



Section 2

Performance review

Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy.

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Overview

What we do

The Department seeks to encourage a vibrant, sustainable and internationally competitive communications sector. It provides advice on policy and regulation to support the market to sustain a communications sector that meets the ongoing needs of Australian consumers and business. We also administer programs to help with the communications needs of Australians living in regional, rural and remote areas.

The Department facilitates the safe participation of individuals and businesses in the digital economy. By investing in the development of innovative uses of digital technologies, for example, through National ICT Australia and the Clever Networks program, we are helping to grow the digital economy in Australia.

The Department also provides advice on broadcasting policy and regulation and is managing the transition to digital television.

What this chapter covers

This chapter reports on the performance of the Department's policies and programs relating to:

- › broadband and the digital economy
- › telecommunications and postal services
- › broadcasting, radio frequency spectrum and switchover to digital television.

Performance is measured against the success measures in the Department's 2007–08 Portfolio Budget Statements (PBS) and Portfolio Additional Estimates Statements (PAES).

To provide a clear read of the Department's achievements in these three key areas, the following output indicators have been merged and reported in the body of this section:

- › policy and ministerial support
- › client consultation which enhanced relationships with key stakeholders
- › research contribution which helped to inform policy development and program design and delivery
- › program administration
- › compliance with standards and better practice.

Indicators relating to timeliness of the delivery of Parliamentary reports, questions from Parliament and correspondence and client satisfaction, measured through the Department's annual client satisfaction survey, are addressed at the end of this performance chapter.

OUR PERFORMANCE FOR 2007–08

Broadband and the digital economy

The digital economy is the global network of economic and social activities that are enabled by information and communications technologies (ICTs), particularly the internet. It includes commercial transactions, personal dialogue, information, entertainment and delivery of services using the internet.

Promoting the digital economy is important to realising productivity gains throughout the economy, to develop innovative services and business models, and to better integrate metropolitan and regional economies, and the Australian economy with the global economy. Digital economy applications can also help address long-term national challenges such as health and climate change.

In April 2008, the Australian Government convened the 2020 Summit at Parliament House in Canberra to help shape a long-term strategy for the nation's future. Two key ideas from the Summit specifically reinforce the importance of broadband and the digital economy:

- › 'Broadband access for remote, rural and regional Australia'
- › 'Building and enabling the use by all Australians of a world class broadband system to foster full participation in the digital economy'.

To progress the second of these in particular, the Department has commenced a detailed stakeholder consultation program, culminating in a Digital Economy Forum on 10 September 2008, and a research program to benchmark Australia's digital economy performance by industry sector.

In the first half of 2008, the Department coordinated the Australian Government's contribution to the Organisation for Economic Cooperation and Development's (OECD) Future of the Internet Economy Ministerial Meeting and the Korea Australia New Zealand Broadband Summit. A key outcome from this meeting was the adoption of a Ministerial Declaration which will enhance the Australian Government's communications and digital economy objectives, and support greater international collaboration in cyber-safety and cyber-security. Further information about the Department's international activity can be found at page 61.

The aim of policies and programs in this area is to help grow the digital economy in Australia by:

- › facilitating the increased availability of faster and more affordable broadband infrastructure and services across Australia
- › building skills and capacity to broaden and deepen use of innovative online applications
- › helping consumers and businesses to participate more confidently in the digital economy.

INCREASED AVAILABILITY OF FASTER BROADBAND

Widespread availability of high-speed broadband is crucial to growing the digital economy. In December 2007, there were 5.22 million broadband subscribers in Australia (see figure 2.1). Of these, 73 per cent used Digital Subscriber Line (DSL) connections¹. The figures 2.1 and 2.2 demonstrate the rapidly increasing take-up of broadband in Australia, with the table demonstrating that a significant proportion of new broadband subscribers have migrated from dial-up services. The graph demonstrates that most of this increased broadband take-up relates to new residential connections.

This rapid increase in take-up of broadband highlights the strong demand for broadband within the Australian economy and society. However, the speed of broadband available is still slow by OECD standards and prices are high. It is against this background that the Australian Government has committed to the implementation of a National Broadband Network.

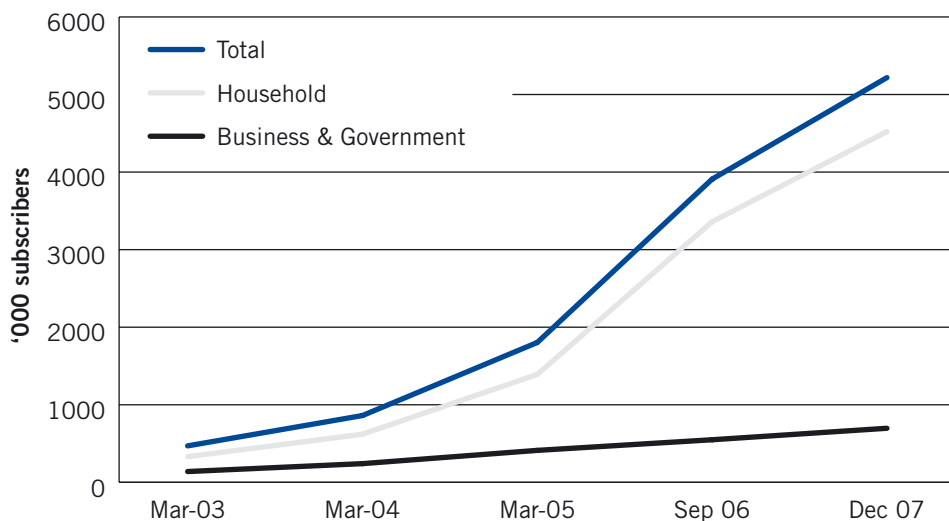
FIGURE 2.1 INTERNET SERVICES IN AUSTRALIA, MARCH 2005, SEPTEMBER 2006 AND DECEMBER 2007²

	March 2005	September 2006	December 2007
Internet subscribers (million)	5.98	6.65	7.10
Dial-up subscribers (million)	4.18	2.75	1.89
Broadband (256kbs or greater) (million)	1.80	3.91	5.22
Number of Internet Service Providers	689	467	421

1 Source: ABS, *Internet Activity*, Australia, December 2007, Cat. No. 8153.0, 2008.

2 Sources: ABS, *Internet Activity*, Australia, March 2005, Cat. No. 8153.0, 2005; ABS, *Internet Activity*, Australia, September 2006, Cat. No. 8153.0, 2007; ABS, *Internet Activity*, Australia, December 2007, Cat. No. 8153.0, 2008.

FIGURE 2.2 NON-DIAL-UP SUBSCRIBERS—BUSINESS AND GOVERNMENT, AND HOUSEHOLD, AUSTRALIA, 2003 TO 2007³



During 2007–08, the Department focused on four main programs to increase the availability of faster broadband (these are in addition to the Digital Education Revolution in the Education, Employment and Workplace Relations portfolio):

- › National Broadband Network
- › Australian Broadband Guarantee
- › Coordinated Communications Infrastructure Fund
- › Broadband Connect Infrastructure Fund.

National Broadband Network

The Australian Government's commitment to provide up to \$4.7 billion, and consider regulatory changes necessary to facilitate the roll-out of a National Broadband Network has been a major focus for the Department.

The National Broadband Network will be one of the largest infrastructure projects ever undertaken in Australia. The Australian Government's objectives for the network include that the network will:

- › deliver minimum downlink speeds of 12 megabits per second to 98 per cent of Australian homes and businesses
- › enable uniform national retail prices
- › be based on fibre to the premises or fibre to the node architecture.

³ Sources: ABS, *Internet Activity, Australia*, March 2005, Cat. No. 8153.0, 2005; ABS, *Internet Activity, Australia*, December 2007, Cat. No. 8153.0, 2008.

CASE STUDY

Harnessing the potential of broadband

Broadband is a key enabler for the digital economy. It is critical to the delivery of private and public sector services and has applications in education, health, community and other key areas. Governments of all levels need to work together to realise the full potential of broadband.

This was a key agenda item for the 15th meeting of the Online and Communications Council held at Parliament House in Canberra on 21 May 2008. The Minister for Broadband, Communications and the Digital Economy, Senator the Hon Stephen Conroy, chaired the meeting which focused on the future development and use of broadband in Australia. The meeting was attended by Australian, state and territory government ministers and the Australian Local Government Association.

The meeting acknowledged the potential of broadband to change people's lives, with members agreeing on a number of key initiatives. For the first time, all Australian governments are cooperating to develop a national broadband framework, promoting collaboration on broadband between all tiers of government and helping to guide future programs and activities. The framework will position Australia as a competitive and innovative knowledge-based economy.

Members welcomed and supported the Australian Government's commitment of up to \$4.7 billion to implement the National Broadband Network, acknowledging that it is the largest commitment ever made by an Australian Government in developing broadband infrastructure. The network provides a unique opportunity to establish high-speed broadband infrastructure, as well as a platform for the future development and use of broadband in Australia.

Members also agreed to a new Building on Broadband initiative that will support a small number of strategically focused broadband projects. The initiative will seek to harness broadband capabilities and support the innovative delivery of health, education, government, community and emergency services in regional, rural and remote parts of Australia. It will extend existing applications, technology and/or learnings from the current Clever Networks program into another jurisdiction or service sector.

In line with the requirements of the Council of Australian Governments, members agreed to a review of the Online and Communications Council in 2008. The review will examine the Council's future role, strategic direction and priorities. Members recognised that undertaking the review at this time is particularly opportune, given the new communications landscape in Australia.



Participants of the 15th meeting of the Online and Communications Council held at Parliament House in Canberra on 21 May 2008 (L-R): The Hon Robert Swarten MLA, representing the Queensland Government; The Hon Matthew Thomas Bonson MLA, representing the Northern Territory Government; Mr Jon Stanhope MLA, Chief Minister of the Australian Capital Territory; Senator the Hon Stephen Conroy (Chair), Minister for Broadband, Communications and the Digital Economy, representing the Australian Government; The Hon Michael Aird MLC, representing the Tasmanian Government; Councillor Paul Braybrooks, representing the Australian Local Government Association; The Hon Eric Roozendaal MLC, representing the NSW Government; Ms Jaye Radisich MLA, representing the Western Australian Government. Absent: The Hon Theo Theophanous MLC, representing the Victorian Government; The Hon Paul Caica MHA, representing the South Australian Government; The Hon Lindsay Tanner MP, Minister for Finance and Deregulation.

The Government has established a competitive assessment process to select a preferred proponent to roll-out and operate the National Broadband Network. The Department has established a rigorous, transparent and accountable process to maximise competition. Key milestones have included:

- › the appointment of a Panel of Experts on 11 March 2008 to oversee the request for proposals process and evaluate proposals once received.
- › the appointment of specialist advisors in the areas of probity, commerce, law, economic regulation and technology.
- › public consultations on regulatory issues associated with the National Broadband Network, resulting in 82 submissions which were made available on the Department's website and provided to the Panel of Experts, and to proponents. They are also used in ongoing policy development by the Department.
- › public consultation on policy and funding initiatives to provide enhanced broadband to rural and remote areas, including the two per cent of homes and businesses which may not be covered by the National Broadband Network. This has resulted in 29 submissions that were made available on the Department's website and a further seven submissions submitted on an in-confidence basis. Copies of the submissions have been provided to the Regional Telecommunications Independent Review Committee.
- › pre-qualification of proponents through the lodgement of a Bond and Confidentiality Deed by 23 May 2008.
- › conduct of bilateral meetings with pre-qualified proponents.
- › passage of legislation—the Telecommunications Legislation Amendment (National Broadband Network) Bill 2008, which received Royal Assent on 26 May 2008—to enable network information required for the National Broadband Network process to be provided to proponents and for it to be appropriately safeguarded.
- › consultation with industry on the provision of network information.

Key government stakeholders are also kept involved through regular National Broadband Network Inter-departmental Committee meetings, chaired by the Department.

The Panel of Experts will report to the Government on its assessment of proposals early in 2009.

Australian Broadband Guarantee

The Australian Broadband Guarantee provides Australian residential and small business premises with access to metro-comparable broadband services where these services would not otherwise be available.

In May 2008, the Government announced an extension of the Australian Broadband Guarantee until 2012, making a further \$270.7 million available for

the program over the next four years. Revised guidelines for the new Australian Broadband Guarantee commencing in 2008–09 were developed in consultation with industry and consumer groups.

Key changes and enhancements to the new program include:

- › subsidies of up to \$2500 per premises connected to upgrade existing commercial services where justified
- › special payments of up to \$6000 per premises connected in exceptional circumstances where there are very high costs associated with providing the service
- › enhanced consumer protections including restrictions on charging for excess data used and a requirement for standardised customer contracts.

