

**Department of Broadband,
Communications and the
Digital Economy**

**Agency resources and planned
performance**

DEPARTMENT OF BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Section 1:	Agency overview and resources	21
1.1	Strategic direction.....	21
1.2	Agency resource statement.....	24
1.3	Budget measures	26
1.4	Transition from outcomes and outputs to outcomes and programs	30
1.5	Payments delivered by or through Treasury under the New Federal Financial Relations (FFR) Framework	32
Section 2:	Outcomes and planned performance	33
2.1	Outcomes and performance information.....	33
Section 3:	Explanatory tables and budgeted financial statements	51
3.1	Explanatory tables.....	51
3.2	Budgeted financial statements	54

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 aims to develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector, that promotes the digital economy for the benefit of all Australians.

The Department's strategic functions and responsibilities include:

- enhancing access to digital economy platforms through investment in a National Broadband Network, delivering superfast broadband to Australian homes and workplaces;
- enhancing the quality and diversity of broadcasting services through the coordination of the switchover from analog to digital television;
- promoting the competitive provision of services;
- targeting regulatory intervention and public investment where necessary to address market failure or circumstances where the market will not deliver outcomes of public benefit;
- protecting and promoting the interests of consumers in their dealings with service providers and in matters of cyber-safety and e-security;
- the efficient and strategic management of key communications resources, such as spectrum, telephone numbers and internet addresses; and
- the design and implementation of funding initiatives to deliver improved or lower-priced communications services and to better inform Australians in their use of communications services.

In performing its functions, the Department aims to support and encourage world class communications infrastructure over which consumers can access a diversity of services that are:

- competitively priced;
- widely available;
- provided on fair and just terms; and
- reliable and innovative.

DBCDE Budget Statements

Achievement of the Department's outcome is supported through major new measures within the 2009-10 Budget, together with significant initiatives continuing from previous years. The major initiatives include:

- establishment of a company that will invest up to \$43.0 billion over eight years to build and operate a **National Broadband Network**. The Government's objective is to connect 90 per cent of Australian homes, schools and workplaces with optical fibre providing broadband services with speeds of 100 megabits per second, and connect all other Australian premises with next generation wireless and satellite technology within the \$43.0 billion investment;
 - The initial investment of \$4.7 billion is included in the estimates of the Department of Broadband, Communications and the Digital Economy with the remainder of the Government's investment being included in the Contingency Reserve pending the outcome of the implementation study.
- the **switchover to digital television** transmission by December 2013, including the realisation of a digital dividend. Key activities commencing in 2008-09 include a \$62.6 million information and communications program, \$56.9 million to provide technical advice and installation services to eligible Australians until June 2012 and a \$7.5 million program to work with industry;
- \$250.8 million over four years from 2008-09 for the **Australian Broadband Guarantee** subsidy scheme;
- \$125.8 million over four years was committed in 2008-09 for the Government's **Cyber-safety Plan**. The plan includes a range of cyber-safety measures encompassing education, international cooperation, research, law enforcement and filtering;
- additional funding of \$92.7 million to extend support for a further four years from 2011-12 for the **Information and Communications Technology (ICT) Centre of Excellence program** which funds National ICT Australia (NICTA) to undertake ICT research and research training, and associated commercialisation and industry development activities. The Australian Research Council will also receive funding from government of \$92.7 million for NICTA over the same four years;
- \$60.0 million over four years, commencing July 2009, for the **Digital Regions Initiative** for digital education, health and emergency services projects in partnership with state, territory and local Governments. \$30.4 million of this amount will be appropriated to the Department of the Treasury for payments to States and Territories;
- \$30.0 million, over four years starting from 2009-10, for the **Indigenous Communications Program**, which builds on the existing funding of \$26.3 million and adds \$3.7 million in new funding. The Indigenous Communications Program will provide funding to install and maintain community phones in remote Indigenous communities and, in partnership with states and territories, to improve access in remote Indigenous communities to basic public internet facilities and

computer training. \$7.0 million of this amount will be appropriated to the Department of the Treasury for payments to States and Territories;

- \$11.4 million over four years commencing 2009-10 to increase and extend the subsidies available under the **Satellite Phone Subsidy Scheme** for Australians living and working in areas without terrestrial mobile coverage;
- \$5.0 million, over four years, to increase take-up and usage of broadband in regional communities;
- \$4.4 million, over two years from 2009-10 to raise awareness of **e-security** risks for home users, schools and small businesses throughout Australia; and
- \$7.5 million over four years from 2009-10 in new funding to the newly established peak communications consumer organisation, the **Australian Communications Consumer Action Network**, to advocate the interests of consumers of telecommunications services to government and industry.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all origins. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: DBCDE resource statement
Budget estimates for 2009-10 as at Budget May 2009**

