

**AUSTRALIAN
COMMUNICATIONS AND MEDIA
AUTHORITY**

AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There have been no changes to the Australian Communications and Media Authority (ACMA) major objectives and planned achievements since the 2006-07 Portfolio Budget Statements.

Table 1.1: Agency outcomes and output groups

Outcome	Output
<p>Outcome 1 ACMA will provide a regulatory environment that supports an efficient communications sector</p>	<p>Output 1.1 Effective regulation of the communications industry</p> <p>Output 1.2 Planning and licensing of communications services</p>
<p>Outcome 2 ACMA will contribute to meeting the communications products and services needs of the Australian community by enabling an effective information, standards and safeguards regime</p>	<p>Output 2.1 Ensuring the provision of community standards and safeguards which reflect broad community expectations</p> <p>Output 2.2 Facilitating sufficient community information to enable informed decisions about communications products and services</p>

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

ACMA has the following 2006-07 additional estimates variations:

Departmental Outputs

The departmental output appropriation for 2006-07 has been increased by \$1.0m to \$82.1m. The increase relates to a new measure (*Protecting Australian Families Online – restructure of NetAlert*) announced since the 2006-07 Budget. The details are outlined in Table 1.2 below.

Administered Expenses

Administered special appropriations for 2006-07 have increased by \$0.5m to \$3.3m. The increase is associated with a revised estimate for administered revenue refunds.

Variations — Measures

Table 1.2: Additional estimates and variations to outcomes – measures

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Increase in estimates (departmental)				
Digital Action Plan for Australia's Transition to digital television	-	2,601	1,307	1,358
Digital Action Plan for Australia's Transition to digital television ¹	-	338	-	-
Outcome 2				
Increase in estimates (departmental)				
Protecting Australian Families Online - restructure of NetAlert	1,020	1,960	1,959	-

Notes:

1 Represents changes to capital appropriation

Other variations to appropriations

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

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (departmental)				
Parameter adjustments	-	257	296	342
Outcome 2				
Variations (departmental)				
Parameter adjustments	-	127	146	168

MEASURES

Measures announced since the 2006-07 Budget impacting on ACMA are outlined in Table 1.4. The table also identifies the relevant outcome, output and funding associated with each measure.

Table 1.4: Summary of measures since the 2006-07 Budget

Measure	Outcome	Outputs affected	Appropriations 2006-07 (\$'000)			Appropriations 2007-08 (\$'000)			Appropriations 2008-09 (\$'000)			Appropriations 2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Digital Action Plan for Australia's Transition to digital television	1	1.2	-	-	-	-	2,601	2,601	-	1,307	1,307	-	1,358	1,358
Protecting Australian Families Online - restructure of NetAlert	2	2.1	-	1,020	1,020	-	1,960	1,960	-	1,959	1,959	-	-	-
Total Expense Measures			-	1,020	1,020	-	4,561	4,561	-	3,266	3,266	-	1,358	1,358
Revenue Measures														
Digital services - allocation of new channels on spare spectrum	1	1.2	-	-	-	nfp	-	-	-	-	-	-	-	-
Total Revenue Measures			-	-	-	-	-	-	-	-	-	-	-	-
Capital Measures														
Digital Action Plan for Australia's Transition to digital television	1	1.2	-	-	-	-	338	338	-	-	-	-	-	-
Total Capital Measures			-	-	-	-	338	338	-	-	-	-	-	-
TOTAL MEASURES			-	1,020	1,020	-	4,899	4,899	-	3,266	3,266	-	1,358	1,358

Note:

nfp = Not for publication.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2006-07

	2005-06 available \$'000	2006-07 budget \$'000	2006-07 revised \$'000	Additional estimates \$'000	Reduced Estimates \$'000
ADMINISTERED ITEMS					
Outcome 1					
ACMA will provide a regulatory environment that supports an efficient communications sector.	-	-	-	-	-
Outcome 2					
ACMA will contribute to meeting the communications products and services needs of the Australian community by enabling an effective information, standards and safeguards regime.	-	-	-	-	-
Total	-	-	-	-	-
DEPARTMENTAL OUTPUTS					
Outcome 1					
ACMA will provide a regulatory environment that supports an efficient communications sector	54,388	54,268	54,268	-	-
Outcome 2					
ACMA will contribute to meeting the communications products and services needs of the Australian community by enabling an effective information, standards and safeguards regime.	18,469	26,801	27,821	1,020	-
Total	72,857	81,069	82,089	1,020	-
Total administered and departmental	72,857	81,069	82,089	1,020	-

Note:

The outcome and output structure has been revised since the 2005-06 PAES. For comparative purposes, the 2005-06 available appropriation has been shown in the new structure.

