



**PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS 2008–09**

BROADBAND, COMMUNICATIONS AND THE DIGITAL  
ECONOMY PORTFOLIO

EXPLANATIONS OF ADDITIONAL ESTIMATES 2008–09

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SENATOR THE HON STEPHEN CONROY

MINISTER FOR BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY  
DEPUTY LEADER OF THE GOVERNMENT IN THE SENATE

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2008-09 Additional Estimates for the Broadband, Communications and the Digital Economy Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

Stephen Conroy  
December 2008



**Abbreviations and conventions**

(a) The following notations may be used:

NEC/nec	not elsewhere classified
AEST	Australian Eastern Standard Time
-	nil
..	not zero, but rounded to zero
na or n/a	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

**ENQUIRIES**

Should you have any enquiries regarding this publication please contact Simon Ash, Chief Financial Officer in the Department of Broadband, Communications and the Digital Economy on (02) 6271 1438.

A copy of this document can be located on the Australian Government Budget website at: [www.budget.gov.au](http://www.budget.gov.au)

## **USER GUIDE**

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators, Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, it updates the resourcing for the agency. For the first time, the PAES includes an Agency Resource Statement, in addition to the information on new measures and the Appropriation Bills.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2008–09. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2008–09* is a mid-year budget report which provides updated information to allow the assessment of the Government’s fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

## **STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS**

The PAES are presented in three parts with subsections.

### **User guide**

Provides an introduction explaining the purpose of the PAES.

### **Portfolio overview**

Provides an overview of the portfolio, including a chart that outlines the outcomes for agencies in the portfolio.

### **Agency additional estimates statements**

A statement for each agency affected by Additional Estimates.

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<b>Section 1: Agency overview and resources</b>	This section details the total resources available to an agency, the impact of any measures since Budget, and impact on Appropriation Bills No. 3 and No. 4.
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<b>Section 2: Revisions to outcomes and planned performance</b>	This section details changes to Government outcomes and/or changes to the planned performance of agency output groups.
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<b>Section 3: Explanatory tables and budgeted financial statements</b>	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.
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<b>Glossary</b>	Explains key terms relevant to the Portfolio.
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# **PORTFOLIO OVERVIEW**



## **PORTFOLIO OVERVIEW**

The Broadband, Communications and the Digital Economy Portfolio includes the following agencies:

- **Department of Broadband, Communications and the Digital Economy** – The Department aims to develop a vibrant, sustainable and internationally competitive broadband and communications sector that promotes the digital economy for the benefit of all Australians.
- **Australia Post** – Australia Post is a Government Business Enterprise, fully owned by the Commonwealth Government. It provides a high-quality mail and delivery service to all Australians and a range of parcel and logistics services.
- **Australian Broadcasting Corporation (ABC)** – The ABC is a national broadcaster. It contributes to and reflects Australia's national identity, fosters creativity and the arts and encourages cultural diversity. The ABC is an integral part of the radio, television and online production industries and the news and information media.
- **Australian Communications and Media Authority (ACMA)** – ACMA is responsible for regulating in accordance with legislation related to broadcasting, radiocommunications, telecommunications and online content. ACMA works with all stakeholders to maximise the public benefit, including the extent to which the regulatory framework addresses the broad concerns of the community, meets the needs of industry, and maintains community and national interest safeguards.
- **Special Broadcasting Service Corporation (SBS)** – The SBS is a national broadcaster. It provides multicultural and multilingual services that inform, educate and entertain all Australians. Its mission is to contribute to a more cohesive, equitable and harmonious Australia through its television, radio and online services.

The Australian Broadcasting Corporation has not contributed a chapter to the 2008-09 Portfolio Additional Estimates Statements as it has had no change to the level of government support provided in 2008-09 since the 2008-09 Budget.

Australia Post does not appear in the 2008-09 Portfolio Additional Estimates Statements as it is not part of the general government sector.

A full overview of the Portfolio can be found in the 2008-09 Broadband, Communications and the Digital Economy Portfolio Budget Statements.

*Portfolio Overview*

Senator the Hon Stephen Conroy is the Minister for Broadband, Communications and the Digital Economy. A summary of the Portfolio structure is at Figure 1. Further detail about the responsibilities of each agency appears in individual agency chapters of this document or the 2008-09 Portfolio Budget Statements.

**Figure 1: Broadband, Communications and the Digital Economy Portfolio structure and outcomes**



Portfolio Overview

**Table 1: Portfolio resources made available in the Budget year.**

	Appropriation					Receipts	Total
	Bill No. 1	Bill No. 2	Bill No. 3	Bill No. 4	Special		
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Department of Broadband, Communications and the Digital Economy</b>							
Administered appropriations	209,110	-	(9,590)	-	-	91,946	291,466
Departmental appropriations	103,689	303	11,535	-	-	1,050	116,577
<b>Total:</b>	<b>312,799</b>	<b>303</b>	<b>1,945</b>	<b>-</b>	<b>-</b>	<b>92,996</b>	<b>408,043</b>
<b>Payments to CAC Act bodies:</b>							
<b>Australian Broadcasting Corporation</b>							
<b>Total:</b>	<b>858,411</b>	<b>11,250</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>209,231</b>	<b>1,078,892</b>
<b>Special Broadcasting Service Corporation</b>							
<b>Total:</b>	<b>191,128</b>	<b>2,586</b>	<b>331</b>	<b>15,000</b>	<b>-</b>	<b>84,789</b>	<b>293,834</b>
<b>Australian Communications and Media Authority</b>							
Administered appropriations	-	-	-	-	300	66,944	67,244
Departmental appropriations	93,013	3,694	-	-	-	1,476	98,183
<b>Total:</b>	<b>93,013</b>	<b>3,694</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>68,420</b>	<b>165,427</b>
<b>Resources available within Portfolio:</b>							<b>1,946,196</b>

# **AGENCY ADDITIONAL ESTIMATES STATEMENTS**

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# DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

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# **DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY**

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

### **1.1 STRATEGIC DIRECTION**

The Department of Broadband, Communications and the Digital Economy (the Department) works with industry, consumer groups and regulatory authorities to develop a vibrant, sustainable and internationally competitive broadband and communications sector, which promotes the digital economy for the benefit of all Australians.

The Department provides strategic advice and support to the Australian Government on a wide range of significant and rapidly changing policy areas including:

- broadband;
- cyber-safety;
- post and telecommunications;
- radio frequency spectrum;
- broadcasting;
- digital television switchover; and
- the digital economy.

In performing its functions, the Department aims to support and encourage world class communications infrastructure that is competitively priced, widely accessible, highly reliable, facilitates choice and is innovative.

The key results areas below, particularly the national broadband network, the digital television switchover and communications, contribute towards the further development of the digital economy.

In 2008–09, the Department will progress the following key result areas for the Government.

**1. The National Broadband Network**

Working towards the delivery of a high-speed National Broadband Network to 98 per cent of Australian homes and businesses. We are also committed to initiatives that enhance broadband services for remote areas.

**2. Cyber-safety and security**

Increasing awareness and education and undertaking research and consultation to inform policy and deliver programs that better protect Australian internet users.

**3. Digital Television Switchover**

Coordinating the transition from analog to digital television, to best prepare people in metropolitan, regional and remote areas of the country for the transition.

**4. Broadcasting**

Implementing effective policies and regulation to maintain a vibrant broadcasting sector that will deliver high quality radio and television services for all Australians. A key focus will be the long term future of the national broadcasters.

**5. Communications**

Improving communication services for all Australians, including those living and working in regional, rural and remote Australia.

