0.8	0.7
Portfolio total	15.0	59.4	64.8	75.4
EMPLOYMENT AND WORKPLACE RELATIONS				
<i>Department of Employment and Workplace Relations</i>				
Air Passenger Ticket Levy - discontinuation(d)	-0.2	-	-	-
Portfolio total	-0.2	0.0	0.0	0.0
ENVIRONMENT AND HERITAGE				
<i>Department of the Environment and Heritage</i>				
<i>Mandatory National Water Efficiency Labelling and</i>				
Standards Scheme	-	-	-	-
Regional Natural Heritage Programme	1.0	4.5	4.5	-
Rotterdam and Stockholm Conventions - ratification	-	-	-	-
Portfolio total	1.0	4.5	4.5	0.0
FAMILY AND COMMUNITY SERVICES				
<i>Department of Family and Community Services</i>				
Bali Terrorist Attacks - assistance for victims and family members of victims	7.9	2.7	1.7	1.7
Carer Allowance (child) - enhanced qualification for automatic access	2.2	2.4	2.5	2.6
Combating trafficking in persons - whole of government strategy	0.3	0.4	0.7	0.7

Table A2: Expense measures since the 2003-04 Budget^(a) (continued)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
FAMILY AND COMMUNITY SERVICES (continued)				
Drought assistance - Exceptional Circumstances assistance	9.5	7.1	1.8	-
Family Tax Benefit and Child Care Benefit - extension of time for top-up payments and claims	45.1	24.5	24.6	24.7
King Island and the Furneaux Group of Islands - ex gratia payments in lieu of Remote Area Allowance	1.7	-	-	-
Military Rehabilitation and Compensation Scheme	-	0.8	2.5	4.4
Our Universities - income support treatment of fee-exempt scholarships	1.0	1.7	1.7	1.9
Pensioner Education Supplement - continuation of payment through study breaks	5.6	10.2	10.4	10.7
Personal counselling services in drought affected rural areas - funding extension	2.0	-	-	-
Stronger Families and Communities Strategy	-	-	-	-
Portfolio total	75.2	49.8	45.8	46.7
FINANCE AND ADMINISTRATION				
<i>Australian Electoral Commission</i>				
Federal elections - improving the integrity of the electoral roll and increasing voter participation	3.9	6.3	3.9	3.7
<i>Department of Finance and Administration</i>				
New superannuation arrangements for Australian Government civilian employees	-	-	-	-
Portfolio total	3.9	6.3	3.9	3.7
FOREIGN AFFAIRS AND TRADE				
<i>Australian Agency for International Development</i>				
Bougainville - Transition Team as the successor to the Peace Monitoring Group	-	-	-	-
East Timor - support for the police and justice institutions	-	-	-	-
Iraq - additional reconstruction assistance	-	-	-	-
Nauru - extension of the Memorandum of Understanding to address unauthorised arrivals	nfp	nfp	nfp	-
Philippines - counter-terrorism assistance	-	-	-	-
Regional Trade and Financial Security Fund - Australian contribution	-	-	-	-
Solomon Islands - Regional Assistance Mission	53.9	-	-	-
<i>Australian Secret Intelligence Service</i>				
National Threat Assessment Centre - establishment	-	0.6	0.5	0.5
<i>Department of Foreign Affairs and Trade</i>				
2005 World Expo in Aichi, Japan - Australian participation	1.7	26.8	6.5	-
Bali Terrorist Attacks - assistance for victims and family members of victims	0.8	-	-	-
National Threat Assessment Centre - establishment	-	-	-	-
Open Source Collection Unit - expansion	0.8	1.6	1.6	1.7
Solomon Islands - Regional Assistance Mission	3.9	-	-	-
Portfolio total	61.1	28.9	8.6	2.2

Appendix A: Policy decisions taken since the 2003-04 Budget

Table A2: Expense measures since the 2003-04 Budget^(a) (continued)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
HEALTH AND AGEING				
<i>Department of Health and Ageing</i>				
<i>A Fairer Medicare -</i>				
removal of GP Access Scheme	-47.3	-79.7	-102.5	-115.0
removal of private health insurance safety net for out-of-hospital Medicare expenses	-9.8	-24.2	-23.5	-24.3
removal of reducing up front costs for GP visits	-5.6	-1.9	-1.7	-1.7
removal of signage from improved information and practice management	-0.6	-0.2	-0.2	-0.2
Bali Terrorist Attacks - assistance to States and Territories for the initial treatment of victims	1.3	-	-	-
Combating trafficking in persons - whole of government strategy	0.2	0.1	0.2	0.2
Deano's Bone Marrow Donor Institute Walk for Leukaemia - contribution	-	-	-	-
Drought assistance - Exceptional Circumstances assistance	10.0	6.3	-	-
Hazel Hawke Alzheimer's Research and Care Fund - donation	-	-	-	-
Life Savings Drugs Programme - widening access to Cerezyme	2.1	4.9	5.5	6.2
Medical Indemnity - Exceptional Claims Scheme	0.6	0.2	0.6	0.1
Medical Indemnity - extension of High Cost Claims Scheme	14.4	21.4	22.4	23.5
Medical Indemnity Policy Review	0.7	-	-	-
Medical Indemnity Subsidy Scheme – extension	1.2	1.2	1.2	1.2
<i>MedicarePlus -</i>				
assistance for GPs and specialists re-entering the workforce	0.3	4.4	8.7	13.4
better access to medical care for residents of aged care homes	0.2	15.8	14.2	17.7
grants to GP and specialist practices to encourage take up of HIC Online	1.0	2.4	2.9	0.8
higher rebates for patients of certain non-vocationally registered GPs	3.0	6.4	6.4	6.5
increased recruitment of qualified health professionals from overseas	10.7	77.7	152.0	192.1
more pre-vocational doctors to outer metropolitan, regional, rural and remote areas	2.4	21.7	22.5	23.7
payment for GPs who bulk bill children under 16 and concession card holders	136.0	263.8	273.7	283.1
safety net for major out-of-pocket medical costs outside hospital	21.3	55.9	58.2	63.8
support for additional accredited GP training practices and GP supervisors	1.5	3.6	3.0	3.1
support for practice nurses through a new Medicare Benefits Schedule item	5.6	19.5	24.4	26.5
support for rural and remote GPs	8.6	30.3	30.8	31.4

Table A2: Expense measures since the 2003-04 Budget^(a) (continued)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
HEALTH AND AGEING (continued)				
<i>Pharmaceutical Benefits Scheme -</i>				
extension to the listing of Glivec	9.0	18.8	19.0	18.2
extension to the listing of Mabthera	25.1	25.8	26.5	27.2
listing of Avandia and Actos	25.3	46.5	57.0	62.4
listing of Enbrel	90.4	90.3	90.3	90.3
listing of EpiPen	7.0	10.5	10.6	10.6
listing of Remicade	17.8	15.2	8.0	6.5
Rotterdam and Stockholm Conventions - ratification	-	-	-	-
Therapeutic Goods Administration - costs				
associated with the Pan Pharmaceutical recall	2.6	-	-	-
Tough on Drugs - Indigenous Communities Initiative	-	-	-	-
<i>Health Insurance Commission</i>				
<i>Pharmaceutical Benefits Scheme -</i>				
extension to the listing of Glivec	0.5	0.1	0.1	0.1
listing of Enbrel	4.0	2.9	2.8	2.8
listing of Remicade	1.6	0.7	0.4	0.3
Portfolio total	341.2	640.4	713.3	770.3
IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Alternative detention arrangements - Port Hedland	2.3	-	-	-
Combating Maritime People Smuggling	0.7	1.7	1.7	1.7
Combating trafficking in persons - whole of government strategy	0.3	0.4	0.4	0.4
Philippines - counter-terrorism assistance	-	-	-	-
Portfolio total	3.3	2.1	2.1	2.1
INDUSTRY, TOURISM AND RESOURCES				
<i>Australian Tourist Commission</i>				
International marketing initiatives for Australian tourism	-	-	-	-
Tourism White Paper	12.0	30.7	30.7	30.8
<i>Department of Industry, Tourism and Resources</i>				
Biofuels Capital Grant Programme	24.3	13.3	-	-
Textiles, clothing and footwear assistance package post-2005	0.2	3.5	8.1	109.9
Strategic Investment Incentive to GTL Resources	0.6	26.8	8.0	-
Tourism White Paper	3.0	22.9	23.7	25.3
Portfolio total	40.0	97.1	70.4	165.9
PRIME MINISTER AND CABINET				
<i>Australian Public Service Commission</i>				
Australian Public Service Indigenous employment strategy	0.2	0.2	0.1	0.1
Australian Public Service - integrated leadership strategy	0.9	0.8	0.5	0.1

Appendix A: Policy decisions taken since the 2003-04 Budget

Table A2: Expense measures since the 2003-04 Budget^(a) (continued)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
PRIME MINISTER AND CABINET (continued)				
<i>Department of the Prime Minister and Cabinet</i>				
A more informed public - improved research capabilities and accessibility to the website	0.4	0.5	0.6	0.6
Combating trafficking in persons - whole of government strategy	-	-	0.8	0.8
Policy co-ordination - increased activities and new taskforces	3.2	1.6	1.6	1.7
<i>Office of the Commonwealth Ombudsman</i>				
Postal Industry Ombudsman - establishment	-	0.3	0.3	0.3
<i>Office of the Official Secretary to the Governor-General</i>				
Governor-General - improved support	0.5	0.6	0.6	0.6
<i>Office of National Assessments</i>				
National Threat Assessment Centre - establishment	-	-	-	-
Portfolio total	5.3	4.0	4.3	4.0
TRANSPORT AND REGIONAL SERVICES				
<i>Department of Transport and Regional Services</i>				
Aviation security – enhancement	2.3	19.4	20.1	10.2
National Threat Assessment Centre - establishment	0.5	0.4	0.4	0.4
Portfolio total	2.8	19.7	20.5	10.5
TREASURY				
<i>Australian Competition and Consumer Commission</i>				
Australian Competition and Consumer Commission - additional funding	6.8	-	-	-
<i>Australian Taxation Office</i>				
Baby Bonus adoptions	..	..	..	..
Family Tax Benefit and Child Care Benefit - extension of time for top-up payments and claims	-	20.7	20.8	20.9
Refundable film tax offset - amendment	-	-	-	-
Superannuation - extended Government superannuation co-contribution for low income earners	-125.0	95.0	120.0	110.0
<i>Department of the Treasury</i>				
<i>Budget Balancing Assistance - amendments to the A New Tax System (Commonwealth-State Financial Arrangements) Act 1999</i>				
changes to Australia's duty free concessions	8.8	5.7	5.7	-
compulsory third party schemes	*	*	*	*
treatment of first aid and life saving courses	4.6	1.0	1.0	-
variation to New South Wales' Guaranteed Minimum Amount	-	15.0	15.0	-
HIH Claims Support Scheme - closure	-	-	-	-
Portfolio total	-104.8	137.4	162.5	130.9

Table A2: Expense measures since the 2003-04 Budget^(a) (continued)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
VETERANS' AFFAIRS				
<i>Department of Veterans' Affairs</i>				
Military Rehabilitation and Compensation Scheme	1.2	1.0	0.7	1.7
<i>Pharmaceutical Benefits Scheme -</i>				
extension to the listing of Glivec	1.0	2.1	2.1	2.0
extension to the listing of Mabthera	2.8	2.9	2.9	3.0
listing of Avandia and Actos	1.2	2.2	2.7	2.9
listing of Enbrel	9.6	9.7	9.7	9.7
listing of EpiPen	0.4	0.6	0.6	0.6
listing of Remicade	2.0	1.7	0.9	0.7
Portfolio total	18.2	20.1	19.4	20.5
Decisions taken but not yet announced	-53.9	4.1	0.2	-
Depreciation Expense(b)	0.7	4.0	4.8	3.8
Total Expense Measures(c)	1,004.7	1,461.4	1,224.2	1,285.3

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

.. Not zero, but rounded to zero.

- nil

nfp not for publication

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

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

(c) Measures may not add due to rounding.

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

Appendix A: Policy decisions taken since the 2003-04 Budget

Table A3: Capital measures since the 2003-04 Budget^(a)

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m
AGRICULTURE, FISHERIES AND FORESTRY				
<i>Department of Agriculture, Fisheries and Forestry</i>				
Wheat Export Authority - operating loan	-	-	-	-
Portfolio total	0.0	0.0	0.0	0.0
ATTORNEY-GENERAL'S				
<i>Australian Customs Service</i>				
Australian Customs Service - additional funding	-	-	-	-
Aviation security – enhancement(d)	-	4.8	1.1	-
<i>Australian Federal Police</i>				
Aviation security – enhancement(d)	-	0.3	-	-
Combating trafficking in persons - whole of government strategy(d)	0.5	-	-	-
Solomon Islands - Regional Assistance Mission(d)	16.7	-	-	-
<i>Australian Security Intelligence Organisation</i>				
Aviation security – enhancement(d)	-	1.2	-	-
National Threat Assessment Centre - establishment(d)	1.5	0.9	0.2	0.2
Portfolio total	18.7	7.2	1.3	0.2
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
<i>Australian Sports Commission</i>				
Australian soccer – interim assistance(d)	-	-	-	-
Portfolio total	0.0	0.0	0.0	0.0
DEFENCE				
<i>Department of Defence</i>				
Solomon Islands - Regional Assistance Mission(d)	13.4	9.6	-	-
Portfolio total	13.4	9.6	0.0	0.0
EDUCATION, SCIENCE AND TRAINING				
<i>Department of Education, Science and Training</i>				
<i>Our Universities -</i>				
Commonwealth Grants Scheme - increased flexibility(d)	-	-	-	-
enhancements to the higher education reform package(d)	-	-	-	-
Higher Education Loans Programme (HELP) extension	-	-	-	-
Radioactive waste management facility – security and access road construction	4.8	-	-	-
Portfolio total	4.8	0.0	0.0	0.0
FINANCE AND ADMINISTRATION				
<i>Australian Electoral Commission</i>				
Federal Elections - improving the integrity of the electoral roll and increasing voter participation(d)	1.5	1.3	0.1	0.1
Portfolio total	1.5	1.3	0.1	0.1

Table A3: Capital measures since the 2003-04 Budget^(a) (continued)

	2003-04	2004-05	2005-06	2006-07
	\$m	\$m	\$m	\$m
FOREIGN AFFAIRS AND TRADE				
<i>Department of Foreign Affairs and Trade</i>				
Export Finance Investment Corporation - divestment of short term export credit business	-	-	-	-
Open Source Collection Unit - expansion(d)	0.1	-	-	-
Solomon Islands - Regional Assistance Mission(d)	1.5	-	-	-
Portfolio total	1.7	0.0	0.0	0.0
IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>				
Alternative Detention Arrangements - Port Hedland(d)	0.2	-	-	-
Combating Maritime People Smuggling(d)	0.3	-	-	-
Combating trafficking in persons - whole of government strategy(d)	..	-	-	-
Portfolio total	0.5	0.0	0.0	0.0
PRIME MINISTER AND CABINET				
<i>Department of the Prime Minister and Cabinet</i>				
A more informed public - improved research capabilities and accessibility to the website(d)	..	-	-	-
Portfolio total	0.0	0.0	0.0	0.0
TRANSPORT AND REGIONAL SERVICES				
<i>Department of Transport and Regional Services</i>				
Aviation security - enhancement(d)	0.8	3.4	-	-
<i>National Capital Authority</i>				
National Capital Authority - additional funding	0.6	-	-	-
Portfolio total	1.5	3.4	0.0	0.0
VETERANS' AFFAIRS				
<i>Department of Veterans' Affairs</i>				
Military Rehabilitation and Compensation Scheme(d)	3.1	-	-	-
Portfolio total	3.1	0.0	0.0	0.0
Depreciation Expense(b)	-0.7	-4.0	-4.8	-3.8
Total Capital Measures(c)	44.5	17.5	-3.4	-3.5

* 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 capital, no sign before an estimate indicates a capital increase.

