

# Federal Budget 2000

A review by senior staff of ALIA National Office

*In a nutshell: a budget surplus of \$2.8 billion, heavily reliant on a cash injection of \$2.6 billion from the sale of the new mobile telephone spectrum. Reduced (but still robust) GDP growth of 3.75 per cent. GST-fuelled inflation rising to 5.25 per cent. A \$1.8 billion program of expenditure on regional and rural Australia, featuring health and education initiatives. A \$2 billion apprenticeship scheme. A small, \$124 million increase in funding for universities and higher education.*

## What's in it for libraries?

While the shadow treasurer may describe this budget as a 'phoney' — a good pun if ever there was one — it is all only too real for libraries. The implementation of the New Tax System from 1 July moves libraries into the position of tax collectors for the goods and services tax and withholding tax. This role shift brings with it new administrative and reporting requirements. It also has the potential to change the nature of many of the resource-sharing arrangements which have served the sector well for many years. The treasurer's delight in reducing public debt to seven per cent of GDP is of little comfort to libraries as they watch their purchasing power decrease and existing or potential budget deficits increase as the value of the Australian dollar erodes against the American dollar. On a more positive note, funding for research as

well as literacy and numeracy programs is ongoing.

## Retirement policy

GST poses enough planning questions for employees close to retirement, so the absence of any changes to superannuation rules will be welcomed by most older workers. For superannuation, the year's most significant event will be the super guarantee levy rise from seven per cent to eight per cent from 1 July 2000.

## Book Industry Assistance Plan

At the program level, the Department of Communications, Information Technology and the Arts will receive a total of \$47.2 million over four years, to administer a number of components of the Book Industry Assistance Plan. 2000–2001 will see the long-awaited introduction of the Educational Lending Right scheme (ELR). Eight million dollars is provided in the financial year for payments to eligible publishers, authors, editors, illustrators, compilers and translators in recognition of their literary contribution and to acknowledge that income is lost from the free multiple-use of their books in educational libraries. The ELR scheme builds on the existing Public Lending Right scheme.

The Association is a member of the steering committee for a campaign administered by the Australia Council to promote books, reading and literacy. Funding of \$2 million a year over four years will be provided.

The Plan also includes an allocation of \$300 000 to contract the Australian Bureau of Statistics to collect annual statistics on book publishing and retail sales over this four-year period.

## National cultural institutions

Australia's national cultural institutions will receive a total funding package of more than \$500 million for this financial year. The government has allocated \$1.6 million over the next four years for the National Archives of Australia to make the official papers of former prime ministers more accessible to the public.

## Education

Within the \$461 million allocated to


research, infrastructure and research training, initiatives include: continuation of the Strategic Partnerships with Industry — Research and Training (SPIRT) Scheme to improve links between universities and industry; \$10 million per annum from 2001 for projects addressing rural and regional issues; annual funding from 2001 to the Research Infrastructure Equipment and Facilities (RIEF) Scheme.

A National Biotechnology Strategy will be funded over four years from the Industry, Science and Resources budget to assist commercialisation of Australian biotechnological research, gene technology research and other initiatives. The Australian Student Traineeship Foundation which assists work placements for students undertaking vocational training while at school has been extended for another four years. The Jobs Pathway Programme which provides a broad range of support, including literacy and numeracy training, to prevent 'at risk' young people from becoming unemployed will receive \$10.3 million in funding for 2000–2001.

## Information technology for all?

The digital push is all-pervasive, but the methods by which governments around the world promote such activity (through auctions of the various spectra) is of some concern to countries with a high level of investment in communications per capita. Australia, with not only great physical distances between communities, but also vast distances between us and our neighbouring countries, must have highly-efficient and competitive communication infrastructures to help drive the information economy on which we will thrive. Extracting top dollar values from the auctioning of spectra may be seen as pork-barrelling from a purely cynical perspective, yet these funds — windfall or not — could have been used to improve the overall quality of communication services that Australians will need to remain globally competitive.

A more detailed, in-depth report is available through ALIANet at this URL: <http://www.alia.org.au/publications/budget.2000.html>. ■



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