

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Introduction.....	9
Structure of the Portfolio Additional Estimates Statements	10
Styles and conventions used	11
Enquiries	11
Additional estimates and variations — Portfolio level	15
Section 1: Agency overview and resources; variations and measures	23
Overview	23
Additional estimates and variations to outcomes.....	26
Measures — Agency summary	28
Breakdown of additional estimates by Appropriation Bill	31
Summary of staffing changes.....	32
Other receipts available to be used.....	33
Estimates of special account flows	34
Section 2: Revisions to agency outcomes	36
Outcomes, administered items and outputs.....	36
Section 3: Budgeted financial statements.....	47
Analysis of budgeted financial statements	47
Budgeted financial statements tables	48
Notes to the financial statements	65

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Section 1: Agency overview and resources; variations and measures

OVERVIEW

The Administrative Arrangements Order of 3 December 2007, that followed the change of government, abolished the Department of Communications, Information Technology and the Arts (DCITA) and reallocated its functions. A new Department of Broadband, Communications and the Digital Economy (DBCDE) was established encompassing the following matters:

- broadband policy and programs;
- postal and telecommunications policies and programs;
- spectrum policy management;
- broadcasting policy;
- national policy issues relating to the digital economy; and
- content policy relating to the information economy.

A new Outcome Statement is being developed for the Department. However, in order to maintain the integrity of existing Appropriations, the former DCITA Outcome 3 becomes Outcome 1 and will be used by DBCDE for the remainder of 2007-08. At the same time, DCITA's output 3.1 becomes Output 1.1 and will also be applied for the remainder of 2007-08.

A number of changes to the resourcing of DBCDE have occurred since the 2007-08 Budget.

Adjustments relating to expense measures were included in the Mid-Year Economic and Fiscal Outlook:

- *Australia Connected - additional funding for OPEL* measure totalling \$358 million over 2008-09 and 2009-10. This is in addition to the \$600 million over two years from 2007-08 under the Broadband Connect Infrastructure program.
- *Australia Connected - establishment of BroadbandNOW* was to have been funded from within existing resources. This has subsequently been discontinued by the Government with \$2.4 million to be returned to the budget.

- *Australia Connected - establishment of an Expert Taskforce* was to be funded from within existing resources. This measure has been discontinued with the return of funds offset against the new measure, National Broadband Network - departmental resourcing.
- Elements of the *NetAlert - Protecting Australian Families Online - additional resourcing* measure (\$1.3 million from 2007-08) is to be funded from existing resources.
- *NetAlert - Protecting Australian Families Online - additional funding for consumer information campaign* (\$3.8 million in 2007-08), was to be funded from existing resources. This measure has been discontinued.
- *National ICT Australia - additional funding* (\$4.8 million over 2007-08 and 2008-09).
- A cross portfolio increase in the rate of the efficiency dividend from 1 per cent to 1.25 per cent.

The Pre-election Economic and Fiscal Outlook expense measure - *Clever Networks - additional funding for connecting independent Victorian schools* (\$5.2 million over 2007-08 and 2008-09) is to be funded from existing resources.

Additional Estimates also includes savings measures announced in the election policy, Savings for Labor's Better Priorities, including savings from the Digital Action Plan; Australia-China Free Trade Agreement - continuation of negotiations; Australian-Japan Free Trade Agreement - Commencement of Negotiations; and the application of a one-off 2 per cent efficiency dividend.

The Government is providing additional departmental funding of \$8.2 million over four years for developing a National Broadband Network.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output groups
Outcome 1*		Output 1.1**
Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and Information and Communications Technology industry	Provides policy, regulation and delivery of programs that assist all Australians access high quality and competitively priced broadband, telecommunications, broadcasting and postal services. Provides policy advice to enhance the development of Australia's digital economy	Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology

* Previously DCITA Outcome 3 in 2007-08 Portfolio Budget Statements (PBS)

** Previously DCITA Output 3.1 in 2007-08 PBS

Table 1.1a: Outcomes / functions transferred from the former Department of Communications, Information Technology and the Arts to other Departments¹

Outcome / Functions	Agency / Department
Outcome 1 Development of a rich and stimulating cultural sector for all Australians	Department of the Environment, Water, Heritage and the Arts ²
Outcome 2 Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians	Department of Health and Ageing ²
Outcome 3 Information and Communications Technology industry development functions, including teleworking, ICT incubators program and the Indigenous Broadcasting program	Department of Innovation, Industry, Science and Research ²
Other Outcome 3 functions	Department of the Environment, Water, Heritage and the Arts ²
	Department of Broadband, Communications and the Digital Economy

¹ Financial estimates for administered resources reflect the functions allocated to DBCDE from the creation of DBCDE on 3 December 2007.

² The transfer of the former DCITA departmental financial resources to agencies other than DBCDE is yet to be finalised. Financial estimates for these functions for the current and future years are therefore included in the DBCDE departmental financial statements.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.2: Additional estimates and variations to outcomes – measures

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Increase in estimates (administered)				
National ICT Australia - additional funding	2,400	2,400	-	-
Clever Networks - additional funding for connecting independent Victorian schools ¹	-	-	-	-
Australia Connected - additional funding for	-	132,000	226,000	-
Increase in estimates (departmental)				
Reversal of measure - Australia Connected - establishment of BroadbandNOW	-	-	-	-
Australia Connected - establishment of an Expert Taskforce	-	-	-	-
NetAlert - Protecting Australian Families Online - additional resourcing	-	-	-	-
NetAlert - Protecting Australian Families Online - consumer information campaign	-	-	-	-
National Broadband Network - departmental resourcing	2,112	5,176	449	453
Decrease in estimates (administered)				
Return of unspent advertising funding - NetAlert - Protecting Australian Families Online	(5,249)	-	-	-
Decrease in estimates (departmental)				
Savings for Reversal of Digital Action Plan	(2,098)	(4,644)	(4,917)	-
Revision to measure - Australia-China Free Trade Agreement - continuation of negotiations	(156)	(315)	-	-
Revision to measure - Australia-Japan Free Trade Agreement - commencement of	-	(108)	-	-
Savings for Reversal of Australia Connect - Establishment of BroadbandNOW	-	-	-	-
Revision of measure - NetAlert - Protecting Australian Families Online - Additional Funding for Consumer Information Campaign	-	-	-	-
Return of unspent advertising funding - NetAlert - Protecting Australian Families Online	-	(512)	-	-
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	-	(375)	(736)	(1,067)
Election Commitment Savings: 2 per cent Efficiency Dividend ²	(651)	(2,853)	(2,765)	(2,648)

¹ The 'Clever Networks - additional funding for connecting independent Victorian schools' measure includes funding of \$1747 million in 2007-08 and \$3.468 million in 2008-09. This funding will be met from within the existing resourcing of the department.