The Broadband Service Locator, a tool that assists consumers locate a suitable broadband provider in their area, was also further enhanced in response to consumer and provider feedback.

FIGURE 2.3 AUSTRALIAN BROADBAND GUARANTEE⁴

Performance indicators	Results
EFFECTIVENESS	
Broadband coverage is available to all residential and small business premises across Australia.	The Australian Broadband Guarantee (ABG) has enabled access to metro-comparable broadband services across Australia.
QUANTITY	
Number of program services taken up.	A total of 37 488 connections were subsidised during 2007–08. The Department forwarded 75 931 information packs to consumers who had registered on the Broadband Service Locator, including those identified as being able to access a commercial service.
Number of information packs sent to registered consumers.	A significant number of people receiving an information pack use the advice to identify and sign up with commercially available broadband services while those without such access are sent relevant forms to enable them to apply for an ABG service. Assistance provided through use of the Broadband Service Locator is set out in the case study, Looking for broadband? on page 30.

4 The performance indicators for this program have been updated. The indicators in the Department's 2007–08 Portfolio Additional Estimates Statements were linked to a program which the Department no longer administers.

QUALITY

Compliance by providers with service and program requirements.

In 2007, the Australian National Audit Office (ANAO) issued a report titled Management of the Higher Bandwidth Incentive Scheme and Broadband Connect Stage 1. This program was one of the predecessors of the Australian Broadband Guarantee. The Department has implemented the recommendations from this report, including checking duplicate claims and recovery action where necessary. As at 30 June 2008 the Department had recovered \$306 460 of the \$462 000 of duplicate claims identified by the ANAO. The Department has strengthened program guidelines and administrative processes to address compliance issues raised in the report.

The Department undertook routine audits of five out of 16 Australian Broadband Guarantee providers, with satisfactory results. All 16 providers have submitted their half-year reports.

Complaints received by the Department.

Between July 2007 and June 2008, the Department received 30 196 consumer calls on the 1800 Freecall number. Of these, 29 412 calls related to requests for information about accessing broadband services and eligibility under the Australian Broadband Guarantee. A further 784 calls were consumer complaints relating to connection delays or quality of service issues, all of which were subsequently resolved.

COST

Administered expenses of \$84.9 million were incurred in 2007–08.

Regional Telecommunications Inquiry Response— Coordinated Communications Infrastructure Fund

The Coordinated Communications Infrastructure Fund (CCIF) program is part of the National Broadband Strategy. Funding of \$20.9 million was provided over four years to fund infrastructure projects to improve broadband capability for the delivery of health, education and government services in regional communities.

Projects funded through the CCIF have delivered high-speed bandwidth to health and educational institutions, businesses, local government, Indigenous and community groups in regional and rural areas. All project activities under the program were completed before 30 June 2008.

FIGURE 2.4 COORDINATED COMMUNICATIONS INFRASTRUCTURE FUND

Performance indicators	Results
EFFECTIVENESS	
Co-development of broadband infrastructure in Australian communities.	All 13 CCIF projects involved co-development. For example, one project developed with the NSW Government provided a satellite network extension to an existing interactive service to deliver NSW TAFE courses to 175 isolated homesteads, 150 remote schools and 15 rural Indigenous communities.
QUALITY	
Extent to which Australian Government program funds are leveraged by investments from other tiers of government and industry to increase choice and reduce costs of broadband services.	The CCIF funding guidelines required co-funding on at least a one-to-one basis. Australian Government funding of \$20.9 million (allocated across two CCIF funding rounds in April 2004 and April 2005) leveraged investment from other tiers of government and industry of \$43.5 million (more than double the CCIF allocation).
QUANTITY	
Number of co-funded infrastructure projects.	All CCIF projects were co-funded. All project activities are now complete, resulting in 13 high-speed broadband networks improving health, education, business, local government, Indigenous and community services delivery in regional and rural areas.
COST	
	Administered expenses of \$4.6 million were incurred against this program in 2007–08. In addition, \$382 000 of Telstra Social Bonus—Building Additional Rural Networks funding was spent under this program. ⁵

⁵ The remainder of the Telstra Social Bonus—Building Additional Rural Networks funding (\$4.4 million) was returned to consolidated revenue.

CASE STUDY

Looking for broadband?

Australians are relying more and more on broadband internet for a whole range of services, both in business and at home. However, it can be hard to know where to start when it comes to choosing a supplier for a home or small business connection.

To take the confusion out of finding a provider, we have developed an online service to help you work out what your options are for accessing a broadband service. The Broadband Service Locator combines information from ADSL, cable and wireless providers and advanced geospatial technology to suggest which providers can provide a service at any given address. If there are no commercial services available there yet, the locator tells you about your choices under the Australian Broadband Guarantee (ABG).

Not all broadband services cost the same. The service locator helps you out by grouping service providers according to speed, data allowance and price:

- › Category A service providers can supply services that reflect the minimum standard of service that is taken up in most urban areas (that is, metro-comparable services). They must be commercial services that have a minimum download speed of 512kb/sec, an upload speed of 128kb/sec, a monthly data allowance of 1GB, and a total cost of \$2500 or less over three years, including all equipment and installation.
- › Category B providers offer terrestrial metro-comparable services and other services combined with support subsidies under the Australian Broadband Guarantee.
- › Category C groups together subsidised satellite service providers that are available across Australia to eligible customers who do not have access to a terrestrial metro-comparable broadband service.

Other providers whose services do not meet the metro-comparable combination of speed, data allowance and price are also included in another category.

The Broadband Service Locator provides interactive maps locating all addresses. However, address locations in rural and remote areas are not always accurate, so you can use the interactive map to move the address point to the location you know is correct. If you live on a rural property, you can enter the name of your property. Then the locator re-analyses the map and updates the list of providers available at that location. If you have a hand-held geo-positioning device, you can enter your latitude and longitude to be certain the location is correctly identified.

The Broadband Service Locator gives you an entry point to services provided by registered Australian Broadband Guarantee providers. If the locator tells you that the only services available to you that are metro-comparable are those that are subsidised under the ABG, you can register with the ABG through the service locator and all the paperwork you need to apply for a subsidised service will be sent to you.

For more information about the Broadband Service Locator, go to <http://bcoms.dbcde.gov.au/BSL> or visit the Australian Broadband Guarantee page at www.dbcde.gov.au/abg.



Looking for broadband? Try the Broadband Service Locator!

Broadband Connect Infrastructure program

As a number of rural and remote areas were under-served in terms of their broadband services compared with metropolitan areas, the Government sought applications to support the extension of sustainable, metro-comparable broadband services into these areas. OPEL Networks was the successful applicant under this process and a funding agreement was put in place which required certain conditions to be met, including specified coverage requirements.

FIGURE 2.5 BROADBAND CONNECT INFRASTRUCTURE PROGRAM

Performance indicators	Results
EFFECTIVENESS	
The extent to which OPEL Networks delivers a wireless broadband network providing access to high speed wholesale broadband services for specified under-served areas and premises in accordance with the terms and conditions of its funding agreement.	The implementation plan submitted by OPEL Networks failed to demonstrate that it would meet the terms of the funding agreement. In particular, the plan did not achieve the required service coverage. As a result, on 2 April 2008, the Government announced that the OPEL Networks broadband project would not proceed.
QUALITY	
Services meet the service and coverage standards specified in the funding agreement.	See above.
QUANTITY	
Target: 1361 wireless base stations.	As the contract was terminated, no infrastructure was deployed.
COST	
	There was no expenditure for this program in 2007–08. Allocated funding was returned to consolidated revenue.

BUILDING SKILLS AND CAPACITY

Skills, and the capacity of businesses and consumers to make use of innovative online applications, are a key factor in enabling Australia to become a fully developed digital economy. During 2007–08, key programs in this regard included:

- › the ICT Centre of Excellence program
- › the Clever Networks program
- › IT Training and Technical support to users in rural and remote localities
- › Backing Indigenous Ability.

ICT Centre of Excellence program

This \$379 million program was announced in January 2001 and, in May 2004, was extended to 30 June 2011. Delivery of the program by National ICT Australia Ltd (NICTA) started on 20 October 2002 when a funding deed was signed. The Department provides funds jointly with the Australian Research Council.

NICTA's mission is to:

- › undertake ICT research at the highest international standard and scale
- › conduct research training through an enhanced PhD program
- › facilitate the commercialisation of research
- › forge mutually beneficial links with private sector research organisations, major corporations, small-to-medium enterprises and public sector agencies.

NICTA's core ICT research expertise has allowed it to develop and deliver practical applications, including:

- › security technology that can help to protect key infrastructure such as railway stations, bridges, ports and airports by allowing the better and more timely detection and reporting of suspicious behaviour
- › traffic control systems that minimise congestion, reduce travel times, deliver fuel savings and extend the life of road infrastructure
- › wireless control and monitoring systems that can reduce water use in farms
- › monitoring technology that can significantly improve the performance of existing optical networks and increase speed ratings without the need for large capital expenditure
- › operating systems software for mobile devices that is already being used in 3G mobile phones.

Four spin-out companies have already been created by NICTA to exploit the technologies that it has developed.

In mid-2008 the Department commenced preparations for the NICTA funding review. This review will take place in the latter half of 2008 and will assess the organisation's performance against its funding agreement including its appropriateness, effectiveness and efficiency.

FIGURE 2.6 ICT CENTRE OF EXCELLENCE PROGRAM

Performance indicators	Results
EFFECTIVENESS	
Quality and quantity of research, research training, collaboration and commercialisation.	<p>NICTA is meeting the objectives of the program by continuing to deliver high-level research, research training, collaboration and commercialisation outcomes.</p> <p>NICTA has established four companies to commercialise key aspects of its research, and has over 40 patent applications in Australia and overseas.</p> <p>NICTA is undertaking research on 35 projects in six key business areas across its research laboratories (two of which are located in Sydney and one each in Canberra, Melbourne and Brisbane), including:</p> <ul style="list-style-type: none"> > wireless telecommunications solutions > embedded systems which will generate 'smart products' of the future—from clever cars to farm management > digital audio networking systems and internet technologies. <p>At 30 June 2008 there were 301 PhD students participating in the NICTA enhanced PhD program. In 2007, 44 PhD and masters students graduated—an increase of 25 over 2006.</p> <p>NICTA maintains strong cooperative relationships and participates in joint projects with small-to-medium enterprises, research institutions in Australia and overseas, multi-national corporations, ICT users and producers. These include IBM (USA), Ericsson (Sweden), the Peter McCallum Cancer Centre (Australia), and the Nomura Research Institute (Japan).</p>
QUALITY	
Qualitative evaluation analysing performance against qualitative and quantitative milestones established in Annual Activity Plan.	<p>NICTA is required to report against a set of agreed milestones on a quarterly basis to the joint program administrators (this Department and the Australian Research Council). The milestones cover a range of activities consistent with NICTA's long-term objectives. The Department is satisfied that NICTA is meeting the requirements of its funding agreement. It achieved strong outcomes in research, research training, collaboration and commercialisation. The NICTA website at www.nicta.com.au contains details of their achievements for 2007–08 as well as their 2008 Annual Activity Plan, annual reports and research reports.</p>
QUANTITY	
Meeting of performance requirements in Annual Activity Plan.	<p>NICTA met 60 of the 69 milestones set in the Annual Activity Plan by the due date of 31 December 2007. Of the unmet milestones:</p> <ul style="list-style-type: none"> > three were completed in the first half of 2008 > two are to be completed later in 2008 > four will not be progressed in their original form due to a change of circumstances which meant that those milestones were no longer relevant.
COST	
	Administered expenses of \$26.8 million were incurred in 2007–08.

Clever Networks program⁶

The objective of the \$118.6 million Clever Networks program is to fund broadband applications and leverage investment in broadband infrastructure to foster innovative service delivery in regional, rural and remote communities.

There are two elements in the program:

- › The *Innovative Services Delivery* element co-funds projects that use broadband technologies and other facilities to help improve service delivery in the health, education, government, community, and emergency sectors.
- › The *Broadband Development* element co-funds a network of Broadband Project Managers and Broadband Project Officers to work with regional communities to enhance understanding, use of, and access to broadband.

FIGURE 2.7 CLEVER NETWORKS PROGRAM

Performance indicators

Results

EFFECTIVENESS

Extent to which co-development of innovative services delivery projects has occurred.

All projects under the Clever Networks program are developed collaboratively between the Australian Government, state and territory governments, their agencies and private sector partners.