**6. Radio Frequency Spectrum**

Working with the Australian Communications and Media Authority and industry to maximise the efficient management and utilisation of national radio frequency spectrum assets to meet the needs of industry and maximise the benefit to Australian consumers.

**7. Digital economy**

Working to further develop Australia's communications infrastructure, confidence, skills and regulatory settings so that all Australians are able to take full advantage of economic, educational and social opportunities offered by the digital economy.

A full outline of the Department's strategic directions can be found in the 2008–09 Portfolio Budget Statements.

## 1.2 AGENCY RESOURCE STATEMENT

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

**Table 1.1: Resource statement – Additional estimates for 2008-09 as at Additional Estimates December 2008**

	Estimate as at + Budget	Proposed Additional = Estimates	Total Estimate at Additional Estimates	Total Available Appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 <sup>1</sup> \$'000
<b>Ordinary Annual Services</b>				
<b>Departmental outputs</b>				
Departmental outputs	178,911 <sup>2</sup>	11,535 <sup>3</sup>	190,446	196,693
s31 Relevant agency receipts	1,050	-	1,050	3,652
<b>Total</b>	<b>179,961</b>	<b>11,535</b>	<b>191,496</b>	<b>200,345</b>
<b>Administered expenses</b>				
Outcome 1	226,318 <sup>2</sup>	-	226,318	681,059
Payments to CAC Act Bodies	1,049,539	331 <sup>3</sup>	1,049,870	1,022,564
<b>Total</b>	<b>1,275,857</b>	<b>331</b>	<b>1,276,188</b>	<b>1,703,623</b>
<b>Total ordinary annual services</b>	<b>A 1,455,818</b>	<b>11,866</b>	<b>1,467,684</b>	<b>1,903,968</b>
<b>Administered expenses</b>				
<b>Specific payments to States, ACT, NT and local government</b>				
Outcome 1	-	-	-	2,500
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
<b>Departmental non-operating</b>				
Equity injections	303	-	303	1,410
Previous years' outputs	-	-	-	-
<b>Total</b>	<b>303</b>	<b>-</b>	<b>303</b>	<b>1,410</b>
<b>Administered non-operating</b>				
Administered Assets and Liabilities	-	-	-	1,107
Payments to CAC Act Bodies -non operating	13,836	15,000 <sup>4</sup>	28,836	16,386
<b>Total</b>	<b>13,836</b>	<b>15,000</b>	<b>28,836</b>	<b>17,493</b>
<b>Total other services</b>	<b>B 14,139</b>	<b>15,000</b>	<b>29,139</b>	<b>21,403</b>
<b>Total Available Annual Appropriations</b>	<b>1,469,957</b>	<b>26,866</b>	<b>1,496,823</b>	<b>1,925,371</b>
<b>Total Special Appropriations</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>1,469,957</b>	<b>26,866</b>	<b>1,496,823</b>	<b>1,925,371</b>

DBCDE Additional Estimates Statements

**Table 1.1: Resource statement – Additional estimates for 2008–09 as at Additional Estimates December 2008 (continued)**

	Estimate as at <sup>+</sup> Budget	Proposed Additional <sup>=</sup> Estimates	Total Estimate at Additional Estimates 2008-09 \$'000	Total Available Appropriation 2007-08 \$'000
<b>Special Accounts</b>				
Opening balance	70 <sup>2,5</sup>	-	70	1,971
Non-Appropriation receipts to Special Accounts	191,162	(99,216)	91,946	140,602
<b>Total Special Account</b>	<b>D 191,232</b>	<b>(99,216)</b>	<b>92,016</b>	<b>142,573</b>
<b>Total resourcing</b>				
A+B+C+D	1,661,189	(72,350)	1,588,839	2,067,944
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	(1,063,375)	(15,331)	(1,078,706)	(1,038,950)
<b>Total net resourcing for DBCDE</b>	<b>597,814</b>	<b>(87,681)</b>	<b>510,133</b>	<b>1,028,994</b>

All figures are GST exclusive.

<sup>1</sup> 2007-08 actuals are based on the Department's 2007-08 Annual Report, and include all outcomes for the former Department of Communications, Information Technology and the Arts (DCITA) with the exception of payments to CAC Act bodies (included for comparative purposes but were not paid through the Department in 2007-08). As the functions of DCITA and DBCDE are not the same, caution should be exercised in drawing comparisons.

<sup>2</sup> Prior year's Annual Appropriations carried forward and Special Account opening balances have been adjusted to reflect the 2007-08 Annual Report and the anticipated Section 8 determination of *Appropriation Act (No.1) 2007-08* (see table below).

	Estimate \$'000	Actual \$'000	Total Adjustment \$'000
Departmental outputs - ordinary annual services	68,597	75,222	6,625
Administered Expenses	16,610	17,208	598
Special account opening balances	138	70	(68)

<sup>3</sup> Appropriation Bill (No.3) 2008-09.

<sup>4</sup> Appropriation Bill (No.4) 2008-09.

<sup>5</sup> Opening balance for special accounts. For further information on special accounts, see Table 3.1.1, Section 3. Figures in table 1.1 exclude Other Trust Monies.

### 1.3 MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008–09 Budget. The table is split into expense and capital measures, with the affected output identified.

**Table 1.2: Agency 2008-09 Measures since Budget**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Expense measures</b>					
National Broadband Network	1.1				
- establishment and implementation					
- additional funding					
Administered expense		(10,000)	-	-	-
Departmental outputs		10,000	-	-	-
<b>Total</b>		-	-	-	-
Implementation of Operation Sunlight	1.1				
Departmental outputs		244			
<b>Total</b>		<b>244</b>			
<b>Total expense measures</b>					
Administered		(10,000)	-	-	-
Departmental		10,244	-	-	-
<b>Total</b>		<b>244</b>	-	-	-
<b>Capital measures</b>					
Special Broadcasting Service Corporation - loan <sup>1</sup>	n/a				
Departmental capital		15,000	-	-	-
<b>Total</b>		<b>15,000</b>	-	-	-
<b>Total capital measures</b>					
Departmental		15,000	-	-	-
<b>Total</b>		<b>15,000</b>	-	-	-

<sup>1</sup> Also included in the SBS chapter.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Department at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2008–09 Budget in Appropriation Bills No.3 and No.4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget**

	Output Group Impacted	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)
<b>Outcome 1</b>					
Decrease in estimates (administered)					
National Broadband Network	1.1				
– establishment and implementation					
– additional funding <sup>1</sup>		(10,000)	-	-	-
Net impact on estimates for Outcome 1 (administered)		(10,000)	-	-	-
Increase in estimates (departmental)					
National Broadband Network	1.1				
– establishment and implementation					
– additional funding		10,000	-	-	-
Implementation of Operation Sunlight		244			
Net impact on estimates for Outcome 1 (departmental)		10,244	-	-	-
<b>Payments to CAC Act bodies</b>					
Increase in estimates (administered)					
Special Broadcasting Service Corporation - loan <sup>2</sup>	n/a	15,000	-	-	-
Net impact on estimates for payments to CAC Act bodies		15,000	-	-	-

<sup>1</sup> Offset from Connect Australia.

<sup>2</sup> Also included in the SBS chapter.