² 'Election Commitment Savings: 2 per cent Efficiency Dividend' measure includes the application of the efficiency dividend to the resources yet to be transferred to other departments as a result of the Administrative Arrangements Order (AAO) of 3 December 2007.

Measures relating to functions transferred to other Departments will be noted in the respective Portfolio's PAES.

Table 1.3 – Additional estimates and variations to outcomes other variations

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Variations (administered)				
Transfer of NetAlert funding to the Australian Communications and Media Authority	(24)	(25)	(26)	(26)
Rephasing of Australian Broadband Guarantee	18,000	-	-	-
Rephasing of Connect Australia	(160,299)	259,185	-	-
Rephasing of National Transmission Network - Residual Funding Pool	146	-	-	-
Rephasing of Protecting Australian Families Online	-	(6,000)	6,000	-
Rephasing of Telecommunications Action Plan for Remote Indigenous Communities	283	-	-	-
Rephasing of Telecommunications Consumer Representation and Research	64	-	-	-
Rephasing of Telecommunications Service Inquiry Response	350	-	-	-
Rephasing of Television Blackspots - Alternative Technical Solutions	2,424	-	-	-
Indexation adjustments	17	36	35	36
Variations (departmental)				
Indexation adjustments	-	282	272	251

MEASURES — AGENCY SUMMARY

Table 1.4: Summary of measures since the 2007-08 Budget

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Australia Connected - additional funding for OPEL	1	11	-	-	-	132,000	-	132,000	226,000	-	226,000	-	-	-
Reversal of measure - Australia Connected - establishment of BroadbandNOW	1	11	-	-	-	-	-	-	-	-	-	-	-	-
Australia Connected - establishment of an Expert Taskforce ¹	1	11	-	-	-	-	-	-	-	-	-	-	-	-
NetAlert - Protecting Australian Families Online - additional resourcing	1	11	-	-	-	-	-	-	-	-	-	-	-	-
National ICT Australia - additional funding	1	11	2,400	-	2,400	2,400	-	2,400	-	-	-	-	-	-
Clever Networks - additional funding for connecting independent Victorian schools	1	11	-	-	-	-	-	-	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2007-08 Budget (cont)

Measure	Outcome	Output groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures (cont)														
Savings for Reversal of Digital Action Plan	1	1.1	-	(2,098)	(2,098)	-	(4,644)	(4,644)	-	(4,977)	(4,977)	-	-	-
Revision to measure - Australia-China Free Trade Agreement - continuation of negotiations	1	1.1	-	(56)	(56)	-	(35)	(35)	-	-	-	-	-	-
Revision to measure - Australia-Japan Free Trade Agreement - commencement of negotiations	1	1.1	-	-	-	-	(108)	(108)	-	-	-	-	-	-
Return of unspent advertising funding - NetAlert - Protecting Australian Families Online	1	1.1	(5,249)	-	(5,249)	-	(512)	(512)	-	-	-	-	-	-
Revision of measure - NetAlert - Protecting Australian Families Online - Additional Funding for Consumer Information Campaign	1	1.1	-	-	-	-	-	-	-	-	-	-	-	-

Table 1.4: Summary of measures since the 2007-08 Budget (cont)

Measure	Outcome groups affected	2007-08 (\$'000)			2008-09 (\$'000)			2009-10 (\$'000)			2010-11 (\$'000)	
		Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs
Expense Measures (cont)												
Savings for Reversal of Australia Connect - Establishment of BroadbandNOW ¹	1	-	-	-	-	-	-	-	-	-	-	-
National Broadband Network - departmental resourcing	1	-	2,112	2,112	-	5,176	5,176	-	449	449	-	453
Efficiency/dividend - increase in the rate from 1 per cent to 125 per cent	1	-	-	-	-	(375)	(375)	-	(736)	(736)	-	(1,067)
Election Commitment												
Savings: 2 per cent Efficiency Dividend	1	-	(651)	(651)	-	(2,853)	(2,853)	-	(2,765)	(2,765)	-	(2,648)
Total Expense Measures		(2,849)	(793)	(3,642)	134,400	(3,631)	130,769	226,000	(7,969)	218,031	-	(3,262)
Total of All Measures		(2,849)	(793)	(3,642)	134,400	(3,631)	130,769	226,000	(7,969)	218,031	-	(3,262)

¹ The Government is not proceeding with the following measures announced by the previous government in the 2007-08 Mid Year Economic and Fiscal Outlook (MYEFO) and in the 2007 Pre-Election and Fiscal Outlook (PEFO)

- Australia Connected - establishment of BroadbandNOW
- Australia Connected - establishment of Expert Taskforce

² The Government has varied this measure announced by the previous government in the 2007-08 Mid Year Economic and Fiscal Outlook (MYEFO) and in the 2007 Pre-Election and Fiscal Outlook (PEFO)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
ADMINISTERED ITEMS					
Outcome 1					
Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and Information and Communications Technology industry	355,640	553,384	411,496	-	(141,888)
Total	355,640	553,384	411,496	-	(141,888)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and Information and Communications Technology industry	146,552	143,785	142,992	-	(793)
Total	146,552	143,785	142,992	-	(793)
Total administered and departmental	502,192	697,169	554,488	-	(142,681)

Note 1: The administered figures for 2006-07 available and 2007-08 Budget in the above table reflect the former DCITA Outcome 3 appropriations less those programs transferred to DIISR and DEWHA.

Note 2: The administered figure in the above table for the 2007-08 revised differs from that presented in table 3.9 of the financial statements, as table 3.9 includes appropriations for arts, sports and communications functions of the former DCITA prior to the AAO changes.

Note 3: As the variations result in a net reduction to the estimates, no appropriation will be shown in the Additional Estimates Bills.