There are 26 Innovative Services Delivery projects funded by the program in the health, education, government, community and emergency sectors. For example, one innovative project delivered by the program is Bush Medivac WA as outlined in the case study on page 38 Other examples include:

- › the Northern Territory *ShiresNet* project covering eight new shire councils, 1300 remote workers, 63 remote community service delivery centres to enable a service base of more than 52 000 mainly Indigenous Australians.
- › the Noosa and Maroochy projects with the Sunshine Coast Regional Council will provide broadband to more than 330 000 people and 38 700 businesses in the local area, generating approximately \$292 million for the local economy over the next ten years.

Building on Broadband, an initiative to extend on successful Clever Networks projects, was announced by the Minister at the 15th Online and Communications Council meeting on 21 May 2008. Key outcomes of the meeting are discussed in *Harnessing the potential of broadband* case study on page 24.

⁶ The Department's Portfolio Additional Estimates Statements refer to this program as the Connect Australia—implementation of the Clever Networks program.

QUALITY

Extent to which Australian Government program funds are leveraged by investments from other tiers of government and industry to increase services.

All Innovative Services Delivery projects are co-funded.

For every dollar of the Australian Government's \$44.8 million spent in 2007–08, project partners committed \$1.67 in cash and in-kind contributions, exceeding the requirement for matched funding.

QUANTITY

Number of Innovative Services Delivery projects and the number of Broadband Development Project Managers and Officers actively contributing to these projects.

In total, the program received 115 applications for Innovative Services Delivery projects, of which 26 were approved for funding. There were 66 Broadband Development Network applications received this financial year, of which 23 were approved for funding. The 26 Innovative Services Delivery projects funded by the program included:

- > 16 in the health and emergency sectors
- > six in the education sector
- > four in government and community sectors.

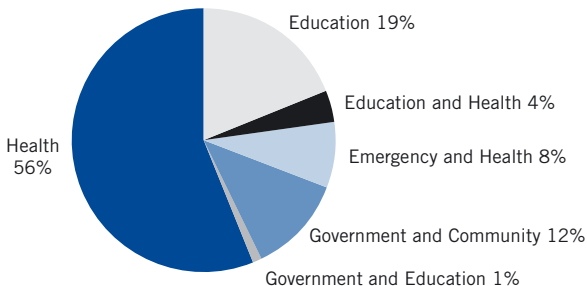
The geographical spread of Innovative Services Delivery projects is shown at figure 2.9.

The Broadband Development Network is made up of six Broadband Development Managers and 17 Broadband Project Officers. The Broadband Development Network Forum is discussed further in a case study on page 40.

COST

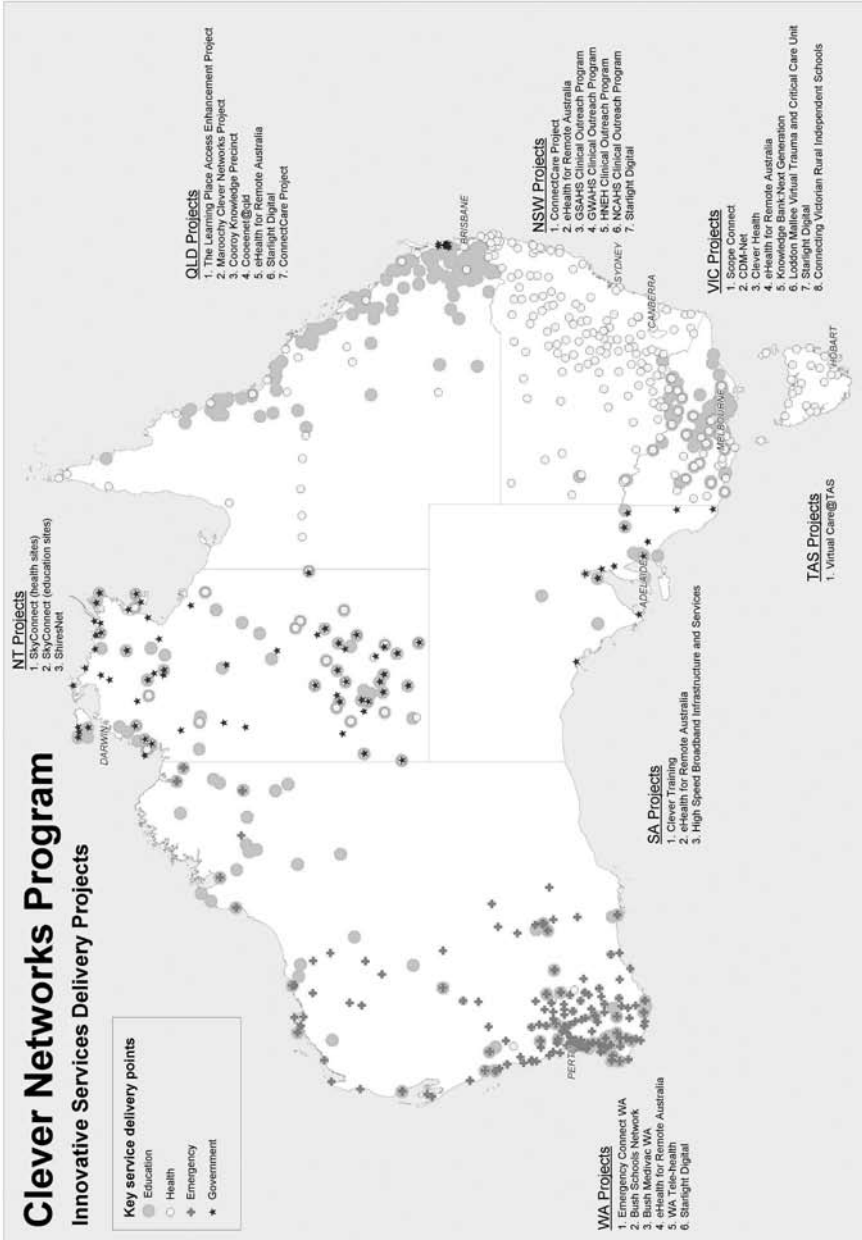
Administered expenses of \$44.8 million were incurred against this program in 2007–08.

FIGURE 2.8: CLEVER NETWORKS— INNOVATIVE SERVICES DELIVERY PROJECTS BY SECTOR AND PERCENTAGE OF FUNDING 2007–08⁷



⁷ Figure 2.8 distinguishes itself from figure 2.9 by representing the cross-sector coverage that Innovative Services Delivery projects have. The nature of the projects has meant that in many instances, they have been able to meet needs in more than just the primary target sector.

FIGURE 2.9 NUMBER AND GEOGRAPHICAL SPREAD OF CLEVER NETWORKS PROGRAM INNOVATIVE SERVICES DELIVERY PROJECTS⁸



8 This map demonstrates community locations benefiting from improved broadband services delivered by Clever Networks Innovative Services Delivery projects.

CASE STUDY

Being clever about health and emergency services

The sheer size of this country means delivering health and emergency services to remote areas is a constant challenge. Through our Clever Networks program, we have enhanced these services in rural and remote Western Australia by contributing funding to the Bush Medivac Western Australia project.

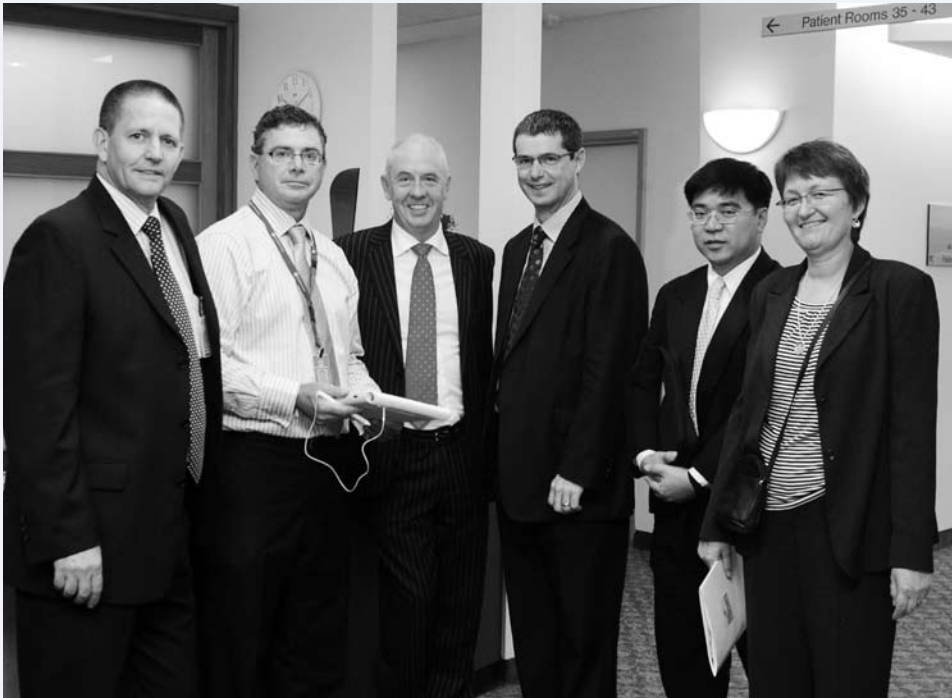
This project was launched in Bunbury, Western Australia, on 18 April 2008 by the Minister for Broadband, Communications and the Digital Economy, Senator the Hon Stephen Conroy and the Western Australian Industry Enterprise Minister, Francis Logan. The project will improve health and emergency services to Western Australians living in regional and remote areas by providing state-of-the-art terrestrial and non-terrestrial broadband network infrastructure.

The project will use innovative broadband technology applications and devices that will integrate Western Australian health and emergency service organisations' communication systems. An upgrade of their voice and data inter-communications capability will allow them to use real-time systems through broadband technology and common data protocols, enhancing their communications and coordination capabilities for day-to-day operations and in preparation for any major incidents or disasters.

The project involves two government and three non-government organisations with health and emergency services responsibilities. The communications capabilities of these organisations will be dramatically enhanced by:

- › extending voice communications into far more remote locations using terrestrial and non-terrestrial technology
- › increasing the flexibility of their data networks and inter-networking
- › using satellite technologies to extend their capacity to collect and use both broadband and narrowband data in support of emergency incident management in very remote areas.

This is just one of the 26 Innovative Services Delivery projects funded under the Clever Networks program. The Australian Government is providing \$9.28 million in funding, while the Western Australian Department of Industry and Resources and its consortium partners are contributing a further \$12.26 million.



At the launch of the WA Bush Medivac project were (L-R): Ian Smith, Regional Director of WA Country Health Service—South West; Mark Grime, Chief Executive Officer, St John of God Hospital, Bunbury; The Hon Francis Logan MLA, WA Minister for Energy, Resources, Industry and Enterprise; Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy; Anson Cheng, project manager, WA Department of Industry and Resources; and Lynne Thomson, Manager Clever Networks program

CASE STUDY

Broadband Development Network Forum

In April 2008, the Minister for Broadband, Communications and the Digital Economy, Senator the Hon Stephen Conroy, opened the inaugural Clever Networks Broadband Development Network Forum attended by Broadband Project Managers and Broadband Project Officers from across Australia.

The individuals who make up the network are making a difference to the everyday lives of regional Australians, across the country. The six Broadband Project Managers work at a state level to enhance and promote state-based strategic broadband plans and mentor the 17 Broadband Project Officers. The network oversees specific broadband projects that cover approximately 3.6 million square kilometres of Australia. The 23 individuals who make up the network have a wide reach working with groups such as emergency services, not-for-profit, Indigenous, health, education, local government, broadband suppliers, farming, tourism and community groups to help them to benefit from the effective use of broadband.

The forum was an opportunity for this unique group to share ideas and experiences including new ways to improve awareness of broadband and enhance business practices in the communities they serve. The forum and ongoing work of the network was further evidence that broadband infrastructure and face to face expertise working with regional Australians is providing social and economic benefits in communities.



Minister for Broadband, Communications and the Digital Economy, Senator the Hon Stephen Conroy at the Broadband Development Network Forum

Regional Telecommunications Inquiry Response—IT Training and Technical Support program

The objective of the IT Training and Technical Support program was to provide basic information and communications technology (ICT) training and technical support to communications users living in very remote localities of Australia where formal training programs were not accessible. The program was completed at the end of December 2007. A significant proportion of the funds were allocated to projects benefiting Indigenous communities reflecting the high proportion of Indigenous people living in very remote areas of Australia.

FIGURE 2.10 IT TRAINING AND TECHNICAL SUPPORT PROGRAM

Performance indicators	Results
Effectiveness	
Number of people in the targeted areas who have received training and technical support.	By the end of the program nearly 16 000 people in 550 very remote communities had received almost 110 000 hours of basic ICT training and/or technical support services, at an average of around seven hours per person. Of these 16 000 people, almost 7500 (or 47 per cent) were Indigenous. A case study on page 42 highlights the benefits delivered under this program.
COST	
	Administered expenses of \$1.3 million were incurred against this program in 2007–08.

