

**DEPARTMENT OF  
COMMUNICATIONS,  
INFORMATION TECHNOLOGY  
AND THE ARTS**



# DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

## Section 1: Agency overview

The Department of Communications, Information Technology and the Arts (DCITA) has responsibility for implementing the Government policies designed to foster the development of communications, information technology, arts and sports in Australia, and to achieve outcomes which meet the Government’s objectives for these sectors. DCITA also administers programs in each of these policy areas, including the Cultural Development Program, programs to assist film development and Connect Australia programs designed to improve telecommunications and broadcasting services to rural and remote Australia, programs flowing from the Government’s response to the Regional Telecommunications Inquiry, Indigenous programs relating to culture, sport and broadcasting, and programs providing financial support for the development of sporting facilities approved by the Australian Government.

### 1.1: SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by DCITA (outputs and administered policies, products and services) which contribute to the achievement of outcomes for DCITA are summarised in Table 1.1.

**Table 1.1: Agency outcomes and output groups**

Outcome	Output
<p><b>Outcome 1</b> Development of a rich and stimulating cultural sector for all Australians</p>	<p><b>Output 1.1</b> Policy advice, program management and agency support which promotes excellence in, preservation and maintenance of, and access to Australia’s cultural activities, national cultural collections and buildings, and Indigenous languages</p>
<p><b>Outcome 2</b> Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians</p>	<p><b>Output 2.1</b> Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector</p>
<p><b>Outcome 3</b> 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 and Information and Communications Technology industry</p>	<p><b>Output 3.1</b> Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology</p>

## Section 2: Agency resources for 2007-08

### 2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification. The total appropriation for DCITA in the 2007-08 Budget is \$980.323 million, which includes a departmental output funding of \$143.785 million, an equity injection of \$0.249 million and administered appropriations of \$836.289 million.

**Table 2.1: Appropriations and other resources 2007-08 ('000)**

	Departmental				Administered					Total \$'000
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Revenue (a) \$'000	Appropriation Bill 1 \$'000	Appropriation SPP \$'000	Other (b) \$'000	Special Appropriation \$'000	Revenue (a) \$'000	
<b>Outcome 1</b>										
Development of a rich and stimulating cultural sector for all Australians	57,555	-	-	6,099	191,038	-	-	-	-	<b>254,692</b>
<b>Outcome 2</b>										
Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians	6,731	-	-	500	28,897	20,500	-	-	-	<b>56,628</b>
<b>Outcome 3</b>										
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 and Information and Communications Technology industry	79,499	-	-	534	587,854	-	-	-	147,531	<b>815,418</b>
Equity injections	-	249	-	-	-	-	-	-	-	<b>249</b>
Loans	-	-	-	-	-	-	-	-	-	-
Previous years' outputs	-	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	8,000	-	-	<b>8,000</b>
Special capital appropriation	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>143,785</b>	<b>249</b>	<b>-</b>	<b>7,133</b>	<b>807,789</b>	<b>20,500</b>	<b>8,000</b>	<b>-</b>	<b>147,531</b>	<b>1,134,987</b>

## 2.2: 2007-08 BUDGET MEASURES

Budget measures relating to DCITA as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

**Table 2.2: DCITA measures**

Measure	Outcome	Output affected	Appropriations Budget 2007-08 (\$'000)			Appropriations Forward Estimate 2008-09 (\$'000)			Appropriations Forward Estimate 2009-10 (\$'000)			Appropriations Forward Estimate 2010-11 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
<b>Expense Measures</b>														
A Better Future for Indigenous Australians - extension of the Return of Indigenous Cultural Property Programme	1	1.1	-	1,249	1,249	-	1,210	1,210	-	1,122	1,122	-	1,135	1,135
National Portrait Gallery - additional operational funding <sup>1</sup>	1	1.1	-	-	-	-	6,407	6,407	-	6,908	6,908	-	6,954	6,954
Bundanon Trust - continuation and extension of funding <sup>3</sup>	1	1.1	404	-	404	352	-	352	339	-	339	325	-	325
Visual Arts and Craft Strategy - extension	1	1.1	6,000	-	6,000	6,114	-	6,114	6,249	-	6,249	6,386	-	6,386
Australian Ballet School - facilities redevelopment	1	1.1	4,600	-	4,600	-	-	-	-	-	-	-	-	-
Screen media support package <sup>2</sup>	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-
National Institute of Dramatic Arts - continuation of funding	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-
Sydney Cricket Ground - upgrade	2	2.1	15,000	-	15,000	10,000	-	10,000	-	-	-	-	-	-
Adelaide Oval - redevelopment	2	2.1	5,000	-	5,000	10,000	-	10,000	10,000	-	10,000	-	-	-
Digital radio - national and community broadcasters	3	3.1	100	-	100	5,842	303	6,145	2,077	-	2,077	2,129	-	2,129
National Security - reducing national e-security risk <sup>1</sup>	3	3.1	1,435	992	2,427	1,075	879	1,954	1,130	894	2,024	1,453	889	2,342

**Table 2.2: DCITA measures (continued)**

Measure	Outcome	Output affected	Appropriations Budget 2007-08 (\$'000)		Appropriations Forward Estimate 2008-09 (\$'000)		Appropriations Forward Estimate 2009-10 (\$'000)		Appropriations Forward Estimate 2010-11 (\$'000)	
			Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs
			Total	Total	Total	Total	Total	Total		
<b>Expense Measures (continued)</b>										
Australia-China Free Trade Agreement - continuation of negotiations	3	3.1	-	312	312	-	315	315	-	-
Australia-Japan Free Trade Agreement - commencement of negotiations	3	3.1	-	224	224	-	217	217	-	-
Australian Broadband Guarantee - additional funding for Broadband Connect	3	3.1	20,000	-	20,000	-	-	-	-	-
Australian Broadband Guarantee - establishment of broadband blackspot programme	3	3.1	93,512	-	93,512	-	-	-	-	-
<b>Total Expense Measures</b>			<b>146,051</b>	<b>2,777</b>	<b>148,828</b>	<b>33,383</b>	<b>9,331</b>	<b>42,714</b>	<b>19,795</b>	<b>8,924</b>
<b>Capital Measures</b>										
National Portrait Gallery - additional operational funding	1	1.1	-	-	-	-	1,098	1,098	-	213
National Security - reducing national e-security risk	3	3.1	-	141	141	-	25	25	-	16
<b>Total Capital Measures</b>			<b>-</b>	<b>141</b>	<b>141</b>	<b>-</b>	<b>1,123</b>	<b>1,123</b>	<b>-</b>	<b>229</b>
<b>Total</b>			<b>-</b>	<b>141</b>	<b>141</b>	<b>-</b>	<b>1,123</b>	<b>1,123</b>	<b>-</b>	<b>234</b>

**Notes:**

- <sup>1</sup> The appropriation amount is different to the impact on fiscal balance as shown in Budget Paper No. 2 due to depreciation being included in the appropriation amount.
- <sup>2</sup> The Screen media support package includes funding (in the Contingency Reserve) for the Australian Screen Authority, which is to be established from 1 July 2008, as reflected in Budget Paper No. 2.
- <sup>3</sup> Fiscal Impact was included in 2006-07 MYEFO.

### 2.3: OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources obtained by DCITA for provision of goods or services. These resources are approved for use by DCITA and are included in Table 2.1.

**Table 2.3: Other resources to be used**

	Estimated resources 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental resources</b>		
Sales of Goods and Services	4,098	4,078
Other	4,458	3,055
<b>Total departmental other resources available to be used</b>	<b>8,556</b>	<b>7,133</b>
<b>Administered other resources</b>		
National Relay Service	3,710	-
Interest	132,996	147,531
<b>Total administered other resources available to be used</b>	<b>136,706</b>	<b>147,531</b>

### 2.4: MOVEMENT OF ADMINISTERED FUNDS

Administered funds can be provided for a specific period, for example under annual Appropriation Acts. Funds not used in the specified period are subject to review by the Minister for Finance and Administration, and may be reappropriated in a future period. Table 2.4 shows the movement of administered funds approved since the 2006-07 Additional Estimates.

**Table 2.4: Movement of administered funds between years**

	\$'000
Movements of Administered Funds from 2006-07 to 2007-08	64,625

### 2.5: MOVEMENTS IN SPECIAL APPROPRIATIONS

DCITA does not have any expenses funded by Special Appropriations.

## 2.6: MOVEMENTS IN 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 *Financial Management and Accountability Act 1997*. These Determinations may be disallowed by the Parliament. Special Accounts can also be established by the passage of separate legislation. Abolition of Special Accounts requires a Determination to be made by the Finance Minister or, for those Accounts established by legislation, by repeal of the legislation in whole or part. Table 2.6 shows the expected additions (receipts) and reductions (payments) for each account used by DCITA.

