

Department of Broadband, Communications and the Digital Economy

Agency resources and planned performance

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Section 1: Agency overview and resources	13
1.1 Strategic Direction Statement	13
1.2 Agency resource statement	15
1.3 Budget measures.....	17
Section 2: Outcomes and planned performance	19
2.1 Outcomes and performance information	19
Section 3: Explanatory tables and budgeted financial statements	35
3.1 Explanatory tables	35
3.2 Budgeted financial statements.....	37

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Broadband, Communications and the Digital Economy aims to develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, which promotes the digital economy for the benefit of all Australians.

The Department's strategic functions and responsibilities include:

- facilitating the increased availability of fast, affordable and reliable broadband and communications infrastructure across Australia, including through the NBN Co Limited (NBN Co);
- ensuring the smooth transition to digital television by the end of 2013;
- supporting access to high quality and diverse broadcasting services;
- promoting the benefits of the digital economy to all Australians;
- improving services to regional, rural and remote Australia, including through the Australian Broadband Guarantee Program, Satellite Phone Subsidy Scheme and the Indigenous Communications Program;
- supporting the development, application and innovative use of online technologies, including through funding to National ICT Australia and the Digital Regions Initiative;
- supporting and protecting the interests of consumers through funding of the Australian Communications Consumer Action Network, implementing measures to support the Government's Cyber-safety Plan and measures relating to cyber-security; and
- providing strategic policy advice on spectrum, telephone numbers and internet addresses.

In performing its functions, the Department aims to support and encourage the development of world class communications infrastructure over which consumers can

access a diversity of services that are competitively priced, widely available, provided on fair and just terms and reliable and innovative.

Achievement of the Department's outcome is supported through measures within the 2010-11 Budget, together with significant initiatives continuing from previous years. The major initiatives include:

- The Government will provide \$375.4m over 12 years under the **Digital Television Switchover** program to assist commercial and national broadcasters to provide a digital television satellite service for those Australians unable to receive digital terrestrial transmission. This funding will be provided to the Department, the ACMA and the two national broadcasters and will be used to:
 - support the provision of a new digital satellite television broadcasting service for viewers who are unable to receive digital television through terrestrial facilities;
 - assist a number of communities to upgrade existing regional analog 'self-help' transmission facilities to transmit national broadcasting services in a digital format; and
 - provide assistance for installation of satellite reception equipment to eligible households currently served by analog television self-help retransmission sites that are not converted to digital.
- The reallocation of \$40.8m of existing **Cyber-safety** funding to enhance Cyber-safety education, awareness and counselling programs and the Government will introduce legislative amendments to the *Broadcasting Services Act 1992* to require all Internet Service Providers (ISPs) to filter overseas hosted Refused Classification (RC) material on a RC content list to be maintained by the ACMA.
- \$21.3m over five years starting from 2009-10 for support of the implementation and regulation of the **National Broadband Network** including: policy and regulatory support for the rollout; overseeing construction of the regional backbone transmission links; managing the Government's shareholding in NBN Co; and for a national communications campaign, focused on raising public awareness of the value of superfast broadband to Australian households, businesses and organisations.
- The **Australian Broadband Guarantee** program will now focus on the two per cent of premises where adequate broadband services are not available commercially. This follows independent testing of the Telstra Next G broadband service, which found that Next G broadband offers services that meet the program's requirements everywhere except at the margins of the 3G network.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: DBCDE Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010

	Estimate of prior year amounts available in 2010-11 \$'000	Proposed at Budget 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Ordinary annual services¹				
Departmental appropriation				
Prior year Departmental appropriation ²	61,768	-	61,768	62,284
Departmental appropriation ³	-	113,605	113,605	153,798
s31 Relevant agency receipts ⁴	-	-	-	1,780
Total	61,768	113,605	175,373	217,862
Administered expenses				
Prior year Administered appropriation	6,432	-	6,432	8,851
Outcome 1	-	170,342	170,342	204,721
Payments to CAC Act bodies	-	1,167,518	1,167,518	1,122,731
Total	6,432	1,337,860	1,344,292	1,336,303
Total ordinary annual services	A 68,200	1,451,465	1,519,665	1,554,165
Other services⁵				
Departmental non-operating				
Prior year Departmental appropriation	-	-	-	707
Equity injections	-	1,144	1,144	1,513
Previous years' programs	-	-	-	1,851
Total	-	1,144	1,144	4,071
Administered non-operating				
Administered assets and liabilities	-	300,726	300,726	-
Payments to CAC Act bodies - non-operating	-	22,119	22,119	22,446
Total	-	322,845	322,845	22,446
Total other services	B -	323,989	323,989	26,517
Total available annual appropriations	68,200	1,775,454	1,843,654	1,580,682
Total appropriations excluding Special Accounts	68,200	1,775,454	1,843,654	1,580,682

Table 1.1: DBCDE Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010 (continued)

	Estimate of prior year amounts available in 2010-11 \$'000	+ Proposed at Budget = 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Special Accounts				
Opening balance ⁶	-	-	-	-
Non-appropriation receipts to Special Accounts	-	2,062,274	2,062,274	335,000
Total Special Account	C -	2,062,274	2,062,274	335,000
Total resourcing				
A+B+C	68,200	3,837,728	3,905,928	1,915,682
Less appropriations drawn from and credited to special accounts	-	(1,189,637)	(1,189,637)	(1,145,177)
Total net resourcing for DBCDE	68,200	2,648,091	2,716,291	770,505

1. Appropriation Bill (No.1) 2010-11.
2. Estimated adjusted balance carried from previous year for annual appropriations.
3. Includes an amount of \$4.1m in 2010-11 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.
4. s31 Relevant Agency receipts – estimate.
5. Appropriation Bill (No.2) 2010-11.
6. Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