CASE STUDY

IT skills improving community services

We have witnessed many success stories as a result of the \$10.1 million in funding provided under the Regional Telecommunications Inquiry Response—IT Training and Technical Support program since 2003–04. The program has delivered basic IT training and technical support to people at the greatest disadvantage due to their distance from formal training.

Some participants have built on the IT skills they have gained by going on to further study or securing employment.

Community members from Mungallala, on the border of Booringa and Murweh shires in the south west of Queensland, have enjoyed direct benefits from the funding and training they received in 2007–08. The community has a population of around 70. For some time, the Post Office had been closed because nobody in the community had the necessary computer and internet skills to keep it running.

As a direct result of the confidence and technological skills generated by the training they received under the program, Mungallala community members successfully applied to have the Post Office re-opened. The community then used the project as a catalyst to provide other services for the community, including an access point for Centrelink.

In all, nine projects were funded under the IT Training and Technical Support program, and as many as 16 000 people in 550 very remote communities will have benefited from the program.



Tom Caden at the Mungallala Post Office

Backing Indigenous Ability—internet/computers/video-conferencing element⁹

The objective of the Backing Indigenous Ability (BIA) telecommunications program is to provide remote Indigenous communities with telecommunications services.

The program has two main elements—providing a basic community access phone service (see page 51) and assistance to increase the take up of more advanced communications. During 2007–08 an applications process was completed for more advanced communications including videoconferencing, training and Indigenous online content.

FIGURE 2.11 BACKING INDIGENOUS ABILITY—INTERNET/COMPUTERS/VIDEO-CONFERENCING ELEMENT

Performance indicators	Results
EFFECTIVENESS	
Development and increased access to telecommunications services in very remote Indigenous communities where there is telecommunication deficiency.	Installation and maintenance of such equipment on a public access basis in remote Indigenous communities is a high risk proposition. A recent evaluation of a predecessor program found that only 26 to 45 per cent of such equipment remained operational for 18 months. The focus in 2007–08, therefore was on re-designing this aspect of the program to increase the prospects of long-term success. The Department has encountered considerable difficulties in finding suitable providers for the delivery of the computer/internet part of the program. This part of the program, following the non-performance of a provider, is now under review. The emphasis has been placed on the training, video-conferencing and online elements.
QUALITY	
The extent to which community members gain new information technology skills through training or use of facilities or technology.	98 remote Indigenous communities were approved to receive training in information and communications technology.
The benefit to the community from improved access to telecommunications services under the BIA telecommunications program.	Indigenous online content and/or upgraded websites, when complete, will promote local tourism, businesses, and arts and crafts. For example, see the case study on page 45.

⁹ Reporting against the performance of the Backing Indigenous Ability—telecommunications program has been split in this report. The internet/computers/video-conferencing element is reported above and the community access phones element is reported under the telecommunications section of this report.

QUANTITY

Number of remote and very remote Indigenous communities which have received services under the BIA telecommunications program.

Eight communities were approved to receive videoconferencing units, and nine communities were approved to implement Indigenous online content projects.

Number of people in the above communities who potentially have increased access to telecommunications services under the BIA telecommunications program.

The video-conferencing element will benefit more than 4000 Indigenous people.

COST

Administered expenses of \$1.2 million were incurred against this program in 2007–08.¹⁰

CONFIDENCE TO PARTICIPATE IN THE DIGITAL ECONOMY

While participation in the digital economy is overwhelmingly positive, there are also risks that must be managed:

- › security risks to home users and businesses
- › risks to children.

Security risks to home users and small businesses

Australian home users and small businesses are increasingly relying on online technologies for their day-to-day activities. While these technologies offer many benefits including increased efficiency and cost savings, they give rise to new e-security threats and provide new mechanisms to exploit existing threats. For consumers and small business these threats can expose them to identity theft or financial loss.

Given the integrated nature of the online environment, the vulnerability of home users and small business goes beyond their personal losses, and can have consequences for the protection of Australia's critical infrastructure and government's electronic networks. For example, compromised home and small businesses can be aggregated into huge networks to launch denial of service attacks or send malicious spam.

The Department has undertaken a range of e-security awareness initiatives for Australian home users, students and small business. These are part of the

¹⁰ This figure includes administered expenses relating to the community access phones element of this program.

CASE STUDY

Communities get online

The University of South Australia is being funded under the Indigenous online content element of the Backing Indigenous Ability Telecommunications Program to build up-to-date and culturally appropriate websites for the Wangka Wilurrara Homelands (SA) through the Gudiya Online Development Project. The websites will be controlled and maintained by community members.

Named for the Wirangu word for the Mulga tree, specific to the region and a major cultural identifier, the Gudiya Online Development Project builds on three existing programs within the communities of Koonibba, Scotdesco and Dinahilne in the Wangka Wilurrara Homelands, to provide a website for commercial activities such as tourism, cultural awareness training and to promote a café in Scotdesco.

The Koonibba community will use the website to assist community members to become more comfortable using computers. A Women's Centre worker is designing a newsletter which will be uploaded to the website and will be an example of up-to-date information that is relatively simple to produce. A blog will also allow people to interact with the site and the community and will be an excellent way for family who have moved away to keep in touch.

In April 2008, workshops were held in Scotdesco and Koonibba to collaborate on the website and to identify community champions for the project. Men and women across a range of ages attended. It was an opportunity for the young women who are already reasonably confident with IT to think about commercial uses of the internet and to build their own capacity as leaders. The Koonibba School has also shown an interest and anticipates producing and uploading short movies and self created works on the website to represent their community.

A group of young women who had recently completed a hospitality course are setting up a café in Scotdesco to attract tourists and workers travelling along the busy Eyre Highway. The group will use the website to advertise the café.

Australian Government's E-Security National Agenda. The four key Agenda initiatives undertaken by the Department are:

- › the development and implementation of the Stay Smart Online Alert Service
- › the development and implementation of an E-Security Education Module for Australian schools
- › the enhancement of the Stay Smart Online Website (www.staysmartonline.gov.au)
- › the coordination and management of the E-Security Awareness Week.

These initiatives are designed to raise the awareness of e-security with home users, school students and small businesses with a view to making their online behaviour and practices more secure. Such practices include installing and updating security software; using strong passwords and changing them regularly; being careful about sharing personal information online; and thinking before clicking on attachments or website links contained in emails from unknown sources.

Each initiative will be assessed as to how well it has increased the e-security awareness of Australian home users and small businesses, for example, through evaluation and surveys to ensure ongoing improvement. Evaluations are planned for the financial year 2008–09.

An e-security education module for Australian primary and secondary schools to deliver Australian school students with quality e-security learning resources is being developed. An external provider, Roar Film, has been engaged through an open tender process to develop and deliver this module, which is scheduled to be launched in Australian schools by the end of June 2009.

Enhancements to the Stay Smart Online website were undertaken including the addition of a Small Business Self-Assessment Tool. The tool is designed to help small businesses assess their security requirements and adopt appropriate practices and measures to improve their online security. Following its launch on 6 June 2008 as part the 2008 National E-security Awareness Week, 1007 people accessed the Small Business Self-Assessment Tool to 30 June 2008.

National E-security Awareness Week is an Australian Government initiative that aims to help Australian internet users understand e-security risks, and raise awareness among home users and small businesses about the simple steps they can take to protect themselves, their families and their businesses online. The 2008 Awareness Week, which was held from 6 to 13 June 2008, was delivered in partnership with 29 industry groups, community organisations, tertiary institutions and government agencies. Some 40 events and activities were held across Australia.

During the Awareness Week, there were more than one million hits to the Stay Smart Online website. Approximately 1500 registrations were made to the Stay Smart Online Alert Service during the Week.

Two not-for-profit community-based organisations, Australian Seniors' Computer Club and Community Technology Centres, were given small grants of \$20 000

each to deliver awareness raising activities in regional Australia. The Community Technology Centres Association conducted 19 events, with more than 500 attendees. The Australian Seniors Computer Club Association held three events, with more than 300 people receiving training.

Safety of children online

The Department is working with a number of agencies to deliver the Government's \$125.8 million package of cyber-safety initiatives announced on 13 May 2008. Key threats to children online include cyber-bullying, cyber-stalking, sexual grooming, exposure to illegal and inappropriate content, and breaches of privacy.

A Consultative Working Group on cyber-safety was established with members from the community, industry, business and government. The role of this group is to consider those aspects of cyber-safety faced by Australian children and advise the Government on priorities for action by government and industry. The group held its first meeting on 28 May 2008. Another element of the cyber-safety strategy, the Youth Advisory Group, is being established. The Youth Advisory Group will provide advice on cyber-safety risks and measures to address these from the perspective of young people.

Funding has also been provided to both the Australian Federal Police Child Protection Operations Team to expand its capacity to detect and investigate online child abuse, and the Commonwealth Director of Public Prosecutions to handle prosecutions and related activities arising from the increased investigations of online predators.

The Australian Communications and Media Authority has been provided with funding to implement a comprehensive range of education and school 'outreach' activities involving the professional development of school teachers, and general cyber-safety information presentations to parents, students and other key stakeholders. Funding has also been provided for information and reporting activities, including the development of cyber-safety websites and an online helpline for children.

Ongoing consultation is being undertaken with industry on internet service provider (ISP) filtering. The Australian Communications and Media Authority report on a laboratory trial of ISP filtering technologies, *Closed Environment Testing of ISP-Level Internet Content Filtering*, was completed in June 2008. Preparations commenced for the running of a live pilot of ISP filtering in 2008 in order to test a range of content filtering solutions in a real world environment. The pilot will involve ISPs and their customers.

NetAlert¹¹

The NetAlert PC content filters program, introduced in August 2007, provides PC content filters at no cost to the end user. This program was also aimed at increasing public awareness of online safety with easily accessible information. The availability of free PC filters for new users under this program will finish on 31 December 2008. Existing users will continue to receive technical support until 30 June 2010.

A national helpline (1800 880 176) and a website (www.netalert.gov.au) were established in August 2007 to provide advice about protecting children online and access to information about the free filters.

Enex Testlab was engaged by the Department to test PC internet content filters submitted by companies who had applied to be selected under the NetAlert program. Enex Testlab was also responsible for testing new versions of the PC content filters selected under the Scheme. A subsequent analysis by Choice Magazine found that all five of the products on the Government's Filter Scheme were amongst the ten best tested.

The then Government launched an information campaign on 2 September 2007 which encouraged parents and other carers to adopt measures to protect children online and to obtain and use a free filter. The media schedule was completed by 6 October 2007. The take-up of the free filters has, however, been significantly less than anticipated.

11 This program was also known as the NetAlert—Protecting Australian Families Online program.

FIGURE 2.12 NETALERT PROGRAM

Performance indicators	Results
EFFECTIVENESS	
Increase in the level of awareness of parents, teachers and others with responsibility for children, to online safety issues and how to deal with these.	<p>A national helpline (1800 880 176) and a website (www.netalert.gov.au) were established in August 2007 to provide:</p> <ul style="list-style-type: none"> > advice about protecting children online > information about the free filters > access to the free filters. <p>An information campaign was launched on 2 September 2007 to raise awareness and increase understanding of online safety issues. It also aimed to empower parents to protect their families from inappropriate online content. The launch was followed by a three-week media campaign that included television, radio and print advertising. A 15-second alert was run for two weeks, advising that an information booklet was going to be mailed out to approximately 8 million households during September 2007. The media schedule was completed by 6 October 2007.</p> <p>There was an increased response to the information campaign during the months of August–November 2007. In September 2007, calls to the contact centre averaged 154 per day—up from approximately 15 per day before the information campaign. Website visits averaged 5300 a day, up from approximately 2400 a day before the information campaign.</p>
Percentage of relevant Australian households, and others, which continue to use filters on an ongoing basis.	<p>Approximately 177 000 computer-based internet content filters have been accessed by the public. Of these, around 27 000 filters provided by the three vendors remaining in the scheme are still being used. This equates to the filters being accessed by around 10 per cent of the approximately 1.7 million households with an internet connection and children between the ages of two and 17¹². This is significantly less than anticipated and a survey is being undertaken to gauge the possible reasons for this.</p>
QUALITY	
Feedback from parents/teachers on the usefulness of filters and the ease of access.	<p>The NetAlert contact centre received 14 100 calls between August 2007 and 30 June 2008. Of these, 21 per cent or 2900 calls were transferred to internet content filter vendors so that they could provide technical support.</p> <p>Some customers provided feedback using the enquiries and feedback form. While the Department received some negative comments, most feedback has been positive, including requests from people seeking further information.</p> <p>A survey of the NetAlert website is being conducted during July–September 2008. The survey is being emailed to approximately 20 000 people who accessed a filter (including those no longer using a filter), and has also be placed on the NetAlert website for completion by website visitors.</p>

12 According to the 2006 Census, internet subscriptions are estimated by the Australian Bureau of Statistics to be growing at 15 per cent per annum, resulting in around 1.955 million households with an internet connection in mid-2007.

