

**PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS  
2007-08**

**BROADBAND, COMMUNICATIONS  
AND THE DIGITAL ECONOMY  
PORTFOLIO**





SENATOR THE HON STEPHEN CONROY

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

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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 2007-08 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

  
Minister



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**USER GUIDE  
TO THE  
PORTFOLIO ADDITIONAL  
ESTIMATES STATEMENTS**



## USER GUIDE

### INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and 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, they do not include a complete resourcing table for the agency. The PAES include new measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account. The 2007-08 PAES also cover any significant changes to the portfolio which may have arisen from the change in government and the subsequent Administrative Arrangements Order of 3 December 2007.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2007-2008. 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 2007-08* 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 as well as information in relation to the styles and conventions used.

### 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 (under the name of the agency) for each agency affected by Additional Estimates.

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<b>Section 1: Agency overview, variations and measures</b>	This section details the link between the resources appropriated, the impact of any post-Budget measures, and their application to the outputs and administered items (usually programs) that contribute to the achievement of outcomes. This section also reports changes to receipts from independent sources; changes to estimates of expenses from Special Appropriations; and changes to estimated Special Account flows.
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<b>Section 2: Revisions to outcomes, administered items and outputs</b>	This section details changes to planned Government outcomes and/or to the contributing administered items and agency outputs.
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<b>Section 3: Budgeted financial statements</b>	This section contains revisions to the budgeted financial statements in accrual format covering Budget year, previous year and the three out-years for each agency.
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<b>Glossary</b>	Explains key terms.
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## **STYLES AND CONVENTIONS USED**

(a) The following notations may be used:

NEC/nec            not elsewhere classified

-            nil

..            not zero, but rounded to zero

na            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 Vincent McMahon, 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: <http://www.budget.gov.au>.



# **PORTFOLIO OVERVIEW**



## PORTFOLIO OVERVIEW

Following the change of government in November 2007, a new Administrative Arrangements Order was announced on 3 December 2007. This abolished the Communications, Information Technology and the Arts Portfolio and reallocated its functions and agencies. Senator the Hon Stephen Conroy was appointed as Minister for Broadband, Communications and the Digital Economy. His Portfolio covers the following budget dependent agencies: Department of Broadband, Communications and the Digital Economy (DBCDE), the Australian Broadcasting Corporation (ABC), the Australian Communications and Media Authority (ACMA) and the Special Broadcasting Service Corporation (SBS).

The matters dealt with by the Department of Broadband, Communications and the Digital Economy are:

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

There have been no consequent changes to the responsibilities of the other Broadband, Communications and the Digital Economy Portfolio agencies.

The Department will be working on election commitments, including a competitive assessment of proposals for the rollout of fibre to the node broadband network with a minimum 12 megabits per second to 98% of Australian homes and businesses, and implementation of the Plan for Cyber Safety.

### **ADDITIONAL ESTIMATES AND VARIATIONS — PORTFOLIO LEVEL**

As a result of the 3 December 2007 Administrative Arrangements Order, there have been significant variations in the composition and responsibilities of the Portfolio.

The cultural functions of the former Department of Communications, Information Technology and the Arts will now be administered by the Department of the Environment, Water, Heritage and the Arts (DEWHA). This involves the transfer to that Department of the former Arts and Indigenous Policy and Programs Division (including the Regional Network and the Indigenous Television and Broadcasting sections), Old Parliament House and National Portrait Gallery Division, the Film and

Creative Enterprises and Collecting Institutions Branches. The Environment, Water, Heritage and the Arts Portfolio now includes the following agencies which were previously part of the Communications, Information Technology and the Arts Portfolio: the Australia Council; the Australian Film Commission; the Australian Film, Television and Radio School; the Australian National Maritime Museum; the National Gallery of Australia; the National Library of Australia and the National Museum of Australia. The National Archives of Australia has been transferred to the Finance and Deregulation Portfolio.

The sports elements of the former Department of Communications, Information Technology and the Arts are now administered by the Department of Health and Ageing (DHA). The former Communications, Information Technology and the Arts Portfolio agencies, the Australian Sports Anti-Doping Authority and the Australian Sports Commission now form part of the Health and Ageing Portfolio.

The information and communications technology industry development elements of the former Department of Communications, Information Technology and the Arts are now administered by the new Department of Innovation, Industry, Science and Research (DIISR).

Significant variations in the Additional Estimates reflect the Government's implementation of election commitments, the discontinuation of certain measures, and additional savings measures such as the one-off 2 per cent efficiency dividend.

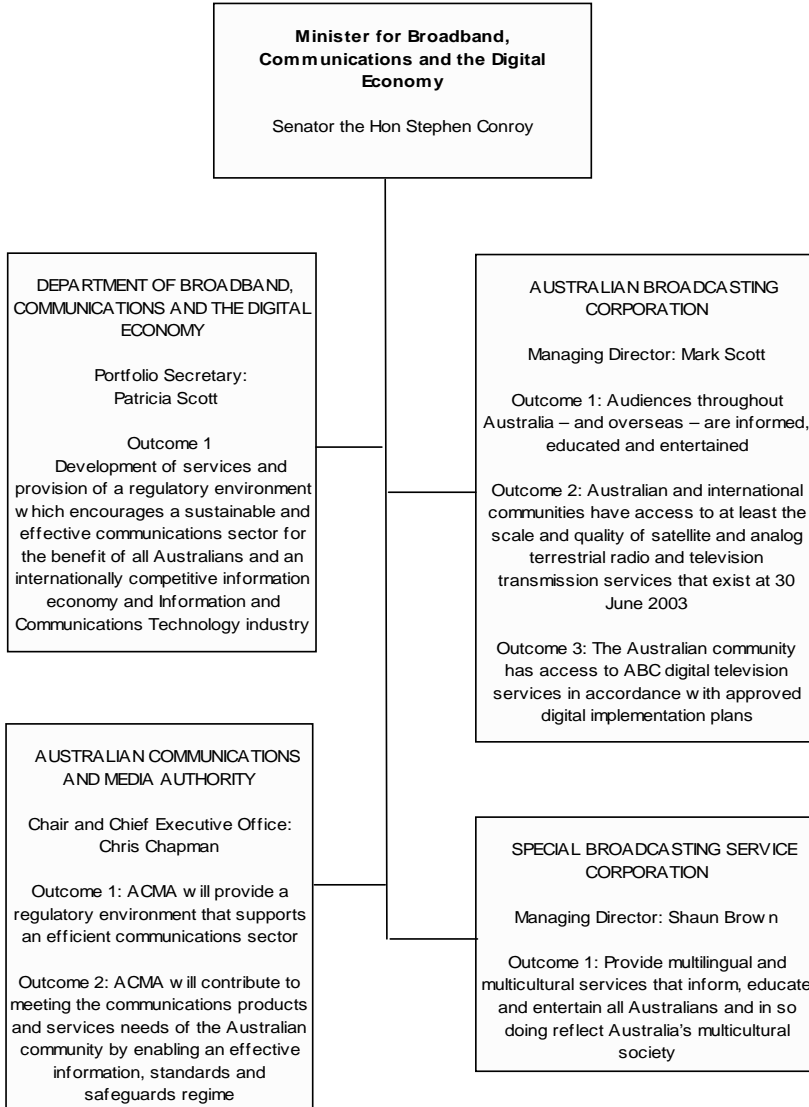
Further details of these additional estimates measures are provided in the chapter covering each individual agency.

The treatment of resource transfers within the 2007-08 PAES has been complicated by the timing of the Administrative Arrangements Order relative to the finalisation of the figures.

- Departmental appropriation transfers associated with losing functions have not been completed at the time of the production of this document and so have not been reflected.
- For consistency, given that the employee expenses remain, Average Staffing Levels are shown as if the functions have not yet been moved. However, relevant personnel have been transferred.
- Administered expenses are generally shown as if the new administrative arrangements had applied for the full year. However, Section 3 includes budget figures associated with the former Department of Communications Information Technology and the Arts up to 3 December 2007 and DBCDE from that date.

Further information on the programs, functions or measures approved since the 2007-08 Budget that have transferred to the Environment, Water, Heritage and the Arts Portfolio, the Health and Ageing Portfolio and the Innovation, Industry, Science and Research Portfolio can be obtained in their respective PAES.

