

# 5

## SECTION 5

### FINANCIAL STATEMENTS 143





## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Broadband, Communications and the Digital Economy

#### Scope

I have audited the accompanying financial statements of the Department of Broadband, Communications and the Digital Economy for the year ended 30 June 2009, which comprise: a Statement by the Departmental Secretary and Chief Financial Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies and Schedule of Administered Items, a Summary of Significant Accounting Policies and other explanatory notes.

#### *The Responsibility of the Secretary for the Financial Statements*

The Department's Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department's preparation and fair presentation of

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Department's Secretary, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Independence***

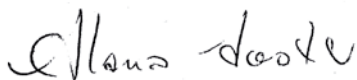
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

### **Auditor's Opinion**

In my opinion, the financial statements of the Department of Broadband, Communications and the Digital Economy:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Broadband, Communications and the Digital Economy's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Alana Foster  
Executive Director  
Delegate of the Auditor-General

Canberra  
28 August 2009



Australian Government  
Department of Broadband,  
Communications and the Digital Economy

2008-2009 FINANCIAL STATEMENTS

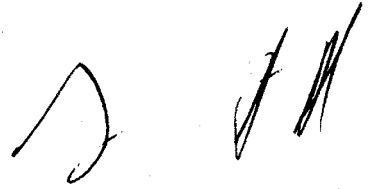
STATEMENT BY THE DEPARTMENTAL SECRETARY  
AND CHIEF FINANCIAL OFFICER

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In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.

  
Patricia Scott  
Secretary

28 August 2009

  
Simon A Ash FCPA  
Chief Financial Officer

28 August 2009

Department of Broadband, Communications and the Digital Economy

**INCOME STATEMENT**

for the period ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
Revenue from Government	3A	117,075	111,214
Sale of goods and rendering of services	3B	293	327
Rental income	3C	980	1,975
Other revenue	3D	248	2,090
<b>Total revenue</b>		<b>118,596</b>	<b>115,606</b>
<b>Gains</b>			
Sale of assets	3E	-	8
Reversals of previous asset write-downs and impairments	3F	-	113
Other gains	3G	465	490
<b>Total gains</b>		<b>465</b>	<b>611</b>
<b>Total Income</b>		<b>119,061</b>	<b>116,217</b>
<b>EXPENSES</b>			
Employee benefits	4A	66,118	69,628
Suppliers	4B	42,533	53,745
Grants	4C	10	519
Depreciation and amortisation	4D	5,862	4,186
Finance costs	4E	247	99
Write-down and impairment of assets	4F	258	103
Other expenses	4G	3	22
<b>Total Expenses</b>		<b>115,031</b>	<b>128,302</b>
<b>Surplus (Deficit)</b>		<b>4,030</b>	<b>(12,085)</b>
<b>Surplus (Deficit) attributable to the Australian Government</b>		<b>4,030</b>	<b>(12,085)</b>

The above statement should be read in conjunction with the accompanying notes.

The comparative figures for the 2007-08 financial year contained in these financial statements incorporate the Department of Communications, Information Technology and the Arts for the period 1 July to 2 December 2007.

## Department of Broadband, Communications and the Digital Economy

## BALANCE SHEET

as at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>ASSETS</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	5A, 10	2,172	3,105
Trade and other receivables	5B	84,331	74,044
Accrued revenue	5C	-	67
<b>Total financial assets</b>		<b>86,503</b>	<b>77,216</b>
<b>Non-Financial Assets</b>			
Land and buildings	6A, 6D	6,244	10,003
Infrastructure, plant and equipment	6B, 6D	4,942	5,230
Intangibles	6C, 6E	1,728	1,274
Other non-financial assets	6F	397	430
<b>Total non-financial assets</b>		<b>13,311</b>	<b>16,937</b>
<b>Total Assets</b>		<b>99,814</b>	<b>94,153</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers payables	7A	6,591	6,477
Lease incentives	7B	138	179
Other payables	7C	1,762	1,179
<b>Total payables</b>		<b>8,491</b>	<b>7,835</b>
<b>Provisions</b>			
Employee provisions	8A	16,449	14,468
Other provisions	8B	1,831	4,351
<b>Total provisions</b>		<b>18,280</b>	<b>18,819</b>
<b>Total Liabilities</b>		<b>26,771</b>	<b>26,654</b>
<b>Net Assets</b>		<b>73,043</b>	<b>67,499</b>
<b>EQUITY</b>			
Contributed equity		74	-
Reserves		2,919	1,458
Retained surplus (accumulated deficit)		70,050	66,041
<b>Total Equity</b>		<b>73,043</b>	<b>67,499</b>
<b>Current Assets</b>		<b>28,770</b>	<b>27,232</b>
<b>Non-Current Assets</b>		<b>71,044</b>	<b>66,921</b>
<b>Current Liabilities</b>		<b>22,727</b>	<b>20,342</b>
<b>Non-Current Liabilities</b>		<b>4,044</b>	<b>6,312</b>

The above statement should be read in conjunction with the accompanying notes.

Department of Broadband, Communications and the Digital Economy  
STATEMENT OF CHANGES IN EQUITY  
as at 30 June 2009

	Retained Earnings		Asset Revaluation Reserves		Other Reserves		Contributed Equity/Capital		Total Equity	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Opening balance as at 1 July</b>	<b>66,041</b>	96,626	<b>1,458</b>	23,730	-	-	-	14,555	<b>67,499</b>	134,911
Balance carried forward from previous period										
Adjustment for errors	(2)	-	-	-	-	-	-	-	(2)	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>66,039</b>	96,626	<b>1,458</b>	23,730	-	-	-	14,555	<b>67,497</b>	134,911
<b>Income and expenses</b>										
Revaluation adjustment	-	-	(671)	3,041	-	-	-	-	(671)	3,041
Remeasurement of provisions	-	-	2,132	(2,086)	-	-	-	-	2,132	(2,086)
<b>Sub-total income and expenses recognised directly in equity</b>	<b>-</b>	-	<b>1,461</b>	955	-	-	-	-	<b>1,461</b>	955
Surplus (Deficit) for the period	4,030	(12,085)	-	-	-	-	-	-	4,030	(12,085)
<b>Total income and expenses</b>	<b>4,030</b>	(12,085)	<b>1,461</b>	955	-	-	-	-	<b>5,491</b>	(11,130)
<b>Transactions with Owners</b>										
<i>Distributions to Owners</i>										
Returns of capital:										
Restructuring	-	(18,076)	-	(23,227)	-	-	-	(14,804)	-	(56,107)
Reductions of appropriations ( <i>Appropriation Act</i> section 10)	-	(424)	-	-	-	-	(229)	-	(229)	(424)
Other adjustments <sup>1</sup>	(19)	-	-	-	-	-	-	-	(19)	-
<i>Contributions by Owners</i>										
Appropriation (equity injection)	-	-	-	-	-	-	303	249	303	249
<b>Sub-total transactions with owners</b>	<b>(19)</b>	(18,500)	-	(23,227)	-	-	<b>74</b>	(14,555)	<b>55</b>	(56,282)
<b>Transfers between equity components</b>										
Transfers between equity components	-	-	-	-	-	-	-	-	-	-
<b>Closing balance as at 30 June</b>	<b>70,050</b>	66,041	<b>2,919</b>	1,458	-	-	<b>74</b>	-	<b>73,043</b>	67,499
<b>Closing balance attributable to the Australian Government</b>	<b>70,050</b>	66,041	<b>2,919</b>	1,458	-	-	<b>74</b>	-	<b>73,043</b>	67,499

<sup>1</sup> This adjustment relates to the transfer of the International Aid Special Account balance to AusAID on 30 June 2009 under subsection 26(c) of the *FMA Act*.

The above statement should be read in conjunction with the accompanying notes.

## Department of Broadband, Communications and the Digital Economy

## CASH FLOW STATEMENT

for the period ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		1,461	2,406
Appropriations		110,399	127,550
Grants		-	419
Net GST received		4,283	6,288
Other cash received		3,352	4,052
<b>Total cash received</b>		<b>119,495</b>	<b>140,715</b>
<b>Cash used</b>			
Employees		67,147	71,984
Suppliers		45,388	55,733
Grants		11	572
Net cash transferred to the Official Public Account		4,146	5,813
Other cash used		128	26
<b>Total cash used</b>		<b>116,820</b>	<b>134,128</b>
<b>Net cash flows from (used by) operating activities</b>	10	<b>2,675</b>	<b>6,587</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		2	15
<b>Total cash received</b>		<b>2</b>	<b>15</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		2,214	1,507
Purchase of intangibles		862	565
Purchase of land and buildings		755	2,324
Purchase of heritage and cultural assets		-	706
<b>Total cash used</b>		<b>3,831</b>	<b>5,102</b>
<b>Net cash flows from (used by) investing activities</b>		<b>(3,829)</b>	<b>(5,087)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		221	785
Other cash received		-	8
<b>Total cash received</b>		<b>221</b>	<b>793</b>
<b>Cash used</b>			
Transfer of Special Accounts		-	7,820
<b>Total cash used</b>		<b>-</b>	<b>7,820</b>
<b>Net cash flows from (used by) financing activities</b>		<b>221</b>	<b>(7,027)</b>
<i>Net increase (decrease) in cash held</i>		<b>(933)</b>	<b>(5,527)</b>
Cash and cash equivalents at the beginning of the reporting period		3,105	8,632
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>2,172</b>	<b>3,105</b>

The above statement should be read in conjunction with the accompanying notes.

The comparative figures for the 2007-08 financial year contained in these financial statements incorporate the Department of Communications, Information Technology and the Arts for the period 1 July to 2 December 2007.

Department of Broadband, Communications and the Digital Economy  
**SCHEDULE OF COMMITMENTS**  
as at 30 June 2009

	2009 \$'000	2008 \$'000
<b>BY TYPE</b>		
<b>Commitment receivable</b>		
Sublease rental income <sup>1</sup>	(1,199)	(2,222)
GST recoverable on commitments	(2,412)	(3,034)
<b>Total commitments receivable</b>	<u>(3,611)</u>	<u>(5,256)</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Infrastructure, plant and equipment <sup>2</sup>	342	704
Intangibles	196	-
<b>Total capital commitments</b>	<u>538</u>	<u>704</u>
<b>Other Commitments</b>		
Operating leases <sup>3</sup>	19,091	26,757
Service contract commitments <sup>4</sup>	8,102	7,934
Other commitments	-	196
<b>Total other commitments</b>	<u>27,193</u>	<u>34,887</u>
<b>Net commitments by type</b>	<u><u>24,120</u></u>	<u><u>30,335</u></u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Operating lease income</b>		
One year or less	(1,107)	(1,067)
From one to five years	(92)	(1,155)
Over five years	-	-
<b>Total operating lease income</b>	<u>(1,199)</u>	<u>(2,222)</u>
<b>GST commitments receivable</b>		
One year or less	(1,050)	(1,326)
From one to five years	(1,362)	(1,708)
Over five years	-	-
<b>Total GST commitments receivable</b>	<u>(2,412)</u>	<u>(3,034)</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
One year or less	538	495
From one to five years	-	209
Over five years	-	-
<b>Total capital commitments</b>	<u>538</u>	<u>704</u>
<b>Operating lease commitments</b>		
One year or less	7,790	7,803
From one to five years	11,301	18,954
Over five years	-	-
<b>Total operating lease commitments</b>	<u>19,091</u>	<u>26,757</u>
<b>Other commitments</b>		
One year or less	4,326	7,344
From one to five years	3,776	786
Over five years	-	-
<b>Total other commitments</b>	<u>8,102</u>	<u>8,130</u>
<b>Net commitments by maturity</b>	<u><u>24,120</u></u>	<u><u>30,335</u></u>

NB: Commitments are GST inclusive where relevant.

The above schedule should be read in conjunction with the accompanying notes.

**Department of Broadband, Communications and the Digital Economy**  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2009*

- <sup>1</sup> Operating lease income relates to the sublease of 28 National Circuit, Canberra (Burns Centre).  
<sup>2</sup> Infrastructure, plant and equipment commitments relate to building improvements for leased premises.  
<sup>3</sup> Operating leases relate to premises leased by the Department. The main operating leases include the following:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation	<p><u>Main office accommodation</u></p> <p>Lease payments at 38 Sydney Avenue, Canberra are subject to bi-annual reviews adjusted to reflect current market rates. The current term for the office accommodation expires on 21 November 2012. A further term of 5 years is available at the Department's discretion.</p> <p><u>Secondary office accommodation</u></p> <p>Lease payments at 44 Sydney Avenue, Canberra are subject to a 4% fixed annual adjustment. The initial term for the office accommodation expires on 31 July 2010. A further term of 3 years is available at the Department's discretion.</p> <p>Lease payments at 28 National Circuit (Burns Centre), Canberra are subject to an annual adjustment based on the Consumer Price Index. The initial term for the accommodation expires on 31 July 2010. There are no options in the lease for extension beyond this date.</p> <p>Lease payments at 31 Market Street, Sydney are subject to a 4% fixed annual adjustment. The initial term expires on 25 March 2010. A further term of 3 years is available at the Department's discretion.</p> <p>The lease of storage space at 122-124 Gladstone Street, Canberra expires on 30 April 2011. A further term of 3 years is available at the Department's discretion.</p>
Agreements for the provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the Department.

- <sup>4</sup> Service contract commitments primarily relate to security, cleaning, payroll, consultancies and contractors.

**Department of Broadband, Communications and the Digital Economy**  
**SCHEDULE OF ADMINISTERED ITEMS**

<b>Income administered on behalf of Government</b> <i>for the period ended 30 June 2009</i>	<b>Notes</b>	<b>2009</b> <b>\$'000</b>	<b>2008</b> <b>\$'000</b>
<b>Revenue</b>			
Interest	15A	<b>86,395</b>	163,298
Dividends	15B	<b>427,800</b>	306,300
Other revenue	15C	<b>349</b>	7,112
<b>Total revenues administered on behalf of Government</b>		<b>514,544</b>	476,710
<b>Gains</b>			
Other gains	15D	<b>1,018</b>	387
<b>Total gains administered on behalf of Government</b>		<b>1,018</b>	387
<b>Total income administered on behalf of Government</b>		<b>515,562</b>	477,097
<b>Expenses administered on behalf of Government</b> <i>for the period ended 30 June 2009</i>			
Suppliers	16A	<b>11,837</b>	14,828
Subsidies	16B	<b>84,816</b>	86,088
Grants	16C	<b>83,070</b>	245,288
Depreciation and amortisation	16D	-	1,670
Write-down and impairment of assets	16E	<b>18</b>	6,075
CAC Act entity payments	16F	<b>1,049,870</b>	-
Other expenses	16G	<b>5,937</b>	4,888
<b>Total expenses administered on behalf of Government</b>		<b>1,235,548</b>	358,837

This schedule should be read in conjunction with the accompanying notes.

The comparative figures for the 2007-08 financial year contained in these financial statements incorporate the Department of Communications, Information Technology and the Arts for the period 1 July to 2 December 2007.

**Department of Broadband, Communications and the Digital Economy**  
**SCHEDULE OF ADMINISTERED ITEMS (continued)**

<b>Assets administered on behalf of Government</b>		<b>2009</b>	<b>2008</b>
<i>as at 30 June 2009</i>		<b>\$'000</b>	<b>\$'000</b>
	<b>Notes</b>		
<b>Financial assets</b>			
Cash and cash equivalents	17A	<b>8,440</b>	24
Receivables	17B	<b>18,798</b>	5,138
Other investments	17C	<b>3,610,191</b>	7,111,000
<b>Total financial assets</b>		<b>3,637,429</b>	7,116,162
<b>Non-financial assets</b>			
Prepayments	17D	<b>3,107</b>	2,487
<b>Total non-financial assets</b>		<b>3,107</b>	2,487
<b>Total assets administered on behalf of Government</b>		<b>3,640,536</b>	7,118,649
<b>Liabilities administered on behalf of Government</b>			
<i>as at 30 June 2009</i>			
<b>Payables</b>			
Suppliers	18A	<b>1,698</b>	1,084
Subsidies	18B	<b>6,667</b>	15,049
Grants	18C	<b>8,337</b>	1,505
GST Payable to the Official Public Account	18D	<b>5,935</b>	3,879
<b>Total liabilities administered on behalf of Government</b>		<b>22,637</b>	21,517

This schedule should be read in conjunction with the accompanying notes.

**Department of Broadband, Communications and the Digital Economy**  
**SCHEDULE OF ADMINISTERED ITEMS (continued)**

<b>Administered Cash Flows</b> <i>for the period ended 30 June 2009</i>	<b>Notes</b>	<b>2009</b> <b>\$'000</b>	<b>2008</b> <b>\$'000</b>
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest		94,459	140,594
Dividends		427,800	306,300
GST refunds from the Australian Taxation Office (ATO)		19,582	28,151
Other		414	1,810
<b>Total cash received</b>		<b>542,255</b>	<b>476,855</b>
<b>Cash used</b>			
Grants payments		12,097	212,992
Subsidies paid		102,062	92,945
Suppliers		84,649	18,202
CAC Act entity payments		1,049,870	-
Other		6,340	4,068
<b>Total cash used</b>		<b>1,255,018</b>	<b>328,207</b>
<b>Net cash flows from (used by) operating activities</b>		<b>(712,763)</b>	<b>148,648</b>
<b>INVESTING ACTIVITIES</b>			
Receipts from Building Australia Fund		10,000	-
<b>Total cash received</b>		<b>10,000</b>	<b>-</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		-	1,230
Loans to CAC Act entities		15,000	-
Investments		94,300	140,434
Investments in CAC Act entities		23,836	-
<b>Total cash used</b>		<b>133,136</b>	<b>141,664</b>
<b>Net cash flows from (used by) investing activities</b>		<b>(123,136)</b>	<b>(141,664)</b>
<b>Net increase / (decrease) in cash held</b>		<b>(835,899)</b>	<b>6,984</b>
Cash and cash equivalents at the beginning of the reporting period		24	74
Cash from Official Public Account for:			
- Appropriations		1,276,968	309,612
- Special accounts		158	159
- Section 30A drawdowns		16,317	24,425
- Special Appropriation (section 28)		3,234	-
		<b>1,296,677</b>	<b>334,196</b>
Cash to Official Public Account for:			
- Appropriations		(3,684)	(4,936)
- Special accounts		(158)	(159)
- Dividends		(427,800)	(306,300)
- Section 30A repayments		(17,008)	(28,151)
- Special Appropriation (section 28)		(3,234)	-
- Other		(478)	(1,684)
		<b>(452,362)</b>	<b>(341,230)</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	17A	<b>8,440</b>	<b>24</b>

This schedule should be read in conjunction with the accompanying notes.

The comparative figures for the 2007-08 financial year contained in these financial statements incorporate the Department of Communications, Information Technology and the Arts for the period 1 July to 2 December 2007.

Department of Broadband, Communications and the Digital Economy  
SCHEDULE OF ADMINISTERED ITEMS (continued)

Administered Commitments <i>as at 30 June 2009</i>	2009 \$'000	2008 \$'000
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
GST recoverable on commitments	(8,557)	(14,975)
<b>Total commitments receivable</b>	<u>(8,557)</u>	<u>(14,975)</u>
<b>Commitments Payable</b>		
<b>Other Commitments</b>		
Grant commitments <sup>1</sup>	89,888	150,452
Other commitments <sup>2</sup>	4,241	14,277
<b>Total other commitments</b>	<u>94,129</u>	<u>164,729</u>
<b>Net commitments by type</b>	<u><u>85,572</u></u>	<u><u>149,754</u></u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>GST commitments receivable</b>		
One year or less	(5,212)	(14,975)
From one to five years	(3,345)	-
Over five years	-	-
<b>Total GST commitments receivable</b>	<u>(8,557)</u>	<u>(14,975)</u>
<b>Commitments payable</b>		
<b>Other commitments</b>		
One year or less	57,336	87,270
From one to five years	36,793	77,459
Over five years	-	-
<b>Total other commitments</b>	<u>94,129</u>	<u>164,729</u>
<b>Net commitments by maturity</b>	<u><u>85,572</u></u>	<u><u>149,754</u></u>

<sup>1</sup> Grant commitments predominantly relate to Clever Networks (\$21.1m) and Information Communication Technology (ICT) - Centre of Excellence (\$56.5m).

