

13. OTHER ECONOMIC AFFAIRS

This category covers regulation of and assistance to the private sector, direct government participation in economic activity and the provision of economic infrastructure. Other Economic Affairs is an aggregate of Tourism and Area Promotion, Labour and Employment Affairs, and other Economic Affairs not elsewhere classified.

13A. TOURISM AND AREA PROMOTION

NATURE OF OUTLAYS

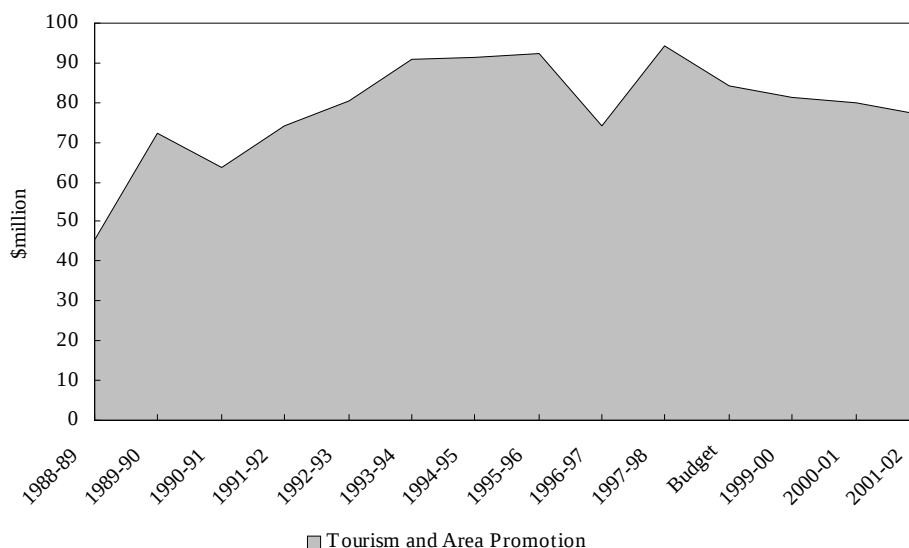
Commonwealth outlays contribute to tourism research and analysis, policy development, international tourism marketing and funding for specific tourism programmes and projects.

This function includes outlays of the following portfolios:

- Industry, Science and Tourism; and
- Transport and Regional Development.

Outlays on National Parks and Wildlife Services are classified to 8. *Recreation and Culture*.

Chart 1. Overview of Commonwealth Outlays on Tourism and Area Promotion (1989-90 prices)



TRENDS IN TOURISM AND AREA PROMOTION

Commonwealth assistance for tourism rose significantly between 1988-89 and 1995-96. The increase was principally due to significant increases in funding over the period for the Australian Tourist Commission's (ATC) international marketing activities, the establishment of a separate Department of Tourism in 1991 and the introduction of sectoral based tourism programmes in 1993-94.

Outlays fell in 1990-91 following the expiry of the Tourism Overseas Promotion Scheme and the Tourism Recovery Package.

Outlays declined in 1996-97 due to a reduction in funding for the ATC and administrative savings that resulted from the merger of the Department of Tourism with the former Department of Industry, Science and Technology. The increase in outlays in 1997-98 is largely due to funding provided over four years to the ATC for Olympics promotion. Outlays decline in 1998-99 and over the forward estimates due to the ending of a number of specialist sectoral based tourism programmes in 1997-98.

1998-99 AND FORWARD ESTIMATES

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
13A	Tourism	\$m 110.4	101.7	100.6	101.3	100.2
		%	-7.9	-1.1	0.7	-1.1