(b) Net capital investment is reduced by depreciation expenses.

(c) Measures may not add due to rounding.

(d) Details of this measure may be found under Expenses

Revenue measures

ATTORNEY-GENERAL'S

Australia-Thailand Closer Economic Relations — Free Trade Agreement

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Customs Service	-	-90.0	-100.0	-100.0

On 19 October 2003, the Prime Ministers of Australia and Thailand announced the Australia-Thailand Closer Economic Relations – Free Trade Agreement. The agreement is expected to come into force in the second half of 2004. As part of the comprehensive agreement, both nations have agreed to eliminate tariffs on the majority of each other's goods. This will result in a reduction in tariff revenue collected in Australia.

Closer Economic Relations – Free Trade Agreement builds on Australia's strong economic partnership with Thailand and will provide significant benefits to the Australian economy. Specific sectors to benefit from the agreement will include the agriculture sector (including exporters of beef, sheep meat, dairy products, wheat and other grains), processed food and wine producers, and the manufacturing sector (especially the automotive sector). The agreement provides a strong foundation for expansion in the services sector including increased access for Australian investors in the mining sector and a range of services exporters.

Further information can be found in the press release of 20 October 2003 issued by the Minister for Trade.

Customs duty — changes to Australia's duty free concessions

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Customs Service

The Government will make changes to the duty free concessions available to passengers and Australian-domiciled crew members. The measure will have effect from the date of commencement of the Customs by-laws.

These changes will simplify Customs processes and streamline passenger and crew processing. The changes include:

- an increase in the general concession from \$400 to \$900 for adult travellers and from \$200 to \$450 for minors;

Appendix A: Policy decisions taken since the 2003-04 Budget

- an increase in the alcohol concession from 1.125 litres to 2.25 litres;
- the carriage of one carton (being the current concession) and one opened packet (maximum 25 sticks) without the requirement for duty collection within the tobacco concession; and
- the adoption of the same concession regime for crew members as for passengers, but with a general concession amount of \$450.

The \$50 waiver provision for all passengers will be replaced with a requirement that goods and services tax and/or duty be payable on the full value of goods within any category where the concession limit for that category is exceeded.

Further information can be found in the joint press release of 18 September 2003 issued by the Minister for Justice and Customs and the Minister for Small Business and Tourism.

Customs duty — extension of concessions for goods used in the oil and gas sector

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Customs Service

The Government has made amendments to the Customs laws to extend the duty-free treatment of goods used in the oil and gas sector to accommodate recent changes in technology, with effect from 18 October 2003.

Previously, goods for use in connection with the exploration for oil or natural gas or in the development of oil or natural gas wells were duty-free.

The amendments extend duty-free treatment to goods that are used in the process of re-entering an existing well, extending the well into a new oil or natural gas zone and workovers for the maintenance of the well. To address industry concerns, the concession will apply only to goods that have no identified Australian producers of substitutable goods.

The additional equipment that will be eligible for duty-free treatment is the 'christmas tree' — a set of valves, spools and fittings connected to the top of an oil or natural gas well to direct and control the flow of formation fluids from the well.

Appendix A: Policy decisions taken since the 2003-04 Budget

Customs duty — textile, clothing and footwear tariff reductions

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Customs Service	-	-	-	-

The Government will reduce customs duty tariffs for most textile and footwear products to 5 per cent, with effect from 1 January 2010. Tariffs on clothing and certain finished textiles will be reduced to 10 per cent from 1 January 2010 and then to 5 per cent from 1 January 2015.

In addition, the Government will implement a long-term package of initiatives costing \$747 million, for the period 2005-06 to 2015-16, to assist the textile, clothing and footwear industry adjust to the lower tariff environment and to become more internationally competitive.

Further information can be found in the press release of 27 November 2003 issued by the Minister for Industry, Tourism and Resources.

See also the related expense measure titled *Textile, clothing and footwear assistance package post-2005* in the Industry, Tourism and Resources portfolio.

HEALTH AND AGEING

Medical Indemnity — Incurred-But-Not-Reported Indemnity Scheme Levy

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	*	*	*	*

As part of a package of measures to help address difficulties in medical indemnity insurance, the Prime Minister announced on 23 October 2002 that the Government would assume the unfunded Incurred-But-Not-Reported (IBNR) liabilities of medical defence organisations (MDOs) and then recoup the amounts from members of those organisations. The Minister for Health and Ageing determined that UMP/AMIL would be the only MDO to participate in the IBNR Scheme in 2003-04. Levy notices were issued to members of UMP/AMIL in August 2003.

On 3 October 2003, the Government announced an 18 month moratorium on payments of annual IBNR indemnity contribution payments over \$1,000 and a Medical Indemnity Policy Review on broader medical indemnity issues. This Review will report to the Prime Minister by 10 December 2003. On 10 October 2003, the Government announced the withdrawal of the current IBNR indemnity contribution invoices and the refund of contributions already paid, and stated that new levy notices will not be issued until after completion of the Review.

The Government also announced a range of further exemptions from the IBNR contributions for:

- all doctors aged 65 and over;
- all doctors employed by public hospitals or where their private medical income is returned to those hospitals;
- all doctors who retire early due to disability or permanent injury; and
- the estates of deceased doctors.

Costs associated with these announcements will be finalised following the Government's response to the Review.

Further information can be found in the press release of 1 August 2003 issued by the Minister for Revenue and Assistant Treasurer, the joint press release of 3 October 2003 issued by the Hon. Tony Abbott MP and the Minister for Revenue and Assistant Treasurer and the press releases of 10 and 16 October 2003 issued by the Minister for Health and Ageing.

TRANSPORT AND REGIONAL SERVICES

Air Passenger Ticket Levy — discontinuation

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Transport and Regional Services	-96.7	-	-	-
Related expense(a) (\$m)				
Department of Employment and Workplace Relations	-0.2	-	-	-

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

On 10 June 2003, the Government announced the discontinuation from 1 July 2003 of the \$10 Air Passenger Ticket Levy. This announcement followed the receipt of advice that the Government would be likely to receive sufficient funds from the Ansett Group of Companies (subject to a Deed of Company Arrangement) to repay the shortfall between levy collections to date and monies provided to former Ansett staff under the Special Employee Entitlements Scheme for Ansett (SEESA). This measure results in a reduction in revenue estimates of \$96.7 million in 2003-04.

The Government established SEESA to ensure that former employees of the companies in the Ansett Group received all of their basic entitlements – including unpaid wages, annual leave, long service leave, pay-in-lieu of notice and redundancy entitlements up to the community standard of eight weeks – earlier than would otherwise have occurred under normal insolvency arrangements.

Under the *Air Passenger Ticket Levy (Collection) Act 2001*, the Department of Employment and Workplace Relations met costs incurred in administering the levy. The discontinuation of the levy results in a reduction in administrative expenses of \$0.2 million in 2003-04.

Further information can be found in the press release of 1 July 2003 issued by the Minister for Transport and Regional Services.

TREASURY

Income tax

Asset financing arrangements involving tax-preferred entities

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	*	*	*

The Government will replace the current rules that apply to asset financing arrangements involving tax-preferred entities (such as government and non-resident entities). The new rules will deny capital allowance deductions for asset financing arrangements where the tax-preferred entity has the predominant level of economic risk in the asset. The measure will have effect from the date of Royal Assent of the enabling legislation.

Currently a complex set of tests determines the tax treatment that applies to asset financing arrangements involving tax-preferred entities. The measure will clarify the circumstances under which deductions will be denied, such as where the owner of the asset does not bear sufficient risk in the asset. Taxpayers who are denied deductions will be eligible for a 'notional loan treatment'.

Further information can be found in the press release of 26 June 2003 issued by the Minister for Revenue and Assistant Treasurer.

Capital gains tax — demutualisation of friendly societies

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office

The Government will allow friendly societies that principally carry on life insurance business to qualify for the capital gains tax (CGT) concessions that apply to other insurance companies that demutualise, with effect from 1 July 2000. These concessions set a cost base for shares received in the demutualised entity and allow a CGT roll-over until the disposal of the shares.

Further information can be found in the press release of 16 October 2003 issued by the Minister for Revenue and Assistant Treasurer.

Appendix A: Policy decisions taken since the 2003-04 Budget

Capital gains tax — preservation of pre-CGT interests in entities that demerge

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-	-

The Government will modify the capital gains tax (CGT) provisions in the income tax law to preserve the pre-CGT interests of shareholders who hold interests in entities that demerge, with effect from 1 July 2002.

The measure will ensure that a CGT liability does not arise on the disposal of interests acquired in a demerged entity if it would not have arisen from disposal of the corresponding interests before the demerger.

Further information can be found in the press release of 16 October 2003 issued by the Minister for Revenue and Assistant Treasurer.

Capital gains tax — small business concessions and discretionary trusts

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	*	*	*	*

The Government will modify the control test for access to the small business capital gains tax (CGT) concessions where a small business operates through a discretionary trust, with effect from 21 September 1999.

Broadly, from the 2002-03 income year, an entity will be taken to control a discretionary trust if the distributions made by the trust to the entity during the year amount to at least 40 per cent of the trust's total distributions for that year. Transitional provisions will apply for earlier income years.

Distributions to tax exempt entities and tax deductible gift recipients will be ignored for the purposes of applying the new control test.

This will ensure that small businesses that operate through a discretionary trust can more readily benefit from the small business CGT concessions.

Further information can be found in the press release of 16 October 2003 issued by the Minister for Revenue and Assistant Treasurer.

Company tax loss recoupment rules

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-	-

The Government will change the company tax loss recoupment rules to take account of recent reforms to the regulation of the medical indemnity industry, with effect from 1 July 2003.

This change will enable medical defence organisations to recoup prior year losses by applying the same business test despite changes made to their business prior to 1 July 2003 in order to satisfy the requirements of the *Medical Indemnity (Prudential Supervision and Product Standards) Act 2003*.

The Government has also introduced new rules to ensure that companies are not prevented from accessing the same business test because they cannot determine a date on which the continuity of ownership test was failed. These rules have effect from the 1997-98 income year. The Government will amend these rules to clarify that they will apply to companies that do not have shares, and that they will not deny losses deducted under established administrative practices of the Australian Taxation Office.

Further information can be found in the press release of 11 September 2003 issued by the Minister for Revenue and Assistant Treasurer.

Concessions for Australian Defence Force personnel serving overseas

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-11.0	-	-	-

Since the 2003-04 Budget, the Minister for Defence has declared duty for a number of Australian Defence Force (ADF) operations to be 'warlike'. As a result, ADF personnel certified as serving in a specified area of operation will be eligible for an income tax exemption for their ADF pay and allowances during the period of the operation.

These operations are:

- Operation Palate – the ADF contribution to the United Nations Assistance Mission in Afghanistan (from 18 April 2003); and
- Operation Catalyst – the ADF contribution to the coalition to disarm Iraq (from 16 July 2003).

In addition, the Government has authorised a tax offset for eligible ADF personnel serving in other specified areas of operation. The tax offset is set at the same level as the remote area Zone A offset.

Appendix A: Policy decisions taken since the 2003-04 Budget

These operations are:

- Operation Paladin – the ADF contribution to the United Nations Truce Supervision Organisation in the Middle East; and
- Operation Anode – the ADF contribution to the Australian-led Regional Assistance Mission to the Solomon Islands.

Further information can be found in the press release of 15 July 2003 issued by the Minister Assisting the Minister for Defence and the press release of 1 August 2003 issued by the Minister for Defence.

Deductible gift recipients — changes to eligible organisations

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	*	*	*	*

Since the 2003-04 Budget, the Government has announced that donations and gifts of \$2 or more to the following organisations have been made tax deductible:

- Crime Stoppers Australia Limited;
- Crime Stoppers South Australia Incorporated;
- The Alcohol Education and Rehabilitation Foundation Limited;
- The Constitution Education Fund;
- The Country Education Foundation of Australia Limited;
- The Lowy Institute for International Policy; and
- The Dunn and Lewis Youth Development Foundation.

In addition, since the 2003-04 Budget there have been:

- 58 additions to the Register of Cultural Organisations and 10 deletions; and
- 13 admissions to the Register of Environmental Organisations and 6 removals.

The Register of Cultural Organisations can be found on the Department of Communications, Information Technology and the Arts website at www.dcita.gov.au. The Register of Environmental Organisations can be found on the Department of Environment and Heritage website at www.ea.gov.au.

Deductible gift recipients — deductions for contributions with an associated minor benefit

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-3.0	-3.0

The Government will broaden the range of tax concessions available to assist the fund raising efforts of deductible gift recipients (DGRs), with effect from 1 July 2004.

Currently, no tax deduction is available where a benefit is received in return for a contribution to a DGR. This measure will allow taxpayers to claim an income tax deduction for the net amount of contributions made to a DGR where the taxpayer receives an associated minor benefit. Under this measure, deductions for contributions with associated minor benefits are limited to:

- contributions of property purchased more than 12 months before the contribution and worth more than \$5,000; or
- contributions of cash and other property above \$250.

To be eligible for a deduction, the market value of the benefit received by the donor cannot be more than 10 per cent of the contribution or \$100, whichever is less. The deduction available is the contribution less the market value of the minor benefit.

This measure will benefit the charitable sector and will ensure that a minor advantage or benefit received by donors when making a contribution does not prevent their eligibility to claim a tax deduction.

Further information can be found in the press release of 9 September 2003 issued by the Prime Minister.

Farm Management Deposits scheme — clarifying eligibility rules

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-	-

The Government has clarified the eligibility criteria of the Farm Management Deposit (FMD) scheme to allow primary producers to more easily determine whether the financial institution is eligible to accept a FMD, with effect from 1 July 2003.

Under the new criteria, authorised deposit-taking institutions (ADIs) for the purposes of the *Banking Act 1959* and institutions with a State or Territory guarantee will be eligible to accept a FMD.

Appendix A: Policy decisions taken since the 2003-04 Budget

Under the transitional arrangements, deposits made with any non-ADIs before 1 July 2003 are deemed to be FMDs, provided all other requirements of the FMD scheme are met and they are transferred to an eligible financial institution within the transfer period (between 1 July 2003 and 1 July 2007). This amendment protects primary producers who have made deposits with non-ADIs in good faith, and allows for a managed transfer of funds to an eligible financial institution.

