

# AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

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# **AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY**

## **Section 1: Agency overview and resources**

### **1.1 STRATEGIC DIRECTION**

A full outline of the Australian Communications and Media Authority's (ACMA's) Strategic Direction can be found in the 2008-09 Portfolio Budget Statements. Since the release of the Portfolio Budget Statements, ACMA has completed its review of cost recovery measures associated with the fees payable to 'wash' contact lists for the Do Not Call Register Scheme, to give effect to the government's decision to require cost recovery of the direct cost of the Register's operations.

### **1.2 AGENCY RESOURCE STATEMENT**

The Agency Resource Statement details the resourcing for ACMA at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2008-09 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

ACMA Additional Estimates Statements

**Table 1.1: ACMA resource statement – Additional estimates for 2008–09 as at Additional Estimates December 2008**

	Estimate as at + Budget	Proposed Additional = Estimates	Total Estimate Additional Estimates	Total Available Appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Ordinary Annual Services</b>				
<b>Departmental outputs</b>				
Departmental outputs	122,235	-	122,235	97,229
s31 Relevant agency receipts	1,482	-	1,482	1,860
<b>Total</b>	<b>123,717</b>	<b>-</b>	<b>123,717</b>	<b>99,089</b>
<b>Total ordinary annual services</b> A	<b>123,717</b>	<b>-</b>	<b>123,717</b>	<b>99,089</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	10,694	-	10,694	7,579
<b>Total</b>	<b>10,694</b>	<b>-</b>	<b>10,694</b>	<b>7,579</b>
<b>Total other services</b> B	<b>10,694</b>	<b>-</b>	<b>10,694</b>	<b>7,579</b>
<b>Total Available Annual Appropriations</b>	<b>134,411</b>	<b>-</b>	<b>134,411</b>	<b>106,668</b>
<b>Special Appropriations</b>	300	-	300	281
<b>Total Special Appropriations</b> C	<b>300</b>	<b>-</b>	<b>300</b>	<b>281</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>134,711</b>	<b>-</b>	<b>134,711</b>	<b>106,949</b>
<b>Special Accounts</b>				
Opening balance <sup>1</sup>	7,358	-	7,358	3,944
Appropriation Receipts <sup>2</sup>	66,944	-	66,944	79,001
Non-Appropriation receipts to Special Accounts	-	-	-	-
<b>Total Special Account</b> D	<b>74,302</b>	<b>-</b>	<b>74,302</b>	<b>82,945</b>
<b>Total resourcing</b>				
A+B+C+D	209,013	-	209,013	189,894
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	66,944	-	66,944	75,587
<b>Total net resourcing for ACMA</b>	<b>142,069</b>	<b>-</b>	<b>142,069</b>	<b>114,307</b>

<sup>1</sup> Estimated opening balance for special accounts. For further information on special accounts see Table 3.11, Section 3.

<sup>2</sup> Appropriation receipts from ACMA annual and special appropriations for 2008-09 included above.

Prior year Annual Appropriations Carried Forward and Special Account Opening Balances finalised in Agency Annual Report	Estimate \$'000	Actual \$'000	Total Adjustment \$'000
Special account opening balances	4,375	7,358	2,983

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following table details the changes to the resourcing for ACMA at Additional Estimates, by outcome since the 2008–09 Budget. Table 1.4 details Additional Estimates or variations through factors such as parameter adjustments.

**Table 1.4: Additional estimates and variations to outcomes from other variations**

	Output Group Impacted	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)
<b>Outcome 1</b>					
Increase in estimates (administered)					
Radiocommunications charges	1.2	17,574	21,635	26,689	32,153
Net impact on estimates for Outcome 1 (administered)		17,574	21,635	26,689	32,153
Increase in estimates (departmental)					
Parameter adjustments	1.1, 1.2	-	246	293	345
Net impact on estimates for Outcome 1 (departmental)		-	246	293	345
<b>Outcome 2</b>					
Increase in estimates (departmental)					
Parameter adjustments	2.1, 2.2	-	139	166	196
Net impact on estimates for Outcome 2 (departmental)		-	139	166	196

## Section 2: Revisions to agency outcomes and planned performance

There have been no changes to ACMA's outcomes or performance information since the 2008-09 Portfolio Budget Statements.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

Special accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by ACMA. The corresponding table in the 2008-09 Portfolio Budget Statements is Table 3.1.3.