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2006-07 Budget	2006-07 Revised	Variation
Outcome 1			
ACMA will provide a regulatory environment that supports an efficient communications sector.	375	390	15
Outcome 2			
ACMA will contribute to meeting the communications products and services needs of the Australian community by enabling an effective information, standards and safeguards regime.	125	130	5
Total	500	520	20

OTHER RESOURCES AVAILABLE TO BE USED

Table 1.9: Other resources available to be used

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000
Departmental resources		
Sale of goods and services <i>FMA Act 1997 s.31 (D)</i>	1,680	1,680
Total departmental other resources available to be used	1,680	1,680
Administered resources		
Universal Service Levy <i>FMA Act 1997 s.21 and TCPSS Act 1999 s21 (A)</i>	52,564	58,358
Universal Service - Notional Levy <i>FMA Act 1997 s.21 and TCPSS Act 1999 s21 (A)</i>	105,128	113,046
National Relay Service Levy <i>FMA Act 1997 s.21 and TCPSS Act 1999 s102 (A)</i> ¹	-	10,789
International Telecommunication Union - Satellite application fees <i>FMA Act 1997 s.20 (A)</i>	180	50
Total administered other receipts available to be used	157,872	182,243

D = Departmental A = Administered

Acts Glossary

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

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

Notes:

¹ Administrative responsibility for the NRS levy was transferred to ACMA from DCITA with effect from 1 August 2006.

ESTIMATES OF EXPENSES FROM SPECIAL APPROPRIATIONS

Table 1.10: Estimates of expenses from special appropriations

	Outcome No	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000
Estimated expenses			
Administered revenue refunds - <i>FMA Act 1997 s28 (A)</i>	1	2,000	2,500
Telecommunications consumer codes - <i>Telecom Act 1997 s136C (4) (A)</i>	2	800	800
Total estimated expenses		2,800	3,300

A = Administered

Acts Glossary

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

Telecom Act 1997 = *Telecommunications Act 1997*

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

Special Account	Outcome	Opening balance				Closing balance
			Receipts	Payments	Adjustments	
		2006-07	2006-07	2006-07	2006-07	2006-07
		2005-06	2005-06	2005-06	2005-06	2005-06
		\$'000	\$'000	\$'000	\$'000	\$'000
Universal Service Account - <i>FMA Act 1997 s.21 and TCPSS Act 1999 s21 (A)</i>	2	990	58,358	58,358	-	990
		-	75,275	74,285	-	990
National Relay Service Account - <i>FMA Act 1997 s.21 and TCPSS Act 1999 s102 (A)</i> ¹	2	-	14,500	14,500	4	4
		-	-	-	-	-
Other Trust Moneys - <i>FMA Act 1997 s.20 (A)</i>	1	6	50	50	-	6
		172	13	179	-	6
Total Special Accounts		996	72,908	72,908	4	1,000
		172	75,288	74,464	-	996

A = Administered

Acts Glossary

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

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

Notes:

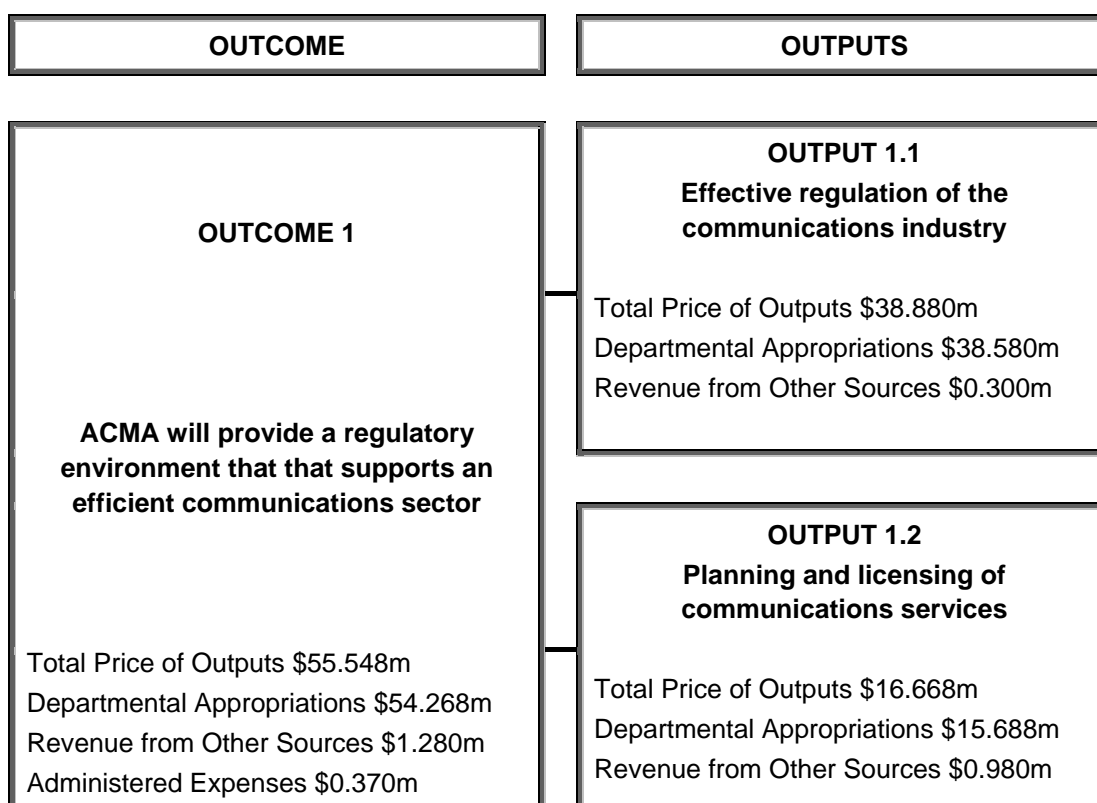
¹ Administrative responsibility for the NRS levy was transferred to ACMA from DCITA with effect from 1 August 2006.

Section 2: Agency resources for 2006-07

OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

There have been no changes to ACMA's outcome and outputs structure since the 2006-07 Portfolio Budget Statements.

Figure 2.1: Outcome and output structure for Outcome 1



Note: Revenue from Government (Appropriations) contributes 97.7% to the Total Price of Outputs for Outcome 1.

Total Resources for Outcome 1

Explanation of variations

Outcome 1 has the following additional estimates variations.

Departmental Outputs

There have been no changes to the departmental output appropriation for Outcome 1 since the 2006-07 Portfolio Budget Statements.

Administered Expenses

The estimated administered expenses for Outcome 1 in 2006-07 have increased by \$0.190m to \$0.370m. The change is a result of an increase of \$0.320m in the provision for bad and doubtful debts associated with annual carrier licence charges offset by a reduction of \$0.130m in the estimated expenses for satellite application fees. ACMA does not receive an annual administered appropriation for Outcome 1 and the variations outlined above have no impact on the 2006-07 Appropriation Bills.

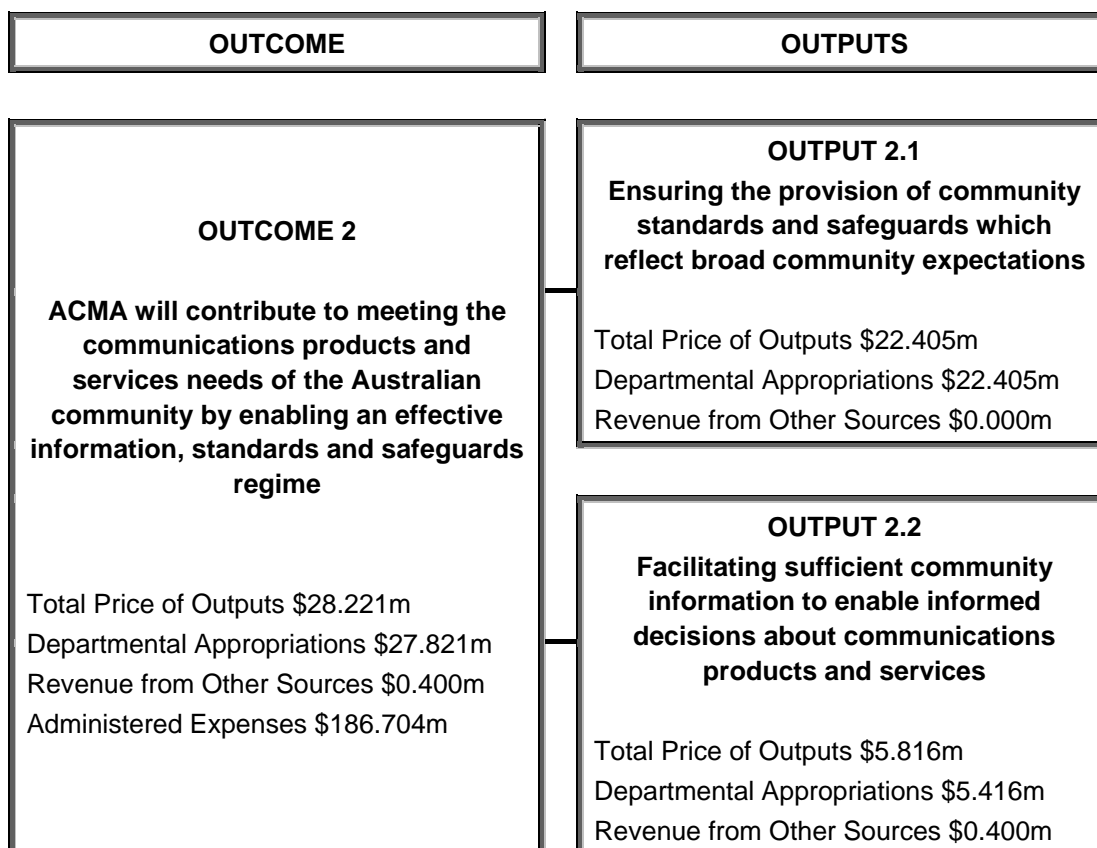
Administered special appropriations for 2006-07 have increased by \$0.500m to \$3.300m. The increase is associated with a revised estimate for administered revenue refunds.