Note 4: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:
Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32

Table 1.6: Appropriation Bill (No. 4) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT					
Outcome 1	-	-	-	-	-
Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and Information and Communications Technology industry					
OTHER ADMINISTERED ITEMS					
Outcome 1	-	-	-	-	-
Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and Information and Communications Technology industry					
Total	-	-	-	-	-
Non-operating					
Equity injections	2,102	249	249	-	-
Loans	-	-	-	-	-
Previous years' outputs	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-
Total non-operating	2,102	249	249	-	-

As in Table 1.5, the administered figures for 2006-07 available and 2007-08 Budget in the above table reflect the former DCITA Outcome 3 appropriations. Further information on functions transferred to other agencies are shown in their respective PAES.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2007-08 Budget	2007-08 Revised	Variation
Outcome 1			
Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and Information and Communications Technology industry	928	938.5	0
Total	928	938.5	0

Staffing levels in Table 17 include staff transferred to other agencies as a result of the Administrative Arrangements Order of 3 December 2007 for consistency with the presentation of departmental financial statements.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts obtained by DBCDE for provision of goods or services. These resources are approved for use by DBCDE.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other revenue		
Sales of Goods and Services	4,078	4,255
<i>FMA Act 1997 (D)</i>		
Other	3,055	3,598
<i>FMA Act 1997 (D)</i>		
Total departmental other revenue available to be used	7,133	7,853
Administered other revenue		
Interest	147,531	157,435
<i>FMA Act 1997 (A)</i>		
Total administered other revenue available to be used	147,531	157,435

D= Departmental

A= Administered

ESTIMATES OF SPECIAL ACCOUNT FLOWS**Table 1.10: Estimates of special account flows**

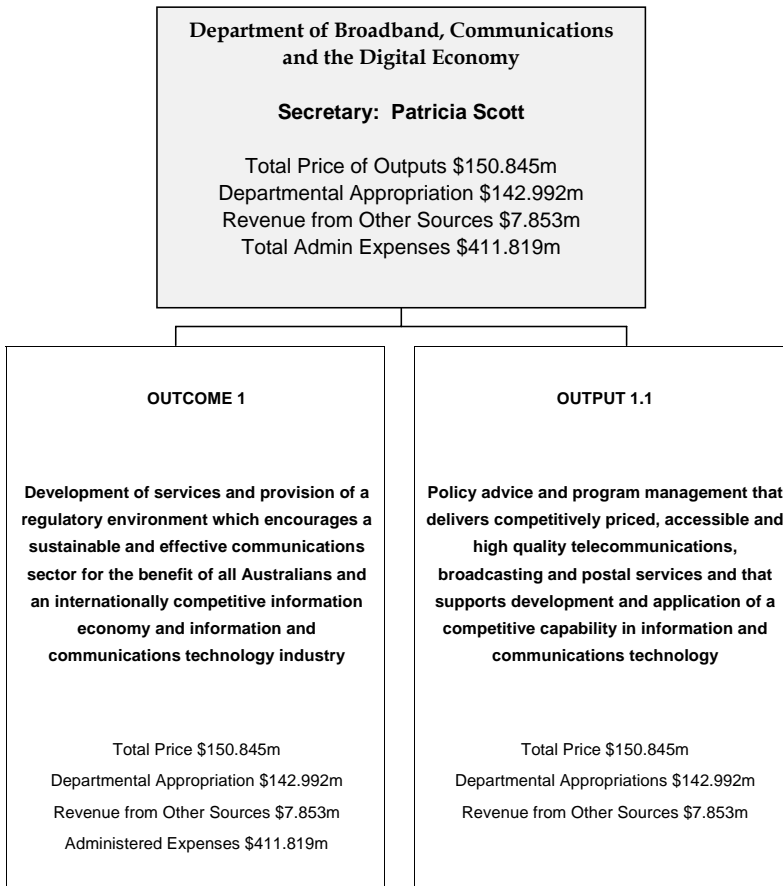
		Balance				Balance
		2007-08	2007-08	2007-08	2007-08	2007-08
		2006-07	2006-07	2006-07	2006-07	2006-07
		(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
International Aid Special	1	165	41	200	0	6
Account - s20 FMA Act ¹ (D)		6	159	0	0	165
Federation Fund Special	1	0	0	0	0	0
Account - s20 FMA Act ¹ (A)		11,168	0	0	-11,168	0
Federation Fund - DCITA	1	1,806	0	0	0	1,806
Special Account - s20 FMA		0	0	9,362	11,168	1,806
Act ¹ (A)						
Art Rental Special Account -	1	1,886	3,022	2,901	0	2,007
s20 FMA Act ¹ (D) *			1,709	1,948	2,125	1,886
Artbank Business Operation	1	0	0	0	0	0
Account - s20 FMA Act ¹ (D)		2,021	1,304	1,196	-2,125	4
Cultural Ministers' Council	1	478	464	862	0	80
Special Account - s20 FMA		515	807	844	0	478
Act ¹ (D)*						
National Collections Special	1	288	1,254	1,124	0	418
Account - s20 FMA Act ¹ (D)*		526	618	856	0	288
National Portrait Gallery	1	3,469	475	688	0	3,256
Special Account - s20 FMA		2,001	1,844	376	0	3,469
Act ¹ (D)*						
Return of indigenous Cultural	1	409	857	1,249	0	17
Property Special Account -		596	62	249	0	409
s20 FMA Act ¹ (D)*						
Sport and Recreation Special	1	340	287	411	0	216
Account - s20 FMA Act ¹ (D)**		0	332	254	262	340
Standing Committee on	1	0	0	0	0	0
Recreation and Sport		430	199	367	-262	0
Consultant Account -						
s20 FMA Act ¹ (D)**						
Communications Fund - s21	1	0	157,435	157,435	0	0
FMA Act ¹ and s158ZH		0	131,583	131,583	0	0
Telecom Act ² (A)						

Section 2: Revisions to agency outcomes

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

This section outlines the changes to outcomes, administered items and outputs resulting from the abolition of the Department of Communications, Information Technology and the Arts (DCITA) and the creation of the Department of Broadband, Communications and the Digital Economy (DBCDE). As noted previously, a new Outcome Statement is being developed for the Department. However, in order to maintain the integrity of existing Appropriations, the former DCITA Outcome 3 becomes Outcome 1 and will be used by DBCDE for the remainder of 2007-08. At the same time, DCITA's Output 3.1 becomes Output 1.1 and will also be applied for the remainder of 2007-08. Table 1.1 'Agency outcomes and outputs groups', sets out the current outcome statement and output for DBCDE.