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

Foreign Investment Fund rules— additional approved stock exchange

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office

The Government has added the Stock Exchange of Newcastle Limited to the list of stock exchanges approved for the purposes of the Foreign Investment Fund (FIF) rules in the income tax law, with effect from 1 July 2002.

The list of approved stock exchanges assists Australian investors in foreign companies to comply with the FIF rules. The addition of the Newcastle Stock Exchange will assist it to compete with other exchanges for the listing of foreign companies.

Further information can be found in the press release of 13 June 2003 issued by the Minister for Revenue and Assistant Treasurer.

Imputation — simplified rules for life insurance companies

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office

The Government has simplified and improved the imputation rules relating to life insurance companies, with effect from 1 July 2002.

These changes have corrected a number of minor defects in the imputation rules for life insurance companies and removed the penalty for the over-estimation of franking credits. These improvements were made in response to anomalies in the current law identified during consultation between Treasury, the Australian Taxation Office and industry and will significantly reduce compliance costs for industry.

International taxation — not proceeding with the foreign income tax exemption for temporary residents

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	40.0	40.0	45.0	45.0

The Government will not proceed with the measure to provide a four-year income tax exemption for temporary residents for most foreign source income, including capital gains, as a result of the failure of the relevant legislation to achieve passage through Parliament.

The original measure, announced as part of *The New Business Tax System*, aimed to make it easier for Australian companies to draw on global markets for highly skilled labour by reducing the compliance and tax burden on first-time temporary residents for the defined types of foreign income. The original measure also included removing interest withholding tax obligations for temporary residents, and making temporary residents exempt from the Foreign Investment Fund rules regardless of the period of residence.

The Government has twice introduced legislation into the Parliament to implement the arrangements. However, on both occasions the relevant legislation failed to achieve passage through the Senate. Against this background, and to provide certainty for taxpayers, the Government has decided not to proceed with the measure.

Superannuation — changes to the taxation of overseas superannuation transfers

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	1.1	0.1	0.1

The Government will treat the growth in superannuation transferred from an overseas superannuation fund to an Australian superannuation fund, since the individual became an Australian resident, as a taxable contribution to the Australian fund. The measure will have effect from the date of Royal Assent of the enabling legislation.

Currently, the growth in an overseas superannuation fund is taxable at the taxpayer's marginal tax rate if transferred into Australia more than six months after the individual becomes an Australian resident, and the tax liability is paid without access to the superannuation benefit.

This change will encourage the transfer of superannuation into Australia by reducing the tax burden on individuals who make such transfers.

Transfers made within six months of residency will remain tax-free.

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Further information can be found in the press release of 30 September 2003 issued by the Minister for Revenue and Assistant Treasurer.

Superannuation — deferral of pension and annuity changes by three months

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	*	*	*	*

The Government has deferred the commencement of changes to superannuation pension and annuity regulations by three months to 1 October 2003. The deferral applies to the measures *Modify 6 month rule for complying pensions and annuities* and *Require a minimum payment from a commuted pension or annuity* announced in the *Mid-Year Economic and Fiscal Outlook 2002-03*.

The commencement of the measures was deferred, as a result of consultations with industry representatives, to provide industry with reasonable time to implement systems changes necessary to comply with the new rules.

Further information can be found in the press release of 27 June 2003 issued by the Minister for Revenue and Assistant Treasurer.

Superannuation — delayed replacement of the personal superannuation contributions rebate

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-10.0	-	-	-

The Government has delayed the replacement of the existing superannuation rebate for low income earners with the Government superannuation co-contribution from 1 July 2002 to 1 July 2003. This delay reflects the failure of certain superannuation legislation to achieve passage through Parliament prior to 30 June 2003.

The 2002-03 Budget included the replacement of the low income earner rebate with a more generous Government co-contribution for low income earners, with effect from 1 July 2002.

Low income earners are entitled to a maximum rebate of \$100 in respect of personal undeducted superannuation contributions made prior to 1 July 2003. Eligible persons are still able to claim the rebate in respect of those contributions made up to 30 June 2003.

Further information can be found in the press release of 7 September 2003 issued by the Minister for Revenue and Assistant Treasurer.

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See also the related expense measure titled *Superannuation – extended Government superannuation co-contribution for low income earners* in the Treasury portfolio.

Superannuation — smaller reduction in the Superannuation Surcharge rate

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	65.0	145.0	205.0	175.0

The 2002-03 Budget included the Government's 2001 election commitment to reduce the maximum surcharge rates to 10.5 per cent over three years commencing from 1 July 2002. However, in negotiations to obtain passage of the relevant legislation through the Senate, the Government could only obtain agreement to reduce the maximum surcharge rates to 14.5 per cent in 2003-04, 13.5 per cent in 2004-05 and 12.5 per cent in 2005-06 and succeeding years.

Further information can be found in the press release of 7 September 2003 issued by the Minister for Revenue and Assistant Treasurer.

Tax administration — amendments to the *Crimes (Taxation Offences) Act 1980*

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-	-

The Government will correct certain provisions of the *Crimes (Taxation Offences) Act 1980* (the Act) to ensure they operate effectively with *The New Tax System*. The provisions concerned enable the prosecution of persons who enter into arrangements to avoid, or aid and abet persons to avoid, payment of certain taxes and charges. The measure will have effect from the day following Royal Assent of the enabling legislation.

The amendments ensure that the existing provisions in the Act, which extend offence provisions relevant to the previous sales tax regime to other taxes and charges, will operate as intended.

The Act will also be amended to harmonise the offence provisions with the Criminal Code, which provides a uniform interpretation for offence provisions in all Commonwealth legislation. The amendments will ensure that the application of the Criminal Code will not change the interpretation of any of the offence provisions contained in the Act.

Appendix A: Policy decisions taken since the 2003-04 Budget

Tax administration — changes to hardship provisions

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office

The Government has streamlined the procedures under which an individual taxpayer can be released from a tax liability where payment would entail serious hardship. In addition, the scope of relief has been broadened to include Pay As You Go instalments and fringe benefits tax instalments. The measure has effect from 1 September 2003.

These changes transfer the authority to grant relief from a tax liability from the tax relief boards to the Commissioner of Taxation. As part of this measure, the Government also introduced a new right to have tax relief decisions reviewed internally by the Australian Taxation Office and by the Administrative Appeals Tribunal sitting as the Small Taxation Claims Tribunal.

The streamlining of these procedures was undertaken to increase the efficiency and flexibility of the system for taxpayers to seek relief from tax debts. Prior to 1 September 2003, the release arrangements applied principally to tax assessment debt and did not apply to debt arising from unpaid instalments.

Tax administration — new civil penalty to deter the promotion of tax avoidance schemes

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	15.0	25.0

The Government will introduce a civil penalty regime to deter the promotion of tax avoidance and tax evasion schemes. The civil penalty will apply to lead promoters of tax schemes that are first offered to investors on or after 1 July 2004.

Currently there are no civil or administrative penalties in the tax laws that apply to promoters in their capacity of designing, marketing, selling or implementing tax avoidance schemes.

The new penalty will apply to any person who:

- is the lead promoter of a tax avoidance or tax evasion scheme; or
- implements a tax scheme that has been promoted on the basis of its conformity with a taxation product ruling in a materially different way to that described in its product ruling.

Appendix A: Policy decisions taken since the 2003-04 Budget

The Government will also allow the Commissioner of Taxation to apply to a court for an injunction, or to enter into voluntary out of court arrangements with promoters, to counter the promotion of tax avoidance schemes.

Tax treatment of a payment out of the National Guarantee Fund

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-	-

As a part of arrangements to restructure the investor protection and clearing support roles of the National Guarantee Fund (NGF), the Government will ensure that no taxation consequences will arise from a payment from the NGF to a prescribed body that will undertake clearing and settlement facility support. This measure will apply to a payment made on or after the date of introduction into Parliament of the enabling legislation.

The *Corporations Act 2001* provides a mechanism for the Minister to direct a payment out of the NGF to a newly created fund responsible for clearing and settlement facility support operations. The NGF will then only remain responsible for funding investor protection operations.

Taxation of financial arrangements — backdating elections under the foreign currency rules

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	..	-	-

As a transitional measure, the Government will allow elections made under the foreign currency rules to be backdated to 1 July 2003 or, for some elections, a later date. The measure will apply to elections made within 30 days of Royal Assent of the enabling legislation for the foreign currency rules.

The elections in the foreign currency rules permit taxpayers to access concessional regimes designed to reduce their compliance costs. The elections were originally required to be made either before the concessional regime could be utilised or, depending on the election, within 90 days of the rules' applicable commencement date (1 July 2003 for most taxpayers). The measure allows taxpayers to access the foreign currency concessions between 1 July 2003 and the date of Royal Assent.

Further information can be found in the press release of 13 October 2003 issued by the Minister for Revenue and Assistant Treasurer.

Appendix A: Policy decisions taken since the 2003-04 Budget

Taxation of financial arrangements — deferral of reforms to commodity hedging taxation arrangements

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	*	*	*	*

The Government has deferred the commencement of proposed reforms to commodity hedging taxation arrangements.

The deferral takes into account issues raised in consultations undertaken with industry and recognises that the proposed reforms may be affected by the forthcoming transition by companies to international accounting standards.

A revised commencement date for the reforms, which comprise the third stage of the taxation of financial arrangements reforms recommended by the Ralph Review of Business Taxation, will be announced after further consultation with industry.

Further information can be found in the press release of 21 November 2003 issued by the Minister for Revenue and Assistant Treasurer.

Fringe benefits tax

Transition arrangements for payments to worker entitlement funds

Revenue (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-	-

The Government has provided a twelve month transitional period, from 1 April 2003 to 31 March 2004, during which fringe benefits tax (FBT) is not payable by employers on certain payments into existing non-approved worker entitlement funds, where the payments are made in accordance with existing industrial practice.

In the *Mid-Year Economic and Fiscal Outlook 2002-03*, the Government reported that certain payments to approved worker entitlement funds would be exempt from FBT from 1 April 2003. For the exemption to apply, the payments into the fund and the fund itself must satisfy certain criteria. The transitional measure allows a further twelve months for some employers to adjust their existing arrangements to satisfy the requirements for the FBT exemption.

Expense measures

AGRICULTURE, FISHERIES AND FORESTRY

Drought assistance — Exceptional Circumstances assistance

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Agriculture, Fisheries and Forestry	333.4	264.1	12.1	-
Department of Family and Community Services	9.5	7.1	1.8	-
Department of Health and Ageing	10.0	6.3	-	-
Total	352.9	277.5	13.9	-

The Government will provide an additional \$644.3 million over three years for Exceptional Circumstances assistance to farmers in drought affected regions across Australia. This brings Exceptional Circumstances assistance to a total of \$1,077 million. The Minister for Agriculture, Fisheries and Forestry has made several announcements since May 2003 declaring Exceptional Circumstances in additional regions across Australia. The amount of assistance may increase subject to the receipt of additional applications.

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

Exceptional Circumstances drought assistance is a cross-portfolio measure between the Departments of Agriculture, Fisheries and Forestry, Health and Ageing, and Family and Community Services. Funding for the Department of Agriculture, Fisheries and Forestry includes \$9.8 million over three years for Centrelink to administer elements of Exceptional Circumstances assistance.

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

Appendix A: Policy decisions taken since the 2003-04 Budget

Drought assistance — interim support

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Agriculture, Fisheries and Forestry	50.3	7.2	-	-

The Government will provide an additional \$57.5 million over two years for interim income support and interest rate relief to farmers in drought-affected regions across Australia. This brings interim support to a total of \$136.4 million. The Minister for Agriculture, Fisheries and Forestry has made several announcements since May 2003 for new interim support in advance of State Government applications for Exceptional Circumstances assistance in those regions being assessed by the Australian Government.

Once a fully completed application for a particular region is received by the Australian Government and is deemed to show a prima facie case for Exceptional Circumstances declaration, interim income support is made available to eligible farmers on conditions equivalent to the Exceptional Circumstances Relief Payment. Interest rate relief on new and additional borrowings over two years was also made available to eligible farmers until 30 September 2003.

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

This funding includes \$5.3 million over two years for Centrelink to administer this measure.

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

National Water Initiative — addressing water over-allocation in the Murray-Darling Basin

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Agriculture, Fisheries and Forestry	-	*	*	*

The Government will contribute \$200 million over five years, commencing in 2004-05, to a \$500 million package to address water over-allocation in the Murray-Darling Basin.

Appendix A: Policy decisions taken since the 2003-04 Budget

At the Council of Australian Governments (COAG) meeting of 29 August 2003, other Murray-Darling jurisdictions agreed to complement the Government's contribution by committing funding as follows: New South Wales (\$115 million), Victoria (\$115 million), South Australia (\$65 million) and the Australian Capital Territory (\$5 million).

Details of the package are being negotiated by member jurisdictions of the Murray-Darling Basin and will be the subject of a specific Intergovernmental Agreement.

Provision for the Government's funding contribution has been included in the contingency reserve pending finalisation of the funding profile.

Further information can be found in the COAG Communiqué of 29 August 2003.

ATTORNEY-GENERAL'S

Combating trafficking in persons — whole of government strategy

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Federal Police	1.2	1.6	1.6	1.7
Attorney-General's Department	0.2	0.1	0.1	0.1
Department of Immigration and Multicultural and Indigenous Affairs	0.3	0.4	0.4	0.4
Department of the Prime Minister and Cabinet	-	-	0.8	0.8
Department of Health and Ageing	0.2	0.1	0.2	0.2
Department of Family and Community Services	0.3	0.4	0.7	0.7
Total	2.2	2.6	3.8	3.9
<i>Related capital (\$m)</i>				
Australian Federal Police	0.5	-	-	-
Department of Immigration and Multicultural and Indigenous Affairs	..	-	-	-

The Government will provide \$13.1 million (including \$0.6 million capital funding) over four years to combat people trafficking and sexual servitude in Australia.

A range of initiatives, including the establishment of a mobile people trafficking strike team, improvements to legislation to comprehensively criminalise trafficking activity, and the provision of co-ordinated victim support measures will significantly enhance the detection, investigation and prosecution of traffickers, and help prevent trafficking of persons. The measure includes an amount of \$0.5 million for surveillance and standard-issue equipment for AFP officers.

Further information can be found in the joint press release of 13 October 2003 issued by the Minister for Justice and Customs, the Minister for Immigration and Multicultural and Indigenous Affairs, the Minister for Foreign Affairs, the Minister Assisting the Prime Minister for the Status of Women and the Attorney-General.

HIH Insurance Group — collapse related prosecutions

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Office of the Director of Public Prosecutions	2.8	5.8	5.5	-

Appendix A: Policy decisions taken since the 2003-04 Budget

The Government will provide \$14 million over three years to the Office of the Director of Public Prosecutions (DPP) to fund criminal prosecutions relating to the financial collapse of the HIH Insurance Group. A specialised unit will be established within the DPP dedicated solely to the pursuit of HIH matters.

Further information can be found in the joint press release of 3 July 2003 issued by the Treasurer and the Attorney-General.