**Table 2.6: Estimates of Special Account cash flows and balances**

Special Account		Opening balance <b>2007-08</b>	Receipts <b>2007-08</b>	Payments <b>2007-08</b>	Adjustments <b>2007-08</b>	Closing balance <b>2007-08</b>
	Outcome	2006-07 \$'000	2006-07 \$'000	2006-07 \$'000	2006-07 \$'000	2006-07 \$'000
Art Rental Special Account - s20 <i>FMA Act</i> <sup>1</sup> (D) <sup>2</sup>	1	1,668	3,020	3,174	-	1,514
		-	1,391	1,863	2,140	1,668
Artbank Account - s20 <i>FMA Act</i> <sup>1</sup> (D) <sup>4</sup>	1	-	-	-	-	-
		2,021	1,429	1,310	(2,140)	-
National Collections Special Account - s20 <i>FMA Act</i> <sup>1</sup> (D)	1	551	818	696	-	673
		526	812	787	-	551
National Portrait Gallery Special Account - s20 <i>FMA Act</i> <sup>1</sup> (D)	1	2,820	297	137	-	2,980
		2,001	1,310	491	-	2,820
Return of Indigenous Cultural Property Special Account - s20 <i>FMA Act</i> <sup>1</sup> (D)	1	17	1,249	1,249	-	17
		596	-	579	-	17
Cultural Ministers' Council Special Account - s20 <i>FMA Act</i> <sup>1</sup> (D)	1	80	464	464	-	80
		515	464	899	-	80
Federation Fund - DCITA Special Account - s20 <i>FMA Act</i> <sup>1</sup> (A) <sup>2</sup>	1 & 2	1,806	-	-	-	1,806
		-	-	9,362	11,168	1,806
Federation Fund Special Account - s20 <i>FMA Act</i> <sup>1</sup> (A) <sup>4</sup>	1 & 2	-	-	-	-	-
		11,168	-	-	(11,168)	-
Sport and Recreation Special Account - s20 <i>FMA Act</i> <sup>1</sup> (D) <sup>2</sup>	2	285	472	473	-	284
		-	307	283	261	285
Standing Committee on Recreation & Sport Consultant Account - s20 <i>FMA Act</i> <sup>1</sup> (D) <sup>4</sup>	2	-	-	-	-	-
		430	165	334	(261)	-
International Aid Special Account - s20 <i>FMA Act</i> <sup>1</sup> (D)	3	6	200	200	-	6
		6	258	258	-	6
Communications Fund - s21 <i>FMA Act</i> <sup>1</sup> and s158ZH <i>Telecom Act</i> <sup>2</sup> (A)	3	-	147,531	147,531	-	-
		-	134,641	134,641	-	-
National Relay Service Account - s21 <i>FMA Act</i> <sup>1</sup> and s102 <i>Telecom Act</i> <sup>2</sup> (A) <sup>5</sup>	3	-	-	-	-	-
		4	-	-	(4)	-
Other Trust Moneys Account - s20 <i>FMA Act</i> <sup>1</sup> (D)	all	63	142	102	-	103
		23	142	102	-	63
<b>Total 2007-08 Budget estimate</b>		<b>7,296</b>	<b>154,193</b>	<b>154,026</b>	<b>-</b>	<b>7,463</b>
<i>Total 2006-07 estimated actual</i>		<i>17,290</i>	<i>140,919</i>	<i>150,909</i>	<i>(4)</i>	<i>7,296</i>

D = Departmental  
A = Administered

### Acts Glossary

<sup>1</sup> *FMA Act* = *Financial Management and Accountability Act 1997*

<sup>2</sup> These Special Accounts were established with effect from 17 August 2006 and the existing special accounts were abolished

<sup>3</sup> *Telecom Act* = *Telecommunications (Consumer Protection and Service Standards) Act 1999*

<sup>4</sup> These Special Accounts were abolished on establishment of the new special accounts

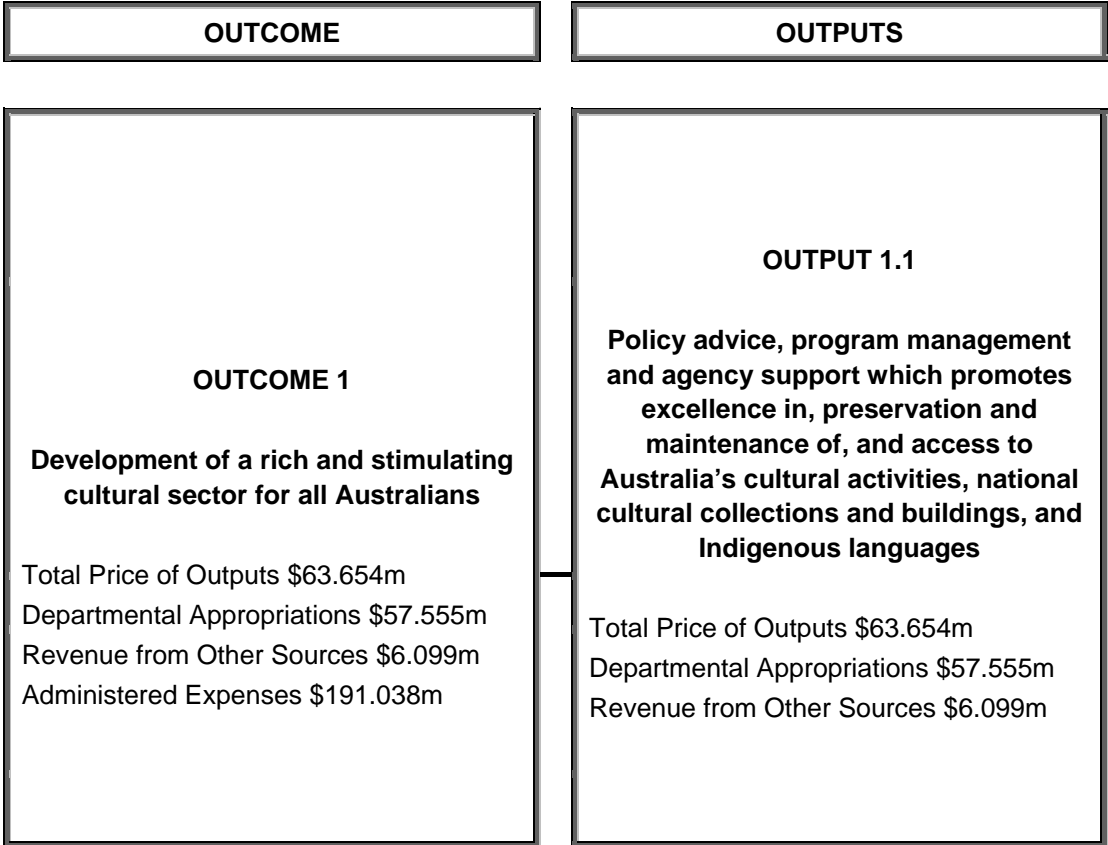
<sup>5</sup> Transferred to Australian Communications and Media Authority (ACMA) from 1 August 2006.

## Section 3: Agency outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programs on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the three outcomes for DCITA.

### SUMMARY OF OUTCOME 1

**Figure 4.1: Outcomes and output groups**



Note: Revenue from Government (Appropriations) contributes 90.4% to the Total Price of Outputs for Outcome 1.

## **OUTCOME 1 – DESCRIPTION**

### **Development of a rich and stimulating cultural sector for all Australians**

Achievement of this outcome will be through the:

- development of policy and advice to the Minister on cultural issues relevant to promoting excellence, access, participation and sustainability in the cultural sector;
- administration of a range of programs to:
  - promote access to Australia's culture, particularly for people in regional and rural Australia;
  - support activities which maintain, develop and preserve Indigenous arts, crafts, culture and languages and encourage community participation in the process of cultural transmission;
  - provide recompense for the loss of income to Australian creators and publishers whose books are held in public and educational libraries;
  - encourage and facilitate sponsorship and philanthropic support for the cultural sector;
  - assist a range of national arts training organisations to select and train gifted people for careers in the performing arts;
  - provide an incentive for large budget film and television productions to locate in Australia;
  - encourage and support the development of a competitive and highly skilled Australian film and television industry, which provides enhanced opportunities for Australian industry practitioners; and
  - increase online availability and access to Australian cultural and recreational resources;
- support cultural agencies in the arts, cultural collections and film sectors by assisting them to achieve the Government's objectives and to meet their governance and accountability responsibilities;
- support for cultural collections to ensure they are preserved, protected and accessible to all Australians;
- administration of Artbank, a self-funding entity, which purchases the work of emerging artists and rents the works to the private and public sector, helping create a market for emerging artists and enhancing access to Australian art; and
- management and interpretation of Old Parliament House (OPH) as a heritage site of national significance, and management and development of the OPH and National Portrait Gallery collections.

