

01

Overview



Secretary's review 2005–06

The year 2005–06 proved to be another busy one for the Department. A wide range of activities was undertaken, building on the achievements of the previous year and laying the groundwork to deliver important policy and program outcomes

The Department continues to face the challenges and opportunities brought about by the convergence of technologies and fast moving markets. It is becoming increasingly apparent that policy development and regulation needs to anticipate a wide variety of scenarios. Content in all its forms remains a key driver of innovation and market growth. Businesses and individuals alike place high store on the importance of quality access to communications and information technology services as enablers of key sectors of government and the economy.

Activity in the cultural and sports sectors was also considerable, with the need to continue to build a vibrant and innovative culture in both the traditional and the contemporary arts, and a successful and drug-free Australian sport system.

In addition, particular emphasis continues to be placed on the delivery of programs from across the Department's areas of responsibility in regional and remote Australia.

Overall, the increasing impact of technological convergence and the rising importance of content, particularly digital content, for programs across the Portfolio's areas of responsibility enabled the Department and the wider Portfolio to reinforce internal synergies while, at the same time, strengthening linkages with other areas of government.

Policy development and review

Policy development and review remains one of the Department's core activities. While it was again a very significant activity across all areas of the Department during the year, certain areas have been selected here as of particular importance.

The review of the telecommunications regulatory regime was completed and formed the basis of adjustments to the competition regime which were passed by the Parliament. Legislation enabling the sale of the Government's remaining shares in Telstra was also enacted.

Among the range of reforms developed to achieve a robust regulatory regime, a key focus was the development of a statutory framework for the operational separation of Telstra which will reinforce transparency and equivalence in the supply of wholesale services to other telecommunications companies.

Regional telecommunications activity was also a major priority with legislation passed to enable regular reviews of regional telecommunications by a Regional Telecommunications Independent Review Committee, the establishment of the \$2 billion Communications Fund and the imposition of a licence condition on Telstra requiring it to maintain a local presence in regional, rural and remote Australia.

The digital television regulatory framework remained an important policy area for the Department. Building on the release of policy papers on the commercial broadcasting licence moratorium, spectrum allocation, High Definition television and multi-channelling, a particular focus was on the development of a discussion paper on media reform options which was released in March 2006. This included proposals for a Digital Action Plan to drive take-up and conversion, options on media ownership reform and the digital television framework, and proposals to allocate spare

broadcasting spectrum for new services. The Department also finalised a policy framework for the introduction of digital radio in Australia.

Other areas of activity included the preparation and adoption by the Government of a report on Voice over Internet Protocol services which addressed issues relating to the deployment, consumer protection and impact of other next generation network services, the finalisation of a review of content delivered over convergent devices such as 3G mobile phones and subscription based internet portals, and the development of measures to protect families from exposure to offensive content in the online environment.

Support for the development and application of Australia's information and communications technology capability continued to be a key issue. Particular attention was paid to work on skills with the release of the Report of the ICT Skills Foresighting Group *Building Australian ICT Skills* and the conduct of the 'partICipaTION Summit'. The Department's work on the productivity impact of ICT continued with the publication of a paper presenting forecasts of productivity growth in 15 major sectors of the Australian economy between 2004 and 2020.



Senator Helen Coonan, making opening address at the partIcipaTion Summit in Sydney, September 2005.

An important focus during the year from a whole-of-government perspective was the need to raise awareness about the security aspects of critical infrastructure protection. The Department has a vital role in facilitating networking and information sharing between owners and operators of critical infrastructure. A number of key e-security issues were also advanced during the year, including commencing the review of the E-Security National Agenda and, through the Communications Sector Infrastructure Advisory Group, developing and testing a risk management framework for the sector.

In addition, further progress was made during the year on developing e-business standards and on addressing the ongoing challenge of spam to business efficiency.

The increasing importance of digital technology to the cultural sector was reflected in the priority given to the finalisation of the Digital Content Industry Action Agenda report. The Department also initiated a comprehensive review of film incentives and funding, building on its review of current incentives for film including of 10BA and 10B of the *Income Tax Assessment Act 1936* and of the refundable film tax offset.