13B. LABOUR AND EMPLOYMENT AFFAIRS

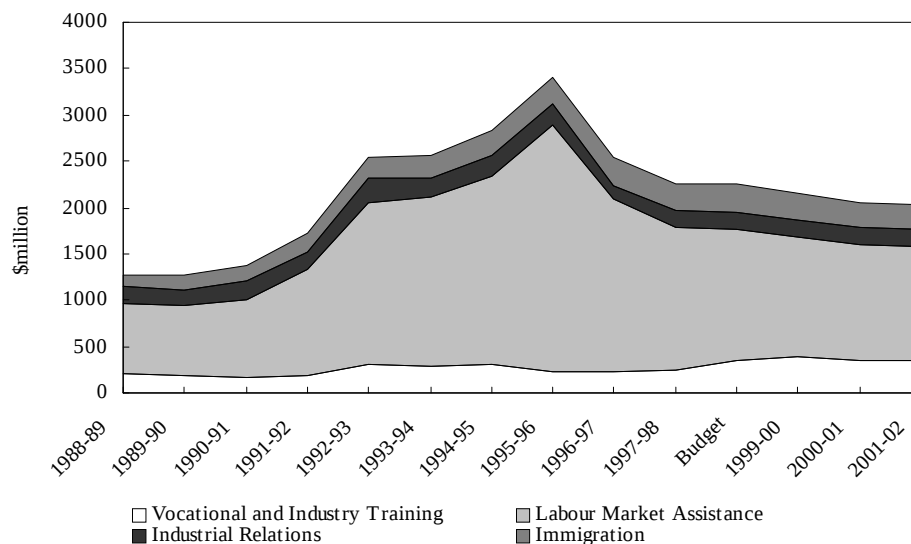
NATURE OF OUTLAYS

Outlays on Labour and Employment are mainly for training and employment assistance, facilitation of migration and temporary entry into Australia, workplace relations and the operation of associated Commonwealth agencies. Labour and Employment affairs of a particular industry are generally classified to the function which the industry serves.

This function includes outlays of the following portfolios:

- Employment, Education, Training and Youth Affairs;
- Workplace Relations and Small Business;
- Immigration and Multicultural Affairs; and
- Veterans' Affairs.

Chart 1. Overview of Commonwealth Outlays on Labour and Employment Affairs (1989-90 Prices)



TRENDS IN LABOUR AND EMPLOYMENT OUTLAYS

Outlays on Labour and Employment rose between 1989-90 and 1995-96. That increase in outlays reflected a number of policy initiatives implemented in response to the increase in unemployment at the beginning of the 1990s.

The declining trend in outlays from 1995-96 and over the budget and forward years reflects a reduction in and tighter targeting of outlays on labour market assistance to the unemployed, in the light of evidence that a large proportion of outlays were not very effective in reducing unemployment. The tighter targeting is being combined with greater emphasis on other strategies for reducing unemployment, including improved economic management, economic settings which encourage small business, structural reform and reforms to industrial relations arrangements.

1998-99 AND FORWARD ESTIMATES

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
13B.1 Vocational and Industry Training	\$m	286.0	422.5	477.0	431.2	444.8
	%		47.7	12.9	-9.6	3.2
13B.2 Labour Market Assistance to Jobseekers and Industry	\$m	1819.4	1707.3	1609.4	1602.1	1623.2
	%		-6.2	-5.7	-0.5	1.3
13B.3 Workplace Relations	\$m	203.6	228.1	225.7	225.5	223.9
	%		12.0	-1.1	-0.1	-0.7
13B.4 Immigration	\$m	347.6	379.3	353.6	359.6	364.6
	%		9.1	-6.8	1.7	1.4
TOTAL	\$m	2656.7	2737.2	2665.7	2618.4	2656.4
	%		3.0	-2.6	-1.8	1.5

13B.1 VOCATIONAL AND INDUSTRY TRAINING

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Entry Level Training	\$m	228.1	368.2	419.3	389.4	403.0
	%		61.4	13.9	-7.1	3.5
Skills Training	\$m	57.9	54.2	57.8	41.8	41.8
	%		-6.4	6.6	-27.7	na
TOTAL	\$m	286.0	422.5	477.0	431.2	444.8
	%		47.7	12.9	-9.6	3.2

Outlays cover support for training in skills aimed at improving the productivity and competitiveness of Australian industry. Outlays on vocational education and training (mainly relating to the national Technical and Further Education (TAFE) system) are recorded under 4. *Education*.

Entry Level Training

These programmes aim to develop vocational skills and improve access to training by providing wage subsidies and incentive payments to employers and allowances to individuals. They also fund pre-apprenticeship/traineeship training, group training arrangements, and activities to increase links between schools, TAFE and employers.

Skills Training

Outlays under these programmes are directed at furthering the professional development of teachers and trainers in the vocational education sector, increasing the level and quality of skills training undertaken by industry and promoting training reform. They also provide funding for language and literacy training in the workplace, the national network of tripartite Industry Training Advisory Bodies and training reform projects.