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

	Output Group Impacted	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)
<b>Outcome 1</b>					
Increase in estimates (administered)					
Indexation adjustments	1.1	410	809	636	629
Net impact on estimates for Outcome 1 (administered)					
		410	809	636	629
Increase in estimates (departmental)					
Parameter adjustment	1.1	-	657	777	761
Depreciation adjustment	1.1	1,291	1,291	1,291	1,291
Net impact on estimates for Outcome 1 (departmental)					
		1,291	1,948	2,068	2,052
<b>Payments to CAC Act bodies</b>					
Increase in estimates (administered)					
ABC indexation adjustment <sup>1</sup>	n/a	-	2,400	7,002	8,488
ABC other <sup>1</sup>	n/a	-	2,638	1,776	1,812
SBS indexation adjustment <sup>2</sup>	n/a	-	864	1,138	1,163
SBS digital implementation plan <sup>2</sup>	n/a	331	1,046	1,272	1,293
Net impact on estimates for payments to CAC Act bodies					
		331	6,948	11,188	12,756

<sup>1</sup>The Australian Broadcasting Corporation has not contributed a chapter to the 2008-09 Portfolio Additional Estimates Statements as it has had no change to the level of government support provided in 2008-09 since the 2008-09 Budget.

<sup>2</sup> Also included in the SBS chapter.

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Department through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008–09**

	2007-08 available <sup>1</sup> (\$'000)	2008-09 Budget (\$'000)	2008-09 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
Development of a vibrant, sustainable and internationally competitive broadband and communications sector which promotes the digital economy for the benefit of all Australians	617,611	209,110	199,520	-	(9,590)
<b>Total</b>	<b>617,611</b>	<b>209,110</b>	<b>199,520</b>	<b>-</b>	<b>(9,590)</b>
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Development of a vibrant, sustainable and internationally competitive broadband and communications sector which promotes the digital economy for the benefit of all Australians	111,214	103,689	115,224	11,535	-
<b>Total</b>	<b>111,214</b>	<b>103,689</b>	<b>115,224</b>	<b>11,535</b>	<b>-</b>
<b>PAYMENTS TO CAC ACT BODIES<sup>2</sup></b>					
Australian Broadcasting Corporation	833,963	858,411	858,411	-	-
Special Broadcasting Service Corporation	188,601	191,128	191,459	331	-
<b>Total</b>	<b>1,022,564</b>	<b>1,049,539</b>	<b>1,049,870</b>	<b>331</b>	<b>-</b>
<b>Total administered and departmental</b>	<b>1,751,389</b>	<b>1,362,338</b>	<b>1,364,614</b>	<b>11,866</b>	<b>(9,590)</b>

<sup>1</sup> Consistent with the 2007-08 Annual Report. 2007-08 data includes the former Department of Communications, Information Technology and the Arts for 5 months and the Department in its current format for 7 months and, therefore, is not directly comparable to 2008-09.

<sup>2</sup> 2007-08 data included for comparative purposes. Not contained in the 2007-08 Annual Report.

**Table 1.6: Appropriation Bill (No. 4) 2008–09**

	2007-08 available <sup>1</sup> (\$'000)	2008-09 Budget (\$'000)	2008-09 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
<b>PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT</b>					
<b>Outcome 1</b>					
Development of a vibrant, sustainable and internationally competitive broadband and communications sector which promotes the digital economy for the benefit of all Australians	2,000	-	-	-	-
<b>Total</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-operating</b>					
Equity injections	147	303	303	-	-
Administered assets and liabilities	1,104	-	-	-	-
<b>Total non-operating</b>	<b>1,251</b>	<b>303</b>	<b>303</b>	<b>-</b>	<b>-</b>
<b>PAYMENTS TO CAC ACT BODIES<sup>2</sup></b>					
Australian Broadcasting Corporation	12,750	11,250	11,250	-	-
Special Broadcasting Service Corporation	3,636	2,586	17,586	15,000	-
<b>Total</b>	<b>16,386</b>	<b>13,836</b>	<b>28,836</b>	<b>15,000</b>	<b>-</b>
<b>Total</b>	<b>19,637</b>	<b>14,139</b>	<b>29,139</b>	<b>15,000</b>	<b>-</b>

<sup>1</sup> Consistent with the 2007-08 Annual Report. 2007-08 data includes the former Department of Communications, Information Technology and the Arts for 5 months and the Department in its current format for 7 months and, therefore, is not directly comparable to 2008-09.

<sup>2</sup> 2007-08 data included for comparative purposes.

## Section 2: Revisions to Department of Broadband, Communications and the Digital Economy outcomes and planned performance

### **2.1 OUTCOMES AND PERFORMANCE INFORMATION**

#### **OUTCOME 1**

##### **Outcome 1 Strategy**

The Department will contribute to the achievement of this outcome by:

1. supporting and encouraging the development of the digital economy by enabling world class broadband and communications services that are competitively priced, widely accessible and highly reliable;
2. funding investment in broadband and communications infrastructure to foster innovative, competitive and high quality service delivery including to regional, rural and remote communities;
3. delivering the plan to transition Australia from analog to digital television by the end of 2013 through industry cooperation, consumer information and the mitigation of barriers to switchover;
4. implementing effective policies and regulation to maintain a vibrant broadcasting sector, including through support for the national broadcasters;
5. continuously improving cyber-safety by undertaking research and consultation to inform policy and deliver programs that will protect Australian internet users; and
6. encouraging enhanced consumer representation in policy making that will stimulate innovation and competition and improve quality of services and prices.

**Table 2.1.1: Administered Programs funded by Government**

	2008-09 Revised Estimate \$'000	2007-08 Actual <sup>1</sup> \$'000
Administered Items:		
ABC & SBS Digital Interference Scheme	100	3
Australian Broadband Guarantee	85,800	84,855
Community Broadcasting Foundation	8,607	7,941
Connect Australia <sup>2</sup>	55,546	53,349
Cyber-safety	3,790	-
Digital Television Switchover	6,669	-
E-Security	1,079	1,097
ICT Centre of Excellence	27,338	26,849
International Organisations Contributions	5,388	5,197
National Transmission Network Residual Funding Pool	670	645
Protecting Australian Families Online	-	12,327
Regional Equalisation Plan	1,300	300
Regional Telecommunications Inquiry response	-	5,823
Telecommunications Action Plan for Remote Indigenous Communities	283	634
Telecommunications Consumer Representation and Research <sup>2</sup>	1,500	918
Telecommunications Service Inquiry	-	-
Television Black Spots Program - Alternative Technical Solutions	600	415
Television Towers	850	-
Telstra Social Bonus 2	-	382
<b>Total administered programs</b>	<b>199,520</b>	<b>200,735</b>

<sup>1</sup> The above table reflects current administered programs for the Department only. The actual column does not include programs transferred to other portfolios following the Administrative Arrangements Order of 3 December 2007.

<sup>2</sup> Funding of \$0.7m in 2008-09 has been re-allocated from Connect Australia to the Telecommunications Consumer Representation and Research program for the establishment of the Australian Communications Consumer Action Network.

There are no changes to performance information from the Portfolio Budget Statements other than to Digital Switchover below.

**Table 2.1.2: Performance information for outputs groups affected by additional estimates — Outcome 1**

<b>Output Group 1.1: Policy advice and program management that delivers competitively priced, accessible and high quality broadband and other communication services and that supports the digital economy.</b>	
Key Performance Indicators	2008–09 Target
<b>Digital Switchover</b> Complete the region by region transition to digital only television by the end of December 2013.	No change from PBS.