**Figure 1: Portfolio structure and outcomes**



# **AGENCY ADDITIONAL ESTIMATES STATEMENTS**

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## DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

### **Section 1: Agency overview and resources; variations and measures**

#### **OVERVIEW**

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

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

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

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

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

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

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

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

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

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

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

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

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

\*\* Previously DCITA Output 3.1 in 2007-08 PBS

**Table 1.1a: Outcomes / functions transferred from the former Department of Communications, Information Technology and the Arts to other Departments<sup>1</sup>**

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

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

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

## ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

**Table 1.2: Additional estimates and variations to outcomes – measures**

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

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

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

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

**Table 1.3 – Additional estimates and variations to outcomes other variations**

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

**MEASURES — AGENCY SUMMARY**

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

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

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

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

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

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

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

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

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

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

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

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

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

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

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

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

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

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

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

## SUMMARY OF STAFFING CHANGES

**Table 1.7: Average Staffing Level (ASL)**

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

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

**OTHER RECEIPTS AVAILABLE TO BE USED**

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

**Table 1.8: Other receipts available to be used**

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

D= Departmental

A= Administered

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

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

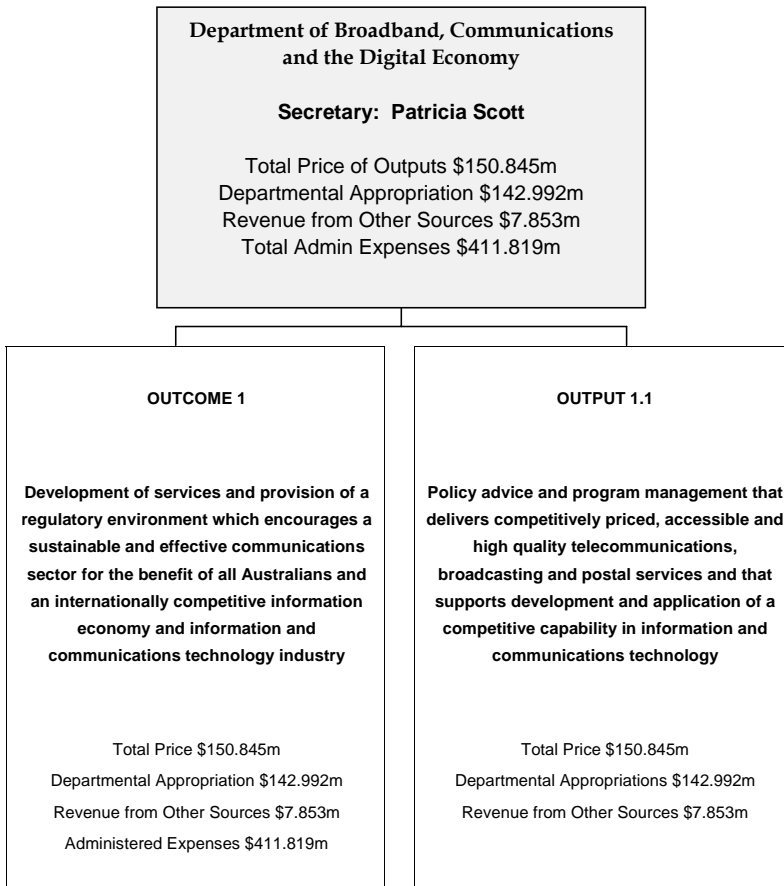


## **Section 2: Revisions to agency outcomes**

### **OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS**

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

**Figure 2: New outcome and output structure for DBCDE**



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

## **Outcome 1**

### ***Explanation of variations***

#### **Administered Expenses**

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

#### **Departmental Expenses**

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

## Revised performance information — 2007-08

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **Section 3: Budgeted financial statements**

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

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

#### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

##### **Departmental**

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

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

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

##### **Administered**

###### ***Table 3.7: Income and Expenses***

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

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

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

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

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

***Table 3.8: Assets and Liabilities***

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

***Table 3.9: Cash Flows***

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

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

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

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

**BUDGETED FINANCIAL STATEMENTS TABLES**

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

## Departmental financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Table 3.5: Departmental capital budget statement**

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

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

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

## Schedule of administered activity

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

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

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

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

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

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

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

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

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

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

**Table 3.10: Schedule of administered capital budget**

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

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

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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

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

#### **Appropriations in the accrual budgeting framework**

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

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

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

#### **Administered investments in controlled entities**

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

#### **Asset valuation**

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



# AUSTRALIAN BROADCASTING CORPORATION

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# AUSTRALIAN BROADCASTING CORPORATION

## Section 1: Agency overview and resources; variations and measures

### OVERVIEW

There have been no significant changes to the Australian Broadcasting Corporation's (ABC's) role/mission, outcomes or outputs as a result of Additional Estimates.

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

Outcome	Description	Output
<b>Outcome 1</b>		
Audiences throughout Australia - and overseas - are informed, educated and entertained	Provides content production and support of principal ABC output services experienced by ABC audiences	<p><b>Output 1.1</b> Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally</p> <p><b>Output 1.2</b> Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally</p> <p><b>Output 1.3</b> Engage audiences through new media services including the Internet and emerging broadband platforms</p>
<b>Outcome 2</b>		
Australian and international communities have access to at least the scale and quality of satellite and analog terrestrial radio and television transmission services that exist at 30 June 2003	Provides delivery to audiences of ABC output services for domestic radio and television, and international radio, via analog transmission	<p><b>Output 2.1</b> Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements</p>
<b>Outcome 3</b>		
The Australian community has access to ABC digital television services in accordance with approved digital implementation plans	Provides delivery to audiences of ABC output services for digital television	<p><b>Output 3.1</b> Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services</p>

## ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

**Table 1.3: Additional estimates and variations to outcomes – other variations**

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
<b>Outcome 1</b>				
Variations (departmental)				
Revision to budget parameters	-	-	1,163	1,189
<b>Outcome 2</b>				
Variations (departmental)				
Revision to budget parameters	-	354	360	459
<b>Outcome 3</b>				
Variations (departmental)				
Revision to budget parameters	-	418	428	440
Digital Implementation Plan Rollout	2,139	2,882	1,749	1,773

The variations to outcomes appropriations in Additional Estimates for 2007-08 arise from additional funding for rollout of Digital Implementation Plans. This will result in a minor increase in the price of outputs for Outcome 3, compared to that presented in the 2007-08 Portfolio Budget Statements.

## MEASURES — AGENCY SUMMARY

There have been no measures taken since the 2007-08 Budget that affect ABC appropriations for 2007-08.

**BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**

The variations to appropriations in Additional Estimates for 2007-08 arise from additional funding for Digital Implementation and Rollout, included in Appropriation Bill (No. 3) 2007-2008. The ABC has no Additional Estimates appropriations under Appropriation Bill (No. 4) 2007-2008.

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

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Audiences throughout Australia - and overseas - are informed, educated and entertained	651,825	666,586	666,586	-	
<b>Outcome 2</b>					
Australian and international communities have access to at least the scale and quality of satellite and analog terrestrial radio and television transmission services that exist at 30 June 2003	83,126	87,317	87,317	-	
<b>Outcome 3</b>					
The Australian community has access to ABC digital television services in accordance with approved digital implementation plans	74,581	77,921	80,060	2,139	
<b>Total</b>	<b>809,532</b>	<b>831,824</b>	<b>833,963</b>	<b>2,139</b>	

**Note 1:** 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

**SUMMARY OF STAFFING CHANGES**

There have been no changes to estimated staffing levels since the 2007-08 Budget. Estimated staffing numbers may vary depending on staffing levels associated with various projects and production activity.

**OTHER RECEIPTS AVAILABLE TO BE USED**

Table 1.8 provides details of other receipts obtained by the ABC for provision of goods and services. These resources are approved for use by the ABC.

**Table 1.8: Other receipts available to be used**

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
<b>Departmental other receipts</b>		
Sales of Goods and Services	154,225	164,225
Interest and Dividends	6,006	6,006
Other	18,737	18,737
<b>Total departmental other receipts available to be used</b>	<b>178,968</b>	<b>188,968</b>

## **Section 2: Revisions to agency outcomes**

### **OUTCOMES AND OUTPUTS**

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the Australian Broadcasting Corporation. There have been no revisions to the Corporation's outcomes and outputs structure as a result of Additional Estimates. There has been a minor change to the price of outputs.

## Outcome 1

There has been a variation in the price for Outcome 1, arising from a revision to estimated revenues from independent sources.

### Revised performance information — 2007-08

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
<b>Output 1.1</b>		
Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally	<b>Quality</b>	<b>Quality</b>
	Level and mix of Australian content	No change - as per Budget
	Genre diversity	
	Community and peer recognition	
	Number of artists first broadcast	
	<b>Quantity</b>	<b>Quantity</b>
	Number of broadcast hours	No change - as per Budget
	Number of Radio stations	
	Level of radio content available	
	Level of radio content available	
<b>Price</b>	<b>Price</b>	
\$263.044m	\$265.045m	
<b>Output 1.2</b>		
Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally	<b>Quality</b>	<b>Quality</b>
	Level and mix of Australian content	No change - as per Budget
	Genre diversity	
	Community and peer recognition	
	<b>Quantity</b>	<b>Quantity</b>
	Number of broadcast hours	No change - as per Budget
	Ratio of first run to repeat program	
	<b>Price</b>	<b>Price</b>
	\$561.823m	\$569.635m
	<b>Output 1.3</b>	
Engage audiences through new media services including the Internet and emerging broadband platforms	<b>Quality</b>	<b>Quality</b>
	Genre diversity	No change - as per Budget
	Industry ranking of ABC Online	
	Community and peer recognition	
	<b>Quantity</b>	<b>Quantity</b>
	Number of mailing list subscribers	No change - as per Budget
	Number of pages on ABC Online	
	Number of gateways on ABC	
	Use of content on emerging	
	<b>Price</b>	<b>Price</b>
\$20.687m	\$20.874m	

## Outcome 2

There have been no changes to Outcome 2 as a result of Additional Estimates.

### Revised performance information — 2007-08

There have been no changes to the performance information for Outcome 2 as a result of Additional Estimates.

## Outcome 3

There has been a variation in the price for Outcome 3 in Additional Estimates, as result of additional rollout of Digital Implementation Plans in 2007-08.

### Revised performance information — 2007-08

**Table 2.3: Performance information for outputs affected by additional estimates — outcome 3**

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
<b>Output 3.1</b>		
Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services	<b>Quality</b> That each terrestrial facility operates within the limits set by the relevant Transmitter Licence and the approved Implementation Plans.	<b>Quality</b> No change - as per Budget
	<b>Quantity</b> The number of digital terrestrial television facilities in operation against the approved Implementation Plans.	<b>Quantity</b> No change - as per Budget
	<b>Price</b> \$77.921m	<b>Price</b> \$80.060m

### **Section 3: Budgeted financial statements**

#### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

The principal items impacting the 2007-08 Statement of Financial Performance since the Budget are the additional funding and related expenditures for rollout of the digital implementation plans, and revised estimates for revenues from independent sources with related expenditures.