QUANTITY

Number of filters accessed.	At 30 June 2008 approximately 177 000 internet content filter licences had been obtained by potential users since the program launch in August 2007.
Number of visitors to the website.	At 30 June 2008 the NetAlert website had received 346 000 unique visitors and a total of 644 200 visitors since the launch in August 2007.

COST

Total administered expenditure for this program was \$12.3 million in 2007–08, \$6.1 million for the NetAlert—National Filter Scheme, and \$6.2 million for the Consumer Information Campaign.¹³

Government Advisory Committee of the Internet Corporation for Assigned Names and Numbers (ICANN)

ICANN is the not-for-profit organisation responsible for the global coordination of the naming and numbering systems that underpin the stable operation of the internet. The Government Advisory Committee is the platform by which governments provide public policy advice to ICANN.

In 2007–08, departmental officers participated in several meetings of the Government Advisory Committee. Significant issues addressed in 2007–08 included the development of frameworks for the introduction of new Internet Top-Level Domains (such as .sport) and Internationalised Domain Names (names that use non-Latin scripts). The committee also engaged in discussions with global stakeholders regarding future governance arrangements for ICANN.

Telecommunications and postal services

The often vast distances between communities in Australia's regional, rural and more remote areas, and between these communities and metropolitan centres, makes telecommunications services important for people living and working in these areas.

The aim of policy and programs in this area are to:

- › increase the availability and reliability of voice telephony services, particularly in regional and remote areas
- › empower telecommunications consumers to understand and enforce their rights
- › promote Australia's interests in international telecommunications forums
- › monitor the framework for competitively priced and reasonably accessible postal services.

¹³ This reflects Administered expenditure and does not include additional Departmental funds expended on the program.

AVAILABILITY AND RELIABILITY OF VOICE TELEPHONY

The focus of the Department's work relating to voice telephony during 2007–08 was on:

- › Telstra's transition from CDMA to Next G
- › basic phone services for remote Indigenous communities
- › programs to extend mobile phone coverage
- › secretariat services for the Regional Telecommunications Independent Review Committee.

Telstra's transition from CDMA to Next G

The Department supported the Minister throughout Telstra's transition from its CDMA mobile phone network to its Next G mobile phone network. On 18 September 2007, a licence condition took effect that required Telstra to keep the CDMA network open until the Minister was satisfied that the Next G network provided equivalent or better coverage and services. A decision was made on 17 January 2008 by the Minister that rectification activities were required by Telstra before the CDMA network could be closed.

As a result of encouragement by the Minister and the Department, and the decision in January 2008 by the Minister to not allow Telstra to close its CDMA network, Telstra introduced:

- › a dedicated hotline to assist customers experiencing coverage problems
- › an accreditation program for staff and stores to improve the accuracy and detail of information being provided to customers
- › an equipment replacement program that provided many customers with a free replacement phone upgrade and others with other equipment or the re-tuning of their phones to address their coverage problems
- › a team of over 50 customer advocates who assisted people to make the transition from CDMA to Next G
- › a phone health checking service that assisted customers who were experiencing high drop-out rates.

These initiatives enabled the Next G service to be improved to the degree that the Minister allowed the CDMA network to be closed on 28 April 2008. Telstra was required to commit to operating the hotline until 1 July 2008, reporting to the Minister one month and three months after CDMA closure, reporting to the Australian Communications and Media Authority for a year on call drop-out and congestion rates, and completing its store and staff accreditation program. The Department assessed Telstra's post-closure reporting to check that these follow-up commitments were met.

The Department also operated a hotline to respond to consumer issues regarding the transition. The hotline received 1830 calls during 2007–08, with only 13 of these in June 2008. Wherever appropriate, callers' issues were escalated to Telstra for follow-up.

Backing Indigenous Ability and Telecommunications Action Plan for Remote Indigenous Communities—Community Access Phones element

The objective of the Backing Indigenous Ability (BIA) telecommunications program is to improve access to essential telecommunications services for remote Indigenous communities.

The provision of voice services to remote Indigenous communities has been identified as a high priority in a number of Government inquiries, including the Telecommunications Services Inquiry (Besley Report, 2000), and the Regional Telecommunications Inquiry (Estens Report, 2002). This issue has also been raised with the Regional Telecommunications Independent Review Committee.

The Office of Audit and Evaluation reported in 2006 on its audit of the phones element of the Telecommunications Action Plan for Remote Indigenous Communities. The recommendations of that audit are being applied to the implementation of the Backing Indigenous Ability telecommunications program, although difficulties remain in attracting and maintaining service providers.

During 2007–08, the Department upgraded, monitored and maintained 217 robust community access phones in 125 remote Indigenous communities. The phones were installed as part of a trial program under the Telecommunications Action Plan for Remote Indigenous Communities (TAPRIC). These phones are:

- › checked that they are operating every four weeks
- › repaired as soon as practical once found or reported to be faulty, preferably within five working days for communities with only one community phone and preferably within 10 working days for all others.



Under the BIA, the Government is planning the installation of additional Community Phones in around 300 remote Indigenous communities that each has a population of under 50 people and do not already have a public payphone. This has required extensive planning as most of these communities do not have ready access to telecommunications infrastructure.

FIGURE 2.13 BACKING INDIGENOUS ABILITY AND TELECOMMUNICATIONS ACTION PLAN FOR REMOTE INDIGENOUS COMMUNITIES—COMMUNITY ACCESS PHONES ELEMENT

Performance indicators	Results
EFFECTIVENESS	
Development and increased access to telecommunications services in very remote Indigenous communities where there is telecommunication deficiency.	At each of the four weekly checks during the last quarter of 2007–08, an average of 87 per cent of community phones were operational. Of the phones found not to be operational, on 47 per cent of occasions these were faults with the phones, and on 53 per cent of occasions these were line faults.
QUALITY	
The benefit to the community from improved access to telecommunications services under the BIA telecommunications program.	It is critical that these phones, which are often the only means of rapid communication available to these communities, are as robust as possible. During 2007–08, 213 of the phones were upgraded to make them more robust by replacing early, prototype equipment with a more reliable and improved design for the phone casing as well as upgraded internal parts. In addition, significantly more intensive monitoring arrangements were put in place (each phone is now checked every four weeks), together with more responsive maintenance arrangements to maximise the up-time of each phone. Progress was also made in 2007–08 on introduction of a mobile satellite phone option for communities with no access to any telecommunication infrastructure.
QUANTITY	
Number of remote and very remote Indigenous communities which have received services under the BIA telecommunications program.	Overall, as a result of the installation of community phones, some 16 730 people based in 125 communities have access to increased telecommunications services.
Number of people in the above communities who potentially have increased access to telecommunications services under the BIA telecommunications program.	
COST	
	Administered expenses of \$1.2 million were incurred against the Backing Indigenous Ability program in 2007–08. ¹⁴ Administered expenses of \$633 930 were incurred against the Telecommunications Action Plan for Remote Indigenous Communities ¹⁵ .

¹⁴ This figure includes administered expenses relating to the Computers/internet/video-conferencing element of this program.

¹⁵ \$283 000 of unspent funding for the Telecommunications Action Plan for Remote Indigenous Communities was rephased into 2008–09.

Extending mobile phone coverage

During the year, the three major mobile phone carriers either completed or continued 3G network expansion initiatives. Telstra publicly reported that it has expanded its Next G network to an estimated 98.9 per cent of the population (or around 25 per cent of the Australian landmass). Optus and Vodafone are in the process of expanding their networks, with Optus publicly working to achieve 98 per cent coverage of the population by December 2009, and Vodafone working to achieve 96 per cent coverage by December 2008.

This highlights a high level of competition in the Australian mobile phone market which itself should lead to further expansion in coverage.

In 2007–08, the Department administered the remnants of three programs that were designed to increase mobile phone coverage in regional and remote Australia. These were the Mobile Connect—Terrestrial Mobile Phone Coverage program, the Telstra Social Bonus—Building Additional Rural Networks program, and the Telecommunications Service Inquiry Response—Regional Mobile phone program.

In 2007–08, no funds were expended under these programs for the purpose of extending mobile phone coverage. In late 2007–08 and early 2008–09, a request for proposals was released seeking applications to build and operate mobile phone towers in 16 locations.

Following extensive discussions with a number of mobile phone companies and the availability of subsidies of up to 100 per cent of the capital costs, no applications were received.

Satellite Phone Subsidy Scheme¹⁶

The aim of the Satellite Phone Subsidy Scheme is to make mobile satellite telephony more affordable for people living or working in areas that do not have mobile phone coverage from terrestrial networks. Around 75 per cent of Australia's landmass does not have any terrestrial mobile phone coverage.

¹⁶ Until 3 December 2007, this program was called the Connect Australia—Mobile Connect—Satellite Mobile Phone Subsidy Scheme. Funds were appropriated for this scheme under the Connect Australia suite of programs.

FIGURE 2.14 SATELLITE PHONE SUBSIDY SCHEME

Performance indicators	Results
EFFECTIVENESS	
The extent to which people living or working in remote areas avail themselves of the subsidy and access satellite telephony services.	Since the scheme started in 2002, the Department has processed more than 16 000 applications and issued over 14 500 approvals. Applications have been received from all states and territories, and from a wide variety of private individuals, small businesses, Indigenous corporations, community groups, volunteer organisations and educational institutions.
QUALITY	
The attractiveness of the subsidy arrangement and the efficiency of administration of the scheme.	The average subsidy level for 2007–08, (at \$863), was more than 40 per cent of the typical cost of a satellite phone handset (around \$1995). During the year, the average time taken to process applications and payments was within the timeframes nominated in program documentation.
QUANTITY	
Number of people or organisations approved for a satellite phone subsidy.	During 2007–08, 1791 approvals were issued and this was in line with expectations for the year.
COST	
	Administered expenses of \$1.2 million were incurred against this program in 2007–08.

Communications Fund

The Department continued to work with the Australian Office of Financial Management regarding its role as investment manager for the \$2 billion Communications Fund. The Fund continued to meet or exceed its income benchmarks during 2007–08 with the result that its balance at 30 June 2008 was \$2.4 billion. The Department also liaised with other agencies on the transfer of the Communications Fund into the Building Australia Fund, announced in May as part of the 2008–09 Budget and expected to occur after 1 January 2009.

The Australian National Audit Office undertook fieldwork for an audit of the Communications Fund between January and March 2008, with the report tabled in September 2008.

Telecommunications regulation

The Department advised the Minister on issues relevant to the regulation of the telecommunications industry, including:

- › Telstra's decision to roll out ADSL2+ fast broadband to an additional 900 local exchanges in February 2008
- › the High Court's decision in March 2008 dismissing Telstra's challenge to the constitutional validity of the telecommunications access regime in Part XIC of the *Trade Practices Act 1974*.

The Minister introduced legislation in Parliament to remove doubt about the legal validity of access declarations made by the Australian Competition and Consumer Commission under Part XIC of the Trade Practices Act.

Following advice from the Department, the Minister issued a direction to the Australian Communications and Media Authority seeking advice on setting the Universal Service Subsidy level for 2008–09 with the advice to be provided in August 2008.

The Department engaged with the Australian Communications and Media Authority throughout the year on a variety of issues, including the regulation of next generation services such as Voice Over Internet Protocol (VOIP).

The Department sought research and analysis from a consultant on the factors affecting the take-up of VOIP services in the telecommunications market. Fourteen countries were researched, including Australia, to better understand the impact of policy and regulation on the emerging VOIP market. The research conducted provided insight into overseas policy models that could potentially be used in Australia.

The Department released the Universal Service Obligation Review issues paper on 15 August 2007. Submissions from 47 stakeholders were received and made available on the Department's website. Stakeholder submissions provided an important contribution to the universal service regime policy development process.

The Department engaged consultants to undertake a review of universal service regimes in 13 countries either with comparable conditions to Australia, or who have developed innovative policy or technology solutions. The objective was to inform the Department's general policy work on the Universal Service Obligation. The information is being used to better understand the arrangements in those countries and to identify possible policy models that could be used to improve the universal service regime in Australia.