Third Party Payments from and on behalf of other agencies

	2010-11 \$'000	2009-10 \$'000
Payments made to CAC Act bodies within the Portfolio		
Australian Broadcasting Corporation	972,609	932,059
Special Broadcasting Service Corporation	217,028	213,118

1.3 BUDGET MEASURES

Budget measures relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Agency 2010-11 Budget measures

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expense measures						
Cyber-safety enhancement	1.2					
Administered expenses		(25,828)	760	(1,388)	(1,444)	(3,102)
Departmental expenses		-	2,078	1,016	704	110
Total		(25,828)	2,838	(372)	(740)	(2,992)
Community broadcasters' transition to digital television	1.3					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Department of Broadband, Communications and the Digital Economy - program efficiencies	1.2					
Administered expenses		-	(1,899)	(435)	(666)	-
Total		-	(1,899)	(435)	(666)	-
Australian Broadband Guarantee - refocusing	1.2					
Administered expenses		(4,128)	(8,351)	(3,950)	-	-
Departmental expenses		-	3,496	-	-	-
Total		(4,128)	(4,855)	(3,950)	-	-
Digital Television Switchover - Regional Blackspot Solution	1.3					
Administered expenses		12,086	15,050	37,035	33,984	42,271
Departmental expenses		1,464	4,935	4,778	4,754	3,348
Total		13,550	19,985	41,813	38,738	45,619
National Broadband Network - implementation	1.1					
Administered expenses		6,666	9,210	-	-	-
Departmental expenses		(7,559)	4,771	3,866	2,574	1,809
Total		(893)	13,981	3,866	2,574	1,809
Total expense measures						
Administered		(11,204)	14,770	31,262	31,874	39,169
Departmental		(6,095)	15,280	9,660	8,032	5,267
Total		(17,299)	30,050	40,922	39,906	44,436

Prepared on a Government Financial Statistics (fiscal) basis.

DBCDE Budget Statements

Measures announced between 2009-10 Budget and 2010-11 Budget but not yet reported in a subsequent portfolio statement

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Capital measures						
Cyber-safety enhancement	1.2	-	136	-	-	-
Departmental capital		-	136	-	-	-
Total		-	136	-	-	-
Digital Television Switchover - Regional Blackspot Solution	1.3	482	310	90	45	38
Departmental capital		482	310	90	45	38
Total		482	310	90	45	38
Total capital measures						
Administered		-	-	-	-	-
Departmental		482	446	90	45	38
Total		482	446	90	45	38

Prepared on a Government Financial Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

The Department's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Broadband, Communications, and the Digital Economy in achieving Government outcomes.

Outcome 1: Develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, through policy development, advice and program delivery, which promotes the digital economy for all Australians

Outcome 1 Strategy

The Department has structured its activities into three program areas designed to support the efficient, effective and transparent management of its responsibilities in achieving its outcome.

1. The **Broadband and Communications Infrastructure** program supports the efficient investment in fast and reliable broadband and communications infrastructure across Australia. The program will be assessed by the extent to which the availability of fast, affordable and reliable broadband increases and telecommunications infrastructure improves and the effectiveness of the regulatory environment in promoting efficient industry and Government investment in broadband and telecommunications infrastructure.
2. The **Telecommunications, Online and Postal Services** program assists Australians to make best use of the broadband and communications infrastructure.

Major projects and strategic activities during 2010-11 will support service innovation, availability of reasonably priced and reliable voice and data services particularly in regional Australia and address barriers to household and business engagement in the digital economy. The benefits of increasing the engagement of both businesses and consumers in the digital economy include: realising productivity gains, achieving more efficient and sustainable use of natural, physical and human resources, more effective health and education outcomes and enhanced social inclusion.

DBCDE Budget Statements

3. The **Broadcasting and Digital Television** program supports access to high quality and diverse broadcasting services that deliver content consistent with community expectations and needs. A major focus of the program activities includes overseeing the switchover to digital television, which began in mid-2010 and is scheduled to be completed by the end of 2013.

Outcome Expense and Resource Statement

Table 2.1 provides an overview of the total expenses for outcome by program.

Table 2.1: Budgeted Expenses and Resources for Outcome 1

	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Outcome 1: Develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, through policy development, advice and program delivery, which promotes the digital economy for all Australians		
Program 1.1: Broadband and Communications Infrastructure		
Administered expenses	90,355	53,421
Ordinary annual services (Appropriation Bill No. 1)	89,830	52,336
Expenses not requiring appropriation in the Budget year	525	1,085
Departmental expenses	58,043	31,288
Ordinary annual services (Appropriation Bill No. 1)	57,540	29,412
Revenues from independent sources (s31)	399	-
Expenses not requiring appropriation in the Budget year	105	1,876
Total for Program 1.1	148,398	84,709
Program 1.2: Telecommunications, Online and Postal Services		
Administered expenses	56,570	42,084
Ordinary annual services (Appropriation Bill No. 1)	56,570	42,084
Departmental expenses	69,030	52,223
Ordinary annual services (Appropriation Bill No. 1)	67,769	49,224
Revenues from independent sources (s31)	997	-
Expenses not requiring appropriation in the Budget year	263	2,999
Total for Program 1.2	125,600	94,307
Program 1.3: Broadcasting and Digital Television		
Administered expenses	56,447	75,922
Ordinary annual services (Appropriation Bill No. 1)	56,447	75,922
Departmental expenses	28,975	32,934
Ordinary annual services (Appropriation Bill No. 1)	28,489	30,887
Revenues from independent sources (s31)	384	-
Expenses not requiring appropriation in the Budget year	101	2,047
Total for Program 1.3	85,422	108,856
Outcome 1 Totals by appropriation type		
Administered Expenses	203,372	171,427
Ordinary annual services (Appropriation Bill No. 1)	202,847	170,342
Expenses not requiring appropriation in the Budget year	525	1,085
Departmental expenses	156,048	116,445
Ordinary annual services (Appropriation Bill No. 1)	153,798	109,523
Revenues from independent sources (s31)	1,780	-
Expenses not requiring appropriation in the Budget year	470	6,922
Total expenses for Outcome 1	359,420	287,872
	2009-10	2010-11
Average Staffing Level (number)	643	684

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 1

Program 1.1: Broadband and Communications Infrastructure

Program objective

- To facilitate the increased availability of fast, affordable and reliable broadband and communications infrastructure across Australia.