**Table 3.1.1: Estimates of special account flows**

		Opening balance <b>2008-09</b> 2007-08	Receipts <b>2008-09</b> 2007-08	Payments <b>2008-09</b> 2007-08	Adjustments <b>2008-09</b> 2007-08	Closing balance <b>2008-09</b> 2007-08
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Universal Service Account (A)	2	<b>806</b>	<b>49,394</b>	<b>49,394</b>	-	<b>806</b>
s21 FMA Act 1997 <sup>1</sup> and		658	60,699	60,551	-	806
s21 TCPSS Act 1999 <sup>2</sup>						
National Relay Service Account (A)	1	<b>6,552</b>	<b>17,500</b>	<b>17,500</b>	-	<b>6,552</b>
s21 FMA Act 1997 <sup>1</sup> and		3,286	18,295	15,029	-	6,552
s102 TCPSS Act 1999 <sup>2</sup>						
Other Trust Moneys (A)	1	-	<b>50</b>	<b>50</b>	-	-
s20 FMA Act 1997 <sup>1</sup>		-	7	7	-	-
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		<b>7,358</b>	<b>66,944</b>	<b>66,944</b>	-	<b>7,358</b>
Total special accounts						
2007-08 estimate actual		3,944	79,001	75,587	-	7,358

<sup>1</sup> FMA Act – Financial Management and Accountability Act 1997.

<sup>2</sup> TCPSS Act – Telecommunications (Consumer Protection and Service Standards) Act 1999.

(A) = Administered

### 3.1.2 Estimates of variations to Average Staffing Level

Changes in Average Staff Level (ASL) are presented in the Portfolio Additional Estimates Statements at the whole of agency level to demonstrate any movements since Budget. The ASL figures for Budget were reported in agency Portfolio Budget Statements in each Outcome Resourcing Table.

**Table 3.1.2: Average Staffing Level (ASL)**

	2008-09 Budget	2008-09 Revised	Variation
<b>Outcome 1</b>			
ACMA will provide a regulatory environment that supports an efficient communications sector	398	398	-
<b>Outcome 2</b>			
ACMA will contribute to meeting the communications products and services needs of the Australian community by enabling an effective information, standards and safeguards	132	132	-
<b>Total</b>	<b>530</b>	<b>530</b>	<b>-</b>

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

An analysis of the major variations to the 2008–09 Portfolio Budget Statements is provided below.

#### Administered Revenues

Budgeted income has increased by \$17.7m in 2008–09 to \$708.6m, due to an increase in radiocommunications charges.