National Threat Assessment Centre — establishment

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Security Intelligence Organisation	2.9	8.5	8.4	8.7
Attorney-General's Department	0.1	0.4	0.3	0.3
Australian Secret Intelligence Service	-	0.6	0.5	0.5
Department of Transport and Regional Services	0.5	0.4	0.4	0.4
Department of Defence	0.7	0.5	0.5	0.5
Department of Foreign Affairs and Trade	-	-	-	-
Office of National Assessments	-	-	-	-
Total	4.2	10.2	10.1	10.4
<i>Related capital (\$m)</i>				
<i>Australian Security Intelligence Organisation</i>	<i>1.5</i>	<i>0.9</i>	<i>0.2</i>	<i>0.2</i>

The Government has provided \$48.6 million over five years to establish a National Threat Assessment Centre (NTAC) (including \$10.9 million in 2007-08). This funding includes capital of \$3.1 million over five years for related equipment.

NTAC, which was established in October 2003, will be a 24-hour-a-day, seven-day-a-week operation from 1 July 2004. NTAC will strengthen Australia's counter-terrorism capabilities by consolidating the threat assessment efforts of several agencies through the secondment of analysts into a single, dedicated unit based in the Australian Security Intelligence Organisation. Additional analysts will also be recruited to fully staff NTAC.

Further information can be found in the press release of 17 October 2003 issued by the Attorney-General.

COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Regional Telecommunications Inquiry— Government response

Table A4: Summary of measures

	2003-04	2004-05	2005-06	2006-07	Total
	\$m	\$m	\$m	\$m	\$m
EXPENSE MEASURES					
<i>Australian Communications Authority</i>					
Enhanced regional telecommunications monitoring	1.7	1.1	1.2	1.2	5.2
<i>Department of Communications, Information Technology and the Arts</i>					
Higher Bandwidth Incentive Scheme	4.2	15.0	35.7	17.9	72.8
Information technology training and support	2.1	3.2	3.0	1.8	10.1
Other Inquiry recommendations	6.6	0.2	0.2	1.8	8.8
Satellite Phone Handset Subsidy Scheme	0.9	1.2	1.2	0.7	4.0
Terrestrial mobile phone coverage	2.4	7.6	3.9	2.0	15.9
<i>National Office for the Information Economy</i>					
Broadband demand aggregation brokers	2.2	3.2	3.0	-	8.4
Coordinated Communications Infrastructure Fund	2.4	8.5	8.5	4.3	23.7
National Broadband Strategy Implementation Group	1.0	0.7	0.6	0.5	2.9
Total expense measures	23.5	40.8	57.3	30.3	151.8
RELATED REVENUE MEASURE(a)					
<i>Australian Communications Authority</i>					
Carrier licence charges - cost recovery for enhanced regional telecommunications monitoring	-	1.7	1.1	1.2	4.0

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide funding of \$186.8 million over four years as part of its comprehensive response to the Regional Telecommunications Inquiry. This funding includes \$35 million to be refocussed within the Building Additional Rural Networks (BARN) programme to help fund the Higher Bandwidth Incentive Scheme.

The funding will ensure all Australians have access to adequate telecommunications services, enhance a range of existing services, and ensure that regional Australia continues to share equitably in the benefits of future technologies. A central objective of this strategy will be to provide access to affordable broadband services in regional Australia.

Further information can be found in the joint press release of 25 June 2003 issued by the Deputy Prime Minister and the Minister for Communications, Information Technology and the Arts.

Appendix A: Policy decisions taken since the 2003-04 Budget

Australian soccer — interim assistance

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Sports Commission	3.0	3.0	3.0	-
<i>Related capital (\$m)</i>				
Australian Sports Commission	-	-	-	-

The Government will continue its support for reform of soccer in Australia by providing a grant of up to \$9 million over three years from 2003-04 and a loan of up to \$6 million from 2003-04. Funds are tied to the implementation of the recommendations of the Report of the Independent Soccer Review Committee into the Structure, Governance and Management of Soccer in Australia and will be administered by the Australian Sports Commission.

The provision of loans from the Budget only affects the composition of the Australian Government's financial assets. As such this loan does not impact on the fiscal balance.

Further information, including an outline of the terms and conditions which apply to the loan, can be found in the press release of 26 September 2003 issued by the Minister for the Arts and Sport.

Deaflympic Games — assistance

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Communications, Information Technology and the Arts	-	4.0	-	-

The Government will provide up to \$4 million in 2004-05 for the Deaflympic Games in Melbourne in January 2005.

The cost of staging the Games will be met jointly by the Australian and Victorian Governments.

Further information can be found in the press release of 22 August 2003 issued by the Minister for the Arts and Sport.

Appendix A: Policy decisions taken since the 2003-04 Budget

Inaugural World Peace Game — contribution

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Sports Commission	0.1	-	-	-

The Government will contribute \$50,000 in 2003-04 to the Western Australian Sports Centre Trust for the staging of the inaugural 'World Peace Game', a soccer match played on 16 November 2003 in Perth between the Iraqi National Football Team and an Australian team.

Further information can be found in the press release of 6 November 2003 issued by the Prime Minister.

Unsolicited electronic messaging (spam) regulatory regime

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Communications Authority	-	-	-	-

The Government will establish a regulatory regime in 2003-04 to manage unsolicited electronic communication or 'spam'. The costs for the establishment and ongoing management of the regulatory regime and an information campaign will be funded from existing resourcing within the Communications, Information Technology and the Arts portfolio.

Further information can be found in the press release of 18 September 2003 issued by the Minister for Communications, Information Technology and the Arts.

EDUCATION, SCIENCE AND TRAINING

James Cook University — rehabilitation sciences facility

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Education Science and Training	3.7	2.4	-	-

The Government will provide funding of \$6.1 million over two years to assist with the construction of a Centre of Excellence for Rehabilitation Sciences at the James Cook University's Douglas site. The new Centre will address regional health workforce shortages and the health needs of rural and remote communities in North Queensland.

Further information can be found in the press release of 20 September 2003 issued by the Prime Minister.

Our Universities — Commonwealth Grants Scheme — increased flexibility

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Education Science and Training	-	11.0	11.6	9.8
<i>Related capital (\$m)</i>				
<i>Department of Education Science and Training</i>	-	-	-	-
<i>Related revenue(a) (\$m)</i>				
<i>Department of Education Science and Training</i>	-	-	0.4	1.1

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will provide additional funding of \$27.1 million from 2005 to 2007 to ensure that higher education institutions are not significantly disadvantaged during the transition from current funding arrangements to the new Commonwealth Grants Scheme that commences in January 2005.

Additional funding of \$5.3 million over the three years to 2006-07 will also be provided to allow higher education institutions to exceed their student enrolment target agreed under the Commonwealth Grants Scheme by five per cent, rather than the originally agreed two per cent. These students will be eligible for Higher Education Contribution Scheme (HECS) places (to be re-named HECS — HELP).

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

Appendix A: Policy decisions taken since the 2003-04 Budget

This funding builds on measures announced in the 2003-04 Budget.

Further information can be found in the press releases of 8 July 2003 and 17 September 2003 issued by the Minister for Education, Science and Training.

Our Universities — enhancements to higher education reform package

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Education Science and Training	6.0	40.4	47.4	59.7
<i>Related capital (\$m)</i>				
Department of Education Science and Training	-	-	-	-
<i>Related revenue(a) (\$m)</i>				
Department of Education Science and Training	-	-	-	2.4

(a) A positive number for revenue indicates an increase in the fiscal balance.

As at 2 December 2003, the Government had announced a number of enhancements to the Our Universities higher education package that was announced in the 2003-04 Budget. These changes involve the provision of an additional \$153.5 million over four years and increased revenue of \$2.4 million in 2006-07, and comprise:

- an increase in the repayment threshold for the Higher Education Loans Programme (HELP) from the original \$30,000 level announced in the 2003-04 Budget;
- an increase in funding (\$50.9 million over four years) to assist disadvantaged groups to participate in higher education, through the Students with Disabilities and Higher Education Equity Programmes, and through increased resources under the Commonwealth Grants Scheme to support disadvantaged students undertaking bridging and pre-university courses;
- an increase in funding (\$17.2 million over four years) to provide additional support for the Australian Maritime College in Tasmania, and the Batchelor Institute of Indigenous Tertiary Education in the Northern Territory, as national institutes;
- an expansion of the Commonwealth Accommodation Scholarships programme by an additional 1,500 scholarships from 2004 (\$62.7 million over four years);
- an additional 1,400 student places in higher education institutions from 2007 (\$10.8 million in 2006-07); and
- an increase in funding to further develop the University of Tasmania Medical School (a total of \$12 million in 2004-05 and 2005-06).

Appendix A: Policy decisions taken since the 2003-04 Budget

Further changes announced after 2 December 2003 will be taken into account in the 2004-05 Budget.

Our Universities — regional universities loading extension

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Education Science and Training	4.7	4.8	5.1	5.3

The Government will provide additional funding of \$19.9 million over four years from January 2004 to extend the loading for regional universities announced in the 2003-04 Budget. The funding will cover additional regional campuses, all their internal students and a proportion of external students supported by the Australian Government, at all regional campuses. This funding is a contribution to the higher costs of delivering education in regional campuses and builds on existing measures announced in the 2003-04 Budget.

Further information can be found in the press release of 17 September 2003 issued by the Minister for Education, Science and Training.

ENVIRONMENT AND HERITAGE

Mandatory National Water Efficiency Labelling and Standards Scheme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Environment and Heritage	-	-	-	-

The Government has agreed to the development and implementation of a mandatory national water efficiency labelling and standards scheme. This will involve the development of performance standards and a consumer product labelling scheme for household products such as shower heads, dishwashers, washing machines and toilets.

The cost of this initiative, \$2 million over five years, will be met from funding allocated in the 2003-04 Budget for Urban Environment Initiatives.

Further information can be found in the press release of 2 October 2003 issued by the Minister for the Environment and Heritage.

Regional Natural Heritage Programme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Environment and Heritage	1.0	4.5	4.5	-

The Government will provide funding of \$10.0 million over three years commencing in 2003-04, for the establishment of a Regional Natural Heritage Programme. This programme will enable Australia to play a broader international role in the protection of biodiversity in critically endangered places in South-East Asia and the Pacific region.

Rotterdam and Stockholm Conventions — ratification

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Environment and Heritage	-	-	-	-
Department of Agriculture, Fisheries and Forestry	-	-	-	-
Department of Health and Ageing	-	-	-	-

The Government has agreed to ratify both the Rotterdam Convention on the Prior Informed Consent Procedure and the Stockholm Convention on Persistent Organic Pollutants.

Appendix A: Policy decisions taken since the 2003-04 Budget

Ratification of these conventions will promote shared responsibility and co-operative efforts amongst signatories in the international trade of certain hazardous chemicals and establish measures that reduce or eliminate the use of twelve persistent organic pollutants.

The cost of ratification and implementation will be met from within the existing resourcing of the Department of the Environment and Heritage, the Department of Agriculture, Fisheries and Forestry and the Department of Health and Ageing.

Further details can be found in the joint press release of 29 August 2003 issued by the Minister for Foreign Affairs and the Minister for the Environment and Heritage.

FAMILY AND COMMUNITY SERVICES

Bali Terrorist Attacks — assistance for victims and family members of victims

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	7.9	2.7	1.7	1.7
Department of Foreign Affairs and Trade	0.8	-	-	-
Total	8.7	2.7	1.7	1.7

The Government will provide additional funding of \$14.8 million over four years to assist Bali victims and their families, including by:

- holding a commemoration of the first anniversary of the tragedy and assisting Bali victims and their families to attend the services in Bali on 12 October 2003 and Canberra on 16 October 2003;
- extending personal support services provided by Centrelink Family Liaison Officers until 30 June 2005;
- providing emergency financial assistance of up to \$5,000 until 31 December 2004 to help Bali victims and their families address immediate financial needs and to provide financial advice; and
- providing rehabilitation and home, vehicle and work modifications assistance for out-of-pocket expenses.

See also the related expense measures titled *Bali Terrorist Attacks – assistance for States and Territories for the initial treatment of victims* in the Health and Ageing portfolio and *Governor-General – improved support* in the Prime Minister and Cabinet portfolio.

Carer Allowance (child) — enhanced qualification for automatic access

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	2.2	2.4	2.5	2.6

The Government has added or modified six disabilities on the List of Recognised Disabilities that give automatic access to the Carer Allowance, at a cost of \$9.6 million over four years. The disabilities are Down Syndrome, Cystic Fibrosis, Epilepsy (uncontrolled), Haemophilia (moderate), Phenylketonuria, and Fragile X Syndrome. Carers of children with one of these conditions will now be automatically eligible for

Appendix A: Policy decisions taken since the 2003-04 Budget

the Carer Allowance without the need for further medical assessment prior to the child's sixteenth birthday.

Further information can be found in the press release of 12 August 2003 issued by the Minister for Family and Community Services.

Family Tax Benefit and Child Care Benefit — extension of time for top-up payments and claims

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	45.1	24.5	24.6	24.7
Australian Taxation Office	-	20.7	20.8	20.9
Total	45.1	45.2	45.4	45.6
<i>Related revenue(a) (\$m)</i>				
<i>Australian Taxation Office</i>	<i>-0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>

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

The Government has decided to modify the arrangements under which families can claim the Family Tax Benefit (FTB) and Child Care Benefit (CCB) at an expected cost of \$181.2 million over four years.

The Government will extend by 12 months the amount of time families have to lodge their tax return in order to receive a top-up to their FTB and CCB payments when they have received less than their correct entitlement. The measure will also give families an extra twelve months to claim FTB and CCB as a lump sum payment. Families will now have two years after the end of the relevant income year in which to receive a top-up payment and to make a lump sum claim.

The changes will apply to the 2001-02 income year and subsequent income years. As a transitional measure, the Government will allow taxpayers who lodge an FTB claim with Centrelink between 1 July 2003 and 30 June 2004 in relation to the 2001-02 income year to claim a tax deduction for tax agent fees incurred in preparing these claims.

Further information can be found in the press release of 5 September 2003 issued by the Minister for Family and Community Services.

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King Island and the Furneaux Group of Islands — ex gratia payments in lieu of Remote Area Allowance

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	1.7	-	-	-

The Government will provide funding of \$1.7 million in 2003-04 to make ex gratia payments in lieu of Remote Area Allowance to eligible current and former income support recipients residing on King Island and the Furneaux Group of Islands between July 1990 and June 2001. A recent determination by the Australian Taxation Office, relating to the rezoning of the islands in 2001 as Special Tax Zone B, allowed relevant tax benefits to be back paid to July 1990. The ex gratia payment seeks to ensure that associated social welfare benefits relating to the remote zoning of the islands are passed on to eligible income support recipients.

Our Universities — income support treatment of fee-exempt scholarships

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	1.0	1.7	1.7	1.9

From 1 January 2004, the Government will provide more generous treatment for fee-exempt scholarships provided by higher education institutions by excluding their value from the assessable income of students who receive income support payments. This measure is expected to cost \$6.3 million over four years.

Further information can be found in the press release of 17 September 2003 issued by the Minister for Education, Science and Training.