<sup>2</sup> Other commitments mainly relate to Cyber safety - PC Filters (\$2.8m).

This schedule should be read in conjunction with the accompanying notes.

Department of Broadband, Communications and the Digital Economy  
SCHEDULE OF ADMINISTERED ITEMS (continued)

Administered Contingencies  
as at 30 June 2009

Administered Contingent Assets	Guarantees <sup>1</sup>		Indemnities <sup>2</sup>		Claims for damages or costs <sup>3</sup>		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance from previous period	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-	-	-
Assets recognised	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	-
<b>Total Administered Contingent Assets</b>	-	-	-	-	-	-	-	-
<b>Administered Contingent Liabilities</b>								
Balance from previous period	-	87	-	109,132	-	-	-	109,219
New	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-	-	-
Liabilities recognised	-	-	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-	-	-
Other adjustments <sup>4</sup>	-	(87)	-	(109,132)	-	-	-	(109,219)
<b>Total Administered Contingent Liabilities</b>	-	-	-	-	-	-	-	-
<b>Net Contingent Assets (Liabilities)</b>	-	-	-	-	-	-	-	-

<sup>1</sup> Guarantees against loss

<sup>2</sup> Commonwealth indemnity of art exhibitions

<sup>3</sup> Claims for damages or costs in respect of legal action

<sup>4</sup> Guarantees and indemnities balances were transferred to the Department of the Environment, Water, Heritage and the Arts (DEWHA) following the Administrative Arrangements Order of 3 December 2007.

**Statement of Activities Administered on Behalf of Government**

The major Administered activities of the Department of Broadband, Communications and the Digital Economy are directed towards achieving one outcome. The major activities undertaken are towards the development of a vibrant, sustainable and internationally competitive broadband and communications sector which promotes the digital economy for the benefit of all Australians.

Details of planned activities for the year can be found in the Agency Portfolio Budget and Portfolio Additional Estimates Statements for 2008-09, which have been tabled in Parliament.

The schedule should be read in conjunction with the accompanying notes.

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## Note 1: Summary of Significant Accounting Policies

### 1.1 Objectives of the Department of Broadband, Communications and the Digital Economy

The Department of Broadband, Communications and the Digital Economy (the Department) is an Australian Government controlled entity. The objective of the Department is to develop a vibrant, sustainable and internationally competitive broadband and communications sector that promotes the digital economy for the benefit of all Australians.

The Department is structured to meet one outcome:

**Outcome 1: Development of a vibrant, sustainable and internationally competitive broadband and communications sector which promotes the digital economy for the benefit of all Australians.**

This Outcome was achieved through:

- policy advice and program management that delivers competitively priced, accessible and high quality broadband and other communication services and that supports the digital economy.

Department activities contributing toward this outcome are classified as either Departmental or Administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Department in its own right. Administered activities involve the management or oversight by the Department, on behalf of the Government, of items controlled or incurred by the Australian Government.

Departmental activities are identified under one Output.

The continued existence of the Department in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Department's administration and programs.

### 1.2 Basis of Preparation of the Financial Report

The comparative figures for the 2007-08 financial year contained in these Financial Statements incorporate the Department of Communications, Information Technology and the Arts for the period 1 July to 2 December 2007. For information on the objectives of the Department of Communications, Information Technology and the Arts, refer to the Department of Broadband, Communications and the Digital Economy Annual Report 2007-08.

The Financial Statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are a General Purpose Financial Report.

The Financial Statements and notes have been prepared in accordance with:

- the Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Financial Statements have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets valued at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The Financial Statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an Australian Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Department, or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Australian Accounting Standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable contingencies, which are reported at Note 11).

**Department of Broadband, Communications and the Digital Economy**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2009

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Unless alternative treatment is specifically required by an Australian Accounting Standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets, liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Departmental items, except where otherwise stated at Note 1.20.

### 1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Department has made some judgements that do not have a significant impact on the amounts recorded in the Financial Statements. These estimates are in relation to non-financial assets, employee provisions and the restoration obligation for leased properties.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

### 1.4 Changes in Australian Accounting Standards

#### Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards are applicable to the Department for the current reporting period:

*AASB 7 Financial Instruments;*  
*AASB 101 Presentation of Financial Statements;*  
*AASB 116 Property, Plant and Equipment;*  
*AASB 137 Provisions, Contingent Liabilities and Contingent Assets;*  
*AASB 139 Financial Instruments: Recognition and Measurement;*  
*AASB 1004 Contributions;*  
*AASB 1050 Administered Items;*  
*AASB 1052 Disaggregated Disclosures; and*  
*AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31.*

New accounting standards for the current reporting period which are not disclosed have no material financial impact on the Department.

#### Future Australian Accounting Standard requirements

The following new standards, amendments to standards, or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is expected that these standards will be applicable to the Department for future reporting periods:

*AASB 101 Presentation of Financial Statements;*  
*AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101;*  
*AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101;*  
*AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project; and*  
*Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities.*

New accounting standards for future reporting periods which are not disclosed are expected to have no material financial impact on the Department.

### 1.5 Revenue

#### *Revenue from Government*

Amounts appropriated for departmental output appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Appropriations receivable are recognised at their nominal amounts.

#### *Resources Received Free of Charge*

Resources received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition, or for nominal consideration, are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### *Other Types of Revenue*

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the Department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment. Collectability of debts is reviewed at balance date. Impairment is recognised when there is objective evidence that collectability of the debt is no longer probable.

Dividends are recognised when the right to receive payment is established.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

## **1.6 Gains**

#### *Other Resources Received Free of Charge*

Resources received free of charge are recognised as gains when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition, or for nominal consideration, are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Australian Government agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### *Sale of Assets*

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

**Department of Broadband, Communications and the Digital Economy**  
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for the year ended 30 June 2009

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### 1.7 Transactions with the Government as Owner

#### *Equity Injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in contributed equity in that year.

#### *Restructuring of Administrative Arrangements*

Net assets received from or relinquished to another Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

### 1.8 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### *Leave*

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Department's employer superannuation contribution rates, to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by using the Finance Short Hand Method as at 30 June 2009, as outlined in the FMOs. The estimate of the present value of the liability takes into account expected attrition rates and pay increases through promotion and inflation.

#### *Separation and Redundancy*

Provision is made for separation and redundancy benefit payments. The Department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

#### *Superannuation*

Staff of the Department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes of the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the Financial Statements of the aggregate Australian Government and is settled by the Australian Government in due course. This aggregate liability is reported by the Department of Finance and Deregulation as an Administered item.

The Department makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Australian Government of the superannuation entitlements of the Department's employees. The Department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

## 1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all of the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract. A liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the entity will obtain ownership by the end of the lease term. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis representative of the pattern of benefits derived from the leased assets.

Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

## 1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

## 1.11 Cash

Cash and cash equivalents include notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

## 1.12 Financial Assets

The Department classifies financial assets as 'cash and cash equivalents', as outlined above, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

### *Loans and Receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Financial assets are recognised and derecognised upon 'trade date'.

### *Impairment of Financial Assets*

Financial assets are assessed for impairment at each balance date.

## 1.13 Financial Liabilities

The Department's financial liabilities are classified as 'other financial liabilities'.

### *Other Financial Liabilities*

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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*Supplier and Other Payables*

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

*Grants and Subsidies Payable*

Grants and subsidies made by the Department are recognised as liabilities and expenses only at the time that the recipient has met all obligations and conditions required in the grant or subsidy agreement.

Financial liabilities are recognised and derecognised upon 'trade date'.

**1.14 Contingent Liabilities and Contingent Assets**

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

**1.15 Financial Guarantee Contracts**

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. In 2008-09, the Department had no Departmental Financial Guarantee Contracts.

**1.16 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor Agency's accounts immediately prior to the restructuring.

**1.17 Property, Plant and Equipment**

*Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items that are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'makegood' provisions in property leases taken up by the Department where an obligation exists to restore the property to its original condition. These costs are included in the value of the Department's leasehold improvements with a corresponding provision for the 'restoration obligation' recognised.

In 2008-09, the provision for the restoration obligation on leased property was decreased as a result of a change in the valuation, together with the discount rate used and the estimated amount of cash flows required to restore the properties to their original condition. The makegood asset was subsequently adjusted to reflect the change in fair value.

*Revaluations*

Fair values for each class of asset are determined as shown below:

<b>Asset Class</b>	<b>Fair value measured at:</b>
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price or depreciated replacement cost

Following initial recognition at cost, property plant and equipment are carried at fair value, less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the asset's fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through the Income Statement. Revaluation decrements for a class of assets are recognised directly through the Income Statement, except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

In 2008-09, an independent valuer conducted the revaluation of departmental assets as at 30 June 2009. Assets purchased during May and June 2009 were excluded from the asset revaluation as they represent fair value.

*Depreciation*

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Department using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2009</b>	2008
Buildings		
• Buildings	<b>25 years</b>	25 years
• Leasehold improvements	<b>Lower of 10 years or term of lease</b>	Lower of 10 years or term of lease
Infrastructure, Plant and Equipment		
• Computer equipment	<b>3 to 5 years</b>	3 to 5 years
• Plant, office equipment, furniture & fittings	<b>5 to 10 years</b>	5 to 10 years
Heritage and Cultural Assets		
• Heritage assets	<b>n/a</b>	2 to 40 years
• Artworks	<b>n/a</b>	10 to 500 years

*Impairment*

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, the asset's recoverable amount was estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Department were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**1.18 Intangibles**

The Department's intangibles comprise of software externally purchased and internally developed for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses. Software is amortised on a straight-line basis over its anticipated useful life.

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The useful lives of the Department's software are:

	2009	2008
• Externally purchased software	<b>3 to 5 years</b>	3 to 5 years
• Internally developed software	<b>3 to 5 years</b>	3 to 5 years

All software assets were assessed for indications of impairment as at 30 June 2009.

### 1.19 Taxation

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

In 2006-07, the Department, on the advice of the Australian Taxation Office (ATO), discontinued claiming Input Tax Credits under the Satellite Phone Subsidy Scheme. In 2008-09, the advice was withdrawn by the ATO and replaced with new advice which entitles the Department to claim Input Tax Credits. As a result, adjustments have been made to the financial statements to reflect the amount of Input Tax Credits to be claimed for the years 2006-07 (\$195,014.96) and 2007-08 (\$112,503.84).

### 1.20 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, Administered Items are accounted for on the same basis and using the same policies as for Departmental items, including the application of Australian Accounting Standards.

#### *Administered Cash Transfers to and from the Official Public Account*

Revenue collected by the Department for use by the Australian Government rather than the Department is Administered Revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary Appropriation on behalf of the Australian Government. These transfers to and from the OPA are adjustments to the Administered cash held by the Department on behalf of the Australian Government and reported as such in the Statement of Cash Flows in the Schedule of Administered Items and in the Administered Reconciliation Table in Note 19. The Schedule of Administered Items largely reflects the Australian Government's transactions, through the Department, with parties outside the Australian Government.

#### *Revenue*

All Administered revenues are revenues relating to the course of ordinary activities performed by the Department on behalf of the Australian Government.

#### *Financial Assets*

The Department classifies its financial assets in the following categories:

- financial assets as 'at fair value through profit or loss';
- 'held-to-maturity investments';
- 'available-for-sale' financial assets; and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

#### *Effective Interest Method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

#### *Financial Assets at Fair Value through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is a part of an identified portfolio of financial instruments that the Department manages together and has a recent actual pattern of short-term profit-taking; or
- is a derivative that is not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

#### *Held-to-Maturity Investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Australian Government has the positive intent and ability to hold to maturity, are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

#### *Loans and Receivables*

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through surplus and deficit.

#### *Impairment of Financial Assets*

Financial assets are assessed for impairment at each balance date.

#### *Financial Assets held at Amortised Cost*

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Schedule of Administered Income.

#### *Financial Liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### *Financial Liabilities at Fair Value through Profit or Loss*

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

#### *Administered Investments*

Administered investments in subsidiaries, joint ventures and associates are not consolidated because their consolidation is relevant only at the whole-of-government level.

Administered investments other than those held for sale are classified as 'available for sale' and are measured at their fair value as at 30 June 2009. Fair value has been taken to be the net assets of

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the entities as at balance date adjusted for the difference between the historical cost and fair value of land and buildings, where necessary (previously, the fair value was taken to be the net assets of the entities as at balance date). In accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, this represents an error in the application of an accounting policy for valuing administered investments. The correction and restatement has the effect of providing more relevant and reliable information.

The effect of this correction on the 2007-08 and 2008-09 financial statements is represented in the following table:

	<b>2009</b> <b>('000)</b>	2008 ( '000)
Investment in Australian Postal Corporation before the change	<b>1,845,000</b>	2,809,900
Investment in Australian Postal Corporation after the change	<b>2,495,500</b>	3,612,400
Net increase/(decrease)	<b>650,500</b>	802,500

Administered investments are disclosed at notes 17C, 22 and 23.

For those assets where there is an active market, fair value is taken to be the quoted selling price as at the close of business at balance date.

On 9 April 2009, NBN Co (the Company) was incorporated under the *Corporations Act 2001* and is 100% Commonwealth owned. The objective of the Company is to roll-out, operate and maintain a national wholesale broadband network while working closely with the Commonwealth during the roll-out in order to facilitate the implementation of Australian Government broadband policy and regulation. The Commonwealth's investment in the Company is disclosed in Note 17C.

#### *Financial Guarantee Contracts*

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

#### *Indemnities*

The maximum amounts payable under the indemnities given is disclosed in the Schedule of Administered Items: Contingencies.

#### *Grants and Subsidies*

The Department administers a number of grant and subsidy schemes on behalf of the Australian Government.

Grant and subsidy liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant/subsidy eligibility criteria have been satisfied, but payments due have not been made. A grant commitment is recorded when the Australian Government enters into an agreement to make these grants but services have not been performed or criteria satisfied.

#### *National Broadband Network*

As at 30 June 2009, the Department held in its custody, one bank guarantee as bond on behalf of a proponent in the Request for Proposal for the National Broadband Network.

#### *The Communications Fund and the Building Australia Fund*

On 1 January 2009, the *Nation-building Funds (Consequential Amendments) Act 2008* repealed Part 9C of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* – the provision which established the Communications Fund. The Communications Fund consisted of the Communications Fund Special Account and the investments of the Communications Fund. Upon its closing, the investments of the Communications Fund were transferred to the Building Australia Fund, established by the *Nation-building Funds Act 2008*.

The Building Australia Fund has been established with a view to fund capital investments in transport infrastructure, communications infrastructure, energy infrastructure and water infrastructure. Under the Building Australia Fund (BAF) Special Account are four special accounts

through which payments for infrastructure projects are channelled. One of these special accounts, the BAF Communications Portfolio Special Account, is managed by the Department. The BAF Communications Portfolio Special Account will be used for the purpose of making payments in relation to the creation or development of communications infrastructure and in relation to eligible national broadband network matters.

*Payments to Commonwealth Authorities and Companies*

From 2008-09, appropriation legislation has been changed to take into consideration that Commonwealth Authorities and Companies, bodies which fall under the *Commonwealth Authorities and Companies Act 1997* (CAC Act), are legally separate from the Australian Government and so do not debit appropriations or make payments from the Consolidated Revenue Fund.

Payments to CAC Act bodies from amounts appropriated for that purpose are classified as either administered expenses or an increase to the Administered Investment of the Department. The Department makes payments to both the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service Corporation (SBS). The appropriation to the Department is disclosed in Tables A and B in Note 24.

On 1 June 2009, the Australian Government entered into a five year, fixed rate loan agreement for \$15 million with SBS to offset the cash flow impact of advance payments required to purchase sporting events rights and to fund infrastructure works related to digital broadcasting. The loan is disclosed in Note 17B with further disclosure in financial instruments Note 23.

NBN Co received funding in the form of an equity injection from the Australian Government through the BAF Communications Portfolio Special Account.

**Note 2: Events after the Balance Sheet Date**

On 17 July 2009, the Australian Government announced the establishment of a new company (TNBN Co), which will be jointly owned with Aurora Energy Pty Ltd and be a subsidiary of NBN Co Limited. TNBN Co will construct a fibre-to-the-premises network to deliver speeds of 100 megabits per second, to Tasmanian households and businesses.

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	2009 \$'000	2008 \$'000
<b>NOTE 3: Income</b>		
<b>Revenue</b>		
<b>Note 3A: Revenue from Government</b>		
Appropriations:		
Departmental outputs	117,075	111,214
<b>Total revenue from Government</b>	<b>117,075</b>	<b>111,214</b>
<b>Note 3B: Sale of Goods and Rendering of Services</b>		
<b>Sale of goods:</b>		
Sale of inventory	-	32
Other sales of goods and services	-	40
<b>Total sale of goods</b>	<b>-</b>	<b>72</b>
<b>Rendering of services:</b>		
Entry charges to exhibitions	-	121
Fees for services provided	293	134
<b>Total rendering of services</b>	<b>293</b>	<b>255</b>
<b>Total sale of goods and rendering of services</b>	<b>293</b>	<b>327</b>
<b>Sale of goods:</b>		
Provision of goods - related entities	-	1
Provision of goods - external parties	-	71
<b>Total sale of goods</b>	<b>-</b>	<b>72</b>
<b>Rendering of services:</b>		
Rendering of services - related entities	135	5
Rendering of services - external parties	158	250
<b>Total rendering of services</b>	<b>293</b>	<b>255</b>
<b>Total sale of goods and rendering of services</b>	<b>293</b>	<b>327</b>
Costs of sales of goods	-	21
<b>Note 3C: Rental Income</b>		
Operating leases:		
Rental revenue	917	840
Artworks rental revenue	-	1,122
Contingent rental	63	13
<b>Total rental income</b>	<b>980</b>	<b>1,975</b>
<b>Note 3D: Other Revenue</b>		
Grants received	-	387
Sponsorship and donations received	-	92
Cultural Ministers Council contributions	-	196
Sport and Recreation contributions	-	555
National Collections contributions	-	540
Cultural and Recreational Portal contributions	-	265
Damages awarded from legal proceedings	200	-
Software licence fees	15	-
Promotional revenue from Digital Switchover TV Conference	12	-
Freedom of information requests	3	-
Refunds of vehicle lease costs	15	-
Other revenue	3	55
<b>Total other revenue</b>	<b>248</b>	<b>2,090</b>

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	2009 \$'000	2008 \$'000
<b>NOTE 3 : Income (continued)</b>		
<b>Gains</b>		
<b>Note 3E: Sale of Assets</b>		
<b>Heritage and cultural assets</b>		
Proceeds from sale	-	15
Carrying value of assets sold	-	(7)
Selling expense	-	-
<b>Net gain (loss) from disposal of heritage and cultural assets</b>	<b>-</b>	<b>8</b>
<b>Total Sale of Assets</b>		
Total proceeds from sale	-	15
Total carrying value of assets sold	-	(7)
Total selling expense	-	-
<b>Total net gains from sale of assets</b>	<b>-</b>	<b>8</b>
<b>Note 3F: Reversals of Previous Asset Write-Downs and Impairments</b>		
Assets revaluation increment	-	113
<b>Total reversals of previous asset write-downs and impairments</b>	<b>-</b>	<b>113</b>
<b>Note 3G: Other Gains</b>		
Resources received free of charge	462	470
Non-financial assets stocktake additions	-	9
Other	3	11
<b>Total other gains</b>	<b>465</b>	<b>490</b>

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	2009	2008
	<u>\$'000</u>	<u>\$'000</u>
<b>NOTE 4: Expenses</b>		
<b>Note 4A: Employee benefits</b>		
Wages and salaries	46,653	49,121
Superannuation:		
Defined contribution plans	9,038	10,020
Leave and other entitlements	6,390	7,401
Separation and redundancies	772	388
Performance pay	1,222	1,063
Other employee expenses	2,043	1,635
<b>Total employee benefits</b>	<u><u>66,118</u></u>	<u><u>69,628</u></u>

**Note 4B: Suppliers**

Provision of goods - related entities	222	96
Provision of goods - external parties	3,726	8,073
Rendering of services - related entities	2,520	3,134
Rendering of services - external parties	29,043	35,232
Operating lease rentals - external parties:		
Minimum lease payments	5,806	6,267
Contingent rentals	860	634
Workers' compensation premium and claims	356	309
<b>Total supplier expenses</b>	<u><u>42,533</u></u>	<u><u>53,745</u></u>

