

# DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

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

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

#### **1.1 STRATEGIC DIRECTION**

The Department of Broadband, Communications and the Digital Economy (the Department) aims to develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, which promotes the digital economy for the benefit of all Australians. Achievement of the Department's outcome is progressing through major new measures set out within the 2009-10 Portfolio Budget Statements, including:

- facilitating the increased availability of fast, affordable and reliable broadband and communications infrastructure across Australia, including through the NBN Co Limited;
- improving services to regional, rural and remote Australia, including through the Australian Broadband Guarantee Program, Satellite Phone Subsidy Scheme and the Indigenous Communications Program;
- supporting the development, application and innovative use of online technologies, including through funding to National ICT Australia and the Digital Regions Initiative;
- supporting and protecting the interests of consumers through funding of the Australian Communications Consumer Action Network, implementing measures to support the Government's Cyber-safety Plan and measures relating to e-security;
- ensuring the smooth transition to digital television by the end of 2013; and
- supporting access to high quality and diverse broadcasting services.

A full outline of the Department's strategic directions can be found in the 2009-10 Portfolio Budget Statements.

Significant measures and variations reflected in the 2009-10 Additional Estimates include:

- the provision of \$23.8 million in 2009-10 for the Australian Broadband Guarantee Program to meet continued strong consumer demand for high speed broadband in areas of regional Australia where there are no terrestrial broadband services;

*DBCDE Additional Estimates Statements*

- transfer of \$22.9 million over four years to the Department of the Treasury to make payments for Local Government projects under the Digital Regions Initiative;
- an additional \$2.8 million over the period 2009–10 to 2011–12 under the Digital Television Switchover Program’s Household Assistance element, reflecting a change in the number of eligible households;
- the provision of \$2.6 million in 2009–10 to support community television broadcasters in Sydney, Brisbane, Melbourne, Adelaide and Perth to begin the transition to digital broadcasting; and
- transfer of \$2.0 million between elements of the Cyber-safety Plan from the Department to the ACMA.

## **1.2 AGENCY RESOURCE STATEMENT**

The Agency Resource Statement details the resourcing for the Department of Broadband, Communications and the Digital Economy at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009-10 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

**Table 1.1: DBCDE resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009**

	Estimate as at Budget	Proposed + Additional Estimates	= Total Estimate at Additional Estimates	Total Available Appropriation
	2009-10	2009-10	2009-10	2008-09
	\$'000	\$'000	\$'000	\$'000
<b>Ordinary Annual Services<sup>1</sup></b>				
<b>Departmental</b>				
Prior year Departmental appropriations	80,263	1,094	81,357	75,222
Departmental appropriation	162,806	(2,913)	159,893	117,075
s31 Relevant agency receipts	970	810	1,780	1,273
<b>Total</b>	<b>244,039</b>	<b>(1,009)</b>	<b>243,030</b>	<b>193,570</b>
<b>Administered expenses</b>				
Prior year Administered appropriations	8,531	(1,025)	7,506	17,208
Outcome 1	196,244	23,211	219,455	197,811
Payments to CAC Act Bodies	1,114,895	7,836	1,122,731	1,049,870
<b>Total</b>	<b>1,319,670</b>	<b>30,022</b>	<b>1,349,692</b>	<b>1,264,889</b>
<b>Total ordinary annual services</b>	<b>1,563,709</b>	<b>29,013</b>	<b>1,592,722</b>	<b>1,458,459</b>
<b>Other services<sup>2</sup></b>				
<b>Administered expenses</b>				
<b>Specific payments to states, ACT, NT and local government</b>				
Outcome 1	1,244	(1,244)	-	-
<b>Total</b>	<b>1,244</b>	<b>(1,244)</b>	<b>-</b>	<b>-</b>
<b>Departmental non-operating</b>				
Equity injections	1,513	-	1,513	303
Previous years' outputs	1,851	-	1,851	-
<b>Total</b>	<b>3,364</b>	<b>-</b>	<b>3,364</b>	<b>303</b>
<b>Administered non-operating</b>				
Payments to CAC Act Bodies - non operating	22,446	-	22,446	28,836
<b>Total</b>	<b>22,446</b>	<b>-</b>	<b>22,446</b>	<b>28,836</b>
<b>Total other services</b>	<b>27,054</b>	<b>(1,244)</b>	<b>25,810</b>	<b>29,139</b>
<b>Total Available Annual Appropriations</b>	<b>1,590,763</b>	<b>27,769</b>	<b>1,618,532</b>	<b>1,487,598</b>
<b>Total Appropriations excluding Special Accounts</b>	<b>1,590,763</b>	<b>27,769</b>	<b>1,618,532</b>	<b>1,487,598</b>