Pensioner Education Supplement — continuation of payment through study breaks

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	5.6	10.2	10.4	10.7
Department of Education Science and Training	0.6	0.9	0.8	0.7
Total	6.2	11.1	11.2	11.4

The Government has decided not to proceed with the 2003-04 Budget measure *Pensioner Education Supplement – matching payments to study periods*. Pensioner Education Supplement will now continue to be paid during breaks between shorter courses to encourage recipients to participate in further study. Students participating

Appendix A: Policy decisions taken since the 2003-04 Budget

in full year or longer courses will continue to receive the benefit during their summer break where their course continues into the following year. This measure will involve a cost of \$39.9 million over four years.

Personal counselling services in drought affected rural areas — funding extension

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	2.0	-	-	-

The Government will provide \$2 million in 2003-04 to continue personal counselling services for drought affected communities in rural regions.

This is an extension of the measure *Personal counselling services for drought-affected communities in rural regions* that was announced in December 2002.

Stronger Families and Communities Strategy

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Family and Community Services	-	-	-	-

The Government will provide funding of \$13 million in 2004-05 to continue initiatives under the Stronger Families and Communities Strategy.

The Stronger Families and Communities Strategy provides funding to encourage local communities, business, individuals and other levels of government to work together on agreed projects such as the establishment of play groups or to improve the skills of potential community leaders and volunteers.

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

FINANCE AND ADMINISTRATION

Federal elections — improving the integrity of the electoral roll and increasing voter participation

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Electoral Commission	3.9	6.3	3.9	3.7
<i>Related capital (\$m)</i>				
Australian Electoral Commission	1.5	1.3	0.1	0.1

The Government will provide funding of \$24.2 million over five years from 2003-04 (including \$4.6 million in 2007-08) to enable the Australian Electoral Commission to implement the Government's response to the Joint Standing Committee on Electoral Matters reports on the ANAO Audit Report No. 42 of 2001-02 Integrity of the Electoral Roll, and the Inquiry into the Conduct of the 2001 Federal Election. This funding includes capital of \$3.1 million over five years to enhance the Commission's information technology systems.

The Government's response was tabled in Parliament on 16 October 2003.

New superannuation arrangements for Australian Government civilian employees

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Finance and Administration	-	-	-	-

The Government announced, on 17 October 2003, changed superannuation arrangements for new employees who join the Public Sector Superannuation Scheme (PSS) from 1 July 2005. The new arrangements will convert the PSS from a defined benefits scheme to a fully funded accumulation scheme for new members from 1 July 2005. The changes will not affect any existing Australian Government employee members of the scheme.

From 1 July 2005, all new PSS members will receive the same level of employer contribution, a rate of 15.4 per cent of salary, which is the actuarially determined average employer contribution rate under the existing arrangements. The proposed arrangements will allow the Australian Government to fully fund its superannuation obligations for all new employees.

Previous budget estimates assumed that the PSS would be closed to new employees and that both new employees and existing employees would be offered choice of fund

Appendix A: Policy decisions taken since the 2003-04 Budget

from 1 July 2004. Estimates associated with this assumption have been removed from the forward estimates, resulting in an improvement in the underlying cash balance.

Compared to the previous estimates, there is a neutral impact on the fiscal balance because higher expenses for unfunded superannuation arrangements will be offset by a reduction in the estimated payments to funded superannuation arrangements, that would have been required if employees had been offered choice of fund.

Further information can be found in the press release of 17 October 2003 issued by the Minister for Finance and Administration.

FOREIGN AFFAIRS AND TRADE

2005 World Expo in Aichi, Japan — Australian participation

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Foreign Affairs and Trade	1.7	26.8	6.5	-

The Government will provide funding of \$35 million to support Australia's participation at the 2005 World Expo in Aichi, Japan.

Australian participation in the 2005 World Expo will provide an opportunity to further develop Australia's international economic and cultural linkages, including advancing our trade and investment priorities and showcasing Australia's performing arts.

The funding will meet the cost of preparation, design, construction and operation of a pavilion during the six-month Expo in Japan from March to September 2005.

Bougainville — Transition Team as the successor to the Peace Monitoring Group

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Agency for International Development	-	-	-	-

The Government has provided \$5.5 million in 2003-04 to establish the Bougainville Transition Team following the cessation of the Peace Monitoring Group within Bougainville on 30 June 2003.

The Bougainville Transition Team is a small group of civilians who will assist the United Nations Observer Mission and weapons disposal process on Bougainville.

The cost of this measure is being fully absorbed from within the existing resourcing of the Australian Agency for International Development.

Further information can be found in the press release of 12 June 2003 issued by the Minister for Foreign Affairs.

East Timor — support for the police and justice institutions

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Agency for International Development	-	-	-	-
Australian Federal Police	-	4.4	4.9	4.0
Total	-	4.4	4.9	4.0

The Government will provide funding of \$41.9 million to assist the East Timor Government in a long term programme of capability building for the East Timor Police Force and justice sector from 2003-04 to 2007-08 following the withdrawal of the United Nations Police team in June 2004.

The Australian Agency for International Development (AusAID) and the Australian Federal Police will jointly administer the programme. AusAID will provide training and expertise in policy development, planning and management, and will provide targeted support to law and justice institutions. The Australian Federal Police will provide training to East Timorese police officers, with priority given to community policing.

The Australian Federal Police will be provided with an additional \$16.8 million (including \$3.5 million in 2007-08) for the implementation of this programme. A further \$25.1 million will be absorbed from within the existing resourcing of the AusAID (\$21.9 million) and the Australian Federal Police (\$3.2 million).

Further information can be found in the joint press release of 25 August 2003 issued by the Minister for Foreign Affairs and the Minister for Justice and Customs.

Iraq — additional reconstruction assistance

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Agency for International Development	-	-	-	-

The Government will provide an additional \$20 million in 2003-04 to provide further reconstruction assistance to Iraq. This commitment will contribute to immediate humanitarian requirements in agriculture, water resources, food security, health and education.

The cost of this measure is being fully absorbed from within the existing resourcing of the Australian Agency for International Development.

Further information can be found in the press release of 24 October 2003 issued by the Parliamentary Secretary to the Minister for Foreign Affairs.

Appendix A: Policy decisions taken since the 2003-04 Budget

Nauru — extension of the Memorandum of Understanding to address unauthorised arrivals

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Agency for International Development	nfp	nfp	nfp	-

The Government will provide a development assistance package to extend the Memorandum of Understanding (MOU) with Nauru subject to final negotiations. The extension of the MOU will maintain the existing arrangements for the offshore processing of unauthorised arrivals to 30 June 2004, with further extensions as necessary until the new Christmas Island facility becomes available.

In addition to funding in 2003-04, and subject to annual negotiations, the development assistance package will include funding in 2004-05 and 2005-06 to provide extended assistance directed towards health, education, infrastructure development and economic and budget advice.

Open Source Collection Unit — expansion

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Foreign Affairs and Trade	0.8	1.6	1.6	1.7
<i>Related capital (\$m)</i>				
<i>Department of Foreign Affairs and Trade</i>	<i>0.1</i>	<i>-</i>	<i>-</i>	<i>-</i>

The Government will provide additional funding of \$5.8 million over four years (including \$0.1 million capital funding) to expand the Open Source Collection Unit. This Unit is responsible for the collection, processing and dissemination of intelligence from foreign broadcast, electronic and print media in the public domain.

The additional funding will meet the operating costs of the expanded unit, including staff and support costs.

Appendix A: Policy decisions taken since the 2003-04 Budget

Philippines — counter-terrorism assistance

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Agency for International Development	-	-	-	-
Department of Immigration and Multicultural and Indigenous Affairs	-	-	-	-
Total	-	-	-	-

The Government will provide \$5.0 million over three years (\$1.0 million in 2003-04, \$1.8 million in 2004-05 and \$2.2 million in 2005-06) for a package of practical counter-terrorism assistance to the Philippines Government.

The assistance will involve the provision of policing, immigration, port security and regional cooperation support and training to assist the Philippines to combat terrorism and strengthen the region's counter-terrorism capacity.

The cost of this measure is being absorbed within the existing resourcing of the Australian Agency for International Development (\$4.6 million) and the Department of Immigration and Multicultural and Indigenous Affairs (\$0.4 million).

Further information can be found in the press release of 14 July 2003 issued by the Prime Minister.

Regional Trade and Financial Security Fund — Australian contribution

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Agency for International Development	-	-	-	-

The Government will contribute US\$1 million during 2003-04 to 2005-06 to a new Regional Trade and Financial Security Fund to be administered by the Asian Development Bank.

The fund will finance counter-terrorism capacity building in APEC developing economies, with a particular focus on port security measures and combating money laundering and terrorist financing.

The cost of this measure is being fully absorbed from within the existing resourcing of the Australian Agency for International Development.

Further information can be found in the press release of 21 October 2003 issued by the Prime Minister.

Appendix A: Policy decisions taken since the 2003-04 Budget

Solomon Islands — Regional Assistance Mission

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Agency for International Development	53.9	-	-	-
Department of Defence	97.7	12.6	-	-
Australian Federal Police	80.3	25.0	-	-
Department of Foreign Affairs and Trade	3.9	-	-	-
Total	235.8	37.6	-	-
<i>Related capital (\$m)</i>				
<i>Department of Defence</i>	<i>13.4</i>	<i>9.6</i>	<i>-</i>	<i>-</i>
<i>Australian Federal Police</i>	<i>16.7</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Department of Foreign Affairs and Trade</i>	<i>1.5</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total	31.6	9.6	-	-

The Government is providing funding of \$267.4 million in 2003-04 and \$47.2 million in 2004-05 (including \$41.2 million capital funding) to assist the Solomon Islands Government in the restoration of law and order and to support broad ranging reform in the Solomon Islands. These reforms are aimed at strengthening legal and economic institutions and building a stronger economy that will underpin improved future standards of living.

At the request of the Solomon Islands Government, Australia is leading the Regional Assistance Mission to the Solomon Islands (RAMSI). At its peak, RAMSI included the deployment of approximately 2,500 personnel with contributions from Australia, New Zealand, Fiji, Papua New Guinea, Tonga, Samoa, Vanuatu, Kiribati and the Cook Islands. This deployment included approximately 1,400 Australian Defence Force personnel who were deployed to provide protection for high risk policing operations and logistical support to RAMSI.

Australia's commitment also includes contributions from the Australian Agency for International Development (AusAID), the Departments of Defence and Foreign Affairs and Trade and the Australian Federal Police. Personnel from the Departments of Finance and Administration and the Treasury, as well as other civilian advisers, have also been deployed to assist in the economic recovery of the Solomon Islands and have been funded through AusAID for these activities.

Further information on the assistance mission can be found in the Ministerial Statement to Parliament by the Prime Minister on 12 August 2003 and the press release of 28 October 2003 issued by the Minister for Defence.

HEALTH AND AGEING

MedicarePlus

Table A5: Summary of measures

	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	Total \$m
A Fairer Medicare measures	158.5	209.3	255.9	286.5	910.2
MedicarePlus measures					
Assistance for GPs and specialists re-entering the workforce	0.3	4.4	8.7	13.4	26.8
Better access to medical care for residents of aged care homes	0.2	15.8	14.2	17.7	47.9
Grants to GP and specialist practices to encourage take up of HIC Online	1.0	2.4	2.9	0.8	7.0
Higher rebates for patients of certain non-vocationally registered GPs	3.0	6.4	6.4	6.5	22.4
Increased recruitment of qualified health professionals from overseas	10.7	77.7	152.0	192.1	432.5
More pre-vocational doctors to outer metropolitan, regional, rural and remote areas	2.4	21.7	22.5	23.7	70.3
Payment for GPs who bulk bill children under 16 and concession card holders	136.0	263.8	273.7	283.1	956.7
Safety net for major out-of-pocket medical costs outside hospital	21.3	55.9	58.2	63.8	199.3
Support for additional accredited GP training practices and GP supervisors	1.5	3.6	3.0	3.1	11.1
Support for practice nurses through a new Medicare Benefits Schedule item	5.6	19.5	24.4	26.5	76.0
Support for rural and remote GPs	8.6	30.3	30.8	31.4	101.2
Changes to A Fairer Medicare package					
Removal of GP Access Scheme	-47.3	-79.7	-102.5	-115.0	-344.5
Removal of private health insurance safety net for out-of-hospital Medicare expenses	-9.8	-24.2	-23.5	-24.3	-81.8
Removal of reducing up front costs for GP visits	-5.6	-1.9	-1.7	-1.7	-10.9
Removal of signage from improved information and practice management	-0.6	-0.2	-0.2	-0.2	-1.3
Total MedicarePlus and A Fairer Medicare	285.9	604.9	724.7	807.3	2,422.7

Appendix A: Policy decisions taken since the 2003-04 Budget

MedicarePlus — assistance for GPs and specialists re-entering the workforce

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	0.3	4.4	8.7	13.4

The Government will provide \$26.8 million over four years to support GPs and specialists seeking to re-enter the workforce after career interruptions.

This measure provides funding to 22 General Practice Education Training and Regional Training Providers to offer relevant courses to general practitioners within their regions who are currently not working. For patients there will be improved access to GP services as qualified practitioners re-enter the workforce.

This measure will also allow specialists to undertake up to three months of refresher training courses and mentor support, so they can more readily resume specialist practice. Financial incentives will also be available to specialist practices, mentors and colleges who participate. For patients there will be improved access to specialist services as qualified practitioners re-enter the workforce.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — better access to medical care for residents of aged care homes

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	0.2	15.8	14.2	17.7

The Government will provide \$47.9 million over four years to encourage general practitioners to provide services to residents of aged care homes and enhance the quality of care provided.

This measure provides a new Medicare Benefits Schedule item for voluntary comprehensive medical assessments and funding for GPs to provide routine, urgent and after-hours care to residents, and work with aged care homes on quality improvement activities.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — grants to GP and specialist practices to encourage take up of HIC Online

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	1.0	2.4	2.9	0.8

The Government will provide \$7.0 million over four years to extend assistance to GP and specialist practices to adopt 'HIC Online.' Metropolitan practices will receive \$750, while rural practices will receive \$1,000.

The measure will further assist doctors by providing them with access to a real-time electronic claiming service for Medicare Benefits Schedule rebates. For patients who are charged at the GP or specialist surgery, the doctors can choose to process the claim at the time of consultation and the Medicare Benefits Schedule rebate can be deposited into the patient's bank account within a few days.

Under A Fairer Medicare, these grants were provided only to GPs who agreed to bulk bill patients with concession cards under the GP Access Scheme. Under this measure, grant payments will be made available to any practice installing HIC Online.

This measure extends the 2003-04 Budget measure *A Fairer Medicare – encourage GP take up of HIC Online*, bringing total funding to \$29.8 million over four years.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — higher rebates for patients of certain non-vocationally registered GPs

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	3.0	6.4	6.4	6.5

The Government will provide \$22.4 million over four years to encourage non-vocationally registered GPs to work in areas of workforce shortage and provide patients with greater access to more affordable services.

This measure will allow patients of doctors who are not vocationally registered, who were practising prior to the introduction of vocational registration in 1996 and who work in an area of workforce shortage to receive a higher Medicare rebate. Once these GPs have practised in an area of workforce shortage for at least five years, their patients will continue to be eligible for a higher rebate, regardless of where the GP is located.