Following the review of the major symphony and pit orchestras in Australia, chaired by Mr James Strong AO, the Department reviewed the governance and operational arrangements of the two specialist opera and ballet orchestras. The Government agreed to provide funding to implement the findings of this review and to ensure the orchestras' ongoing sustainability. A further review, of the Australian National Academy of Music and the Australian Youth Orchestra, identified key directions for elite classical music performance training.

In the sports area, a highlight was the establishment of the Australian Sports Anti-Doping Authority as the central organisation in Australia's anti-doping activities. This work was a key priority of the Department during the year and the Authority was recognised by the Director-General of the World Anti-Doping Agency as representing world's best practice in tackling the challenge of doping in sport.

Program implementation

Effective and efficient program delivery is increasingly an important benchmark for the Department, and has been brought into greater focus by the Government's decision to provide \$1.1 billion, commencing in 2005–06, for the Connect Australia suite of programs for communications in regional, rural and remote Australia.

The Department maintains a culture of continuous improvement in program management and accountability and the practical online reference guide, *A practical guide to program administration*, which had been developed in the previous year, became operational in 2005–06. Emphasis was also placed on measures to improve the Department's monitoring role and on ensuring maximum program transparency and accountability.

The establishment of the Connect Australia suite of programs was, of course, a high priority for the Department during the year. The implementation of Connect Australia's four individual program elements which provide broadband

to people living in regional, rural and remote areas, extend mobile phone coverage, provide innovative broadband networks for new applications to improve access to health, education and other government services, and set up vital telecommunications services for remote Indigenous communities requires careful cross-program planning and coordination. By 30 June 2006, significant progress had been made in designing these individual components.

A major highlight of the year was the 2006 Commonwealth Games in Melbourne. More than 30 Australian Government agencies were involved in this event and the Department was the lead agency in coordinating Australian Government financial support and services for the Games, and in designing and negotiating Australian Government signage and branding at Games events.

Indigenous program delivery was a special area of attention during the year. In addition to the support provided through its Indigenous art and culture programs, Indigenous sport and recreation programs and Indigenous broadcasting program, the Department is increasingly participating in Shared Responsibility Agreements with Indigenous communities. Demand for funding from the Department's Indigenous programs remains high.

The Department treats client feedback seriously and it was pleasing that clients continued to rate the

Department's performance well overall. The annual client service survey demonstrated continuing levels of satisfaction, with 97 per cent of survey respondees rating the Department's services as satisfactory to excellent. However, it also identified particular areas where further improvements can be made and these areas will be the focus of additional work in 2006–07.

Departmental management

The Department continued to build on its achievements over recent years in strengthening its corporate and financial management and governance frameworks and in increasing its focus on building the capability of its staff.

In recognition of the changes brought by convergence and the increasing interdependence of work across areas of the Department, a restructure of the former Communications and Information Economy divisions of

the Department was planned to come into effect from 1 July 2006. At the same time, a review of cross-department co-ordinating mechanisms was undertaken to facilitate greater policy and program linkages across divisions and to achieve a stronger whole-of-department approach. The new co-ordinating mechanisms will also take effect from 1 July 2006.

Maintaining and increasing the skills and quality of the Department's staff remained a high priority in an environment where the competition for skilled staff was continuing to increase. Work to form a foundation for upgrading capability has included the completion of a comprehensive five-year workforce plan based on an analysis of workforce data since 2002, a capability framework identifying generic competencies, a new suite of Department-specific development programs and a tailored training program for staff in the Department's regional network.

Young participants in the 2005 'Vibe 3on3' Indigenous sporting event in Rockhampton. Photo by Andrew Rosenfeldt, courtesy Vibe Australia.





APS Level 1 participants
in the Department's 2005
school leaver program.

Governance issues have been incorporated into the new capability programs.

The significant competition among public sector agencies for high quality entrants led the Department to conduct a review of its entry level recruitment strategy. This resulted in an extension of the Graduate Program intake and the piloting of an intake of recent school leavers, both aimed at boosting the diminishing cohort of ongoing staff at the APS1–4 level. Eight school leavers from Canberra and the surrounding region were recruited under the pilot school

leaver program and the staff are participating in a nine month program of work placements and learning and development opportunities, at the end of which they will be placed in the various divisions in the Department.

