

NATIONAL OFFICE FOR THE
INFORMATION ECONOMY

NATIONAL OFFICE FOR THE INFORMATION ECONOMY

Section 1: Overview, variations and measures

OVERVIEW

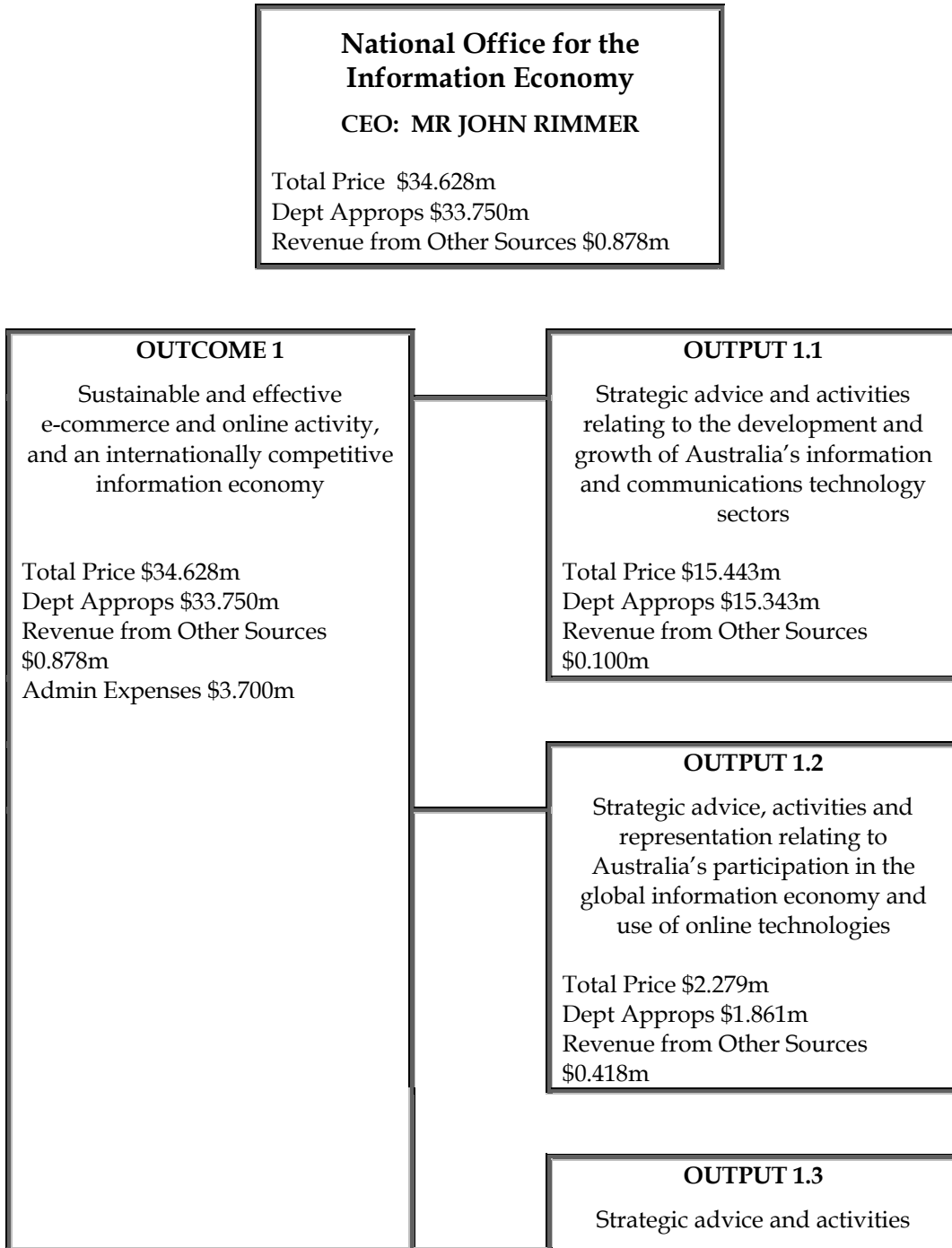
NOIE's challenge is to enhance its primary role as a coordinator, catalyst and change agent in respect of:

- the broad environment for the information economy;
- issues concerned with the take-up of online and other electronic transaction technology by business and the community; and
- e-Government.

It gained status as a Prescribed Agency on 1 July 2001. NOIE's estimates were previously included in the Department of Communications, Information Technology and the Arts Portfolio Budget Statements.