13B.2 LABOUR MARKET ASSISTANCE TO JOB SEEKERS AND INDUSTRY

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Assistance to Job seekers and Industry	\$m	1755.9	1661.6	1576.3	1575.8	1596.4
	%		-5.4	-5.1	na	1.3
Aboriginal Employment Assistance	\$m	63.5	45.8	33.1	26.3	26.7
	%		-27.9	-27.7	-20.5	1.5
TOTAL	\$m	1819.4	1707.3	1609.4	1602.1	1623.2
	%		-6.2	-5.7	-0.5	1.3

Outlays cover a range of activities to improve the employment prospects of unemployed people, including the fees paid to organisations contracted by the Commonwealth to deliver employment services under the new Job Network arrangements.

Assistance to Job seekers and Industry

As foreshadowed in the 1996-97 Budget, new arrangements for delivering labour market assistance to job seekers were introduced during 1997-98. Centrelink, formerly known as the Commonwealth Services Delivery Agency was established on 1 July 1997 within the Social Security portfolio. The Job Network which comprises private, public and community based organisations contracted by the Commonwealth government to provide employment services to job seekers was established on 1 May 1998 and is funded from within the Employment, Education, Training and Youth Affairs portfolio.

Centrelink delivers income support payments, childcare assistance, student assistance and the registration, assessment and referral services formerly provided by the Commonwealth Employment Service (CES) (see 6.9 *General Administration*). The Department of Employment, Education, Training and Youth Affairs purchases services on behalf of job seekers from the market and Centrelink.

The Job Network is a competitive employment services market in which service providers place job seeker clients in jobs. Employment National Ltd (a wholly owned Commonwealth company) competes in a market of some 300 private and community sector providers. Providers are able to tailor assistance to suit the employment needs of particular clients and their payment is heavily dependent on placing clients in real jobs.

In addition to the Job Network, labour market programmes include the employment strategies element of the Training for Aboriginal and Torres Strait Islanders programme, the Advanced English for Migrants programme, the Regional Assistance programme, the Work for the Dole scheme (which is to be expanded to provide up to 25,000 places per annum from 1998-99) and the new Literacy and Numeracy programme for young people who are subject to mutual obligation requirements.

Aboriginal Employment Assistance

The Training for Aboriginals and Torres Strait Islanders programme provides subsidies for work experience and on-the-job training in the public and private sectors and formal training through vocationally oriented courses, with the aim of increasing the level of permanent employment for Aboriginals and Torres Strait Islanders.

13B.3 WORKPLACE RELATIONS

		1997-98	1998-99	1999-00	2000-01	2001-02
		Estimate	Budget	Estimate	Estimate	Estimate
Workplace Relations Development and Advice	\$m	75.0	78.8	74.1	73.4	71.3
	%		5.1	-6.0	-0.9	-2.9
Aust Industrial Relations Commission & Aust Industrial Registry	\$m	42.2	40.6	40.9	41.3	41.7
	%		-3.8	0.7	1.0	1.0
Special Industry Services	\$m	71.0	93.4	93.4	93.4	93.4
	%		31.5	na	na	na
Trade Union Training	\$m	-3.1	-	-	-	-
	%		-100.0	na	na	na
Occupational Health and Safety	\$m	18.5	15.4	17.3	17.4	17.6
	%		-16.8	12.3	0.6	1.1
TOTAL	\$m	203.6	228.1	225.7	225.5	223.9
	%		12.0	-1.1	-0.1	-0.7

Workplace Relations Development and Advice

Most of the outlays of this subfunction are costs incurred by the Department of Workplace Relations and Small Business in providing policy advice and assistance on industrial relations matters to departments and agencies, and in advising the Government on, and promoting and implementing, its industrial relations policies.

Australian Industrial Relations Commission and Australian Industrial Registry

Outlays under this subfunction encourage the making of agreements between employers and employees at the workplace and enterprise level, ensure a safety net of fair minimum wages and conditions and, where necessary, prevent and settle industrial disputes as far as possible by conciliation and, when appropriate and within specified limits, by arbitration.

