



# PART A

## USER GUIDE

### Purpose of the PBS

The purpose of the Portfolio Budget Statements (PBS) is to inform Senators and Members of the basis for proposed Budget outlays for the Portfolio with particular emphasis on the proposed provisions in Appropriation Bills (No 1 and 2) 1999-2000. The PBS indicate, *inter alia*, the proposed allocation of funding of the Portfolio's outcomes through the Budget.

### Structure of the PBS

The PBS comprises 4 sections and an appendix.

**PART A:** sets out the purpose of the PBS and explains the structure of the document.

**Part B:** explains the role of the Portfolio by outcome, shows Ministers and the senior management structure of the Portfolio, and provides details of the Portfolio's outcome structure.

### Part C:

**Section 1:** details the Appropriations and summarises the Budget measures for each of the Portfolio's outcomes.

**Section 2:** provides outcomes and outputs information including resources, variations affecting outcomes and performance information for each of the Portfolio's outcomes. This section also provides detailed information of the purpose and intended outcomes of the Budget Measures.

**SECTION 3:** provides budgeted financial statements for each Portfolio agency.

**SECTION 4:** provides information on purchaser/provider arrangements.

The **APPENDIX** contains a glossary of abbreviations, technical terms including a list of acronyms used in this document.

### Style conventions used in the document

The style convention used in this document is to round the amount in the tables to the nearest \$'000. All totals are the rounded additions of unrounded figures.

All figures are in 1999-2000 prices unless otherwise stated.

When acronyms are used when referring to agencies within the Portfolio, please refer to the Appendix.

# PART B

## PORTFOLIO

# OVERVIEW

## PORTFOLIO OVERVIEW

### Department of Communications, Information Technology and the Arts

*"A cultural environment that enriches the lives of all Australians."*

*"Competitive and diverse communications and information technology industries and services."*

*"Australians have electronic access to Government information and services."*

*"Competitive advantage in the global information economy to enhance Australian social well-being."*

The Department of Communications, Information Technology and the Arts supports the communications, information technology and cultural sectors by providing strategic policy advice to Government and delivering a range of Commonwealth grants, payments and incentive programs.

### Australian Broadcasting Authority (ABA)

*"An accessible, diverse and responsible broadcasting industry."*

The primary functions of the ABA are to plan the availability of the broadcasting services bands of the spectrum, allocate, renew, suspend and cancel broadcasting licenses, conduct investigations and hearings in relation to the allocation of licenses and operation of ownership and control rules. In addition the ABA assists broadcasters develop codes of practice, and monitors compliance by licensees with their licence conditions and with the provisions of the *Broadcasting Services Act 1992*.

### Australian Broadcasting Corporation (ABC)

*"The ABC will create and deliver distinctive programming and services; inform, entertain and educate its audiences; and develop cultural and community identity."*

*"The ABC will maintain the scale and quality of analog terrestrial transmission of its national networks, regional networks and Radio Australia programming which existed immediately prior to the privatisation of the National Transmission Network."*

The ABC is a national broadcaster funded by and accountable to Parliament. It is one of the country's most important cultural institutions. It contributes to and reflects Australia's national identity, fosters creativity and the arts and encourages cultural diversity.

### Australian Communications Authority (ACA)

*"An efficient industry and a competitive market."*

*"An informed community with consumer safeguards."*

The role of the ACA is to contribute to an efficient, competitive and increasingly self-regulated communications sector, which meets the needs of the Australian community.

### Australia Council

*"That Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence."*

*"Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts."*

The Australia Council's overall goal is to provide leadership in enriching Australians' cultural life. It does this by providing advice, by supporting excellence in artistic endeavours, by underpinning the artistic practice of individuals and companies and by increasing the engagement of all Australian people, their communities and their civic institutions in cultural activities.

### Australian Film Commission (AFC)

*"Development of an internationally competitive Australian screen industry."*

The AFC provides professional and industry development opportunities through a range of measures including, but not limited to:

- assistance to industry organisations with the aim of developing audiences and a diverse screen culture in Australia;
- development of Indigenous film and television program makers; and
- monitoring film and television industry performance and providing information, research and analysis.

### **Australian Film, Television and Radio School (AFTRS)**

*"Enhanced cultural identity."*

The role of the AFTRS is to provide advanced education and training in program making for the Australian broadcast media industries which will enhance the Australian cultural identity.

### **Australian National Maritime Museum (ANMM)**

*"Increased knowledge, appreciation and enjoyment of Australia's relationship with its waterways and the sea."*

The role of the ANMM is to acquire, research, conserve and present material relevant to Australia's maritime heritage.

### **National Gallery of Australia (NGA)**

*"Encourage understanding, knowledge and enjoyment of the visual arts by providing access to and information about works of art locally, nationally and internationally."*

The Gallery's aim is to provide access to works of art and information about them locally, nationally and internationally.

### **National Library of Australia (NLA)**

*"Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources."*

Some of the functions of the National Library are:

- To maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people.
- To make library material in the national collection available.

### **National Museum of Australia (NMA)**

*"Australians have access to the National Museum's collections and public programs*

*to encourage awareness and understanding of Australia's history and culture."*

The role of the NMA is to research Australian history, develop and maintain a national collection of historical material, create exhibitions and programs which explore our heritage and history, and make it accessible to more Australians.

### **Special Broadcasting Service (SBS)**

*"Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society."*

The SBS seeks to contribute to a more cohesive, equitable and harmonious Australia through its television and radio services.