Appendix A: Policy decisions taken since the 2003-04 Budget

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — increased recruitment of qualified health professionals from overseas

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	10.7	77.7	152.0	192.1

The Government will provide \$432.5 million over four years to increase the number of overseas-trained doctors by the equivalent of 725 full-time positions by 2007. These doctors will provide medical services in areas of workforce shortage.

This measure will attract doctors who are trained overseas through international recruitment strategies, streamlined approval processes, provision of assistance for employers to arrange placements, and better training and support. Of the total additional funding, \$43.7 million over four years is for direct recruitment strategies and associated activities, while \$388.8 million over four years is the flow-on costs to Medicare Benefits Schedule associated with these doctors delivering services that would not otherwise have been provided.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — more pre-vocational doctors to outer metropolitan, regional, rural and remote areas

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	2.4	21.7	22.5	23.7

The Government will provide \$70.3 million over four years for up to 280 short-term supervised general practice placements each year for pre-vocational doctors, equivalent to around 70 full-time placements every year.

The placements will be offered in outer metropolitan, regional, rural and remote areas, increasing the availability of general practice services, and increasing access for patients in these areas. The placements will allow pre-vocational doctors to undertake general practice training and gain exposure to a general practice environment.

State and Territory governments will receive funding for hospitals to allow the release of pre-vocational doctors for the general practice placement, without compromising hospital service levels and patient care.

Appendix A: Policy decisions taken since the 2003-04 Budget

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — payment for GPs who bulk bill children under 16 and concession card holders

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	136.0	263.8	273.7	283.1

The Government will provide \$956.7 million over four years to pay GPs an additional \$5 for every bulk-billed medical service provided to concession card holders and children aged under 16.

These two groups of patients receive about 60 per cent of GP services and this will ensure that GP visits remain affordable for these people. This measure will take effect from 1 February 2004.

This measure replaces the 2003-04 Budget measure *A Fairer Medicare – GP incentive payments to bulk bill patients with concessions cards*.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — safety net for major out-of-pocket medical costs outside hospital

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	21.3	55.9	58.2	63.8

The Government will provide \$266.3 million over four years to introduce a new national Medicare safety net, which will cover 80 per cent of out-of-hospital out-of-pocket costs for Medicare Benefit Schedule items over a set threshold. This is an additional \$199.3 million over four years than the safety net announced in *A Fairer Medicare* in the 2003-04 Budget, which was restricted to concessional patients only.

Under this measure, for concession card holders and families receiving the Family Tax Benefit (A), the safety net will cover 80 per cent of out-of-pocket costs for medical services provided out of hospital once an annual threshold of \$500 in a calendar year is reached. For all other individuals and families, it will be available after an annual threshold of \$1,000 of Medicare Benefits Schedule out-of-pocket costs per calendar year is reached.

Appendix A: Policy decisions taken since the 2003-04 Budget

The new safety net will cover services such as GP and specialist consultations, blood tests, psychiatry, X-rays, CT scans, tissue biopsy, radiotherapy, and pap smears.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — support for additional accredited GP training practices and GP supervisors

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	1.5	3.6	3.0	3.1

The Government will provide \$11.1 million over four years to allow fully qualified GPs to educate and supervise greater numbers of junior doctors.

This measure will provide assistance to general practices that wish to become accredited training practices, provide higher payments for existing GP registrar supervisors within the General Practice Education and Training scheme, and provide training to allow 100 current GPs to become supervisors.

This is in addition to the 2003-04 Budget measure *A Fairer Medicare – new GP training places* and brings total funding to \$200.6 million over four years.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — support for practice nurses through a new Medicare Benefits Schedule item

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	5.6	19.5	24.4	26.5

The Government will provide \$76.0 million over four years for the inclusion of items on the Medicare Benefits Schedule for services such as immunisation and wound management provided by nurses in general practice on behalf of GPs.

This is in addition to the 2003-04 Budget measure *A Fairer Medicare – more practice nurses and allied health workers for urban areas of workforce shortage* and brings total funding to \$139.1 million over four years.

This measure recognises the vital role that nurses can play in supporting and assisting general practitioners in the provision of high quality and comprehensive health care for their patients. Through this initiative, GPs will have more time available to focus on

Appendix A: Policy decisions taken since the 2003-04 Budget

medical issues that most need their attention. This measure will take effect from 1 February 2004.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

MedicarePlus — support for rural and remote GPs

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	8.6	30.3	30.8	31.4

The Government will provide \$101.2 million over four years for retention payments to eligible doctors under the existing Rural Retention Programme. This programme provides financial incentives to long serving doctors in rural and remote areas, encouraging general practitioners to stay longer in these areas. Incentive payments to GPs are based on length of service, the remoteness of their practicing service, and the level of services they provide.

This measure will also reimburse procedural GPs in rural and remote areas up to \$10,000 per year for the costs of training. This allows rural and remote GPs to develop and maintain the skills necessary to provide the best service for their patients.

Under this measure, GPs in rural and remote areas who participate in the Practice Incentives Programme and have a procedural workload of 10 per cent or more of their total Medicare Benefits Schedule services will be eligible for a loading (up to a maximum of 30 per cent) in addition to their current rural loading.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

A Fairer Medicare — removal of GP Access Scheme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	-47.3	-79.7	-102.5	-115.0

The Government will not proceed with the 2003-04 Budget measure *A Fairer Medicare – GP incentive payments to bulk bill patients with concession cards* saving \$344.5 million over four years.

Under the original A Fairer Medicare package, the Government offered incentive payments under the GP Access Scheme to GPs who undertook to bulk bill all of their patients with concession cards. This has now been replaced with *MedicarePlus – payment for GPs who bulk bill children under 16 and concession card holders*.

Appendix A: Policy decisions taken since the 2003-04 Budget

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

A Fairer Medicare — removal of private health insurance safety net for out-of-hospital Medicare expenses

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	-9.8	-24.2	-23.5	-24.3

The Government will not proceed with the 2003-04 Budget measure *A Fairer Medicare – new private health insurance safety net for out-of-hospital Medicare expenses* saving \$89.6 million over four years.

Under the original A Fairer Medicare package, the Government offered to provide the 30 per cent private health insurance rebate to people who took up a private health insurance product which provided a safety net for out-of-pocket medical expenses related to specialist, diagnostic or GP services provided out of hospital. This has now been replaced with *MedicarePlus – safety net for major out-of-pocket medical costs outside hospital*.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

A Fairer Medicare — removal of reducing up front costs for GP visits

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	-5.6	-1.9	-1.7	-1.7

The Government will not proceed with the 2003-04 Budget measure *A Fairer Medicare – reducing up front costs for GP visits* saving \$10.9 million over four years.

Under this measure, GPs who agreed to participate in the GP Access Scheme were to claim the Medicare Benefits Schedule rebate direct from the Health Insurance Commission, improving general patient affordability by allowing patients charged above the Medicare Benefits Schedule rebate to pay only the gap amount charged by the GP.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

Appendix A: Policy decisions taken since the 2003-04 Budget

A Fairer Medicare — removal of signage from improved information and practice management

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	-0.6	-0.2	-0.2	-0.2

The Government will not proceed with the signage component of the 2003-04 Budget measure *A Fairer Medicare – improved information and practice management* saving \$1.3 million over four years.

The signage component of this measure was to indicate to patients those GPs participating in the GP Access Scheme.

Further information can be found in the press releases of 18 November 2003 issued by the Prime Minister and the Minister for Health and Ageing.

Other measures in the Health and Ageing portfolio

Bali Terrorist Attacks — assistance to States and Territories for the initial treatment of victims

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	1.3	-	-	-

The Government will provide assistance to the States and Territories that incurred substantial public hospital costs in providing initial treatment to victims of the bombing in Bali, Indonesia on 12 October 2002.

To date, the Government has agreed to provide \$1.3 million in 2003-04 to the Northern Territory in respect of costs associated with the reception, triage, and stabilisation of 105 severely injured patients in the days following the bombing.

The Government will continue to assess claims for assistance from other States and Territories as they come forward.

Appendix A: Policy decisions taken since the 2003-04 Budget

Deano's Bone Marrow Donor Institute Walk for Leukaemia — contribution

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	-	-	-	-

The Government will provide \$30,000 in 2003-04 to Deano's Bone Marrow Donor Institute Walk for Leukaemia. The aim of the walk is to raise money for the Bone Marrow Donor Institute.

The cost of this measure is being fully absorbed from within the existing resourcing of the Department of Health and Ageing.

Hazel Hawke Alzheimer's Research and Care Fund — donation

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	-	-	-	-

The Government will provide \$250,000 in 2003-04 to the Hazel Hawke Alzheimer's Research and Care Fund. The funding will be used to assist ongoing research into the prevention and management of Alzheimer's, and to provide quality services, support and education to people living with dementia and to their carers.

The cost of this measure is being fully absorbed from within the existing resourcing of the Department of Health and Ageing.

Life Saving Drugs Programme — widening access to Cerezyme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	2.1	4.9	5.5	6.2

The Government will widen the eligibility criteria for access to Cerezyme under the Life Saving Drugs Programme at a cost of \$18.8 million over four years.

Cerezyme is used in the treatment of Gaucher's Disease, a rare hereditary condition affecting the brain, which is associated with substantial disability and reduced quality of life, and in rare cases is life threatening. Without the Government subsidy, the annual cost to the patient of treating this disease with Cerezyme would be in the order of \$240,000 for children and \$350,000 for adults.

Under the widened eligibility criteria, which will come into effect from 1 January 2004, Cerezyme will become available to children under 16 years with relevant physical signs; to adults with lesser degrees of skeletal, haematological and gastrointestinal

Appendix A: Policy decisions taken since the 2003-04 Budget

complications; and at higher dosage levels to some patients upon commencement of treatment.

Medical Indemnity — Exceptional Claims Scheme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	0.6	0.2	0.6	0.1

As part of its package of measures to help address difficulties in medical indemnity insurance, the Government will assume liability for any damages payable against a medical practitioner that exceeds the practitioner's medical indemnity insurance contract limit. This will be on a 'claims incurred' basis and legislation has been passed to give effect to the Scheme.

The Government has provided funding of \$1.5 million over four years for the costs of administering the Scheme. Payments made in relation to claims under the Scheme are contingent on the decision of Courts or negotiated settlements where these are over the practitioner's contract limit, which will be \$20 million for most doctors. It is expected that claims and payouts above contract limits should be rare, if they occur at all.

Further information can be found in the press release of 23 May 2003 issued by the Prime Minister, and the joint press releases of 6 June 2003 and of 3 October 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer.

Medical Indemnity — extension of High Cost Claims Scheme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	14.4	21.4	22.4	23.5

As part of its package of measures to help address difficulties in medical indemnity insurance, the Government established the High Cost Claims Scheme to reimburse medical indemnity providers 50 per cent of any amount over \$2 million and up to the level of the doctor's insurance cover limit for claims notified on and from 1 January 2003. The Scheme aims to minimise pressure on medical indemnity insurance premiums by reducing costs to medical indemnity insurers.

In October 2003, the Government decided to reduce the threshold for access to this Scheme from \$2 million to \$500,000, which will apply to claims notified on or after 22 October 2003, at an additional cost of \$81.7 million over four years.

Further information can be found in the press release of 10 October 2003 issued by the Minister for Health and Ageing.

Appendix A: Policy decisions taken since the 2003-04 Budget

Medical Indemnity Policy Review

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	0.7	-	-	-

The Government will provide funding of \$0.7 million in 2003-04 for the administrative costs of supporting the Medical Indemnity Policy Review, announced by the Government on 3 October 2003, and whose terms of reference were announced on 10 October 2003

This Review will report to the Prime Minister by 10 December 2003 on ways to ensure that medical indemnity arrangements in Australia: are financially sustainable; are affordable for doctors; allow doctors to continue to practise with confidence; and safeguard the interests of consumers and the community.

Further information can be found in the press release of 3 October 2003 issued by the Minister for Health and Ageing and the Minister for Revenue and Assistant Treasurer, and the press releases of 10 October 2003 and 16 October 2003 issued by the Minister for Health and Ageing.

Medical Indemnity Subsidy Scheme — extension

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	1.2	1.2	1.2	1.2

As part of its package of measures to help address difficulties in medical indemnity insurance, the Government will provide a further \$4.7 million over four years to extend the Medical Indemnity Subsidy Scheme to GP registrars who are undertaking procedural training. This will help to encourage GP registrars to undertake the further training to become procedural GPs.

Through the Medical Indemnity Subsidy Scheme the Government is providing direct financial support to obstetricians, neurosurgeons, procedural general practitioners, and now procedural general practitioner registrars, to ensure premium affordability in these high-risk fields of practice.

Further information can be found in the press release of 1 August 2003 issued by the Minister for Revenue and the Assistant Treasurer.

Pharmaceutical Benefits Scheme — extension to the listing of Glivec

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	9.0	18.8	19.0	18.2
Department of Veterans' Affairs	1.0	2.1	2.1	2.0
Health Insurance Commission	0.5	0.1	0.1	0.1
Total	10.5	21.0	21.2	20.3

The Government has extended the listing of Glivec on the Pharmaceutical Benefits Scheme at a cost of \$72.9 million over four years. This has reduced the cost to eligible patients from approximately \$45,000 per year to approximately \$43 for concessional patients and \$271 for other patients per year.

Glivec is used in the treatment of chronic myeloid leukaemia (CML). Its use was previously subsidised only for patients who had failed to respond to an older drug, interferon alpha. Since 1 November 2003, the drug has also been subsidised for the chronic phase of CML as a first line therapy. This listing is a result of a positive recommendation by the Pharmaceutical Benefits Advisory Committee, which bases its considerations on clinical effectiveness, safety and cost effectiveness.

Further information can be found in the press release of 22 October 2003 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — extension to the listing of Mabthera

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	25.1	25.8	26.5	27.2
Department of Veterans' Affairs	2.8	2.9	2.9	3.0
Total	27.9	28.7	29.4	30.2

The Government has extended the listing of Mabthera on the Pharmaceutical Benefits Scheme at a cost of \$116.2 million over four years. This has reduced the cost to eligible patients from approximately \$28,000 per year to approximately \$75 for concessional patients and \$460 for other patients per year.

Mabthera was previously listed on the Pharmaceutical Benefits Scheme for treatment of some patients with non-Hodgkin's lymphoma. The extension has made Mabthera available to patients aged over 60 years with previously untreated diffuse large B-cell non-Hodgkin's lymphoma where the drug is used in combination with chemotherapy. This extension is a result of a positive recommendation by the Pharmaceutical Benefits Advisory Committee, which bases its considerations on clinical effectiveness, safety and cost effectiveness.

Appendix A: Policy decisions taken since the 2003-04 Budget

Further information can be found in the press release of 10 June 2003 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — listing of Avandia and Actos

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	25.3	46.5	57.0	62.4
Department of Veterans' Affairs	1.2	2.2	2.7	2.9
Total	26.5	48.7	59.7	65.3

The Government has listed Avandia and Actos on the Pharmaceutical Benefits Scheme at a cost of \$200.2 million over four years. This has reduced the cost to eligible patients from approximately \$1,200 per year to approximately \$48 for concessional patients and \$300 for other patients per year.