Program expenses

- The Australian Broadband Guarantee has been moved into this program. While there was a continuing strong demand for this subsidy in 2009-10, there is an anticipated decrease for 2010-11 reflecting increased access to reasonably priced broadband;
- The sharp fall in program support expenses from 2009-10 to 2010-11 reflects the finalisation of the Implementation Study for the National Broadband Network; and
- Movement in the International Organisations Contributions reflects foreign exchange rates movements.

(\$'000)	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual Administered expenses:					
<i>Australian Broadband Guarantee</i>	77,832	38,015	12,107	-	-
<i>International Organisations Contributions</i>	5,857	5,223	5,118	5,104	5,111
<i>National Broadband Network - Implementation</i>	6,666	9,210	-	-	-
<i>National Broadband Network - Regional Backbone Blackspots Program</i>	-	973	11,969	13,779	13,779
Program support	57,938	29,412	20,397	15,048	14,796
Expenses not requiring appropriation in the Budget year ¹	105	1,876	1,404	1,105	1,122
Total program expenses	148,398	84,709	50,995	35,036	34,808

1. Expenses not requiring Appropriation in the Budget year is the difference between the total Departmental Expenses and Appropriations.

Program 1.1 Deliverables

The Australian telecommunications and internet services market operating under a regulatory framework which has encouraged open competition, together with government initiatives, has produced telecommunications infrastructure encompassing fixed line, terrestrial wireless and satellite technologies capable of providing services across Australia.

The key deliverables and services for the Department’s Broadband and Communications Infrastructure program include:

- implementing the Government’s National Broadband Network initiative, including:
 - in collaboration with NBN Co Limited (NBN Co), implementing the recommendations of the Implementation Study agreed by Government;
 - developing and implementing NBN Co shareholder policy and governance to support the Minister for Broadband, Communications and the Digital Economy in his role as a joint Shareholder Minister of NBN Co;
 - implementing and monitoring legislation that will govern NBN Co and require fibre-ready infrastructure and fibre connections in new developments;
 - developing other legislation necessary to facilitate the smooth and expeditious rollout of the National Broadband Network; and
 - providing oversight of rollout of the Regional Backbone Blackspots Program.
- implementing legislative reforms to improve the effectiveness of the existing regulatory framework, particularly during the rollout of the National Broadband Network; and
- administering the Australian Broadband Guarantee which complements the National Broadband Network by subsidising access to metro-comparable broadband where not otherwise available while the new network is rolled out.

Program Deliverables

Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Regional Services					
Australian Broadband Guarantee connections subsidised	30,400	13,700	5,500	-	-
Number of Regional Backbone Blackspots Program routes ready for third party service	n/a	3 (Geraldton; Victor Harbor; South West Gippsland)	2 (Broken Hill; Darwin, Emerald and Longreach)	-	-

Program 1.1 Key Performance Indicators

- Timely and effective policy advice on implementation of the National Broadband Network and the underpinning telecommunications legislative framework leading to increased availability of fast, affordable and reliable broadband and communications infrastructure;
- Regional Backbone Blackspots Program meets contractual milestones;
- Administering the Australian Broadband Guarantee (ABG) which has been used by the Government to complement the National Broadband Network by subsidising access to metro-comparable broadband where not otherwise available; and
- Developing enhancements to the ABG, which from 1 July 2010 will focus the program on the 2 per cent of premises in Australia which are in greatest need of support in accessing adequate broadband services; doubling the service speed and data allowances supported by the program; and providing remote and regional communities with a transition path towards the NBN.

Program 1.2: Telecommunications, Online and Postal Services

Program objective

To support all Australians to safely and securely realise the full potential of the digital economy. Ensure the availability and reliability to consumers and businesses of reasonably priced basic and essential communications services.

Linked to:

Elements of the following administered items in Program 1.2 are also delivered by other agencies:

- Cyber-safety is also delivered through the Australian Communications and Media Authority, the Australian Federal Police, the Attorney-General's Department and the Office of the Director of Public Prosecutions;
- elements of the Government's Cyber-Security National Agenda programs are also delivered through the Attorney-General's Department, the Australian Communications and Media Authority, the Australian Federal Police, the Australian Government Information Management Office and the Defence Signals Directorate;
- the ABC will deliver the ABC Local Regional Broadband Hubs announced as part of the Rural and Regional National Broadband Network Initiative, which will encourage and assist the development of user generated content and establish more than 50 enhanced community websites and portals, creating 'virtual town squares' for communities to share experiences;
- the ICT Centre of Excellence program is also delivered through the Australian Research Council;
- the Digital Regions Initiative and the Indigenous Communications Program forming part of the Regional Telecommunications Review Response is appropriated through the Department of the Treasury. Further information on these arrangements can be found in the Portfolio Budget Statements of the Treasury and in Budget Paper No. 3; and
- the Australian Communications and Media Authority recoups the cost of the Consumer Representation Grants Program allocated to Australian Communications Consumer Action Network (ACCAN) (under section 593 of the Telecommunications Act 1997) from licensed carriers under the *Telecommunications (Carrier Licence Charges) Act 1997*. It also administers the contract for the National Relay Service.