## OUTCOME 1 - RESOURCING

### Outcome 1 resourcing

Table 3.1.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), other resources available to be used and the total price of outputs.

**Table 3.1.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Administered annual appropriations</b>		
Cultural Development Program (including grants to cultural agencies and support for cultural activities)	60,960	66,046
Film Finance Corporation Australia	70,500	70,500
Public Lending Right	7,861	8,273
Educational Lending Right	10,438	10,438
Depreciation	8,273	8,473
Art Indemnity Australia	1,392	3,738
Indigenous culture	21,498	21,570
Books Alive	2,000	2,000
<b>Total administered annual appropriations</b>	<b>182,922</b>	<b>191,038</b>
<b>Expenses not funded by current year's appropriations</b>		
Cultural Development Program (including grants to cultural agencies and support for cultural activities)	918	-
<b>Total administered expenses</b>	<b>183,840</b>	<b>191,038</b>
<b>Departmental appropriations</b>		
<b>Output 1.1</b> - Policy advice, program management and agency support which promotes excellence in, preservation and maintenance of, and access to Australia's cultural activities, national cultural collections and buildings, and Indigenous languages	50,151	57,555
<b>Total revenue from government (appropriations)</b>	<b>50,151</b>	<b>57,555</b>
<b>Contributing to price of departmental outputs</b>	<b>87.08%</b>	<b>90.42%</b>
<b>Other resources available to be used</b>		
<b>Output 1.1</b> - Policy advice, program management and agency support which promotes excellence in, preservation and maintenance of, and access to Australia's cultural activities, national cultural collections and buildings, and Indigenous languages	7,439	6,099
<b>Total other resources available to be used</b>	<b>7,439</b>	<b>6,099</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>57,590</b>	<b>63,654</b>
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered expenses)	<b>241,430</b>	<b>254,692</b>
	2006-07	2007-08
<b>Average staffing level (number)</b>	326	386

**Note:**

The National Portrait Gallery special account under Output 1.1 receives direct appropriation as an interest equivalency payment.

## **Contributions to achievement of Outcome 1**

### **Output 1.1 – Policy advice, program management and agency support which promotes excellence in, preservation and maintenance of, and access to Australia’s cultural activities, national cultural collections and buildings, and Indigenous languages.**

The Department:

- provides:
  - strategic policy advice on the arts, cultural collections, film and digital content, Indigenous languages, cultures and arts, and support for the cultural agencies in the arts, cultural collections and film sectors, particularly in meeting governance and accountability requirements.
- delivers:
  - the Cultural Development Program;
  - the Art Indemnity Australia Program;
  - the Public Lending Right and Educational Lending Right Programs;
  - the Film and philanthropy tax incentives programs;
  - Programs maintaining access to, and use of, and encouraging the development of Indigenous languages, cultures, arts and crafts; and
  - Programs encouraging the growth of the Australian film, television and digital content industries.
- administers Artbank.

The Department also:

- manages and interprets Old Parliament House (OPH) as a heritage site of national significance, and manages and develops the OPH and National Portrait Gallery (NPG) collections;
- provides OPH and NPG education and public programs, exhibitions, tours, seminars, lectures and special events, including outreach activities to enhance access to Australia's political and social history and portrait heritage;
- conserves and maintains the OPH building, including a program of capital works;
- markets, promotes and develops OPH and NPG products and merchandise; and
- works with contractors to ensure the provision of quality shop, catering, conference and convention facilities to the public at OPH.

## PERFORMANCE INFORMATION AND INDICATORS

### Performance information for Outcome 1

**Table 3.2.1: Performance information for Outcome 1**

Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Effectiveness - Overall achievement of the Outcome</b>	
Development of a rich and stimulating cultural sector for all Australians	
<b>Performance information for Administered items under Outcome 1</b>	
Regional Cultural Activities: including touring programs (Visions of Australia, Playing Australia, Contemporary Music Touring Program), Festivals programs and Regional Arts Fund	<p><b>Effectiveness:</b> Of the program. Increased access to high quality cultural experiences, particularly in regional and remote areas. Number and type of funded performances/exhibitions/events reported by state/territory and metropolitan/regional/remote categories.</p>
Public Lending Right and Educational Lending Right	<p><b>Effectiveness:</b> Of the program. The number of creators and publishers registered with each program, including annual increases. The number of books registered with each program. The number of payments to creators and publishers made for each program.</p>
Commonwealth and Public Companies	<p><b>Effectiveness.</b> The extent to which the funded companies have met funding objectives and reporting requirements.</p>
Art Indemnity Australia	<p><b>Effectiveness.</b> Increased access to significant cultural exhibitions. Number, value, geographic spread and attendance figures for indemnified exhibitions.</p>
Indigenous Languages and Cultures Programs	<p><b>Effectiveness:</b> Of the program. Impact and range of activities funded. Number and type of activities supported. Number of languages supported.</p>
Indigenous Arts and Crafts Industry	<p><b>Effectiveness:</b> Of the program. Impact and range of activities funded. Number and type of art centres and art support groups supported.</p>
Arts Training Organisations	<p><b>Effectiveness:</b> Of the program. Demand for training (evidence of reputation of quality training and pathway to chosen career).</p>
<b>Performance Information for Departmental Output 1.1</b>	
Policy advice, program management and agency support which promotes excellence in, preservation and maintenance of, and access to Australia's cultural activities, cultural collections and Indigenous languages	<p><b>Efficiency:</b> Of the program. Qualitative evaluation, analysing adherence to approved organisational plans and policies. Growth and conservation of NPG collection and/or notable/major acquisitions. Notable/major acquisitions, and conservation of, the OPH collection.</p> <p><b>Efficiency:</b> Of the program. Qualitative evaluation, citing adherence to relevant legislative requirements (including the <i>Environment Protection and Biodiversity Conservation Act 1999</i>) and approved organisational plans and policies. Progress in implementation of major initiatives.</p> <p><b>Efficiency:</b> Of the program. Percentage change and number of visitors, as measured by paying visitors and other relevant sectors; eg growth in school visitors, geographical breakdown, attendance at exhibitions, events and public programs, patronage of facilities (eg, cafe, restaurant, functions), and use of OPH/NPG online programs.</p>

**Table 3.2.1: Performance information for Outcome 1 (continued)**

Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Performance information for Administered items under Outcome 1 (continued)</b>	
	<p>Percentage and number of visitors that rate satisfaction as 'good' or 'very good'.  <b>Efficiency:</b> Of policy advice.            Qualitative evaluation of satisfaction using feedback from Ministers to Secretary.            Number and percentage of briefs, Ministerials, Questions On Notice and Question Time Briefs submitted within agreed timeframes.  <b>Efficiency:</b> Of client consultation.            Number of initiatives/reviews/discussion papers where the Department undertook consultation with stakeholders.            Percentage and number of clients satisfied with interactions with the Department and the services provided.  <b>Efficiency:</b> Of program management.            1) number of funded/administered activities            2) percentage of applications processed within target timeframe            3) percentage of payments made on time            4) percentage of funding agreements acquitted each financial year            Applications are assessed in accordance with agreed arrangements or guidelines.            Programs are implemented on time and within budget.  <b>Efficiency:</b> Of research undertaken.            Number and subject of research and analysis activities undertaken either internally or by contractors and consultants.</p>

## EVALUATIONS FOR OUTCOME 1

There are no evaluations planned under Outcome 1.

## SUMMARY OF OUTCOME 2

Figure 4.2: Outcomes and output groups

OUTCOME	OUTPUTS
<p style="text-align: center;"><b>OUTCOME 2</b></p> <p style="text-align: center;"><b>Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians</b></p> <p>Total Price of Outputs \$7.231m                      Departmental Appropriations \$6.731m                      Revenue from Other Sources \$0.500m                      Administered Expenses \$71.302m</p>	<p style="text-align: center;"><b>OUTPUT 2.1</b></p> <p style="text-align: center;"><b>Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector</b></p> <p>Total Price of Outputs \$7.231m                      Departmental Appropriations \$6.731m                      Revenue from Other Sources \$0.500m</p>

Note: Revenue from Government (Appropriations) contributes 93.1% to the Total Price of Outputs for Outcome 2.

### OUTCOME 2 – DESCRIPTION

#### **Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians**

Achievement of this outcome will be through:

- development of policy and advice to the Minister on sport and anti-doping issues directed at promoting excellence, participation and sustainability in the sport sector;
- administration of a range of programs to:
  - contribute to Australia’s anti-doping framework and promote international cooperation on anti-doping in sport;
  - raise awareness and support initiatives promoting water and alpine safety; and
  - support active community participation in sport and physical recreation activities for Indigenous Australians.
- support for portfolio sport agencies, particularly in meeting governance and accountability requirements.