Revised performance information — 2006-07

There have been no changes to the performance information for Outcome 1 since the 2006-07 Portfolio Budget Statements.

SUMMARY OF OUTCOME 2

Figure 2.2: Outcome and output structure for Outcome 2



Note: Revenue from Government (Appropriations) contributes 98.6% to the Total Price of Outputs for Outcome 2.

Total Resources for Outcome 2

Explanation of variations

Outcome 2 has the following additional estimates variations.

Departmental Outputs

The departmental output appropriation for Outcome 2 has increased by \$1.020m to \$27.821. The increase relates to the *Protecting Australian Families Online – restructure of NetAlert* measure.

Administered Expenses

The estimated total administered expenses for Outcome 2 in 2006-07 have increased by \$28.212m to \$186.704m. The change is a result of:

- An increase of \$14.500m due to the transfer of administrative responsibility for the National Relay Service (NRS) Special Account from the Department of Communications, Information Technology and the Arts; and
- An increase of \$13.712m associated with a revised estimate of USO expenses.

ACMA does not receive an annual administered appropriation for Outcome 2 and the variations outlined above have no impact on the 2006-07 Appropriation Bills.

Revised performance information — 2006-07

Table 2.1.2: Performance information for outputs affected by additional estimates — Outcome 2

Measures / Indicators / Target	Performance information 2006-07 budget	Performance information 2006-07 revised
Effectiveness – Overall achievement of the Outcome		
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 community has access to sufficient information to enable it to make informed decisions about communications products and services. Effective community safeguards are implemented and maintained. Research is undertaken, and stakeholders engaged, to maximise the extent to which information, standards and safeguards address the broad concerns of the community.	No change - as per Budget
Performance Information for Administered Items under Outcome 2		
Telecommunications Consumer Codes	Consumer codes developed for ACMA registration under Part 6 of the Telecommunications Act by industry bodies are supported by financing arrangements funded from carrier license charges.	No change - as per Budget
Universal Service Levy	Effective universal service provision is maintained through the monitoring, costing and payment arrangements for the universal service obligation and National Relay Service.	No change - as per Budget
Performance Information for Departmental Output 2.1		
Ensuring the provision of community standards and safeguards which reflect broad community expectations	Quality Industry is supported in the development of community standards and safeguards that consider appropriate public interest criteria. Service monitoring assesses improvements in network reliability, measures adherence to statutory consumer safeguards and the availability and performance of telecommunications services throughout Australia. Ongoing research and stakeholder consultation is undertaken to maintain an informed understanding of the community's needs and expectations.	No change - as per Budget
	Quantity The number of consumer codes and technical standards submitted for registration, and the proportion considered by the Authority within reasonable timeframes. The number of occasional papers and reports produced reflects the resources deployed and meets stakeholder expectations in terms of timeliness and relevance.	No change - as per Budget
	Price \$21.385m	\$22.405m

Table 2.1.2: Performance information for outputs affected by additional estimates — Outcome 2 (continued)