Program expenses

- The fall in funding for Connect Australia in 2010-11 reflects the finalisation of the program, which is reflected in part in the decrease in of program support expenses. The fall in the latter also reflects the movement of the ABG program to Program 1.1.

(\$'000)	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual Administered expenses:					
<i>Consumer Representation Grants Program</i>	2,000	2,032	2,077	2,125	2,178
<i>Connect Australia</i>	18,647	915	-	-	-
<i>Cyber-safety</i>	2,625	5,444	2,249	2,271	667
<i>Cyber-security</i>	1,142	1,463	1,494	1,527	1,567
<i>ICT Centre of Excellence</i>	25,437	25,946	25,000	23,750	22,563
<i>Regional Telecommunications Review Response</i>	6,719	6,284	5,933	5,920	3,753
Program support	68,766	49,224	47,685	52,694	47,857
Expenses not requiring appropriation in the Budget year ¹	263	2,999	3,343	4,035	4,092
Total program expenses	125,600	94,307	87,781	92,321	82,677

1. Expenses not requiring Appropriation in the Budget year is the difference between the total Departmental Expenses and Appropriations.

Programs for which Treasury is appropriated under Federal Financial Relations framework

(\$'000)	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Annual Administered expenses:					
<i>National Partnership on Digital Regions Initiative</i>	2,856	26,765	13,805	9,941	-
<i>National Partnership on Indigenous communications program</i>	630	2,277	2,013	2,066	2,118
Total program expenses	3,486	29,042	15,818	12,007	2,118

Program 1.2 Deliverables

The Telecommunications, Online and Postal Services program includes the following deliverables and services that address the cost to consumers and remote Indigenous communities in accessing Australia's telecommunications infrastructure and gaps in service availability:

- improving services to regional, rural and remote Australia:
 - the Satellite Phone Subsidy provides support for Australians living or conducting business in areas outside the reach of terrestrial mobile phone networks;
 - the appointment of rural National Broadband Network coordinators will encourage the take up of broadband opportunities by local government, community and business;
 - the Indigenous Communications Program. Key elements are:
 - : community phones: This element maintains existing community phones and provides additional community phones to remote Indigenous communities with baseline populations of less than 50 people; and
 - : internet access and training: This element is being implemented in collaboration with state and territory governments and Indigenous communities to provide improved public internet access and computer and internet training to remote Indigenous communities.
- supporting the development of the digital economy including:
 - supporting the Information and Communications Technology Centre of Excellence Program;
 - through the Digital Regions Initiative, support cross-regional and national deployment of successful delivery models in health, education and emergency services in regional, rural and remote communities.
- supporting and protecting the interests of consumers through:
 - funding for ACCAN through the Consumer Representation Grants program;
 - cyber-safety initiatives to inform and educate the Australian community about internet safety tools and online help. Operation of the Youth Advisory Group online forum and secretariat to the consultative working group on Cyber-safety ; and
 - cyber-security initiatives to inform and educate Australian consumers and small businesses about how best to manage the risk of financial fraud and loss of personal information over the internet.
- providing policy advice on Australia's radiofrequency spectrum assets in the interests of Australian consumers and the economy, while providing certainty to wireless broadband, broadcasting and communications service providers including through progressing:

DBCDE Budget Statements

- issues related to realising the digital dividend from the analog television switchover; and
- Government consideration of the reissue of expiring 15 year spectrum licences which provide the major 2G and 3G mobile phone services.

Program Deliverables

Deliverables	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Regional Services					
Satellite phone scheme subsidies provided	1,700	1,950	2,070	3,250	-
Number of phones monitored and maintained in remote Indigenous communities	300	400	500	550	600
Number of remote Indigenous communities with new or improved public internet access	46	100	100	100	100
Number of remote Indigenous communities provided with computer and internet training	42	50	50	50	tba

Program 1.2 Key Performance Indicators

Regional Services

- Satellite Phone Subsidy Scheme: extent to which people, particularly those living in non-coverage areas, are aware of the scheme and take it up;
- Indigenous Communications - Community Phones: extent to which the phones are in operation, particularly for emergency purposes in remote Indigenous communities; and
- Indigenous Communications - Internet: availability and usage of public internet access facilities in remote Indigenous communities.

Service innovation

- National ICT Australia (NICTA) contribution to:
 - commercialisation of ICT and online innovation; and
 - development of ICT and online research and commercialisation skills.
- Digital Regions Initiative: Extent of health, education, and emergency service benefits to regional Australia from innovative use of broadband applications.
- Development of advice to Government that identifies priorities for action by business, government and the community to advance the digital economy.

Consumers

- ACCAN represents telecommunications consumers and undertakes research to achieve better outcomes;
- Extent to which regulatory environment facilitates competition and market structures including by encouraging new entrants and business models that promote consumer empowerment and choice;
- Progress in resolving systemic consumer issues;
- Extent to which Australian households and small businesses are aware of and adopt appropriate actions to address cyber-security and cyber-safety risks;
- Extent to which Youth Advisory Group (YAG) and Consultative Working Group (CWG) advice and input enables development of improved cyber-safety measures;
- Timely and effective policy advice on implementation of policy on ISP filtering as part of the Government's overall cyber-safety plan; and
- Procurement of filtering tool and advice to assist ISPs to implement mandatory filtering and delivery of a grants program on wider filtering services.