The movements since the Budget in the Statement of Financial Position for 2007-08 and to some extent, the forward years, are primarily driven by revised balances carried forward from the prior year. The movement in Equity for 2007-08 includes an estimated return of equity of \$6.5m in respect of unspent prior year Outcome 3 funding.

#### **BUDGETED FINANCIAL STATEMENTS**

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

## Departmental financial statements

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	809,532	833,963	856,998	873,552	890,661
Goods and services	153,600	164,225	164,456	164,692	164,934
Interest	11,563	6,006	5,944	6,000	6,000
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	20,043	18,737	18,831	19,289	19,354
<b>Total revenue</b>	<b>994,738</b>	<b>1,022,931</b>	<b>1,046,229</b>	<b>1,063,533</b>	<b>1,080,949</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>994,738</b>	<b>1,022,931</b>	<b>1,046,229</b>	<b>1,063,533</b>	<b>1,080,949</b>
<b>EXPENSE</b>					
Employees	356,005	354,352	364,984	375,932	387,212
Suppliers	534,505	562,491	575,020	581,945	589,414
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	61,657	85,569	87,069	87,819	87,819
Finance costs	6,874	5,673	4,310	2,991	1,658
Write-down of assets and impairment of assets	5,211	-	-	-	-
Net losses from sale of assets	7,492	-	-	-	-
Net foreign exchange losses	736	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>972,480</b>	<b>1,008,085</b>	<b>1,031,383</b>	<b>1,048,687</b>	<b>1,066,103</b>
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
<b>Operating result before Income Tax</b>	<b>22,258</b>	<b>14,846</b>	<b>14,846</b>	<b>14,846</b>	<b>14,846</b>
Income Tax expense	-	-	-	-	-
<b>Net operating result</b>	<b>22,258</b>	<b>14,846</b>	<b>14,846</b>	<b>14,846</b>	<b>14,846</b>

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating result from continuing operations</b>	22,258	14,846	14,846	14,846	14,846
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
<b>Operating result</b>	22,258	14,846	14,846	14,846	14,846
Minority interest in net surplus or (deficit)	-	-	-	-	-
<b>Net surplus or (deficit) attributable to the Australian Government</b>	22,258	14,846	14,846	14,846	14,846

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,456	3,456	3,456	3,456	3,456
Receivables	137,908	115,254	106,600	95,946	84,792
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	10,277	10,277	10,277	10,277	10,277
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>151,641</b>	<b>128,987</b>	<b>120,333</b>	<b>109,679</b>	<b>98,525</b>
<b>Non-financial assets</b>					
Land and buildings	516,114	493,114	481,114	469,114	469,114
Infrastructure, plant and equipment	223,794	269,072	292,850	305,378	305,378
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	84,076	84,076	84,076	84,076	84,076
Intangibles	11,287	10,759	10,231	9,703	9,703
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other Non Financial Assets	71,749	71,749	71,749	71,749	71,749
<b>Total non-financial assets</b>	<b>907,020</b>	<b>928,770</b>	<b>940,020</b>	<b>940,020</b>	<b>940,020</b>
<b>Total assets</b>	<b>1,058,661</b>	<b>1,057,757</b>	<b>1,060,353</b>	<b>1,049,699</b>	<b>1,038,545</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	60,211	56,541	52,760	48,867	48,867
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other payables	5,395	5,395	5,395	5,395	5,395
<b>Total payables</b>	<b>65,606</b>	<b>61,936</b>	<b>58,155</b>	<b>54,262</b>	<b>54,262</b>
<b>Interest bearing liabilities</b>					
Loans	102,000	80,000	56,500	31,000	5,000
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>102,000</b>	<b>80,000</b>	<b>56,500</b>	<b>31,000</b>	<b>5,000</b>
<b>Provisions</b>					
Employees	118,881	122,551	126,332	130,225	130,225
Other provisions	-	-	-	-	-
<b>Total provisions</b>	<b>118,881</b>	<b>122,551</b>	<b>126,332</b>	<b>130,225</b>	<b>130,225</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>286,487</b>	<b>264,487</b>	<b>240,987</b>	<b>215,487</b>	<b>189,487</b>

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

	Actual	Revised	Forw ard	Forw ard	Forw ard
	2006-07	budget	estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	128,135	134,385	145,635	145,635	145,635
Reserves	366,668	366,668	366,668	366,668	366,668
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	277,371	292,217	307,063	321,909	336,755
<b>Total parent entity interest</b>	<b>772,174</b>	<b>793,270</b>	<b>819,366</b>	<b>834,212</b>	<b>849,058</b>
<b>Minority interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>772,174</b>	<b>793,270</b>	<b>819,366</b>	<b>834,212</b>	<b>849,058</b>
<b>Current assets</b>	<b>151,641</b>	<b>128,987</b>	<b>120,333</b>	<b>109,679</b>	<b>98,525</b>
<b>Non-current assets</b>	<b>907,020</b>	<b>928,770</b>	<b>940,020</b>	<b>940,020</b>	<b>940,020</b>
<b>Current liabilities</b>	<b>184,487</b>	<b>184,487</b>	<b>184,487</b>	<b>184,487</b>	<b>184,487</b>
<b>Non-current liabilities</b>	<b>102,000</b>	<b>80,000</b>	<b>56,500</b>	<b>31,000</b>	<b>5,000</b>

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

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	113,410	164,225	164,456	164,692	164,934
Appropriations	809,532	833,963	856,998	873,552	890,661
Interest	11,473	6,006	5,944	6,000	6,000
Dividends	-	-	-	-	-
Net GST received	47,609	50,515	50,515	50,515	50,515
Other cash received	3,211	18,737	18,831	19,289	19,354
<b>Total cash received</b>	<b>985,235</b>	<b>1,073,446</b>	<b>1,096,744</b>	<b>1,114,048</b>	<b>1,131,464</b>
<b>Cash used</b>					
Employees	350,473	386,453	406,773	447,853	457,212
Suppliers	469,981	530,390	533,231	510,024	519,414
Grants	-	-	-	-	-
Financing costs	6,865	-	-	-	-
Net GST paid	51,213	50,515	50,515	50,515	50,515
Other cash used	-	34,173	27,810	28,491	27,658
<b>Total cash used</b>	<b>878,532</b>	<b>1,001,531</b>	<b>1,018,329</b>	<b>1,036,883</b>	<b>1,054,799</b>
<b>Net cash from or (used by) operating activities</b>	<b>106,703</b>	<b>71,915</b>	<b>78,415</b>	<b>77,165</b>	<b>76,665</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	177	11,000	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>177</b>	<b>11,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	84,461	118,319	98,319	87,819	87,819
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash used	12,298	(654)	14,846	14,846	(11,154)
<b>Total cash used</b>	<b>96,759</b>	<b>117,665</b>	<b>113,165</b>	<b>102,665</b>	<b>76,665</b>
<b>Net cash from or (used by) investing activities</b>	<b>(96,582)</b>	<b>(106,665)</b>	<b>(113,165)</b>	<b>(102,665)</b>	<b>(76,665)</b>

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

	Actual	Revised budget	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	14,250	12,750	11,250	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	-	22,000	23,500	25,500	-
<b>Total cash received</b>	<b>14,250</b>	<b>34,750</b>	<b>34,750</b>	<b>25,500</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt (including finance lease principal)	20,000	-	-	-	-
Dividends paid	6,410	-	-	-	-
Other cash used	-	-	-	-	-
<b>Total cash used</b>	<b>26,410</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>(12,160)</b>	<b>34,750</b>	<b>34,750</b>	<b>25,500</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(2,039)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	5,495	3,456	3,456	3,456	3,456
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>3,456</b>	<b>3,456</b>	<b>3,456</b>	<b>3,456</b>	<b>3,456</b>

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

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2007</b>					
Balance carried forward from previous period	277,371	366,708	(40)	128,135	772,174
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>277,371</b>	<b>366,708</b>	<b>(40)</b>	<b>128,135</b>	<b>772,174</b>
<b>Income and expense</b>					
Income and expenses recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expense recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net operating result	14,846	-	-	-	14,846
<b>Total income and expenses</b>	<b>14,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,846</b>
<b>Sub-total income and expense attributable to Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-total income and expense attributable to minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other: *	-	-	-	(6,500)	(6,500)
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	12,750	12,750
Other:					
Restructuring	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,250</b>	<b>6,250</b>
Transfers between equity components	-	-	-	-	-
<b>Closing balance less minority interests</b>	<b>292,217</b>	<b>366,708</b>	<b>(40)</b>	<b>134,385</b>	<b>793,270</b>
<b>Estimated closing balance as at 30 June 2008</b>	<b>292,217</b>	<b>366,708</b>	<b>(40)</b>	<b>134,385</b>	<b>793,270</b>

\* Return of capital represents an estimated return of equity of \$6.5m in respect of unspent prior year Outcome 3 funding.