	Estimate of prior year amounts available in 2009-10 \$'000	+ Proposed at Budget = 2009-10 \$'000	Total Estimate 2009-10 \$'000	Actual Available Appropriation 2008-09 \$'000
Ordinary Annual Services¹				
Departmental				
Prior year Departmental appropriations	80,263	2	80,263	75,222
Departmental appropriation	-	162,806	162,806	115,224
s31 Relevant agency receipts	-	970	970	1,431
Total	80,263	163,776	244,039	191,877
Administered expenses				
Prior year Administered appropriations	8,531	-	8,531	17,208
Outcome 1	-	196,244	196,244	205,473
Payments to CAC Act Bodies	-	1,114,895	1,114,895	1,049,870
Total	8,531	1,311,139	1,319,670	1,272,551
Total ordinary annual services	88,794	1,474,915	1,563,709	1,464,428
Other services³				
Administered expenses				
Specific payments to states, ACT, NT and local government				
Outcome 1	-	1,244	1,244	-
Total	-	1,244	1,244	-
Departmental non-operating				
Prior year Departmental appropriations	-	-	-	625
Equity injections	-	1,513	1,513	303
Previous years' outputs	-	1,851	1,851	-
Total	-	3,364	3,364	928
Administered non-operating				
Payments to CAC Act Bodies - non operating	-	22,446	22,446	28,836
Total	-	22,446	22,446	28,836
Total other services	-	27,054	27,054	29,764
Total Available Annual Appropriations	88,794	1,501,969	1,590,763	1,494,192
Total Appropriations excluding Special Accounts	88,794	1,501,969	1,590,763	1,494,192

**Table 1.1: DBCDE resource statement
Budget estimates for 2009-10 as at Budget May 2009 (continued)**

	Estimate of prior year amounts available in 2009-10 \$'000	+ Proposed at Budget = 2009-10 \$'000	Total Estimate 2009-10 \$'000	Actual Available Appropriation 2008-09 \$'000
Special Accounts				
Opening balance ⁴	-	-	-	70
Non-Appropriation receipts to Special Accounts ⁵	-	1,000,000	1,000,000	116,343
Total Special Account	-	1,000,000	1,000,000	116,413
Total resourcing	88,794	2,501,969	2,590,763	1,610,605
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)	(1,137,341)	(1,078,706)
Total net resourcing for DBCDE	88,794	1,364,628	1,453,422	531,899

Third Party Payments from and on behalf of other agencies

	2009-10 \$'000	2008-09 \$'000
Payments made to other agencies for the provision of services (Included in special account figures above)	-	158
Payments made to CAC Act bodies within the Portfolio		
Australian Broadcasting Corporation Appropriation Bills (No.1 and No.2) 2009-10	929,862	869,661
Special Broadcasting Service Corporation Appropriation Bills (No.1 and No.2) 2009-10	207,479	209,045

1 Appropriation Bill (No.1) 2009-10.

2 Estimated adjusted balance carried from previous year for Annual Appropriations.

3 Appropriation Bill (No.2) 2009-10.

4 Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.2.

5 Non-Appropriation receipts to Special Accounts include \$30 million in 2008-09 and \$1 billion in 2009-10 transferred from the Department of Finance and Deregulation's Building Australia Fund Special Account to the department's Building Australia Fund Special Account for the National Broadband Network.

Reader note: All figures are GST exclusive.

1.3 BUDGET MEASURES

Budget measures relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: DBCDE 2009-10 Budget measures

	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expense measures						
Australian Broadband Guarantee - reduction in funding	1.2					
Administered		-	(10,131)	(8,101)	(2,322)	-
Departmental		-	(988)	(755)	(764)	-
Total		-	(11,119)	(8,856)	(3,086)	-
Australian Communications Consumer Action Network - additional support	1.2					
Administered ¹		-	1,200	2,046	2,091	2,137
Total		-	1,200	2,046	2,091	2,137
Community broadcasting National Training Program - continuation	1.3					
Administered		-	600	614	627	641
Total		-	600	614	627	641
Critical Infrastructure Protection program - continuation ²	1.2					
Departmental		-	-	-	-	-
Total		-	-	-	-	-
Digital Television Switchover – regional South Australia, Victoria and Queensland ³	1.3					
Administered		-	21,985	45,904	38,015	-
Departmental		-	3,825	5,515	2,853	-
Total		-	25,810	51,419	40,868	-
National Broadband Network - implementation and establishment	1.1					
Departmental		-	53,196	-	-	-
Total		-	53,196	-	-	-
National ICT Australia - funding extension ⁴	1.2					
Administered		-	-	-	25,000	23,750
Total		-	-	-	25,000	23,750