As part of the Administrative Arrangements Order of November 2001, NOIE has retained its international function in respect of the information economy, while international issues specifically related to the information and telecommunications industries are transferring to the Department. Administrative arrangements, including funds transfers, were still to be settled at the time the PAES was finalised.

Map 2: Outcomes and output groups for the agency



relating to Government online

Total Price \$16.906m
Dept Approps \$16.546
Revenue from Other Sources
\$0.360m

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

NOIE Budget Estimates were contained in the Department of Communications, Information Technology and the Arts 2001-02 Portfolio Budget Statements, under Outcome 5, commencing page 66.

Additional funding of \$6.5m over two years has been sought to cover the Government Assistance to Small Business measure to accelerate the uptake of electronic commerce amongst small business to improve their efficiency and effectiveness. This measure does not alter the Agency's outcomes.

MEASURES

Outcome 1 — Sustainable and effective e-commerce and online activity, and an internationally competitive information economy

	2001-02 (\$'000)	2002-03 (\$'000)	2003-04 (\$'000)	2004-05 (\$'000)
<i>Increase in departmental appropriations</i>				
Small Business Assistance Package - accelerating the uptake of e-commerce by small business	1,500	5,000	-	-

Small Business Assistance Package - accelerating the uptake of e-commerce by small business

The Government will provide \$6.5m over two years to accelerate the uptake of electronic commerce (e-commerce) amongst small businesses to improve their efficiency and competitiveness. This will be done through the development of an integrated and targeted suite of e-commerce information and practical learning tools, and the promotion of electronic trading and procurement with the Commonwealth.

Other Variations to Appropriations

Outcome 1 — Sustainable and effective e-commerce and online activity, and an internationally competitive information economy

	2001-02 (\$'000)	2002-03 (\$'000)	2003-04 (\$'000)	2004-05 (\$'000)
<i>Increase in departmental appropriations</i>				
Indexation adjustment	-	293	257	254

NOIE is expected to receive indexation funding from 2002-03. Indexation relates to the change in NOIE's funding base from the 2001-02 budget.

MEASURES: AGENCY SUMMARY

Table 1.1: Summary of measures since the 2001-02 Budget

Measure	Outcome	Outputs affected	Appropriations 2001-02 (\$'000)			Appropriations 2002-03 (\$'000)			Appropriations 2003-04 (\$'000)			Appropriations 2004-05 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Small Business Assistance Package - accelerating the uptake of e-commerce by small business	1	1.1 & 1.3	-	1,500	1,500	-	5,000	5,000	-	-	-	-	-	-

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2001-02

	2000-01 available \$'000	2001-02 budget \$'000	2001-02 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
ADMINISTERED EXPENSES					
Outcome 1					
Sustainable and effective e-commerce and online activity, and an internationally competitive information economy.	-	3,700	3,700	-	-
Total	-	3,700	3,700	-	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
Sustainable and effective e-commerce and online activity, and an internationally competitive information economy.	28,530	32,250	33,750	1,500	-
Total	28,530	32,250	33,750	1,500	-
TOTAL (Administered and Departmental)	28,530	35,950	37,450	1,500	-

Note: 2000-01 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 + DIA + AFM - Savings.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There have been changes to the funding of Outcome 1 as a result of Additional Estimates. However the Outcome/Output structure is not affected.

Outcome 1 — Sustainable and effective e-commerce and online activity, and an internationally competitive information economy

Explanation of Variations

While there are no variations to NOIE's Outcomes and Outputs, the funding for Outputs 1.1 and 1.3 will be increased by \$0.750m each, with a total increase for Outcome 1 of \$1.5m in 2001-02, and \$5.0m in 2002-03. Outcome funding from 2002-03 to 2004-05 will also increase as a result of an indexation adjustment.

Revised Performance Information and Level of Achievement — 2001-02

The performance information that NOIE will use to assess the level of its achievement against Outcome 1 during 2001-02, remains unchanged from the Performance Information for Outcome 5 on page 72 of the 2001-02 Portfolio Budget Statements, except for some variations to output price as outlined on the next page.