In the area of finance and budgets, the ongoing focus on business improvements and enhanced management practices was reinforced by preparations to implement a budgeting and reporting tool that will provide the Department with improved financial information. The accountability framework was further consolidated during

the year with the development of 14 new procedural rules and the appropriate updating of the existing Chief Executive Instructions, procedural rules and financial instructions and delegations. For the third consecutive year, the Department received an unqualified audit report for its financial statements for 2005–06.

A more robust and effective computing environment was introduced during the year which included the deployment of new desktop computers, and internal staff satisfaction with IT services increased by two per cent to 84 per cent. An important achievement was the implementation and testing of the Department's IT Disaster Recovery solution which provides full replication ability for critical business systems.

The legislative workload of the Department remained high with the Legal Group involved in the development of a wide range of Bills and subordinate legislation. Of particular note was legislation related to the sale of the Government's remaining equity interest in Telstra. Other important legislation concerned the establishment of an operational separation framework for Telstra, the Communications Fund, the Do Not Call Register and the Postal Industry Ombudsman, the formation of the Australian Sports Anti-Doping Authority and the extension of the Film Licensed Investment Company scheme.

The year ahead

The Department again faces a very challenging but interesting year in 2006–07.

A key focus will be on delivering better broadband outcomes to Australians in regional, rural and remote areas. Work on an effective Broadband Blueprint and delivery of the Connect Australia package are major priorities in this key area of interest for the Government. The responses to the Expressions of Interest process for the Broadband Connect element of Connect Australia, which is testing the feasibility of funding large scale infrastructure projects, will inform the development of this vital program. Strong linkages with the other components of Connect Australia are being put in place to maximise community outcomes as these programs reach full operation.

The development of legislation to give effect to the Government's proposals for a new media framework will be a further key priority, as will the finalisation of the Digital Action Plan and work on the allocation of unassigned digital television channels including possible licence conditions.

International and domestic security concerns will require increased attention, particularly in the areas of critical communications infrastructure, law enforcement and maintaining a safe and secure online environment. The review of the E-Security National Agenda will require sophisticated analysis of Australia's policy and operational framework in the light of rapid technological change and the continued emergence of more complex online threats.

A major challenge in the cultural area will continue to be designing and delivering programs that increase sustainability for cultural organisations. The Department will also conclude a review of Australian Government film funding programs which is raising important questions about the ways in which Government assistance to that sector can be delivered and about the scope for encouraging greater private sector investment.

In the sport area, priority tasks include a proposed review of sport funding, a review of the Australian Sports Commission's enabling legislation to ensure it has an appropriate charter to deliver the Government's sport policy, the development of an insignia protection framework for sport and a review of the sport industry action agenda, Gameplan 2006.

The year 2005–06 has been one of considerable pressure for staff of the Department and I would like to place on record my appreciation and thanks for the high degree of commitment, professionalism and expertise that have enabled so many important achievements to be recorded.



A handwritten signature in black ink that reads "Helen Williams". The signature is written in a cursive, flowing style.

Helen Williams

Departmental overview

The vision of the Department of Communications, Information Technology and the Arts is of a better future for all Australians through the continued development of world-class Australian communications, information technology, cultural and sport sectors

The goal of the Department is to contribute to the development of telecommunications, broadcasting, information technology, cultural and sports sectors in Australia that are:

- vigorous and sustainable in a global environment;
 - innovative, creative and support excellence;
 - increasingly accessible to all Australians; and
 - enhancing the efficiency and productivity of the Australian economy.
- values responsiveness, initiative, flexibility, innovation and creativity;
 - provides a safe working environment;
 - promotes diversity, learning and development, communication and equity in employment;
 - supports staff to achieve an effective work/life balance; and
 - encourages the sharing of knowledge between staff.

To support this vision and goal, the Department is committed to providing high-quality strategic advice and professional support to ministers and the Australian Government on a wide range of policy areas including broadcasting and online regulation, telecommunications, information and communications technology (ICT), the information economy, cultural development and the arts, and sport.

The Department also administers legislation and regulations, and delivers a wide range of programs and services.