**Note 4C: Grants**

Public sector:		
Australian Government entities (related entities)	-	75
State and Territory Governments	-	116
Local Government	-	37
Private sector:		
Non-profit organisations	10	291
<b>Total grants</b>	<u><u>10</u></u>	<u><u>519</u></u>

**Note 4D: Depreciation and amortisation**

Depreciation:		
Infrastructure, plant and equipment	2,188	2,558
Buildings	3,266	1,232
Heritage and cultural assets	-	77
<b>Total depreciation</b>	<u><u>5,454</u></u>	<u><u>3,867</u></u>
Amortisation		
Intangibles: computer software	264	319
Intangibles: computer software - internally developed	144	-
<b>Total amortisation</b>	<u><u>408</u></u>	<u><u>319</u></u>
<b>Total depreciation and amortisation</b>	<u><u>5,862</u></u>	<u><u>4,186</u></u>

The aggregate amounts of depreciation and amortisation expensed during the year for each class of depreciable assets are as follows:

Leasehold improvements	3,266	1,232
Computer equipment	1,621	1,930
Plant, office equipment, furniture and fittings	567	628
Heritage and cultural assets	-	77
Computer software	408	319
<b>Total depreciation and amortisation</b>	<u><u>5,862</u></u>	<u><u>4,186</u></u>

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	2009	2008
	<u>\$'000</u>	<u>\$'000</u>
<b>NOTE 4: Expenses (continued)</b>		
<b>Note 4E: Finance Costs</b>		
Unwinding of discount	247	99
<b>Total finance costs</b>	<u>247</u>	<u>99</u>
<b>Note 4F: Write-Down and Impairment of Assets</b>		
<b>Asset write-downs and impairments from:</b>		
Impairment on financial instruments (receivables)*	1	14
<b>Total write-down and impairment of financial assets</b>	<u>1</u>	<u>14</u>
<b>Non-financial assets:</b>		
Impairment of land and buildings	-	63
Impairment of property, plant and equipment	57	26
Revaluation decrement - property, plant and equipment	200	-
<b>Total write-down and impairment of non-financial assets</b>	<u>257</u>	<u>89</u>
<b>Total write-down and impairment of assets</b>	<u>258</u>	<u>103</u>
* for the full disclosure on the impairment on financial instruments see Note 14		
<b>Note 4G: Other Expenses</b>		
Other	3	22
<b>Total other expenses</b>	<u>3</u>	<u>22</u>

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	2009 \$'000	2008 \$'000
<b>NOTE 5: Financial Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash on hand	6	8
Cash at bank - Special Accounts	-	70
Cash at bank - other than Special Accounts	2,166	3,027
<b>Total cash and cash equivalents</b>	<b>2,172</b>	<b>3,105</b>
All cash recognised is a current asset.		
<b>Note 5B: Trade and Other Receivables</b>		
Goods and services - related entities	163	33
Goods and services - external parties	20	180
<b>Total receivables for goods and services</b>	<b>183</b>	<b>213</b>
Appropriations receivable:		
- for existing outputs	81,458	72,594
- for additional outputs	1,851	-
<b>Total appropriations receivable</b>	<b>83,309</b>	<b>72,594</b>
GST receivable from the Australian Taxation Office	755	534
Other:		
- employees	21	6
- related entities <sup>1</sup>	63	700
<b>Total GST and other receivables</b>	<b>839</b>	<b>1,240</b>
<b>Total trade and other receivables (gross)</b>	<b>84,331</b>	<b>74,047</b>
Less: impairment allowance account:		
Goods and services	-	(3)
<b>Total trade and other receivables (net)</b>	<b>84,331</b>	<b>74,044</b>
<b>Receivables are represented by:</b>		
Current	26,201	23,630
Non-current	58,130	50,414
<b>Total trade and other receivables (net)</b>	<b>84,331</b>	<b>74,044</b>
Receivables are aged as follows:		
Not overdue	84,225	73,767
Overdue by:		
Less than 30 days	24	237
30 to 60 days	57	35
61 to 90 days	10	-
More than 90 days	15	8
<b>Total receivables (gross)</b>	<b>84,331</b>	<b>74,047</b>
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	(3)
<b>Total impairment allowance account</b>	<b>-</b>	<b>(3)</b>

<sup>1</sup> Credit terms for receivables are net 30 days (2008: 30 days).

**NOTE 5: Financial Assets (continued)**

**Reconciliation of the impairment allowance account:**

**Movements in relation to 2009**

	Goods and services 2009 \$'000	Other receivables 2009 \$'000	Total 2009 \$'000
Opening balance	3	-	3
Amounts written off	(3)	-	(3)
Amounts recovered and reversed	-	-	-
Increase/(decrease) recognised in net surplus	-	-	-
Allowances relinquished	-	-	-
<b>Closing balance</b>	-	-	-

**Movements in relation to 2008**

	Goods and services 2008 \$'000	Other receivables 2008 \$'000	Total 2008 \$'000
Opening balance	866	-	866
Amounts written off	(5)	-	(5)
Amounts recovered and reversed	(9)	-	(9)
Increase/(decrease) recognised in net surplus	17	-	17
Allowances relinquished	(866)	-	(866)
<b>Closing balance</b>	3	-	3

	<b>2009</b>	2008
	<b>\$'000</b>	\$'000

**Note 5C: Accrued Revenue**

Goods and services	-	67
<b>Total accrued revenue</b>	<b>-</b>	<b>67</b>

All accrued revenues are current assets.

**NOTE 6: Non-Financial Assets**

**Note 6A: Land and Buildings**

Leasehold improvements:		
Fair value	6,061	11,490
Accumulated depreciation	(1)	(1,487)
Work in progress	184	-
<b>Total leasehold improvements</b>	<b>6,244</b>	10,003
<b>Total land and buildings (non-current)</b>	<b>6,244</b>	10,003

All revaluations are conducted in accordance with the revaluation policy stated in Note 1. In 2008-09, an independent valuer conducted the revaluations as at 30 June 2009.

Revaluation decrements of \$671,153 for leasehold improvements (2008: \$3,040,563 increments) were debited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet; no increments/decrements were expensed (2008: nil).

Assets purchased during May and June 2009 were excluded from the asset revaluation because they represent fair value. Depreciation associated with these assets was recorded for the months of May and June. The net book value of these assets as at 30 June 2009 was \$6,434.

No indicators of impairment were found for land and buildings.

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	2009 \$'000	2008 \$'000
<b>NOTE 6: Non-Financial Assets (continued)</b>		
<b>Note 6B: Infrastructure, Plant and Equipment</b>		
Infrastructure, plant and equipment:		
Fair value	4,437	9,222
Accumulated depreciation	(17)	(3,992)
Work in progress	522	-
<b>Total infrastructure, plant and equipment</b>	<b>4,942</b>	<b>5,230</b>
<b>Total infrastructure, plant and equipment (non-current)</b>	<b>4,942</b>	<b>5,230</b>

All revaluations are conducted in accordance with the revaluation policy stated in Note 1. In 2008-09, an independent valuer conducted the revaluations as at 30 June 2009.

No revaluation increments for infrastructure, plant and equipment (2008: nil) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet. Revaluation decrements of \$199,914 were recognised as expenses in the Income Statement (2008: \$112,996 were recognised as gains in the Income Statement as the increase reversed a portion of a previous decrease recognised as an expense).

Assets purchased during May and June 2009 were excluded from the asset revaluation because they represent fair value. Depreciation associated with these assets was recorded for the months of May and June. The net book value of these assets as at 30 June 2009 was \$587,895.

No indicators of impairment were found for infrastructure, plant and equipment.

**Note 6C: Intangibles**

Computer software at cost:		
Purchased	2,855	2,369
Internally developed - in progress	574	265
Internally developed - in use	745	678
<b>Total computer software</b>	<b>4,174</b>	<b>3,312</b>
Accumulated amortisation	(2,446)	(2,038)
<b>Total intangibles (non-current)</b>	<b>1,728</b>	<b>1,274</b>

No indicators of impairment were found for intangible assets.

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**NOTE 6: Non-Financial Assets (continued)**

**Note 6D: Analysis of Property, Plant and Equipment**

**Table A - Reconciliation of the opening and closing balances of property, plant and equipment (2008-09)**

	Land and Buildings \$'000	Infrastructure, Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Total \$'000
<b>As at 1 July 2008</b>				
Gross book value	11,490	9,222	-	20,712
Accumulated depreciation/amortisation and impairment	(1,487)	(3,992)	-	(5,479)
<b>Net book value 1 July 2008</b>	<b>10,003</b>	<b>5,230</b>	<b>-</b>	<b>15,233</b>
Additions:				
By purchase	755	2,214	-	2,969
Revaluation decrements recognised in the operating result	-	(200)	-	(200)
Revaluations and impairments through equity	(671)	-	-	(671)
Impairments recognised in the operating result	-	(57)	-	(57)
Reversal of impairments recognised in the operating result	-	-	-	-
Reclassifications	57	(57)	-	-
Depreciation/amortisation expense	(3,266)	(2,188)	-	(5,454)
Other movements <sup>1</sup>	(634)	-	-	(634)
Disposals:				
From disposal of entities or operations (including restructuring)	-	-	-	-
By sale	-	-	-	-
Other disposals	-	-	-	-
<b>Net book value 30 June 2009</b>	<b>6,244</b>	<b>4,942</b>	<b>-</b>	<b>11,186</b>
<b>Net book value as of 30 June 2009 represented by:</b>				
Gross book value	6,245	4,959	-	11,204
Accumulated depreciation/amortisation and impairment	(1)	(17)	-	(18)
	6,244	4,942	-	11,186

<sup>1</sup> This movement relates to partial retirement of the provision for restoration obligation for 28 National Circuit Canberra office accommodation (Burns Centre).

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**NOTE 6: Non-Financial Assets (continued)**

**Note 6D: Analysis of infrastructure, plant and equipment (continued)**

**Table A - Reconciliation of the opening and closing balances of property, plant and equipment (2007-08)**

	Land and Buildings \$'000	Infrastructure, Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Total \$'000
<b>As at 1 July 2007</b>				
Gross book value	6,385	11,076	48,253	65,714
Accumulated depreciation/amortisation and impairment	(823)	(2,471)	-	(3,294)
<b>Net book value 1 July 2007</b>	5,562	8,605	48,253	62,420
<b>Additions:</b>				
By purchase	2,930	1,500	706	5,136
Revaluations and impairments through equity	3,041	-	-	3,041
Impairments recognised in the operating result	(62)	(27)	-	(89)
Reversal of impairments recognised in the operating result	-	113	-	113
Reclassifications	327	(327)	-	-
Depreciation/amortisation expense	(1,233)	(2,557)	(77)	(3,867)
<b>Disposals:</b>				
From disposal of entities or operations (including restructuring)	(562)	(2,077)	(48,875)	(51,514)
By sale	-	-	(7)	(7)
Other disposals	-	-	-	-
<b>Net book value 30 June 2008</b>	10,003	5,230	-	15,233
<b>Net book value as of 30 June 2008 represented by:</b>				
Gross book value	11,490	9,222	-	20,712
Accumulated depreciation/amortisation and impairment	(1,487)	(3,992)	-	(5,479)
	10,003	5,230	-	15,233

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**NOTE 6: Non-Financial Assets (continued)**

**Note 6E: Analysis of Intangibles**

**Table B - Reconciliation of the opening and closing balances of intangibles (2008-09)**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2008</b>			
Gross book value	942	2,370	3,312
Accumulated depreciation/amortisation and impairment	(66)	(1,972)	(2,038)
<b>Net book value 1 July 2008</b>	876	398	1,274
Additions:			
By purchase or internally developed	377	485	862
By finance lease	-	-	-
Internally developed	-	-	-
From acquisitions of entities or operations (including restructuring)	-	-	-
Revaluations and impairments through equity	-	-	-
Impairments recognised in the operating result	-	-	-
Reclassifications	-	-	-
Amortisation	(144)	(264)	(408)
Recoverable amount write-downs	-	-	-
Disposals:			
From disposal of entities or operations (including restructuring)	-	-	-
By sale	-	-	-
Other disposals	-	-	-
<b>Net book value 30 June 2009</b>	1,109	619	1,728
<b>Net book value as of 30 June 2009 represented by:</b>			
Gross book value	1,319	2,855	4,174
Accumulated depreciation/amortisation and impairment	(210)	(2,236)	(2,446)
	1,109	619	1,728

Department of Broadband, Communications and the Digital Economy  
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NOTE 6: Non-Financial Assets (continued)

Note 6E: Analysis of Intangibles (continued)

Table B - Reconciliation of the opening and closing balances of intangibles (2007-08)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2007</b>			
Gross book value	382	3,197	3,579
Accumulated Depreciation	-	(2,538)	(2,538)
<b>Net book value 1 July 2007</b>	382	659	1,041
<b>Additions:</b>			
By purchase or internally developed	560	20	580
By finance lease	-	-	-
Internally developed	-	-	-
From acquisitions of entities or operations (including restructuring)	-	-	-
Revaluations and impairments through equity	-	-	-
Impairments recognised in the operating result	-	-	-
Reclassifications	-	-	-
Amortisation	(66)	(252)	(318)
Recoverable amount write-downs	-	-	-
<b>Disposals:</b>			
From disposal of entities or operations (including restructuring)	-	(29)	(29)
By sale	-	-	-
Other disposals	-	-	-
<b>Net book value 30 June 2008</b>	876	398	1,274
<b>Net book value as of 30 June 2008 represented by:</b>			
Gross book value	942	2,370	3,312
Accumulated depreciation/amortisation and impairment	(66)	(1,972)	(2,038)
	876	398	1,274

Department of Broadband, Communications and the Digital Economy  
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	2009 \$'000	2008 \$'000
<b>NOTE 6: Non-Financial Assets (continued)</b>		
<b>Note 6F: Other Non-Financial Assets</b>		
Prepayments	397	430
<b>Total other non-financial assets</b>	<b>397</b>	<b>430</b>

All other non-financial assets are current assets.

No indicators of impairment were found for other non-financial assets.

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	2009 \$'000	2008 \$'000
<b>NOTE 7: Payables</b>		
<b>Note 7A: Suppliers</b>		
Trade creditors	6,396	6,245
Other creditors	46	41
Operating lease rentals	149	191
<b>Total supplier payables</b>	<b>6,591</b>	<b>6,477</b>
Supplier payables - related entities are represented by:		
Current	519	41
Non-current	-	-
Supplier payables - external parties are represented by:		
Current	6,072	6,436
Non-current	-	-
<b>Total supplier payables</b>	<b>6,591</b>	<b>6,477</b>
Settlement is usually made net 30 days.		
<b>Note 7B: Lease Incentives</b>		
Lease incentives	138	179
<b>Total lease incentives</b>	<b>138</b>	<b>179</b>
Lease incentives are represented by:		
Current	57	41
Non-current	81	138
<b>Total lease incentives</b>	<b>138</b>	<b>179</b>
<b>Note 7C: Other Payables</b>		
Salaries and wages	760	530
Superannuation	137	94
Separations and redundancies	629	90
Other payables	236	465
<b>Total other payables</b>	<b>1,762</b>	<b>1,179</b>

All other payables are current liabilities.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	2009	2008
	\$'000	\$'000

**NOTE 8: Provisions**

**Note 8A: Employee Provisions**

Leave	16,449	14,468
<b>Total employee provisions</b>	<b>16,449</b>	<b>14,468</b>

Employee provisions are represented by:

Current	14,317	12,645
Non-current	2,132	1,823
<b>Total employee provisions</b>	<b>16,449</b>	<b>14,468</b>

The classification of current includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions, the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date is \$5,889,380 (2008: \$7,006,270) and in excess of one year is \$10,559,954 (2008: \$7,461,915).

The increase in leave provisions predominantly reflects the sharp movements in the interest rates and additional oncosts for planned leave liability.

**Note 8B: Other Provisions**

Restoration obligations	1,831	4,351
<b>Total other provisions</b>	<b>1,831</b>	<b>4,351</b>

All restoration obligations in relation to leased properties are non-current liabilities.

	Provision for makegood \$'000	Provision for makegood \$'000
<i>Other Provisions is comprised of:</i>		
<b>Carrying amount 1 July 2008</b>	<b>4,351</b>	1,585
Additional provisions made <sup>1</sup>	(2,132)	2,692
Amounts used	-	(25)
Amounts reversed <sup>2</sup>	(634)	-
Unwinding of discount or change in discount rate	247	99
<b>Closing balance 2009</b>	<b>1,831</b>	<b>4,351</b>

The Department currently has five (2008: five) agreements for the leasing of premises which have provisions requiring the Department to restore the premises to their original condition at the conclusion of the lease. The Department has made a provision to reflect the present value of this obligation.

<sup>1</sup> The provision for makegood has decreased by \$2.132m in 2009 as a result of a change in an independent valuer and subsequent valuation of makegood assets as at 30 June 2009, which resulted in a decrease in makegood costs from \$350m<sup>2</sup> to \$150m<sup>2</sup>.

<sup>2</sup> Amount represents partial write-off of leasehold improvements for the 28 National Circuit leased property.

**Department of Broadband, Communications and the Digital Economy**  
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**NOTE 9: Restructuring**

**NOTE 9A: Departmental Restructuring**

There was no departmental restructuring in 2008-09.

**Departmental Restructuring 2007-08**

**Administrative Arrangements Order of 3 December 2007**

As a result of the abolition of the Department of Communications, Information Technology and the Arts (DCITA) on 3 December 2007, DCITA relinquished the following function and the Department of Broadband, Communications and the Digital Economy (DBCDE) assumed responsibility for it:

- policy and program advice on telecommunications, broadcasting, information and communication technology, postal industries and the information economy.

This function was performed by DCITA for the period 1 July to 2 December 2007.

In respect of functions assumed, the net book values of assets and liabilities transferred to DBCDE for no consideration and recognised as at the date of transfer were:

	2008
	\$'000
	<hr/>
Total assets recognised	147,277
Total liabilities recognised	<u>72,292</u>
<b>Net assets assumed</b>	<u><u>74,985</u></u>

Note, however, that this does not result in an increase in net assets in these financial statements because DCITA and DBCDE are presented as a single department.

**Revenues**

Recognised by the Department of Communications, Information Technology and the Arts	42,181
Recognised by the Department of Broadband, Communications and the Digital Economy	<u>52,562</u>
<b>Total revenues</b>	<u><u>94,743</u></u>

**Expenses**

Recognised by the Department of Communications, Information Technology and the Arts	50,099
Recognised by the Department of Broadband, Communications and the Digital Economy	<u>59,451</u>
<b>Total expenses</b>	<u><u>109,550</u></u>

DCITA also relinquished the following functions, which were not assumed by DBCDE:

- policy and program advice on the arts, cultural collections, film and digital content, Indigenous languages, cultures and arts;
- Old Parliament House and the National Portrait Gallery;
- Artbank; and
- policy and program advice on program management and agency support in relation to sports, anti-doping and industry development measures.

In respect of functions relinquished, the net book values of assets and liabilities transferred by DCITA for which no consideration was received as at the date of transfer were:

	2008
	\$'000
	<hr/>
<i>Department of the Environment, Water, Heritage and the Arts</i>	
Total assets relinquished	65,786
Total liabilities relinquished	<u>10,670</u>
<b>Net assets relinquished</b>	<u><u>55,116</u></u>
<i>Department of Health and Ageing</i>	
Total assets relinquished	1,507
Total liabilities relinquished	<u>516</u>
<b>Net assets relinquished</b>	<u><u>991</u></u>
<i>Department of Innovation, Industry, Science and Research</i>	
Total assets relinquished	202
Total liabilities relinquished	<u>202</u>
<b>Net assets relinquished</b>	<u><u>-</u></u>

**NOTE 9B: Administered Restructuring**

There was no administered restructuring in 2008-09.