**Table 3.5: Departmental capital budget statement**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	14,250	12,750	11,250	-	-
Total loans					
<b>Total capital appropriations</b>	<b>14,250</b>	<b>12,750</b>	<b>11,250</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	14,250	12,750	11,250	-	-
Other					
<b>Total represented by</b>	<b>14,250</b>	<b>12,750</b>	<b>11,250</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	14,250	12,750	11,250	-	-
Funded internally by					
Departmental resources	44,482	105,569	87,069	87,819	87,819
<b>Total</b>	<b>58,732</b>	<b>118,319</b>	<b>98,319</b>	<b>87,819</b>	<b>87,819</b>

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

	Land investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>								
Gross book value	158,956	652,187	-	514,824	-	31,818	-	1,357,785
Accumulated depreciation	163	294,866	-	291,030	-	20,531	-	606,590
<b>Opening net book value</b>	158,793	357,321	-	223,794	-	11,287	-	751,195
Additions:								
by purchase	-	8,156	-	106,913	-	3,250	-	118,319
by finance lease	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	20,156	-	61,635	-	3,778	-	85,569
Impairments recognised in operating result	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Disposals:								
from disposal of entities or operations (including restructuring)	11,000	-	-	-	-	-	-	11,000
other disposals	-	-	-	-	-	-	-	-
<b>As at 30 June 2008</b>								
Gross book value	147,956	660,343	-	621,737	-	35,068	-	1,465,104
Accumulated depreciation	163	315,022	-	352,665	-	24,309	-	692,159
<b>Estimated closing net book value</b>	147,793	345,321	-	269,072	-	10,759	-	772,945

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The Australian Broadcasting Corporation's budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts and the Australian Equivalents to International Financial Reporting Standards (AEIFRS).

### **Departmental**

Under the Commonwealth's accrual budgeting framework, transactions that agencies control (Departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). The Australian Broadcasting Corporation does not have any administered transactions.

# AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

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## AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

### **Section 1: Agency overview and resources; variations and measures**

#### **OVERVIEW**

There have been no significant changes to the Australian Communications and Media Authority (ACMA) objectives and planned achievements since the 2007-08 Portfolio Budget Statements.

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

Outcome	Description	Output groups
<b>Outcome 1</b> ACMA will provide a regulatory environment that supports an efficient communications sector	The activities undertaken under Outcome 1 reflect the objects and regulatory policy set out in the <i>Broadcasting Services Act 1992</i> , the <i>Radiocommunications Act 1992</i> , the <i>Telecommunications Act 1997</i> , other related legislation and ministerial directions as to government policy.	<b>Output 1.1</b> Effective regulation of the communications industry <b>Output 1.2</b> Planning and licensing of communications services
<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	The activities undertaken under Outcome 2 reflect ACMA's role in ensuring the community is well informed about communication matters and is provided with effective consumer protection.	<b>Output 2.1</b> Ensuring the provision of community standards and safeguards which reflect broad community <b>Output 2.2</b> Facilitating sufficient community information to enable informed decisions about communications products and services

## ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

### Departmental Outputs

The departmental output appropriation for 2007-08 has been increased by \$2.8m to \$97.2m. The change primarily relates to funding for new measures announced since the 2007-08 Budget. Details of the new measures are outlined in Table 1.2 and Table 1.4 below.

### Administered Expenses

There have been no changes to administered expense appropriations since the 2007-08 Portfolio Budget Statements.

**Table 1.2: Additional estimates and variations to outcomes – measures**

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
<b>Outcome 1</b>				
<b>Decrease in departmental appropriations</b>				
Reversal of Digital Action Plan	(1,300)	(1,307)	(1,358)	-
Reversal of Digital Action Plan <sup>1</sup>	(169)	-	-	-
Election Commitment Savings: 2 per cent Efficiency Dividend	(275)	(1,143)	(1,090)	(1,093)
Efficiency dividend - increase in the rate from 1% to 1.25%	-	(150)	(286)	(424)
<b>Outcome 2</b>				
<b>Increase in departmental appropriations</b>				
NetAlert - Protecting Australian Families Online - Outreach Programme	2,312	3,099	3,136	3,173
NetAlert - Protecting Australian Families Online - additional resourcing	2,181	-	-	-
<b>Decrease in departmental appropriations</b>				
Election Commitment Savings: 2 per cent Efficiency Dividend	(153)	(634)	(605)	(607)
Efficiency dividend - increase in the rate from 1% to 1.25%	-	(83)	(159)	(235)

Notes:

Note 1 - Represents a change to the capital appropriation.

**Table 1.3: Additional estimates and variations to outcomes – other variations**

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
<b>Outcome 1</b>				
<b>Variations (departmental)</b>				
Parameter adjustments	-	109	103	151
<b>Outcome 2</b>				
<b>Variations (departmental)</b>				
Transfer of NetAlert BEFR funding from DBCDE	24	25	26	26
Parameter adjustments	-	61	57	84

## MEASURES — AGENCY SUMMARY

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

Measure	Outcome	Output groups affected	2007-08 (\$'000)		2008-09 (\$'000)		2009-10 (\$'000)		2010-11 (\$'000)	
			Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs
<b>Expense Measures</b>										
Reversal of Digital Action Plan	1	1.2	-	(1,300)	-	(1,307)	-	(1,358)	-	-
NetAlert - Protecting Australian Families Online - Outreach Programme	2	2.1	-	2,312	-	3,099	-	3,136	-	3,173
NetAlert - Protecting Australian Families Online - additional resourcing	2	2.1	-	2,181	-	-	-	-	-	-
Election Commitment Savings: 2 per cent Efficiency Dividend	All	All	-	(428)	-	(1,777)	-	(1,695)	-	(1,700)
Efficiency dividend - increase in the rate from 1% to 1.25%	All	All	-	-	-	(233)	-	(445)	-	(658)
<b>Total Expense Measures</b>			-	<b>2,765</b>	-	<b>(218)</b>	-	<b>(362)</b>	-	<b>815</b>
<b>Capital Measures</b>										
Reversal of Digital Action Plan	1	1.2	-	(169)	-	-	-	-	-	-
<b>Total Capital Measures</b>			-	<b>(169)</b>	-	-	-	-	-	-
<b>Total of All Measures</b>			-	<b>2,596</b>	-	<b>(218)</b>	-	<b>(362)</b>	-	<b>815</b>

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
ACMA will provide a regulatory environment that supports an efficient communications sector.	-	-	-	-	-
<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.	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
ACMA will provide a regulatory environment that supports an efficient communications sector.	54,268	63,607	62,032	-	(1,575)
<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.	23,521	30,833	35,197	4,364	-
<b>Total</b>	<b>77,789</b>	<b>94,440</b>	<b>97,229</b>	<b>4,364</b>	<b>(1,575)</b>
<b>Total administered and departmental</b>	<b>77,789</b>	<b>94,440</b>	<b>97,229</b>	<b>4,364</b>	<b>(1,575)</b>

**Note 1:** 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

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

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

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
<b>Non-operating</b>					
Equity injections	627	7,748	7,579	-	(169)
Loans					
Previous years' outputs					
Administered assets and liabilities					
<b>Total</b>	<b>627</b>	<b>7,748</b>	<b>7,579</b>	<b>-</b>	<b>(169)</b>

### SUMMARY OF STAFFING CHANGES

There have been no changes to the estimated ASL figures since the 2007-08 Portfolio Budget Statements.

### OTHER RECEIPTS AVAILABLE TO BE USED

There have been no changes to the estimates for other receipts available to be used since the 2007-08 Portfolio Budget Statements.

### ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

There have been no changes to the estimates of expenses from special appropriations since the 2007-08 Portfolio Budget Statements.

### ESTIMATES OF SPECIAL ACCOUNT FLOWS

The special account flows have been updated to reflect the impact of the 2006-07 actual closing balances.

**Table 1.10: Estimates of special account flows**

Special Account	Outcome	Opening balance	Credits	Debits	Adjustments	Closing balance
		2007-08 2006-07	2007-08 2006-07	2007-08 2006-07	2007-08 2006-07	2007-08 2006-07
		\$'000	\$'000	\$'000	\$'000	\$'000
Universal Service Account - <i>FMA Act 1997 s21 and TCPSS Act 1999 s21 (A)</i>	2	658 990	53,689 58,242	54,347 58,574	- -	- 658
National Relay Service Account - <i>FMA Act 1997 s21 and TCPSS Act 1999 s102 (A)</i>	2	3,286 -	17,500 13,830	16,411 10,544	- -	4,375 3,286
Other Trust Moneys - <i>FMA Act 1997 s20 (A)</i>	1	- 6	50 1,358	50 1,364	- -	- -
<b>Total special accounts</b>		<b>3,944 996</b>	<b>71,239 73,430</b>	<b>70,808 70,482</b>	<b>- -</b>	<b>4,375 3,944</b>

A = Administered

**Acts Glossary:**

*FMA Act 1997* = Financial Management and Accountability Act 1997

*TCPSS Act 1999* = Telecommunications (Consumer Protection and Service Standards) Act 1999

## **Section 2: Revisions to agency outcomes**

### **OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS**

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for ACMA.

There have been no changes to the outcome and outputs structure since the 2007-08 Portfolio Budget Statements.

### **Outcome 1**

#### **Resourcing - explanation of variations**

Outcome 1 has the following additional estimates variations.

##### **Departmental Outputs**

The departmental output appropriation for Outcome 1 has decreased by \$1.6m to \$62.0m since the 2007-08 Portfolio Budget Statements. The change relates to the *Reversal of the Digital Action Plan* and *Election Commitment Savings: 2 per cent Efficiency Dividend* measures.

##### **Administered Expenses**

The estimated administered expenses for Outcome 1 have decreased by \$0.3m to \$175.7m since the 2007-08 Portfolio Budget Statements. The change is due to a decrease in bad and doubtful debts. ACMA does not receive an annual administered appropriation for Outcome 1 and this variation does not impact on the 2007-08 Appropriation Bills.

#### **Revised performance information — 2007-08**

There have been no changes to the performance information for Outcome 1 since the 2007-08 Portfolio Budget Statements.

## **Outcome 2**

### **Resourcing - explanation of variations**

Outcome 2 has the following additional estimates variations.