In pursuing its goal, the Department is committed to the APS Values and Code of Conduct. In particular, it:

- applies the highest standards of professionalism, ethics, probity and accountability;

Corporate priorities

The Department's corporate priorities are set out in the Corporate Plan 2005–08. The key sectoral business priorities for 2005–06 are listed below.

Priorities for 2005–06

Communications

- undertake and implement reviews of telecommunication regulatory arrangements;
- finalise the implementation of the Regional Telecommunications Inquiry;
- finalise a Telstra local presence plan;
- undertake a tender for the National Relay Service;
- progress digital radio policy;
- finalise announced broadcasting reviews;

- review the funding adequacy and efficiency of the Australian Broadcasting Corporation (ABC), and undertake reviews of ABC and Special Broadcasting Service triennial funding;
- implement programs that improve access for regional and remote Australians, including Indigenous Australians, to television, radio, broadband and other telecommunications services;
- contribute to examining telecommunications privacy issues, including the implications for emergency services and law enforcement of changed access to personal telecommunications data;
- consolidate institutional reform of the communications regulators; and
- contribute to the outcomes of the World Summit for the Information Society Ministerial Meeting and the International Telecommunications Union Plenipotentiary Meeting.

Information economy

- support the development of Australia's ICT industry and the contribution of ICT to broader economic growth by implementing the established framework for industry growth and the Government's election commitments, including work on skills, ICT priorities, connectivity and standards development, and associated productivity studies;
- implement the Government's anti-spam strategy including establishing and leading international partnerships, improving anti-spam regulation in other countries and supporting anti-spam technical measures;

- support the protection of Australia's critical infrastructure by participating in the Critical Infrastructure Advisory Council framework and the implementation of the Government's e-Security National Agenda; and
- implement the National Broadband Strategy Action Plan.

Arts

- support the national leadership roles of the national collecting institutions through joint programs and initiatives, including the Community Heritage Grants program;
- manage the implementation of Government decisions arising from the Review of Australia's Pit and Symphony Orchestras, and the Review of the Australian National Academy of Music and the Australian Youth Orchestra;
- consolidate agency-wide strategic initiatives arising from the Review of Cultural Agencies;
- complete the Digital Content Industry Action Agenda;
- continue to evaluate and refine Old Parliament House's education and exhibition programs ahead of the National Portrait Gallery leaving the building in 2007–08;
- work with the project manager (Department of Finance and Administration) on the design and procurement phases of the National Portrait Gallery building project;
- develop a national Indigenous languages framework to guide the delivery of whole-of-government Indigenous language programs; and

- take a leadership role in the management and implementation of key Cultural Ministers' Council initiatives, including completing the redevelopment of the Collections Australia Network, establishing the Collections Council of Australia and developing a strategy for the future of the Return of Indigenous Cultural Property program.

Sport

- implement enhanced arrangements for investigating and hearing sports doping allegations;
- lead Australia's involvement in preparing the United Nations Educational, Scientific and Cultural Organisation (UNESCO) International Convention Against Doping in Sport;
- review the Indigenous Sport and Recreation Program to ensure that it provides an effective contribution to the whole-of-government approach to building Indigenous communities;
- ensure Australian Government representatives and Australian Government agencies are well supported during the staging of the Melbourne 2006 Commonwealth Games; and
- administer financial support for the development of sporting projects approved by the Australian Government.

The Department's achievement of these priorities is discussed in sections 2 and 3 of the report.

Ministerial arrangements

Senator the Hon Helen Coonan served as Minister for Communications, Information Technology and the Arts throughout 2005–06.

Senator the Hon Rod Kemp served as Minister for the Arts and Sport throughout 2005–06.

Department contact details

As at 30 June 2006, the Communications, Information Technology and the Arts portfolio consisted of the Department, including Artbank, Old Parliament House and the National Portrait Gallery, and 20 other agencies.