Table 1.2: DBCDE 2009-10 Budget measures (continued)

	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
National Transmission Network - Residual Funding Pool - return of uncommitted funding	1.3					
Administered		-	(408)	(375)	(341)	(307)
Total		-	(408)	(375)	(341)	(307)
Regional Telecommunications Review Response - Digital Regions Initiative ⁵	1.2					
Administered		-	538	3,200	4,840	1,564
Departmental		-	1,027	1,914	1,211	1,252
Total		-	1,565	5,114	6,051	2,816
Regional Telecommunications Review Response - Indigenous Communications Program ⁵	1.2					
Administered		(6,698)	(9,040)	31	4,516	3,680
Departmental		-	501	1,630	1,254	851
Total		(6,698)	(8,539)	1,661	5,770	4,531
Regional Telecommunications Review Response - enhanced Satellite Phone Subsidy Scheme	1.2					
Administered			2,254	1,824	1,878	2,923
Departmental		-	608	572	621	645
Total		-	2,862	2,396	2,499	3,568
Rural and Regional National Broadband Network Initiative - enhanced Digital Regions Initiative	1.2					
Administered		-	706	4,103	6,072	1,920
Departmental		-	228	426	273	284
Total		-	934	4,529	6,345	2,204
Rural and Regional National Broadband Network Initiative - rural NBN coordinators	1.2					
Departmental		-	777	1,392	1,407	1,419
Total		-	777	1,392	1,407	1,419
Television Blackspots - alternative technical solutions	1.3					
Administered		(600)	-	-	-	-
Total		(600)	-	-	-	-
Television Towers - improved coverage	1.3					
Administered		-	nfp ⁶	-	-	-
Total		-	nfp ⁶	-	-	-
Total expense measures						
Administered		(7,298)	7,704	49,246	80,376	36,308
Departmental		-	59,174	10,694	6,855	4,451
Total		(7,298)	66,878	59,940	87,231	40,759

Table 1.2: DBCDE 2009-10 Budget measures (continued)

	Program	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Capital measures						
Digital Television Switchover – regional South Australia, Victoria and Queensland	1.3					
Departmental		-	1,437	200	-	-
Total		-	1,437	200	-	-
National Broadband Network - initial investment	1.1					
Administered		-	-	-	-	-
Total		-	-	-	-	-
National Broadband Network - regional backbone blackspots program	1.1					
Administered		-	250,000	-	-	-
Total		-	250,000	-	-	-
Regional Telecommunications Review Response - Indigenous Communications Program	1.2					
Departmental		-	20	-	-	-
Total		-	20	-	-	-
Regional Telecommunications Review Response - enhanced Satellite Phone Subsidy Scheme	1.2					
Departmental		-	40	-	-	-
Total		-	40	-	-	-
Total capital measures						
Administered		-	250,000	-	-	-
Departmental		-	1,497	200	-	-
Total		-	251,497	200	-	-

Prepared on a Government Financial Statistics (fiscal) basis.

- 1 This measure will be fully recovered from annual carrier licence charges collected by the Australian Communications and Media Authority under the *Telecommunications (Carrier Licence Charges) Act 1997*.
- 2 The lead Portfolio for this cross-agency measure is the Attorney General's Portfolio. The full measure description and package details appear in Budget Paper No. 2 under the Attorney General's Portfolio. Funding of \$1.292m in 2009-10, \$1.305m in 2010-11, \$1.320m in 2011-12, and \$1.336m in 2012-13 will be provided to the Department. A lapsing program, this funding was already included in the forward estimates, so it has no net budget impact.
- 3 Funding for this measure is also being provided to the Australian Communications and Media Authority.
- 4 Funding for this measure is also being provided to Australian Research Council in the Innovation, Industry, Science and Research Portfolio.
- 5 This program includes payments to States and Territories, which are appropriated directly to the department of the Treasury and, therefore, are not included in these amounts.
- 6 'nfp' = not for publication. Provision has been made for funding in the 2009-10 Budget. However, contracts for the provision of services have not yet been negotiated.