DBCDE Budget Statements

Program Key Performance Indicators

Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Regional services					
Average percentage of time remote Indigenous community phones are fault free each month	90	90	90	90	90
Number of people in remote Indigenous communities with improved access to internet services	22,000	32,000	32,000	32,000	32,000
Number of people in remote Indigenous communities participating in computer and internet training	329	500	500	500	
National Innovation¹					
Level of commercial revenue generated by the ICT Centre of Excellence (\$m)	2.0	2.0	2.2	2.3	2.4
PhD candidates sponsored by the ICT Centre of Excellence	253	250	270	270	270
Number of Australian jobs in ICT Centre of Excellence spin outs	60	70	80	90	100
Consumer protection					
Proportion of Australian schools promoting the use of the Cyber-Security Education Package	60%	60%			

1. Subject to execution of funding agreement with final agreed Key Performance Indicators.

Program 1.3: Broadcasting and Digital Television

Program objective

- Ensure the smooth switchover to digital only television by the end of 2013. Support access to high quality, innovative and diverse broadcasting services that deliver content consistent with Australia's diverse community expectations.

Linked to:

The switchover to digital only television is being overseen and co-ordinated by the Department's Digital Switchover Taskforce in close cooperation with:

- the Australian Communications and Media Authority (ACMA), which will provide a range of regulatory advice and technical support throughout the process;
- Centrelink, which plays a key role in the delivery of the Digital Switchover Household Assistance Scheme; and
- the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service Corporation (SBS), who are also switching over to the digital only television.

The Department also works closely with the ACMA on other broadcasting matters and oversees other matters relating to the national broadcasters (such as Board appointments).

Program expenses

Total program expense variations mainly reflect funding for the digital television switchover program across regional South Australia, Victoria and Queensland.

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(\$'000)					
Annual Administered expenses:					
<i>ABC & SBS Digital Interference Scheme</i>	100	-	-	-	-
<i>Community Broadcasting Program</i>	17,089	12,559	12,803	11,548	11,836
<i>Digital Television Switchover</i>	36,761	61,456	78,476	33,995	42,299
<i>National Transmission Network Residual Funding Pool</i>	133	137	140	525	1,001
<i>Regional Equalisation Plan</i>	1,300	1,300	1,000	1,000	1,000
<i>Television Towers</i>	1,064	470	-	-	-
Program support	28,873	30,887	29,208	18,681	18,708
Expenses not requiring appropriation in the Budget year ¹	101	2,047	2,205	1,736	1,649
Total program expenses	85,422	108,856	123,832	67,485	76,493

1. Expenses not requiring Appropriation in the Budget year is the difference between the total Departmental Expenses and Appropriations.

Program 1.3 Deliverables

Key deliverables and services for the Department's Broadcasting and Digital Television program are:

- the switchover to digital only television transmission by the end of 2013. In 2010-11, the Department will:
 - coordinate and oversee switchover across Australia focussing on Mildura, regional South Australia and regional Victoria, the first three regions to switch;
 - review lessons learned from the pilot switchover in Mildura on 30 June 2010;
 - conduct an information and communications program to raise public awareness and understanding of switchover to encourage action required to get ready, including region-specific activities in regional South Australia and regional Victoria;
 - work with the retail industry and suppliers of digital television equipment, including through the digital switchover labelling scheme and support for antenna installers;
 - through the Digital Switchover Household Assistance Scheme, provide practical end-to-end technical and installation services for maximum benefit to aged and disability support pensioners, carers payees and equivalent war service pensioners and income support supplement payees; and
 - through the Satellite Subsidy Scheme, provide assistance for installation of satellite reception equipment for households served by 'self help' analog terrestrial retransmission sites which are not upgraded to digital.
- supporting the Minister on ABC and SBS policy and funding matters, the rollout of digital services, and in relation to ABC and SBS board appointments;
- advising the Minister on broadcasting policy matters such as media ownership, anti-siphoning and digital radio;
- providing funding through the Community Broadcasting Program to assist with the delivery of community radio services; and
- providing funding to support community television broadcasters in all major capital cities to begin transition to digital broadcasting.

Program 1.3 Key Performance Indicators

All Australians have access to a range of free-to-air national and commercial television and radio services and subscription television and radio services. Community broadcasting services are also widespread with community television operating in major cities and over 350 community radio stations across the country as at 4 March 2010.

The Digital Switchover Taskforce, within the Department assesses the effectiveness of the switchover to digital television through the Digital Tracker by monitoring the following indicators for each switchover region on a quarterly basis:

- awareness of switchover to digital television;
- understanding of what needs to be done to prepare for switchover;
- attitudes towards digital switchover;
- intentions to convert to digital television;
- the proportion of Australians who have switched over; and
- satisfaction with digital television.

Community television broadcasters in all major capital cities commence digital television broadcasting from 2010.

Program Key Performance Indicators

Key Performance Indicators	2009-10 Revised budget	2010-11 Budget target	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
Number of households assisted through the Digital Switchover:					
Household Assistance Scheme	3,400	61,000	68,000	tba	tba
Satellite Subsidy Scheme		4,500	42,000	30,000	51,000

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2010-11 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

Administered funds can be provided for a specified period, for example under annual Appropriation Acts. Funds not used in the specified period with the agreement of the Finance Minister may be moved to a future year. Table 3.1.1 shows the movement of administered funds approved between years.

Table 3.1.1: Movement of Administered Funds

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Outcome 1:					
Digital Television Switchover	(1,226)	26	1,200	-	-
Television Towers	(470)	470	-	-	-
National Broadband Network - Regional Backbone Blackspots Program - capital	(217,200)	216,470	730		
Community Broadcasting Program	(1,834)	917	917	-	-
Total Movement of Administered Funds	(220,730)	217,883	2,847	-	-

Figures displayed as a negative (-) represent a decrease in funds and a positive reflect an increase in funds.

Digital Television Switchover: The movement reflects some marginal slippage in content payments together with a slower than anticipated uptake of people seeking assistance under the Household Assistance Scheme.