Contact details for the Department

Department of Communications, Information Technology and the Arts

38 Sydney Avenue Forrest ACT 2603
GPO Box 2154 Canberra ACT 2601
Tel: 02 6271 1000
Fax: 02 6271 1800
dcita.mail@dcita.gov.au
www.dcita.gov.au

Artbank
enquiries@artbank.gov.au
www.artbank.gov.au

Sydney showroom
50C Rosebery Avenue
Rosebery NSW 2018
Tel: 02 9662 8011
Fax: 02 9662 2563

Melbourne showroom
845 High Street Armadale Vic 3143
Tel: 03 9500 2119
Fax: 03 9500 2612

Old Parliament House
King George Terrace Parkes ACT 2600
GPO Box 2154 Canberra ACT 2601
Tel: 02 6270 8222
Fax: 02 6270 8111
info.oph@dcita.gov.au
www.oph.gov.au

National Portrait Gallery
Old Parliament House
King George Terrace Parkes ACT 2600
GPO Box 2154 Canberra ACT 2601
Tel: 02 6270 8210
Fax: 02 6270 8181
npg@dcita.gov.au
www.portrait.gov.au

Portfolio structure

Portfolio agencies as at 30 June 2006 are listed below.

Contact details are at appendix 1.

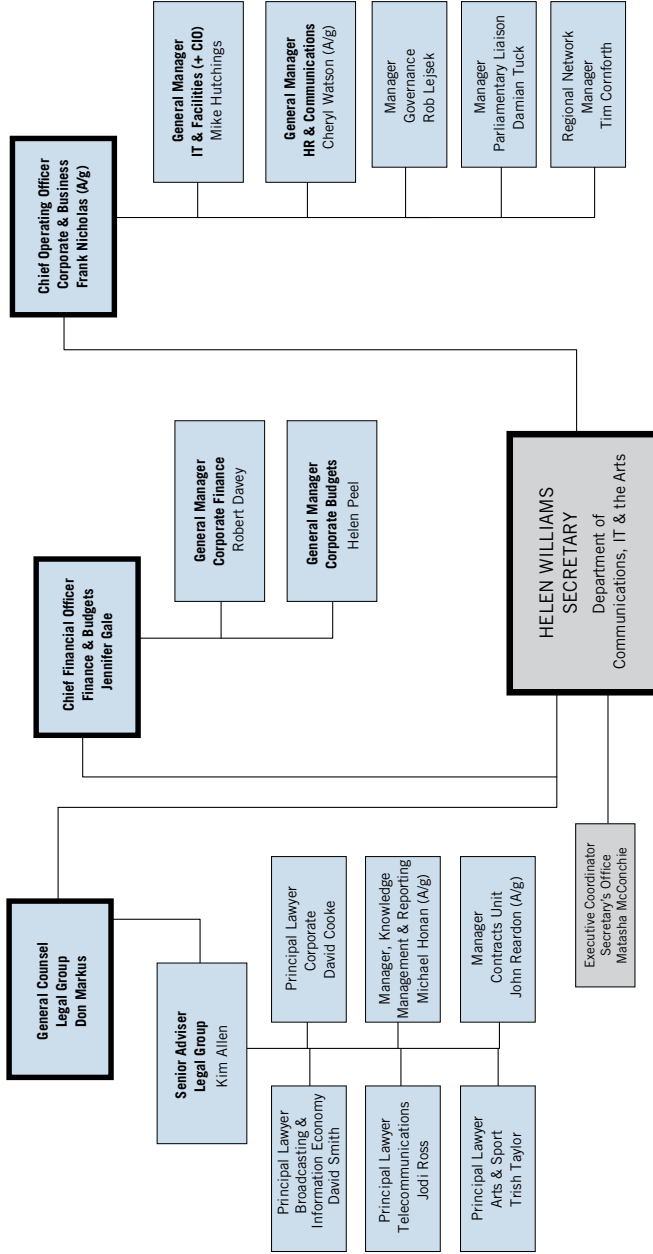
- Australia Business Arts Foundation
- Australia Council
- Australian Broadcasting Corporation
- Australian Communications and Media Authority
- Australian Film Commission
- Australian Film, Television and Radio School
- Australian National Maritime Museum
- Australian Postal Corporation
- Australian Sports Commission
- Australian Sports Anti-Doping Authority
- Bundanon Trust
- Film Australia Limited
- Film Finance Corporation Australia Limited
- National Archives of Australia
- National Gallery of Australia