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.1 Estimates of special account flows

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

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

	Outcome	Opening balance 2008-09 2007-08 \$'000	Receipts 2008-09 2007-08 \$'000	Payments 2008-09 2007-08 \$'000	Adjustments 2008-09 2007-08 \$'000	Closing balance 2008-09 2007-08 \$'000
Communications Fund Special Account (A) <sup>1</sup>	1	-	91,946	91,946	-	-
- s21 FMA Act <sup>2</sup> and s158ZH TCPSS Act <sup>3</sup>		-	140,593	140,593	-	-
Federation Fund - Department of Communications, Information Technology and the Arts Special Account (A) <sup>4</sup>	1	-	-	-	-	-
- s20 FMA Act <sup>2</sup>		1,806	-	-	(1,806)	-
International Aid Special Account (D)	1	70	-	70	-	-
- s20 FMA Act <sup>2</sup>		165	8	103	-	70
Other Trust Monies Account - DCITA (D)	1	1	-	-	-	1
- s20 FMA Act <sup>2</sup>		116	1	116	-	1
<b>Total special accounts</b>						
<b>2008-09 Budget estimate</b>		<b>71</b>	<b>91,946</b>	<b>92,016</b>	<b>-</b>	<b>1</b>
Total special accounts 2007-08 actual		2,087	140,602	140,812	(1,806)	71

(A) = Administered (D) = Departmental

<sup>1</sup> The Communications fund is anticipated to close on 31 December 2008, and the balance will be transferred to the Building Australia Fund which will be administered by the Department of Finance and Deregulation

<sup>2</sup> FMA Act – *Financial Management and Accountability Act 1997*.

<sup>3</sup> TCPSS Act – *Telecommunications (Consumer Protection and Service Standards) Act 1999*.

<sup>4</sup> The purpose of the Federation Fund Special Account is considered to be fulfilled. The balance of this Special Account was returned to Official Public Account (OPA) on 6 June 2008.

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

	2008-09 Budget	2008-09 Revised <sup>1</sup>	Variation
<b>Outcome 1</b>			
Development of a vibrant, sustainable and internationally competitive broadband and communications sector which promotes the digital economy for the benefit of all Australians	665	635	(30)
<b>Total</b>	665	635	(30)

1. Includes an adjustment to reflect the actual level of staff following the Administrative Arrangements Order changes of 3 December 2007, offset by an increase related to the National Broadband Network measure.

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Analysis of budgeted financial statements**

The Department of Broadband, Communications and the Digital Economy (the Department) was created by the Administrative Arrangements Order of 3 December 2007. The Department assumed some of the functions and programs administered by the former Department of Communications, Information Technology and the Arts (DCITA). The financial data for 2007–08 shown in the following tables is consistent with the treatment in the 2007–08 Finance Minister’s Orders for Financial Reporting and reported in the Department’s 2007–08 Annual Report. Accordingly, it includes financial information for DCITA up to and including 2 December 2007. This differs from the approach taken in the 2008–09 Portfolio Budget Statements, where the 2007–08 estimated actual represented the full year estimate of the functions undertaken by the Department of Broadband, Communications and the Digital Economy.

### **3.2.2 Budgeted financial statements**

#### **Departmental financial statements**

The increase in revenue from Government since the 2008–09 Portfolio Budget Statements primarily reflects the measure: “National Broadband Network—establishment and implementation - additional funding”.

The operating loss in 2008–09 reflects a timing difference between the receipt and payment of funds from the International Aid Special Account.

#### **Administered financial statements**

The decreasing level of interest revenue reflects the anticipated closure of the Communications Fund on 31 December 2008 and the transfer of the balance to the Building Australia Fund, which will be administered by the Department of Finance and Deregulation. The increased dividend revenue in 2008–09 reflects the special dividend to be paid by Australia Post.

*DBCDE Additional Estimates Statements*

The decline in Grants expenses after 2009–10 reflects the profile of the Forward Estimates.

The decline in Subsidies expenses after 2008–09 reflects an anticipated decline in the demand for the Australian Broadband Guarantee Program. The payments to portfolio CAC bodies commencing in 2008–09 reflects the revised appropriation structures whereby appropriations for Commonwealth companies and statutory authorities are paid through the respective portfolio department.

**Schedule of administered assets**

The significant decline in investments between 2007–08 and 2008–09 reflects the anticipated closure of the Communications Fund on 31 December 2008 and the transfer of the balance to the Building Australia Fund.

**Schedule of administered cash flows**

In the main, the estimates of cash flows reflect trends shown in the Schedule of Administered Income and Expenses.

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	111,214	115,224	101,023	92,966	91,138
Goods and services	327	-	-	-	-
Rents	1,975	1,050	1,050	1,050	1,050
Other	2,090	-	-	-	-
<b>Total revenue</b>	<b>115,606</b>	<b>116,274</b>	<b>102,073</b>	<b>94,016</b>	<b>92,188</b>
<b>Gains</b>					
Reversals of previous asset write-downs	113	-	-	-	-
Net gains from sale of assets	8	-	-	-	-
Other	490	470	470	470	470
<b>Total gains</b>	<b>611</b>	<b>470</b>	<b>470</b>	<b>470</b>	<b>470</b>
<b>Total income</b>	<b>116,217</b>	<b>116,744</b>	<b>102,543</b>	<b>94,486</b>	<b>92,658</b>
<b>EXPENSE</b>					
Employees	69,628	66,668	67,808	62,999	63,004
Suppliers	53,745	45,952	30,641	27,606	25,774
Grants	519	-	-	-	-
Depreciation and amortisation	4,186	4,158	4,054	3,847	3,846
Finance costs	99	36	32	26	26
Write-down of assets and impairment of assets	103	-	-	-	-
Other	22	-	8	8	8
<b>Total expenses</b>	<b>128,302</b>	<b>116,814</b>	<b>102,543</b>	<b>94,486</b>	<b>92,658</b>
<b>Operating result before Income Tax<sup>1</sup></b>	<b>(12,085)</b>	<b>(70)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net operating result</b>	<b>(12,085)</b>	<b>(70)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(12,085)</b>	<b>(70)</b>	<b>-</b>	<b>-</b>	<b>-</b>

1 The operating loss in 2008-09 reflects a timing difference between the receipt and payment of funds from the International Aid Special Account.

Prepared on Australian Accounting Standards basis.

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,105	3,536	3,570	3,632	3,510
Receivables	74,044	78,427	83,116	87,372	91,691
Accrued revenues	67	67	67	67	67
<b>Total financial assets</b>	<b>77,216</b>	<b>82,030</b>	<b>86,753</b>	<b>91,071</b>	<b>95,268</b>
<b>Non-financial assets</b>					
Land and buildings	10,003	8,726	7,444	6,150	4,856
Infrastructure, plant and equipment	5,230	4,501	3,596	3,020	2,552
Intangibles	1,274	1,343	1,411	1,476	1,541
Other	430	430	430	430	430
<b>Total non-financial assets</b>	<b>16,937</b>	<b>15,000</b>	<b>12,881</b>	<b>11,076</b>	<b>9,379</b>
<b>Total assets</b>	<b>94,153</b>	<b>97,030</b>	<b>99,634</b>	<b>102,147</b>	<b>104,647</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	6,477	6,478	6,478	6,478	6,478
Other payables	644	643	643	643	643
<b>Total payables</b>	<b>7,121</b>	<b>7,121</b>	<b>7,121</b>	<b>7,121</b>	<b>7,121</b>
<b>Provisions</b>					
Employees	15,182	17,770	20,368	22,865	25,365
Other provisions	4,351	4,408	4,398	4,398	4,398
<b>Total provisions</b>	<b>19,533</b>	<b>22,178</b>	<b>24,766</b>	<b>27,263</b>	<b>29,763</b>
<b>Total liabilities</b>	<b>26,654</b>	<b>29,299</b>	<b>31,887</b>	<b>34,384</b>	<b>36,884</b>
<b>Net assets</b>	<b>67,499</b>	<b>67,731</b>	<b>67,747</b>	<b>67,763</b>	<b>67,763</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Reserves	1,458	1,458	1,458	1,458	1,458
Retained surpluses or accumulated deficits	66,041	66,273	66,289	66,305	66,305
<b>Total parent entity interest</b>	<b>67,499</b>	<b>67,731</b>	<b>67,747</b>	<b>67,763</b>	<b>67,763</b>
<b>Total equity</b>	<b>67,499</b>	<b>67,731</b>	<b>67,747</b>	<b>67,763</b>	<b>67,763</b>
<b>Current assets</b>	<b>27,232</b>	<b>38,812</b>	<b>39,854</b>	<b>40,859</b>	<b>41,859</b>
<b>Non-current assets</b>	<b>66,921</b>	<b>58,218</b>	<b>59,780</b>	<b>61,288</b>	<b>62,788</b>
<b>Current liabilities</b>	<b>20,342</b>	<b>18,637</b>	<b>19,666</b>	<b>20,665</b>	<b>21,665</b>
<b>Non-current liabilities</b>	<b>6,312</b>	<b>10,662</b>	<b>12,221</b>	<b>13,719</b>	<b>15,219</b>

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

Prepared on Australian Accounting Standards basis.