Community Broadcasting Program: The movement reflects settlement by the community broadcasters of how funding is to be received. All community broadcasters have elected to take up the "access seeker" model as opposed to taking up shares through the Digital Community Radio Broadcasting Representative Companies.

3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

Table 3.1.2: Estimates of Special Account Flows and Balances

	Opening balance 2010-11 <i>2009-10</i>	Receipts	Payments	Adjustments	Closing balance
		2010-11 <i>2009-10</i>	2010-11 <i>2009-10</i>	2010-11 <i>2009-10</i>	2010-11 <i>2009-10</i>
Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
BAF ¹ Communications Portfolio Special Account (A) - s21 FMA Act and s68 NBF Act ²	1 -	2,062,274	2,062,274	-	-
	-	335,000	335,000	-	-
Total Special Accounts 2010-11 Budget estimate	-	2,062,274	2,062,274	-	-
<i>Total Special Accounts 2009-10 estimate actual</i>	-	335,000	335,000	-	-

(A) = Administered

1. BAF – Building Australia Fund.

2. NBF Act - Nation Building Funds Act 2008.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
Outcome 1							
Administered 2010-11	5,628	-	-	5,628	-	5,628	1.2, 1.3
<i>Administered 2009-10</i>	<i>6,196</i>	<i>-</i>	<i>-</i>	<i>6,196</i>	<i>-</i>	<i>6,196</i>	
Total outcome 2010-11	5,628	-	-	5,628	-	5,628	
<i>Total outcome 2009-10</i>	<i>6,196</i>	<i>-</i>	<i>-</i>	<i>6,196</i>	<i>-</i>	<i>6,196</i>	
Total administered 2010-11	5,628	-	-	5,628	-	5,628	
<i>Total administered 2009-10</i>	<i>6,196</i>	<i>-</i>	<i>-</i>	<i>6,196</i>	<i>-</i>	<i>6,196</i>	
Total AGIE 2010-11	5,628	-	-	5,628	-	5,628	
<i>Total AGIE 2009-10</i>	<i>6,196</i>	<i>-</i>	<i>-</i>	<i>6,196</i>	<i>-</i>	<i>6,196</i>	

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

3.2.2 Analysis of budgeted financial statements

Departmental financial statements

Comprehensive Income Statement (showing Net Cost of Services)

Appropriation revenue has decreased from 2009-10 to 2010-11 by \$44.3 million. In the main this reflects the completion of the Implementation Study and the termination of the Connect Australia program in 2009-10.

The deficit attributable to the Australian Government reflects the cessation of funding associated with the depreciation expense of non-financial assets held by the agencies. This, in turn, has meant an increase in contributed equity in the current and forward years as agencies are now directly appropriated for capital acquisitions. The capital budget statement shows the amount of funding that the department will receive for its capital budget.

Administered financial statements

Schedule of Income and Expenses administered on behalf of Government

The movement in dividend non-taxation revenue reflects the provisioning by Australia Post of their corporate restructuring project.

The decline in expenses reflect a number of factors, including:

- The termination of the Connect Australia program in 2009-10;
- The phasing out of funding for the Australian Broadband Guarantee program over the next two years; and
- The scheduled completion of the digital switchover in regional South Australia, regional Victoria and regional Queensland in 2011-12.

Schedule of budgeted assets and liabilities administered on behalf of Government

The investments accounted for using the equity method represent the Government's investment in the NBN Co. The amount is in line with the Implementation Study.

The movement in the level of non financial assets reflects the rollout of the Regional Backbone Blackspots Program and, from 2011-12, the consequent depreciation.

Schedule of budgeted cash flows administered on behalf of Government

In the main, the estimates of operating cash flows reflect trends shown in the Schedule of Income and Expenses administered on behalf of Government. The increase in cash used for investing activities relates to the investment in the NBN Co and the Regional Backbone Blackspots Program.

Schedule of Administered Capital Budget

The capital appropriations in 2010-11 and 2011-12 form part of the Government's investment in the NBN Co.

3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	72,125	79,624	72,674	66,181	63,757
Supplier expenses	77,572	30,343	25,060	20,686	18,048
Grants	-	-	-	-	-
Depreciation and amortisation	6,311	6,452*	6,482*	6,406*	6,393*
Finance costs	32	26	26	26	26
Write-down and impairment of assets	8	-	-	-	-
Total expenses	156,048	116,445	104,242	93,299	88,224
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	810	-	-	-	-
Rental income	970	-	-	-	-
Total revenue	1,780	-	-	-	-
Gains					
Other	470	470	470	470	470
Total gains	470	470	470	470	470
Total own-source income	2,250	470	470	470	470
Net cost of (contribution by) services					
Revenue from Government	153,798	109,523	97,290	86,423	81,361
Surplus (Deficit)	-	(6,452)	(6,482)	(6,406)	(6,393)
Surplus (Deficit) attributable to the Australian Government	-	(6,452)*	(6,482)*	(6,406)*	(6,393)*
Total comprehensive income	-	(6,452)*	(6,482)*	(6,406)*	(6,393)*
Total comprehensive income attributable to the Australian Government	-	(6,452)*	(6,482)*	(6,406)*	(6,393)*
*Note: Reconciliation of operating result attributable to the agency					
	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2012-13 \$'000
Operating result attributable to the Australian Government	-	(6,452)	(6,482)	(6,406)	(6,393)
plus non-appropriated expenses depreciation and amortisation expenses	-	6,452	6,482	6,406	6,393
Operating result attributable to the Agency	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	856	868	746	831	831
Trade and other receivables	61,934	62,354	63,665	64,735	64,655
Total financial assets	62,790	63,222	64,411	65,566	65,486
Non-financial assets					
Land and buildings	6,534	5,480	4,414	3,331	2,248
Property, plant and equipment	5,217	4,519	3,510	3,725	3,978
Investment properties					
Intangibles	5,296	5,822	5,623	5,372	5,114
Inventories					
Other	397	397	397	397	397
Total non-financial assets	17,444	16,218	13,944	12,825	11,737
Assets held for sale					
Total assets	80,234	79,440	78,355	78,391	77,223
LIABILITIES					
Payables					
Suppliers	6,592	6,592	6,592	6,592	6,592
Other	1,890	1,890	1,890	1,890	1,890
Total payables	8,482	8,482	8,482	8,482	8,482
Provisions					
Employee provisions	16,545	16,977	18,166	19,321	19,321
Other	1,558	1,558	1,558	1,558	1,478
Total provisions	18,103	18,535	19,724	20,879	20,799
Total liabilities	26,585	27,017	28,206	29,361	29,281
Net assets	53,649	52,423	50,149	49,030	47,942