**Administered Restructuring 2007-08**

The Department of Communications, Information Technology and the Arts (DCITA) was abolished on 3 December 2007. DCITA's previous Arts and Culture, and Sport and Recreation (Outcome 1 and 2) functions were transferred to other agencies. A new agency, the Department of Broadband, Communications and the Digital Economy (DBCDE), was established to take on the Broadcasting and the Communications (Outcome 3) functions from DCITA with the exception of Information and Communications Technology (ICT) - Incubators program which was transferred to the Department of Innovation, Industry, Science and Research (DIISR).

**Administrative Arrangements Order of 3 December 2007**

As a result of the abolition of DCITA on 3 December 2007, DCITA relinquished the following functions/programs and DBCDE assumed responsibility for them:

**Communications**

(excluding Building Information Technology Strengths - Incubators program, which was transferred to the Department of Innovation, Industry, Science and Research)

**Broadcasting**

(excluding the Indigenous Broadcasting program which was transferred to the Department of Environment, Water, Heritage and the Arts)

These functions were performed by DCITA for the period 1 July to 2 December 2007.

In respect of functions assumed, the net book values of assets and liabilities transferred to DBCDE for no consideration and recognised as at the date of transfer were:

	2008
	\$'000
Total assets recognised	5,591,164
Total liabilities recognised	14,384
<b>Net assets assumed</b>	<b>5,576,780</b>

Note, however, that this does not result in an increase in net assets in these financial statements because DCITA and DBCDE are presented as a single department.

**Revenues**

**Broadcasting**

Recognised by the Department of Broadband, Communications and the Digital Economy

10

Recognised by the Department of Communications, Information Technology and the Arts

5

**Communications**

Recognised by the Department of Broadband, Communications and the Digital Economy

255,344

Recognised by the Department of Communications, Information Technology and the Arts

221,154

**Total Revenues**

**476,513**

**Expenses**

**Broadcasting**

Recognised by the Department of Communications, Information Technology and the Arts

18,695

Recognised by the Department of Broadband, Communications and the Digital Economy

11,024

**Communications**

Recognised by the Department of Broadband, Communications and the Digital Economy

121,968

Recognised by the Department of Communications, Information Technology and the Arts

57,811

**Total Expenses**

**209,498**

DCITA also relinquished the following functions, which were not assumed by DBCDE:

**Arts and Cultural Heritage**

**Sport and Recreation**

**Communications**

- *Information and Communications Technology (ICT) Incubators program*

**Broadcasting**

- *Indigenous Broadcasting program*

In respect of functions relinquished, the net book values of assets and liabilities transferred by DCITA for which no consideration was received as at the date of transfer were:

*Department of the Environment, Water, Heritage and the Arts*

Total assets relinquished	6,085,081
Total liabilities relinquished	1,615
<b>Net assets relinquished</b>	<b>6,083,466</b>

*Recognised by the Department of Health and Ageing*

Total assets relinquished	240,472
Total liabilities relinquished	318
<b>Net assets relinquished</b>	<b>240,154</b>

*Recognised by the Department of Innovation, Industry, Science and Research*

Total assets relinquished	-
Total liabilities relinquished	100
<b>Net assets relinquished</b>	<b>(100)</b>

Department of Broadband, Communications and the Digital Economy  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the period ended 30 June 2009

	2009 \$'000	2008 \$'000
<b>Note 10: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Reported cash and cash equivalents as per:</b>		
Cash Flow Statement	2,172	3,105
Balance Sheet	2,172	3,105
<b>Reconciliation of operating result to net cash from operating activities</b>		
Operating result	4,030	(12,085)
Depreciation / amortisation	5,862	4,186
Net write-down of non-financial assets	257	7
Other non-cash items	2	(44)
Changes in assets and liabilities (net of restructuring transfers):		
(Increase) / decrease in net receivables	(10,452)	12,643
(Increase) / decrease in inventories	-	51
(Increase) / decrease in accrued revenue	67	(54)
(Increase) / decrease in other non-financial assets	33	323
Increase / (decrease) in employee provisions	1,980	1,728
Increase / (decrease) in supplier payables	57	931
Increase / (decrease) in lease incentives	(41)	(67)
Increase / (decrease) in other provisions	291	74
Increase / (decrease) in other payables	589	(1,106)
<b>Net cash from / (used by) operating activities</b>	<b>2,675</b>	<b>6,587</b>

**NOTE 11: Contingent Liabilities and Assets**

**Quantifiable Contingencies**

The Department has no quantifiable contingent liabilities that are not remote for 2009 (2008: Nil).

**Unquantifiable Contingencies**

There are no unquantifiable contingencies as at 30 June 2009 and 30 June 2008.

**Remote Contingencies**

**Operating Leases and Car Parking Licences**

The Department indemnifies third parties against loss in relation to operating leases for accommodation, storage and some car parking. The Department also indemnifies some third parties against loss in relation to car parking facilities acquired under car parking licence agreements. As at 30 June 2009, no claims have been made.

**PSMA Licence Agreement Indemnities**

The Australian Government has provided indemnities to PSMA Australia Limited (ABN 23 089 9112 710) in a number of circumstances, set out in two different clauses in a Licence Agreement (with regards to intellectual property infringements and then generally). The Licence allows the Department to use data sets in relation to the National Broadband Network Project. The indemnity is capped at \$2.5 million. As at 30 June 2009, no claims have been made.

**National Broadband Network Panel of Experts and Strategic Adviser**

The Department has provided indemnities to the non-Commonwealth members of the National Broadband Network (NBN) Panel of Experts and the Strategic Adviser to the NBN Request for Proposal process (RFP), to protect them against civil claims that may arise in the course of performing their duties. The NBN RFP process was terminated on 7 April 2009 and the work of the panel and the Strategic Adviser has concluded. As at 30 June 2009, no claims have been made.

**Westpac Banking Corporation**

The Department indemnifies Westpac Banking Corporation against loss reasonably incurred in relation to Departmental banking functions. The indemnity is capped at \$25 million. As at 30 June 2009, no claims have been made.

**Department of Broadband, Communications and the Digital Economy**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
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	<u>2009</u>	<u>2008</u>
<b>NOTE 12: Executive Remuneration</b>		
Executive remuneration is all remuneration received, or due and receivable and includes salaries, accrued leave, performance pay, accrued superannuation, motor vehicle costs, allowances and fringe benefits tax.		
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130,000 to \$144,999	4	3
\$145,000 to \$159,999	2	-
\$160,000 to \$174,999	-	2
\$175,000 to \$189,999	9	2
\$190,000 to \$204,999	7	8
\$205,000 to \$219,999	1	3
\$220,000 to \$234,999	4	-
\$235,000 to \$249,999	4	2
\$250,000 to \$264,999	1	3
\$265,000 to \$279,999	1	2
\$295,000 to \$309,999	1	2
\$310,000 to \$324,999	1	2
\$325,000 to \$339,999	2	2
\$340,000 to \$354,999	-	1
\$490,000 to \$504,999	-	1
\$505,000 to \$519,999	1	-
<b>Total</b>	<b><u>38</u></b>	<b><u>33</u></b>
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
The aggregate amount of total remuneration of senior executives shown above.	<b><u>8,251,518</u></b>	<b><u>7,895,293</u></b>
The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	<b><u>-</u></b>	<b><u>267,074</u></b>
Executive remuneration for 2007-08 includes the remuneration of senior executives from DCITA for the period 1 July to 2 December 2007.		
	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>NOTE 13: Remuneration of Auditors</b>		
Financial statement audit services are provided free of charge to the Department.		
The fair value of the services provided	<b><u>462</u></b>	<b><u>470</u></b>
	<b><u>462</u></b>	<b><u>470</u></b>
No other services were provided by the Auditor-General.		

Department of Broadband, Communications and the Digital Economy  
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	<u>2009</u>	2008
	<u>\$'000</u>	<u>\$'000</u>
<b>NOTE 14: Financial Instruments</b>		
<b>NOTE 14A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
Loans and receivables		
Cash and cash equivalents	2,172	3,105
Receivables - good and services (net)	183	210
Receivables - employees	21	6
Receivables - related entities <sup>1</sup>	63	700
<b>Carrying amount of financial assets</b>	<u>2,439</u>	<u>4,021</u>
<b>Financial Liabilities</b>		
Other liabilities		
Payables - goods and services	6,442	6,630
Payables - related entities <sup>1</sup>	146	311
Payables - others	90	179
<b>Carrying amount of financial liabilities</b>	<u>6,678</u>	<u>7,120</u>
<sup>1</sup> Receivables and payables from/to related entities relate to the transfer of employee provisions.		
<b>NOTE 14B: Net Income and Expense from Financial Assets</b>		
Loans and receivables		
Impairment	1	14
<b>Net gain/(loss) loans and receivables</b>	<u>(1)</u>	<u>(14)</u>
<b>Net gain/(loss) from financial assets</b>	<u>(1)</u>	<u>(14)</u>

Department of Broadband, Communications and the Digital Economy  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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**NOTE 14C: Fair Value of Financial Instruments**

	Carrying amount 2009 \$'000	Fair value 2009 \$'000	Carrying amount 2008 \$'000	Fair value 2008 \$'000
<b>Financial Assets</b>				
<b>Loans and receivables</b>				
Cash and cash equivalents	2,172	2,172	3,105	3,105
Receivables - good and services (net)	183	183	210	210
Receivables - employees	21	21	6	6
Receivables - related entities <sup>1</sup>	63	63	700	700
<b>Total</b>	<b>2,439</b>	<b>2,439</b>	<b>4,021</b>	<b>4,021</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Other liabilities</b>				
Payables - goods and services	6,442	6,442	6,630	6,630
Payables - related entities <sup>1</sup>	146	146	311	311
Payables - others	90	90	179	179
<b>Total</b>	<b>6,678</b>	<b>6,678</b>	<b>7,120</b>	<b>7,120</b>

<sup>1</sup> Receivables and payables from/to related entities relate to the transfer of employee provisions.

**NOTE 14D: Credit Risk**

The Department is exposed to minimal credit risk as loans and receivables are cash and receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of receivables less impairment losses recognised (2009: \$267,000 and 2008: \$917,000).

The Department manages its credit risk by undertaking background and credit checks prior to entering a debtor relationship. In addition, the Department has policies and procedures that guide debt recovery activities.

The Department holds no collateral to mitigate against credit risk.

**Credit quality of financial instruments not past due or individually determined as impaired**

	<b>Not Past Due Not Impaired 2009</b>	<b>Not Past Due Not Impaired 2008</b>	<b>Past Due or Impaired 2009</b>	<b>Past Due or Impaired 2008</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loans and receivables</b>				
Cash and cash equivalents	2,172	3,105	-	-
Receivables - good and services	151	185	32	28
Receivables - employees	10	-	11	6
Receivables - related entities	-	453	63	248
<b>Total</b>	<b>2,333</b>	<b>3,743</b>	<b>106</b>	<b>282</b>

Included in the Department's receivables balance are debtors with a carrying amount of \$106,000 (2008: \$279,000) which are past due at the reporting date for which the Department has not provided. Based on experience, the Department considers that the amounts are still recoverable.

**Ageing of financial assets that are past due but not impaired for 2009**

	<b>0 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>90+ Days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loans and receivables</b>					
Receivables - good and services	23	4	-	5	32
Receivables - employees	1	-	-	10	11
Receivables - related entities	-	53	10	-	63
<b>Total</b>	<b>24</b>	<b>57</b>	<b>10</b>	<b>15</b>	<b>106</b>

**Ageing of financial assets that were past due but not impaired for 2008**

	<b>0 to 30 Days</b>	<b>31 to 60 Days</b>	<b>61 to 90 Days</b>	<b>90+ Days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Loans and receivables</b>					
Receivables - good and services	-	24	-	1	25
Receivables - employees	-	-	-	6	6
Receivables - related entities	237	11	-	-	248
<b>Total</b>	<b>237</b>	<b>35</b>	<b>-</b>	<b>7</b>	<b>279</b>

Department of Broadband, Communications and the Digital Economy  
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**NOTE 14E: Liquidity Risk**

The Department's financial liabilities consist of payables. The exposure to liquidity risk is based on the notion that the Department may encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding mechanisms.

The following tables illustrate the maturities for financial liabilities.

	On Demand 2009 \$'000	Within 1 Year 2009 \$'000	1 to 5 Years 2009 \$'000	> 5 Years 2009 \$'000	Total 2009 \$'000
<b>Other Liabilities</b>					
Payables - goods and services	-	6,442	-	-	6,442
Payables - related entities <sup>1</sup>	-	146	-	-	146
Payables - others	-	90	-	-	90
<b>Total</b>	-	<b>6,678</b>	-	-	<b>6,678</b>

	On Demand 2008 \$'000	Within 1 Year 2008 \$'000	1 to 5 Years 2008 \$'000	> 5 Years 2008 \$'000	Total 2008 \$'000
<b>Other Liabilities</b>					
Payables - goods and services	-	6,630	-	-	6,630
Payables - related entities <sup>1</sup>	-	311	-	-	311
Payables - others	-	179	-	-	179
<b>Total</b>	-	<b>7,120</b>	-	-	<b>7,120</b>

<sup>1</sup> Receivables and payables from/to related entities relate to the transfer of employee provisions

The Department is appropriated funding from the Australian Government. The Department manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Department has policies in place to ensure timely payments are made when due and has no past experience of default.

**NOTE 14F: Market Risk**

The Department holds basic financial instruments that do not expose it to certain market risks. The Department is not exposed to 'currency risk' or 'other price risk'.

The Department does not have any interest-bearing items on the balance sheet. Therefore, the Department is not exposed to 'interest rate risk'.

Department of Broadband, Communications and the Digital Economy  
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	2009 \$'000	2008 \$'000
<b>NOTE 15: Income Administered on Behalf of Government</b>		
<b>Revenue</b>		
<b>Note 15A: Interest</b>		
Term deposits and marketable securities	86,343	163,298
Loan interest	51	-
Other interest	1	-
<b>Total interest</b>	<b>86,395</b>	<b>163,298</b>
<b>Note 15B: Dividends</b>		
Australia Post dividends	427,800	306,300
<b>Total dividends</b>	<b>427,800</b>	<b>306,300</b>
<b>Note 15C: Other Revenue</b>		
Grant refunds	186	1,120
Subsidy refunds	131	5,986
Other revenue	32	6
<b>Total other revenue</b>	<b>349</b>	<b>7,112</b>
<b>Gains</b>		
<b>Note 15D: Other Gains</b>		
Gains from remeasuring financial instruments held at fair value through profit and loss	1,018	387
<b>Total other gains</b>	<b>1,018</b>	<b>387</b>
<b>Total Income Administered on Behalf of Government</b>	<b>515,562</b>	<b>477,097</b>

Department of Broadband, Communications and the Digital Economy  
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	2009 \$'000	2008 \$'000
<b>NOTE 16: Expenses Administered on Behalf of Government</b>		
<b>Expenses</b>		
<b>Note 16A: Suppliers</b>		
Rendering of services - related entities	234	751
Rendering of services - external parties	11,603	14,077
<b>Total suppliers</b>	<b>11,837</b>	<b>14,828</b>
<b>Note 16B: Subsidies</b>		
Payable to external parties:		
Connect Australia - Mobile Connect	652	1,238
Australian Broadband Guarantee	84,164	84,850
<b>Total subsidies</b>	<b>84,816</b>	<b>86,088</b>
<b>Note 16C: Grants</b>		
Public Sector:		
Australian Government entities (related entities)	2	58,678
State and Territory Governments	22,206	34,269
Local Governments	1,847	23,603
Private Sector:		
Non-profit organisations	42,858	95,267
Commercial entities	16,157	33,471
<b>Total grants</b>	<b>83,070</b>	<b>245,288</b>
<b>Note 16D: Depreciation and Amortisation</b>		
Depreciation:		
Building - National Institute of Dramatic Art (NIDA)	-	770
Heritage and cultural assets - Old Parliament House (OPH)	-	900
<b>Total depreciation and amortisation</b>	<b>-</b>	<b>1,670</b>
<b>Note 16E: Write-Down and Impairment of Assets</b>		
Asset write-downs and impairments from:		
Impairment of financial instruments (receivables) *	18	6,075
<b>Total write-down and impairment of assets</b>	<b>18</b>	<b>6,075</b>
* for full disclosure on the impairment on financial instruments see Note 23		
<b>Note 16F: CAC Act Entity Payments</b>		
Payments to Australian Broadcasting Corporation	858,411	-
Payments to Special Broadcasting Service Corporation	191,459	-
<b>Total payments to CAC Act entities</b>	<b>1,049,870</b>	<b>-</b>
<b>Note 16G: Other Expenses</b>		
International membership fees	5,720	4 888
Losses from remeasuring financial instruments held at fair value through profit and loss	217	-
<b>Total other expenses</b>	<b>5,937</b>	<b>4,888</b>
<b>Total Expenses Administered on Behalf of Government</b>	<b>1,235,548</b>	<b>358,837</b>

Department of Broadband, Communications and the Digital Economy  
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	2009 \$'000	2008 \$'000	
<b>NOTE 17: Assets Administered on Behalf of Government</b>			
<b>Financial Assets</b>			
<b>Note 17A: Cash and Cash Equivalents</b>			
Cash at bank	8,440	24	
<b>Total cash and cash equivalents</b>	<b>8,440</b>	<b>24</b>	
<b>Note 17B: Receivables</b>			
Loans made to CAC Act entities	15,051	-	
Other receivables:			
GST receivable from the Australian Taxation Office (ATO)	3,668	4,987	
Grants refunds receivable	52	71	
Subsidy refunds receivable	164	251	
Other receivables	3	-	
<b>Total receivables</b>	<b>18,938</b>	<b>5,309</b>	
Less: Impairment allowance account:			
Other receivables	(140)	(171)	
<b>Total receivables (net)</b>	<b>18,798</b>	<b>5,138</b>	
Receivables (gross) are aged as follows:			
Not overdue	18,772	5,011	
Overdue by:			
Less than 30 days	21	73	
30 to 60 days	3	20	
61 to 90 days	2	27	
More than 90 days	140	178	
<b>Total receivables (gross)</b>	<b>18,938</b>	<b>5,309</b>	
The impairment allowance account is aged as follows:			
Overdue by:			
Less than 30 days	-	-	
30 to 60 days	-	-	
61 to 90 days	-	-	
More than 90 days	(140)	(171)	
<b>Total impairment allowance account</b>	<b>(140)</b>	<b>(171)</b>	
Receivables are with Entities external to the Australian Government. Credit terms are net 30 days (2008: 30 days)			
<b>Reconciliation of the impairment allowance:</b>			
<b>Movements in relation to 2009</b>			
	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	171	171
Amounts written off	-	(7)	(7)
Amounts recovered and reversed	-	(55)	(55)
Increase/decrease recognised in net surplus	-	31	31
Allowances relinquished	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>140</b>	<b>140</b>
<b>Movements in relation to 2008</b>			
	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	7,418	7,418
Amounts written off	-	(10,882)	(10,882)
Amounts recovered and reversed	-	(24)	(24)
Increase/decrease recognised in net surplus	-	6,097	6,097
Allowances relinquished	-	(2,438)	(2,438)
<b>Closing balance</b>	<b>-</b>	<b>171</b>	<b>171</b>

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		2009 \$'000	2008 \$'000
<b>NOTE 17: Assets Administered on Behalf of Government (continued)</b>			
<b>Note 17C: Other investments</b>			
<i>Investments of Special Accounts:</i>			
Term deposits		-	211
Marketable securities <sup>1</sup>		-	2,381,198
		<u>-</u>	<u>2,381,409</u>
<i>Investments in Portfolio Agencies using the equity method:</i>			
Commonwealth authorities			
Australian Broadcasting Corporation	22A	946,091	967,078
Australian Postal Corporation	22B	2,495,500	3,612,400
Special Broadcasting Service Corporation	22C	158,735	150,100
		<u>3,600,326</u>	<u>4,729,578</u>
Commonwealth companies			
NBN Co Limited	22D	9,865	-
NetAlert Ltd	22E	-	13
		<u>9,865</u>	<u>13</u>
<b>Total investments</b>		<u><b>3,610,191</b></u>	<u><b>7,111,000</b></u>

<sup>1</sup> On 1 January 2009, the investments of the Communications Fund Special Account were transferred to the Building Australia Fund under section 16 of the *Nation-building Funds Act 2008*.