Figure 2: New outcome and output structure for DBCDE



Note: Revenue from Government (Appropriations) contributes 94.8% to the Total Price of Outputs for Outcome 1.

Outcome 1

Explanation of variations

Administered Expenses

Administered functions in relation to the former DCITA outcomes 1 and 2 have been transferred to other agencies under the Administrative Arrangements Order of 3 December 2007. Some of the functions of the former DCITA outcome 3 have also been transferred. The administered expenses for DBCDE reflect the residual functions of the former DCITA outcome 3 transferred to DBCDE. Variations in administered expenses reflect new measures, savings, rephasings and other variations listed in tables 1.2 and 1.3.

Departmental Expenses

Departmental expenses reflect the movement of all departmental resources from DCITA to DBCDE. The departmental financial statements, therefore, include resources yet to be transferred to other agencies under the Administrative Arrangements Order of 3 December 2007. Variations in departmental expenses reflect new measures, savings and other variations.

Revised performance information — 2007-08

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007-08 revised
Effectiveness - Overall achievement of the Outcome		
Outcome: Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and information and communications technology (ICT) industry		
Performance information for Administered items under Outcome 1		
Telstra Social Bonus - Building Additional Rural Networks (BARN)	Effectiveness: Of the program. Additional number of services available in previously under-served areas.	Effectiveness Development and sustainability of rural communications infrastructure. Quality Stakeholders accept and utilise the infrastructure provided. Quantity Growth in the number of services available.
Telecommunications Service Inquiry Response - Mobile Phone Initiatives	Effectiveness: Of the program. Percentage increase and number of square kilometers covered by new terrestrial coverage.	Effectiveness Mobile phone coverage is improved in regional areas. Quality Reduction in the number of mobile phone black spots. Quantity Population and number of square kilometres covered by new terrestrial coverage as a result of the program.
Telecommunications Consumer Representation and Research - Consumer Representation	Effectiveness: Of the program. Regulatory processes and consultation activities in which consumer representatives participated. Number of processes in which consumer representatives participated.	Effectiveness Regulation and policy is improved through active consumer representation. Quality Appropriateness of the representation to assist in addressing issues. Quantity Number of projects funded.
Telecommunications Consumer Representation and Research - Telecommunications Research	Effectiveness: Of the program. Public response to and internal use/application of published research. Number of research papers published.	Effectiveness Improved understanding of major policy and consumer issues. Quality Public response to and use/application of published research. Quantity Number of research projects funded.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (cont)

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007-08 revised
Effectiveness - Overall achievement of the Outcome (continued)		
Regional Telecommunications Inquiry - Coordinated Communications Infrastructure Fund	<p>Effectiveness: Of the program. Number of institutions and communities with improved awareness and access to enhanced telecommunications.</p> <p>Extent to which the competitive environment has resulted in increased choice and reduced costs and prices.</p> <p>Extent to which Australian Government program funds are leveraged by investments from other tiers of government and industry.</p>	<p>Effectiveness Co-development of broadband infrastructure in Australian communities.</p> <p>Quality Extent to which Australian Government program funds are leveraged by investments from other tiers of government and industry to increase choice and reduce costs of broadband services.</p> <p>Quantity Number of co-funded infrastructure projects.</p>
Regional Telecommunications Inquiry Response - IT Training and Technical Support	<p>Effectiveness: Of the program. Number of people in the target areas who have received training and technical support.</p>	<p>No change from PBS</p>
Connect Australia – Implementation of the Clever Networks program	<p>Effectiveness: Of the program. Number and quality of Innovative Services Delivery projects addressing needs in targeted sectors.</p> <p>Extent to which Australian Government program funds are matched by investments from other tiers of government and industry.</p> <p>Number of Broadband Development Project Managers in place and actively contributing to program outcomes.</p> <p>Number of Broadband Development Officers in place and actively contributing to program outcomes.</p>	<p>Effectiveness Co-development of innovative service delivery projects is encouraged.</p> <p>Quality Extent to which Australian Government program funds are leveraged by investments from other tiers of government and industry to increase services.</p> <p>Quantity Number of Innovative Services Delivery projects and the number of Broadband Development Project Managers and officers actively contributing to these projects.</p>

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (cont)

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007-08 revised
Effectiveness - Overall achievement of the Outcome (continued)		
Connect Australia - Mobile Connect - Terrestrial Mobile Phone Coverage	Effectiveness: Of the program. Percentage increase and number of square kilometres covered by new terrestrial coverage as a result of the program.	Effectiveness Mobile phone coverage is improved in regional areas. Quality Reduction in the number of mobile phone black spots. Quantity Population and number of square kilometres (or linear kilometres for roads and highways) covered by new terrestrial coverage as a result of the program.
Connect Australia - Mobile Connect - Satellite Phone Subsidy Scheme	Effectiveness: Of the program. Number of people or organisations approved for a satellite phone subsidy.	Effectiveness The extent to which people living or working in remote areas avail themselves of the subsidy and access satellite telephony services. Quality The attractiveness of the subsidy arrangement and the efficiency of administration of the Scheme. Quantity Number of people or organisations approved for a satellite phone subsidy.
Connect Australia- Backing Indigenous Ability- National Indigenous Television	Effectiveness: Of the program. Development of the Indigenous television and production sector throughout Australia: - Number of Indigenous people employed in production of Indigenous-related television content through the National Indigenous Television program - Number of remote Indigenous communities involved in production of content through the National Indigenous Television program - Number of Indigenous and non-Indigenous people and communities with access to the service.	Program transferred To Department of the Environment, Water, Heritage and the Arts.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (cont)