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	-	5,226	9,434	14,721	20,026
Reserves	2,918	2,918	2,918	2,918	2,918
Retained surplus (accumulated deficit)	50,731	44,279	37,797	31,391	24,998
Total parent entity interest	53,649	52,423	50,149	49,030	47,942
Total equity	53,649	52,423	50,149	49,030	47,942

Prepared on Australian Accounting Standards basis.

* 'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	50,731	2,918	-	-	53,649
Adjusted opening balance	50,731	2,918	-	-	53,649
Comprehensive income					
Surplus (deficit) for the period	(6,452)	-	-	-	(6,452)
Total comprehensive income recognised directly in equity	(6,452)	-	-	-	(6,452)
Transactions with owners					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	1,144	1,144
Appropriation (departmental capital budget)	-	-	-	4,082	4,082
Sub-total transactions with owners	-	-	-	5,226	5,226
Estimated closing balance as at 30 June 2011	44,279	2,918	-	5,226	52,423

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	1,772	-	-	-	-
Appropriations	155,291	109,103	95,979	85,353	81,441
Total cash received	157,063	109,103	95,979	85,353	81,441
Cash used					
Employees	73,385	80,482	72,775	65,169	63,900
Suppliers	75,746	28,583	23,300	20,073	17,435
Other	42	26	26	26	26
Total cash used	149,173	109,091	96,101	85,268	81,361
Net cash from (used by) operating activities	7,890	12	(122)	85	80
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	10,719	5,226	4,208	5,287	5,385
Total cash used	10,719	5,226	4,208	5,287	5,385
Net cash from (used by) investing activities	(10,719)	(5,226)	(4,208)	(5,287)	(5,385)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,513	5,226	4,208	5,287	5,305
Total cash received	1,513	5,226	4,208	5,287	5,305
Net cash from (used by) financing activities	1,513	5,226	4,208	5,287	5,305
Net increase (decrease) in cash held	(1,316)	12	(122)	85	-
Cash and cash equivalents at the beginning of the reporting period	2,171	856	868	746	831
Cash and cash equivalents at the end of the reporting period	856	868	746	831	831

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	4,082	4,118	5,242	5,229
Equity injections - Bill 2	1,513	1,144	90	45	76
Previous years' outputs - Bill 2	1,851	-	-	-	-
Total capital appropriations	3,364	5,226	4,208	5,287	5,305
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	1,513	5,226	4,208	5,287	5,305
Other Items	1,851	-	-	-	-
Total Items	3,364	5,226	4,208	5,287	5,305
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	1,513	1,144	90	45	76
Funded by capital appropriation - DCB ¹	-	4,082	4,118	5,242	5,229
Funded internally from departmental resources ²	8,931	-	-	-	-
TOTAL	10,444	5,226	4,208	5,287	5,305
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10,444	5,226	4,208	5,287	5,305
Total cash used to acquire assets	10,444	5,226	4,208	5,287	5,305

Prepared on Australian Accounting Standards basis.

- Does not include annual finance lease costs. Includes purchase from current and previous years' Departmental Capital Budgets.
- Includes the following sources of funding:
 - annual and prior year appropriations;
 - donations and contributions;
 - gifts;
 - internally developed assets;
 - s31 relevant agency receipts (for FMA agencies only); and
 - proceeds from the sale of assets.

Table 3.2.6: Statement of Departmental Asset Movements (2010-11)

	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010				
Gross book value	9,970	7,619	8,234	25,823
Accumulated depreciation/amortisation and impairment	(3,436)	(2,402)	(2,938)	-
Opening net book balance	6,534	5,217	5,296	25,823
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation equity	-	-	1,144	1,144
By purchase - appropriation ordinary	2,394	1,606	82	4,082
Total additions	2,394	1,606	1,226	5,226
Other movements				
Depreciation/amortisation expense	(3,448)	(2,304)	(700)	(6,452)
As at 30 June 2011				
Gross book value	12,364	9,225	9,460	31,049
Accumulated depreciation/amortisation and impairment	(6,884)	(4,706)	(3,638)	(6,452)
Closing net book balance	5,480	4,519	5,822	24,597

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation revenue					
Interest	633	504	376	247	120
Dividends	171,900	88,587	151,975	154,675	162,575
Other	651	260	3,292	3,794	3,794
Total non-taxation revenue	173,184	89,351	155,643	158,716	166,489
Total revenues administered on behalf of Government	173,184	89,351	155,643	158,716	166,489
Total income administered on behalf of Government	173,184	89,351	155,643	158,716	166,489
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Supplier expenses	34,960	35,938	20,392	6,804	7,431
Subsidies	80,986	64,384	67,319	25,349	30,515
Personal benefits					
Grants	81,569	65,147	56,479	53,858	52,268
Depreciation and amortisation	-	735	9,058	10,429	10,429
CAC Act body payment item	1,121,484	1,167,518	1,204,940	1,219,706	1,227,660
Other	5,857	5,223	5,118	5,104	5,111
Total expenses administered on behalf of Government	1,324,856	1,338,945	1,363,306	1,321,250	1,333,414