Avandia and Actos are drugs for the treatment of Type II diabetes. The listings, from 1 November 2003, will mean that many patients will be able to continue taking tablets to manage diabetes instead of having to switch to insulin injections. This listing is a result of a positive recommendation by the Pharmaceutical Benefits Advisory Committee, which bases its considerations on clinical effectiveness, safety and cost effectiveness.

Further information can be found in the press release of 22 October 2003 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — listing of Enbrel

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	90.4	90.3	90.3	90.3
Department of Veterans' Affairs	9.6	9.7	9.7	9.7
Health Insurance Commission	4.0	2.9	2.8	2.8
Total	104.0	102.9	102.8	102.8

The Government listed Enbrel on the Pharmaceutical Benefits Scheme for children from 1 July 2003 and for adults from 1 August 2003 at a cost of \$412.5 million over four years. This has reduced the cost to eligible patients from approximately \$25,000 per year to about \$60 for concessional patients and \$370 for other patients per year.

Enbrel is a drug used to treat severe forms of rheumatoid arthritis, and has been listed following a positive recommendation from the Pharmaceutical Benefits Advisory Committee. Enbrel has been shown to produce clinically significant benefits for patients in relieving joint destruction and deformity.

Appendix A: Policy decisions taken since the 2003-04 Budget

A compliance regime will ensure that only qualified rheumatologists can prescribe Enbrel. Its use will be restricted to those who have failed to achieve an adequate response to other arthritis treatments, and will cease after the initial treatment if pre-determined response criteria do not support continuation of subsidised treatment. Increased resourcing (including \$0.1 million in 2002-03) has been provided to the Health Insurance Commission for administration of the compliance regime for Enbrel.

Further information can be found in the press release of 29 June 2003 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — listing of EpiPen

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	7.0	10.5	10.6	10.6
Department of Veterans' Affairs	0.4	0.6	0.6	0.6
Total	7.4	11.1	11.2	11.2

The Government has listed EpiPen on the Pharmaceutical Benefits Scheme at a cost of \$40.7 million over four years. This has reduced the cost to eligible patients from approximately \$100 per year to approximately \$5 for concessional patients and \$31 for other patients per year.

EpiPen treats anaphylaxis, a life-threatening condition resulting from severe allergic reactions to insect stings and foods such as peanuts. EpiPen is an auto-injector suitable for self-administration or injection by non-medical personnel. It was listed from 1 November 2003. This listing is a result of a positive recommendation by the Pharmaceutical Benefits Advisory Committee, which bases its considerations on clinical effectiveness, safety and cost effectiveness.

Further information can be found in the press release of 22 October 2003 issued by the Minister for Health and Ageing.

Pharmaceutical Benefits Scheme — listing of Remicade

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	17.8	15.2	8.0	6.5
Department of Veterans' Affairs	2.0	1.7	0.9	0.7
Health Insurance Commission	1.6	0.7	0.4	0.3
Total	21.4	17.6	9.3	7.5

The Government has listed Remicade on the Pharmaceutical Benefits Scheme at a cost of \$55.8 million over four years. This has reduced the cost to eligible patients from

Appendix A: Policy decisions taken since the 2003-04 Budget

approximately \$20,000 per year to approximately \$18.50 for concessional patients and \$116 for other patients per year.

Remicade is a drug for the treatment of rheumatoid arthritis. The listing, from 1 November 2003, has made Remicade available to patients with severe rheumatoid arthritis unresponsive to existing therapies. This listing is a result of a positive recommendation by the Pharmaceutical Benefits Advisory Committee, which bases its considerations on clinical effectiveness, safety and cost effectiveness.

Further information can be found in the press release of 22 October 2003 issued by the Minister for Health and Ageing.

Therapeutic Goods Administration — costs associated with the Pan Pharmaceutical recall

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	2.6	-	-	-

The Government will provide \$17.2 million over two years (including \$14.6 million in 2002-03) to the Department of Health and Ageing for costs incurred by the Therapeutic Goods Administration (TGA) in the Pan Pharmaceutical recall.

In April 2003, the TGA took immediate action to address an important public health issue, recalling over 1550 Pan Pharmaceutical products. To ensure national dissemination of important health and safety information, comprehensive newspaper advertisements were taken out in both metropolitan and regional newspapers. The TGA also established a 24-hour-a-day, seven-day-per-week Consumer Helpline to complement these advertisements.

Tough on Drugs — Indigenous Communities Initiative

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Health and Ageing	-	-	-	-

The Government will provide \$12.9 million over four years to address the consequences of violence and drug abuse in indigenous communities. Funding will assist indigenous communities to develop local solutions to critical issues that contribute to violence, such as alcohol and drug abuse.

This funding has been made available from a reprioritisation of the National Illicit Drugs Strategy, Drugs Diversion Initiative, which had funding of \$215.9 million over four years announced in the 2003-04 Budget.

Further information can be found in the press release of 28 August 2003 issued by the Prime Minister.

IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS

Alternative detention arrangements — Port Hedland

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Immigration and Multicultural and Indigenous Affairs	2.3	-	-	-
<i>Related capital (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	0.2	-	-	-

The Government will provide \$2.5 million (including \$0.2 million capital funding) in 2003-04 to support alternative detention arrangements for women and children, through the provision of appropriate residential housing near the Port Hedland detention facility. The new housing project will expand the capacity for residential detention and follows the project originally trialled at Woomera and the announcement in the 2003-04 Budget of a Residential Housing Project near the Baxter detention facility.

The capital funding will meet the cost of refurbishing an existing building to accommodate up to 12 eligible detainees in a more domestic environment.

Further information can be found in the press release of 18 September 2003 issued by the Minister for Immigration and Multicultural and Indigenous Affairs.

Combating Maritime People Smuggling

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Immigration and Multicultural and Indigenous Affairs	0.7	1.7	1.7	1.7
<i>Related capital (\$m)</i>				
<i>Department of Immigration and Multicultural and Indigenous Affairs</i>	0.3	-	-	-

The Government will provide \$6.2 million (including \$0.3 million capital funding) over four years to expand the Department of Immigration and Multicultural and Indigenous Affairs network of compliance officers and Airline Liaison Officers in the Asia-Pacific Region.

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The compliance officers will help Australia's overseas posts combat irregular people movement. The Airline Liaison Officers will be stationed at key airports to help prevent unlawful entry to Australia through the detection of identity and document fraud and improperly documented passengers.

The capital funding will meet the cost of office fitout and linkage to the Secure Australian Telecommunications and Information Network for the additional compliance officers.

INDUSTRY, TOURISM AND RESOURCES

Biofuels Capital Grant Programme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Industry, Tourism and Resources	24.3	13.3	-	-

The Government will provide a capped amount of \$37.6 million over two years to fund one-off capital grants for projects that provide new or expanded biofuels production capacity. Grants will be provided at a rate of 16 cents per litre to projects producing a minimum volume of 5 million litres of biofuels per year, up to a maximum of \$10 million per project.

This measure is in addition to production grants available to biofuels producers announced in the 2003-04 Budget. These production grants (paid at the rate of 38.143 cents per litre until 30 June 2008) make biofuels effectively excise exempt.

As a result of these measures it is anticipated that the production and consumption of biofuels will increase. This is expected to have a further negative impact on the budget balance through some displacement of fully excisable fuels.

Further information can be found in the press release of 25 July 2003 issued by the then acting Minister for Industry, Tourism and Resources.

International marketing initiatives for Australian tourism

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Tourist Commission	-	-	-	-

The Government has provided additional funding of \$10 million in 2002-03, which will be matched by an industry contribution, to the Australian Tourist Commission for a marketing campaign to promote Australia in key international markets. The marketing campaign is in response to declining international tourism arrivals due to the threat of terrorism and the SARS epidemic.

Further information can be found in the press release of 13 June 2003 issued by the Minister for Small Business and Tourism.

Appendix A: Policy decisions taken since the 2003-04 Budget

Strategic Investment Incentive to GTL Resources

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Industry, Tourism and Resources	0.6	26.8	8.0	-

The Government will provide funding of \$35.4 million over three years for the development of common user infrastructure on the Burrup Peninsula in Western Australia to encourage further investment in the region. The infrastructure will initially support GTL Resources' \$700 million methanol plant on the Burrup Peninsula and will be available to other future projects in the region.

Further information can be found in the press release of 9 October 2003 issued by the Minister for Industry, Tourism and Resources.

Textile, clothing and footwear assistance package post-2005

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Industry, Tourism and Resources	0.2	3.5	8.1	109.9
<i>Related revenue(a) (\$m)</i>				
Australian Customs Service - extension of the Expanded Overseas Assembly Provision Scheme	-	-	-5.0	-5.0
Australian Customs Service - Import Credit Scheme	-	-	-	-5.0

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

The Government will implement a long-term package of initiatives costing \$747 million to assist the Textile, Clothing and Footwear (TCF) industry adjust to a lower tariff environment and to become more internationally competitive.

Funding of \$600 million over the period 2006-07 to 2015-16 will be provided to extend and modify the existing TCF Strategic Investment Programme (SIP). The SIP will provide grants to firms for capital investment and innovation. Funding of \$500 million will be available under this programme to all eligible TCF firms for the years 2006-07 to 2010-11 and a further \$100 million will be available for the clothing and finished textile sector from 2011-12 to 2015-16.

The package also includes \$50 million over the period 2005-06 to 2014-15 for a Structural Adjustment Fund to assist displaced workers and the restructuring of firms. Funding of \$20 million over the years 2010-11 to 2014-15 will be provided to assist clothing and finished textile firms to strengthen their local supply chains.

Appendix A: Policy decisions taken since the 2003-04 Budget

Additional funding of \$48 million will be provided over the period of 2003-04 to 2016-17 for the Department of Industry, Tourism and Resources to administer the package. This includes funding of \$6.8 million which is being provided prior to 2006-07 to prepare for the commencement of the Structural Adjustment Fund in 2005-06 and the SIP in 2006-07.

The package also includes assistance through customs duty concessions with a cost of \$77 million over the period from 2005-06 to 2015-16. The Government will extend the existing Expanded Overseas Assembly Provision scheme for five years until 30 June 2010. An Import Credit Scheme for the clothing and certain finished textiles sector will also be introduced for ten years, from 1 July 2005. Under this scheme, firms will earn import duty credits that are linked to increases in a firm's production and that are only redeemable on imports of finished clothing or relevant textiles.

Further details of the package can be found in the press release of 27 November 2003 issued by the Minister for Industry, Tourism and Resources.

See also the related revenue measure *Customs Duty – textiles, clothing and footwear tariff reductions* in the Attorney-General's portfolio.

Tourism White Paper

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Industry, Tourism and Resources	3.0	22.9	23.7	25.3
Australian Tourist Commission	12.0	30.7	30.7	30.8
Total	15.0	53.6	54.4	56.1

The Government will provide \$235 million over five years (including \$55.3 million in 2007-08) to implement a range of new initiatives announced in the Tourism White Paper.

The package includes funding of \$135.3 million over five years for additional international marketing activity and niche market development, including events and business tourism promotion. A further \$86 million will support domestic tourism marketing, regional tourism promotion and development, and tourism research and statistics.

From 2004 all of these functions will be undertaken by a new agency, Tourism Australia, comprising the Australian Tourist Commission, See Australia Limited, the Bureau of Tourism Research and the Tourism Forecasting Council.

The package also includes additional funding of \$13.7 million for a number of initiatives including tourism business accreditation, Indigenous tourism and Australia's membership of the World Tourism Organisation.

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Further information can be found in the press releases of 20 November 2003 issued by the Prime Minister and the Minister for Small Business and Tourism.

PRIME MINISTER AND CABINET

A more informed public — improved research capabilities and accessibility to the website

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Prime Minister and Cabinet	0.4	0.5	0.6	0.6
<i>Related capital (\$m)</i>				
<i>Department of the Prime Minister and Cabinet</i>	..	-	-	-

The Government will provide additional funding of \$1.3 million over four years to the Department of the Prime Minister and Cabinet for improved research capabilities aimed at creating community awareness of the international and national security work of the Government.

Additional funding of \$0.8 million over four years and capital funding of \$20,000 in 2003-04 will also be provided to enable the provision of more comprehensive information on the Government's policies to be accessed through the Internet.

Australian Public Service Indigenous employment strategy

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Public Service Commission	0.2	0.2	0.1	0.1

The Government will provide \$0.6 million over four years to improve the recruitment, retention and development of Indigenous employees in the Australian Public Service.

The resources will support the development of a whole-of-government strategy linking and building on employment and education related Indigenous programmes initially at the Australian Government level, and subsequently State and Territory government jurisdictions.

Australian Public Service — integrated leadership strategy

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Public Service Commission	0.9	0.8	0.5	0.1

The Government will provide \$2.4 million over six years (including \$0.1 million in each of 2007-08 and 2008-09) to the Australian Public Service Commission to foster the leadership capabilities of senior Australian Public Service employees.

The resources will support the redevelopment of the Australian Public Service Commission's learning and development activities and work with agencies to enhance their own development activities.

Governor-General — improved support

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Office of the Official Secretary to the Governor-General	0.5	0.6	0.6	0.6

The Government will provide additional funding of \$2.0 million over four years (including \$0.3 million in 2003-04) to the Office of the Official Secretary to the Governor-General to provide for enhanced operational support of the Governor-General.

The Government will also provide funding of \$0.2 million in 2003-04 to meet the costs associated with the special honours list to mark the bravery and outstanding achievements of Australians and others in the face of the Bali tragedy.

Policy co-ordination — increased activities and new taskforces

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Prime Minister and Cabinet	3.2	1.6	1.6	1.7

The Government will provide additional funding for increased activities within the Department of the Prime Minister and Cabinet in the following areas:

- additional funding of \$5.8 million over four years to increase the capacity to develop and implement whole-of-government approaches for critical elements of the Government's national security agenda;
- funding of \$0.9 million in 2003-04 to support the establishment of a taskforce to develop a number of intergovernmental agreements to ensure the sustainability of Australia's water supplies;

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- funding of \$1.3 million in 2003-04 to support an independent inquiry, conducted by an expert panel, into bushfire mitigation and management in Australia; and
- funding of \$0.2 million in 2003-04 to support a public consultation process on the Government's discussion paper on options for resolving constitutional deadlocks.

Postal Industry Ombudsman — establishment

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Office of the Commonwealth Ombudsman	-	0.3	0.3	0.3
<i>Related revenue(a) (\$m)</i>				
<i>Australian Communications Authority</i>	-	0.3	0.3	0.3

(a) A positive number for revenue indicates an increase in the fiscal balance.

The Government will establish a Postal Industry Ombudsman within the Commonwealth Ombudsman's Office with additional funding of \$0.3 million per annum from 2004-05.

The Postal Industry Ombudsman will provide an identifiable office for handling postal complaints. The Postal Industry Ombudsman will have similar investigatory and recommendatory powers to those currently afforded the Commonwealth Ombudsman under the *Ombudsman Act 1976*.

Costs will be fully recovered from Australia Post and other industry operators who voluntarily register with the Postal Industry Ombudsman through fees charged for complaint resolution services.

Further information can be found in the press release of 1 October 2003 issued by the Minister for Communications, Information Technology and the Arts.