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	2009 \$'000	2008 \$'000
<b>NOTE 17: Assets Administered on Behalf of Government (continued)</b>		
<b>Note 17D: Prepayments</b>		
Prepayments	3,107	2,487
<b>Total prepayments</b>	<b>3,107</b>	<b>2,487</b>
<b>Total Assets Administered on Behalf of Government</b>	<b>3,640,536</b>	<b>7,118,649</b>
<b>NOTE 18: Liabilities Administered on Behalf of Government</b>		
<b>Payables</b>		
<b>Note 18A: Suppliers</b>		
Trade creditors	1,698	1,084
<b>Total suppliers</b>	<b>1,698</b>	<b>1,084</b>
<b>Note 18B: Subsidies</b>		
Payable to external entities	6,667	15,049
<b>Total subsidies</b>	<b>6,667</b>	<b>15,049</b>
<b>Note 18C: Grants</b>		
Public sector:		
Grants to State and Territory Governments	1,455	-
Grants to Local Governments	665	-
Private sector:		
Grants to Non-profit organisations	886	550
Grants to Commercial entities	5,331	955
<b>Total grants</b>	<b>8,337</b>	<b>1,505</b>
Settlement is usually made according to the terms and conditions of each grant. This is usually within 30 days of performance or eligibility.		
<b>Note 18D: Administered GST Payable</b>		
GST Payable to the Official Public Account	5,935	3,879
<b>Total GST payable</b>	<b>5,935</b>	<b>3,879</b>
<b>Total Liabilities Administered on Behalf of Government</b>	<b>22,637</b>	<b>21,517</b>
All liabilities are expected to be settled within 12 months of balance date.		

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	2009 \$'000	2008 \$'000
<b>NOTE 19: Administered Reconciliation Table</b>		
<b>Opening administered assets less administered liabilities as at 1 July</b>	<b>7,097,132</b>	11,879,616
<i>Plus:</i> Administered income	<b>515,562</b>	477,097
<i>Less:</i> Administered expenses (non CAC)	<b>(185,678)</b>	(358,837)
Payments to CAC Act entities	<b>(1,049,870)</b>	-
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual appropriation for administered expenses (non CAC)	<b>182,557</b>	308,690
Administered asset and liabilities appropriations	-	1,103
Special appropriations (refund provisions)	<b>3,234</b>	1
Administered asset and liabilities appropriations for payments to CAC Act entities	<b>28,836</b>	-
Annual appropriations for payment to CAC Act entities	<b>1,049,870</b>	-
Transfers to the OPA	<b>(435,352)</b>	(312,935)
Restructuring	-	(6,323,520)
Transfer of the Communications Fund Investments <sup>1</sup>	<b>(2,468,395)</b>	-
Other adjustments <sup>2</sup>	<b>(596)</b>	-
Administered receipts from the Building Australia Fund Special Account	<b>10,000</b>	-
Revaluation to fair value - administered investments in CAC Act entities	<b>(1,129,401)</b>	1,425,917
<b>Closing administered assets less administered liabilities as at 30 June</b>	<b>3,617,899</b>	7,097,132

<sup>1</sup> On 1 January 2009, the investments of the Communications Fund Special Account were transferred to the Building Australia Fund under section 16 of the *Nation-building Funds Act 2008*.

<sup>2</sup> Adjustments predominantly relate to GST adjustments of \$437,746 following the AAO of 3 December 2007 and investment management costs of \$163,830 (excluding GST) incurred by the Communications Fund, but paid by the Building Australia Fund following the transfer of investment.

**NOTE 20: Administered Contingent Liabilities**

*Quantifiable Administered Contingencies*

Quantifiable Administered contingent liabilities that are not remote are disclosed in the Schedule of Administered Items as quantifiable Administered contingent liabilities.

*Unquantifiable Administered Contingencies*

National Transmission Network

As at 30 June 2009, the Australian Government is party to legal action brought against it in relation to a possible breach of agreement under the National Transmission Network Regional Telecommunications Infrastructure Account Grants program. It is not practicable to make an estimate of the outcome of the action at this stage.

*Remote Administered Contingencies*

NetAlert Limited Board Members Indemnity

The Australian Government indemnified the Directors of NetAlert Limited against claims and legal costs as a consequence of actions that may be brought against them during their employment as Directors. The indemnities cover potential claims arising out of the actions of the officers of the company between the dates of their appointment and the dissolution of the company. NetAlert Limited was voluntarily wound up on 29 November 2008. As at 30 June 2009, no claims have been made.

NBN Co Limited Board Members Indemnity

The Australian Government indemnifies the Interim Directors of NBN Co Limited against any liability in respect of claims or legal costs and expenses in defending claims or undertaking proceedings, that may arise in their capacity as a director of the company. As at 30 June 2009, no claims have been made.

Termination of the Funding Agreement with OPEL

Following the termination of its agreement with OPEL Network Pty Ltd (OPEL) under the Broadband Connect program, the Australian Government has offered to contribute up to \$2.5 million towards costs incurred by OPEL in producing its Implementation Plan. OPEL was wound up on 13 March 2009. OPEL's liquidators have not yet agreed to the offer and are considering whether they have further as yet unquantified claims against the Australian Government.

**NOTE 21: Administered Contingent Assets**

There were no administered contingent assets at 30 June 2009 and 30 June 2008.

**NOTE 22: Administered Investments**

Ownership %	Notes	Principal Activity
2009	2008	
100	100	A <b>Australian Broadcasting Corporation and controlled entities</b> - National broadcaster, contributing to and reflecting Australia's culture. A body corporate established under the <i>Australian Broadcasting Corporation Act 1983</i> .
100	100	B <b>Australian Postal Corporation</b> - Provides a national and international postal and parcel service. A body corporate established under the <i>Australian Postal Corporation Act 1989</i> .
100	100	C <b>Special Broadcasting Service Corporation and controlled entity</b> - Provides multilingual and multicultural services that inform, educate and entertain. Promotes Australia's multicultural society. A body corporate established under the <i>Special Broadcasting Services Act 1991</i> .
100	0	D <b>NBN Co Limited</b> - To build and operate a National Broadband Network to deliver telephony and high speed broadband to Australian homes, schools and businesses. A body corporate established under the <i>Commonwealth Authorities and Companies Act 1997</i> .
0	100	E <b>NetAlert Ltd</b> - Australia's internet safety advisory body established in 1999 to educate communities about managing access to the internet. Incorporated in Australia. Net Alert Ltd was voluntarily wound up on 29 November 2008.

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	2009 \$'000	2008 \$'000
<b>NOTE 23: Administered Financial Instruments</b>		
<b>NOTE 23A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
Loans and receivables financial assets		
Cash and cash equivalents	8,440	24
Receivables - loans to CAC Act entities	15,051	-
Receivables - grant refunds (net)	52	71
Receivables - subsidy refunds (net)	24	80
Receivables - other	3	-
	<u>23,570</u>	<u>175</u>
Available for sale financial assets		
Investment in Australian Broadcasting Corporation and controlled entities	946,091	967,078
Investment in Special Broadcasting Corporation and controlled entities	158,735	150,100
Investment in NBN Co Limited	9,865	-
Investment in Australian Postal Corporation	2,495,500	3,612,400
Investment in NetAlert Ltd	-	13
	<u>3,610,191</u>	<u>4,729,591</u>
Fair value through profit and loss (designated)		
Term deposit	-	211
Marketable securities	-	2,381,198
	<u>-</u>	<u>2,381,409</u>
<b>Carrying amount of financial assets</b>	<u><b>3,633,761</b></u>	<u><b>7,111,175</b></u>
<b>Financial Liabilities</b>		
At amortised cost		
Payables - suppliers	1,698	1,084
Payables - grants	8,337	1,505
Payables - subsidies	6,667	15,049
	<u>16,702</u>	<u>17,638</u>
<b>Carrying amount of financial liabilities</b>	<u><b>16,702</b></u>	<u><b>17,638</b></u>

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	2009 \$'000	2008 \$'000
<b>NOTE 23B: Net Income and Expense from Financial Assets</b>		
<b>Loans and receivables</b>		
Interest revenue	51	-
Impairment	(18)	(6,075)
<b>Net gain/(loss) loans and receivables</b>	<b>33</b>	<b>(6,075)</b>
<b>Available for sale</b>		
Australia Post dividend	427,800	306,300
Gain/(loss) recognised in equity	(1,129,401)	1,425,917
<b>Net gain/(loss) available for sale</b>	<b>(701,601)</b>	<b>1,732,217</b>
<b>Fair value through profit and loss</b>		
Designated as such:		
Interest revenue	86,343	163,298
Other gains/(loss):		
- Gains from remeasuring financial instruments held at fair value through profit and loss	1,018	387
- Losses from remeasuring financial instruments held at fair value through profit and loss	(217)	-
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>87,144</b>	<b>163,685</b>
<b>Net gain/(loss) from financial assets</b>	<b>(614,424)</b>	<b>1,889,827</b>

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**NOTE 23C: Fair Value of Financial Instruments**

	Carrying amount 2009 \$'000	Fair value 2009 \$'000	Carrying amount 2008 \$'000	Fair value 2008 \$'000
<b>Financial Assets</b>				
Loans and receivables				
Cash at bank	8,440	8,440	24	24
Receivables - loans to CAC Act entities <sup>†</sup>	15,051	14,685	-	-
Receivables - grant refunds (net)	52	52	71	71
Receivables - subsidy refunds (net)	24	24	80	80
Receivables - other	3	3	-	-
Available for sale financial assets				
Investment in Australian Broadcasting Corporation and controlled entities	946,091	946,091	967,078	967,078
Investment in Special Broadcasting Corporation and controlled entities	158,735	158,735	150,100	150,100
Investment in NBN Co Limited	9,865	9,865	-	-
Investment in Australian Postal Corporation	2,495,500	2,495,500	3,612,400	3,612,400
Investment in NetAlert Ltd	-	-	13	13
Fair value through profit and loss (designated)				
Term deposit	-	-	211	211
Marketable securities	-	-	2,381,198	2,381,198
<b>Total</b>	<b>3,633,761</b>	<b>3,633,395</b>	<b>7,111,175</b>	<b>7,111,175</b>
<b>Financial Liabilities</b>				
Other Liabilities				
Payables - suppliers	1,698	1,698	1,084	1,084
Payables - grants	8,337	8,337	1,505	1,505
Payables - subsidies	6,667	6,667	15,049	15,049
<b>Total</b>	<b>16,702</b>	<b>16,702</b>	<b>17,638</b>	<b>17,638</b>

<sup>†</sup> Future loan repayments under the loan agreement have been discounted using the current five year Treasury Bond rate, 5.23% (2008: n/a).

**Valuation Method used for determining the fair value of financial instruments**

The following table identifies for those assets and liabilities (at fair value through profit and loss or available for sale) carried at fair value whether fair value was obtained by reference to market prices or by a valuation technique that employs observable market transactions, or one that uses non-observable market inputs to determine a fair value.

	Valuation technique utilising			Total \$'000
	Market values \$'000	Market inputs \$'000	Non-market inputs \$'000	
<b>Financial assets at fair value</b>				
Available for sale financial assets				
Investment in Australian Broadcasting Corporation and controlled entities	-	-	946,091	946,091
Investment in Special Broadcasting Corporation and controlled entities	-	-	158,735	158,735
Investment in NBN Co Limited	-	-	9,865	9,865
Investment in Australian Postal Corporation	-	-	2,495,500	2,495,500
Investment in NetAlert Ltd	-	-	-	-
Fair value through profit and loss (designated)				
Term deposit	-	-	-	-
Marketable securities	-	-	-	-
<b>Financial assets at fair value</b>	<b>-</b>	<b>-</b>	<b>3,610,191</b>	<b>3,610,191</b>
<b>Financial liabilities at fair value</b>				
Payables - suppliers	1,698	1,698	-	1,698
Payables - grants	8,337	8,337	-	8,337
Payables - subsidies	6,667	6,667	-	6,667
<b>Financial liabilities at fair value</b>	<b>16,702</b>	<b>16,702</b>	<b>-</b>	<b>16,702</b>

**NOTE 23D: Credit Risk**

The Administered activities of the Department were not exposed to a high level of credit risk as the majority of financial assets are trade receivables, loans to government controlled and funded entity, investment in Portfolio Agencies and investments of the Communications Fund. The Department manages its credit risk by undertaking background and credit checks prior to entering into a debtor relationship. In addition, the Department has policies and procedures that guide debt recovery techniques that are to be applied.

**Investments of the Communications Fund**

On 1 January 2009, the investments of the Communications Fund Special Account were transferred to the Building Australia Fund under section 16 of the *Nation-building Funds Act 2008*.

The Department's investments of the Communications Fund and the credit risk exposures were subject to limits as set out in the investment guidelines issued to its service provider, the Australian Office of Financial Management (AOFM), governing the investment strategy of the Fund. The guidance expired upon the transfer of Communications Fund Investments to the Building Australia Fund. A summary of the guidelines is:

- the Fund is to have a relatively high level of liquidity whereby all the principal fund and accumulated earnings will be available within 3 months with minimum risk of capital loss over the period;
- the Fund is to invest in a portfolio of basic low risk instruments;
- the Fund is to achieve a return of at least equal to the Reserve Bank of Australia Cash Rate over rolling 12 month periods;
- the Fund is to maintain a credit quality of AAA as set by Standard and Poor's (S&P); and
- the Fund has to comply with the Investment Authorisation at all times.

Monthly reporting was provided by the AOFM to the Department on the transactions, performance and composition of the investments. It also showed the Fund's compliance with the various limits set in the investment guidelines.

**Concentration of Risk**

Due to the restrictions as required under the Fund's investment guidelines, the Fund typically had credit exposures to a small number of highly rated counterparties. Where possible, diversification of credit exposures was sought. Credit limits have been fully utilised from time to time in view of the objective of maximising return.

The maximum exposure of credit risk is the risk that arises from the default of an issuer. The Communications Fund did not hold any collateral for its investments.

The maximum exposure to credit risk is outlined in the table below:

	2009 \$'000	2008 \$'000
<b>Financial assets</b>		
<b>Loans and receivables</b>		
Cash at bank	8,440	24
Receivables - loans to CAC Act entities	15,051	-
Receivables - grant refunds	52	71
Receivables - subsidy refunds	24	251
Receivables - other	3	-
<b>Available for sale financial assets</b>		
Investment in Australian Broadcasting Corporation and controlled entities	946,091	967,078
Investment in Special Broadcasting Corporation and controlled entities	158,735	150,100
Investment in NBN Co Limited	9,865	-
Investment in Australian Postal Corporation	2,495,500	3,612,400
Investment in NetAlert Ltd	-	13
<b>Fair value through profit and loss (designated)</b>		
Term deposits	-	211
Marketable securities	-	2,381,198
<b>Total</b>	<b>3,633,761</b>	<b>7,111,346</b>

The Government has assessed the risk of the default on payment and has allocated the following amounts to an impairment allowance account:

Receivables - grant refunds	Nil in 2009 (2008: Nil)
Receivables - subsidy refunds	\$140,140 in 2009 (2008: \$171,000)
Receivables - other	Nil in 2009 (2008: Nil)

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**NOTE 23D: Credit Risk (continued)**

Credit quality of financial instruments not past due or individually determined as impaired

	Not Past Due Nor Impaired	Not Past Due Nor Impaired	Past Due or Impaired	Past Due or Impaired
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
<b>Loans and receivables</b>				
Cash at bank	8,440	24	-	-
Receivables - loans to CAC Act entities	15,051	-	-	-
Receivables - grant refunds	52	-	-	71
Receivables - subsidy refunds	1	24	163	227
Receivables - other	-	-	3	-
<b>Available for sale financial assets</b>				
Investment in Australian Broadcasting Corporation and controlled entities	946,091	967,078	-	-
Investment in Special Broadcasting Corporation and controlled entities	158,735	150,100	-	-
Investment in NBN Co Limited	9,865	-	-	-
Investment in Australian Postal Corporation	2,495,500	3,612,400	-	-
Investment in NetAlert Ltd	-	13	-	-
<b>Fair value through profit and loss (designated)</b>				
Term deposits	-	211	-	-
Marketable securities	-	2,381,198	-	-
<b>Total</b>	<b>3,633,735</b>	<b>7,111,048</b>	<b>166</b>	<b>298</b>

Ageing of financial assets that are past due but not impaired for 2009

	0 to 30 Days \$'000	31 to 60 Days \$'000	61 to 90 Days \$'000	90+ Days \$'000	Total \$'000
<b>Loans and receivables</b>					
Receivables - grant refunds	-	-	-	-	-
Receivables - subsidy refunds	18	3	2	-	23
Receivables - other	3	-	-	-	3
<b>Total</b>	<b>21</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>26</b>

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 Days \$'000	31 to 60 Days \$'000	61 to 90 Days \$'000	90+ Days \$'000	Total \$'000
<b>Loans and receivables</b>					
Receivables - grant refunds	71	-	-	-	71
Receivables - subsidy refunds	2	20	27	7	56
<b>Total</b>	<b>73</b>	<b>20</b>	<b>27</b>	<b>7</b>	<b>127</b>

**NOTE 23E: Liquidity Risk**

The Government's Administered financial liabilities are trade creditors, grants and subsidies payable. The exposure to liquidity risk is based on the notion that the Government will encounter difficulty in meeting its obligations associated with Administered financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Department, and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrates the maturities for financial liabilities:

	On Demand 2009 \$'000	Within 1 Year 2009 \$'000	1 to 5 Years 2009 \$'000	> 5 Years 2009 \$'000	Total 2009 \$'000
<b>Other Liabilities</b>					
Payables - suppliers	-	1,698	-	-	1,698
Payables - grants	-	8,337	-	-	8,337
Payables - subsidies	-	6,667	-	-	6,667
<b>Total</b>	<b>-</b>	<b>16,702</b>	<b>-</b>	<b>-</b>	<b>16,702</b>

	On Demand 2008 \$'000	Within 1 Year 2008 \$'000	1 to 5 Years 2008 \$'000	> 5 Years 2008 \$'000	Total 2008 \$'000
<b>Other Liabilities</b>					
Payables - suppliers	-	1,084	-	-	1,084
Payables - grants	-	1,505	-	-	1,505
Payables - subsidies	-	15,049	-	-	15,049
<b>Total</b>	<b>-</b>	<b>17,638</b>	<b>-</b>	<b>-</b>	<b>17,638</b>

**NOTE 23F: Market Risk**

The Department holds basic financial instruments that do not expose the Department to certain market risks. The Department is not exposed to 'currency risk' and 'other price risk'.

**Interest rate risk**

'Interest rate risk' refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The only interest bearing item on the closing balance sheet is 'loans receivable'. This item has fixed interest and will not fluctuate due to changes in the market interest rate. In 2007-08 and up to 1 January 2009, the Department was exposed to interest rate risk primarily from the investments of the Communications Fund.

The Communications Fund held a portfolio of short-term discount instruments, primarily comprising negotiable certificates of deposit and bank accepted bills of exchange. Changes in domestic interest rates impacted on the fair value of this portfolio. When interest rates rose, the fair value of the portfolio would fall (and vice-versa). Changes in interest rates had no impact on future cash flows of principal amounts at maturity.

On 1 January 2009, the investments of the Communications Fund Special Account were transferred to the Building Australia Fund under section 16 of the *Nation-building Funds Act 2008*.

**NOTE 23G: Assets Pledged/or Held as Collateral**

**Assets pledged as collateral**

The Department does not have any assets pledged as collateral as at 30 June 2009 (2008: Nil).

**Assets held as collateral**

The Department does not hold any assets as collateral as at 30 June 2009 (2008: Nil).