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	2,406	1,050	1,042	1,042	1,042
Appropriations	127,550	110,841	96,334	88,710	86,819
Net GST received	6,288	4,534	3,001	2,703	2,520
Other cash received	4,471	-	-	-	-
<b>Total cash received</b>	<b>140,715</b>	<b>116,425</b>	<b>100,377</b>	<b>92,455</b>	<b>90,381</b>
<b>Cash used</b>					
Employees <sup>1</sup>	71,767	65,275	66,411	61,649	61,651
Suppliers <sup>1</sup>	50,201	44,230	28,970	25,989	24,157
Grants <sup>1</sup>	519	-	-	-	-
Net GST paid <sup>1</sup>	5,806	4,534	3,001	2,703	2,520
Other cash used	5,835	36	42	26	26
<b>Total cash used</b>	<b>134,128</b>	<b>114,075</b>	<b>98,424</b>	<b>90,367</b>	<b>88,354</b>
<b>Net cash from or (used by) operating activities</b>	<b>6,587</b>	<b>2,350</b>	<b>1,953</b>	<b>2,088</b>	<b>2,027</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	15	-	-	-	-
<b>Total cash received</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	5,102	2,222	1,935	2,042	2,149
<b>Total cash used</b>	<b>5,102</b>	<b>2,222</b>	<b>1,935</b>	<b>2,042</b>	<b>2,149</b>
<b>Net cash from or (used by) investing activities</b>	<b>(5,087)</b>	<b>(2,222)</b>	<b>(1,935)</b>	<b>(2,042)</b>	<b>(2,149)</b>

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	785	303	16	16	-
Other cash received	8	-	-	-	-
<b>Total cash received</b>	793	303	16	16	-
<b>Cash used</b>					
Other cash used	7,820	-	-	-	-
<b>Total cash used</b>	7,820	-	-	-	-
<b>Net cash from or (used by) financing activities</b>	(7,027)	303	16	16	-
<b>Net increase or (decrease) in cash held</b>	(5,527)	431	34	62	(122)
Cash at the beginning of the reporting period	8,632	3,105	3,536	3,570	3,632
<b>Cash at the end of the reporting period</b>	3,105	3,536	3,570	3,632	3,510

1. These figures differ from the amounts published in the Departments 2007-08 Annual Report as the Annual Report figures were prepared in line with AASB 107 "Cash Flow Statements". AASB 107 requires major classes of cash receipts and cash payments to be reported in the cash flow statement on a gross basis (GST inclusive).

Prepared on Australian Accounting Standards basis.

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

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	66,041	1,458	-	-	67,499
<b>Adjusted opening balance</b>	66,041	1,458	-	-	67,499
<b>Income and expense</b>					
<b>Sub-total income and expense recognised directly in equity</b>	-	-	-	-	-
Net operating result	(70)				(70)
<b>Total income and expenses</b>	(70)	-	-	-	(70)
<b>Sub-total income and expense attributable to Australian Government attributable to minority interest</b>					
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	303	303
<b>Sub-total transactions with owners</b>	-	-	-	303	303
<b>Estimated closing balance as at 30 June 2009</b>	65,971	1,458	-	303	67,731

Prepared on Australian Accounting Standards basis.

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Interest	163,298	91,946	-	-	-
Dividends	306,300	448,000	314,000	341,000	341,000
Other sources of non-taxation revenues	7,112	-	-	-	-
<b>Total non-taxation</b>	<b>476,710</b>	<b>539,946</b>	<b>314,000</b>	<b>341,000</b>	<b>341,000</b>
<b>Total revenues administered on behalf of Government</b>	<b>476,710</b>	<b>539,946</b>	<b>314,000</b>	<b>341,000</b>	<b>341,000</b>
<b>Gains</b>					
Other gains	387	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>	<b>477,097</b>	<b>539,946</b>	<b>314,000</b>	<b>341,000</b>	<b>341,000</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	245,288	95,792	101,995	49,283	15,872
Subsidies	86,088	86,977	69,281	54,467	41,189
Suppliers	14,828	11,520	4,696	2,174	2,155
Depreciation and amortisation	1,670	-	-	-	-
Write down and impairment of assets	6,075	-	-	-	-
Payments to CAC Act bodies	-	1,049,870	1,079,015	1,106,464	1,129,576
Other	4,888	5,388	5,473	5,473	5,473
<b>Losses</b>					
<b>Total expenses administered on behalf of Government</b>	<b>358,837</b>	<b>1,249,547</b>	<b>1,260,460</b>	<b>1,217,861</b>	<b>1,194,265</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	24	-	-	-	-
Receivables	5,138	4,386	4,236	4,086	3,936
Investments - Equity	3,927,091	3,940,914	3,943,659	3,946,574	3,949,669
Investments - Other	2,381,409				
<b>Total financial assets</b>	<b>6,313,662</b>	<b>3,945,300</b>	<b>3,947,895</b>	<b>3,950,660</b>	<b>3,953,605</b>
<b>Non-financial assets</b>					
Other	2,487	2,487	2,487	2,487	2,487
<b>Total non-financial assets</b>	<b>2,487</b>	<b>2,487</b>	<b>2,487</b>	<b>2,487</b>	<b>2,487</b>
<b>Total assets administered on behalf of Government</b>	<b>6,316,149</b>	<b>3,947,787</b>	<b>3,950,382</b>	<b>3,953,147</b>	<b>3,956,092</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
<b>Total interest bearing liabilities</b>	-	-	-	-	-
<b>Provisions</b>					
<b>Total provisions</b>	-	-	-	-	-
<b>Payables</b>					
Suppliers	1,084	-	-	-	-
Grants and subsidies	16,554	9,350	7,700	6,050	4,400
GST payable	3,879	3,877	3,877	3,877	3,877
<b>Total payables</b>	<b>21,517</b>	<b>13,227</b>	<b>11,577</b>	<b>9,927</b>	<b>8,277</b>
<b>Total liabilities administered on behalf of Government</b>	<b>21,517</b>	<b>13,227</b>	<b>11,577</b>	<b>9,927</b>	<b>8,277</b>

Prepared on Australian Accounting Standards basis.