## OUTCOME 2 - RESOURCING

### Outcome 2 resourcing

Table 3.1.2 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 2, including administered expenses, revenue from government (appropriation), other resources available to be used and the total price of outputs.

**Table 3.1.2: Total resources for Outcome 2 (\$'000)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Administered annual appropriations</b>		
Sport and Recreation (Anti-doping)	2,106	2,501
Water and Alpine Safety	5,901	5,332
Sport and recreation facilities	19,363	29,075
Indigenous sport	11,956	12,451
Deaf Sport Australia	51	38
World Police and Fire Games	650	-
<b>Total administered annual appropriations</b>	<b>40,027</b>	<b>49,397</b>
<b>Expenses not funded by current year's appropriations</b>		
Sport and recreation facilities - expensing of prepayments	8,600	21,905
<b>less Payments from appropriations not expensed</b>		
Sport and recreation facilities	(10,905)	-
<b>Total administered expenses</b>	<b>37,722</b>	<b>71,302</b>
<b>Departmental appropriations</b>		
<b>Output 2.1</b> - Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector	5,904	6,731
<b>Total revenue from government (appropriations)</b>	<b>5,904</b>	<b>6,731</b>
<b>Contributing to price of departmental outputs</b>	<b>92.26%</b>	<b>93.09%</b>
<b>Other resources available to be used</b>		
<b>Output 2.1</b> - Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector	495	500
<b>Total other resources available to be used</b>	<b>495</b>	<b>500</b>
<b>Total price from departmental outputs</b>	<b>6,399</b>	<b>7,231</b>
(Total revenue from government and from other sources)		
<b>Total estimated resourcing for Outcome 2</b> (Total price of outputs and administered expenses)	<b>44,121</b>	<b>78,533</b>
	2006-07	2007-08
<b>Average staffing level (number)</b>	44	48

## **Contributions to achievement of Outcome 2**

### **Output 2.1 - Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sport sector.**

The Department:

- provides:
  - strategic policy advice on sport and anti-doping;
  - strategic policy advice on physical activity objectives; and
  - support for agencies engaged in delivery of sport and physical activity outcomes, particularly in meeting governance and accountability requirements;
- delivers the:
  - Water and Alpine Safety (National Recreation Safety Grants) Program;
  - Indigenous Sport and Recreation Program; and
  - Sport and Recreation (Anti-doping) Program;
- develops and implements initiatives to support the development of a world class sport and leisure industry for Australia; and
- administers financial support for the development of sporting projects and facilities approved by the Australian Government.

## PERFORMANCE INFORMATION AND INDICATORS

### Performance information for Outcome 2

**Table 3.2.2: Performance information for Outcome 2**

Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Effectiveness - Overall achievement of the Outcome</b>	
Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians	
<b>Performance information for Administered items under Outcome 2</b>	
Sport and Recreation (Anti-Doping) Program	<p><b>Effectiveness:</b> Of the program.</p> <p>Extent to which funded research projects are meeting the needs of anti-doping organisations, anti-doping laboratories and others with a role in the anti-doping sphere.</p> <p>Australia is able to contribute to the international fight against doping in sport.</p> <p>Number of projects supported.</p>
Water and Alpine Safety	<p><b>Effectiveness:</b> Of the program.</p> <p>The extent to which the aquatic and ski initiatives funded contribute to an enhancement of aquatic and skiing safety in Australia.</p>
Australian Government financial support for the development of sporting facilities	<p><b>Effectiveness:</b> Of the program.</p> <p>The development of a stronger sports sector and greater participation in sport resulting from facilities funding initiatives.</p>
Indigenous Sport and Recreation Program	<p><b>Effectiveness:</b> Of the program.</p> <p>Impact and range of activities funded. Number of Indigenous people actively participating in programs.</p> <p>Number of Indigenous communities with improved access to sport and physical recreation activities.</p> <p>Number of Indigenous athletes receiving travel and accommodation support to attend Australian Sports Commission recognised national and international sporting competitions.</p> <p>Number of Indigenous Sport Development Officers (ISDOs) supported.</p> <p>Number of sport and physical recreation programs developed by ISDOs in collaboration with relevant parties.</p>
<b>Performance Information for Departmental Output 2.1</b>	
Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector	<p><b>Efficiency:</b> Of policy advice.</p> <p>Qualitative evaluation of satisfaction using feedback from Ministers to Secretary.</p> <p>Number and percentage of briefs, Ministerials, Questions On Notice and Question Time Briefs submitted within agreed timeframes.</p> <p><b>Efficiency:</b> Of client consultation.</p> <p>Number of initiatives/reviews/discussion papers where the Department undertook consultation with stakeholders.</p> <p>Percentage and number of clients satisfied with interactions with the Department and the services provided.</p> <p><b>Efficiency:</b> Of program management.</p> <p>1) number of funded/administered activities</p> <p>2) percentage of applications processed within target timeframe</p> <p>3) percentage of payments made on time</p> <p>4) percentage of funding agreements acquitted each financial year</p> <p>Applications are assessed in accordance with agreed arrangements or guidelines.</p> <p>Programs are implemented on time and within budget.</p> <p><b>Efficiency:</b> Of research undertaken.</p> <p>Number and subject of research and analysis activities undertaken either internally or by contractors and consultants.</p>

## **EVALUATIONS FOR OUTCOME 2**

Review of current Australian Government sports funding arrangements.

### SUMMARY OF OUTCOME 3

Figure 4.3: Outcomes and output groups

OUTCOME	OUTPUTS
<p style="text-align: center;"><b>OUTCOME 3</b></p> <p style="text-align: center;"><b>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 and Information and Communications Technology industry</b></p> <p>Total Price of Outputs \$80.033m                      Departmental Appropriations \$79.499m                      Revenue from Other Sources \$0.534m                      Administered Expenses \$588.176m</p>	<p style="text-align: center;"><b>OUTPUT 3.1</b></p> <p style="text-align: center;"><b>Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology</b></p> <p>Total Price of Outputs \$80.033m                      Departmental Appropriations \$79.499m                      Revenue from Other Sources \$0.534m</p>

Note: Revenue from Government (Appropriations) contributes 99.3% to the Total Price of Outputs for Outcome 3.

## **OUTCOME 3 – DESCRIPTION**

### **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 and Information and Communications Technology industry**

The Department advises on and implements policies and programs that provide a framework for world-class telecommunications, broadcasting, information and communications technology (ICT), postal industries and a robust information economy. These sectors deliver services that enhance the economic, social and cultural well-being of Australians.

Through policy advice on strategic and regulatory frameworks, the Department seeks to encourage the development of an open, competitive, innovative and consumer-oriented telecommunications environment, a cost-effective and accessible postal sector, a diverse and high-quality broadcasting sector, and a national capability to develop and effectively apply information and communications technology. Policy advice is also directed at providing an appropriate co-regulatory framework for online content, including online gambling.

The Department shares oversight of Australia Post with the Department of Finance and Administration and oversees the public broadcasters.

The Department provides policy advice and representation for the communications sector on security and protection of critical infrastructure issues, as part of the overall Government response to these matters.

The Department advises on the development and implications of new technologies and services such as digital broadcasting, next generation networks and mobile, broadband and online services. This takes into account the growing expectations of consumers, industry and researchers across Australia for greater access to technologically advanced services, in addition to basic communications services.

Telecommunications-based services are increasingly global in nature. This is posing challenges for regulation, consumer interests, and industry. Increasingly, some challenges facing Australia can only be addressed internationally. The Department is active in international forums to help shape frameworks and rules to help achieve policy outcomes domestically. The Department also pursues trade policy objectives, including by pursuing liberalisation of international markets to assist access by Australian communications-sector companies.

The Department administers targeted programs that complement the broader policy objectives.

Key telecommunications programs administered by the Department include the Connect Australia programs. These programs aim to increase access to, and foster the use of, advanced communications services in regional, rural and remote areas and to facilitate broader equity objectives. The Department also develops policy and administers programs which address the particular communication needs of Indigenous people in remote areas.

A legislative framework has been established for regular independent reviews of the adequacy of regional, rural and remote telecommunications. The Department oversees the ongoing arrangements for the \$2 billion Communications Fund which provides an income stream to implement the Government's responses to these regular reviews.

The Department administers the Protecting Australian Families Online program which will provide filters and subsidised ISP filtered services to all Australian families and public libraries.

The Department provides strategic advice on the key drivers of the information economy, including technology and economic and social interactions, and longer-term policy implications. This advice informs both national policies and Australia's position in the relevant international bodies.