Prepared on Australian Accounting Standards basis.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Receivables	15,534	12,414	9,363	6,003	2,994
Investments accounted for using the equity method	3,934,839	6,095,482	8,099,769	8,099,769	8,099,769
Total financial assets	3,950,373	6,107,896	8,109,132	8,105,772	8,102,763
Non-financial assets					
Property, plant and equipment	32,798	249,232	246,564	236,146	225,728
Intangibles	-	313	302	291	280
Other	2,582	5,801	16,064	12,721	9,371
Total non-financial assets	35,380	255,346	262,930	249,158	235,379
Total assets administered on behalf of Government	3,985,753	6,363,242	8,372,062	8,354,930	8,338,142
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Suppliers	-	3,331	13,601	10,251	6,901
Subsidies	5,500	4,290	3,850	-	-
Other	5,935	6,919	12,191	11,747	11,303
Total payables	11,435	14,540	29,642	21,998	18,204
Total liabilities administered on behalf of Government	11,435	14,540	29,642	21,998	18,204

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	644	514	387	257	129
Dividends	171,900	88,587	151,975	154,675	162,575
Net GST received	24,043	38,284	14,243	8,619	8,688
Other	716	-	-	-	-
Total cash received	197,303	127,385	166,605	163,551	171,392
Cash used					
Grant payments	98,057	71,663	62,128	59,246	57,495
Subsidies paid	90,251	72,033	74,491	31,734	33,567
Suppliers	40,156	39,271	19,230	3,800	4,490
CAC Act body payment item	1,121,484	1,167,518	1,204,940	1,219,706	1,227,660
Other	8,612	26,759	5,184	5,111	5,111
Total cash used	1,358,560	1,377,244	1,365,973	1,319,597	1,328,323
Net cash from (used by) operating activities	(1,161,257)	(1,249,859)	(1,199,368)	(1,156,046)	(1,156,931)
INVESTING ACTIVITIES					
Cash received					
Loan repayments from CAC Act entities	3,000	3,000	3,000	3,000	3,000
Total cash received	3,000	3,000	3,000	3,000	3,000
Cash used					
Purchase of property, plant equipment and intangibles	32,798	216,476	726	-	-
CAC Act body investments	324,648	2,160,643	2,004,287	-	-
Total cash used	357,446	2,377,119	2,005,013	-	-
Net cash from (used by) investing activities	(354,446)	(2,374,119)	(2,002,013)	3,000	3,000

**Table 3.2.9: Schedule of budgeted administered cash flows
(for the period ended 30 June) (continued)**

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
Net increase (decrease) in cash held	(1,515,703)	(3,623,978)	(3,201,381)	(1,153,046)	(1,153,931)
Cash and cash equivalents at beginning of reporting period	8,440	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	1,349,289	1,661,805	3,356,017	1,310,978	1,319,635
- Special Accounts:					
BAF - Communications Portfolio	335,000	2,062,274	135,726	432,000	-
- section 30A drawdowns	23,280	38,284	14,243	8,619	8,688
	1,707,569	3,762,363	3,505,986	1,751,597	1,328,323
Cash to Official Public Account for:					
- Appropriations					
- dividends	(171,900)	(88,587)	(151,975)	(154,675)	(162,575)
- loan repayments from CAC Act entities	(3,644)	(3,514)	(3,387)	(3,257)	(3,129)
- section 30A drawdowns	(24,108)	(38,284)	(14,243)	(8,619)	(8,688)
- other	(654)	(8,000)	(135,000)	(432,000)	-
	(200,306)	(138,385)	(304,605)	(598,551)	(174,392)
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of Administered Capital Budget

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Administered assets and liabilities - Bill 2	-	300,726	1,999,274	-	-
Total capital appropriations	-	300,726	1,999,274	-	-
Total new capital appropriations					
Represented by:					
Other Items	-	300,726	1,999,274	-	-
Total Items	-	300,726	1,999,274	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funding from the BAF - Communications Portfolio Special Account.	32,798	216,476	726	-	-
TOTAL	32,798	216,476	726	-	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	32,798	216,476	726	-	-
Total cash used to acquire assets	32,798	216,476	726	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.11: Statement of Administered Asset Movements (2010-11)

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2010			
Gross book value	32,798	-	32,798
Accumulated depreciation/amortisation and impairment	-	-	-
Opening net book balance	32,798	-	32,798
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase - BAF - Communications Portfolio Special Account	216,159	317	216,476
Total additions	216,159	317	216,476
Other movements			
In kind	1,006	-	1,006
Depreciation/amortisation expense	(731)	(4)	(735)
As at 30 June 2011			
Gross book value	249,963	317	250,280
Accumulated depreciation/amortisation and impairment	(731)	(4)	(735)
Closing net book balance	249,232	313	249,545

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Departmental Financial Statements and Schedule of Administered Activity

The Department's financial statements have been prepared in accordance with Australian Accounting Standards.

Appropriations in the accrual budgeting framework

Under the Australian Government's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- Departmental capital appropriations: for investments by the Government, either through additional equity or loans in agencies;
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states and territories or local government; and
- Special appropriations: to fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Administered investments in controlled entities

Each Commonwealth Department is required to show an Administered investment in each *Commonwealth Authority and Company (CAC) Act 1997* entity within their portfolio. These Administered investments are recorded at their fair value.

Asset valuation

Property, plant and equipment is valued at fair value. To ensure that assets carrying amounts do not materially differ from fair value, the Department re-values property, plant and equipment on an annual basis.