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for the period ended 30 June 2009

NOTE 24: Appropriations

**NOTE 24A: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and Borrowings for the period 1 July to 30 June 2009\***

Department of Broadband, Communications and the Digital Economy	Administered Expenses		Departmental Outputs	Total
	Outcome 1	Payments to CAC Act entities		
	2009 \$'000	2009 \$'000	2009 \$'000	2009 \$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	375,482	-	75,222	450,704
Corrections of prior year errors	-	-	-	-
Adjusted balance carried from previous year	375,482	-	75,222	450,704
<i>Appropriation Act:</i>				
<i>Appropriation Act (No. 1) 2008-2009</i>	209,110	1,049,539	103,689	1,362,338
<i>Appropriation Act (No. 3) 2008-2009</i>	-	331	11,535	11,866
<i>Appropriation Act (No. 5) 2008-2009</i>	-	-	-	-
Departmental appropriations reduced ( <i>Appropriation Act</i> section 10) <sup>4</sup>	-	-	(229)	(229)
Administered appropriations reduced (non CAC) ( <i>Appropriation Act</i> section 11) <sup>1</sup>	(358,474)	-	-	(358,474)
CAC Act entity payment items reduced ( <i>Appropriation Act</i> section 12)	-	-	-	-
Departmental adjustments by the Finance Minister ( <i>Appropriation Acts</i> )	-	-	-	-
Advance to the Finance Minister ( <i>Appropriation Act</i> section 14)	-	-	-	-
Flexible funding pool receipts ( <i>Appropriation Act</i> section 15)	-	-	-	-
Concover Receipts ( <i>Appropriation Act</i> section 12)	-	-	-	-
<i>FMA Act:</i>				
Repayments to the Commonwealth ( <i>FMA Act</i> section 30)	2,372	-	339	2,711
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A)	19,113	-	4,441	23,554
Annotations to 'net appropriations' ( <i>FMA Act</i> section 31)	-	-	4,470	4,470
Adjustment of appropriations on change of entity function ( <i>FMA Act</i> section 32)	-	-	-	-
<b>Total appropriation available for payments</b>	<b>247,603</b>	<b>1,049,870</b>	<b>199,467</b>	<b>1,496,940</b>
Cash payments made during the year (GST inclusive)	(211,059)	(1,049,870)	(116,259)	(1,377,188)
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-
<b>Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations</b>	<b>36,544</b>	<b>-</b>	<b>83,208</b>	<b>119,752</b>
<i>Represented by:</i>				
Cash at bank and on hand	8,440	-	2,172	10,612
Departmental appropriations receivable	-	-	82,601	82,601
GST receivable from customers	-	-	14	14
GST receivable from the Australian Taxation Office (ATO)	-	-	755	755
GST payable	-	-	(483)	(483)
Undrawn, unapplied administered appropriations	28,104	-	-	28,104
Payable to the Official Public Account	-	-	-	-
Adjustments under section 101.13 of the Finance Minister's Orders not reflected above <sup>5</sup>	-	-	(1,851)	(1,851)
<b>Total</b>	<b>36,544</b>	<b>-</b>	<b>83,208</b>	<b>119,752</b>
<i>Reduction in administered items</i> <sup>2</sup>				
Total administered items appropriated	209,110,000	-	-	209,110,000
Less administered items required by the agency per <i>Appropriation Act</i> section 11 <sup>3</sup> :	-	-	-	-
<i>Appropriation Act (No. 1) 2008-2009</i>	(186,220,422)	-	-	(186,220,422)
<i>Appropriation Act (No. 3) 2008-2009</i>	-	-	-	-
<i>Appropriation Act (No. 5) 2008-2009</i>	-	-	-	-
Total administered items required by the agency	(186,220,422)	-	-	(186,220,422)
<b>Total reduction in administered items - effective 2009-2010</b>	<b>22,889,578</b>	<b>-</b>	<b>-</b>	<b>22,889,578</b>

<sup>1</sup> In 2008-2009, this represents the amount calculated under the relevant *Appropriation Acts* section 8 determination, during the year, in respect of the previous year's administered items.

<sup>2</sup> This is the first year of administered items being reduced under section 11. Numbers in this section of the table are not rounded.

<sup>3</sup> Administered items for 2008-2009 were reduced to these amounts when these financial statements were tabled in the Parliament as part of the Department's 2008-2009 annual report. This reduction is effective in 2009-2010 and the amounts in the total reduction in administered items will be reflected in the top section of Table A in the 2009-2010 financial statements in the row 'Administered appropriations reduced (non CAC)'.<sup>4</sup>

<sup>4</sup> Departmental and non-operating appropriations do not lapse at financial year end. However, the responsible Minister may decide that part or all of a departmental or non-operating appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination under the relevant *Appropriation Acts* section 10 and is disallowable by Parliament. In May 2009, the Finance Minister determined a reduction in departmental outputs appropriations following a request by the Minister for Broadband, Communications and the Digital Economy. The amount of the reduction determined under *Appropriation Act* No. 1 of 2008-2009 was: \$229,000.

<sup>5</sup> In 2008-09, an adjustment was made to Revenue from Government and Appropriation receivable for \$1.851m as a result of a decision by Government for the Department to provide additional outputs during the current year, with the funding to be provided in 2009-10.

\* Comparative amounts are contained in Table 24B and 24C.

**NOTE 24B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and Borrowings for the period 1 July to 2 December 2007**

Comparative	Administered Expenses			Departmental Outputs	Total
	Outcome 1	Outcome 2	Outcome 3		
	2008	2008	2008	2008	2008
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	38,482	1,216	216,442	92,802	348,942
Corrections of prior year errors	-	-	-	-	-
Adjusted balance carried from previous year	38,482	1,216	216,442	92,802	348,942
<i>Appropriation Act:</i>					
<i>Appropriation Act (No. 1) 2007-2008</i>	191,038	28,897	587,854	143,785	951,574
<i>Appropriation Act (No. 3) 2007-2008</i>	-	-	-	-	-
<i>Appropriation Act (No. 5) 2007-2008</i>	-	-	-	-	-
CAC Act entity payment items reduced ( <i>Appropriation Act section 12</i> )	-	-	-	-	-
Departmental adjustments by the Finance Minister ( <i>Appropriation Acts</i> )	-	-	-	-	-
Administered appropriation lapsed ( <i>Appropriation Act section 8</i> )	-	-	-	-	-
- prior years	(15,009)	(1,218)	(200,829)	-	(217,056)
- current year	-	-	-	-	-
Reductions of appropriations ( <i>Appropriation Act section 9</i> )	-	-	-	-	-
Advance to the Finance Minister ( <i>Appropriation Act section 11</i> )	-	-	-	-	-
Advance to the Finance Minister recovered	-	-	-	-	-
Flexible funding pool receipts ( <i>Appropriation Act section 15</i> )	-	-	-	-	-
Comcover Receipts ( <i>Appropriation Act section 12</i> )	-	-	-	-	-
<i>FMA Act:</i>					
Refunds credited ( <i>FMA Act section 30</i> )	1,095	129	2,447	76	3,747
Appropriations to take account of recoverable GST ( <i>FMA Act section 30A</i> )	2,863	889	8,906	3,279	15,937
Annotations to 'net appropriations' ( <i>FMA Act section 31</i> )	-	-	-	1,973	1,973
Adjustment of appropriations on change of entity function ( <i>FMA Act section 32</i> )	(130,372)	(20,455)	(516,488)	(169,252)	(836,567)
<b>Total appropriation available for payments</b>	88,097	9,458	98,332	72,663	268,550
Cash payments made during the year (GST inclusive)	(88,097)	(9,458)	(98,332)	(70,972)	(266,859)
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	(888)	(888)
Payables to the Official Public Account transferred to DBCDE	-	-	-	7	7
GST receivable transferred from DCITA	-	-	-	(810)	(810)
<b>Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations</b>	-	-	-	-	-
<b>Represented by:</b>					
Cash at bank and on hand	-	-	-	-	-
Departmental appropriations receivable	-	-	-	-	-
GST receivable from customers	-	-	-	-	-
GST receivable from the Australian Taxation Office (ATO)	-	-	-	-	-
GST payable	-	-	-	-	-
Undrawn, unexpired administered appropriations	-	-	-	-	-
Payable to the Official Public Account	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

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**NOTE 24C: Accrual of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and Borrowings for the period 3 December to 30 June 2008**

Comparative	Administered Expenses			Departmental Outputs	Total
	Outcome 1 2008 \$'000	Outcome 2 2008 \$'000	Outcome 3 2008 \$'000		
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	-	-	-	-	2008 \$'000
Corrections of prior year errors	-	-	-	-	-
Adjusted balance carried from previous year	-	-	-	-	-
<i>Appropriation Act</i>	-	-	-	-	-
<i>Appropriation Act (No.1) 2007-2008</i>	-	-	-	-	-
<i>Appropriation Act (No.3) 2007-2008</i>	-	-	-	-	-
<i>Appropriation Act (No.5) 2007-2008</i>	-	-	-	-	-
CAC Act entity payment items reduced ( <i>Appropriation Act</i> section 12)	-	-	-	-	-
Departmental adjustments by the Finance Minister ( <i>Appropriation Acts</i> )	-	-	-	-	-
Administered appropriation lapsed ( <i>Appropriation Act</i> section 8):	-	-	-	-	-
- prior years	-	-	-	-	-
- current year	-	-	-	-	-
Reductions of appropriations ( <i>Appropriation Act</i> section 9)	-	-	-	(1,217)	(1,217)
Advance to the Finance Minister ( <i>Appropriation Act</i> section 11)	-	-	-	-	-
Advance to the Finance Minister recovered	-	-	-	-	-
Flexible funding pool receipts ( <i>Appropriation Act</i> section 15)	-	-	-	-	-
Concovert Receipts ( <i>Appropriation Act</i> section 12)	-	-	-	46	46
<i>FMA Act:</i>	-	-	-	-	-
Refunds credited ( <i>FMA Act</i> section 30)	-	-	105	272	377
Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A)	-	-	11,829	2,349	14,178
Annulations to 'net appropriations' ( <i>FMA Act</i> section 31)	-	-	-	1,679	1,679
Adjustment of appropriations on change of entity function ( <i>FMA Act</i> section 32)	-	-	497,725	130,181	627,906
<b>Total appropriation available for payments</b>	-	-	509,659	133,310	642,969
Cash payments made during the year (GST inclusive)	-	-	(134,177)	(58,891)	(193,068)
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-
Payables to the Official Public Account transferred to DBCDE	-	-	-	(7)	(7)
GST receivable transferred from DCITA	-	-	-	810	810
<b>Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations</b>	-	-	375,482	75,222	450,704
<b>Represented by:</b>	-	-	-	-	-
Cash at bank and on hand	-	-	24	3,035	3,059
Departmental appropriations receivable	-	-	-	71,969	71,969
GST receivable from customers	-	-	-	2	2
GST receivable from the Australian Taxation Office (ATO)	-	-	-	571	571
GST payable	-	-	-	(343)	(343)
Undrawn, unexpired administered appropriations	-	-	375,458	-	375,458
Payable to the Official Public Account	-	-	-	(12)	(12)
<b>Total</b>	-	-	375,482	75,222	450,704

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**NOTE 24D: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations for the period 1 July to 30 June 2009\***

Department of Broadband, Communications and the Digital Economy	Operating Outcome 1		Non - operating					Total
	SPPs	NAE	Payments to CAC Act entities	Equity	Loans	Previous Years' Outputs	Admin assets and liabilities	
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	-	-	-	625	-	-	-	2009 \$'000 625
<i>Appropriation Act:</i>								
<i>Appropriation Act (No.2) 2008-2009</i>	-	-	13,836	303	-	-	-	14,139
<i>Appropriation Act (No.4) 2008-2009</i>	-	-	15,000	-	-	-	-	15,000
<i>Appropriation Act (No.6) 2008-2009</i>	-	-	-	-	-	-	-	-
Administered appropriations reduced (non CAC) ( <i>Appropriation Act sections 12, 13</i> )	-	-	-	-	-	-	-	-
Departmental appropriations reduced ( <i>Appropriation Act section 13</i> )	-	-	-	-	-	-	-	-
CAC Act entity payment items reduced ( <i>Appropriation Act section 14</i> )	-	-	-	-	-	-	-	-
Advance to the Finance Minister ( <i>Appropriation Act section 15</i> )	-	-	-	-	-	-	-	-
Advance to the Finance Minister recovered	-	-	-	-	-	-	-	-
<i>FMA Act:</i>								
Refunds credited ( <i>FMA Act section 30</i> )	-	-	-	-	-	-	-	-
Appropriations to take account of recoverable GST ( <i>FMA Act section 30A</i> )	-	-	-	-	-	-	-	-
Adjustment of appropriations on change of entity function ( <i>FMA Act section 32</i> )	-	-	-	-	-	-	-	-
<b>Total appropriations available for payments</b>	-	-	28,836	928	-	-	-	29,764
Cash payments made during the year (GST inclusive)	-	-	(28,836)	(221)	-	-	-	(29,057)
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-
<b>Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations</b>	-	-	-	707	-	-	-	707
<b>Represented by:</b>								
Cash at bank and on hand	-	-	-	-	-	-	-	-
Departmental appropriation receivable	-	-	-	707	-	-	-	707
Undrawn, unapplied administered appropriations	-	-	-	-	-	-	-	-
Adjustments under section 101.13 of the Finance Minister's Orders not reflected above	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	707	-	-	-	707
<b>Reduction in administered items</b>								
Total administered items appropriated	-	-	-	-	-	-	-	-
Less administered items required by the agency per <i>Appropriation Act</i> section 12:	-	-	-	-	-	-	-	-
<i>Appropriation Act (No. 2) 2008-2009</i>	-	-	-	-	-	-	-	-
<i>Appropriation Act (No. 4) 2008-2009</i>	-	-	-	-	-	-	-	-
<i>Appropriation Act (No. 6) 2008-2009</i>	-	-	-	-	-	-	-	-
Total administered items required by the agency	-	-	-	-	-	-	-	-
<b>Total reduction in administered items - effective 2009-2010</b>	-	-	-	-	-	-	-	-

\* Comparative amounts are contained in Table 24E and 24F.



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NOTE 24F - Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for other than Ordinary Annual Services Appropriations for the period 3 December to 30 June 2008

Comparative	Outcome 1			Operating Outcome 2			Outcome 3			Non - operating				Total
	SPPs	NAE		SPPs	NAE		SPPs	NAE		Equity	Loans	Previous Years' Outputs	Admin assets and liabilities	
	2008 \$'000	2008 \$'000		2008 \$'000	2008 \$'000		2008 \$'000	2008 \$'000		2008 \$'000	2008 \$'000	2008 \$'000	2008 \$'000	
Balance brought forward from previous period ( <i>Appropriation Acts</i> )	-	-	-	-	-	-	-	-	-	-	-	-	-	2008 \$'000
<i>Appropriation Act:</i>														
- <i>Appropriation Act (No.2) 2007-2008</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- <i>Appropriation Act (No.4) 2007-2008</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- <i>Appropriation Act (No.6) 2007-2008</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Administered appropriation lapsed ( <i>Appropriation Act</i> section 7 & 8):														
- prior years	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reduction of appropriation ( <i>Appropriation Act</i> section 11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advance to the Finance Minister ( <i>Appropriation Act</i> section 12)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>FMA Act:</i>														
- Refunds credited ( <i>FMA Act</i> section 30)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Appropriations to take account of recoverable GST ( <i>FMA Act</i> section 30A)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Adjustment of appropriations on change of entity function ( <i>FMA Act</i> section 32)	-	-	-	-	-	-	-	-	659	-	-	-	-	659
<b>Total appropriations available for payments</b>	-	-	-	-	-	-	-	-	659	-	-	-	-	659
Cash payments made during the year (GST inclusive)	-	-	-	-	-	-	-	-	(34)	-	-	-	-	(34)
Appropriations credited to Special Accounts (GST exclusive)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Other Than Ordinary Annual Services Appropriations</b>	-	-	-	-	-	-	-	-	625	-	-	-	-	625
<b>Represented by:</b>														
- Cash at bank and on hand	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Departmental appropriation receivable	-	-	-	-	-	-	-	-	625	-	-	-	-	625
- Undrawn, unexpired administered appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	625	-	-	-	-	625

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**NOTE 24G: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriation (Unlimited Amount)**

	DBCDE Outcome 1		DCITA Outcome 3		DBCDE Outcome 1		Total
	2009	to 01-Jul-07	to 02-Dec-07	to 03-Dec-07	2008	2008	
<i>Financial Management and Accountability Act 1997, section 21 and Telecommunications (Consumer Protection and Service Standards) Act 1999. Section 158ZO of the Act provides that the responsible Ministers may authorise the investment of money standing to the credit of the Communications Fund Special Account in any 'financial asset'.</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<i>Nature: Administered</i>	5,043,611	11,156,338	5,377,365	16,533,703			
Cash payments made during the year	-	-	-	-	-	-	
Appropriations credited to Special Accounts	-	-	-	-	-	-	
Repayments to the Commonwealth (FMA Act section 30)	-	-	-	-	-	-	
Total charged to appropriation	5,043,611	11,156,338	5,377,365	16,533,703			
Estimated actual	-	-	-	-	-	-	

	DBCDE Outcome 1		DCITA Outcome 3		DBCDE Outcome 1		Total
	2009	to 01-Jul-07	to 02-Dec-07	to 03-Dec-07	2008	2008	
<i>Financial Management and Accountability Act 1997, section 21 and Telecommunications (Consumer Protection and Service Standards) Act 1999. Section 158ZP of the Act provides for debiting of expenses to the Communications Fund Special Account.</i>	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<i>Nature: Administered</i>	158	-	-	-	159	159	
Cash payments made during the year	-	-	-	-	-	-	
Appropriations credited to Special Accounts	-	-	-	-	-	-	
Repayments to the Commonwealth (FMA Act section 30)	-	-	-	-	-	-	
Total charged to appropriation	158	-	-	-	159	159	
Estimated actual	-	-	-	-	-	-	

Observations made in an ANAO Performance Audit on the Establishment and Management of the Communications Fund identified that whilst the Department had disclosed in aggregate the use of the Special Appropriations contained in sections 158ZO, 158ZP and 158ZQ, it had not been separately disclosed in Special Appropriation tables as required by the Finance Minister's Orders.

In the current and prior year the Department has not used the following administered Special Appropriations (Unlimited Amount):

- S39 of the *Financial Management and Accountability Act 1997* for the investment of public money;
- S8BA(3) of the *Telstra Corporation Act 1991* for the payment of compensation - constitutional safety net;
- S5(5) of the *AUSSAT Repeal Act 1991* for the payment of money to AUSSAT; and
- S158ZQ of the *Telecommunications (Consumer Protection and Service Standards) Act 1999* for the purchase of derivatives for the Communications Fund.

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**NOTE 24H: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriation (Limited Amount)**

Appropriation (Supplementary Measures) Act (No.1) 1999, section 3 <sup>1</sup>	Administered				Total 2008 \$'000	
	2009 \$'000	01-Jul-07 to 02-Dec-07 \$'000		03-Dec-07 to 30-Jun-08 \$'000		
		1	1	-		-
Purpose: For payment of book industry assistance						
Nature: Administered						
Amount available brought forward from previous period	1	1	-	-	-	
Other receipts <sup>2</sup>	-	-	1	-	1	
Appropriation for reporting period	-	-	-	-	-	
Appropriations to take account of recoverable GST (FMA Act section 30A)	-	-	-	-	-	
Available for payments	1	1	1	-	1	
Other adjustments <sup>2</sup>	-	(1)	-	-	-	
Cash payments made during the year (GST inclusive)	-	-	-	-	-	
Amount available carried to the next period	1	-	1	-	1	
<b>Represented by:</b>						
Cash	-	-	-	-	-	
Departmental appropriation receivable	-	-	-	-	-	
Undrawn, unexpired appropriations	1	-	1	-	1	
<b>Total</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	

<sup>1</sup> The Appropriation (Supplementary Measures) Act No.1 1999 appropriation is split between the Department of Industry, Tourism and Resources, the Department of Education, Science and Technology and the Department of Communications, Information Technology and the Arts. The apportionment of the Special Appropriation between the entities was assigned on a letter from the Prime Minister dated 18 August 1999.

<sup>2</sup> The Special Appropriation (Limited Amount) balance was transferred from the Department of Communications, Information Technology and the Arts to the Department of Broadband, Communications and the Digital Economy following the Administrative Arrangements Order of 3 December 2007.