Special Industry Services

This subfunction covers special funding and levy arrangements for employee entitlements in the stevedoring and coal mining industries. The winding up of the Stevedoring Industry Finance Committee is expected to be completed in 1998-99. The estimates have increased from 1998-99 onwards by \$25.0 million per annum for payments in connection with reform or restructuring under the proposed *Stevedoring Levy (Collection) Act 1998*.

Trade Union Training

This subfunction covers the operation of the Australian Trade Union Training Authority which was abolished in 1996 when Schedule 18 of the *Workplace Relations and Other Legislation Amendment Act 1996* was proclaimed. Its assets are to be sold in late 1997-98.

Occupational Health and Safety

This subfunction covers the operation of the National Occupational Health and Safety Commission (NOHSC) which aims to improve Occupational Health and Safety (OHS) performance by leading and coordinating strategic alliances at national and jurisdictional

levels to help industries improve their OHS performance. NOHSC's activities add value to the efforts of the jurisdictions, and integrates the needs of small business into its work.

13B.4 IMMIGRATION

Outlays on this subfunction cover those activities of the Department of Immigration and Multicultural Affairs (DIMA) concerned with management of the Migration and Humanitarian Programmes, temporary entry, entry facilitation, compliance activity and citizenship. Other DIMA outlays associated with migrant settlement are covered under *4.4 Student Assistance* and *6.7 Other Welfare Programmes*.

The Migration Programme covers settler arrivals entering Australia on the basis of family reunion or contribution to the economic development of Australia. Temporary residence policy seeks to facilitate the entry, for a maximum stay of four years, of people who can contribute to the economic and cultural development of Australia. This allows for the entry of, amongst others, skilled persons, sports men and women, entertainers and working holiday-makers. Other entry of people for short periods is for purposes such as tourism, business and family visits.

Australia also considers applications for refugee status from people in other countries (the Humanitarian Programme) and from people already in Australia. Australia responds to humanitarian concerns about, and the special needs of, people suffering discrimination or displacement.

People entering Australia, whether temporarily or permanently, are expected to comply with Australian migration laws. To encourage compliance a range of actions are taken to encourage voluntary compliance, investigate malpractice and, where necessary, remove unlawful non-citizens who have no claim to remain in Australia.

13C. OTHER ECONOMIC AFFAIRS, NEC

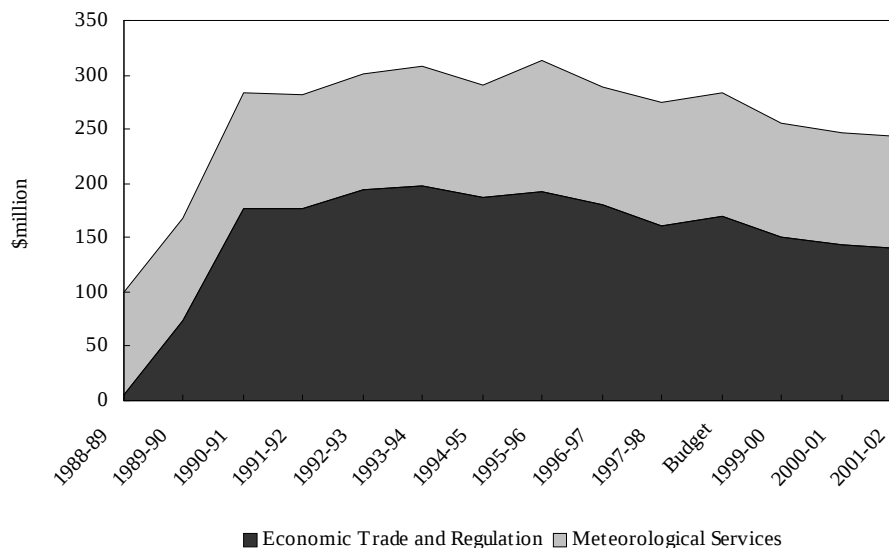
NATURE OF OUTLAYS

This function covers economic services provided by the Commonwealth which are not included in other function classifications. Outlays mainly comprise the operational costs of a number of advisory or regulatory agencies and various other agencies including the Bureau of Meteorology.

This function includes outlays of the following portfolios:

- Treasury;
- Industry, Science and Tourism; and
- Environment.