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007–08 revised
Effectiveness - Overall achievement of the Outcome (continued)		
<p>Connect Australia - Backing Indigenous Ability (BIA) - Telecommunications Program</p>	<p>Effectiveness: Of the program. Number of remote and very remote Indigenous communities which have received services under the BIA telecommunications program.</p> <p>Number of people in the above remote and very remote Indigenous communities who potentially have increased access to telecommunications services.</p>	<p>Effectiveness Development and increased access to telecommunications services in very remote Indigenous communities where there is telecommunication deficiency.</p> <p>Quality The extent to which community members gain new Information Technology skills through training or use of facility or technology. The benefit to the community from improved access to telecommunications services under the BIA telecommunications program.</p> <p>Quantity Number of remote and very remote Indigenous communities which have received services under the BIA telecommunications program. Number of people in the above communities who potentially have increased access to telecommunications services under the BIA telecommunications program.</p>
<p>Connect Australia - Backing Indigenous Ability - Radio Program</p>	<p>Effectiveness: Of the program. Number of Remote Indigenous Broadcasting Services where obsolete radio equipment has been replaced.</p>	<p>Program transferred To Department of the Environment, Water, Heritage and the Arts.</p>
<p>Broadband Connect Infrastructure program</p>	<p>Effectiveness: Of the program. Improved access to broadband services for underserved and unserved areas of Australia and to provide competitive backhaul infrastructure and services.</p> <p>Extent of commercial contributions from industry.</p> <p>Percentage increase and number of premises within range of improved broadband services.</p>	<p>Effectiveness The extent to which OPEL Networks delivers a wireless broadband network providing access to high speed wholesale broadband services for specified underserved areas and premises in accordance with the terms and conditions of its Funding Agreement.</p> <p>Quality Services meet the service and coverage standards specified in the Funding Agreement.</p> <p>Quantity Target: 1361 wireless base stations.</p>

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (cont)

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007–08 revised
Effectiveness - Overall achievement of the Outcome (continued)		
Australian Broadband Guarantee	<p>Effectiveness: Of the program. Number of premises outside of Broadband Connect Infrastructure areas with improved access to broadband services.</p> <p>Number of people in target area benefiting.</p>	<p>Effectiveness Broadband coverage is available to areas not serviced under the OPEL network.</p> <p>Quantity Number of premises outside of Broadband Connect Infrastructure areas with improved access to broadband services.</p>
Indigenous Broadcasting Program	<p>Effectiveness: Of the program. Number of Indigenous broadcasting organisations funded.</p>	<p>Program transferred To Department of the Environment, Water, Heritage and the Arts.</p>
International Organisations Contributions	<p>Effectiveness: Of the program. The extent to which Australian proposals are accepted and adopted by the organisation and agreed outcomes of meetings align with Australian objectives.</p>	<p>Effectiveness International agreements and services support Australian communications. International capacity building activities support liberalised and secure communications.</p> <p>Quality Extent to which outcomes of international forums and activities align with Australian objectives.</p> <p>Quantity Number of activities publicly identified as supported by Australian contributions. Number of countries engaged with Australian-supported activities of international organisations.</p>
Television Black Spots and Television Black Spots - Alternative Technical Solutions	<p>Effectiveness: Of the program. Number of black spot areas which have been rectified to receive television coverage.</p>	<p>Effectiveness Number of identified Television Black Spots which are rectified.</p> <p>Quantity Number of grants acquitted.</p>
ABC and SBS Digital Interference Scheme	<p>Effectiveness: Of the program. Qualitative assessment of whether the television industry is effectively managing interference arising from digital TV services.</p>	<p>Effectiveness ABC and SBS receive funding to manage digital interference.</p>
National Transmission Network Residual Funding Pool	<p>Effectiveness: Of the program. Access to broadcasting services by specific target group audiences.</p>	<p>Effectiveness Access to broadcasting services by specific target group audiences.</p>

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (cont)

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007–08 revised
Effectiveness - Overall achievement of the Outcome (continued)		
Regional Equalisation Plan	Effectiveness: Of the program. Funds to assist commercial television broadcasters were expended for digital broadcasting rollout.	Effectiveness Funds to assist commercial television broadcasters were expended for digital broadcasting rollout. Quality Timely provision of annual grants to eligible regional broadcasters to support the rollout of digital broadcasting.
Community Broadcasting Foundation	Effectiveness: Of the program. The extent to which the Community Broadcasting Foundation has met funding objectives and reporting requirements.	Effectiveness The Community Broadcasting Foundation meets funding objectives and reporting requirements.
Community Broadcasting Training Fund	Effectiveness: Of the program. Access to training by targeted groups.	Effectiveness Access to training by targeted groups.
Community Broadcasting Transmission Support	Effectiveness: Of the program. Access to broadcasting services by community broadcasting audiences.	Effectiveness Access to broadcasting services by community broadcasting audiences.
Protecting Australian Families Online	Effectiveness: Of the program. The take-up of filter products listed on the Government filter portal. Benchmarking and tracking studies to ascertain parental shifts in attitudes concerning online safety issues for dependent age children.	Effectiveness Increase in the level of awareness of parents, teachers and others with responsibility for children, to safety issues and how to deal with these. Percentage of relevant Australian households, and others that continue to use filters on an ongoing basis. Quality Feedback from parents/teachers on the usefulness of filters and the ease of access. Quantity Number of filters accessed. Number of visitors to the website.
ICT Centre of Excellence Program	Effectiveness: Of the program. Quality and quantity of research, research training, collaboration and commercialisation. Meeting of performance requirements established in NICTA's Annual Activity Plan.	Effectiveness Quality and quantity of research, research training, collaboration and commercialisation. Quality Qualitative evaluation analysing performance against qualitative and quantitative milestones established in Annual Activity Plan. Quantity Meeting of performance requirements in Annual Activity Plan.