#### **Departmental Outputs**

The departmental output appropriation for Outcome 2 has increased by \$4.3m to \$35.2m since the 2007-08 Portfolio Budget Statements. The change primarily relates to:

- an increase of \$2.2m for the *NetAlert - Protecting Australian Families Online - additional resourcing* measure;
- an increase of \$2.3m for the *NetAlert - Protecting Australian Families Online - Outreach Programme* measure; and
- a decrease of \$0.2m for the *Election Commitment Savings: 2 per cent Efficiency Dividend* measure.

#### **Administered Expenses**

The estimated administered expenses for Outcome 2 have not changed since the 2007-08 Portfolio Budget Statements.

### **Revised performance information — 2007-08**

There have been no changes to the performance information for Outcome 2 since the 2007-08 Portfolio Budget Statements.

### **Section 3: Budgeted financial statements**

#### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

An analysis of the primary causes of movements in the ACMA financial statements from those published in the 2007-08 Portfolio Budget Statements (PBS) is provided below.

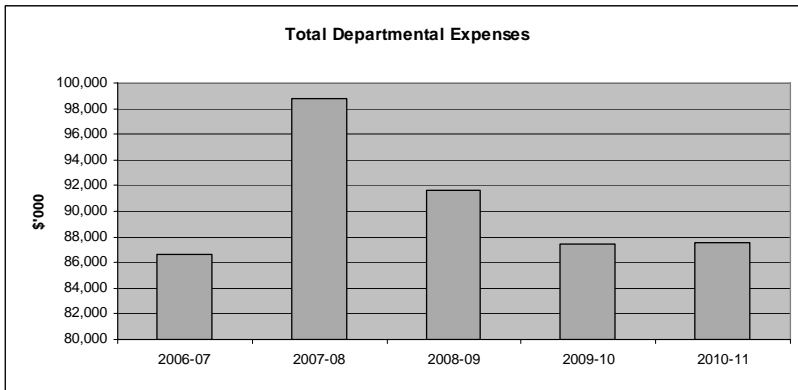
#### **Departmental**

##### **Income Statement**

ACMA is budgeting to incur an approved loss of \$0.049m in 2007-08. The loss relates to depreciation and timing differences associated with prior year appropriation expenses. Total revenue is estimated to be \$98.709m and expenses are estimated to be \$98.758m. The \$2.8m increase in the revenue and expense figures from the 2007-08 PBS estimates is primarily due to:

- an increase of \$2.2m in funding for the *NetAlert - Protecting Australian Families Online - additional resourcing* measure;
- an increase of \$2.3m for the *NetAlert - Protecting Australian Families Online - Outreach Programme* measure;
- a decrease of \$1.3m for the *Reversal of the Digital Action Plan* measure with effect from 1 January 2008; and
- a decrease of \$0.4m for the *Election Commitment Savings: 2 per cent Efficiency Dividend* measure.

The following chart shows the trend in ACMA expenses over the forward estimates period. The increase in expenses from 2006-07 is primarily related to the funding patterns associated with government measures and the application of economic parameters to the expense estimates.



### Balance Sheet

The budgeted net asset position for 2007-08 of \$35.3m represents a decrease of \$8.4m from the 2007-08 PBS estimates. The decrease is primarily attributable to adjustments to the opening balances to reflect the actual 2006-07 results and the return of \$4.3m received for the implementation of the Do Not Call Register.

The structure of ACMA's balance sheet is typical of an organisation where the key attributes are its employees, computer software (included in intangibles), computer hardware (included in infrastructure, plant and equipment) and leasehold fit-outs. The information technology platform is an intrinsic component of the successful operations of the agency.

### Administered

#### Revenues and Expenses

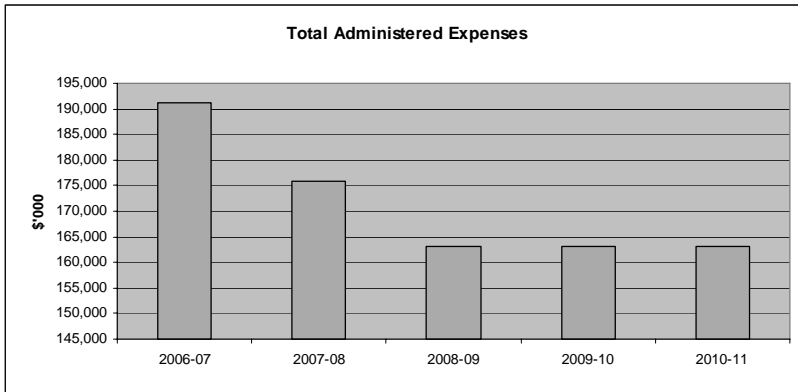
It is estimated that ACMA will receive non-appropriation revenue on behalf of the Government of \$691.6m, a decrease of \$11.7m from the 2007-08 PBS estimate. The change is primarily due to:

- a decrease of \$10.6m in broadcasting licence fees; and
- a decrease of \$1.1m in radio communications charges.

The reductions in revenue outlined above are a result of lower than expected receipts in 2006-07.

Administered expenses are estimated to be \$175.7m, a decrease of \$0.3m from the 2007-08 PBS estimates. The change is due to a decrease in bad and doubtful debts.

The following chart shows the trend in administered expenses over the forward estimates period. The decrease in the forward estimates is primarily due to decreases in the Universal Service Levy.



### Assets and Liabilities

Administered assets as at 30 June 2008 are estimated to be \$326.4m, a decrease of \$4.4m from the 2007-08 PBS estimate. The change is primarily due to a decrease in accrued revenue.

Administered liabilities as at 30 June 2008 are estimated to be \$7.8m, an increase of \$4.7m from the 2007-08 PBS estimate. The change is primarily attributable to adjustments to the opening balances to reflect the actual 2006-07 results.

## BUDGETED FINANCIAL STATEMENTS

### Departmental financial statements

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

	Actual	Revised	Forward	Forward	Forward
	2006-07	budget	estimate	estimate	estimate
	\$'000	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>					
<b>Revenues</b>					
Revenues from Government	82,089	97,229	90,131	85,929	86,065
Goods and services	2,437	1,480	1,482	1,484	1,484
Fees and fines	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Revenue</b>	<b>84,526</b>	<b>98,709</b>	<b>91,613</b>	<b>87,413</b>	<b>87,549</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	21	-	-	-	-
Other	96	-	-	-	-
<b>Total Gains</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Income</b>	<b>84,643</b>	<b>98,709</b>	<b>91,613</b>	<b>87,413</b>	<b>87,549</b>
<b>EXPENSE</b>					
Employees	45,001	53,709	52,911	54,537	56,399
Suppliers	34,732	39,589	32,064	25,634	23,240
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	5,011	5,415	6,593	7,197	7,865
Finance costs	45	45	45	45	45
Write-down of assets and impairment of assets	1,760	-	-	-	-
Net losses from sale of assets	34	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>86,583</b>	<b>98,758</b>	<b>91,613</b>	<b>87,413</b>	<b>87,549</b>
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
<b>Surplus (Deficit) before Income Tax</b>	<b>(1,940)</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income Tax expense	-	-	-	-	-
<b>Surplus (Deficit)</b>	<b>(1,940)</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Monitory interest in net surplus (or deficit)	-	-	-	-	-
<b>Net surplus (or deficit) attributable to the Australian Government</b>	<b>(1,940)</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.2: Budgeted departmental balance sheet as at 30 June**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	2,586	4,296	4,296	4,296	4,296
Trade and other receivables	31,680	26,202	27,472	25,730	25,791
Investments accounted for under the equity method	-	-	-	-	-
Investments	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	537	537	537	537	537
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>34,803</b>	<b>31,035</b>	<b>32,305</b>	<b>30,563</b>	<b>30,624</b>
<b>Non-financial assets</b>					
Land and buildings	12,106	11,754	12,372	11,967	13,443
Infrastructure, plant and equipment	3,007	2,871	2,938	3,005	3,004
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	4,884	10,683	12,565	15,409	14,643
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	954	954	954	954	954
<b>Total non-financial assets</b>	<b>20,951</b>	<b>26,262</b>	<b>28,829</b>	<b>31,335</b>	<b>32,044</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>55,754</b>	<b>57,297</b>	<b>61,134</b>	<b>61,898</b>	<b>62,668</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	802	802	802	802	802
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	2,567	2,567	2,567	2,567	2,567
<b>Total interest bearing liabilities</b>	<b>3,369</b>	<b>3,369</b>	<b>3,369</b>	<b>3,369</b>	<b>3,369</b>
<b>Provisions</b>					
Employees	14,057	14,381	15,024	15,692	16,387
Other	1,253	1,253	1,253	1,253	1,253
<b>Total provisions</b>	<b>15,310</b>	<b>15,634</b>	<b>16,277</b>	<b>16,945</b>	<b>17,640</b>
<b>Payables</b>					
Suppliers	5,011	3,000	3,000	3,000	3,000
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other	22	22	22	22	22
<b>Total payables</b>	<b>5,033</b>	<b>3,022</b>	<b>3,022</b>	<b>3,022</b>	<b>3,022</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>23,712</b>	<b>22,025</b>	<b>22,668</b>	<b>23,336</b>	<b>24,031</b>
<b>Net Assets</b>	<b>32,042</b>	<b>35,272</b>	<b>38,466</b>	<b>38,562</b>	<b>38,637</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	20,243	23,522	26,716	26,812	26,887
Reserves	10,709	10,709	10,709	10,709	10,709
Retained surpluses or accumulated deficits	1,090	1,041	1,041	1,041	1,041
<b>Total parent entity interest</b>	<b>32,042</b>	<b>35,272</b>	<b>38,466</b>	<b>38,562</b>	<b>38,637</b>
<b>Minority interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>32,042</b>	<b>35,272</b>	<b>38,466</b>	<b>38,562</b>	<b>38,637</b>
<b>Current assets</b>	<b>35,757</b>	<b>31,989</b>	<b>33,259</b>	<b>31,517</b>	<b>31,578</b>
<b>Non-current assets</b>	<b>19,997</b>	<b>25,308</b>	<b>27,875</b>	<b>30,381</b>	<b>31,090</b>
<b>Current liabilities</b>	<b>18,246</b>	<b>16,518</b>	<b>17,081</b>	<b>17,665</b>	<b>18,273</b>
<b>Non-current liabilities</b>	<b>5,466</b>	<b>5,507</b>	<b>5,587</b>	<b>5,671</b>	<b>5,758</b>