Measures / Indicators / Target	Performance information 2006-07 budget	Performance information 2006-07 revised
Performance Information for Departmental Output 2.2		
Facilitating sufficient community information to enable informed decisions about communications products and services	Quality	No change - as per Budget
	Consumer information strategies are well targeted and effective. The online Consumer Information Toolkit provides consumers with current advice on the range of safeguards available to them. The extent to which industry meets consumer safeguard requirements for the provision of information to consumers. Improved distribution arrangements for information products and education programs results in increased community coverage.	
	Quantity	No change - as per Budget
	The number and nature of information products and education programs undertaken directly, or facilitated, by ACMA.	
	Price	No change - as per Budget
	\$5.816m	

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

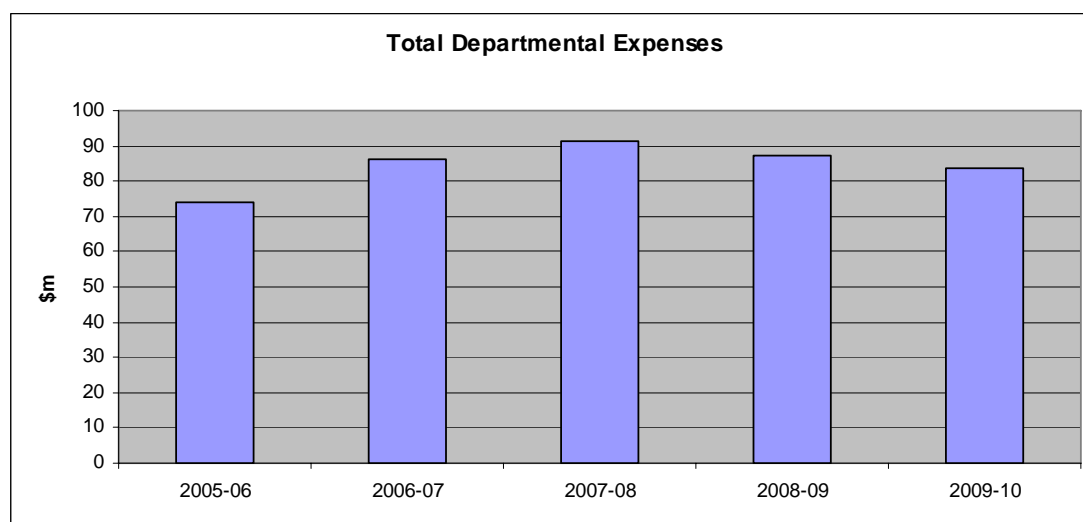
An analysis of the primary causes of movements in the ACMA financial statements from those published in the 2006-07 Portfolio Budget Statements (PBS) is provided below.

Departmental

Income Statement

ACMA is budgeting to incur an approved loss of \$2.592m in 2006-07. The loss relates to depreciation and timing differences associated with prior year appropriation expenses. Total revenue is estimated to be \$83.8m and expenses are estimated to be \$86.4m. The \$1.0m increase in the revenue and expense figures from the 2006-07 PBS estimates relates to the NetAlert funding measure.

The following chart shows the trend in ACMA expenses over the forward estimates period. The general increase in expenses from 2005-06 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 2006-07 of \$31.8m represents an increase of \$3.6m from the 2006-07 PBS estimates. The increase is primarily attributable to adjustments to the opening balances to reflect the actual 2005-06 results.

The structure of the department'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 IT platform is an intrinsic component of the successful operations of the department.

Administered

Revenues and Expenses

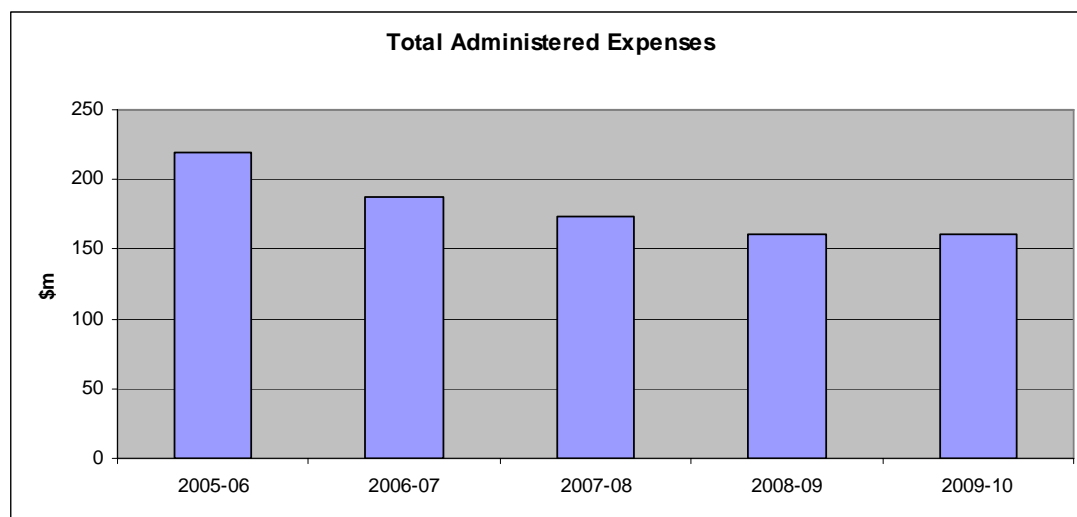
It is estimated that ACMA will receive non-appropriation revenue on behalf of the Government of \$708.9m, an increase of \$23.0m from the 2006-07 PBS estimate. The change is primarily due to:

- an increase of \$1.4m in broadcasting licence fees;
- a decrease of \$2.8m in telecommunications charges
- an increase of \$13.7m in the Universal Service Levy; and
- an increase of \$10.8m due to the transfer of administrative responsibility for the National Relay Service (NRS) Special Account from the Department of Communications, Information Technology and the Arts.

Administered expenses are estimated to be \$187.1m, an increase of \$28.4m from the 2006-07 PBS estimates. The change is due to:

- an increase of \$13.7m in the Universal Service subsidy; and
- an increase of \$14.5m for payments to NRS service providers.

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 2007 are estimated to be \$334.7m, an increase of \$10.7m from the 2006-07 PBS estimate. The change is primarily due to an increase in receivables.

Administered liabilities as at 30 June 2007 are estimated to be \$3.2m, a decrease of \$0.6m from the 2006-07 PBS estimate. The change is primarily attributable to adjustments to the opening balances to reflect the actual 2005-06 results.

BUDGETED FINANCIAL STATEMENTS TABLES

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

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenues					
Revenues from Government	72,857	82,089	89,752	85,821	82,264
Goods and services	1,667	1,680	1,480	1,482	1,484
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	2,304	-	-	-	-
Total Revenue	76,828	83,769	91,232	87,303	83,748
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Other	-	-	-	-	-
Total Gains	-	-	-	-	-
Total Income	76,828	83,769	91,232	87,303	83,748
EXPENSE					
Employees	43,011	46,919	50,016	51,399	53,366
Suppliers	24,743	33,878	34,622	28,725	23,985
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	5,702	5,404	6,483	7,019	6,237
Finance costs	60	160	160	160	160
Write-down of assets and impairment of assets	282	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	73,798	86,361	91,281	87,303	83,748
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax	3,030	(2,592)	(49)	-	-
Income Tax expense	-	-	-	-	-
Net operating result	3,030	(2,592)	(49)	-	-
Operating result from continuing operations	3,030	(2,592)	(49)	-	-
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discounted operations	-	-	-	-	-
Operating result	3,030	(2,592)	(49)	-	-
Minority interest in net surplus (or deficit)	-	-	-	-	-
Net surplus (or deficit) attributable to the Australian Government	3,030	(2,592)	(49)	-	-

Table 3.2: Budget departmental balance sheet as at 30 June

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	4,092	4,296	4,296	4,296	4,296
Receivables	27,595	23,263	23,229	23,819	26,449
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	1,171	-	-	-	-
Other	-	-	-	-	-
Total financial assets	32,858	27,559	27,525	28,115	30,745
Non-financial assets					
Land and buildings	12,803	13,309	13,322	15,956	14,562
Infrastructure, plant and equipment	3,559	4,702	6,230	5,305	5,600
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	135	135	135	135	135
Intangibles	7,441	10,235	9,598	7,920	7,045
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	492	492	492	492	492
Total non-financial assets	24,430	28,873	29,777	29,808	27,834
Total assets	57,288	56,432	57,302	57,923	58,579
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	958	958	958	958	958
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	3,785	3,785	3,785	3,785	3,785
Total interest bearing liabilities	4,743	4,743	4,743	4,743	4,743
Provisions					
Employees	14,296	15,439	16,057	16,700	17,368
Other	1,251	1,251	1,251	1,251	1,251
Total provisions	15,547	16,690	17,308	17,951	18,619
Payables					
Suppliers	3,004	2,970	2,933	2,911	2,899
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other	214	214	214	214	214
Total payables	3,218	3,184	3,147	3,125	3,113
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	23,508	24,617	25,198	25,819	26,475