**Table 1.1: DBCDE resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009 (continued)**

	Estimate as at Budget	+ Proposed Additional Estimates	= Total Estimate at Additional Estimates	Total Available Appropriation
	2009-10 \$'000	2009-10 \$'000	2009-10 \$'000	2008-09 \$'000
<b>Special Accounts<sup>3</sup></b>				
Opening balance	-	-	-	70
Non-Appropriation receipts to Special Accounts	1,000,000	20,000	1,020,000	116,259
<b>Total Special Account</b>	<b>1,000,000</b>	<b>20,000</b>	<b>1,020,000</b>	<b>116,329</b>
<b>Total resourcing</b>	<b>2,590,763</b>	<b>47,769</b>	<b>2,638,532</b>	<b>1,603,927</b>
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or CAC Act bodies through annual appropriations	(1,137,341)	(7,836)	(1,145,177)	(1,049,870)
<b>Total net resourcing for DBCDE</b>	<b>1,453,422</b>	<b>39,933</b>	<b>1,493,355</b>	<b>554,057</b>

1. Appropriation Bills (No. 1 and 3) 2009-2010

2. Appropriation Bills (No. 2 and 4) 2009-2010

3. For further information on special accounts see Table 3.1.1. Figures in Table 1.1 exclude Other Trust Monies.

All figures are GST exclusive.

**Third Party Drawdowns from and on behalf of other agencies**

		Estimate at Budget	Estimate at Additional Estimates
		2009-10 \$'000	2009-10 \$'000
Payments made to CAC Act bodies within the Portfolio			
Australian Broadcasting Corporation	Appropriation Bills (No. 3 and 4) 2009-2010	929,862	932,059
Special Broadcasting Service Corporation	Appropriation Bills (No. 3 and 4) 2009-2010	207,479	213,118

### 1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2009-10 Budget, with the affected program identified.

**Table 1.2: Agency Measures since Budget**

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
<b>Expense measures</b>					
Whole-of-government departmental efficiencies <sup>1</sup>					
	All				
	Departmental expenses	(1,317)	(2,007)	(1,950)	(1,776)
	<b>Total</b>	<b>(1,317)</b>	<b>(2,007)</b>	<b>(1,950)</b>	<b>(1,776)</b>
Community Broadcasters Transition to Digital Television					
	1.3				
	Administered expenses	2,600	-	-	-
	<b>Total</b>	<b>2,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
Offset for Community Broadcasters Transition to Digital Television					
	All				
	Departmental expenses	(2,600)	-	-	-
	<b>Total</b>	<b>(2,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expense measures</b>					
	Administered	2,600	-	-	-
	Departmental	(3,917)	(2,007)	(1,950)	(1,776)
	<b>Total</b>	<b>(1,317)</b>	<b>(2,007)</b>	<b>(1,950)</b>	<b>(1,776)</b>

1. Further information on this measure appears in the 2009-10 Mid Year Economic and Fiscal Outlook on page 166.

## 1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Department by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2009-10 Budget in Appropriation Bills No. 3 and No. 4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

**Table 1.3: Additional estimates and variations to outcomes from measures since 2009-10 Budget**

	Program	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
<b>Outcome 1</b>					
Increase in estimates (administered)					
Community Broadcasters Transition to Digital Television	1.3	2,600	-	-	-
Net impact on estimates for Outcome 1 (administered)		2,600	-	-	-
Decrease in estimates (departmental)					
Whole-of-government departmental efficiencies	All	(1,317)	(2,007)	(1,950)	(1,776)
Offset for Community Broadcasters Transition to Digital Television	All	(2,600)	-	-	-
Net impact on estimates for Outcome 1 (departmental)		(3,917)	(2,007)	(1,950)	(1,776)

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

	Program	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
<b>Outcome 1</b>					
Increase in estimates (administered)					
Australian Broadband Guarantee	1.2	22,810	-	-	-
Digital Sw itchover - Household Assistance adjustment	1.3	548	50	2,217	-
Decrease in estimates (administered)					
Australian Broadband Guarantee	1.2	-	-	(22,810)	-
Indexation adjustments	All	(747)	(755)	(755)	(755)
Transfer of Cyber-safety funding <sup>1</sup>	1.2	(2,000)	-	-	-
Digital Regions Initiative - Local Government payments <sup>2</sup>		(1,244)	(7,303)	(10,912)	(3,484)
Net impact on estimates for Outcome 1 (administered)		19,367	(8,008)	(32,260)	(4,239)
Increase in estimates (departmental)					
Australian Broadband Guarantee	1.2	988	-	-	-
Efficiency dividend adjustment	All	16	-	-	-
Decrease in estimates (departmental)					
Australian Broadband Guarantee	1.2	-	-	(988)	-
Gershon Review Phase 2	All	-	(362)	(365)	(369)
Indexation adjustments	All	-	(94)	(444)	(471)
Net impact on estimates for Outcome 1 (departmental)		1,004	(456)	(1,797)	(840)
<b>Payments to CAC Act bodies</b>					
Increase in estimates (administered)					
ABC adjustments <sup>3</sup>	N/A	2,197	1,329	1,074	(1,603)
SBS adjustments <sup>4</sup>	N/A	5,639	(110)	(820)	(736)
Net impact on estimates for payments to CAC Act bodies		7,836	1,219	254	(2,339)

1. Cyber-safety Plan funding transferred from the Department to the Australian Communications and Media Authority (ACMA) for cyber-safety activities. Also included in the ACMA chapter.
2. Funding transferred to the Department of the Treasury who will make the payments under a National Partnership Agreement. The Department will still be responsible for administering the program.
3. See the ABC Chapter for further details of adjustments.
4. See the SBS Chapter for further details of adjustments.