Expiry of mobile phone licence

In late May 2008, the Department issued a Request for Tender for a consultant to provide an independent report that will identify and discuss issues and options available to the Government on the expiry of 15 year Spectrum licences between

2013 and 2017. These licences are used primarily to provide mobile and wireless broadband services.

Regional Telecommunications Independent Review Committee

The Regional Telecommunications Independent Review Committee was established by the *Telecommunications (Consumer Protection and Service Standards) Act 1999* to review the adequacy of telecommunications services in regional, rural and remote parts of Australia.

During 2007–08, the committee completed an extensive public meetings program throughout regional Australia, consulting with consumers, industry and all levels of government on issues relevant to telecommunications in regional areas.

After considering the findings of its consultation program, the committee is due to report to the Minister in early 2008–09, outlining the key directions and recommendations on areas of possible action.

The Department facilitated stakeholder interaction with the committee by arranging consultations with industry, state territory governments and 20 public and community meetings. In total, the committee met with more than 400 individuals in Western Australia, New South Wales, South Australia, Tasmania, Queensland, Northern Territory and Victoria. The Department also collated more than 200 submissions for the committee.

EMPOWER TELECOMMUNICATIONS CONSUMERS TO UNDERSTAND AND ENFORCE THEIR RIGHTS

Telecommunications Consumer Representation Stakeholder Forum

An increase in the number of consumer complaints to the Telecommunications Industry Ombudsman is an indicator of the need for more consumer focused telecommunications services. In the twelve months to the end of March 2008 there was a 54 per cent increase in the number of complaints.

In response to the increase in complaints to the Telecommunications Industry Ombudsman, together with concerns about the effectiveness of existing communications consumer representation arrangements, the Minister invited interested stakeholders, including industry and consumer organisations, to participate in a Telecommunications Consumer Representation Stakeholder Forum on 1 May 2008. The aim of the forum was to hear views on how consumer representation and participation industry processes could be improved. The forum agreed that consumers needed a new approach and a stronger voice to represent their interests.

Forum attendees suggested a number of ways to improve consumer representation practices. These included broadening consumer empowerment to enable consumers to drive competition and innovation and choices; having more regular consumer interactions with Government; encouraging consumer representatives to be more proactive in seeking information on new technologies and passing it onto their membership; and seeking increased resources for targeted research and multi-year funding of consumer representation activities.

The key outcome of the forum was support from consumer groups and industry bodies to form a new peak body for telecommunications consumer representation. This was seen as an effective way to improve the interface between consumers, industry and the Government. A small working group comprising representatives from consumer organisations with an interest in this new body commenced work on its establishment, with secretariat support provided by the Department. The working group developed broad based support from interested consumer groups for the establishment of a new body to be known as the Australian Communications Consumer Action Network.

Telecommunications Consumer Representation Grants

Section 593 of the *Telecommunications Act 1997* allows the Minister to award grants that give financial assistance to consumer representation activities and telecommunications research. Grants are allocated annually as part of an open, competitive, merit-based process.

FIGURE 2.15 TELECOMMUNICATIONS CONSUMER REPRESENTATION GRANTS PROGRAM

Performance indicators	Results
EFFECTIVENESS	
Regulation and policy is improved through active consumer representation.	<p>Key contributions made by the nine consumer organisations funded in 2007–08 included:</p> <ul style="list-style-type: none"> › making submissions and representing a range of consumer interests to industry and government › contributing to the development of industry codes of practice, in particular, those designed to protect the long-term interests of consumers › attending meetings of the Communications Alliance's Consumer and Disability Councils › informing the Department of consumer views and concerns to assist with inclusive policy development › identifying emerging issues of concern to consumers in the rapidly evolving telecommunications market, and working with industry to develop potential solutions › informing their constituent consumers of telecommunications developments and consumer protections.

Performance indicators	Results
QUALITY	
Appropriateness of the representation to assist in addressing issues.	<p>In general, the representation activities undertaken by the funded organisations fulfilled a vital role, which would not be adequately met without support from the program.</p> <p>As the telecommunications market has become increasingly complex, both industry and consumer groups have expressed concerns about the continued effectiveness of the current arrangements in providing strong consumer representation. As a result, the Department held a Telecommunications Consumer Representation Stakeholder Forum on 1 May 2008, to identify how consumer representation could be improved. A key outcome of the forum was support from consumer groups and industry bodies to form a new peak body for telecommunications consumer representation.</p>
QUANTITY	
Number of projects funded.	<p>Nine organisations covering a broad range of consumer interests (including people with disabilities, regional and rural consumers, small businesses and peak consumer bodies) received funding for representation activities in 2007–08. Seventeen organisations received sitting fees to attend the Communications Alliance’s Consumer and Disability Councils.</p>
COST	
	<p>Administered expenses of \$833 798 were incurred against this program in 2007–08.</p> <p><i>Section 15 of the Telecommunications (Carrier Licence Charges) Act 1997</i> provides for the Australian Communications and Media Authority to recover from licensed telecommunications carriers the estimated total cost of grants likely to be made during the financial year. As a result, the program is budget neutral.</p>

Telecommunications Consumer Representation – research program

The objective of the Telecommunications Research Grants is to support the conduct of high-quality, innovative research projects into the social, economic, environmental or technological implications of telecommunications developments in order to increase public knowledge and stimulate debate.

FIGURE 2.16 TELECOMMUNICATIONS CONSUMER REPRESENTATION – RESEARCH PROGRAM

Performance indicators	Results
EFFECTIVENESS	
Improved understanding of major policy and consumer issues.	<p>All funded projects addressed issues identified and approved as priorities for research by Ministers.</p> <p>Novita Children's Services Inc completed its research report on 'Investigating the usability of mobile phones for the ageing and disability markets'.</p> <p>Griffith University is continuing its research into 'Telco Fees and Charges: Trends and Implications for Consumers'.</p> <p>La Trobe University commenced research into 'Assessing the current and potential role of broadband infrastructure and access in community strengthening of drought-affected small towns and communities'.</p> <p>Griffith University commenced research into 'The impact of high-speed broadband developments on youth consumption of internet (online) interactive services and consumer well-being'.</p>
QUALITY	
Public response to and use/application of published research.	There were no reports published in 2007–08. Three completed reports are expected to be published by December 2008.
QUANTITY	
Number of research projects funded.	Two projects from the 2006–07 funding round, together with two new projects from the 2007–08 funding round, were funded.
COST	
	Administered expenses of \$84 462 were incurred against this program in 2007–08.

Faxspam

The sending of unsolicited fax marketing (faxspam) is not subject to specific regulation. Faxspam has been a longstanding issue of concern to some fax users, particularly small business, who are concerned by the paper/toner costs associated with fax marketing and their inability to opt-out of fax marketing approaches. The Department released a discussion paper on unsolicited commercial faxes (faxspam) on 27 August 2007. This paper was used to gather community views on faxspam and possible approaches that the Australian Government might consider to address identified concerns. There were more than 150 submissions received. The issue of faxspam is now being considered through a possible expansion of the eligibility to register on the existing Do Not Call Register.

INTERNATIONAL ACTIVITIES

The Department administers Australia's membership of the International Telecommunication Union (ITU) and the Asia-Pacific Telecommunity (APT) and provides the associated member state contributions. This facilitates participation by Australian Government and industry sectors that depend on the ITU to establish harmonised global standards and coordinated frequency allocations and, in the case of the APT, to coordinate regional positions that will be debated at the global level. The Department participated in the ITU Council, having been re-elected for a further four years in 2006, and pursued accountability and transparency issues with the ITU.

Similarly, the Department successfully lobbied to coordinate APT activity with other international organisations and donors, avoiding duplication of effort. This helped to link the APT with regional ITU work, the Asia-Pacific Economic Cooperation (APEC) Telecommunications and Information Working Group, and other Pacific activities.

Through the APT, the Department participated in regional preparations for the ITU World Telecommunication Standardisation Assembly. Two preparatory meetings were held, determining the positions for the Asia-Pacific region in line with Australia's objectives.

The Department worked with the ITU and APT to develop work programs for regional capacity-building in cyber security issues, development of pro-competitive regulatory frameworks and to support participation in telecommunications trade negotiations.

The Department supported the Minister's involvement in the APEC Telecommunications and Information Ministers Meeting in Bangkok in April 2008. The meeting provided an opportunity to reinforce Australia's interests in supporting the APEC objective of regional economic integration with secure and competitive communications and information services, promoting APEC-OECD cooperation on electronic security issues, and advocating greater

international attention to issues of child safety, undersea cable protection and the cost of international mobile roaming.

The Australian Government's participation in the Organisation for Economic Cooperation and Development's Future of the Internet Economy Ministerial meeting in Seoul, Korea 17–18 June 2008 was coordinated through the Department. The Ministerial meeting, the first of its kind in 10 years, was a landmark event for the global internet community. Key outcomes from the OECD Ministerial meeting on the Future of the Internet Economy included adoption of the Ministerial Declaration (the 'Seoul Declaration'), which will enhance the Australian Government's communications and digital economy objectives, and support greater international collaboration in cyber safety and cyber-security.

The Department coordinated the Australian Government's preparations for the Fourth Korea, Australia and New Zealand (KANZ) Broadband Summit provided an opportunity for ICT and digital content firms and research interests from the three countries to explore potential commercial linkages and ventures. The Summit also promoted the exchange of policy ideas between Governments.

The Department led the Australian Delegation at the World Radiocommunication Conference (WRC-07), 22 October–16 November 2007, Geneva. The WRC-07 considered and revised the provisions of an international treaty with the aim of meeting competing global demands for radiofrequency spectrum.

The following consultancies were commissioned by the Department as input to the Department's policy development processes:

- › the take-up of VOIP services in Australia and overseas
- › the telecommunications universal service regime in selected countries
- › telecommunications retail price controls in selected countries
- › international mobile roaming charges.

The Department coordinates its participation in international activities through an internal International Coordinating Committee. The committee is chaired by a First Assistant Secretary and ensures that Department's participation and contribution in international events and fora are aligned to its international engagement priorities.

International organisations contributions

The Department administers Australia's membership of the International Telecommunication Union (ITU) and the Asia-Pacific Telecommunity (APT) and provides the associated member state contributions.

The ITU and APT also convene policy discussions and conduct capacity-building activities with the support of membership contributions. This helps policy-makers and regulators in the region improve access, security and governance in the sector. Australia supports this work, with a particular focus on Pacific Island countries and with a view to extending Australia's Asia-Pacific Economic Cooperation trade liberalisation and security agenda to the wider region.

FIGURE 2.17 INTERNATIONAL ORGANISATIONS CONTRIBUTIONS

Performance indicators	Results
EFFECTIVENESS	
International agreements and services support Australian communications. International capacity-building activities support liberalised and secure communications.	<p>Australia contributed to international discussions, agreements and services relating to:</p> <ul style="list-style-type: none"> › targeted development activities that used a portion of Australia's annual member state contribution, focusing on key Asia-Pacific developing states and Pacific Island states › agreements at the World Radiocommunication Conference on the future international use of the radio frequency spectrum › international charging for telecommunications services, including global mobile roaming charges › cyber-security, including anti-spam legislation activities › international submarine cable development and protection issues › global internet governance arrangements.
QUALITY	
Extent to which outcomes of international forums and activities align with Australian objectives.	The Department has been successful in extending the APEC trade liberalisation and e-security agenda to the wider region. This is reflected in ITU and APT programs to support forums with a focus on regulatory reform, spam, e-security and malicious software issues, and to assist countries participating in bilateral and World Trade Organisation trade negotiations.
QUANTITY	
Number of activities publicly identified as supported by Australian contributions.	The Department was successful in championing a greater focus by the APT on the specific needs and interests of Pacific Island countries.
Number of countries engaged with Australian-supported activities of international organisations.	<p>The Department funded the placement of an officer in the APT to promote and coordinate regional activities in telecommunications standardisation. This officer also aims to increase the efficiency and effectiveness of the APT's programs and activities to enable the most effective use of Australia's member contributions.</p> <p>A portion of appropriated funds from the ITU contribution (\$651 526) is paid as targeted funding to support regional communications development projects. During 2007–08, Australia's targeted funding to the ITU supported six workshops and training programs, provided fellowships for four events and supported eight countries with direct assistance for telecommunications projects in the Asia-Pacific region, including funding the International Training Program hosted by the Australian Communications and Media Authority.</p>
COST	
	<p>An amount of 4 725 000 Swiss Francs (AUS \$4.9 million) was appropriated to the ITU in 2007–08 in the Grants to International Organisations item of our budget papers.</p> <p>An amount of \$256 000 is appropriated to the APT each year in the Grants to International Organisations item of our budget papers.</p> <p>The directed funding components of these contributions were \$651 526 for the ITU and \$205 801 for the APT.</p>

POSTAL SERVICES

Postal services remain an essential part of Australia's communications sector, with in excess of 5 billion mail items being sent each year.