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
EQUITY					
Parent entity interest					
Contributed equity	20,616	21,243	21,581	21,581	21,581
Reserves	10,134	10,134	10,134	10,134	10,134
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	3,030	438	389	389	389
Total parent entity interest	33,780	31,815	32,104	32,104	32,104
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	33,780	31,815	32,104	32,104	32,104
Current assets	33,485	28,186	28,152	28,742	31,372
Non-current assets	23,803	28,246	29,150	29,181	27,207
Current liabilities	14,930	15,354	15,564	15,799	16,054
Non-current liabilities	8,578	9,263	9,634	10,020	10,421

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	779	2,842	1,470	1,476	1,480
Appropriations	68,323	84,396	89,102	85,117	78,505
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	-	4,538	3,613	3,022	2,548
Other	1,725	-	-	-	-
Total cash received	70,827	91,776	94,185	89,615	82,533
Cash used					
Employees	41,849	45,776	49,398	50,756	52,698
Suppliers	21,992	33,912	34,659	28,747	23,997
Grants	-	-	-	-	-
Financing costs	60	160	160	160	160
Net GST paid	-	3,675	3,613	3,022	2,548
Other	42	-	-	-	-
Total cash used	63,943	83,523	87,830	82,685	79,403
Net cash from or (used by) operating activities	6,884	8,253	6,355	6,930	3,130
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	105	-	-	-	-
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	-	-	-	-	-
Total cash received	105	-	-	-	-
Cash used					
Purchase of property, plant and equipment	1,312	8,676	6,693	6,930	3,130
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	-	-	-	-	-
Total cash used	1,312	8,676	6,693	6,930	3,130
Net cash from or (used by) investing activities	(1,207)	(8,676)	(6,693)	(6,930)	(3,130)

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	627	338	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	627	338	-	-
Cash used					
Repayments of debt	947	-	-	-	-
Dividends paid	-	-	-	-	-
Other	638	-	-	-	-
Total cash used	1,585	-	-	-	-
Net cash from/(used by) financing activities	(1,585)	627	338	-	-
Net increase or (decrease) in cash held	4,092	204	-	-	-
Cash at the beginning of the reporting period	-	4,092	4,296	4,296	4,296
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	4,092	4,296	4,296	4,296	4,296

**Table 3.4: Departmental statement of changes in equity – summary of movement
(Budget year 2006-07)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balances as at 1 July 2006					
Balance carried forward from previous period	3,030	10,134	-	20,616	33,780
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balances	3,030	10,134	-	20,616	33,780
Income and expenses					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expenses recognised directly in equity	-	-	-	-	-
Net operating result	(2,592)	-	-	-	(2,592)
Total income and expenses	(2,592)	-	-	-	(2,592)
Sub-total income and expenses attributable to Australia Government attributable to minority interest	-	-	-	-	-
Transactions with owners					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other:	-	-	-	-	-
Contribution by owners					
Appropriation (equity injection)	-	-	-	627	627
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	627	627
Transfers between equity components	-	-	-	-	-
Closing balance less minority interest	438	10,134	-	21,243	31,815
Estimated Closing balance as at 30 June 2007	438	10,134	-	21,243	31,815

Table 3.5: Departmental capital budget statement

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	30,903	627	338	-	-
Total loans	-	-	-	-	-
Total capital appropriations	30,903	627	338	-	-
Represented by:					
Purchase of non-financial assets	400	627	338	-	-
Other	30,503	-	-	-	-
Total represented by	30,903	627	338	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	400	627	338	-	-
Funded internally by Departmental resources	912	8,049	6,355	6,930	3,130
Total	1,312	8,676	6,693	6,930	3,130

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	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	\$'000
As at 1 July 2006									
Gross book value	7,535	-	5,268	-	4,937	-	19,547	-	37,287
Accumulated depreciation	-	-	-	-	1,378	-	12,106	-	13,484
Opening net book value	7,535	-	5,268	-	3,559	-	7,441	-	23,803
Additions:									
by purchase	-	-	1,470	-	1,330	-	-	-	2,800
by finance lease	-	-	-	-	1,171	-	-	-	1,171
internally developed	-	-	-	-	-	-	5,876	-	5,876
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	964	-	1,358	-	3,082	-	5,404
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2007									
Gross book value	7,535	-	6,738	-	7,438	-	25,423	-	47,134
Accumulated depreciation	-	-	964	-	2,736	-	15,188	-	18,888
Estimated closing net book value	7,535	-	5,774	-	4,702	-	10,235	-	28,246