Table 2.1 – Performance Information for Outcome 1

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

Output	Performance information 2001-02 budget	Performance information 2001-02 revised
Output 1.1 Strategic advice and activities relating to the development and growth of the information and communications technology sectors.	<p>Quality: Level of industry satisfaction with the effectiveness of strategies to enhance business take-up of e-commerce.</p> <p>Quality and usefulness of statistical benchmarking to Government business and consumers.</p> <p>Level and effectiveness of security and integrity of the national information infrastructure.</p> <p>Feed-back from stakeholders on management of domestic and international domain issues that accord with Australia's national interest.</p> <p>Contribution of the Information Economy to economic and social growth of regional and rural Australia.</p> <p>Quantity: Increase in take-up of e-commerce and online transactions by Australian business, especially small and medium enterprises.</p> <p>Rate of increase in individual, family and community access to the Internet.</p> <p>Rate of increase of small and medium enterprises using e-commerce to do business.</p> <p>Reduction in disparities to Internet access within the community.</p> <p>Monitoring the implementation of the <i>Electronic Transactions Act 1999</i>.</p> <p>Price: \$14.693m</p>	<p>Quality: No change - as per Budget</p> <p>Quantity: No change - as per Budget</p> <p>Price: \$15.443m</p>

Table 2.1: Performance information for outputs affected by additional estimates Outcome 1 (continued)

Output	Performance information 2001-02 budget	Performance information 2001-02 revised
<p>Output 1.2 Strategic advice, activities and representation relating to Australia's participation in the global Information Economy and use of online technologies.</p>	<p>Quality: Level and effectiveness of representation in world forums. International recognition of Australia's positive contribution to international consensus. Support for Australia's business sector and non-Government organisations in international activity.</p> <p>Price: \$2.279m</p>	<p>Quality: No change - as per Budget</p> <p>Price: \$2.279m</p>
<p>Output 1.3 Strategic advice and activities relating to Government online.</p>	<p>Quality: Agency participation in NOIE cooperative initiatives. Agency participation in monitoring arrangements. State/Territory endorsement of national approaches. Extent to which agencies seek assistance in relation to telecommunications purchases. Agency awareness and adoption of Government Online security requirements.</p> <p>Quantity: 100 percent of suppliers are paid electronically, except in exceptional circumstances. Up to 10 public key infrastructure providers accredited under the Gatekeeper strategic framework.</p>	<p>Quality: No change - as per Budget</p> <p>Quantity: No change - as per Budget</p>

Table 2.1 – Performance Information for Outcome 1 (cont.)

Table 2.1: Performance information for outputs affected by additional estimates Outcome 1 (continued)

Output	Performance information 2001-02 budget	Performance information 2001-02 revised
Output 1.3 Strategic advice and activities relating to Government online (<i>continued</i>).	<p>Milestones: Provision of an electronic tendering system to enable agencies to conduct complex procurement activities online by the end of 2001. Provision by June 2001 of a directory of online product and service providers. Development of Online Portals by the third quarter of 2001.</p> <p>Price: \$16.156m</p>	<p>Milestones: No change - as per Budget</p> <p>Price: \$16.906m</p>

Section 3: Budgeted Financial Statements

Budget statement of financial performance (budget operating statement)

This statement provides a picture of the expected financial results for NOIE by identifying full accrual expenses, accrual revenues and capital use charge, which highlights whether NOIE is operating at a sustainable level.

Budget statement of financial position (budget balance sheet)

This statement shows the financial position of NOIE. It helps decision-makers to track the management of NOIE's assets and liabilities.

Budget cash flow statement

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Capital budget

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Table 3.1 – Departmental Statement of Financial Performance

Table 3.1: Budgeted departmental statement of financial performance (for the period ended 30 June)

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
Revenues from ordinary activities					
Revenue from government	19,679	33,750	30,215	24,065	23,844
Sales of goods and services	5	40	40	40	40
Interest	-	10	10	10	10
Dividends	-	-	-	-	-
Net gains from sales of assets	-	-	-	-	-
Other	1,449	828	409	427	445
Total revenues from ordinary activities	21,133	34,628	30,674	24,542	24,339
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	10,333	17,870	15,360	14,706	14,591
Suppliers	12,542	18,705	15,194	9,716	9,628
Grants	3,134	1,625	-	-	-
Depreciation and amortisation	129	120	120	120	120
Write down of assets	50	-	-	-	-
Net losses from sales of assets	-	-	-	-	-
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	26,188	38,320	30,674	24,542	24,339
Borrowing cost expense (Interest expense)	-	-	-	-	-
Net surplus or deficit from ordinary activities	(5,055)	(3,692)	-	-	-
Gain or loss on extraordinary items	(24)	-	-	-	-
Net surplus or deficit	(5,079)	(3,692)	-	-	-
Capital use charge	-	-	-	-	-
Net surplus or deficit after capital use charge	(5,079)	(3,692)	-	-	-