In view of the social importance of its letter service, Australia Post is subject to a range of performance standards and community service obligations which are designed to ensure that its services reasonably meet the social, industrial and commercial needs of the Australian community.

In 2007–08, the Department provided advice on postal policy issues. Legislative amendments to the *Australian Postal Corporation Act 1989* received Royal Assent in September 2007. These amendments related to the interstate quarantine inspection of mail, the disclosure of information about articles seized by border control agencies and the disclosure of scam mail articles to consumer protection agencies. Regulations were made in March 2008 to give effect to interstate quarantine inspection arrangements.

The Department also has a shareholder role in Australia Post, which is a fully Government-owned Business Enterprise. It shares this role jointly with the Department of Finance and Deregulation. During the year the Department provided advice to the Minister on corporate and governance issues such as the appointment of Directors to the Board, Australia Post's Corporate Plan and the ongoing financial and non-financial performance of the enterprise.

Broadcasting and the switchover to digital television

Broadcasting occupies a central role in Australia's political, economic and cultural life. Virtually all Australians have access to television and radio services, and these services are integral to everyday life in Australia. Each household has an average of 2.3 televisions and 2 radios.

Australia has four broadcasting sectors—commercial free-to-air, subscription, community and national—each of which serve particular interests and audience needs. Most people have access to two or three commercial free-to-air television services, two national (public) broadcasting television services, pay television services, and a wide range of national, commercial and community radio stations. Together these services provide a wide and diverse range of programs to the Australian community.

During 2007–08, the Department provided advice to the Minister on a number of broadcasting issues including developments in the commercial, national and community television and radio sectors, and policy issues such as media ownership, anti-siphoning and broadcasting content issues. The Department also advises on corporate, funding and transmission issues relating to the ABC and SBS, and on ABC and SBS Board membership.

A key objective of broadcasting policy is to ensure that television, radio and other services comply with standards that protect consumers from inappropriate content, and that services support the development of Australian content. The Department provided advice to the Government on a range of broadcasting content issues, including reality and drama programs.

The Department consults regularly with the broadcasting industry on broadcasting issues. Key stakeholders include (in addition to broadcasters themselves), FreeTV Australia (representing the commercial television industry), Commercial Radio Australia (representing the commercial radio industry), the Australian Subscription Television and Radio Association (representing, amongst others, the pay television industry), the Community Broadcasting Foundation (which administers Commonwealth funding to community broadcasters), the Community Broadcasting Association of Australia (representing the community radio industry), and the Australian Community Television Association (representing the community television industry).

The Department provided the Government with briefing on the media diversity or ownership and control implications posed by a number of proposed media transactions in 2007–08. These transactions included Macquarie Media Group's acquisition of Southern Cross Broadcasting and subsequent on-selling of some of the former's commercial radio licenses, the Seven Network increasing its stake in Western Australian Newspapers, and the plans to privatise Consolidated Media Holdings (which did not proceed).

The Department provided the Government with advice on the ongoing operation of the anti-siphoning scheme, the requirement that a review of the scheme be conducted by 31 December 2009 and the Australian Communications and Media Authority's regular monitoring reports on the free-to-air broadcasters' use of the television rights they acquired for sports included on the anti-siphoning list. The Authority's fifth interim anti-siphoning monitoring report was published in 2007–08.

The Department continued to work with the Australian Communications and Media Authority to facilitate the commencement of digital radio services by commercial, national and community broadcasters in 2009.

The Department provided policy advice, support, and administered programs which:

- › facilitate the switchover to digital television by the end of 2013
- › support the national broadcasters
- › support the community broadcasting sector to deliver programming and convert to digital transmission
- › address consumer issues including access to services.

SWITCHOVER TO DIGITAL TELEVISION

The switchover from analog to digital television is a priority for the Department. The switchover is linked to the realisation of the so-called 'digital dividend' resulting from cessation of analog television services. Apart from more efficient use of spectrum than analog, digital television delivers higher quality pictures and sound, and offers the potential for enhanced features and services. Switchover will affect practically every household across the nation and it is a significant challenge to ensure that all Australians are well advised and prepared.

On 18 December 2007, the Minister announced that digital switchover would be completed by the end of 2013 and that a Digital Switchover Taskforce had been established within the Department.

On 26 March 2008, the Government announced its strategy including funding of \$37.9 million to drive Australia's transition to digital TV. The strategy will guide government and stakeholder activity so that Australia meets the deadline of 31 December 2013 for digital switchover.

An Industry Advisory Group has been established, bringing together broadcasters, retailers, manufacturers, strata managers and the Australian Communications and Media Authority. The group has helped to develop a handbook to assist developers, owners, managers and tenants of buildings with shared antenna systems to prepare for digital television switchover. It has contributed to discussions on a detailed timetable and a range of switchover issues that will affect the industry.

In implementing the switchover to digital television, the Taskforce has released a public discussion paper seeking submissions on regulatory mechanisms

to support a progressive digital switchover; released a select tender for a market research company to conduct research to inform the development of a labelling scheme and a communications campaign; and let a tender for quantitative research to track Australia's readiness to convert to digital television. An Inter-departmental Committee has also been convened to support effective consultation and coordination of digital switchover activities at the Commonwealth level.

The Taskforce has worked with a wide range of stakeholders through specialist subcommittees of the Industry Advisory Group. These include the:

- › Housing, Building, Property and Multi Dwelling Unit working group which has developed and published a *Digital TV Antenna Handbook*
- › Supply Chain working group which has been examining the requirement for labelling of digital television equipment and services
- › Communications working group which has been looking into branding and consumer education measures
- › Transmission and Spectrum working group which has focused on the development of a comprehensive timetable.

The Taskforce has also commenced regular consultations with broadcasters and the Australian Communications and Media Authority about the timetable for the switchover to digital television.

A quantity of spectrum will be freed-up from the Government's decision to complete the switchover from analog to digital television by December 2013. To assist in managing spectrum that is freed-up, the Department has commissioned a Digital Dividend Technical Consultancy—Stage 1 to provide a preliminary assessment of the potential quantum of the digital dividend.

Regional Equalisation Plan

The Regional Equalisation Plan was introduced in 2000–01 to assist regional and remote commercial television broadcasters with their conversion to digital broadcasting. The Department provided assistance by licence area in the form of capped annual rebates against broadcasters' licence fees, supplemented by a grants component (where necessary) to achieve total agreed assistance under the plan.

FIGURE 2.18 REGIONAL EQUALISATION PLAN

Performance indicators	Results
EFFECTIVENESS	
Timely progress of digital television broadcasting rollout. ¹⁷	<p>This plan provided licence fee rebates of \$23.4 million to regional and remote commercial television broadcasters, while \$300 000 was provided in the form of a grant.</p> <p>Most of the broadcasters in larger aggregated regional markets are now able to broadcast in digital and have received their total agreed rebates by the end of 2007–08. Licensees in some smaller regional markets will continue to receive rebates until 2012. Broadcasters in the remote WA licence area will receive assistance for eight years once they commence their digital services. The remote Central and Eastern Australia licence area has yet to have a start-up date for conversion determined, but once this occurs licensees will become eligible for assistance for a period of eight years.</p>
QUALITY	
Timely provision of annual grants to eligible regional broadcasters to support the rollout of digital broadcasting.	All grants were processed within agreed timeframes.
COST	
	Assistance of \$23.4 million was provided in the form of a rebate to license fees payable to ACMA. Administered expenses of \$300 000 were incurred against this program in 2007–08.

SUPPORT FOR THE NATIONAL BROADCASTERS

The Australian Broadcasting Corporation (ABC) and Special Broadcasting Service (SBS) are two of Australia's most important public institutions. Each has an important place in Australia's public life, with broad mandates that are set in legislation by the Parliament.

The Department provides policy advice about the national broadcasters, particularly in relation to funding, accountability and transmission issues. A key focus of the Department's activity during the second half of 2007–08 was preparatory work for the review of the national broadcasters triennial funding from 2009–10 to 2011–12.

The future of the national broadcasters was a sub-theme on the 2020 Summit agenda and was discussed extensively in the Creative Stream. Relevant ideas from the Summit relating to the national broadcasters include:

¹⁷ This indicator has been amended since the Portfolio Additional Estimates Statements, to more accurately reflect the intent of the program

- › ‘make the ABC, SBS, and National Indigenous Television (NITV) the custodians of Australian stories, creativity and indigenous broadcasting’
- › ‘create a children’s channel on the ABC in order to provide quality content for children’
- › ‘encourage wider cross-sector representation on ABC and SBS Boards’
- › ‘introduce more cultural content on Radio Australia’.

ABC and SBS Digital Interference Scheme

The Digital Interference Scheme was established to reimburse the ABC and SBS for the cost of their contribution to the Digital Interference Management Strategy administered by commercial television broadcasters. The strategy was mainly established to help consumers overcome interference problems associated with the introduction of new digital services.

The contribution on behalf of ABC and SBS is 20 per cent of the actual costs incurred by free-to-air broadcasters, and is paid on the basis of receipts.

FIGURE 2.19 ABC AND SBS DIGITAL INTERFERENCE SCHEME

Performance indicators	Results
EFFECTIVENESS	
ABC and SBS effectively manage digital interference.	Digital interference issues in high-population urban markets (where interference problems may be most significant) have now largely been addressed. The focus now is on low-density regional markets where the problems are less significant. It is because of this that the level of re-imbusement in 2007–08 was relatively low at \$2827.
COST	
	Administered expenses of \$2827 were incurred against this program in 2007–08.

SUPPORT THE COMMUNITY BROADCASTING SECTOR TO DELIVER PROGRAMMING AND CONVERT TO DIGITAL TRANSMISSION

Community broadcasting

Australia has a sizable community broadcasting sector. There were 353 community radio broadcasting licences allocated across Australia at the end of June 2008.

To support this sector, the Community Broadcasting Foundation distributes funds to community broadcasters through a range of grant programs, under a funding agreement with the Department.

In 2007–08, the Government provided the Foundation with over \$8 million to:

- › support community broadcasting for the benefit of the general community, Indigenous Australians, the print handicapped and ethnic audiences
- › assist in the national, state and regional development of community broadcasting, including support for national associations of community broadcasters
- › provide infrastructure investment, training and transmission support.

During the year the Department was satisfied that the Community Broadcasting Foundation met its funded objectives and milestones. The majority of this funding was allocated for community radio related initiatives. An example of the benefits resulting from support provided to community broadcasting is described in the case study on page 72.

The Department advised the Minister regarding support for community broadcasting including options for conversion of community television broadcasters to digital and the commencement of community digital radio services. Funding of \$11.2 million over three years commencing 2009–10 was committed by the Australian Government to assist community radio to establish digital radio services in mainland capital cities. A further \$600 000 was announced in the May 2008 Budget to continue the National Training Program in 2008–09. The program will enable the community radio sector to plan and deliver accredited management and broadcasting skills training, particularly in regional, rural and remote Australia.

The Department provided advice to implement the Australian Government decision to continue to support the Australian Music Radio Airplay Project (AMRAP). A total commitment of \$2.4 million to extend AMRAP for a further four years commencing in 2008–09 was announced in the 2008–09 Budget. The project produces and distributes genre specific radio content and promotes contemporary Australian bands and musicians.

The Australian National Audit Office conducted an audit of the Department's internal processes for managing the Community Broadcasting Foundation program in May 2008. The audit focused on the governance arrangements and internal controls in place within the Department to ensure that the Department was accurately reporting on the Community Broadcasting Foundation program in its Annual Report.

The auditors finalised their review on 2 June 2008 and had no adverse findings to report.

CASE STUDY

An insight into community broadcasting

The Department provides ongoing annual support of \$3.9 million to ethnic, Indigenous, Radio for the Print Handicapped and general community broadcasting. General grants help to cover establishment costs for new stations, meet the ongoing costs of permanent licensed stations, produce programs for national distribution, support development activities, and encourage mentoring between community stations.

This kind of funding can make a real difference, as the people at Melbourne ethnic station 3ZZZ know very well. They received a grant to deliver accredited broadcast skills training to eight trainees from a variety of ethnic backgrounds. Trainees learnt how to use digital equipment and computerised editing software, and they improved their broadcasting and interviewing skills. Trainees can now make a more valuable contribution to their program production teams, resulting in culturally and linguistically diverse programs that are more engaging for their audience.