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

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	2,184	1,470	1,476	1,480	1,484
Appropriations	77,612	98,012	88,462	87,271	85,599
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	119	4,307	3,354	2,712	2,472
Other	-	-	-	-	-
<b>Total cash received</b>	<b>79,915</b>	<b>103,789</b>	<b>93,292</b>	<b>91,463</b>	<b>89,555</b>
<b>Cash used</b>					
Employees	47,138	53,385	52,268	53,869	55,704
Suppliers	32,208	41,600	32,064	25,635	23,240
Grants	-	-	-	-	-
Borrowing costs	-	45	45	45	45
Net GST paid	-	4,307	3,354	2,712	2,472
Other	-	-	-	-	-
<b>Total cash used</b>	<b>79,346</b>	<b>99,337</b>	<b>87,731</b>	<b>82,261</b>	<b>81,461</b>
<b>Net cash from or (used by) operating activities</b>	<b>569</b>	<b>4,452</b>	<b>5,561</b>	<b>9,202</b>	<b>8,094</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	21	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	1,895	10,321	8,755	9,298	8,169
Purchase of financial instruments	-	-	-	-	-
Loans made	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>1,895</b>	<b>10,321</b>	<b>8,755</b>	<b>9,298</b>	<b>8,169</b>
<b>Net cash from or (used by) investing activities</b>	<b>(1,874)</b>	<b>(10,321)</b>	<b>(8,755)</b>	<b>(9,298)</b>	<b>(8,169)</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	7,579	3,194	96	75
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>7,579</b>	<b>3,194</b>	<b>96</b>	<b>75</b>
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	201	-	-	-	-
<b>Total cash used</b>	<b>201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>(201)</b>	<b>7,579</b>	<b>3,194</b>	<b>96</b>	<b>75</b>
<b>Net increase or (decrease) in cash held</b>	<b>(1,506)</b>	<b>1,710</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at the beginning of the reporting period	4,092	2,586	4,296	4,296	4,296
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>2,586</b>	<b>4,296</b>	<b>4,296</b>	<b>4,296</b>	<b>4,296</b>

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

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balances as at 1 July 2007</b>					
Balance carried forward from previous period	1,090	10,709	-	20,243	32,042
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balances</b>	<b>1,090</b>	<b>10,709</b>	<b>-</b>	<b>20,243</b>	<b>32,042</b>
<b>Income and expenses</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (Deficit) for the period	(49)	-	-	-	(49)
<b>Total income and expenses recognised directly in equity</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49)</b>
<b>Transactions with owners</b>					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	(4,300)	(4,300)
Contribution by owners					
Appropriation (equity injection)	-	-	-	7,579	7,579
Other:					
Restructuring	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,279</b>	<b>3,279</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2008</b>	<b>1,041</b>	<b>10,709</b>	<b>-</b>	<b>23,522</b>	<b>35,272</b>

**Table 3.5: Departmental capital budget statement**

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	627	7,579	3,194	96	75
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	<b>627</b>	<b>7,579</b>	<b>3,194</b>	<b>96</b>	<b>75</b>
<b>Represented by:</b>					
Purchase of non-financial assets	627	7,579	3,194	96	75
Other	-	-	-	-	-
<b>Total represented by</b>	<b>627</b>	<b>7,579</b>	<b>3,194</b>	<b>96</b>	<b>75</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	627	7,579	3,194	96	75
Funded internally by	1,268	2,742	5,561	9,202	8,094
Departmental resources					
<b>Total</b>	<b>1,895</b>	<b>10,321</b>	<b>8,755</b>	<b>9,298</b>	<b>8,169</b>

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

	Land investment property	Buildings	Specialist military equipment	Other infrastructure and plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2007</b>								
Gross book value	7,910	4,196	-	5,048	-	17,022	-	34,176
Accumulated depreciation	-	-	-	2,041	-	12,138	-	14,179
<b>Opening net book value</b>	<b>7,910</b>	<b>4,196</b>	<b>-</b>	<b>3,007</b>	<b>-</b>	<b>4,884</b>	<b>-</b>	<b>19,997</b>
Additions:								
by purchase	-	545	-	616	-	-	-	1,161
by finance lease	-	-	-	405	-	-	-	405
internally developed	-	-	-	-	-	9,160	-	9,160
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	897	-	1,157	-	3,361	-	5,415
Impairments recognised in operating result	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Disposals:								
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-
<b>As at 30 June 2008</b>								
Gross book value	7,910	4,741	-	6,069	-	26,182	-	44,902
Accumulated depreciation	-	897	-	3,198	-	15,499	-	19,594
<b>Estimated closing net book value</b>	<b>7,910</b>	<b>3,844</b>	<b>-</b>	<b>2,871</b>	<b>-</b>	<b>10,683</b>	<b>-</b>	<b>25,308</b>

## Schedule of administered activity

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

	Actual	Revised	Forw ard	Forw ard	Forw ard
	2006-07	budget	estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Taxation</b>					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	465,974	479,689	494,569	510,023	526,072
<b>Total taxation</b>	<b>465,974</b>	<b>479,689</b>	<b>494,569</b>	<b>510,023</b>	<b>526,072</b>
<b>Non-taxation</b>					
Goods and services	1,244	1,427	1,913	2,368	2,850
Fees and fines	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other sources of non-taxation revenues	224,501	210,527	199,261	199,672	199,658
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
<b>Total non-taxation</b>	<b>225,745</b>	<b>211,954</b>	<b>201,174</b>	<b>202,040</b>	<b>202,508</b>
<b>Total revenues administered on behalf of Government</b>	<b>691,719</b>	<b>691,643</b>	<b>695,743</b>	<b>712,063</b>	<b>728,580</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Net gains from sale of assets	5,746	-	-	-	-
Other gains	-	-	-	-	-
Reversal of previous asset writedown	-	-	-	-	-
<b>Total gains administered on behalf of Government</b>	<b>5,746</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income administered on behalf of Government</b>	<b>697,465</b>	<b>691,643</b>	<b>695,743</b>	<b>712,063</b>	<b>728,580</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	-	-	-	-	-
Subsidies	171,980	157,692	145,076	145,076	145,076
Personal benefits	-	-	-	-	-
Employees	-	-	-	-	-
Suppliers	13,511	18,000	18,000	18,000	18,000
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	5,626	-	-	-	-
Finance costs	-	-	-	-	-
Interest	-	-	-	-	-
Asset sales	-	-	-	-	-
Foreign exchange	-	-	-	-	-
Other	-	50	50	50	50
<b>Total expenses administered on behalf of Government</b>	<b>191,117</b>	<b>175,742</b>	<b>163,126</b>	<b>163,126</b>	<b>163,126</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,959	-	-	-	-
Receivables	35,203	38,109	39,481	39,892	39,878
Taxation receivables	421	-	-	-	-
Investments - equity	-	-	-	-	-
Investments - other	-	-	-	-	-
Accrued revenues	273,616	288,283	300,535	313,308	326,623
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>313,199</b>	<b>326,392</b>	<b>340,016</b>	<b>353,200</b>	<b>366,501</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	-	-	-	-	-
<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>313,199</b>	<b>326,392</b>	<b>340,016</b>	<b>353,200</b>	<b>366,501</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Interest bearing liabilities</b>					
Australian Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	3,300	3,467	3,467	3,467	3,467
<b>Total provisions</b>	<b>3,300</b>	<b>3,467</b>	<b>3,467</b>	<b>3,467</b>	<b>3,467</b>
<b>Payables</b>					
Suppliers	-	-	-	-	-
Grants and subsidies	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	4,136	4,375	4,375	4,375	4,375
<b>Total payables</b>	<b>4,136</b>	<b>4,375</b>	<b>4,375</b>	<b>4,375</b>	<b>4,375</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities administered on behalf of Government</b>	<b>7,436</b>	<b>7,842</b>	<b>7,842</b>	<b>7,842</b>	<b>7,842</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Tax	469,369	465,022	482,317	497,250	512,757
Fees	-	-	-	-	-
Sales of goods and rendering of service	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	6,426	7,169	6,739	6,739	6,739
Other	113,176	109,831	104,120	105,947	106,840
<b>Total cash received</b>	<b>588,971</b>	<b>582,022</b>	<b>593,176</b>	<b>609,936</b>	<b>626,336</b>
<b>Cash used</b>					
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	-	-	-	-	-
Interest paid	-	-	-	-	-
Subsidies paid	58,574	54,347	49,394	49,394	49,394
Personal benefits	-	-	-	-	-
Suppliers	13,517	16,911	18,000	18,000	18,000
Net GST paid	6,426	7,169	6,739	6,739	6,739
Other	5,883	50	50	50	50
<b>Total cash used</b>	<b>84,400</b>	<b>78,477</b>	<b>74,183</b>	<b>74,183</b>	<b>74,183</b>
<b>Net cash from or (used by) operating activities</b>	<b>504,571</b>	<b>503,545</b>	<b>518,993</b>	<b>535,753</b>	<b>552,153</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	5,890	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Transfers from other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>5,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>5,890</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	6,426	7,169	6,739	6,739	6,739
Other	-	-	-	-	-
<b>Total cash received</b>	<b>6,426</b>	<b>7,169</b>	<b>6,739</b>	<b>6,739</b>	<b>6,739</b>
<b>Cash used</b>					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	6,426	7,169	6,739	6,739	6,739
Other	-	-	-	-	-
<b>Total cash used</b>	<b>6,426</b>	<b>7,169</b>	<b>6,739</b>	<b>6,739</b>	<b>6,739</b>
<b>Net cash from or (used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>510,461</b>	<b>503,545</b>	<b>518,993</b>	<b>535,753</b>	<b>552,153</b>
Cash at beginning of reporting period	1,084	3,959	-	-	-
Cash from Official Public Account for:					
Appropriations	12,309	7,669	7,239	7,239	7,239
Special accounts	72,091	70,808	66,944	66,944	66,944
Other	-	-	-	-	-
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
Appropriations	-	-	-	-	-
Special accounts	72,072	71,239	66,944	66,944	66,944
Other	519,914	514,742	526,232	542,992	559,392
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>3,959</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental**

#### **Revenues from Government**

Revenues from Government represent 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.