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**NOTE 24: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund - Special Appropriation (Refund Provisions)**

<i>Financial Management and Accountability Act 1997, section 28(2)</i>		01-Jul-07 to 02-Dec-07 \$'000		03-Dec-07 to 30-Jun-08 \$'000		Total 2008 \$'000
<i>Purpose:</i> To provide an appropriation where an Act or other law requires or permits the repayment of an amount received by the Commonwealth and apart from this section there is no specific appropriation for the repayment.						
<i>Nature:</i> Administered						
Cash payments made during the year		3,234		-		1
Appropriations credited to special accounts		-		-		-
Refunds received (net) (FMA Act section 30)		-		-		-
Total charged to special appropriations		3,234		-		1
Budget estimate (FMA Act section 28)		3,234		-		1

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**NOTE 25: Special Accounts**

NOTE 25: Table A: Special Accounts

**Cultural Ministers Council Account**

*Legal Authority: Financial Management and Accountability Act 1997, section 20.*

*Purpose: For the expenditure on conducting activities of the working parties initiated by the Cultural Minister's Council (established 1 December 2005).*

*Nature: Departmental*

	2009 \$'000	01-Jul-07 to 02-Dec-07 \$'000		03-Dec-07 to 30-Jun-08 \$'000		2008 \$'000
Balance carried from previous period	-	478	-	-	-	478
Appropriation for reporting period	-	-	-	-	-	-
Other Credited from other Special Accounts	-	-	-	-	-	-
GST credits (FMA Act section 30A)	-	12	-	-	-	12
Realised investments	-	-	-	-	-	-
Other receipts	-	196	-	-	-	196
<b>Total credits</b>	-	686	-	-	-	686
Payments made to employees	-	(17)	-	-	-	(17)
Payments made for grants	-	(105)	-	-	-	(105)
Payments made to suppliers - related entities	-	(6)	-	-	-	(6)
Payments made to suppliers - external entities	-	(12)	-	-	-	(12)
Debit to special account <sup>1</sup>	-	(546)	-	-	-	(546)
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-	-	-
<b>Total debits</b>	-	(686)	-	-	-	(686)
<b>Balance carried to next period (excluding investment balances)</b>	-	-	-	-	-	-
<b>Represented by:</b>						
Cash - transferred to the Official Public Account	-	-	-	-	-	-
Cash - in Departmental bank account	-	-	-	-	-	-
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	-	-	-	-
<b>Total balance carried to the next period</b>	-	-	-	-	-	-

<sup>1</sup> As a consequence of the Administrative Arrangements Order of 3 December 2007, this special account transferred to the Department of the Environment, Water, Heritage and the Arts.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

	2009 \$'000	01-Jul-07 to 02-Dec-07 \$'000	03-Dec-07 to 30-Jun-08 \$'000	2008 \$'000
<b>National Collections Account</b>				
<i>Legal Authority: Financial Management and Accountability Act 1997, section 20.</i>				
<i>Purpose: For the expenditure on conducting projects, programs and strategies associated with the future directions, needs and priorities of the collections sector (established 1 December 2005).</i>				
<i>Nature: Departmental</i>				
Balance carried from previous period	-	288	-	288
Appropriation for reporting period	-	-	-	-
Other Credited from other Special Accounts	-	-	-	-
GST credits (FMA Act section 30A)	-	49	-	49
Realised investments	-	-	-	-
Other receipts	-	540	-	540
<b>Total credits</b>	-	877	-	877
Payments made for grants	-	(320)	-	(320)
Payments made to suppliers - related entities	-	-	-	-
Payments made to suppliers - external entities	-	(220)	-	(220)
Debit to Special Account <sup>1</sup>	-	(337)	-	(337)
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-
<b>Total debits</b>	-	(877)	-	(877)
<b>Balance carried to next period (excluding investment balances)</b>	-	-	-	-
<b>Represented by:</b>				
Cash - transferred to the Official Public Account	-	-	-	-
Cash - in Departmental bank account	-	-	-	-
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	-	-
<b>Total balance carried to the next period</b>	-	-	-	-

<sup>1</sup> As a consequence of the Administrative Arrangements Order of 3 December 2007, this special account transferred to the Department of the Environment, Water, Heritage and the Arts.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

	2009 \$'000	01-Jul-07 to 02-Dec-07		03-Dec-07 to 30-Jun-08		
		\$'000	\$'000	\$'000	\$'000	
<b>International Aid Special Account</b>						
<i>Legal Authority: Financial Management and Accountability Act 1997, section 20.</i>						
<i>Purpose: For the expenditure on conducting activities in the Asia-Pacific region that assists countries to liberalise their communications markets, including, but not limited to telecommunications liberalisation, regulatory development, capacity building, e-commerce development and security (established 1 December 2005).</i>						
<i>Nature: Departmental</i>						
Balance carried from previous period	70	165	-	-	165	
Appropriation for reporting period	-	-	-	-	-	
Other Credited from other Special Accounts	-	-	-	-	-	
GST credits (FMA Act section 30A)	4	-	-	8	8	
Realised investments	-	-	-	-	-	
Other receipts	-	-	-	145	-	
<b>Total credits</b>	<b>74</b>	<b>165</b>	<b>153</b>	<b>173</b>	<b>173</b>	
Payments made to suppliers - related entities	-	-	-	-	-	
Payments made to suppliers - external entities	(49)	(20)	(83)	(103)	(103)	
Debit to Special Account <sup>1</sup>	-	(145)	-	-	-	
Other adjustments <sup>2</sup>	(25)	-	-	-	-	
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-	-	
<b>Total debits</b>	<b>(74)</b>	<b>(165)</b>	<b>(83)</b>	<b>(103)</b>	<b>(103)</b>	
<b>Balance carried to next period (excluding investment balances)</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>70</b>	<b>70</b>	
<b>Represented by:</b>						
Cash - transferred to the Official Public Account	-	-	-	-	-	
Cash - in Departmental bank account	-	-	-	-	-	
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	70	70	70	
<b>Total balance carried to the next period</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>70</b>	<b>70</b>	

<sup>1</sup> The International Aid Special Account was transferred from the Department of Communications, Information Technology and the Arts to the Department of Broadband, Communications and the Digital Economy following the Administrative Arrangements Order of 3 December 2007.

<sup>2</sup> The special account has fulfilled its current obligation in relation to receipts received to date. The balance of \$18,875 was returned to AusAID and \$5,751 of the special account was returned to the Departmental main bank account on 30 June 2009 under subsection 26(c) of the FMA Act.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

**National Portrait Gallery Account**

*Legal Authority: Financial Management and Accountability Act 1997, section 20.*

*Purpose:* For the expenditure on acquisition of works of art, organising activities and mounting exhibitions for the National Portrait Gallery (NPG) and assisting with NPG Circle of Friends events (established 1 December 2005).

*Nature:* Departmental

	2009		01-Jul-07 to 02-Dec-07		03-Dec-07 to 30-Jun-08		2008
	\$'000		\$'000		\$'000		
Balance carried from previous period	-	-	3,469	-	-	-	3,469
Appropriation for reporting period	-	-	38	-	-	-	38
Other receipts - interest	-	-	-	-	-	-	-
Other Credited from other Special Accounts	-	-	-	-	-	-	-
GST credits (FMA Act section 30A)	-	-	12	-	-	-	12
Realised investments	-	-	-	-	-	-	-
Other receipts	-	-	96	-	-	-	96
<b>Total credits</b>	-	-	3,615	-	-	-	3,615
Payments made to suppliers - related entities	-	-	-	-	-	-	-
Payments made to suppliers - external entities	-	-	(225)	-	-	-	(225)
Debit to Special Account <sup>1</sup>	-	-	(3,390)	-	-	-	(3,390)
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-	-	-	-
<b>Total debits</b>	-	-	(3,615)	-	-	-	(3,615)
<b>Balance carried to next period (excluding investment balances)</b>	-	-	-	-	-	-	-
<b>Represented by:</b>							
Cash - transferred to the Official Public Account	-	-	-	-	-	-	-
Cash - in Departmental bank account	-	-	-	-	-	-	-
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	-	-	-	-	-
<b>Total balance carried to the next period</b>	-	-	-	-	-	-	-

<sup>1</sup> As a consequence of the Administrative Arrangements Order of 3 December 2007, this special account transferred to the Department of the Environment, Water, Heritage and the Arts.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

	2009 \$'000	01-Jul-07 to 02-Dec-07 \$'000		03-Dec-07 to 30-Jun-08 \$'000		2008 \$'000
<b>Return of Indigenous Cultural Property Account</b>						
<i>Legal Authority: Financial Management and Accountability Act 1997, section 20.</i>						
<i>Purpose: For the expenditure on developing and conducting programs and strategies associated with the repatriation of Indigenous cultural material, on behalf of the Cultural Ministers Council (established 1 December 2005).</i>						
<i>Nature: Departmental</i>						
Balance carried from previous period	-	409	-	-	-	409
Appropriation for reporting period	-	850	-	-	-	850
Other Credited from other Special Accounts	-	-	-	-	-	-
GST credits (FMA Act section 30A)	-	12	-	-	-	12
Realised investments	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total credits</b>	-	1,271	-	-	-	1,271
Payments made to employees	-	-	-	-	-	-
Payments made for grants	-	-	-	-	-	-
Payments made to suppliers - related entities	-	-	-	-	-	-
Payments made to suppliers - external entities	-	(135)	-	-	-	(135)
Debit to Special Account <sup>1</sup>	-	(1,136)	-	-	-	(1,136)
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-	-	-
<b>Total debits</b>	-	(1,271)	-	-	-	(1,271)
<b>Balance carried to next period (excluding investment balances)</b>	-	-	-	-	-	-
<b>Represented by:</b>						
Cash - transferred to the Official Public Account	-	-	-	-	-	-
Cash - in Departmental bank account	-	-	-	-	-	-
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	-	-	-	-
<b>Total balance carried to the next period</b>	-	-	-	-	-	-

<sup>1</sup> As a consequence of the Administrative Arrangements Order of 3 December 2007, this special account transferred to the Department of the Environment, Water, Heritage and the Arts.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

Art Rental Special Account	2009 \$'000	01-Jul-07 to		03-Dec-07 to	
		02-Dec-07 \$'000	to 30-Jun-08 \$'000	30-Jun-08 \$'000	2008 \$'000
<i>Legal Authority: Financial Management and Accountability Act 1997, section 20.</i>					
<i>Purpose:</i> To acquire, deaccession, lease, promote, develop, exhibit, lend, conserve and undertake any other activities in relation to managing an art rental collection for the Commonwealth (established 17 August 2006).					
<i>Nature:</i> Departmental					
Balance carried from previous period	-	1,886	-	-	1,886
Other Credited from other Special Accounts	-	-	-	-	-
Sales of goods and services - related entities	-	-	-	-	-
Sales of goods and services - external entities	-	1,437	-	-	1,437
GST credits (FMA Act section 30A)	-	99	-	-	99
Realised investments	-	-	-	-	-
Other receipts	-	32	-	-	32
<b>Total credits</b>	-	3,454	-	-	3,454
Payments made to employees	-	(500)	-	-	(500)
Payments made for grants	-	-	-	-	-
Payments made to suppliers - related entities	-	-	-	-	-
Payments made to suppliers - external entities	-	(1,215)	-	-	(1,215)
Debit to Special Account <sup>1</sup>	-	(1,739)	-	-	(1,739)
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-	-
<b>Total debits</b>	-	(3,454)	-	-	(3,454)
<b>Balance carried to next period (excluding investment balances)</b>	-	-	-	-	-
<b>Represented by:</b>					
Cash - transferred to the Official Public Account	-	-	-	-	-
Cash - in Departmental bank account	-	-	-	-	-
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	-	-	-
<b>Total balance carried to the next period</b>	-	-	-	-	-

<sup>1</sup> As a consequence of the Administrative Arrangements Order of 3 December 2007, this special account transferred to the Department of the Environment, Water, Heritage and the Arts.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

	2009		01-Jul-07 to 02-Dec-07		03-Dec-07 to 30-Jun-08		2008	
	\$'000		\$'000		\$'000		\$'000	
<b>Sport and Recreation Account</b>								
<i>Legal Authority: Financial Management and Accountability Act 1997, section 20.</i>								
<i>Purpose: To undertake sport and recreation related projects of common interest to the Sport and Recreation Ministers' Council, its successor or subordinate bodies, and that benefit all or a majority of members (established 17 August 2006).</i>								
<i>Nature: Departmental</i>								
Balance carried from previous period	-	-	340	-	-	-	-	340
Appropriation for reporting period	-	-	-	-	-	-	-	-
Other Credited from other Special Accounts	-	-	-	-	-	-	-	-
GST credits (FMA Act section 30A)	-	-	-	-	-	-	-	-
Realised investments	-	-	-	-	-	-	-	-
Other receipts	-	-	312	-	-	-	-	312
<b>Total credits</b>	-	-	652	-	-	-	-	652
Payments made to employees	-	-	-	-	-	-	-	-
Payments made for grants	-	-	-	-	-	-	-	-
Payments made to suppliers - related entities	-	-	-	-	-	-	-	-
Payments made to suppliers - external entities	-	-	-	-	-	-	-	-
Debit to Special Account <sup>1</sup>	-	-	(652)	-	-	-	-	(652)
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-	-	-	-	-
<b>Total debits</b>	-	-	(652)	-	-	-	-	(652)
<b>Balance carried to next period (excluding investment balances)</b>	-	-	-	-	-	-	-	-
<b>Represented by:</b>	-	-	-	-	-	-	-	-
Cash - transferred to the Official Public Account	-	-	-	-	-	-	-	-
Cash - in Departmental bank account	-	-	-	-	-	-	-	-
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	-	-	-	-	-	-
<b>Total balance carried to the next period</b>	-	-	-	-	-	-	-	-

<sup>1</sup> As a consequence of the Administrative Arrangements Order of 3 December 2007, this special account transferred to the Department of Health and Ageing.

Department of Broadband, Communications and the Digital Economy  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

	2009 \$'000	01-Jul-07 to 02-Dec-07 \$'000		03-Dec-07 to 30-Jun-08 \$'000		2008 \$'000
<b>Other Trust Monies Account</b>						
<i>Legal Authority: Financial Management and Accountability Act 1997, section 20.</i>						
<i>Purpose: For expenditure of monies temporarily held on trust or otherwise for the benefit of another person other than the Commonwealth.</i>						
<i>Nature: Departmental</i>						
Balance carried from previous period	1	116	1	1	116	
Appropriation for reporting period	-	-	-	-	-	-
Credit from other Special Accounts	-	-	-	-	-	-
GST credits (FMA Act section 30A)	-	-	-	-	-	-
Other receipts	-	1	-	-	1	-
<b>Total credits</b>	<b>1</b>	<b>117</b>	<b>1</b>	<b>1</b>	<b>117</b>	
Payments made	-	(116)	-	-	(116)	
Other adjustments <sup>1</sup>	(1)	-	-	-	-	-
<b>Total debits</b>	<b>(1)</b>	<b>(116)</b>	<b>-</b>	<b>-</b>	<b>(116)</b>	
<b>Balance carried to next period (excluding investment balances)</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Represented by:</b>						
Cash - transferred to the Official Public Account	-	-	-	-	-	-
Cash - in Departmental bank account	-	1	1	1	1	1
GST receivable/(payable) to the Australian Taxation Office (ATO)	-	-	-	-	-	-
<b>Total balance carried to the next period</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

<sup>1</sup> The balance of the Other Trust Monies Account (\$1,172) relates to an unidentified receipt and was transferred to the Official Public Account.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
 for the period ended 30 June 2009

NOTE 25: Table A: Special Accounts (continued)

**Federation Fund - Department of Communications, Information Technology and the Arts Account**

*Legal Authority: Financial Management and Accountability Act 1997, section 20.*

*Purpose: For the expenditure on substantial capital projects throughout Australia which will mark the Centenary of Federation and make a significant and lasting contribution to the Australian community (established 17 August 2006).*

*Nature: Administered*

	2009	01-Jul-07 to 02-Dec-07	03-Dec-07 to 30-Jun-08	2008
	\$'000	\$'000	\$'000	\$'000
Balance carried from previous period	-	1,806	-	-
GST credits (FMA Act section 30A)	-	-	-	-
Realised investments	-	-	-	-
Other receipts <sup>1</sup>	-	-	1,806	1,806
<b>Total credits</b>	-	1,806	1,806	1,806
Payments made for grants	-	-	-	-
Other adjustments <sup>2</sup>	-	(1,806)	(1,806)	(1,806)
Investments debited from the Special Account (FMA Act section 39)	-	-	-	-
<b>Total debits</b>	-	(1,806)	(1,806)	(1,806)
<b>Balance carried to next period</b>	-	-	-	-
<b>Represented by:</b>				
Cash - transferred to the Official Public Account	-	-	-	-
<b>Total balance carried to the next period</b>	-	-	-	-

<sup>1</sup> The Federation Fund Special Account was transferred from the Department of Communications, Information Technology and the Arts to the Department of Broadband, Communications and the Digital Economy following the Administrative Arrangements Order of 3 December 2007.

<sup>2</sup> The purpose of this special account is considered to be fulfilled. The balance of the special account was returned to Official Public Account on 6 June 2008 under subsection 26(c) of the FMA Act.

**Department of Broadband, Communications and the Digital Economy  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the period ended 30 June 2009**

NOTE 25: Table A: Special Accounts (continued)

	2009	2008
	\$'000	\$'000
<b>BAF Communications Portfolio Special Account</b>		
<i>Legal Authority: Financial Management and Accountability Act 1997, section 21 and Nation-building Funds Act 2008, section 68.</i>		
<i>Purpose: To make payments in relation to the creation or development of communications infrastructure; and eligible national broadband network matters.</i>		
<i>Nature: Administered</i>		
Balance carried from previous period	-	-
Appropriation for reporting period	-	-
Other Credited from other Special Accounts	-	-
GST credits (FMA Act section 30A)	-	-
Realised investments	-	-
Building Australia Fund receipts	10,000	-
<b>Total credits</b>	10,000	-
Payments made	(10,000)	-
Other adjustments	-	-
<b>Total debits</b>	(10,000)	-
<b>Balance carried to next period</b>	-	-
<b>Represented by:</b>		
Cash - transferred to the Official Public Account	-	-
<b>Total balance carried to the next period</b>	-	-
Balance of Investments	-	-

The BAF Communications Portfolio Special Account was established on 1 January 2009 under section 68 of the *Nation-building Funds Act 2008*.

Department of Broadband, Communications and the Digital Economy  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the period ended 30 June 2009*

NOTE 25: Table A: Special Accounts (continued)

	2009		01-Jul-07 to 02-Dec-07		03-Dec-07 to 30-Jun-08		2008	
	\$'000		\$'000		\$'000		\$'000	
<b>Communications Fund Account</b>								
<i>Legal Authority: Financial Management and Accountability Act 1997, section 21 and Telecommunications (Consumer Protection and Service Standards) Act 1999 sections 158ZH, 158ZO, 158ZP.</i>								
<i>Purpose: To fund recommendations arising from reviews of the adequacy of telecommunications services in regional, rural and remote parts of Australia.</i>								
<i>Nature: Administered</i>								
Balance carried from previous period	-	-	-	-	-	-	-	-
Appropriation for reporting period	-	-	-	-	-	-	-	-
Realisation of investments credited to the Fund - section 158ZP (5)	2,356,420	2,215,986	2,260,440	2,260,440	2,215,986	2,260,440	2,215,986	-
Interest credited to the Fund - section 158ZP(1) of the Telecommunications (Consumer Protection and Service Standards) Act 1999	94,457	44,454	96,139	96,139	140,593	96,139	140,593	-
<b>Total credits</b>	<b>2,450,877</b>	<b>2,260,440</b>	<b>2,356,579</b>	<b>2,356,579</b>	<b>2,356,579</b>	<b>2,356,579</b>	<b>2,356,579</b>	<b>-</b>
Investments debited from the Special Account - section 158ZO of the Telecommunications (Consumer Protection and Service Standards) Act 1999	(2,450,719)	(2,260,440)	(2,356,420)	(2,356,420)	(2,356,420)	(2,356,420)	(2,356,420)	-
Acquisition of derivatives debited from the Fund - section 158ZQ	-	-	-	-	-	-	-	-
Payments made for expenses of investments - section 158ZP	(158)	-	(159)	(159)	(159)	(159)	(159)	-
<b>Total debits<sup>1</sup></b>	<b>(158)</b>	<b>-</b>	<b>(159)</b>	<b>(159)</b>	<b>(159)</b>	<b>(159)</b>	<b>(159)</b>	<b>-</b>
<b>Balance carried to next period</b>	<b>(2,450,877)</b>	<b>(2,260,440)</b>	<b>(2,356,579)</b>	<b>(2,356,579)</b>	<b>(2,356,579)</b>	<b>(2,356,579)</b>	<b>(2,356,579)</b>	<b>-</b>
<b>Represented by:</b>	-	-	-	-	-	-	-	-
Cash - transferred to the Official Public Account	-	-	-	-	-	-	-	-
<b>Total balance carried to the next period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Balance of Investments	-	2,260,440	2,356,420	2,356,420	2,356,420	2,356,420	2,356,420	-

<sup>1</sup> On 1 January 2009, the investments of the Communications Fund Special Account were transferred to the Building Australia Fund under section 16 of the *Nation-building Funds Act 2008*.