The Department supports the development of the ICT sector through policies that provide a strategic framework and programs to assist the development of the industry. Key activities include: monitoring industry development aspects of the Australian Government ICT procurement; facilitating small-to-medium sized enterprises (SME) development; promoting engagement and investment by multinationals in Australia's ICT sector; encouraging leading-edge ICT research; promoting innovation in and diffusion of ICT; promoting skills development; and facilitating infrastructure development (including advanced networks capabilities). Key programs in developing national ICT capabilities include National ICT Australia (NICTA) and the ICT Incubators Program.

The Department's Research, Statistics and Technology Branch assists policy and program development across the Department by providing research, analysis, statistical and library services.

## OUTCOME 3 - RESOURCING

### Outcome 3 resourcing

Table 3.1.3 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 3, including administered expenses, revenue from government (appropriation), other resources available to be used and the total price of outputs.

**Table 3.1.3: Total resources for Outcome 3 (\$'000)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Administered annual appropriations</b>		
Telstra Social Bonus 2	1,503	4,790
International Organisations Contributions	5,272	5,163
National Transmission Network Residual Funding Pool	1,155	1,138
ABC & SBS Digital Interference Scheme	50	100
Telecommunications Service Inquiry Response	1,662	-
Regional Equalisation Plan	660	1,300
Television Black Spots Program - Alternative Technical Solutions	2,930	3,067
Telecommunications Action Plan for Remote Indigenous Communities	1,024	673
ICT Centre of Excellence	23,970	24,449
NetAlert	535	24
Regional Telecommunications Inquiry response	16,726	7,050
Building on IT Strengths	12,543	3,471
Information Technology On-Line	1,275	-
Community Broadcasting Foundation	7,688	7,924
Indigenous Broadcasting	13,670	13,951
Metro Broadband Blackspots Program	735	-
Connect Australia	261,157	339,675
Telecommunications Consumer Representation and Research	740	860
Protecting Australian Families Online	150	60,338
Australian Broadband Guarantee	30,114	112,446
E-Security	-	1,435
Electronic Media Research	200	-
<b>Total administered annual appropriations</b>	<b>383,759</b>	<b>587,854</b>
<b>Special Accounts</b>		
Communications Fund	198	322
<b>Expenses not funded by current year's appropriations</b>		
Telecommunications Action Plan for Remote Indigenous Communities	282	-
Sale of Telstra - written down value of shares sold	13,556,636	-
<b>Total administered expenses</b>	<b>13,940,875</b>	<b>588,176</b>
<b>Departmental appropriations</b>		
<b>Output 3.1</b> - Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology	90,497	79,499
<b>Total revenue from government (appropriations)</b>	<b>90,497</b>	<b>79,499</b>
<b>Contributing to price of departmental outputs</b>	99.32%	99.33%
<b>Other resources available to be used</b>		
<b>Output 3.1</b> - Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology	622	534
<b>Total other resources available to be used</b>	<b>622</b>	<b>534</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>91,119</b>	<b>80,033</b>
<b>Total estimated resourcing for Outcome 3</b> (Total price of outputs and administered expenses)	<b>14,031,994</b>	<b>668,209</b>
	2006-07	2007-08
<b>Average staffing level (number)</b>	491	494

### **Contributions to achievement of Outcome 3**

#### **Output 3.1 – Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology**

The Department assists Government in the development and implementation of communications policy and legislation, maintenance of an appropriate regulatory framework, and administration of programs in accordance with the Government's broader objectives.

Policy advice is directed at promoting access to a range of communications services for all Australians, providing appropriate consumer safeguards and promoting a growing and competitive telecommunications industry in Australian and international markets.

Policy advice is also directed at promoting a competitive and efficient postal industry and accessible and affordable postal services. The Department also shares oversight of Australia Post with the Department of Finance and Administration.

The Department's program administration complements the broader policy objectives with a particular focus being to facilitate access to basic and advanced services for people living in rural, regional and remote Australia including remote Indigenous communities.

The Department provides policy advice and develops appropriate approaches to critical infrastructure protection in the communications sector. It also participates in cross-departmental liaison on national communications security issues and the development of responses to critical incidents and emergencies. The Department also develops strategies to provide a secure framework to conduct transactions online, including dealing with online consumer confidence and trust issues.

The Department maintains an international perspective on Australian telecommunications and postal services, and gains insights from how other countries tackle similar problems. It also aims to enhance opportunities for the Australian communications-sector industry through pursuing trade policy objectives, shaping international frameworks and rules, and capacity building amongst regional neighbours.

The Department undertakes these activities in consultation with the community, industry and all levels of Government on the basis of research and analysis of technical and statistical information, and subject to assessment of wider social and economic implications.

The Department assists Government in the development and implementation of broadcasting and online content policy and legislation, maintenance of an appropriate regulatory framework and administration of programs in accordance with the Government's broader policy objectives.

Policy advice is directed at promoting the supply of, and access to, a diverse range of high quality broadcasting services and creating an environment which facilitates the ongoing development of all sections of the broadcasting sector. This includes the conversion of television and radio services to digital.

The Department administers a number of broadcasting-related programs including the Television Blackspots – Alternative Technical Solutions program that aims to provide improved access to broadcasting services, and Community Broadcasting Programs that support the development of the community broadcasting sector.

Policy advice is also directed at providing an appropriate co-regulatory framework for online content, including online gambling. The Department also administers the Protecting Australian Families Online program which will provide filters and subsidised ISP filtered services to all Australian families and public libraries.

Policy advice is directed at promoting a globally competitive ICT industry that captures opportunities arising from ICT's role as a key driver of growth in the broader economy. The Department's program administration complements the broader policy objective. It focuses in particular on industry development, trade promotion and fostering innovation. The Department undertakes these activities in consultation with industry, other government agencies and stakeholders and conducts research and analysis.

The Department manages the strategic coordination of information economy policies across the Australian Government and different levels of Government through the Government's Strategic Framework for the Information Economy and through the Ministerial Online and Communications Council.

The Department also conducts policy analysis and research on the information economy, including its impact on the Australian economy and society. These activities include analyses of technology's impact on productivity growth, the state of ICT management in Australian industry, and the statistical reports on Australia's information economy.

The Department focuses on the development of strategies which provide a secure framework to conduct business online. It provides policy advice on issues such as Internet domain name governance and develops strategies on issues such as spam and spyware. It undertakes a range of initiatives to encourage the uptake of e-commerce to ensure that Australia captures the economy wide productivity improvements which e-business offers.

The Department's policy and strategic advice is directed at promoting a globally competitive and socially inclusive information economy that strengthens collaboration and capabilities in key industry sectors, by SMEs and non-profit organisations, and facilitates the participation of all Australians.

## PERFORMANCE INFORMATION AND INDICATORS

### Performance information for Outcome 3

**Table 3.2.3: Performance information for Outcome 3**

Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Effectiveness - Overall achievement of the Outcome</b>	
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 and Information and Communications Technology Industry	
<b>Performance information for Administered items under Outcome 3</b>	
Telstra Social Bonus - Building Additional Rural Networks (BARN)	<b>Effectiveness:</b> Of the program. Additional number of services available in previously under-served areas.
Telecommunications Service Inquiry Response - Mobile Phone Initiatives	<b>Effectiveness:</b> Of the program. Percentage increase and number of square kilometers covered by new terrestrial coverage.
Telecommunications Consumer Representation and Research - Consumer Representation	<b>Effectiveness:</b> Of the program. Regulatory processes and consultation activities in which consumer representatives participated. Number of processes in which consumer representatives participated.
Telecommunications Consumer Representation and Research - Telecommunications Research	<b>Effectiveness:</b> Of the program. Public response to and internal use/application of published research. Number of research papers published.
Regional Telecommunications Inquiry - Coordinated Communications Infrastructure Fund	<b>Effectiveness:</b> Of the program. Number of institutions and communities with improved awareness and access to enhanced telecommunications. Extent to which the competitive environment has resulted in increased choice and reduced costs and prices. Extent to which Australian Government program funds are leveraged by investments from other tiers of government and industry.
Regional Telecommunications Inquiry Response - IT Training and Technical Support	<b>Effectiveness:</b> Of the program. Number of people in the target areas who have received training and technical support.
Connect Australia – Implementation of the Clever Networks program	<b>Effectiveness:</b> Of the program. Number and quality of Innovative Services Delivery projects addressing needs in targeted sectors. Extent to which Australian Government program funds are matched by investments from other tiers of government and industry. Number of Broadband Development Project Managers in place and actively contributing to program outcomes. Number of Broadband Development Officers in place and actively contributing to program outcomes.
Connect Australia - Mobile connect - Terrestrial Mobile Phone Coverage	<b>Effectiveness:</b> Of the program. Percentage increase and number of square kilometres covered by new terrestrial coverage as a result of the program.
Connect Australia - Mobile Connect - Satellite Phone Subsidy Scheme	<b>Effectiveness:</b> Of the program. Number of people or organisations approved for a satellite phone subsidy.
Connect Australia - Backing Indigenous Ability - National Indigenous Television	<b>Effectiveness:</b> Of the program. Development of the Indigenous television and production sector throughout Australia: - Number of Indigenous people employed in production of Indigenous-related television content through the National Indigenous Television program; - Number of remote Indigenous communities involved in production of content through the National Indigenous Television program; - Number of Indigenous and non-Indigenous people and communities with access to the service.