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest	140,594	91,946	-	-	-
Dividends	306,300	448,000	314,000	341,000	341,000
Net GST received	28,151	20,178	17,743	10,670	6,072
Other	1,810	-	-	-	-
<b>Total cash received</b>	<b>476,855</b>	<b>560,124</b>	<b>331,743</b>	<b>351,670</b>	<b>347,072</b>
<b>Cash used</b>					
Grant payments <sup>1</sup>	198,557	97,160	101,995	49,283	15,872
Subsidies paid <sup>1</sup>	84,607	92,158	70,781	55,967	42,689
Suppliers <sup>1</sup>	16,550	12,506	4,696	2,174	2,155
Net GST paid <sup>1</sup>	24,425	20,178	17,743	10,670	6,072
Payments to CAC Act bodies	-	1,078,706	1,081,760	1,109,379	1,132,671
Other	4,068	5,388	5,473	5,473	5,473
<b>Total cash used</b>	<b>328,207</b>	<b>1,306,096</b>	<b>1,282,448</b>	<b>1,232,946</b>	<b>1,204,932</b>
<b>Net cash from operating activities</b>	<b>148,648</b>	<b>(745,972)</b>	<b>(950,705)</b>	<b>(881,276)</b>	<b>(857,860)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Total cash received</b>					
	-	-	-	-	-
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	1,230	-	-	-	-
Investments	140,434	91,631	-	-	-
<b>Total cash used</b>	<b>141,664</b>	<b>91,631</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from investing activities</b>	<b>(141,664)</b>	<b>(91,631)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>6,984</b>	<b>(837,603)</b>	<b>(950,705)</b>	<b>(881,276)</b>	<b>(857,860)</b>

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2007-08	2008-09	2009-10	2010-11	2011-12
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at beginning of reporting period	74	24	-	-	-
Cash from Official Public Account for:					
- appropriations	309,612	206,897	182,945	112,897	66,189
- appropriations - CAC Act bodies	-	1,078,706	1,081,760	1,109,379	1,132,671
- special accounts	159	-	-	-	-
- section 30A drawdowns	24,425	20,178	17,743	10,670	6,072
Cash to Official Public Account for:					
- appropriations	(4,936)	-	-	-	-
- special accounts	(159)	-	-	-	-
- dividends	(306,300)	(448,000)	(314,000)	(341,000)	(341,000)
- section 30A repayments	(28,151)	(20,180)	(17,743)	(10,670)	(6,072)
- other	(1,684)	(22)	-	-	-
<b>Cash at end of reporting period</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> These figures differ from the amounts published in the Departments 2007-08 Annual Report as the Annual Report figures were prepared in line with AASB 107 "Cash Flow Statements". AASB 107 requires major classes of cash receipts and cash payments to be reported in the cash flow statement on a gross basis (GST inclusive).

Prepared on Australian Accounting Standards basis.

## **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 are valued at the Commonwealth's ownership interest in the net assets of those CAC entities.

# AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

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# **AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY**

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

### **1.1 STRATEGIC DIRECTION**

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

### **1.2 AGENCY RESOURCE STATEMENT**

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

ACMA Additional Estimates Statements

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

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

<sup>1</sup> Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.1, Section 3.

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

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

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

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

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

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

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

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

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.2 Estimates of special account flows

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

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

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

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

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

(A) = Administered

### 3.1.3 Estimates of variations to Average Staffing Level

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

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

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

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

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

#### Administered Revenues

Budgeted income has increased by \$17.7m in 2000–09 to \$708.6m, due to an increase in radiocommunications charges.

### 3.2.2 Budgeted financial statements

#### Departmental financial statements

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

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

Prepared on Australian Accounting Standards basis.

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

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

**Schedule of administered activity**

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

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

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

Prepared on Australian Accounting Standards basis.

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental**

#### **Revenues from Government**

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

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

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

#### **Employees Expenses**

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

#### **Suppliers Expenses**

Represents payments to suppliers for goods and services.

#### **Depreciation and Amortisation**

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

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

#### **Finance Costs**

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

#### **Receivables**

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

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

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

## *ACMA Additional Estimates Statements*

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

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

### **Lease Liabilities**

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

### **Employee Provisions**

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

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

### **Supplier Payables**

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

## **Administered**

### **Taxation Revenue**

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

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

**Non-taxation Revenue**

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

**Revenues from the Sale of Assets**

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

**Subsidies**

Represents the Universal Service Obligation levy.

**Suppliers**

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



# SPECIAL BROADCASTING SERVICE CORPORATION

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## **SPECIAL BROADCASTING SERVICE CORPORATION**

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

There have been no significant changes to the Special Broadcasting Service Corporation's (SBS) outputs and outcomes since the 2008–09 Portfolio Budget Statements (PBS). However, a \$15 million loan from the Commonwealth has been provided in the 2008–09 Additional Estimates. This is to offset the cash flow impact of advance payments required for sporting events rights and to fund infrastructure works related to digital broadcasting.

#### **1.1 STRATEGIC DIRECTION**

SBS is a national broadcasting service that provides multicultural and multilingual services that inform, educate and entertain all Australians. Its mission is to contribute to a more cohesive, equitable and harmonious Australia through its television, radio and online services. SBS occupies a unique place in broadcasting in Australia and the world.

SBS's strategic priorities were outlined in the 2008–09 PBS. There has been no significant change since the 2008–09 PBS.

#### **1.2 AGENCY RESOURCE STATEMENT**

The Agency Resource Statement details the resourcing for the SBS at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2008–09 Budget year, including variations through Appropriation Bills No.3 and No.4. Total Government funding of \$209.045 million is available to SBS at Additional Estimates, including \$191.459 million in annual appropriation, \$2.586 million equity injection and the \$15 million loan.

*SBS Additional Estimates Statements*

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

	Estimate as at <sup>+</sup> Budget	Proposed Additional <sup>=</sup> Estimates	Total Estimate at Additional Estimates	Total Available Appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
<b>Ordinary Annual Services</b>				
<b>Departmental outputs</b>				
Departmental outputs	191,128	331 <sup>1</sup>	191,459	188,601
<b>Total</b>				
<b>Total ordinary annual services</b>	<b>A 191,128</b>	<b>331</b>	<b>191,459</b>	<b>188,601</b>
<b>Other services</b>				
<b>Departmental non-operating</b>				
Equity injections	2,586	-	2,586	3,636
Loans		15,000 <sup>2</sup>	15,000	
<b>Total</b>	<b>2,586</b>	<b>15,000</b>	<b>17,586</b>	<b>3,636</b>
<b>Total other services</b>	<b>B 2,586</b>	<b>15,000</b>	<b>17,586</b>	<b>3,636</b>
<b>Total Available Annual Appropriations</b>	<b>193,714</b>	<b>15,331</b>	<b>209,045</b>	<b>192,237</b>
<b>Special Appropriations</b>	-	-	-	-
<b>Total Special Appropriations</b>	<b>C -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Appropriations excluding Special Accounts</b>	193,714	15,331	209,045	192,237
<b>Special Accounts</b>	-	-	-	-
<b>Total Special Account</b>	<b>D -</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total resourcing</b>				
A+B+C+D				
<b>Total net resourcing for SBS</b>	<b>193,714</b>	<b>15,331</b>	<b>209,045</b>	<b>192,237</b>

<sup>1</sup> Appropriation Bill (No.3) 2008-09

<sup>2</sup> Appropriation Bill (No.4) 2008-09

Reader note: All figures are GST exclusive.

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008–09 Budget.

**Table 1.2: Agency Measures since Budget**

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
<b>Capital measures</b>					
Special Broadcasting Service Corporation - loan					
	Departmental capital				
	1.1	15,000	-	-	-
	<b>Total</b>	<b>15,000</b>	-	-	-
<b>Total capital measures</b>					
	Departmental	15,000	-	-	-
	<b>Total</b>	<b>15,000</b>	-	-	-

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the SBS at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2008–09 Budget in Appropriation Bill No. 4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2008-09 Budget**

	Output Group Impacted	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Special Broadcasting Service Corporation - loan	1.1	15,000	-	-	-
Net impact on estimates for Outcome 1 (departmental)		15,000	-	-	-

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

	Output Group Impacted	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)
<b>Outcome 1</b>					
Increase in estimates (departmental)					
Indexation adjustment	1.1, 1.2	-	864	1,138	1,163
SBS Digital transmission and distribution roll-out	1.4	331	1,046	1,272	1,293
Net impact on estimates for Outcome 1 (departmental)		331	1,910	2,410	2,456

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the SBS through Appropriation Bills No. 3 and No. 4.