### 3.2.2 Budgeted financial statements

#### Departmental financial statements

**Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	97,229	93,013	88,553	88,560	89,051
Goods and services	1,736	1,482	1,484	1,484	1,484
<b>Total revenue</b>	<b>98,965</b>	<b>94,495</b>	<b>90,037</b>	<b>90,044</b>	<b>90,535</b>
<b>Gains</b>					
Other	124	-	-	-	-
<b>Total gains</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>99,089</b>	<b>94,495</b>	<b>90,037</b>	<b>90,044</b>	<b>90,535</b>
<b>EXPENSE</b>					
Employees	54,650	53,911	54,629	56,481	56,275
Suppliers	39,888	33,779	27,931	25,349	25,993
Depreciation and amortisation	4,191	6,760	7,432	8,169	8,222
Finance costs	23	45	45	45	45
Write-down of assets and impairment of assets	366	-	-	-	-
Net losses from sale of assets	10	-	-	-	-
<b>Total expenses</b>	<b>99,128</b>	<b>94,495</b>	<b>90,037</b>	<b>90,044</b>	<b>90,535</b>
<b>Operating result before Income Tax</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net operating result</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	4,056	4,056	4,056	4,056	4,056
Receivables	35,529	32,779	28,272	28,637	28,285
Other financial assets	537	724	724	724	724
<b>Total financial assets</b>	<b>40,122</b>	<b>37,559</b>	<b>33,052</b>	<b>33,417</b>	<b>33,065</b>
<b>Non-financial assets</b>					
Land and buildings	12,829	13,447	13,042	14,518	15,994
Infrastructure, plant and equipment	3,407	3,807	3,839	3,734	3,526
Intangibles	4,451	10,333	16,177	15,411	14,645
Other	996	996	996	996	996
<b>Total non-financial assets</b>	<b>21,683</b>	<b>28,583</b>	<b>34,054</b>	<b>34,659</b>	<b>35,161</b>
<b>Total assets</b>	<b>61,805</b>	<b>66,142</b>	<b>67,106</b>	<b>68,076</b>	<b>68,226</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	5,447	5,447	5,447	5,447	5,447
Tax liabilities	(32)	(32)	(32)	(32)	(32)
Other payables	2,231	2,231	2,231	2,231	2,231
<b>Total payables</b>	<b>7,646</b>	<b>7,646</b>	<b>7,646</b>	<b>7,646</b>	<b>7,646</b>
<b>Interest bearing liabilities</b>					
Leases	241	241	241	241	241
<b>Total interest bearing liabilities</b>	<b>241</b>	<b>241</b>	<b>241</b>	<b>241</b>	<b>241</b>
<b>Provisions</b>					
Employees	16,717	17,360	18,028	18,723	18,723
Other provisions	1,659	1,659	1,659	1,659	1,659
<b>Total provisions</b>	<b>18,376</b>	<b>19,019</b>	<b>19,687</b>	<b>20,382</b>	<b>20,382</b>
<b>Total liabilities</b>	<b>26,263</b>	<b>26,906</b>	<b>27,574</b>	<b>28,269</b>	<b>28,269</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	23,522	27,216	27,512	27,787	27,937
Reserves	1,728	1,728	1,728	1,728	1,728
Retained surpluses or accumulated deficits	10,292	10,292	10,292	10,292	10,292
<b>Total parent entity interest</b>	<b>35,542</b>	<b>39,236</b>	<b>39,532</b>	<b>39,807</b>	<b>39,957</b>
<b>Total equity</b>	<b>35,542</b>	<b>39,236</b>	<b>39,532</b>	<b>39,807</b>	<b>39,957</b>
<b>Current assets</b>	<b>41,118</b>	<b>38,555</b>	<b>34,048</b>	<b>34,413</b>	<b>34,061</b>
<b>Non-current assets</b>	<b>20,687</b>	<b>27,587</b>	<b>33,058</b>	<b>33,663</b>	<b>34,165</b>
<b>Current liabilities</b>	<b>22,871</b>	<b>21,126</b>	<b>21,710</b>	<b>22,318</b>	<b>22,318</b>
<b>Non-current liabilities</b>	<b>3,392</b>	<b>5,780</b>	<b>5,864</b>	<b>5,951</b>	<b>5,951</b>

\*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	620	1,476	1,480	1,484	1,484
Appropriations	92,987	91,177	89,660	87,790	88,998
Net GST received	5,008	3,457	2,832	2,567	2,623
Other cash received	1,033	-	-	-	-
<b>Total cash received</b>	<b>99,648</b>	<b>96,110</b>	<b>93,972</b>	<b>91,841</b>	<b>93,105</b>
<b>Cash used</b>					
Employees	54,924	53,954	54,668	56,493	56,980
Suppliers	37,550	33,093	27,225	24,642	25,288
Financing costs	-	45	45	45	45
Net GST paid	3,755	3,457	2,832	2,567	2,623
<b>Total cash used</b>	<b>96,229</b>	<b>90,549</b>	<b>84,770</b>	<b>83,747</b>	<b>84,936</b>
<b>Net cash from or (used by) operating activities</b>	<b>3,419</b>	<b>5,561</b>	<b>9,202</b>	<b>8,094</b>	<b>8,169</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	4	-	-	-	-
<b>Total cash received</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	4,577	13,255	12,498	8,369	8,319
<b>Total cash used</b>	<b>4,577</b>	<b>13,255</b>	<b>12,498</b>	<b>8,369</b>	<b>8,319</b>
<b>Net cash from or (used by) investing activities</b>	<b>(4,573)</b>	<b>(13,255)</b>	<b>(12,498)</b>	<b>(8,369)</b>	<b>(8,319)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	3,209	7,694	3,296	275	150
<b>Total cash received</b>	<b>3,209</b>	<b>7,694</b>	<b>3,296</b>	<b>275</b>	<b>150</b>
<b>Cash used</b>					
Other cash used	585	-	-	-	-
<b>Total cash used</b>	<b>585</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>2,624</b>	<b>7,694</b>	<b>3,296</b>	<b>275</b>	<b>150</b>
<b>Net increase or (decrease) in cash held</b>	<b>1,470</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	2,586	4,056	4,056	4,056	4,056
<b>Cash at the end of the reporting period</b>	<b>4,056</b>	<b>4,056</b>	<b>4,056</b>	<b>4,056</b>	<b>4,056</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008–09)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	10,292	1,728	-	23,522	35,542
<b>Adjusted opening balance</b>	10,292	1,728	-	23,522	35,542
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)				3,694	3,694
<b>Sub-total transactions with owners</b>	-	-	-	3,694	3,694
<b>Estimated closing balance as at 30 June 2009</b>	10,292	1,728	-	27,216	39,236