**Table 3.2.3: Performance information for Outcome 3 (continued)**

Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Performance information for Administered items under Outcome 3 (continued)</b>	
Connect Australia—Backing Indigenous Ability—Telecommunications Program	<p><b>Effectiveness:</b> Of the program. Number of 'remote' and 'very remote' Indigenous communities which have received services under the BIA telecommunications program. Number of people in the 'above remote' and 'very remote' Indigenous communities who potentially have increased access to telecommunications services.</p>
Connect Australia—Backing Indigenous Ability—Radio Program	<p><b>Effectiveness:</b> Of the program. Number of Remote Indigenous Broadcasting Services where obsolete radio equipment has been replaced.</p>
Broadband Connect Infrastructure program	<p><b>Effectiveness:</b> Of the program. Improved access to broadband services for underserved and unserved areas of Australia and to provide competitive backhaul infrastructure and services. Extent of commercial contributions from industry. Percentage increase and number of premises within range of improved broadband services.</p>
Australian Broadband Guarantee	<p><b>Effectiveness:</b> Of the program. Number of premises outside of Broadband Connect Infrastructure areas with improved access to broadband services. Number of people in target area benefiting.</p>
Indigenous Broadcasting Program	<p><b>Effectiveness:</b> Of the program. Number of Indigenous broadcasting organisations funded.</p>
International Organisations Contributions	<p><b>Effectiveness:</b> Of the program. The extent to which Australian proposals are accepted and adopted by the organisation and agreed outcomes of meetings align with Australian objectives.</p>
Television Black Spots and Television Black Spots - Alternative Technical Solutions	<p><b>Effectiveness:</b> Of the program. Number of black spot areas which have been rectified to receive television coverage.</p>
ABC and SBS Digital Interference Scheme	<p><b>Effectiveness:</b> Of the program. Qualitative assessment of whether the television industry is effectively managing interference arising from digital TV services.</p>
National Transmission Network Residual Funding Pool	<p><b>Effectiveness:</b> Of the program. Access to broadcasting services by specific target group audiences.</p>
Regional Equalisation Plan	<p><b>Effectiveness:</b> Of the program. Funds to assist commercial television broadcasters were expended for digital broadcasting rollout.</p>
ICT Centre of Excellence Program	<p><b>Effectiveness:</b> Of the program. Quality and quantity of research, research training, collaboration and commercialisation. Meeting of performance requirements established in NICTA's Annual Activity Plan.</p>
ICT Incubators Program (ICTIP)	<p><b>Effectiveness:</b> Of the program. Number of: a) incubatees accepted; b) incubatee graduates; c) jobs created across incubates; d) exports generated by incubates; and e) increase in incubatee revenue. Number of ICT start-up companies assisted. Private co-investment attracted to the program (\$ value, proportion of funding and investments per incubatee).</p>
Community Broadcasting Foundation	<p><b>Effectiveness:</b> Of the program. The extent to which the Community Broadcasting Foundation has met funding objectives and reporting requirements.</p>
Community Broadcasting Training Fund	<p><b>Effectiveness:</b> Of the program. Access to training by targeted groups.</p>

**Table 3.2.3: Performance information for Outcome 3 (continued)**

Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Performance information for Administered items under Outcome 3 (continued)</b>	
Community Broadcasting Transmission Support	<b>Effectiveness:</b> Of the program. Access to broadcasting services by community broadcasting audiences.
Protecting Australian Families Online	<b>Effectiveness:</b> Of the program. The take-up of filter products listed on the Government filter portal. Benchmarking and tracking studies to ascertain parental shifts in attitudes concerning online safety issues for dependent age children.
<b>Performance Information for Departmental Output 3.1</b>	
Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology	<b>Efficiency:</b> Of policy advice. Qualitative evaluation of satisfaction using feedback from Ministers to Secretary. Number and percentage of briefs, Ministerials, Questions On Notice and Question Time Briefs submitted within agreed timeframes. <b>Efficiency:</b> Of client consultation. Number of initiatives/reviews/discussion papers where the Department undertook consultation with stakeholders. Percentage and number of clients satisfied with interactions with the Department and the services provided. <b>Efficiency:</b> Of program management. 1) number of funded/administered activities 2) percentage of applications processed within target timeframe 3) percentage of payments made on time 4) percentage of funding agreements acquitted each financial year. Applications are assessed in accordance with agreed arrangements or guidelines. Programs are implemented on time and within budget. <b>Efficiency:</b> Of research undertaken. Number and subject of research and analysis activities undertaken either internally or by contractors and consultants.

### EVALUATIONS FOR OUTCOME 3

Evaluations planned under Outcome 3 are:

- The Broadband Connect Incentive Program

## Section 4: Other reporting requirements

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

DCITA does not have any purchaser/provider arrangements.

### **4.2: COST RECOVERY ARRANGEMENTS**

DCITA does not have any cost recovery arrangements.

## Section 5: Budgeted financial statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

#### Departmental

##### Table 5.1: Income Statement

The fluctuation in the Revenue from Government primarily reflects the Connect Australia, Protecting Australian Families Online (PAFO), National Portrait Gallery (NPG) operational funding and Digital Action Plan (DAP) measures.

The increase in employee expenses reflects the Connect Australia, PAFO, NPG and DAP measures and other factors. The decrease of suppliers' expenses also reflects these measures.

#### Administered

##### Table 5.7: Income and Expenses

The increase in interest revenue reflects the growing investment balance of the Communications Fund Special Account resulting from the reinvestment of interest earned.

Estimates of dividends from Australia Post have been included in DCITA estimates for the first time. These estimates were previously included in Budget aggregates by the Department of Finance and Administration.

The gain from sale of assets and the associated loss on sale of assets represent the accounting treatment resulting from the Government's decision to sell its remaining investment in Telstra which was the basis of the T3 share offer.

Grants expenses decline over the forward estimates reflecting the winding up of programs including the Telstra Social Bonus, the Telecommunications Service Inquiry, the Regional Telecommunications Inquiry, Building IT Strengths, and Sport and Recreation Facilities. Subsidies cease after 2008-09 due to completion of the Broadband Connect incentive scheme and Mobile Connect component of the Connect Australia package and the Australian Broadband Guarantee program.

The peak in supplier expenses in 2007-08 and 2008-09 reflect the expense profile for the Protecting Australian Families Online program.

The increase in depreciation after 2007-08 reflects the commencement of operations in the new National Portrait Gallery building.

##### Table 5.8: Assets and Liabilities

The increase in the value of investments represents the reinvestment of interest earned on the Communications Fund.

The value of land and buildings increase in 2008-09 due to the completion of the new National Portrait Gallery building and its transfer from the Department of Finance and Administration to DCITA..

##### Table 5.9: Cash Flows

The increasing interest receipts reflect the increasing investment balance of the Communications Fund.

The decline in grants and subsidy payments reflect the winding up of programs including the Telstra Social Bonus, the Telecommunications Service Inquiry, the Regional Telecommunications Inquiry, Building IT Strengths, Sport and Recreation Facilities and the completion of the Broadband Connect component of the Connect Australia package.

## **5.2: BUDGETED FINANCIAL STATEMENTS TABLES**

For an explanation of the Budgeted Financial Statements tables, please see the User Guide.