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (cont)

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007-08 revised
Effectiveness - Overall achievement of the Outcome (continued)		
ICT Incubators Program (ICTIP)	<p>Effectiveness: Of the program. Number of: a) incubatees accepted; b) incubatee graduates; c) jobs created across incubatees d) exports generated by incubatees and e) increase in incubatee revenue.</p> <p>Number of ICT start up companies assisted.</p> <p>Private co-investment attracted to the program (\$ value, proportion of funding and investments per incubatee).</p>	<p>Program transferred To Department of Innovation, Industry, Science and Research.</p>
Performance Information for Departmental Output 1.1		
Policy advice and program management that delivers competitively priced, accessible and high quality telecommunications, broadcasting and postal services and that supports development and application of a competitive capability in information and communications technology	<p>Efficiency: Of policy advice. Qualitative evaluation of satisfaction using feedback from Ministers to Secretary.</p> <p>Number & percentage of briefs, Ministerials, QON and QTBs submitted within agreed timeframes.</p>	<p>Policy and Ministerial Support Information products, publications and external advice is impartial, up-to-date, timely and relevant.</p> <p>The Minister is satisfied with the timeliness and quality of advice provided by the Department.</p> <p>Timeliness of the delivery of parliamentary reports, questions from parliament and correspondence.</p>
	<p>Efficiency: Of program management</p> <ol style="list-style-type: none"> 1) number of funded/administered activities 2) percentage of applications processed within target timeframe 3) percentage of payments made on time 4) percentage of funding agreements acquitted each financial year <p>Applications are assessed in accordance with agreed arrangements or guidelines.</p> <p>Programs are implemented on time and within budget.</p> <p>Percentage and number of clients satisfied with interactions with the Department and the services provided.</p>	<p>Program Administration Accurate and timely approval, payment and acquittal of grants and subsidies in accordance with legislation and guidelines.</p>

Table 2.1: Performance information for outputs affected by additional estimates — outcome 1 (cont)

Measures / Indicators / Target	Performance information 2007-08 Budget	Performance information 2007-08 revised
Effectiveness - Overall achievement of the Outcome (continued)		
	Percentage and number of clients satisfied with interactions with the Department and the services provided.	<p>Client Satisfaction and Consultation Client satisfaction and achievement of values and targets as represented in the Client Service Charter.</p> <p>Enhanced relationships and facilitation of consultation with key stakeholders.</p>
	.	<p>Compliance with standards and better practice Compliance with legislation and guidelines, and application of better practice.</p>
	<p>Efficiency: Of research undertaken. Number and subject of research and analysis activities undertaken either internally or by contractors/consultants.</p>	<p>Research Contribution Improved understanding and evidence-based analysis of key broadband, communications and digital economy issues.</p>

Section 3: Budgeted financial statements

As a result of the abolition of DCITA and the creation of DBCDE on 3 December 2007, the presentation of 2006-07 Actuals reflects the position of DCITA rather than DBCDE. In the tables in this section, a note indicates where this is the case. This should assist readers to trace the allocation and distribution of resources to DCITA until the end of the 2006-07 financial year.

The proximity of the Administrative Arrangements Order of 3 December 2007 to the production of the Additional Estimates Appropriation Bills has resulted in a different presentation of administered and departmental resources in the budgeted financial statements. For administered financial statements, the tables reflect the former DCITA up to 3 December 2007 and the functions transferred to DBCDE from 3 December 2007. The transfer of departmental resources is not finalised at this stage thus the departmental financial statements include resources yet to be transferred to other agencies.

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

The decrease in revenue from Government since the 2007-08 Portfolio Budget Statements reflects the reversal of Australian-China Free Trade Agreement – Continuation of Negotiation and Digital Action Plan (DAP) measures, and the application of a one-off 2% efficiency dividend; these measures are partially offset by the National Broadband Network measure.

The increase in revenue from Government in 2008-09 reflects the National Broadband Network measure. This measure reduces in outyears.

The net operating loss in 2007-08 is due to measures being funded from cash reserves and as a result of some activities being deferred from 2006-07 to 2007-08. This includes Protecting Australian Families Online (PAFO), and the funding for the Regional Telecommunications Independent Review Committee.

Administered

Table 3.7: Income and Expenses

The increase in interest revenue reflects the growing investment balance of the Communications Fund Special Account resulting from the reinvestment of interest earned. Dividend income from Australia Post is also expected to grow.

The increase in grants expenses in 2008-09 reflects the funding profile of the OPEL Networks contract under the Connect Australia – Broadband Connect Infrastructure program. Forward estimates of grants expenses decline as the OPEL contract is

completed and other administered programs end, such as Connect Australia – Clever Networks.

Subsidy payments also decline significantly after 2007-08 as administered programs reach the end of their planned lives.

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

Table 3.8: Assets and Liabilities

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

Table 3.9: Cash Flows

The increasing interest receipts reflect the increasing investment balance of the Communications Fund. Dividend receipts from Australia Post are also expected to grow.

The increase in grants payments in 2008-09 reflects the funding profile of the OPEL Networks contract under the Connect Australia – Broadband Connect Infrastructure program. Forward estimates of grants payments decline as the OPEL contract is completed and other administered programs end, such as Connect Australia – Clever Networks.

Subsidy payments also decline significantly after 2007-08 as administered programs reach the end of their planned lives.

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

BUDGETED FINANCIAL STATEMENTS TABLES

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

Departmental financial statements

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	146,552	142,992	144,877	135,480	129,377
Goods and services	3,170	4,255	4,400	4,586	4,777
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	865	-	-	-	-
Royalties	16	-	-	-	-
Other	4,724	2,955	2,232	2,239	2,188
Total revenue	155,327	150,202	151,509	142,305	136,342
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset w rite-dow ns	-	-	-	-	-
Net gains from sale of assets	7	-	-	-	-
Other	411	643	823	650	681
Total gains	418	643	823	650	681
Total income	155,745	150,845	152,332	142,955	137,023
EXPENSE					
Employees	76,915	95,669	98,032	98,549	94,537
Suppliers	48,257	62,191	47,507	37,901	36,375
Grants	1,292	2,681	1,997	1,768	1,570
Subsidies	-	-	-	-	-
Depreciation and amortisation	3,819	3,810	3,940	3,805	3,550
Finance costs	82	83	36	32	26
Write-dow n of assets and impairment of assets	4	40	40	50	50
Net losses from sale of assets	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	12	903	-	8	8
Total expenses	130,381	165,377	151,552	142,113	136,116
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax	25,364	(14,532)	780	842	907
Income Tax expense	-	-	-	-	-
Net operating result	25,364	(14,532)	780	842	907

Table 3.1: Budgeted departmental income statement (for the period ended 30 June) (cont)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
Operating result from continuing operations					
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result					
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	25,364	(14,532)	780	842	907