Prepared on Australian Accounting Standards basis.

**Schedule of administered activity**

**Table 3.2.5: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)**

	Actual	Revised budget	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Other taxes, fees and fines	491,089	498,143	506,658	514,712	522,176
<b>Total taxation</b>	<b>491,089</b>	<b>498,143</b>	<b>506,658</b>	<b>514,712</b>	<b>522,176</b>
<b>Non-taxation</b>					
Other sources of non-taxation revenues	212,753	205,792	207,037	207,282	207,615
<b>Total non-taxation</b>	<b>212,753</b>	<b>205,792</b>	<b>207,037</b>	<b>207,282</b>	<b>207,615</b>
<b>Total revenues administered on behalf of Government</b>	<b>703,842</b>	<b>703,935</b>	<b>713,695</b>	<b>721,994</b>	<b>729,791</b>
<b>Gains</b>					
Net gains from sale of assets	4,612	4,500	4,500	4,500	4,500
<b>Total gains administered on behalf of Government</b>	<b>4,612</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>Total income administered on behalf of Government</b>	<b>708,454</b>	<b>708,435</b>	<b>718,195</b>	<b>726,494</b>	<b>734,291</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Subsidies	170,014	145,076	145,076	145,076	145,076
Suppliers	281	17,850	17,850	17,850	17,850
Write down and impairment of assets	564	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>170,859</b>	<b>162,926</b>	<b>162,926</b>	<b>162,926</b>	<b>162,926</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	7,366	7,366	7,366	7,366	7,366
Receivables	37,761	38,693	39,344	39,330	39,316
Accrued revenues	281,541	279,793	281,566	281,832	281,043
<b>Total financial assets</b>	<b>326,668</b>	<b>325,852</b>	<b>328,276</b>	<b>328,528</b>	<b>327,725</b>
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of Government</b>	<b>326,668</b>	<b>325,852</b>	<b>328,276</b>	<b>328,528</b>	<b>327,725</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Suppliers	224	224	224	224	224
Other payables	11,398	11,398	11,398	11,398	11,398
<b>Total payables</b>	<b>11,622</b>	<b>11,622</b>	<b>11,622</b>	<b>11,622</b>	<b>11,622</b>
<b>Total liabilities administered on behalf of Government</b>	<b>11,622</b>	<b>11,622</b>	<b>11,622</b>	<b>11,622</b>	<b>11,622</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.7: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes	490,087	499,891	504,885	514,446	522,965
Net GST received	6,466	6,719	6,719	6,719	6,719
Other	100,619	109,378	110,904	111,814	111,647
<b>Total cash received</b>	<b>597,172</b>	<b>615,988</b>	<b>622,508</b>	<b>632,979</b>	<b>641,331</b>
<b>Cash used</b>					
Subsidies paid	62,928	49,394	49,394	49,394	49,394
Suppliers	303	17,850	17,850	17,850	17,850
Net GST paid	6,914	6,719	6,719	6,719	6,719
<b>Total cash used</b>	<b>70,145</b>	<b>73,963</b>	<b>73,963</b>	<b>73,963</b>	<b>73,963</b>
<b>Net cash from or (used by) operating activities</b>	<b>527,027</b>	<b>542,025</b>	<b>548,545</b>	<b>559,016</b>	<b>567,368</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	4,693	4,500	4,500	4,500	4,500
<b>Total cash received</b>	<b>4,693</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>Net cash from or (used by) investing activities</b>	<b>4,693</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>	<b>4,500</b>
<b>Net increase or (decrease) in cash held</b>					
Cash at beginning of reporting period	3,959	7,366	7,366	7,366	7,366
Cash from Official Public Account for:					
- appropriations	9,359	6,819	6,819	6,819	7,319
Cash to Official Public Account for:					
- other	537,672	623,195	633,026	647,009	660,056
<b>Cash at end of reporting period</b>	<b>7,366</b>	<b>7,366</b>	<b>7,366</b>	<b>7,366</b>	<b>7,366</b>