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>INCOME</b>					
<b>Revenues</b>					
Revenues from Government	146,552	143,785	148,226	143,177	132,388
Goods and services	4,098	4,078	4,400	4,586	4,777
Fees and Fines	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	3,821	2,232	2,232	2,239	2,188
<b>Total Revenue</b>	<b>154,471</b>	<b>150,095</b>	<b>154,858</b>	<b>150,002</b>	<b>139,353</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	27	-	-	-	-
Other	610	823	823	650	681
<b>Total Gains</b>	<b>637</b>	<b>823</b>	<b>823</b>	<b>650</b>	<b>681</b>
<b>Total Income</b>	<b>155,108</b>	<b>150,918</b>	<b>155,681</b>	<b>150,652</b>	<b>140,034</b>
<b>EXPENSE</b>					
Employees	79,587	92,722	98,115	98,549	95,845
Suppliers	58,112	51,459	50,773	45,598	38,078
Grants	1,718	2,118	1,997	1,768	1,570
Subsidies	-	-	-	-	-
Depreciation and amortisation	3,940	3,810	3,940	3,805	3,550
Finance costs	50	42	36	32	26
Write-down of assets and impairment of assets	6	-	-	8	8
Net losses from sale of assets	25	40	40	50	50
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>143,438</b>	<b>150,191</b>	<b>154,901</b>	<b>149,810</b>	<b>139,127</b>
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
<b>Surplus (Deficit) before Income Tax</b>	<b>11,670</b>	<b>727</b>	<b>780</b>	<b>842</b>	<b>907</b>
Income Tax expense	-	-	-	-	-
<b>Surplus (Deficit)</b>	<b>11,670</b>	<b>727</b>	<b>780</b>	<b>842</b>	<b>907</b>
Monitory interest in net surplus (or deficit)	-	-	-	-	-
<b>Net surplus (or deficit) attributable to the Australian Government</b>	<b>11,670</b>	<b>727</b>	<b>780</b>	<b>842</b>	<b>907</b>

**Table 5.2: Budgeted departmental balance sheet as at 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	9,180	9,066	9,008	9,012	9,062
Trade and other receivables	74,333	79,130	84,174	89,236	93,864
Investments accounted for under the equity method	-	-	-	-	-
Investments	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	25	25	25	25	25
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>83,538</b>	<b>88,221</b>	<b>93,207</b>	<b>98,273</b>	<b>102,951</b>
<b>Non-financial assets</b>					
Land and buildings	6,648	6,399	6,150	5,901	5,652
Infrastructure, plant and equipment	10,188	8,294	6,996	4,933	3,126
Investment properties	-	-	-	-	-
Heritage and cultural assets	43,129	44,148	45,372	46,392	47,416
Inventories	36	36	36	36	36
Intangibles	1,388	1,330	1,322	1,314	1,306
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	602	602	602	602	602
<b>Total non-financial assets</b>	<b>61,991</b>	<b>60,809</b>	<b>60,478</b>	<b>59,178</b>	<b>58,138</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>145,529</b>	<b>149,030</b>	<b>153,685</b>	<b>157,451</b>	<b>161,089</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	20,340	22,811	25,399	27,997	30,494
Other	1,174	1,228	1,285	1,275	1,275
<b>Total provisions</b>	<b>21,514</b>	<b>24,039</b>	<b>26,684</b>	<b>29,272</b>	<b>31,769</b>
<b>Payables</b>					
Suppliers	2,861	2,861	2,861	2,861	2,861
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other	4,753	4,753	4,753	4,753	4,753
<b>Total payables</b>	<b>7,614</b>	<b>7,614</b>	<b>7,614</b>	<b>7,614</b>	<b>7,614</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>29,128</b>	<b>31,653</b>	<b>34,298</b>	<b>36,886</b>	<b>39,383</b>
<b>Net Assets</b>	<b>116,401</b>	<b>117,377</b>	<b>119,387</b>	<b>120,565</b>	<b>121,706</b>

**Table 5.2: Budgeted departmental balance sheet as at 30 June (continued)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	14,555	14,804	16,034	16,370	16,604
Reserves	18,914	18,914	18,914	18,914	18,914
Retained surpluses or accumulated deficits	82,932	83,659	84,439	85,281	86,188
<b>Total parent entity interest</b>	<b>116,401</b>	<b>117,377</b>	<b>119,387</b>	<b>120,565</b>	<b>121,706</b>
<b>Minority interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>116,401</b>	<b>117,377</b>	<b>119,387</b>	<b>120,565</b>	<b>121,706</b>
<b>Current assets</b>	84,176	88,859	93,845	98,911	103,589
<b>Non-current assets</b>	61,353	60,171	59,840	58,540	57,500
<b>Current liabilities</b>	16,924	17,966	19,059	20,088	21,087
<b>Non-current liabilities</b>	12,204	13,687	15,239	16,798	18,296

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

**Table 5.3: Budgeted departmental statement of cash flows  
for the period ended 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	3,995	4,038	4,400	4,578	4,769
Appropriations	136,596	138,988	143,182	138,115	127,760
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	6,179	5,558	5,486	4,985	4,251
Other	3,821	2,232	2,232	2,239	2,188
<b>Total cash received</b>	<b>150,591</b>	<b>150,816</b>	<b>155,300</b>	<b>149,917</b>	<b>138,968</b>
<b>Cash used</b>					
Employees	78,032	90,251	95,527	95,951	93,348
Suppliers	57,712	51,136	50,450	45,268	37,748
Grants	1,718	2,118	1,997	1,768	1,570
Borrowing costs	50	42	36	32	26
Net GST paid	6,122	5,464	5,429	4,995	4,251
Other	-	-	-	-	-
<b>Total cash used</b>	<b>143,634</b>	<b>149,011</b>	<b>153,439</b>	<b>148,014</b>	<b>136,943</b>
<b>Net cash from or (used by) operating activities</b>	<b>6,957</b>	<b>1,805</b>	<b>1,861</b>	<b>1,903</b>	<b>2,025</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	27	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	20	51
<b>Total cash received</b>	<b>27</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>51</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	9,284	2,168	3,149	2,255	2,260
Purchase of financial instruments	-	-	-	-	-
Loans made	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>9,284</b>	<b>2,168</b>	<b>3,149</b>	<b>2,255</b>	<b>2,260</b>
<b>Net cash from or (used by) investing activities</b>	<b>(9,257)</b>	<b>(2,168)</b>	<b>(3,149)</b>	<b>(2,235)</b>	<b>(2,209)</b>

**Table 5.3: Budgeted departmental statement of cash flows  
for the period ended 30 June (continued)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	2,102	249	1,230	336	234
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>2,102</b>	<b>249</b>	<b>1,230</b>	<b>336</b>	<b>234</b>
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>2,102</b>	<b>249</b>	<b>1,230</b>	<b>336</b>	<b>234</b>
<b>Net increase or (decrease) in cash held</b>	<b>(198)</b>	<b>(114)</b>	<b>(58)</b>	<b>4</b>	<b>50</b>
Cash at the beginning of the reporting period	9,378	9,180	9,066	9,008	9,012
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>9,180</b>	<b>9,066</b>	<b>9,008</b>	<b>9,012</b>	<b>9,062</b>

**Table 5.4: Departmental statement of changes in equity – summary of movement  
(Budget 2007-08)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balances as at 1 July 2007</b>					
Balance carried forward from previous period	82,932	18,914	-	14,555	<b>116,401</b>
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balances</b>	<b>82,932</b>	<b>18,914</b>	<b>-</b>	<b>14,555</b>	<b>116,401</b>
<b>Income and expenses</b>					
Income and expenses recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (Deficit) for the period	727	-	-	-	<b>727</b>
<b>Total income and expenses recognised directly in equity</b>	<b>727</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>727</b>
<b>Transactions with owners</b>					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
Contribution by owners					
Appropriation (equity injection)	-	-	-	249	<b>249</b>
Other:					
Restructuring	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>249</b>	<b>249</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2008</b>	<b>83,659</b>	<b>18,914</b>	<b>-</b>	<b>14,804</b>	<b>117,377</b>

**Table 5.5: Departmental capital budget statement**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	2,102	249	1,230	336	234
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	<b>2,102</b>	<b>249</b>	<b>1,230</b>	<b>336</b>	<b>234</b>
<b>Represented by:</b>					
Purchase of non-financial assets	2,102	249	1,230	336	234
Other	-	-	-	-	-
<b>Total represented by</b>	<b>2,102</b>	<b>249</b>	<b>1,230</b>	<b>336</b>	<b>234</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	2,102	249	1,230	336	234
Funded internally by	7,182	1,919	1,919	1,919	2,026
Departmental resources					
<b>Total</b>	<b>9,284</b>	<b>2,168</b>	<b>3,149</b>	<b>2,255</b>	<b>2,260</b>

**Table 5.6: Departmental property, plant, equipment and intangibles - summary of movement (Budget year 2007-08)**

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>									
Gross book value	-	-	7,290	-	12,946	43,275	3,945	35	67,491
Accumulated depreciation	-	-	642	-	2,758	146	2,592	-	6,138
<b>Opening net book value</b>	-	-	<b>6,648</b>	-	<b>10,188</b>	<b>43,129</b>	<b>1,353</b>	<b>35</b>	<b>61,353</b>
Additions:									
by purchase	-	-	368	-	998	602	100	100	2,168
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	617	-	2,892	43	258	-	3,810
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	500	-	-	500
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	(40)	-	-	(40)
<b>As at 30 June 2008</b>									
Gross book value	-	-	7,658	-	13,944	44,337	4,045	135	70,119
Accumulated depreciation	-	-	1,259	-	5,650	189	2,850	-	9,948
<b>Estimated closing net book value</b>	-	-	<b>6,399</b>	-	<b>8,294</b>	<b>44,148</b>	<b>1,195</b>	<b>135</b>	<b>60,171</b>