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,497	13,072	13,014	13,018	13,068
Receivables	94,744	75,386	80,430	85,492	90,120
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	13	13	13	13	13
Total financial assets	103,254	88,471	93,457	98,523	103,201
Non-financial assets					
Land and buildings	5,562	6,008	5,759	5,510	5,261
Infrastructure, plant and equipmen	8,606	9,136	7,838	5,775	3,968
Investment properties	-	-	-	-	-
Heritage and cultural assets	48,252	50,541	51,765	52,785	53,809
Inventories	51	101	101	101	101
Intangibles	1,041	1,695	1,687	1,679	1,671
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Prepayments	675	675	675	675	675
Total non-financial assets	64,187	68,156	67,825	66,525	65,485
Total assets	167,441	156,627	161,282	165,048	168,686
LIABILITIES					
Payables					
Suppliers	7,474	5,235	5,234	5,234	5,234
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other payables	2,965	5,204	5,204	5,204	5,204
Total payables	10,439	10,439	10,438	10,438	10,438
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	20,506	22,978	25,566	28,164	30,661
Other provisions	1,585	1,639	1,696	1,686	1,686
Total provisions	22,091	24,617	27,262	29,850	32,347
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	32,530	35,056	37,700	40,288	42,785

Table 3.2: Budgeted departmental balance sheet (as at 30 June) (cont)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	14,555	14,804	16,034	16,370	16,604
Reserves	23,730	23,730	23,730	23,730	23,730
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	96,626	83,037	83,818	84,660	85,567
Total parent entity interest	134,911	121,571	123,582	124,760	125,901
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	(134,911)	121,571	123,582	124,760	125,901
Current assets	46,051	89,247	94,233	99,299	103,977
Non-current assets	121,390	67,380	67,049	65,749	64,709
Current liabilities	28,139	30,324	32,611	34,850	37,010
Non-current liabilities	4,391	4,732	5,089	5,438	5,775

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

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	4,183	4,220	4,400	4,578	4,769
Appropriations	123,127	162,346	139,822	130,427	124,766
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	4,376	5,558	5,486	4,985	4,251
Other cash received	4,421	2,950	2,263	2,239	2,188
Total cash received	136,107	175,074	151,971	142,229	135,974
Cash used					
Employees	75,374	94,172	97,725	96,349	92,442
Suppliers	51,330	60,001	44,892	37,182	35,660
Grants	1,422	2,681	1,997	1,768	1,570
Financing costs	-	-	-	-	-
Net GST paid	4,937	5,519	5,486	4,985	4,251
Other cash used	416	926	10	42	26
Total cash used	133,479	163,299	150,110	140,326	133,949
Net cash from or (used by) operating activities	2,628	11,775	1,861	1,903	2,025
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	18	20	-	20	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash received	-	-	-	-	51
Total cash received	18	20	-	20	51
Cash used					
Purchase of property, plant and equipment	4,787	7,469	3,149	2,255	2,260
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	4,787	7,469	3,149	2,255	2,260
Net cash from or (used by) investing activities	(4,769)	(7,449)	(3,149)	(2,235)	(2,209)

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June) (cont)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,260	249	1,230	336	234
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	1,260	249	1,230	336	234
Cash used					
Repayments of debt (including finance lease principal)	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from or (used by) financing activities	1,260	249	1,230	336	234
Net increase or (decrease) in cash held	(881)	4,575	(58)	4	50
Cash at the beginning of the reporting period	9,378	8,497	13,072	13,014	13,018
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	8,497	13,072	13,014	13,018	13,068

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2007	96,626	23,730		14,555	134,911
Balance carried forward from previous period	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	96,626	23,730	-	14,555	134,911
Income and expense					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense recognised directly in equity	-	-	-	-	-
Net operating result	(14,532)	-	-	-	(14,532)
Total income and expenses	(14,532)	-	-	-	(14,532)
Sub-total income and expense attributable to Australian Government	-	-	-	-	-
attributable to minority interest					
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other:	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	249	249
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	249	249
Transfers between equity components	-	-	-	-	-
Closing balance less minority interests	82,094	23,730	-	14,804	120,628
Estimated closing balance as at 30 June 2008	82,094	23,730	-	14,804	120,628

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	2,102	249	1,230	336	234
Total loans	-	-	-	-	-
Total capital appropriations	2,102	249	1,230	336	234
Represented by:					
Purchase of non-financial assets	2,102	249	1,230	336	234
Other	-	-	-	-	-
Total represented by	2,102	249	1,230	336	234
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriation	2,102	249	1,230	336	234
Funded internally by Departmental resources	2,685	7,220	-	1,919	2,026
Total	4,787	7,469	1,230	2,255	2,260

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2007-08)

	Land investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2007								
Gross book value		6,385	-	11,077	48,255	3,579	-	69,296
Accumulated depreciation		(823)	-	(2,471)	(3)	(2,538)	-	(5,835)
Opening net book value		5,562	-	8,606	48,252	1,041	-	63,461
Additions:								
by purchase		1,064	-	3,422	2,070	762	151	7,469
by finance lease		-	-	-	-	-	-	-
internally developed		-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)		-	-	-	-	-	-	-
Revaluations and impairment through equity		-	-	-	-	-	-	-
Reclassifications		-	-	-	-	-	-	-
Depreciation/amortisation expense		(617)	-	(2,892)	(43)	(258)	-	(3,810)
Impairments recognised in operating result		-	-	-	-	-	-	-
Other movements		-	-	-	300	-	-	300
Disposals:								
from disposal of entities or operations (including restructuring)		-	-	-	-	-	-	-
other disposals		-	-	-	(40)	-	-	(40)
As at 30 June 2008								
Gross book value		7,449	-	14,499	50,585	4,341	151	77,025
Accumulated depreciation		(1,440)	-	(5,363)	(46)	(2,796)	-	(9,645)
Estimated closing net book value		6,009	-	9,136	50,539	1,545	151	67,380