**Table 1.5: Appropriation Bill (No. 3) 2008–09**

	2007-08 available <sup>1</sup> (\$'000)	2008-09 Budget (\$'000)	2008-09 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	188,601	191,128	191,459	331	-
<b>Total</b>	188,601	191,128	191,459	331	-

<sup>1</sup> 2007-08 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.

**Table 1.6: Appropriation Bill (No. 4) 2008–09**

	2007-08 available <sup>1</sup> (\$'000)	2008-09 Budget (\$'000)	2008-09 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
<b>Non-operating</b>					
Equity injections	3,636	2,586	2,586	-	-
Loans	-	-	15,000	15,000	-
<b>Total non-operating</b>	3,636	2,586	17,586	15,000	-

<sup>1</sup> 2007-08 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.

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

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

#### OUTCOME 1

##### Outcome 1 Strategy

Departmental Appropriation for Outcome 1 has increased by \$0.331 million due to additional funding for the rollout of the digital implementation plan. The Outcome/Output structure has not been affected.

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

<b>Output Group 1.1: Television</b>	
Changes in components of Output Group 1.1: Television	
<ul style="list-style-type: none"> <li>• Total price of outputs \$168.766m</li> <li>• Departmental revenue from Government \$92.654m</li> <li>• Revenue from other sources \$76.112m</li> </ul>	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$168.766m

<b>Output 1.2: Radio</b>	
Changes in components of Output Group 1.2 : Radio	
<ul style="list-style-type: none"> <li>• Total price of outputs \$29.806m</li> <li>• Departmental revenue from Government \$23.188m</li> <li>• Revenue from other sources \$6.618m</li> </ul>	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$29.806m

<b>Output 1.3: Analogue Transmission and Distribution</b>	
Changes in components of Output Group 1.3: Analogue Transmission and Distribution	
<ul style="list-style-type: none"> <li>Total price of outputs \$24.465m</li> <li>Departmental revenue from Government \$17.941m</li> <li>Revenue from other sources \$6.524m</li> </ul>	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$24.465m

<b>Output 1.4: Digital Transmission and Distribution</b>	
Changes in components of Output Group 1.4: Digital Transmission and Distribution	
<ul style="list-style-type: none"> <li>Total price of outputs \$57.676m</li> <li>Departmental revenue from Government \$57.676m</li> </ul>	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$57.676m

## Section 3: Explanatory tables and budgeted financial statements

### 3.1 EXPLANATORY TABLES

#### 3.1.4 Estimates of variations to Average Staffing Level

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

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

	2008-09 Budget	2008-09 Revised	Variation
<b>Outcome 1</b>			
Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	770	790	20
<b>Total</b>	770	790	20

## 3.2 BUDGETED FINANCIAL STATEMENTS

### 3.2.1 Analysis of budgeted financial statements

The revised Additional Estimates for 2008–09 mainly reflect additional funding and expenditure for the rollout of the digital implementation plan. SBS's predicted operating result for 2008–09 remains a modest surplus of \$0.539 million. SBS's financial statements include borrowing from the Commonwealth of \$15 million. This will be repaid over 5 years.

### 3.2.2 Budgeted financial statements

#### Departmental financial statements

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	187,178	191,459	197,352	201,497	205,551
Goods and services	56,191	75,475	93,789	88,995	96,426
Interest	3,809	2,000	500	500	500
Rents	860	907	907	907	907
Royalties	3,778	4,421	4,567	4,676	4,779
Other	6,783	6,451	8,221	8,025	8,281
<b>Total revenue</b>	<b>258,599</b>	<b>280,713</b>	<b>305,336</b>	<b>304,600</b>	<b>316,444</b>
<b>Gains</b>					
Other	2	-	-	-	-
<b>Total gains</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>258,601</b>	<b>280,713</b>	<b>305,336</b>	<b>304,600</b>	<b>316,444</b>
<b>EXPENSE</b>					
Employees	71,561	76,720	79,251	81,153	82,938
Suppliers	179,086	194,204	215,409	209,144	219,369
Depreciation and amortisation	6,428	8,927	9,381	10,500	10,500
Finance costs	930	884	1,182	889	587
Write-down of assets and impairment of assets	458	-	-	-	-
Net losses from sale of assets	3	-	-	-	-
Net foreign exchange losses	4	-	-	-	-
<b>Total expenses</b>	<b>258,470</b>	<b>280,735</b>	<b>305,223</b>	<b>301,686</b>	<b>313,394</b>
Share of operating results of accounted for using the equity method	465	561	-	-	-
<b>Operating result before Income Tax</b>	<b>596</b>	<b>539</b>	<b>113</b>	<b>2,914</b>	<b>3,050</b>
<b>Net operating result</b>	<b>596</b>	<b>539</b>	<b>113</b>	<b>2,914</b>	<b>3,050</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>596</b>	<b>539</b>	<b>113</b>	<b>2,914</b>	<b>3,050</b>

Prepared on Australian Accounting Standards basis

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,970	5,073	5,080	6,903	3,889
Receivables	15,406	15,393	20,970	15,536	15,836
Investments accounted for under the equity method	4,004	4,565	4,565	4,565	4,565
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	58,680	28,380	23,510	20,510	7,510
<b>Total financial assets</b>	<b>80,060</b>	<b>53,411</b>	<b>54,125</b>	<b>47,514</b>	<b>31,800</b>
<b>Non-financial assets</b>					
Land and buildings	65,994	64,526	63,058	61,590	60,122
Infrastructure, plant and equipment	10,487	29,613	32,869	34,997	39,485
Inventories	53,278	70,759	72,545	76,251	76,621
Intangibles	3,664	7,004	5,835	4,675	3,495
Other	17,712	15,273	4,469	2,831	8,831
<b>Total non-financial assets</b>	<b>151,135</b>	<b>187,175</b>	<b>178,776</b>	<b>180,344</b>	<b>188,554</b>
<b>Total assets</b>	<b>231,195</b>	<b>240,586</b>	<b>232,901</b>	<b>227,858</b>	<b>220,354</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	17,683	17,790	17,903	17,041	16,241
Financing costs	-	160	128	96	64
Other payables	35,120	29,073	23,952	19,527	12,546
<b>Total payables</b>	<b>52,803</b>	<b>47,023</b>	<b>41,983</b>	<b>36,664</b>	<b>28,851</b>
<b>Interest bearing liabilities</b>					
Loans	11,342	23,754	18,009	12,094	6,000
<b>Total interest bearing liabilities</b>	<b>11,342</b>	<b>23,754</b>	<b>18,009</b>	<b>12,094</b>	<b>6,000</b>
<b>Provisions</b>					
Employees	15,870	15,370	15,470	15,570	15,670
Other provisions	1,080	1,214	1,356	1,618	1,776
<b>Total provisions</b>	<b>16,950</b>	<b>16,584</b>	<b>16,826</b>	<b>17,188</b>	<b>17,446</b>
<b>Total liabilities</b>	<b>81,095</b>	<b>87,361</b>	<b>76,818</b>	<b>65,946</b>	<b>52,297</b>

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	82,570	85,156	87,901	90,816	93,911
Reserves	37,943	37,943	37,943	37,943	37,943
Retained surpluses or accumulated deficits	29,587	30,126	30,239	33,153	36,203
<b>Total parent entity interest</b>	<b>150,100</b>	<b>153,225</b>	<b>156,083</b>	<b>161,912</b>	<b>168,057</b>
<b>Minority interest</b>	-	-	-	-	-
<b>Total minority interest</b>	-	-	-	-	-
<b>Total equity</b>	<b>150,100</b>	<b>153,225</b>	<b>156,083</b>	<b>161,912</b>	<b>168,057</b>
<b>Current assets</b>	115,511	126,498	120,464	111,922	113,578
<b>Non-current assets</b>	115,684	114,088	112,437	115,936	106,776
<b>Current liabilities</b>	43,120	43,860	44,372	43,610	37,910
<b>Non-current liabilities</b>	37,975	43,501	32,446	22,336	14,387

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

Prepared on Australian Accounting Standards basis.