In addition to the measures above, the Government has also announced the following measures as part of the Updated Economic and Fiscal Outlook (UEFO), which were not previously published in the Broadband, Communications and Digital Economy 2008-09 Portfolio Additional Estimates Statements:

- Digital Dividend - consultation and preliminary technical planning with funding of \$0.6 million in 2008-09;
- Digital Television Switchover - Mildura/Sunraysia pilot with funding of \$2.0 million in 2008-09; \$7.8 million in 2009-10; and \$1.5 million in 2010-11; and
- Gershon Review - savings, with savings of \$0.2 million in 2009-10; \$0.2 million in 2010-11; \$0.2 million in 2011-12; and \$0.2 million in 2012-13.

1.4 TRANSITION FROM OUTCOMES AND OUTPUTS TO OUTCOMES AND PROGRAMS

From the 2009-10 Budget, all General Government Sector (GGS) entities will be reporting on a program basis. The table below outlines the transition from the 2008-09 Budget year (as at Additional Estimates) which was presented in administered items, outputs and output groups to the program reporting framework used for the 2009-10 Budget. The table also captures revisions made to GGS outcome statements under the Operation Sunlight Outcome Statements Review.

Figure 2: Transition table

2008-09 Budget year

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

2009-10 Budget year

Outcome 1: 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

Output Group 1.1: Policy advice and program management that delivers competitively priced, accessible and high quality broadband and other communication services and that supports the digital economy	
Administered Items:	
<i>ABC & SBS Digital Interference Scheme</i>	P 1.3
<i>Australian Broadband Guarantee</i>	P 1.2
<i>Community Broadcasting Foundation¹</i>	P 1.3
<i>Connect Australia</i>	P 1.2
<i>Cyber-safety</i>	P 1.2
<i>Digital Television Switchover</i>	P 1.3
<i>e-Security</i>	P 1.2
<i>ICT Centre of Excellence</i>	P 1.2
<i>International Organisations Contributions</i>	P 1.2
<i>National Transmission Network Residual Funding Pool</i>	P 1.3
<i>Regional Equalisation Plan</i>	P 1.3
<i>Regional Telecommunications Inquiry response³</i>	P 1.2
<i>Telecommunications Action Plan for Remote Indigenous Communities</i>	P 1.2
<i>Telecommunications Consumer Representation and Research²</i>	P 1.2
<i>Television Towers</i>	P 1.3
Departmental Outputs:	
Program Management	P1.1, 1.2 & 1.3

Program 1.1: Broadband and Communications Infrastructure
Administered Items:
<i>International Organisations Contributions</i>
<i>National Broadband Network</i>
Program Support:
<i>Policy & Program Support</i>
Program 1.2: Telecommunications, Online and Postal Services
Administered Items:
<i>Consumer Representation Grants Program²</i>
<i>Australian Broadband Guarantee</i>
<i>Connect Australia</i>
<i>Cyber-safety</i>
<i>e-Security</i>
<i>ICT Centre of Excellence</i>
<i>Regional Telecommunications Review Response³</i>
<i>Telecommunications Action Plan for Remote Indigenous Communities</i>
Program Support:
<i>Policy & Program Support</i>
Program 1.3: Broadcasting and Digital Television
Administered Items:
<i>ABC & SBS Digital Interference Scheme</i>
<i>Community Broadcasting Program¹</i>
<i>Digital Television Switchover</i>
<i>National Transmission Network Residual Funding Pool</i>
<i>Regional Equalisation Plan</i>
<i>Television Towers</i>
Program Support:
<i>Policy & Program Support</i>

1 The Community Broadcasting Foundation program has been renamed the Community Broadcasting Program and now includes funding for the Radio for the Print Handicapped, (RPH Co-operative Ltd).

2 The Telecommunications Consumer Representation and Research program has been renamed the Consumer Representation Grants Program.

3 The Regional Telecommunications Inquiry Response has been renamed the Regional Telecommunications Review Response.

1.5 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.

Details of payments that would have previously been the responsibility of the Department and are now being made by the Treasury are summarised below, along with resources that continue to be paid by the Department. 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).

Table 1.3: Programs for which Treasury is appropriated under the new Federal Financial Relations (FFR) framework.

	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Amounts appropriated to Treasury under the new FFR Act					
<i>Treasury Payment to/through States - Telecommunications, Online and Postal Services</i>					
<i>Digital regions initiative</i>	-	1,612	9,600	14,521	4,693
<i>Indigenous communications program</i>	-	630	2,274	2,009	2,054
Sub-total Treasury Resourcing	-	2,242	11,874	16,530	6,747
Agency Resourcing for local government payments	-	1,244	7,303	10,912	3,484
Totals	-	3,486	19,177	27,442	10,231