Chart 1. Overview of Commonwealth Outlays on Other Economic Affairs, nec (1989-90 Prices)



TRENDS IN OUTLAYS ON OTHER ECONOMIC AFFAIRS, NEC

The increase in outlays in 1990-91 reflects the establishment of a national scheme for the regulation of companies, and the securities and futures markets which are administered by the Australian Securities Commission (ASC). The fall in outlays, after 1995-96, is mainly due to reduced plant and equipment spending by the ASC and increased cost recovery of ASC services. Outlays decline from 1996-97 as a result of administrative savings in the ASC and the Productivity Commission, and restructuring of the Australian Government Analytical Laboratories. The peak in 1998-99 reflects the establishment

costs of the Australian Securities and Investments Commission, which will replace the Australian Securities Commission, and a carryover by IP Australia (formerly the Australian Industrial Property Organisation) of an operating surplus from 1997-98.

1998-99 AND FORWARD ESTIMATES

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
13C.1 Economic and Trade Regulation	\$m	188.6	205.1	186.1	182.4	182.8
	%		8.7	-9.3	-2.0	0.2
13C.2 Meteorological Services	\$m	133.2	136.7	129.7	130.5	132.9
	%		2.6	-5.1	0.6	1.8
TOTAL	\$m	321.7	341.8	315.9	312.9	315.7
	%		6.2	-7.6	-0.9	0.9

13C.1 ECONOMIC AND TRADE REGULATION

		1997-98 Estimate	1998-99 Budget	1999-00 Estimate	2000-01 Estimate	2001-02 Estimate
Productivity Commission	\$m	26.6	19.9	19.9	21.0	21.1
	%		-25.2	na	5.5	0.5
Trade Practices and Consumer Affairs	\$m	42.6	40.0	39.9	40.2	39.1
	%		-6.1	-0.3	0.8	-2.7
Regulation of Companies & Securities	\$m	84.5	93.5	83.7	81.0	85.0
	%		10.7	-10.5	-3.2	4.9
Other	\$m	34.8	51.7	42.7	40.2	37.6
	%		48.6	-17.4	-5.9	-6.5
TOTAL	\$m	188.6	205.1	186.1	182.4	182.8
	%		8.7	-9.3	-2.0	0.2

Productivity Commission

On 16 April 1998 Royal assent was given to legislation to establish the Productivity Commission (PC). The PC has been created by merging the Industry Commission (IC), the Economic Planning Advisory Commission (EPAC) and the Bureau of Industry Economics. The PC's role is to promote public understanding of productivity issues and its main functions encompass public inquiries commissioned by the Government, research projects, performance monitoring, benchmarking and business regulation review.

Trade Practices and Consumer Affairs

This item provides for the running costs of the Australian Competition and Consumer Commission (ACCC). The ACCC is the major enforcement and consumer protection body responsible for the enforcement of the *Trade Practices Act 1974* and the *Prices Surveillance Act 1983*. Outlays also include the running costs of the Bureau of Consumer Affairs.

Regulation of Companies and Securities

Outlays are dominated by the operating costs of the Australian Securities Commission (ASC). During 1998-99 the ASC will be replaced by the Australian Securities and Investments Commission, which will be responsible for regulating market integrity and consumer protection. Also included is a grant to the Australian Accounting Research

Foundation, and the operating costs of the Australian Accounting Standards Board and the Companies and Securities Advisory Committee.

Other

This item covers the operations of several Commonwealth organisations. It includes the Commonwealth's contribution to the following standards organisations: the National Association of Testing Authorities; Standards Australia; and the National Standards Commission. It also includes Commonwealth funding of the Australian Surveying and Land Information Group, Australian Government Analytical Laboratories, IP Australia and the National Competition Council.

13C.2 METEOROLOGICAL SERVICES

This subfunction covers the running costs of the Bureau of Meteorology (BOM) and the Ionospheric Prediction Service (IPS), net of recoveries for services. BOM provides a range of weather and climate data, monitoring, forecasting, and warning information as well as advisory services for the general public and specialist users, such as the aviation industry and the defence force. It also undertakes research into the nature and mechanisms of the Australian and southern hemisphere climate, including greenhouse research. The IPS predicts the state of the ionosphere for users of radio communications systems, including for the defence force and telecommunications organisations.