## 1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

**Table 1.5: Appropriation Bill (No. 3) 2009-10**

	2008-09	2009-10	2009-10	2009-10	2009-10
	Available <sup>1</sup>	Budget	Revised	Additional	Reduced
	(\$'000)	(\$'000)	(\$'000)	Estimates	Estimates <sup>2</sup>
				(\$'000)	(\$'000)
<b>ADMINISTERED ITEMS</b>					
<b>Outcome 1</b>					
Develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, through policy development, advice and program delivery, which promotes the digital economy for all Australians	205,473	196,244	219,455	23,211	-
<b>Total</b>	205,473	196,244	219,455	23,211	-
<b>DEPARTMENTAL PROGRAMS</b>					
<b>Outcome 1</b>					
Develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, through policy development, advice and program delivery, which promotes the digital economy for all Australians	115,224	162,806	159,893	-	(2,913)
<b>Total</b>	115,224	162,806	159,893	-	(2,913)
<b>PAYMENTS TO CAC ACT ENTITIES</b>					
Australian Broadcasting Corporation	858,411	929,862	932,059	2,197	-
Special Broadcasting Service Corporation	191,459	207,479	213,118	5,639	-
<b>Total</b>	1,049,870	1,137,341	1,145,177	7,836	-
<b>Total administered and departmental</b>	1,370,567	1,496,391	1,524,525	31,047	(2,913)

1. Available 2008-09 appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

2. No appropriation is provided in Appropriation Bill (No. 3) for the agency where the total funding change is negative.

**Table 1.6: Appropriation Bill (No. 4) 2009-10**

	2008-09	2009-10	2009-10	2009-10	2009-10
	Available <sup>1</sup>	Budget	Revised	Additional	Reduced
	(\$'000)	(\$'000)	(\$'000)	Estimates	Estimates <sup>2</sup>
				(\$'000)	(\$'000)
<b>PAYMENTS TO STATES, ACT, NT AND LOCAL GOVERNMENT</b>					
<b>Outcome 1</b>					
Develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, through policy development, advice and program delivery, which promotes the digital economy for all Australians					
	-	1,244	-	-	(1,244)
<b>Total</b>	-	1,244	-	-	(1,244)
<b>Non-operating</b>					
Equity injections	303	1,513	1,513	-	-
Previous years' outputs	-	1,851	1,851	-	-
<b>Total non-operating</b>	303	3,364	3,364	-	-
<b>PAYMENTS TO CAC ACT ENTITIES</b>					
Australian Broadcasting Corporation	11,250	17,556	17,556	-	-
Special Broadcasting Service Corporation	17,586	4,890	4,890	-	-
<b>Total</b>	28,836	22,446	22,446	-	-
<b>Total</b>	29,139	27,054	25,810	-	(1,244)

1. Available 2008-09 appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
2. No appropriation is provided in Appropriation Bill (No. 4) for the agency where the total funding change is negative.

## 1.6 PAYMENTS DELIVERED BY OR THROUGH TREASURY UNDER THE NEW FEDERAL FINANCIAL RELATIONS (FFR) FRAMEWORK

The Council of Australian Government (COAG) agreed to a new framework for federal financial relations that is being implemented in a staged manner from 1 January 2009. Under these arrangements, specific purpose payments (SPPs) will now be made through combined monthly payments from the Commonwealth Treasury to and through the States' and Territories' Treasuries. Further information on these arrangements can be found in the Portfolio Budget Statements of the Treasury Portfolio and in Budget Paper No. 3 (Australia's Federal Relations 2009-10).

Details of payments that would have previously been the responsibility of the Department at the 2009-10 Budget and are now being made by the Treasury, are summarised below.

**Table 1.7: Programs for which Treasury is appropriated under the new Federal Financial Relations (FFR) framework**

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
<b>Amounts appropriated to Treasury</b>				
<i>Treasury Payment to/through States - Telecommunications, Online and Postal Services</i>				
<i>Digital Regions Initiative<sup>1</sup></i>	1,244	7,303	10,912	3,484
<b>Total</b>	<b>1,244</b>	<b>7,303</b>	<b>10,912</b>	<b>3,484</b>

1. In the 2009-10 Budget, payments for Local Government Projects under the Digital Regions Initiative were to be made by the Department. These payments will now be made by the Department of the Treasury with funding transferred to the Department of the Treasury in the Additional Estimates. The Department will still be responsible for administering these projects.

*DBCDE Additional Estimates Statements*

*DBCDE Additional Estimates Statements*