Prepared on Australian Accounting Standards basis.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental**

#### **Revenues from Government**

Revenues from Government represents the purchase of outputs from ACMA by the Government.

#### **Revenue from the Sale of Goods and Services**

Revenue from the sale of goods and services is recognised upon the delivery of goods and services to customers.

#### **Employees Expenses**

Represents payments made and net increases or decreases in entitlements owed to employees for their services provided in the financial year.

#### **Suppliers Expenses**

Represents payments to suppliers for goods and services.

#### **Depreciation and Amortisation**

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the agency using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease. Intangibles (computer software) are depreciated over their useful lives of between three and ten years.

Forward estimates of depreciation and amortisation expense are made using forecasts of net capital acquisition requirements over the forward years.

#### **Finance Costs**

Finance costs relate to ACMA's IT outsourcing finance lease, and lease incentives associated with property leases.

#### **Receivables**

Represents amounts owing to ACMA for goods and services that it has provided to external parties, and cash reserves held in the Official Public Account, which are recorded as a receivable.

#### **Non-Financial Assets**

Represents future economic benefits that the agency will consume in producing outputs. Apart from revalued assets, the reported value represents the purchase price paid less depreciation incurred to date in using that asset.

## *ACMA Additional Estimates Statements*

Land and buildings, and infrastructure, plant and equipment are initially brought to account at cost, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Intangibles include purchased and internally developed software such as ACMA's radiocommunications planning tools software and licences, numbering auction system and financial information management system.

### **Lease Liabilities**

ACMA has entered into a sale and lease-back transaction of certain IT assets. The IT equipment provided to, and used by, ACMA includes desktop computers and other equipment. The IT outsourcing contract is accounted for as a finance lease in accordance with AAS 17, Leases. Lease liability estimates also include lease incentives associated with ACMA's property leases.

### **Employee Provisions**

Provision has been made for the agency's liability for employee entitlements arising from services rendered by employees. This liability encompasses unpaid wages and salaries, annual and long service leave. No provision is made for sick leave.

The liability for leave expected to be settled within twelve months is measured at the nominal amount. Other employee entitlements payable later than one year have been estimated at the present value of the expected future cash outflows in relation to those entitlements.

### **Supplier Payables**

Represents amounts payable to trade creditors. Settlement is usually made within 30 days.

## **Administered**

### **Taxation Revenue**

Represents the collection of taxes and fees on behalf of the Government. It includes Broadcasting Licence Fees, Radiocommunications Taxes and the Annual Numbering Charge. These funds are remitted to the Official Public Account and are not available to be used by ACMA for its own purposes.

Radiocommunication and telecommunication taxes and fees are recognised as revenue when the economic activity of the fee payer takes place that gives rise to the Commonwealth's right to levy the charges.

**Non-taxation Revenue**

Represents non-taxation fees and charges collected by ACMA. These include Telecommunication Licence Charges, Universal Service Obligation levies and non-taxation Radiocommunication charges.

**Revenues from the Sale of Assets**

Represents the proceeds from radio spectrum, radio apparatus and telephone numbering auctions. Estimates of the expected revenue from future auctions are not disclosed as they could potentially affect the revenue raised from the auctions.

**Subsidies**

Represents the Universal Service Obligation levy.

**Suppliers**

Represents payments to suppliers for goods and services. It includes expenses for National Relay Service (NRS) providers and the development of consumer codes by participants in the telecommunications industry.