Schedule of administered activity

Table 3.7: Schedule of budgeted income and expenses administered on behalf of government (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Goods and services	-	-	-	-	-
Interest	131,837	157,435	169,560	181,625	194,567
Dividends	1,181,869	310,300	315,000	347,500	369,000
Other sources of non-taxation revenues	6,557	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Total non-taxation	1,320,263	467,735	484,560	529,125	563,567
Total revenues administered on behalf of Government	1,320,263	467,735	484,560	529,125	563,567
Gains					
Net foreign exchange gains	-	-	-	-	-
Net gains from sale of assets	10,135,284	-	-	-	-
Other gains	6,643,512	-	-	-	-
Total gains administered on behalf of Government	16,778,796	-	-	-	-
Total income administered on behalf of Government	18,099,059	467,735	484,560	529,125	563,567
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	271,945	330,532	739,189	292,705	39,622
Subsidies	166,199	132,846	2,100	-	-
Personal benefits	-	-	-	-	-
Employees	-	-	-	-	-
Suppliers	5,204	55,535	28,198	7,468	1,799
Depreciation and amortisation	3,569	1,670	-	-	-
Write down and impairment of assets	348	-	-	-	-
Interest	-	-	-	-	-
Other	21,932	5,167	5,163	5,163	5,163
Losses					
Net foreign exchange losses	-	-	-	-	-
Net loss from sale of assets	-	-	-	-	-
Other losses	-	-	-	-	-
Total expenses administered on behalf of Government	469,197	525,750	774,650	305,336	46,584

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	74	-	-	-	-
Receivables	6,816	5,466	5,466	5,466	5,466
Investments - equity	9,533,591	3,320,062	3,333,898	3,336,643	3,339,558
Investments (s.39 FMA Act)	2,217,885	2,374,997	2,544,227	2,725,516	2,919,740
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total financial assets	11,758,365	5,700,525	5,883,591	6,067,625	6,264,764
Non-financial assets					
Land and buildings	36,630	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Heritage and cultural assets	58,290	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	49,041	2,544	2,544	2,544	2,544
Total non-financial assets	143,961	2,544	2,544	2,544	2,544
Total assets administered on behalf of Government	11,902,326	5,703,069	5,886,135	6,070,169	6,267,308
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	4,811	4,805	4,805	4,805	4,805
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	4,811	4,805	4,805	4,805	4,805
Provisions					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	-	-	-	-	-

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government (as at 30 June) (cont)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
Payables					
Suppliers	1,810	-	-	-	-
Grants and subsidies	13,521	-	-	-	-
Dividends	-	-	-	-	-
Borrow ing costs	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	22	-	-	-	-
Total payables	15,353	-	-	-	-
<i>Liabilities included in disposal groups held for sale</i>					
Total liabilities adm inistered on behalf of Government	20,164	4,805	4,805	4,805	4,805

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Sales of goods	-	-	-	-	-
Rendering of services	-	-	-	-	-
Interest	131,775	157,435	169,560	181,625	194,567
Dividends	1,181,869	310,300	315,000	347,500	369,000
Net GST received	43,944	47,301	76,945	30,012	4,069
Other	2,396	-	-	-	-
Total cash received	1,359,984	515,036	561,505	559,137	567,636
Cash used					
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	296,425	330,265	739,189	292,705	39,622
Interest paid	-	-	-	-	-
Subsidies paid	222,250	142,499	2,100	-	-
Personal benefits	-	-	-	-	-
Suppliers	5,980	55,887	28,198	7,468	1,799
Net GST paid	-	47,301	76,945	30,012	4,069
Other	20,595	6,956	5,163	5,163	5,163
Total cash used	545,250	582,908	851,595	335,348	50,653
Net cash from operating activities	814,734	(67,872)	(290,090)	223,789	516,983
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments (s.39 FMA Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (cont)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
Cash used					
Purchase of property, plant and equipment and intangibles	4,235	-	-	-	-
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments (s.39 FMA Act)	131,392	94,912	169,230	181,289	194,224
Other	-	-	-	-	-
Total cash used	135,627	94,912	169,230	181,289	194,224
Net cash from investing activities	(135,627)	(94,912)	(169,230)	(181,289)	(194,224)
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrow ing	-	-	-	-	-
Cash from Official Public Account	-	34,068	76,945	30,012	4,069
Other	-	-	-	-	-
Total cash received	-	34,068	76,945	30,012	4,069
Cash used					
Net repayment of borrow ings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	-	34,068	76,945	30,012	4,069
Other	-	-	-	-	-
Total cash used	-	34,068	76,945	30,012	4,069
Net cash from financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	679,107	(193,484)	(459,320)	42,500	322,759
Cash at beginning of reporting period	66	-	-	-	-
Cash from Official Public Account for:					
- appropriations	510,622	345,484	774,320	305,000	46,241
- special accounts	9,566	-	-	-	-
- other	39,135	-	-	-	-
Transfers from other entities (Finance - Whole of Government)					
Cash to Official Public Account for:					
- appropriations	(485)	-	-	-	-
- special accounts	(9,563)	-	-	-	-
- other	(1,228,374)	(152,000)	(315,000)	(347,500)	(369,000)
Transfers to other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	74	-	-	-	-

Table 3.10: Schedule of administered capital budget

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Administered capital	1,755	-	-	-	-
Special appropriations	-	-	-	-	-
Total capital appropriations	1,755	-	-	-	-
Represented by:					
Purchase of non-financial assets	1,755	-	-	-	-
Other	-	-	-	-	-
Total represented by	1,755	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	1,755	-	-	-	-
Funded internally by Departmental resources	2,715	-	-	-	-
Total	1,755	-	-	-	-

**Table 3.11: Schedule of administered property, plant, equipment and intangibles — summary of movement
(Budget year 2007-08)**

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	\$'000	property	\$'000	military	infrastructure	and cultural	software	intangibles	
	\$'000	\$'000	\$'000	equipment	plant and	assets	\$'000	\$'000	\$'000
				equipment	equipment				
As at 1 July 2007									
Gross book value	-	-	38,344	-	-	60,145	-	-	98,489
Accumulated depreciation	-	-	1,714	-	-	1,855	-	-	3,569
Opening net book value	-	-	36,630	-	-	58,290	-	-	94,920
Additions:									
by purchase	-	-	-	-	-	-	-	-	-
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-	-	-
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Administrative Arrangement Order transfers	-	-	(36,630)	-	-	(58,290)	-	-	(94,920)
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2008									
Gross book value	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Estimated closing net book value	-	-	-	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Schedule of Administered Activity

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

Appropriations in the accrual budgeting framework

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

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies;
- Administered expense appropriations: for the estimated administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in administered equity through funding non-expense administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

Administered investments in controlled entities

Each Commonwealth Department is required to show an administered investment in each Commonwealth Authority and Company (CAC) Act 1997 entity within their portfolio. These administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

Asset valuation

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