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Taxation					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	474,828	484,232	500,034	515,710	531,994
Total taxation	474,828	484,232	500,034	515,710	531,994
Non-taxation					
Goods and services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Other sources of non-taxation revenues	249,655	224,705	222,191	208,239	208,341
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Total non-taxation	249,655	224,705	222,191	208,239	208,341
Total revenues administered on behalf of Government	724,483	708,937	722,225	723,949	740,335
Gains					
Net foreign exchange gains	-	-	-	-	-
Net gains from sale of assets	20,388	-	-	-	-
Other gains	-	-	-	-	-
Total gains administered on behalf of Government	20,388	-	-	-	-
Total income administered on behalf of Government	744,871	708,937	722,225	723,949	740,335
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	-	-	-	-	-
Subsidies	211,177	171,404	157,692	145,076	145,076
Personal benefits	-	-	-	-	-
Employees	-	-	-	-	-
Suppliers	-	15,300	15,000	15,000	15,000
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	8,294	320	320	320	320
Interest	-	-	-	-	-
Other	179	50	50	50	50
Losses					
Net foreign exchange losses	-	-	-	-	-
Net loss for sale of assets	-	-	-	-	-
Other losses	-	-	-	-	-
Total expenses administered on behalf of Government	219,650	187,074	173,062	160,446	160,446

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	1,084	-	-	-	-
Receivables	34,004	39,529	41,919	40,274	40,056
Investments (s.39 FMA Act)	-	-	-	-	-
Accrued revenues	272,012	295,204	308,482	321,587	335,248
Other financial assets	-	-	-	-	-
Total financial assets	307,100	334,733	350,401	361,861	375,304
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	-	-	-	-	-
Total non-financial assets	-	-	-	-	-
Total assets administered on behalf of Government	307,100	334,733	350,401	361,861	375,304
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Interest bearing liabilities					
Australian Government securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other provisions	1,674	1,674	1,674	1,674	1,674
Total provisions	1,674	1,674	1,674	1,674	1,674
Payables					
Suppliers	-	-	-	-	-
Grants and subsidies	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	1,512	1,512	1,512	1,512	1,512
Total payables	1,512	1,512	1,512	1,512	1,512
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities administered on behalf of Government	3,186	3,186	3,186	3,186	3,186

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	455,816	461,040	486,756	502,605	518,333
Sales of goods	-	-	-	-	-
Rendering of services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net GST received	7,286	7,774	7,357	6,898	6,898
Other	129,194	107,218	115,798	114,202	112,877
Total cash received	592,296	576,032	609,911	623,705	638,108
Cash used					
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	-	-	-	-	-
Interest paid	-	-	-	-	-
Subsidies paid	68,275	58,358	53,689	49,394	49,394
Personal benefits	-	-	-	-	-
Suppliers	8,747	15,350	15,050	15,050	15,050
Net GST paid	7,286	7,774	7,357	6,898	6,898
Other	-	-	-	-	-
Total cash used	84,308	81,482	76,096	71,342	71,342
Net cash from operating activities	507,988	494,550	533,815	552,363	566,766
INVESTING ACTIVITIES					
Cash received					
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, s.18 CAC Act, s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Transfers to other entities	-	-	-	-	-
Investments - other	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from investing activities	-	-	-	-	-

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	6,376	7,366	6,869	6,439	6,439
Other	-	-	-	-	-
Total cash received	6,376	7,366	6,869	6,439	6,439
Cash used					
Net repayment of borrowings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	6,376	7,366	6,869	6,439	6,439
Other	-	-	-	-	-
Total cash used	6,376	7,366	6,869	6,439	6,439
Net cash from financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	507,988	494,550	533,815	552,363	566,766
Cash at beginning of reporting period	172	1,084	-	-	-
Cash from Official Public Account for:					
Appropriations	6,376	8,166	7,369	6,939	6,939
Special accounts	68,275	72,908	68,239	63,944	63,944
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Cash to Official Public Account for:					
Appropriations	-	-	-	-	-
Special accounts	68,275	70,193	68,239	63,944	63,944
Other	513,452	506,515	541,184	559,302	573,705
Transfers from other entities (Finance - Whole of Government)	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	1,084	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Revenues from Government

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

Revenue from the Sale of Goods and Services

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

Employees Expenses

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

Suppliers Expenses

Represents payments to suppliers for goods and services.

Depreciation and Amortisation

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

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

Finance Costs

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

Receivables

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

Non-financial Assets

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

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.