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, mid-range 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, USO 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 USO levy.

**Suppliers**

Represents payments to suppliers for goods and services. It includes expenses for NRS service 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; variations and measures

There have been no significant changes to the Special Broadcasting Service Corporation's (SBS) output and outcomes since the 2007-08 Portfolio Budget Statements.

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

Outcome	Description	Output groups
<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	SBS achieves this outcome by: - the provision of multilingual and multicultural programs on its Television, Radio and Online Services. - transmitting and distributing its services in both analogue and digital.	Output 1.1
		Television
		Output 1.2
		Radio
		Output 1.3
		Analogue Transmission and Distribution
		Output 1.4
		Digital Transmission and Distribution

### ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

**Table 1.2: Additional estimates and variations to outcomes – measures**

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
<b>Outcome 1</b>				
Increase in estimates (departmental)				
Special Broadcasting Service – broadcasting of World Youth Day 2008	2,500			

**Table 1.3: Additional estimates and variations to outcomes – other variations**

	2007-08	2008-09	2009-10	2010-11
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Outcome 1</b>				
Variations (departmental)				
Indexation adjustment	-	242	246	252
SBS Digital implementation plan	1385	1629	1708	1687

## MEASURES — AGENCY SUMMARY

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

Measure	Outcome	Output groups affected	2007-08 (\$'000)		2008-09 (\$'000)		2009-10 (\$'000)		2010-11 (\$'000)	
			Dept outputs	Total	Dept outputs	Total	Dept outputs	Total	Dept outputs	Total
<b>Expense Measures</b>										
Special Broadcasting Service – broadcasting of World Youth Day 2008	1	1.1, 1.2	2,500	2,500						
<b>Total Expense Measures</b>			2,500	2,500						
<b>Total of All Measures</b>			2,500	2,500						

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
<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	177,526 <sup>1</sup>	184,716	188,601	3,885	
<b>Total</b>	<b>177,526</b>	<b>184,716</b>	<b>188,601</b>	<b>3,885</b>	
<b>Total administered and departmental</b>	<b>177,526</b>	<b>184,716</b>	<b>188,601</b>	<b>3,885</b>	

**Note 1:** 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:

*Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32*

## SUMMARY OF STAFFING CHANGES

There has been no change to staff numbers since the 2007-08 Budget.

## OTHER RECEIPTS AVAILABLE TO BE USED

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

**Table 1.8: Other receipts available to be used**

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
<b>Departmental other receipts</b>		
Sales of Goods and Services	54,448	55,603
Interest	300	1,600
Other non-appropriations revenue	8,893	10,791
<b>Total departmental other receipts available to be used</b>	<b>63,641</b>	<b>67,994</b>

## Section 2: Revisions to agency outcomes

### OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the Special Broadcasting Service Corporation.

#### Outcome 1

Departmental Appropriation for Outcome 1 has increased by \$3.885m due to additional funding for the rollout of the digital implementation plans and the broadcasting of World Youth Day 2008. The Outcome/Output structure has not been affected.

### Revised performance information — 2007-08

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
<b>Output 1.1</b>		
Television	<p><b>Quality</b> Viewer and community feedback. Audience reach data, using the average weekly reach figure. Tenor of media comment. Number of hours of appropriate programming.</p> <p><b>Quantity</b> % of programs broadcast in languages other than English. Number of hours of subtitled programs - making programs accessible to all Australians. Number of hours of locally produced programs.</p> <p><b>Price</b> \$146.206m</p>	<p><b>Quality</b> No change – as per budget</p> <p><b>Quantity</b> No change – as per budget</p> <p><b>Price</b> \$149.579m</p>
<b>Output 1.2</b>		
Radio	<p><b>Quality</b> Listener and community feedback. Audience surveys.</p> <p><b>Quantity</b> Number of hours broadcast in languages other than English.</p> <p><b>Price</b> \$24.666m</p>	<p><b>Quality</b> No change – as per budget</p> <p><b>Quantity</b> No change – as per budget</p> <p><b>Price</b> \$28.145m</p>

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

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
<b>Output 1.3</b>		
Analogue Transmission and Distribution	<b>Quality</b> Aggregate performance measured by availability of analogue signal.	<b>Quality</b> No change – as per budget
	<b>Quantity</b> Measure of real time by fault management system reported daily and monthly. Primary performance measure is transmitter power. Viewer calls regarding transmission are logged.	<b>Quantity</b> No change – as per budget
	<b>Price</b> \$23.825m	<b>Price</b> \$23.757m
<b>Output 1.4</b>		
Digital Transmission and Distribution	<b>Quality</b> Aggregate performance measured by availability of digital signal.	<b>Quality</b> No change – as per budget
	<b>Quantity</b> Measure of real time by fault management system reported daily and monthly. Primary performance measure is transmitter power. Viewer calls regarding transmission are logged.	<b>Quantity</b> No change – as per budget
	<b>Price</b> \$53.660m	<b>Price</b> \$55.114m

### **Section 3: Budgeted financial statements**

#### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **BUDGETED FINANCIAL STATEMENTS**

##### ***Budgeted Departmental Income Statement***

The revised Budget Estimate for 2007-08 mainly reflects additional funding and expenditure for the rollout of digital and the broadcasting of World Youth Day. SBS's predicted operating result for 2007-08 remains a modest surplus of \$0.203 million.

## Departmental financial statements

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from Government	177,526	188,601	190,036	193,668	197,282
Goods and services	50,449	54,743	59,586	63,868	65,470
Interest	2,838	1,600	1,000	990	950
Dividends	-	-	-	-	-
Rents	857	860	860	860	860
Royalties	2,017	3,209	3,078	2,978	2,978
Other	6,828	7,582	7,774	7,971	8,436
<b>Total revenue</b>	<b>240,515</b>	<b>256,595</b>	<b>262,334</b>	<b>270,335</b>	<b>275,976</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	11	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total gains</b>	<b>11</b>				
<b>Total income</b>	<b>240,526</b>	<b>256,595</b>	<b>262,334</b>	<b>270,335</b>	<b>275,976</b>
<b>EXPENSE</b>					
Employees	67,558	69,945	69,657	71,288	72,896
Suppliers	163,477	177,409	182,588	188,935	192,975
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	7,949	8,109	8,919	9,221	8,951
Finance costs	1,064	929	786	636	586
Write-down of assets and impairment of assets	6	-	-	-	-
Net losses from sale of assets	317	-	-	-	-
Net foreign exchange losses	16	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>240,387</b>	<b>256,392</b>	<b>261,950</b>	<b>270,080</b>	<b>275,408</b>
Share of operating results of associates and joint ventures accounted for using the equity method	454	-	-	-	-
<b>Operating result before Income Tax</b>	<b>593</b>	<b>203</b>	<b>384</b>	<b>255</b>	<b>568</b>
Income Tax expense	-	-	-	-	-
<b>Net operating result</b>	<b>593</b>	<b>203</b>	<b>384</b>	<b>255</b>	<b>568</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>Operating result from continuing operations</b>					
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
<b>Operating result</b>	593	203	384	255	568
Minority interest in net surplus or (deficit)	-	-	-	-	-
<b>Net surplus or (deficit) attributable to the Australian Government</b>	593	203	384	255	568