TRANSPORT AND REGIONAL SERVICES

Aviation Security — enhancement

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Transport and Regional Services	2.3	19.4	20.1	10.2
Australian Federal Police	-	3.6	2.8	2.9
Australian Security Intelligence Organisation	-	1.3	1.4	1.4
Australian Customs Service	-	0.8	1.7	-
Total	2.3	25.2	26.1	14.5
<i>Related capital (\$m)</i>				
Department of Transport and Regional Services	0.8	3.4	-	-
Australian Federal Police	-	0.3	-	-
Australian Security Intelligence Organisation	-	1.2	-	-
Australian Customs Service	-	4.8	1.1	-
Total	0.8	9.6	1.1	-

The Government will provide \$94.2 million over five years (including \$14.7 million in 2007-08) to enhance aviation security, including applying a security regulation regime to all airports servicing passenger and freight aircraft and the operators of these aircraft. This funding fulfils the Government's commitment to reinvest any surplus money from the Air Passenger Ticket Levy to the benefit of the aviation and tourism sector.

The Government will provide:

- \$46.9 million over five years to promote industry awareness and compliance with the enhanced regulatory regime (including \$4.2 million in capital funding);
- \$2.4 million over four years to improve aviation security information collection and dissemination capacity from Indonesia and the Philippines;
- grants of \$3.2 million in 2004-05 to assist qualifying regional passenger transport aircraft operators to install hardened cockpit doors in aircraft with 30 or more seats; and
- grants to regional airports of \$14 million over 2004-05 and 2005-06 to improve their security. Grants will match dollar for dollar expenditure by regional airports on qualifying security measures.

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The Australian Federal Police will establish a protective security liaison officer network at major airports, costing \$12.5 million over four years (including \$0.3 million capital funding), to provide a coordination point for national security related issues.

The Australian Security Intelligence Organisation will be provided with \$6.7 million over four years (including \$1.2 million capital funding) to extend its presence to all major domestic airports to liaise and gather and disseminate intelligence information.

The Australian Customs Service will be provided with \$8.4 million over two years (including \$5.8 million capital funding) to trial Commonwealth Scientific and Industrial Research Organisation technology for screening air freight containers.

Further information can be found in the press release of 4 December 2003 issued by the Deputy Prime Minister.

TREASURY

Australian Competition and Consumer Commission — additional funding

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Competition and Consumer Commission	6.8	-	-	-

The Government will provide the Australian Competition and Consumer Commission with additional funding of \$6.8 million in 2003-04 to meet additional cost pressures.

The additional funding in 2003-04 will ensure that the Australian Competition and Consumer Commission has sufficient resources to manage its current commitments without compromising its effectiveness in fostering competitive markets.

Baby Bonus adoptions

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office

The Government will amend the application of the Baby Bonus in relation to adoptive parents. Once legally responsible for the child, adoptive parents will be able to claim the Baby Bonus for the period between commencing care for the child and being granted legal responsibility via an adoption order. Previously, adoptive parents' eligibility for the Baby Bonus commenced on the date that they were granted legal responsibility, through an adoption order, which may have been some time after they commenced care of the child.

The measure will be given effect from 1 July 2001, which was the date on which the Baby Bonus came into effect.

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Budget Balancing Assistance — amendments to the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Treasury	*	*	*	*

The Government will amend the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999* to facilitate the operation of the Act. The amendments, which have been agreed to by the States and Territories, relate to: enabling the Commissioner of Taxation to account for all GST refunds; the timing of final determinations; and introducing a mechanism for residual adjustments as States and Territories come off Budget Balancing Assistance (BBA).

Enabling the Commissioner of Taxation to account for all GST refunds when determining the amount of GST revenue to be paid to the States and Territories will overcome a technical problem in the current drafting of the Act which results in more GST revenue being paid out than is actually collected and retained. As GST revenue estimates for 2003-04 (and forward years) are consistent with how the Act was originally intended to operate, there is no financial impact from this amendment.

The amendment to the timing of final determinations will provide sufficient time for all parties to be able to make their determinations in compliance with the requirements of the Act.

The amendments will also introduce a mechanism to allow payments to a State or Territory to be adjusted, as they come off BBA, to fully account for any under or overestimate of payments in a previous financial year.

Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Budget Balancing Assistance — changes to Australia's duty free concessions

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Treasury	8.8	5.7	5.7	-

The Government will make changes to the duty free concessions available to passengers and Australian-domiciled crew members. These changes are described in the revenue measure *Customs duty – changes to Australia's duty free concessions* in the Attorney-General's portfolio and will have effect from the date of commencement of the Customs by-laws.

For those States and Territories receiving Budget Balancing Assistance (BBA), the Government will adjust this assistance to compensate for the decrease in GST revenue

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resulting from this measure. Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Further information can be found in the joint press release of 18 September 2003 issued by the Minister for Justice and Customs and the Minister for Small Business and Tourism.

Budget Balancing Assistance — compulsory third party schemes

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Treasury	*	*	*	*

The Government has amended the goods and services tax (GST) insurance provisions that apply to an insurer that makes payments or supplies in relation to compulsory third party (CTP) insurance policies, with effect from 1 July 2000. The Government has also introduced provisions that apply to payments and supplies that are made in relation to CTP compensation and other CTP non-insurance policy related matters.

The amendments ensure the correct policy outcomes are achieved for the application of GST to CTP schemes.

For those States and Territories receiving Budget Balancing Assistance (BBA), the Government will adjust this assistance accordingly. However, as the cost to GST revenue cannot be quantified, it is not possible to quantify the impact on BBA. Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Budget Balancing Assistance — treatment of first aid and life saving courses

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Treasury	4.6	1.0	1.0	-

The Government will allow the suppliers of eligible life saving courses to treat the courses as goods and services tax (GST) free where the supplier uses an instructor that holds a training qualification issued by one of three specified life saving organisations, with effect from 1 July 2000.

In addition, the Government will remove the restriction that only an entity that is a 'body' may treat the supply of an eligible first aid or life saving course as GST-free, extending the treatment to all suppliers.

For those States and Territories receiving Budget Balancing Assistance (BBA), the Government will adjust this assistance to compensate for the decrease in GST revenue

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resulting from this measure. Further information on BBA can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

Budget Balancing Assistance — variation to New South Wales' Guaranteed Minimum Amount

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Treasury	-	15.0	15.0	-

The Government has agreed to include the cost of New South Wales' goods and services tax (GST) gambling rebate to registered clubs in that States' Guaranteed Minimum Amount, with effect from 1 July 2004. New South Wales has taken an in-principle decision to pay a rebate in 2004-05 and subsequent years to registered clubs with an annual gaming income of up to \$1 million.

Under the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations*, the States and Territories were required to adjust their gambling tax arrangements to take account of the impact of the GST on gambling operators. As New South Wales could not lower all its taxes on gambling by the required amount, the New South Wales Government decided to pay clubs an up-front rebate to compensate clubs for the period of 2000-01 to 2003-04. It was agreed that this compensation be included in the Guaranteed Minimum Amount for New South Wales, spread over the years from 2000-01 to 2003-04.

Inclusion of the cost of the New South Wales' new rebate from 1 July 2004 is expected to lead to an increase in the amount of Budget Balancing Assistance paid by the Government to New South Wales. Further information on Budget Balancing Assistance can be found in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

HIH Claims Support Scheme — closure

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of the Treasury	-	-	-	-

The Government has decided to close the HIH Claims Support Scheme to new claims from 27 February 2004 and restructure the administration of the Scheme. Under the restructure, the contract management of the administrative and claims manager functions that remain after the cut-off date to new applications will be consolidated under the Department of the Treasury.

Following the closure, a facility will be provided for policyholders to make late applications where they did not know that they had a right to claim under a HIH policy.

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These administrative changes have no impact on the fiscal balance. The administrative costs associated with the Scheme were funded as an up front expense when the Scheme was established in 2000-01.

Further information can be found in the press release of 21 August 2003 issued by the Minister for Revenue and the Assistant Treasurer.

Refundable film tax offset — amendment

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-	-	-	-

The Government will make minor amendments to the provisions for the refundable tax offset for large-scale films. These changes concern the interaction of the refundable film tax offset and the film concession contained in Division 10BA of the *Income Tax Assessment Act 1936*.

The amendment will ensure that, where Division 10BA benefits have not been accessed, provisional Division 10BA certification can be revoked, enabling film producers to be eligible to apply for the refundable film tax offset instead.

Currently film producers routinely seek provisional Division 10BA film certification as the first stage in raising funds for a film concept without knowing whether or not a foreign studio will fund the project. However, such provisional certification currently causes films to be ineligible for the film tax offset, regardless of whether investors have accessed Division 10BA benefits.

Further information can be found in the joint press release of 15 August 2003 issued by the Minister for the Arts and Sport and the Minister for Revenue and Assistant Treasurer.

Superannuation — extended Government superannuation co-contribution for low income earners

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Taxation Office	-125.0	95.0	120.0	110.0

The Government has extended the income threshold for the superannuation co-contribution for low income earners from 1 July 2003. This will have a cost of \$325 million over the three years from 2004-05.

The co-contribution matches eligible personal superannuation contributions made by qualifying low income earners after 1 July 2003. A maximum co-contribution of \$1,000 is payable in respect of individuals whose assessable income and reportable fringe benefits do not exceed \$27,500 (previously \$20,000). The maximum co-contribution is

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reduced by 8 cents for each dollar of assessable income and reportable fringe benefits over \$27,500, phasing out at \$40,000 (previously \$32,500). The co-contribution is treated as an undeducted contribution for tax purposes.

The start date for the Government superannuation co-contribution was delayed from 1 July 2002 to 1 July 2003. This delay reflects the failure of certain superannuation legislation to achieve passage through Parliament prior to 30 June 2003, and will result in a saving of \$125 million in 2003-04.

Further information can be found in the press release of 7 September 2003 issued by the Minister for Revenue and Assistant Treasurer.

See also the related revenue measure titled *Superannuation – delayed replacement of the personal superannuation contributions rebate* in the Treasury portfolio.

VETERANS' AFFAIRS

Military Rehabilitation and Compensation Scheme

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Veterans' Affairs	1.2	1.0	0.7	1.7
Department of Family and Community Services	-	0.8	2.5	4.4
Total	1.2	1.8	3.3	6.1
<i>Related capital (\$m)</i>				
<i>Department of Veterans' Affairs</i>	3.1	-	-	-

The Government will provide \$15.5 million (including \$3.1 million capital funding) over four years to introduce a new Military Rehabilitation and Compensation Scheme (MRCS) from 1 July 2004 that will provide compensation to veterans and military personnel injured in the service of Australia.

The MRCS will replace the *Veterans' Entitlements Act 1986* (VEA) and the *Safety, Rehabilitation and Compensation Act 1988* (SRCA) for military personnel injured after 1 July 2004. Military personnel injured before this date will continue to receive entitlements under either the VEA or SRCA.

Key features of the new scheme include the option of lump sum payments instead of lifetime pensions for injured personnel, an increase in lump sums paid in the event of severe injury and an increase in the payments made to the spouse of service personnel who die while on warlike service.

Capital measures

AGRICULTURE, FISHERIES AND FORESTRY

Wheat Export Authority — operating loan

Capital (\$m)	2003-04	2004-05	2005-06	2006-07
Wheat Export Authority	-	-	-	-

The Government has provided a loan of up to \$1.0 million to assist the Wheat Export Authority in meeting ongoing operational expenses prior to the introduction of a levy by the Authority on wheat exports. The levy was introduced from 1 October 2003. The loan is to be repaid from levy revenue by 30 June 2006.

The provision of loans from the Budget, and their repayments, affects only the composition of the Australian Government's financial assets. As such this measure has no impact on the fiscal balance.

ATTORNEY-GENERAL'S

Australian Customs Service — equity injection

Capital (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Customs Service	-	-	-	-

The Government will provide an equity injection of up to \$43 million to the Australian Customs Service to address a funding shortfall in 2003-04. This shortfall results from higher than expected costs in several programmes, including the Cargo Management Re-engineering programme. The additional resourcing will allow the Australian Customs Service to meet operational requirements in 2003-04.

This funding is an interim measure with any further funding to be decided following the completion of a comprehensive review in 2003-04 of agency activity and resourcing levels.

The provision of a capital injection is a financial transaction within the general government sector and consequently has no direct impact on the fiscal balance. Expenditure of the funds will impact on the fiscal balance and provision for this expenditure has been made in the contingency reserve.

EDUCATION, SCIENCE AND TRAINING

Our Universities — Higher Education Loans Programme (HELP) extension

Capital (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Education, Science and Training	-	-	-	-
<i>Related revenue(a) (\$m)</i>				
Department of Education, Science and Training	-	-	0.1	0.2

(a) A positive number for revenue indicates an increase in the fiscal balance.

From January 2005, the Government will allow higher education institutions to set student contribution amounts, payable through HECS-HELP and FEE-HELP loan arrangements, for teaching and administrative support provided while students undertake industry work experience as part of their studies.

The types of support that institutions will need to provide in order to be eligible to charge students under these arrangements will be specified under ministerial guidelines.

Under accepted accounting practice, loans to students are treated as financial assets and therefore do not impact on the fiscal balance. Payment by students of the indexation component under the Higher Education Loans Programme is treated as interest revenue and impacts the fiscal balance from 2005-06.

Radioactive waste management facility — security and access road construction

Capital (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Education, Science and Training	4.8	-	-	-

The Government will provide capital funding of \$4.8 million in 2003-04 to build a national radioactive waste management repository. This is in addition to the \$0.5 million provided at the 2003-04 Budget and will enable construction of an access road and additional security at the final site, 20km east of Woomera, South Australia.

This purpose-built waste management facility will hold waste generated by the Australian Nuclear Science and Technology Organisation, the Commonwealth Scientific and Industrial Research Organisation and the Department of Defence.

The facility will also hold waste generated by non-Australian Government organisations, including State and Territory agencies and industry.

FOREIGN AFFAIRS AND TRADE

Export Finance and Insurance Corporation — divestment of short term export credit business

Capital (\$m)	2003-04	2004-05	2005-06	2006-07
Department of Foreign Affairs and Trade	-	-	-	-

The Government has divested the Export Finance and Insurance Corporation's short-term credit insurance business for exporters to Gerling NCM following an 18-month service delivery alliance. Sale proceeds of \$2.5 million will be remitted to the Government during 2003-04 as a return of capital.

This measure will have no impact on the fiscal balance as the Government's equity in the short-term business is being returned following the sale, affecting only the composition of the Commonwealth's financial assets, not the total amount.

The Government has also established a short-term credit insurance facility on the National Interest Account to support exporters in significant instances where private sector support is not available.

Further information can be found in the press release of 14 August 2003 issued by the Minister for Trade.

Appendix A: Policy decisions taken since the 2003-04 Budget

TRANSPORT AND REGIONAL SERVICES

National Capital Authority — additional funding

Capital (\$m)	2003-04	2004-05	2005-06	2006-07
National Capital Authority	0.6	-	-	-

The Government will provide \$0.6 million in 2003-04 to cover the cost of additional works involved in the construction of Commonwealth Place and Reconciliation Place.

Commonwealth Place and Reconciliation Place are both major projects in the Parliamentary Zone of the National Capital designed to be accessible to all Australians so that they can more fully understand and appreciate the collective experience and rich diversity of this country.