**Table 5.7: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
<b>Total taxation</b>	-	-	-	-	-
<b>Non-taxation</b>					
Goods and services	-	-	-	-	-
Fees and fines	-	-	-	-	-
Interest	132,996	147,531	157,269	167,700	178,824
Dividends	280,000	281,000	312,000	312,000	312,000
Other sources of non-taxation revenues	4,387	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
<b>Total non-taxation</b>	<b>417,383</b>	<b>428,531</b>	<b>469,269</b>	<b>479,700</b>	<b>490,824</b>
<b>Total revenues administered on behalf of Government</b>	<b>417,383</b>	<b>428,531</b>	<b>469,269</b>	<b>479,700</b>	<b>490,824</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	20,076,688	-	-	-	-
Reversal of previous asset writedowns	-	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>20,076,688</b>	-	-	-	-
<b>Total income administered on behalf of Government</b>	<b>20,494,071</b>	<b>428,531</b>	<b>469,269</b>	<b>479,700</b>	<b>490,824</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	385,668	637,490	564,924	262,715	207,028
Subsidies	186,549	114,846	2,100	-	-
Personal benefits	-	-	-	-	-
Employees	-	-	-	-	-
Suppliers	1,740	65,833	41,481	5,368	5,784
Depreciation and amortisation	8,273	8,473	9,645	10,763	10,763
Write down and impairment of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Asset sales	-	-	-	-	-
Foreign exchange	-	-	-	-	-
Other	23,571	23,874	24,525	25,201	25,918
<b>Losses</b>					
Net losses from sale of assets	13,556,636	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>14,162,437</b>	<b>850,516</b>	<b>642,675</b>	<b>304,047</b>	<b>249,493</b>

**Table 5.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Receivables	9,816	9,816	9,816	9,816	9,816
Taxation receivables	-	-	-	-	-
Investments - equity	8,356,589	8,401,232	8,454,157	8,464,579	8,472,614
Investments - other	2,219,038	2,366,247	2,523,188	2,690,553	2,869,035
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>10,585,443</b>	<b>10,777,295</b>	<b>10,987,161</b>	<b>11,164,948</b>	<b>11,351,465</b>
<b>Non-financial assets</b>					
Land and buildings	35,433	34,726	122,284	118,542	114,800
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Heritage and cultural assets	53,597	61,205	61,668	59,801	58,004
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	44,416	22,511	4,511	2,511	2,511
<b>Total non-financial assets</b>	<b>133,446</b>	<b>118,442</b>	<b>188,463</b>	<b>180,854</b>	<b>175,315</b>
<b>Total assets administered on behalf of Government</b>	<b>10,718,889</b>	<b>10,895,737</b>	<b>11,175,624</b>	<b>11,345,802</b>	<b>11,526,780</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
Australian Government securities	-	-	-	-	-
Loans	9,836	9,836	9,836	9,836	9,836
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>9,836</b>	<b>9,836</b>	<b>9,836</b>	<b>9,836</b>	<b>9,836</b>
<b>Provisions</b>					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payables</b>					
Suppliers	33	33	33	33	33
Grants and subsidies	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	222	222	222	222	222
<b>Total payables</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>	<b>255</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities administered on behalf of Government</b>	<b>10,091</b>	<b>10,091</b>	<b>10,091</b>	<b>10,091</b>	<b>10,091</b>

**Table 5.9: Schedule of budgeted administered cash flows  
for the period ended 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Tax	-	-	-	-	-
Fees	-	-	-	-	-
Sales of goods and rendering of services	-	-	-	-	-
Interest	134,641	147,531	157,269	167,700	178,824
Dividends	280,000	281,000	312,000	312,000	312,000
Net GST received	-	-	-	-	-
Other	54,602	71,571	51,790	19,003	13,583
<b>Total cash received</b>	<b>469,243</b>	<b>500,102</b>	<b>521,059</b>	<b>498,703</b>	<b>504,407</b>
<b>Cash used</b>					
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	389,174	615,585	546,924	260,715	207,028
Interest paid	-	-	-	-	-
Subsidies paid	232,566	114,846	2,100	-	-
Personal benefits	-	-	-	-	-
Suppliers	1,827	65,833	41,481	5,368	5,784
Net GST paid	-	-	-	-	-
Other	77,013	95,445	76,315	44,204	39,501
<b>Total cash used</b>	<b>700,580</b>	<b>891,709</b>	<b>666,820</b>	<b>310,287</b>	<b>252,313</b>
<b>Net cash from or (used by)</b>					
<b>Operating activities</b>	<b>(231,337)</b>	<b>(391,607)</b>	<b>(145,761)</b>	<b>188,416</b>	<b>252,094</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	6,588	15,374	8,284	5,154	5,224
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments	134,443	147,209	156,941	167,365	178,482
Other	-	-	-	-	-
<b>Total cash used</b>	<b>141,031</b>	<b>162,583</b>	<b>165,225</b>	<b>172,519</b>	<b>183,706</b>
<b>Net cash from or (used by) investing activities</b>	<b>(141,031)</b>	<b>(162,583)</b>	<b>(165,225)</b>	<b>(172,519)</b>	<b>(183,706)</b>

**Table 5.9: Schedule of budgeted administered cash flows  
for the period ended 30 June (continued)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	53,432	71,571	51,790	19,003	13,583
Other	-	-	-	-	-
<b>Total cash received</b>	<b>53,432</b>	<b>71,571</b>	<b>51,790</b>	<b>19,003</b>	<b>13,583</b>
<b>Cash used</b>					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	53,478	71,571	51,790	19,003	13,583
Other	-	-	-	-	-
<b>Total cash used</b>	<b>53,478</b>	<b>71,571</b>	<b>51,790</b>	<b>19,003</b>	<b>13,583</b>
<b>Net cash from or (used by) financing activities</b>	<b>(46)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(372,414)</b>	<b>(554,190)</b>	<b>(310,986)</b>	<b>15,897</b>	<b>68,388</b>
Cash at beginning of reporting period	66	-	-	-	-
Cash from Official Public Account for:					
Appropriations	653,531	835,190	622,986	296,103	243,612
Special accounts	9,362	-	-	-	-
Other	-	-	-	-	-
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
Appropriations	-	-	-	-	-
Special accounts	-	-	-	-	-
Other	(290,545)	(281,000)	(312,000)	(312,000)	(312,000)
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.10: Schedule of administered capital budget**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Administered capital	4,000	8,000	2,210	-	-
Special appropriations	-	-	-	-	-
<b>Total capital appropriations</b>	<b>4,000</b>	<b>8,000</b>	<b>2,210</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	4,000	8,000	2,210	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	<b>4,000</b>	<b>8,000</b>	<b>2,210</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	4,000	8,000	2,210	-	-
Funded internally by	2,588	7,374	6,074	5,154	5,224
Departmental resources					
<b>Total</b>	<b>6,588</b>	<b>15,374</b>	<b>8,284</b>	<b>5,154</b>	<b>5,224</b>

**Table 5.11 : Schedule of property, plant, equipment and intangibles - summary of movement (Budget year 2007-08)**

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>									
Gross book value	-	-	37,141	-	-	60,163	-	-	97,304
Accumulated depreciation/amortisation and impairment	-	-	1,708	-	-	6,566	-	-	8,274
<b>Opening net book value</b>	-	-	<b>35,433</b>	-	-	<b>53,597</b>	-	-	<b>89,030</b>
Additions:									
by purchase	-	-	1,000	-	-	14,374	-	-	15,374
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluation and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	1,707	-	-	6,766	-	-	8,473
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2008</b>									
Gross book value	-	-	38,141	-	-	74,537	-	-	112,678
Accumulated depreciation/amortisation and impairment	-	-	3,415	-	-	13,332	-	-	16,747
<b>Estimated closing net book value</b>	-	-	<b>34,726</b>	-	-	<b>61,205</b>	-	-	<b>95,931</b>

## **5.3: NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental Financial Statements and Schedule of Administered Activity**

The Department's financial statements have been prepared in accordance with the Australian Equivalents to International Financial Reporting Standards (AEIFRS).

### **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 for either 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
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Special appropriations 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 should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

### **Asset valuation**

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

### **Telstra 3 Sale**

The Department of Finance and Administration, DCITA and the Australian National Audit Office are currently reviewing the accounting treatment for the Telstra 3 sale, and in particular the attribution of transactions between Finance and DCITA. This will be resolved before the finalisation of the audited financial statements for 2006-07.