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,509	3,277	1,537	2,864	3,109
Receivables	14,733	13,882	13,869	17,146	17,912
Investments accounted for under the equity method	3,539	3,539	3,539	3,539	3,539
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	60,371	41,327	28,527	23,657	22,657
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other financial assets	-	-	-	-	-
<b>Total financial assets</b>	<b>81,152</b>	<b>62,025</b>	<b>47,472</b>	<b>47,206</b>	<b>47,217</b>
<b>Non-financial assets</b>					
Land and buildings	66,753	65,525	64,257	62,949	61,844
Infrastructure, plant and equipment	11,655	16,144	22,116	27,826	31,838
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	55,125	64,731	68,435	67,959	65,080
Intangibles	3,883	12,513	10,646	8,779	6,921
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	16,040	11,101	15,162	8,858	5,220
<b>Total non-financial assets</b>	<b>153,456</b>	<b>170,014</b>	<b>180,616</b>	<b>176,371</b>	<b>170,903</b>
<b>Total assets</b>	<b>234,608</b>	<b>232,039</b>	<b>228,088</b>	<b>223,577</b>	<b>218,120</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	17,670	17,776	17,883	17,996	18,134
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other payables	41,439	37,206	32,582	27,461	20,536
<b>Total payables</b>	<b>59,109</b>	<b>54,982</b>	<b>50,465</b>	<b>45,457</b>	<b>38,670</b>
<b>Interest bearing liabilities</b>					
Loans	13,779	11,343	8,755	6,010	3,095
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>13,779</b>	<b>11,343</b>	<b>8,755</b>	<b>6,010</b>	<b>3,095</b>
<b>Provisions</b>					
Employees	16,187	16,216	16,266	16,366	16,866
Other provisions	2,182	2,308	2,442	2,584	2,846
<b>Total provisions</b>	<b>18,369</b>	<b>18,524</b>	<b>18,708</b>	<b>18,950</b>	<b>19,712</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>91,257</b>	<b>84,849</b>	<b>77,928</b>	<b>70,417</b>	<b>61,477</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	78,934	82,570	85,156	87,901	90,816
Reserves	36,654	36,654	36,654	36,654	36,654
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	27,763	27,966	28,350	28,605	29,173
<b>Total parent entity interest</b>	<b>143,351</b>	<b>147,190</b>	<b>150,160</b>	<b>153,160</b>	<b>156,643</b>
<b>Minority interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total minority interest</b>					
<b>Total equity</b>	<b>143,351</b>	<b>147,190</b>	<b>150,160</b>	<b>153,160</b>	<b>156,643</b>
<b>Current assets</b>	<b>108,614</b>	<b>110,991</b>	<b>115,003</b>	<b>110,826</b>	<b>103,320</b>
<b>Non-current assets</b>	<b>125,994</b>	<b>121,048</b>	<b>113,085</b>	<b>112,750</b>	<b>114,799</b>
<b>Current liabilities</b>	<b>45,830</b>	<b>44,574</b>	<b>44,181</b>	<b>44,494</b>	<b>44,632</b>
<b>Non-current liabilities</b>	<b>45,427</b>	<b>40,274</b>	<b>33,746</b>	<b>25,922</b>	<b>16,844</b>

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

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	56,628	61,046	64,933	66,099	70,053
Appropriations	180,809	188,601	190,036	193,668	197,282
Interest	5,228	3,700	2,900	2,590	950
Dividends	-	-	-	-	-
Net GST received	10,137	15,712	16,419	18,143	17,522
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>252,802</b>	<b>269,059</b>	<b>274,288</b>	<b>280,500</b>	<b>285,807</b>
<b>Cash used</b>					
Employees	68,203	69,137	68,828	70,409	72,396
Suppliers	167,615	182,778	191,052	182,848	186,347
Grants	-	-	-	-	-
Financing costs	918	776	625	467	297
Net GST paid	15,109	15,844	16,565	18,563	17,522
Other cash used	4,009	-	-	-	-
<b>Total cash used</b>	<b>255,854</b>	<b>268,535</b>	<b>277,070</b>	<b>272,287</b>	<b>276,562</b>
<b>Net cash from or (used by) operating activities</b>	<b>(3,052)</b>	<b>524</b>	<b>(2,782)</b>	<b>8,213</b>	<b>9,245</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	10	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	43,931	59,744	32,800	29,800	16,000
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>43,941</b>	<b>59,744</b>	<b>32,800</b>	<b>29,800</b>	<b>16,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	4,476	20,000	11,756	11,756	10,000
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	39,840	40,700	20,000	24,930	15,000
Other cash used	-	-	-	-	-
<b>Total cash used</b>	<b>44,316</b>	<b>60,700</b>	<b>31,756</b>	<b>36,686</b>	<b>25,000</b>
<b>Net cash from or (used by) investing activities</b>	<b>(375)</b>	<b>(956)</b>	<b>1,044</b>	<b>(6,886)</b>	<b>(9,000)</b>

**Table 3.3: Budgeted departmental statement of cash flows**

**(for the period ended 30 June) (cont)**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	5,195	3,636	2,586	2,745	2,915
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>5,195</b>	<b>3,636</b>	<b>2,586</b>	<b>2,745</b>	<b>2,915</b>
<b>Cash used</b>					
Repayments of debt (including finance lease principal)	2,295	2,436	2,588	2,745	2,915
Dividends paid	-	-	-	-	-
Other cash used	719	-	-	-	-
<b>Total cash used</b>	<b>3,014</b>	<b>2,436</b>	<b>2,588</b>	<b>2,745</b>	<b>2,915</b>
<b>Net cash from or (used by) financing activities</b>	<b>2,181</b>	<b>1,200</b>	<b>(2)</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(1,246)</b>	<b>768</b>	<b>(1,740)</b>	<b>1,327</b>	<b>245</b>
Cash at the beginning of the reporting period	3,755	2,509	3,277	1,537	2,864
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>2,509</b>	<b>3,277</b>	<b>1,537</b>	<b>2,864</b>	<b>3,109</b>

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

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2007</b>					
Balance carried forward from previous period	27,763	36,654	-	78,934	143,351
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>27,763</b>	<b>36,654</b>	<b>-</b>	<b>78,934</b>	<b>143,351</b>
<b>Income and expense</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expense recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net operating result	203	-	-	-	203
<b>Total income and expenses</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203</b>
<b>Sub-total income and expense attributable to Australian Government</b>					
<b>attributable to minority interest</b>					
<b>Transactions with owners</b>					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	3,636	3,636
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,636</b>	<b>3,636</b>
Transfers between equity components	-	-	-	-	-
<b>Closing balance less minority interests</b>	<b>27,966</b>	<b>36,654</b>	<b>-</b>	<b>82,570</b>	<b>147,190</b>
<b>Estimated closing balance as at 30 June 2008</b>	<b>27,966</b>	<b>36,654</b>	<b>-</b>	<b>82,570</b>	<b>147,190</b>

**Table 3.5: Departmental capital budget statement**

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	5,195	3,636	2,586	2,745	2,915
Total loans					
<b>Total capital appropriations</b>	<b>5,195</b>	<b>3,636</b>	<b>2,586</b>	<b>2,745</b>	<b>2,915</b>
<b>Represented by:</b>					
Purchase of non-financial assets	2,900	1,200	-	-	-
Other	2,295	2,436	2,586	2,745	2,915
<b>Total represented by</b>	<b>5,195</b>	<b>3,636</b>	<b>2,586</b>	<b>2,745</b>	<b>2,915</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	2,900	1,200	-	-	-
Funded internally by	1,576	18,800	11,756	11,756	10,000
Departmental resources					
<b>Total</b>	<b>4,476</b>	<b>20,000</b>	<b>11,756</b>	<b>11,756</b>	<b>10,000</b>

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

	Land	Investment	Buildings	Specialist	Other	Heritage	Computer	Other	Total
	property	property	equipment	equipment	infrastructure	and cultural	software	intangibles	
	\$'000	\$'000	\$'000	\$'000	plant and	assets	\$'000	\$'000	\$'000
					equipment				
<b>As at 1 July 2007</b>									
Gross book value	21,250	-	47,755	-	71,201	-	6,829	-	147,035
Accumulated depreciation	-	-	2,252	-	59,546	-	2,946	-	64,744
<b>Opening net book value</b>	<b>21,250</b>	<b>-</b>	<b>45,503</b>	<b>-</b>	<b>11,655</b>	<b>-</b>	<b>3,883</b>	<b>-</b>	<b>82,291</b>
Additions:									
by purchase	-	-	600	-	8,889	-	511	10,000	20,000
by finance lease	-	-	-	-	-	-	-	-	-
internally developed	-	-	-	-	-	-	-	-	-
from acquisitions of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through	-	-	-	-	-	-	-	-	-
equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	1,828	-	4,400	-	956	925	8,109
Impairments recognised in operating	-	-	-	-	-	-	-	-	-
result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or	-	-	-	-	-	-	-	-	-
operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2008</b>									
Gross book value	21,250	-	48,355	-	80,090	-	7,340	10,000	167,035
Accumulated depreciation	-	-	4,080	-	63,946	-	3,902	925	72,853
<b>Estimated closing net book value</b>	<b>21,250</b>	<b>-</b>	<b>44,275</b>	<b>-</b>	<b>16,144</b>	<b>-</b>	<b>3,438</b>	<b>9,075</b>	<b>94,182</b>

## **GLOSSARY AND ACRONYMS**



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## GLOSSARY

Accrual Accounting	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	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.
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). Includes Price, Quality and Quantity indicators. The interrelationship between the three efficiency indicators of any one output should be considered when judging efficiency.
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.
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	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.

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Quality	One of the three key efficiency indicators. 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	One of the three key efficiency indicators. 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
ABC	Australian Broadcasting Corporation
ACMA	Australian Communications and Media Authority
AEIFRS	Australian Equivalent to International Financial Reporting Standards
ANAO	Australian National Audit Office
ASL	Average Staffing Level
BARN	Building Additional Rural Networks
CAC	<i>Commonwealth Authorities and Companies Act 1997</i>
DBCDE	Department of Broadband, Communications and the Digital Economy
DCITA	Department of Communications, Information Technology and the Arts
DEWHA	Department of Environment, Water, Heritage and the Arts
DHA	Department of Health and Ageing
DIISR	Department of Innovation, Industry, Science and Research
DOFD	Department of Finance and Deregulation
FMA	<i>Financial Management and Accountability Act 1997</i>
ICT	Information and Communication Technology
ISBN	International Standard Book Numbering
MYEFO	Mid-Year Economic and Fiscal Outlook
PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PEFO	Pre-Election and Fiscal Outlook
SBS	Special Broadcasting Service Corporation
USO	Universal Service Obligation