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	54,744	80,889	95,116	100,662	103,112
Appropriations	188,601	191,459	197,352	201,497	205,551
Interest	5,926	3,900	2,590	950	500
Net GST received	15,614	18,158	16,990	17,554	19,107
<b>Total cash received</b>	<b>264,885</b>	<b>294,406</b>	<b>312,048</b>	<b>320,663</b>	<b>328,270</b>
<b>Cash used</b>					
Employees	71,878	76,441	78,372	81,053	82,838
Suppliers	173,927	209,883	207,018	209,420	226,495
Financing costs	777	625	1,111	812	505
Net GST paid	15,181	18,304	17,410	17,554	19,107
Other cash used	3,283	1,423	-	-	-
<b>Total cash used</b>	<b>265,046</b>	<b>306,676</b>	<b>303,911</b>	<b>308,839</b>	<b>328,945</b>
<b>Net cash from or (used by) operating activities</b>	<b>(161)</b>	<b>(12,270)</b>	<b>8,137</b>	<b>11,824</b>	<b>(675)</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	2	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	35,456	42,800	29,800	21,000	33,000
Other cash received					
<b>Total cash received</b>	<b>35,458</b>	<b>42,800</b>	<b>29,800</b>	<b>21,000</b>	<b>33,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	3,251	29,925	10,000	10,000	12,340
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	33,784	12,500	24,930	18,000	20,000
<b>Total cash used</b>	<b>37,035</b>	<b>42,425</b>	<b>34,930</b>	<b>28,000</b>	<b>32,340</b>
<b>Net cash from or (used by) investing activities</b>	<b>(1,577)</b>	<b>375</b>	<b>(5,130)</b>	<b>(7,000)</b>	<b>660</b>

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

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	3,636	2,586	2,745	2,915	3,095
Proceeds from loans	-	15,000	-	-	-
<b>Total cash received</b>	<b>3,636</b>	<b>17,586</b>	<b>2,745</b>	<b>2,915</b>	<b>3,095</b>
<b>Cash used</b>					
Repayments of debt	2,437	2,588	5,745	5,915	6,095
<b>Total cash used</b>	<b>2,437</b>	<b>2,588</b>	<b>5,745</b>	<b>5,915</b>	<b>6,095</b>
<b>Net cash from or (used by) financing activities</b>	<b>1,199</b>	<b>14,998</b>	<b>(3,000)</b>	<b>(3,000)</b>	<b>(3,000)</b>
<b>Net increase or (decrease) in cash held</b>	<b>(539)</b>	<b>3,103</b>	<b>7</b>	<b>1,824</b>	<b>(3,015)</b>
Cash at the beginning of the reporting period	2,509	1,970	5,073	5,080	6,904
<b>Cash at the end of the reporting period</b>	<b>1,970</b>	<b>5,073</b>	<b>5,080</b>	<b>6,904</b>	<b>3,889</b>

Prepared on Australian Accounting Standards basis.

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

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2008</b>					
Balance carried forward from previous period	29,587	37,943	-	82,570	150,100
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>29,587</b>	<b>37,943</b>	<b>-</b>	<b>82,570</b>	<b>150,100</b>
<b>Income and expense</b>					
Net operating result	539	-	-	-	539
<b>Total income and expenses</b>	<b>539</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>539</b>
<b>Transactions with owners</b>					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	2,586	2,586
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,586</b>	<b>2,586</b>
<b>Estimated closing balance as at 30 June 2009</b>	<b>30,126</b>	<b>37,943</b>	<b>-</b>	<b>85,156</b>	<b>153,225</b>

Prepared on Australian Accounting Standards basis.

# **GLOSSARY AND ACRONYMS**

## GLOSSARY

Accrual Accounting	The system of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered Items	The expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates. Parliamentary departments have their own appropriations.
Capital Expenditure	Expenditure by an agency on capital projects, for example, purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.
Departmental Items	Assets, liabilities, revenues and expenses which are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.

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Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness Indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency Indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items).
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair Value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Intermediate Outcomes	More specific medium-term impacts (trend data, targets or milestones) below the level of the planned outcomes specified in the Budget. Combination of several intermediate outcomes can at times be considered as a proxy for determining the achievement of outcomes.
Operating Result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Commonwealth. Actual outcomes are assessments of the results or impacts actually achieved.
Output Groups	A logical aggregation of agency outputs, where useful, based either on homogeneity, type of product or beneficiary target group. Aggregation may also be needed for the provision of adequate information for performance monitoring, or based on a materiality test.

## Glossary

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Outputs	The goods and services produced by agencies on behalf of government for external organisations or individuals. Outputs also include goods and services for other areas of government external to the agency.
Price	The amount the government or the community pays for the delivery of agreed outputs.
Quality	Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	Size of an output. Count or volume measures. How many or how much.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	Balances existing within the Consolidated Revenue Fund (CRF) that are supported by standing appropriations ( <i>Financial Management and Accountability (FMA) Act 1997, ss.20 and 21</i> ). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.20 FMA Act) or through an Act of Parliament (referred to in s.21 of the FMA Act).
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>

## ACRONYMS

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Basis
ABC	Australian Broadcasting Corporation
ABC Act	<i>Australian Broadcasting Corporation Act 1983</i>
ACMA	Australian Communications and Media Authority
ACT	Australian Capital Territory
AEIFRS	Australian Equivalent to International Financial Reporting Standards
ANAO	Australian National Audit Office
ASL	Average Staffing Level
BSA	<i>Broadcasting Services Act 1992</i>
CAC Act	<i>Commonwealth Authorities and Companies Act 1997</i>
CCF	Consumer Consultative Forum
CRF	Consolidated Revenue Fund
DBCDE	Department of Broadband, Communications and the Digital Economy
DCITA	Department of Communications, Information Technology and the Arts
DEWHA	Department of the Environment, Water, Heritage and the Arts
DHA	Department of Health and Ageing
DIISR	Department of Innovation, Industry, Science and Research
DNCR	Do Not Call Register
FMA Act	<i>Financial Management and Accountability Act 1997</i>
GFS	Government Finance Statistics
GST	Goods and Services Tax
ICT	Information and Communications Technology
ISBN	International Standard Book Numbering
ISP	Internet Service Provider
IT	Information Technology
mbps	Megabits per second
nfp	Not for publication
NRS	National Relay Service
NT	Northern Territory
PAES	Portfolio Additional Estimates Statements
PB Statements	Portfolio Budget Statements
s31	Section 31 of the <i>Financial Management and Accountability Act 1997</i>
SBS	Special Broadcasting Service Corporation
TCPSS Act	<i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i>
USO	Universal Service Obligation
VoIP	Voice over Internet Protocol