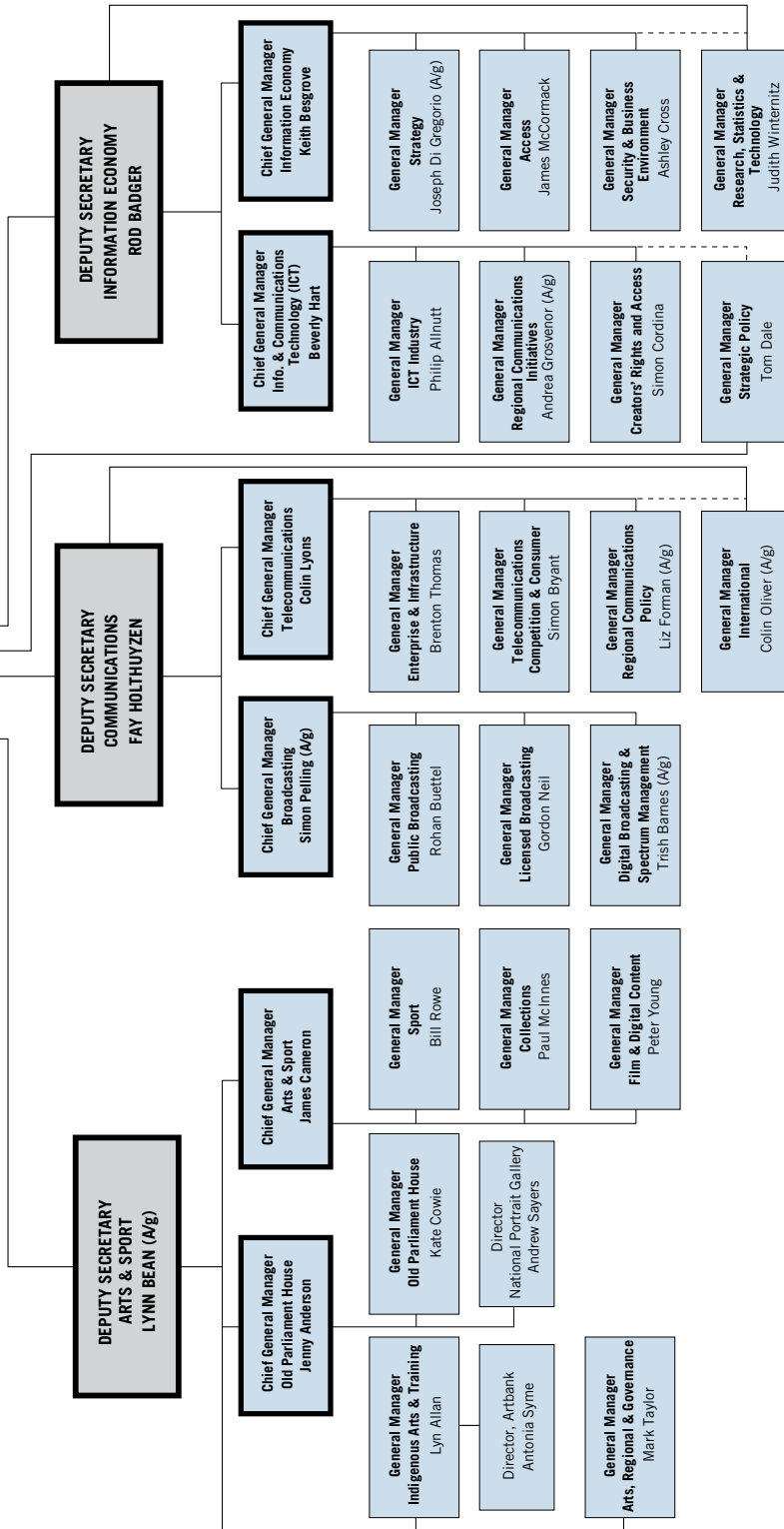
- National Library of Australia
- National Museum of Australia
- NetAlert Limited
- Special Broadcasting Service Corporation
- Telstra Corporation Limited

Department's organisational chart (overleaf)

The Department is organised into divisions which broadly support the outcome and output structure. The organisational chart overleaf reflects the organisational structure as at the end of June 2006.

DCITA Organisational chart





Departmental Executive

The Department's Executive comprises Helen Williams AO, Secretary of the Department, Fay Holthuyzen, Deputy Secretary for Communications, Rod Badger, Deputy Secretary for Information Economy, and Lynn Bean, Acting Deputy Secretary for the Arts and Sport. The role of the Executive Group is discussed in detail in section 3 of this report.