Community radio stations have also benefited from additional funds provided for transmission support. These grants help community radio stations to fund transmission equipment purchases and subsidise their transmission-related operational costs. Using grant money from this category, 2LVR in Forbes was funded to purchase a studio-to-transmitter link and audio processor. The link replaced one that was old and unreliable, and audio processing has improved reception quality, to the delight of the station's audience.

Mentoring, training and transmission support has helped many community broadcasters improve their services, attract new listeners and reach more people than ever before.

National Transmission Network Residual Funding Pool

The objective of this program is to provide funding assistance towards the transmission costs incurred by community broadcasters, Radio for the Print Handicapped, and three remote commercial broadcasters (Golden West Network, Imparja TV and North West Radio).

FIGURE 2.20 NATIONAL TRANSMISSION NETWORK RESIDUAL FUNDING POOL

Performance indicators	Results
EFFECTIVENESS	
Access to broadcasting services by specific target group audiences.	<p>The recurring grants made in 2007–08 were as follows:</p> <p>Radio for the Print Handicapped—\$421 829 was provided to subsidise transmission costs for Radio for the Print Handicapped services.</p> <p>Golden West Network—\$103 259 was provided to assist with the transmission of commercial television broadcasting services in remote areas of Western Australia (Broome, Carnarvon, Derby, Port Hedland, Karratha, Kununurra, Wyndham, Roebourne, Exmouth, Pannawonica and Moora).</p> <p>North West Radio—\$17 906 was provided to assist with the transmission of a commercial radio broadcasting service in remote areas of Western Australia (Broome, Derby and Kununurra).</p> <p>Imparja Television—\$5126 was provided to assist with the transmission of a commercial television broadcasting service in the Northern Territory (Alice Springs and Leigh Creek).</p> <p>Community Broadcasting Foundation transmission support—\$97 043 was provided for transmission support for community broadcasters.</p> <p>All payments were made in accordance with agreed timeframes, as set out in deeds of grant with the funding recipients.</p> <p>These grants ensured that users of Radio for the Print Handicapped and community broadcasting services continued to receive access to these services, and that commercial broadcasting services continued to be made available for households in certain remote areas of Western Australia, Queensland and the Northern Territory.</p>
COST	
	<p>Administered expenses of \$645 162 were incurred against this program in 2007–08.</p> <p>Uncommitted 2007–08 discretionary funding of \$638 838 was returned to consolidated revenue.</p>

Community Broadcasting National Training Fund

This national program is a four-year project to assist with the delivery of training services and the development of training resources for community radio. The National Training Program enables the community radio sector to plan and deliver accredited management and broadcasting skills training, particularly in regional, rural and remote Australia. The program also addresses the special training needs of radio for the print handicapped, Indigenous and ethnic community broadcasting.

FIGURE 2.21 COMMUNITY BROADCASTING NATIONAL TRAINING FUND

Performance indicators	Results
EFFECTIVENESS	
Access to training by targeted groups.	<p>The Community Broadcasting Foundation was provided with \$600 000 in 2007–08 to implement the National Training Program. Four rounds of broadcast training and two rounds of pilot training project grants have been offered, and trainees from 67 stations were funded to undertake 3405 hours of accredited training.</p> <p>The community broadcasting sector's engagement with broadcast training grants has significantly increased, with 33 per cent more hours of accredited training being funded than in the previous year. Of the 67 successful applications, 45 were from the designated target areas, that is, stations from regional, rural and remote areas, and trainees who identify as Indigenous, ethnic or who are involved in Radio for the Print Handicapped broadcasting.</p> <p>One pilot training project was funded to a total of \$50 000. This project seeks to encourage young Aboriginal and Torres Strait Islanders to engage with community broadcasting using a more accessible training process. This involves the station going to their schools (via outside broadcasting) rather than the students travelling to the station.</p>
COST	
	Administered expenses of \$600 000 were incurred against this program in 2007–08.

Community Broadcasting Transmission Support

Transmission support grants are provided to community broadcasting radio stations to help them pay for transmission equipment and to subsidise their transmission-related operational costs.

FIGURE 2.22 COMMUNITY BROADCASTING TRANSMISSION SUPPORT

Performance indicators	Results
EFFECTIVENESS	
Access to broadcasting services by community broadcasting audiences	Funding of \$1.5 million was provided to the Community Broadcasting Foundation in 2007–08 to assist community radio broadcasters with transmission costs. The Community Broadcasting Foundation held two funding rounds and made 187 grants to community broadcasters.
COST	
	Administered expenses of \$1.5 million were incurred against this program in 2007–08.

SUPPORT BROADCASTING CONSUMERS TO EXERCISE THEIR RIGHTS

The Department provides consumers with advice about what avenues are available to them to pursue any broadcasting related concerns. The Australian Communications and Media Authority is responsible for the administration of the complaints system set down in the *Broadcasting Services Act 1992*, which generally requires consumers to have first made their complaint directly to the relevant broadcaster. In certain circumstances, complaints may be referred to other relevant bodies such as the Advertising Standards Bureau, the Australian Competition and Consumer Commission, the Copyright Council or the Office of Fair Trading/Consumer Affairs in the complainant's State or Territory.

Media access review

The Department is leading an investigation into access to electronic media by people with a hearing or vision impairment. A discussion paper was prepared by the Department in consultation with the Attorney-General's Department, the Department of Environment, Water, Heritage and the Arts, the Australian Communications and Media Authority and the Human Rights and Equal Opportunity Commission. The discussion paper was released for public comment on 30 April 2008.

The investigation covers captioning and audio description on free-to-air and subscription television, films in cinemas, DVDs and audio-visual content on the internet. The discussion paper invited public comment on a number of key issues, including captioning on free-to-air and subscription television, as well as captioning on films shown in cinemas, on DVDs and audio-visual content on the internet. The discussion paper also examined the availability of audio description services for these media.

Submissions to the investigation closed on 13 June 2008. More than 160 submissions were received from representatives of the television, film and internet industries, as well as people with a hearing or vision impairment. The Government's response is expected to be finalised before the end of 2008 or early 2009.

Television Black Spots—Alternative Technical Solutions

This program provides alternative solutions for television black spots that could not be rectified under the analog Television Black Spots Program. The Analog Television Black Spots Program, which closed in 2005–06, funded terrestrial delivery of services to signal-deficient areas.

The new program provides capital funding for eligible analog television black spots for either:

- › digital retransmission equipment, or
- › direct-to-home equipment (comprising a satellite dish and decoder), or
- › cabling to individual households.

Under the program guidelines, up to \$300 000 was available for each eligible black spot.

Most projects under this program were closed at the end of 2007–08. Two outstanding projects will be finalised in 2008–09.

FIGURE 2.23 TELEVISION BLACK SPOTS—ALTERNATIVE TECHNICAL SOLUTIONS PROGRAM

Performance indicators	Results
EFFECTIVENESS	
Number of identified television black spots which are rectified.	<p>There were 17 projects being managed under the program during 2007–08.</p> <p>Field surveys were conducted to determine the availability of digital television signals to households in a number of television black spots on the Gold Coast of Queensland, and in the Tweed Shire and Lower Hawkesbury areas of NSW.</p> <p>In addition, remedial works were carried out on the Wye River analog television retransmission facility in Victoria to improve coverage to the black spot area.</p>
QUANTITY	
Number of grants acquitted.	Two grants for the Port Stephens (NSW) and Springbrook (Queensland) projects were acquitted in 2007–08.
Extent to which government targets for solutions are met.	Field surveys found that five eligible blackspots did not need a solution under the program because the local digital television signals were available to more than 80 per cent of households in those areas.
COST	
	Administered expenses of \$414 816 were incurred against this program in 2007–08.

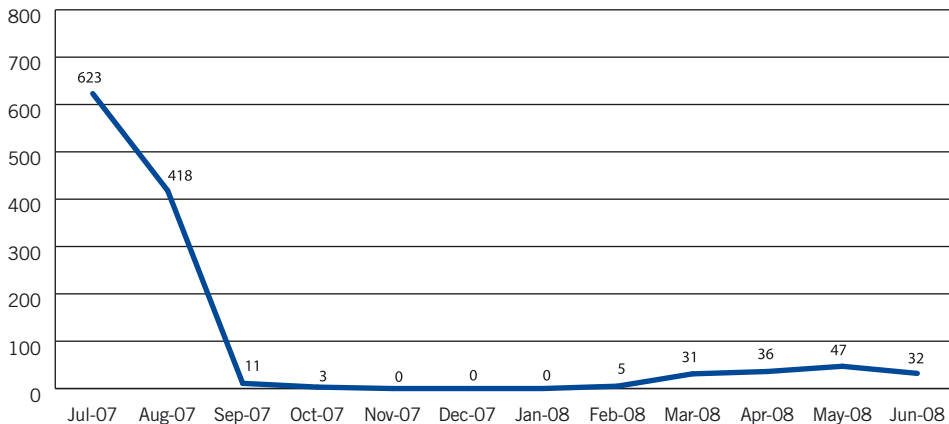
Timeliness of the delivery of Parliamentary reports, questions from Parliament and correspondence

The volume of ministerial correspondence continued to rise in 2007–08. There were 7637 items of ministerial correspondence responded to in 2007–08 of which 82 per cent were provided within the standard timeframes compared to 5432 items responded to in 2006–07 of which 53 per cent were provided within the standard timeframes.

Policies and procedures were put in place in early 2007–08 to improve timeliness and address the backlog of ministerial correspondence (see Figure 2.24).

Commencing in August 2007 more resources were dedicated to handling ministerial correspondence to improve timeliness and accuracy. A system of daily internal reporting, and weekly reporting to the Minister ensured that correspondence remained timely. However, constant vigilance is required as it only takes a few weeks before the problem blows out again.

FIGURE 2.24 TOTAL NUMBER OF OVERDUE CORRESPONDENCE ITEMS



The quantity of minutes and briefs also dramatically increased over the year, with the number of briefs provided more than doubling.

FIGURE 2.25 ADVICE PROVIDED WITHIN AGREED TIMEFRAMES

Type of Advice	2006–2007		2007–2008	
	Number	% on time	Number	% on time
Ministerial Correspondence	5432	53	7637	82
Minutes	850	n/a	1283	n/a
Briefs	157	86	416	73
Question Time Briefs	969	83	241	n/a
Parliamentary Questions on Notice	44	36	38	17

Client satisfaction and consultation

Client satisfaction and achievement of values and targets as represented in the Client Service Charter

The Department measures the level of client satisfaction with its service by conducting an annual client satisfaction survey. The survey was conducted in May–June 2008, and 1398 clients were asked to comment on their satisfaction. Clients were sent a questionnaire and asked to rate the Department's performance against the values and targets set out in the Client Service Charter.

A response rate of 45.8 per cent was achieved—616 of the 1398 questionnaires were returned. Overall, 97 per cent of respondents found the Department's overall customer service satisfactory or better, up from 94 per cent in the 2007 survey. The Department achieved client service satisfaction ratings of better than 90 per cent across each Division.

FIGURE 2.26 SURVEY RESPONDENTS BY DIVISION

Division	Number of returns	Percentage of returns (%)	% rating service satisfactory/excellent
Broadband	340	55	96
Broadcasting and Content	28	5	93
Digital Switchover Taskforce	14	2	100
Regional Strategy, Digital Economy and Research	101	17	97
Telecommunication, Network Regulation and Australia Post	133	22	96
Total	616	100%	97

Clients were asked to rate their satisfaction with the Department's customer service in detail. Figure 2.27 outlines satisfaction against criteria such as communications with clients; telephone, email and written enquiries; administration of funding programs; service delivery; and consultation on policy and legislation.

The survey results indicate the Department has improved its engagement of stakeholders in the development and review of policy and legislation, is seen to administer funding programs more fairly and is making more timely decisions on funding applications. Clients identified the time provided for consultation, and

publicising funding programs and how to apply for funding as areas where the Department needs to further improve its service.

FIGURE 2.27 OUTCOMES OF THE 2006, 2007 AND 2008 CLIENT SERVICE CHARTER SATISFACTION SURVEYS

Survey category	Results (rated performance as satisfactory to excellent)		
	2006	2007	2008
	%	%	%
Overall customer service	96	94	97
Communications with clients—quality	98	96	97
Telephone dealings with clients	98	96	95
Email dealings with clients	97	95	95
Written inquiries	94	92	93
Administration of funding programs	88	89	92
Service delivery (new report section for 2008)	N/A	N/A	93
Development and review of policy and legislation	87	80	82

Overall, there has been a positive improvement in client satisfaction levels. In 2008–09 action will be taken to address areas where performance has deteriorated.