Department of Broadband, Communications and the Digital Economy  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
 for the period ended 30 June 2009

**NOTE 25: Table B: Special Accounts Investment of Public Money**

Communications Fund	2009	01-Jul-07 to 02-Dec-07	03-Dec-07 to 30-Jun-08	2008
	\$'000	\$'000	\$'000	\$'000
<b>Investment of Public Money under sections 158ZH, 158ZO, 158ZP Telecommunications (Consumer Protection and Service Standards) Act 1999.</b>				
<b>Opening Balance</b>	<b>2,356,420</b>	2,215,986	2,260,440	2,215,986
Investments made <sup>1</sup>				
- From Special Account	<b>5,043,611</b>	11,156,337	5,377,524	16,533,861
- Other	-	-	-	-
Investment income	<b>94,457</b>	44,454	96,139	140,593
Transactional charges	<b>(158)</b>	-	(159)	(159)
Investments realised <sup>2</sup>	<b>(5,043,611)</b>	(11,156,337)	(5,377,524)	(16,533,861)
Transfer to the Building Australia Fund Special Account section 16 of the <i>Nation-building Funds Act 2008</i> (at cost) <sup>2</sup>	<b>(2,450,719)</b>	-	-	-
<b>Closing Balance</b>	-	2,260,440	2,356,420	2,356,420

<sup>1</sup> Investments made during the year and investments realised represent the gross proceeds from the maturity and reinvestment of marketable securities.

<sup>2</sup> The market value of the investments transferred to the Building Australia Fund on 1 January 2009 was \$2,468,395,373.

**Communications Fund Investment Policy:**

The Government authorised, through the Communications Fund Special Account Investment Authorisation (No.1 of 2007), the Australian Office of Financial Management (AOFM) to make and realise investments on behalf of the Fund. The exercise of this authority is in accordance with the following instructions:

- investments were only made in Australian dollar denominated debt instrument and bank deposits;
- the Fund was typically a buy and hold investor;
- the Fund had a relatively high level of liquidity;
- investments were in basic low risk instruments, with diversification of credit exposures sought where possible; and
- the Fund is to maintain a credit rating of AAA as set by Standard and Poor's.

**NOTE 26: Assets Held in Trust**

*Purpose* - This account holds receipts identified as requiring reimbursement to a third party.

	2009 \$'000	2008 \$'000
<b>Monetary Assets</b>		
Opening balance	1	116
Payments to Special Broadcasting Service Corporation	-	1
Available for payments	1	117
Other adjustments <sup>1</sup>	(1)	(116)
<b>Total</b>	-	1

<sup>1</sup> The balance of the Other Trust Monies Account (\$1,172) relates to an unidentified receipt and was transferred to the Official Public Account. The monies held in this account are also disclosed in Note 25 "Other Trust Monies Account".



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**NOTE 28: Reporting of Outcomes**

The Department uses a costing system to determine the attribution of its shared items (overheads) to Outcomes and Outputs. This system is largely based on the use of actual average staffing levels (ASLs) month by month. The basis of attribution in the 'Reporting of Outcomes' tables is consistent with the basis used for the 2008-09 Budget.

**Note 28A: Net Cost of Outcome Delivery for 1 July to 30 June 2009\***

	Department of Broadband, Communications and the Digital Economy		Payments to CAC Act bodies	Total
	Outcome 1			
	2009	2009		
	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>				
Administered	185,678	1,049,870	1,235,548	
Departmental	115,031	-	115,031	
<b>Total expenses</b>	<b>300,709</b>	<b>1,049,870</b>	<b>1,350,579</b>	
Costs recovered from provision of goods and services to the non-Government sector				
Administered	-	-	-	-
Departmental	-	-	-	-
<b>Total costs recovered</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other external income</b>				
Administered				
Interest	86,395	-	86,395	
Dividend from Australian Government entities	427,800	-	427,800	
Gains	1,018	-	1,018	
Other revenue	349	-	349	
Departmental				
Sale of goods and rendering of services	293	-	293	
Other	1,693	-	1,693	
Total Departmental	1,986	-	1,986	
<b>Total other external income</b>	<b>517,548</b>	<b>-</b>	<b>517,548</b>	
<b>Net cost/(contribution) of outcome</b>	<b>(216,839)</b>	<b>1,049,870</b>	<b>833,031</b>	

The Department of Communications, Information Technology and the Arts (DCITA) was abolished by the Administrative Arrangements Order of 3 December 2007. DCITA's Outcomes are described at item 1.2 of Note 1. Net costs shown include intra-Government costs that are eliminated in calculating the actual Budget Outcome.

\* Comparative amounts are contained in Table 28B and 28C.

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**Note 28B: Net Cost of Outcome Delivery for 1 July to 2 December 2007**

	Department of Communications, Information Technology and the Arts					
	Total Outcomes					
	Outcome 1		Outcome 2		Outcome 3	
	2008	2008	2008	2008	2008	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>						
Administered	84,753	56,977	84,472	226,202		
Departmental	23,902	2,524	41,298	67,724		
<b>Total expenses</b>	108,655	59,501	125,770	293,926		
Costs recovered from provision of goods and services to the non-Government sector						
Administered	-	-	-	-		
Departmental	-	-	-	-		
<b>Total costs recovered</b>	-	-	-	-		
<b>Other external income</b>						
Administered						
Interest	1	-	62,072	62,073		
Dividend from Australian Government entities	-	-	158,300	158,300		
Grant and subsidy refunds	448	178	555	1,181		
Other sources	2	-	186	188		
<b>Total Administered</b>	451	178	221,113	221,742		
Departmental						
Sale of goods and rendering of services	490	132	24	646		
Other	2,748	431	79	3,258		
<b>Total Departmental</b>	3,238	563	103	3,904		
<b>Total other external income</b>	3,689	741	221,216	225,646		
<b>Net cost/(contribution) of outcome</b>	104,966	58,760	(95,446)	68,280		

The Department of Communications, Information Technology and the Arts (DCITA) was abolished by the Administrative Arrangements Order of 3 December 2007. DCITA's Outcomes are described at item 1.2 of Note 1. Net costs shown include intra-Government costs that are eliminated in calculating the actual Budget Outcome.

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**Note 28C: Net Cost of Outcome Delivery for period 3 December 2007 to 30 June 2008**

	Department of Broadband, Communications and the Digital Economy		Total 2008
	Outcome 1 2008	Total 2008	
	\$'000	\$'000	\$'000
<b>Expenses</b>			
Administered	132,635	132,635	
Departmental	60,578	60,578	
<b>Total expenses</b>	193,213	193,213	
Costs recovered from provision of goods and services to the non-Government sector			
Administered	-	-	
Departmental	-	-	
<b>Total costs recovered</b>	-	-	
<b>Other external income</b>			
Administered			
Interest	101,225	101,225	
Dividend from Australian Government entities	148,000	148,000	
Grant and subsidy refunds	5,925	5,925	
Other sources	204	204	
<b>Total Administered</b>	255,354	255,354	
Departmental			
Sale of goods and rendering of services	339	339	
Other	760	760	
<b>Total Departmental</b>	1,099	1,099	
<b>Total other external income</b>	256,453	256,453	
<b>Net cost/(contribution) of outcome</b>	(63,240)	(63,240)	

The Department of Communications, Information Technology and the Arts (DCITA) was abolished by the Administrative Arrangements Order of 3 December 2007. DCITA's Outcomes are described at item 1.2 of Note 1. Net costs shown include intra-Government costs that are eliminated in calculating the actual Budget Outcome.

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**Note 28D: Major classes of Departmental Income and Expenses by Output Group - 1 July to 30 June 2009\***

Department of Broadband, Communications and the Digital Economy	Output 1.1	Outcome 1 Total	Total Outcome
	2009 \$'000	2009 \$'000	2009 \$'000
<b>Departmental expenses</b>			
Employees	66,118	66,118	66,118
Suppliers	42,533	42,533	42,533
Depreciation and amortisation	5,862	5,862	5,862
Grants	10	10	10
Other expenses	508	508	508
<b>Total departmental expenses</b>	<b>115,031</b>	<b>115,031</b>	<b>115,031</b>
<b>Funded by:</b>			
Income from Government	117,075	117,075	117,075
Sale of goods and rendering of services	293	293	293
Other	1,693	1,693	1,693
<b>Total departmental income</b>	<b>119,061</b>	<b>119,061</b>	<b>119,061</b>

\* Comparative amounts are contained in Table 28F and 28H.

**Note 28E: Major classes of Departmental Assets and Liabilities by Outcomes - 1 July to 30 June 2009\***

Department of Broadband, Communications and the Digital Economy	Outcome 1	Total Outcome
	2009 \$'000	2009 \$'000
<b>Departmental assets</b>		
Cash and cash equivalents	2,172	2,172
Receivables	84,331	84,331
Land and buildings (net book value)	6,244	6,244
Infrastructure, plant and equipment (net book value)	4,942	4,942
Intangibles (net book value)	1,728	1,728
Prepayments	397	397
<b>Total departmental assets</b>	<b>99,814</b>	<b>99,814</b>
<b>Departmental liabilities</b>		
Suppliers payables	6,591	6,591
Lease incentives	138	138
Other payables	1,762	1,762
Employee provisions	16,449	16,449
Other provisions	1,831	1,831
<b>Total departmental liabilities</b>	<b>26,771</b>	<b>26,771</b>

\* Comparative amounts are contained in Table 28G and 28I.

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**Note 28F: Major classes of Departmental Income and Expenses by Output Group - 1 July to 2 December 2007**

Department of Communications, Information Technology and the Arts	Output 1.1	Output 1	Output 2.1	Output 2	Output 3.1	Outcome 3	Total
	2008 \$'000	Total 2008 \$'000	2008 \$'000	Total 2008 \$'000	2008 \$'000	Total 2008 \$'000	2008 \$'000
<b>Departmental expenses</b>							
Employees	13,518	13,518	1,567	1,567	19,911	19,911	34,996
Suppliers	9,118	9,118	919	919	20,418	20,418	30,455
Depreciation and amortisation	726	726	36	36	913	913	1,675
Grants	509	509	-	-	10	10	519
Other expenses	30	30	2	2	47	47	79
<b>Total departmental expenses</b>	<b>23,901</b>	<b>23,901</b>	<b>2,524</b>	<b>2,524</b>	<b>41,299</b>	<b>41,299</b>	<b>67,724</b>
<b>Funded by:</b>							
Income from Government	23,481	23,481	2,284	2,284	33,986	33,986	59,751
Sale of goods and rendering of services	262	262	-	-	-	-	262
Other	2,976	2,976	563	563	103	103	3,642
<b>Total departmental income</b>	<b>26,719</b>	<b>26,719</b>	<b>2,847</b>	<b>2,847</b>	<b>34,089</b>	<b>34,089</b>	<b>63,655</b>

**Note 28G: Major classes of Departmental Assets and Liabilities by Outcomes - 1 July to 2 December 2007**

Department of Communications, Information Technology and the Arts	Outcome 1	Outcome 2	Outcome 3	Total
	2008 \$'000	Total 2008 \$'000	2008 \$'000	2008 \$'000
<b>Departmental assets</b>				
Cash and cash equivalents	7,167	652	910	8,729
Receivables	6,907	846	131,945	139,698
Accrued income	-	-	13	13
Land and buildings (net book value)	562	-	5,832	6,394
Infrastructure, plant and equipment (net book value)	2,070	9	7,073	9,152
Heritage and cultural assets (net book value)	48,874	-	-	48,874
Intangibles (net book value)	28	-	1,177	1,205
Prepayments	178	-	530	708
<b>Total departmental assets</b>	<b>65,766</b>	<b>1,507</b>	<b>147,480</b>	<b>214,773</b>
<b>Departmental liabilities</b>				
Suppliers payables	2,050	58	4,198	6,306
Lease incentives	23	-	203	226
Other payables	1,906	-	53,426	55,332
Employee provisions	6,666	458	13,066	20,190
Other provisions	25	-	1,601	1,626
<b>Total departmental liabilities</b>	<b>10,670</b>	<b>516</b>	<b>72,494</b>	<b>83,680</b>

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**Note 28H: Major classes of Departmental Revenues and Expenses by Output Group - 3 December to 30 June 2008**

Department of Broadband, Communications and the Digital Economy	Output 1.1	Outcome 1 Total	Total Outcome
	2008	2008	2008
	\$'000	\$'000	\$'000
<b>Departmental expenses</b>			
Employees	34,632	34,632	34,632
Suppliers	23,290	23,290	23,290
Depreciation and amortisation	2,511	2,511	2,511
Other expenses	145	145	145
<b>Total departmental expenses</b>	<b>60,578</b>	<b>60,578</b>	<b>60,578</b>
<b>Funded by:</b>			
Income from Government	51,463	51,463	51,463
Sale of goods and rendering of services	65	65	65
Other	1,034	1,034	1,034
<b>Total departmental income</b>	<b>52,562</b>	<b>52,562</b>	<b>52,562</b>

**Note 28I: Major classes of Departmental Assets and Liabilities by Outcomes - 3 December to 30 June 2008**

Department of Broadband, Communications and the Digital Economy	Outcome 1	Total Outcome
	2008	2008
	\$'000	\$'000
<b>Departmental assets</b>		
Cash and cash equivalents	3,105	3,105
Receivables	74,044	74,044
Accrued income	67	67
Land and buildings (net book value)	10,003	10,003
Infrastructure, plant and equipment (net book value)	5,230	5,230
Intangibles (net book value)	1,274	1,274
Prepayments	430	430
<b>Total departmental assets</b>	<b>94,153</b>	<b>94,153</b>
<b>Departmental liabilities</b>		
Suppliers payables	6,477	6,477
Lease incentives	179	179
Other payables	1,179	1,179
Employee provisions	14,468	14,468
Other provisions	4,351	4,351
<b>Total departmental liabilities</b>	<b>26,654</b>	<b>26,654</b>

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**Note 28J: Major Classes of Administered Revenues and Expenses by Outcomes for the period 1 July to 30 June 2009\***

Department of Broadband, Communications and the Digital Economy	Outcome 1		Payments to CAC Act bodies		Total	
	2009 \$'000		2009 \$'000		2009 \$'000	
<b>Administered expenses</b>						
Grants	83,070		-		83,070	
Subsidies	84,816		-		84,816	
Suppliers	11,837		-		11,837	
Write-down and impairment of assets	18		-		18	
Payments to CAC Act bodies	-		1,049,870		1,049,870	
Other	5,937		-		5,937	
<b>Total administered expenses</b>	<b>185,678</b>		<b>1,049,870</b>		<b>1,235,548</b>	
<b>Administered income</b>						
Interest	86,395		-		86,395	
Dividend from Australian Government entities	427,800		-		427,800	
Gains	1,018		-		1,018	
Other revenue	349		-		349	
<b>Total administered income</b>	<b>515,562</b>		<b>-</b>		<b>515,562</b>	

\* Comparative amounts are contained in Table 28L and 28N

**Note 28K: Major Classes of Administered Assets and Liabilities by Outcomes for the period 1 July to 30 June 2009\***

Department of Broadband, Communications and the Digital Economy	Outcome 1		Total	
	2009 \$'000		2009 \$'000	
<b>Administered assets</b>				
Cash and cash equivalents	8,440		8,440	
Receivables	18,798		18,798	
Investments	3,610,191		3,610,191	
Prepayments	3,107		3,107	
<b>Total administered assets</b>	<b>3,640,536</b>		<b>3,640,536</b>	
<b>Administered liabilities</b>				
Suppliers	1,698		1,698	
Grants	8,337		8,337	
Subsidies	6,667		6,667	
GST	5,935		5,935	
<b>Total administered liabilities</b>	<b>22,637</b>		<b>22,637</b>	

\* Comparative amounts are contained in Table 28M and 28O

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**Note 28L: Major Classes of Administered Revenues and Expenses by Outcomes for the period 1 July to 2 December 2007**

	Outcome 1	Outcome 2	Outcome 3	Total
	2008 \$'000	2008 \$'000	2008 \$'000	2008 \$'000
Department of Communications, Information Technology and the Arts				
<b>Administered expenses</b>				
Grants	82,636	56,978	52,667	192,281
Subsidies	-	-	21,035	21,035
Suppliers	439	-	8,876	9,315
Depreciation and amortisation	1,670	-	-	1,670
Write-down and impairment of assets	8	(1)	(24)	(17)
Other	-	-	1,918	1,918
<b>Total administered expenses</b>	<b>84,753</b>	<b>56,977</b>	<b>84,472</b>	<b>226,202</b>
<b>Administered income</b>				
Interest	1	-	62,072	62,073
Dividend from Australian Government entities	-	-	158,300	158,300
Grant and subsidy refunds	448	179	555	1,181
Other sources	2	-	186	188
<b>Total administered income</b>	<b>451</b>	<b>179</b>	<b>221,113</b>	<b>221,742</b>

**Note 28M: Major Classes of Administered Assets and Liabilities by Outcomes for the period 1 July to 2 December 2007**

	Outcome 1	Outcome 2	Outcome 3	Total
	2008 \$'000	2008 \$'000	2008 \$'000	2008 \$'000
Department of Communications, Information Technology and the Arts				
<b>Administered assets</b>				
Cash and cash equivalents	-	-	26	26
Receivables	227	287	6,949	7,463
Investments	5,989,729	240,185	5,583,760	11,813,674
Land and buildings	35,909	-	-	35,909
Heritage and cultural assets	58,581	-	-	58,581
Prepayments	635	-	429	1,064
<b>Total administered assets</b>	<b>6,085,081</b>	<b>240,472</b>	<b>5,591,164</b>	<b>11,916,717</b>
<b>Administered liabilities</b>				
Suppliers	511	-	48	559
Grants	1,083	318	1,658	3,059
Subsidies	-	-	9,067	9,067
GST	28	-	3,682	3,710
Other	21	-	1	22
<b>Total administered liabilities</b>	<b>1,643</b>	<b>318</b>	<b>14,456</b>	<b>16,417</b>

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**Note 28N: Major Classes of Administered Revenues and Expenses by Outcomes for the period 3 December 2007 to 30 June 2008**

	Outcome 1 2008 \$'000	Total 2008 \$'000
Department of Broadband, Communications and the Digital Economy		
<b>Administered expenses</b>		
Grants	53,007	53,007
Subsidies	65,053	65,053
Suppliers	5,513	5,513
Write-down and impairment of assets	6,092	6,092
Other	2,970	2,970
<b>Total administered expenses</b>	<b>132,635</b>	<b>132,635</b>
<b>Administered income</b>		
Interest	101,225	101,225
Dividend from Australian Government entities	148,000	148,000
Grant and subsidy refunds	5,925	5,925
Other sources	204	204
<b>Total administered income</b>	<b>255,354</b>	<b>255,354</b>

**Note 28O: Major Classes of Administered Assets and Liabilities by Outcomes for the period 3 December 2007 to 30 June 2008**

	Outcome 1 2008 \$'000	Total 2008 \$'000
Department of Broadband, Communications and the Digital Economy		
<b>Administered assets</b>		
Cash and cash equivalents	24	24
Receivables	5,138	5,138
Investments	7,111,000	7,111,000
Prepayments	2,487	2,487
<b>Total administered assets</b>	<b>7,118,649</b>	<b>7,118,649</b>
<b>Administered liabilities</b>		
Suppliers	1,084	1,084
Grants	1,505	1,505
Subsidies	15,049	15,049
GST	3,879	3,879
<b>Total administered liabilities</b>	<b>21,517</b>	<b>21,517</b>