The Department's Executive, Lynn Bean (Acting Deputy Secretary, Arts and Sport), Helen Williams (Secretary), Dr Rod Badger (Deputy Secretary, Information Economy), Fay Holthuyzen (Deputy Secretary, Communications).

Outcome and output structure

The Department has a diverse portfolio on which to report. This is based on the outcome and output structures established by the Portfolio Budget Statements for 2005–06 as set out below.

Outcome 1 Development of a rich and stimulating cultural sector for all Australians.

Output 1.1 Policy advice, program management and agency support which promotes excellence in, preservation and maintenance of, and access to Australia's cultural activities, cultural collections and Indigenous languages.

Output 1.2 Preservation of and access to Old Parliament House and the National Portrait Gallery and their respective collections.

Outcome 2 Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians.

Output 2.1 Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector.

Outcome 3 Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and information and communications technology industry.

Output 3.1 Policy advice and program management which encourages competitively priced and reasonably accessible telecommunications and postal services.

Output 3.2 Policy advice and program management which promote accessible high-quality broadcasting services.

Output 3.3 Policy advice and program management that assist the development of the information and communications technology industry.

Output 3.4 Policy advice on intellectual property issues which supports the objectives of the portfolio, including encouraging the growth of the information economy, the production of content and the promotion of reasonable access to research and cultural materials.

Output 3.5 Strategic advice, activities and representation relating to Australia's development as an information economy, nationally and internationally.

Changes to the outcome and output structure

2005–06 Portfolio Budget Statements	2005–06 Portfolio Additional Estimates	2006–07 Portfolio Budget Statements
<p>Outcome 1 Development of a rich and stimulating cultural sector for all Australians</p>	<p>Outcome 1 No change</p>	<p>Outcome 1 No change</p>
<p><i>Output 1.1</i> Policy advice, program management and agency support which promotes excellence in, preservation and maintenance of, and access to Australia's cultural activities, cultural collections and Indigenous languages</p>	<p>No change</p>	<p>No change</p>
<p><i>Output 1.2</i> Preservation of and access to Old Parliament House and the National Portrait Gallery and their respective collections</p>	<p>No change</p>	<p>No change</p>
<p>Outcome 2 Development of a stronger and internationally competitive Australian sports sector and encouragement of greater participation in sport by all Australians</p>	<p>Outcome 2 No change</p>	<p>Outcome 2 No change</p>
<p><i>Output 2.1</i> Policy advice, program management and agency support in relation to sports, anti-doping and industry development measures which support the Australian sports sector</p>	<p>No change</p>	<p>No change</p>
<p>Outcome 3 Development of services and provision of a regulatory environment which encourages a sustainable and effective communications sector for the benefit of all Australians and an internationally competitive information economy and information and communications technology industry</p>	<p>Outcome 3 No change</p>	<p>Outcome 3 No change</p>

2005–06 Portfolio Budget Statements	2005–06 Portfolio Additional Estimates	2006–07 Portfolio Budget Statements
<p><i>Output 3.1</i> Policy advice and program management which encourages competitively priced and reasonably accessible telecommunications and postal services</p>	No change	No change
<p><i>Output 3.2</i> Policy advice and program management which promote accessible high-quality broadcasting services</p>	No change	No change
<p><i>Output 3.3</i> Policy advice and program management that assist the development of the information and communications technology industry</p>	No change	No change
<p><i>Output 3.4</i> Policy advice on intellectual property issues which supports the objectives of the portfolio, including encouraging the growth of the information economy, the production of content and the promotion of reasonable access to research and cultural materials</p>	No change	<p>This output has been deleted, as policy responsibility for intellectual property issues was transferred to the Attorney-General's Department on 1 March 2005. Consequently, the previous Output 3.5 relating to Information Economy has been re-numbered as Output 3.4</p>
<p><i>Output 3.5</i> Strategic advice, activities and representation relating to Australia's development as an information economy, nationally and internationally</p>	No change	<p>This output has been renumbered to 3.4 in 2006–07 Portfolio Budget Statements (see comments above)</p>