Table 3.2: Budget departmental statement of financial position

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
ASSETS					
Financial assets					
Cash	3,692	322	680	663	901
Receivables	161	115	85	83	82
Investments	-	-	-	-	-
Accrued revenues	59	-	-	-	-
Other	-	-	-	-	-
Total financial assets	3,913	437	765	746	983
Non-financial assets					
Land and buildings	251	168	85	251	168
Infrastructure, plant and equipment	209	209	209	209	209
Inventories	-	-	-	-	-
Intangibles	44	44	44	44	44
Other	-	10	10	10	10
Total non-financial assets	504	431	348	514	431
Total assets	4,417	868	1,113	1,260	1,414
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Employees	3,185	3,840	4,215	4,414	4,619
Suppliers	53	700	600	550	500
Grants	-	-	-	-	-
Other	1,274	115	85	83	82
Total provisions and payables	4,512	4,655	4,900	5,047	5,201
Total liabilities	4,512	4,655	4,900	5,047	5,201
EQUITY					
Capital	4,985	4,985	4,985	4,985	4,985
Reserves	-	-	-	-	-
Accumulated surpluses or deficits	(5,080)	(8,771)	(8,771)	(8,771)	(8,771)
Total equity	(95)	(3,786)	(3,786)	(3,786)	(3,786)
Current liabilities	2,878	4,406	4,635	4,772	4,916
Non-current liabilities	1,634	249	265	275	285
Current assets	3,913	437	765	746	983
Non-current assets	504	431	348	514	431

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

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	19,679	33,750	30,215	24,065	23,844
Sales of goods and services	5	40	40	40	40
Interest	0	10	10	10	10
Other	1,449	933	439	429	446
Total cash received	21,133	34,733	30,704	24,544	24,340
Cash used					
Employees	10,333	17,215	14,985	14,507	14,386
Suppliers	12,542	18,058	15,294	9,766	9,678
Grants	3,134	1,625	-	-	-
Interest	-	-	-	-	-
Other	-	1,159	30	2	1
Total cash used	26,009	38,057	30,309	24,275	24,065
Net cash from operating activities	(4,876)	(3,324)	395	269	275
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	-	37	37	286	37
Loans made	-	-	-	-	-
Other	-	9	-	-	-
Total cash used	-	46	37	286	37
Net cash from investing activities	-	(46)	(37)	(286)	(37)
FINANCIAL ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	-	-	-	-	-
Proceeds from debt	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-

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Table 3.3 – Departmental Cash Flow (cont.)

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

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
Cash used					
Repayments of debt	-	-	-	-	-
Capital use and dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase in cash held	(4,876)	(3,370)	358	(17)	238
Cash at the beginning of the reporting period	8,568	3,692	322	680	663
Cash at the end of the reporting period	3,692	322	680	663	901

Table 3.4: Departmental capital budget statement

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Appropriation of previous year accrued revenue	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by Departmental resources	-	37	37	286	37

Table 3.5: Note of budgeted administered financial performance (for the period ended 30 June)

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
REVENUES					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Total taxation	-	-	-	-	-
Non-taxation					
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net gains from sales of assets	-	-	-	-	-
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	-	-	-	-	-
Total revenues administered on behalf of the Government	-	-	-	-	-
EXPENSES					
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Grants	-	3,700	9,800	13,800	19,700
Suppliers	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Net losses from sales of assets	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total expenses administered on behalf of the Government	-	3,700	9,800	13,800	19,700
Extraordinary items	-	-	-	-	-

NOTE: Table 3.6 (Note of budgeted administered financial position) has not been presented here as there are no assets and liabilities administered by NOIE on behalf of the Commonwealth.

Table 3.7: Note of budgeted administered cash flows

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	-	-	-	-	-
Appropriations	-	3,700	9,800	13,800	19,700
Interest	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	3,700	9,800	13,800	19,700
Cash used					
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Suppliers	-	-	-	-	-
Grants	-	3,700	9,800	13,800	19,700
Interest	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	3,700	9,800	13,800	19,700
Net cash from operating activities	-	-	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-

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Table 3.7 – Administered cash flow (cont.)

Table 3.7: Note of budgeted administered cash flows (continued)

	Actual 2000-01 \$'000	Revised budget 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase in cash held	-	-	-	-	-
Cash at beginning of reporting period	-	-	-	-	-
Administered cash at end of reporting period	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Appendix 1

Non-appropriation departmental and administered revenue

	Budgeted estimate 2001-02 \$'000	Revised estimate 2001-02 \$'000
Departmental Revenue		
Sales of goods and services	853	40
Interest	10	10
Other	15	828
Total Non-Appropriation departmental revenue	878	878