## **Portfolio Bodies included in this document**

Australia Council

Australian Broadcasting Authority

Australian Broadcasting Corporation

Australian Communications Authority

Australian Film Commission

Australian Film, Television and Radio School

Australian National Maritime Museum

National Gallery of Australia

National Library of Australia

National Museum of Australia

# PART C DEPARTMENT AND AGENCY BUDGET STATEMENTS

## DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS SENIOR MANAGEMENT OF THE DEPARTMENT

### SECTION 1

#### DEPARTMENT OVERVIEW

The new Department of Communications, Information Technology and the Arts resulted from machinery of Government changes in October 1998. The objectives of the restructure were to:

- bring the various Government policy and strategic activities in relation to information economy issues together in one department;
- ensuring that there is a focus of responsibility on a Whole-of-Government basis;
- providing industry with a key point of contact in dealing with Government; and
- bringing to bear on very complex issues a broad range of skills that have been developed across the Commonwealth; and
- take advantage of the broad range of skills available to create synergies in respect of the integration and coordination of policy issues across the Portfolio consistent with the Departmental Mission Statement "to promote growth of the information economy and development of Australia's cultural identity for the benefit of all Australians."

#### APPROPRIATIONS

The total appropriation for the Department in 1999-2000 Budget is \$605.733m.

#### DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS - SOURCE OF FUNDS 1999-2000

Table 1.1 (\$ 000)

OUTCOMES	ADMINISTERED EXPENSES	PRICE OF OUTPUTS	TOTAL APPROPS	TOTAL ESTIMATED EXPENSES

	Other Expenses	Annual Appropriations		Total Administered Expenses	Total Price of Outputs ?	Revenue from other sources	Revenue from Government (Appropriations)			R	Â•
		Bill 1	Bill 2 (SPP s & NAO's) Â•				Special	Annual Bill 1	Total		
	(A)	(B)	(C)	(D=A+B+C)	(E)	(F)	(G)	(H=E-F-G)	(I=G+H)	(B+C+H)	
Outcome 1: A cultural environment that enriches the lives of all Australians.	148,500	139,278	1,000	288,778	106,775	11,278	nil	95,497	95,497	235,775	385,661
								89.4%	y		
Outcome 2: Competitive and diverse communications and information technology industries and services.	25,124	161,508	nil	186,632	28,160	nil	nil	28,160	28,160	189,668	212,183
								100%	y		
Outcome 3: Australians have electronic access to Government information and services.	nil	nil	nil	nil	24,840	nil	nil	24,840	24,840	24,840	22,539
								100%	y		
Outcome 4: Competitive advantage in the global information economy to enhance Australian social well-being.	nil	nil	nil	nil	12,469	nil	nil	12,469	12,469	12,469	11,314
								100%	y		
<b>Total</b>	<b>173,624</b>	<b>300,786</b>	<b>1,000</b>	<b>475,410</b>	<b>172,244</b>	<b>11,278</b>	<b>nil</b>	<b>160,966</b>	<b>160,966</b>	<b>462,752</b>	<b>631,697</b>
										<b>Bill 2 Administered Capital</b> Â•	<b>2,570</b>
										<b>Bill 2 Departmental Equity Injections and Loans</b> Â•	<b>33,270</b>
Amounts in shading are included in Appropriation Bills.										<b>TOTAL APPROPRIATIONS</b>	<b>498,592</b>

RLinks from Appropriations to budgeted financial statements include the Budgeted Statement of Revenues and Expenses (see Table 3.1) and Capital Budget (Tables 3.4 & 3.5)

Â•Under the proposed Appropriation Structure, Bill 2 includes Specific Purpose Payments (SPP s), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections loans

?Refer to Budgeted Statement of Revenue and Expense for application of agency revenue (see Table 3.1)

Â•Other Revenue includes other revenue from Government (e.g. resources free of charge) and revenue from other sources (e.g. sales of goods and services, interest on cash at bank). Administered Revenues collected on behalf of Government are shown in Appendix 1.

Â•The difference of \$15.957m between the "Total expenses (D+E)" and "Total estimated expenses" reflects an operating loss of \$8.491m plus a Capital Use Charge of \$7.466m

yPercentage figure indicates the percentage contribution of Total Departmental Appropriations to the Total Output Price, by outcome. The overall percentage for the Department is 93.5%.

**BUDGET MEASURES - DEPARTMENT SUMMARY**

**Table 1.2 - Summary of Budget Measures for the 1999-2000 Budget**

Measure	Outcome	Appropriations (\$ 000) 1999-2000			Appropriations (\$ 000) 2000-01			Appropriations (\$ 000) 2001-02			Appropriations (\$ 000) 2002-03		
		Administered Expenses	Dept Outputs	Total	Administered Expenses	Dept Outputs	Total	Administered Expenses	Dept Outputs	Total	Administered Expenses	Dept Outputs	Total
Maintenance of the funding base of the Cultural Development Program	1	5,000	nil	5,000	4,100	nil	4,100	nil	nil	nil	nil	nil	nil
Further support for Inveresk Museum and Art Gallery	1	1,500	nil	1,500	nil	nil	nil	nil	nil	nil	nil	nil	nil
Continuation of funding to enhance the Sydney Symphony Orchestra	1	nil	nil	nil	2,500	nil	2,500	nil	nil	nil	nil	nil	nil
Centenary of Federation Medallions	1	50	nil	50	1,850	nil	1,850	nil	nil	nil	nil	nil	nil
Continuation of ArtsInfo and Australia's cultural network	1	nil	500	500	nil	500	500	nil	500	500	nil	nil	nil
Savings		nil	-1,500	-1,500	nil	nil	nil	nil	nil	nil	nil	nil	nil

Measure	Outcome	Appropriations (\$ 000) 1999-2000			Appropriations (\$ 000) 2000-01			Appropriations (\$ 000) 2001-02			Appropriations (\$ 000) 2002-03		
		Administered Expenses	Dept Outputs	Total	Administered Expenses	Dept Outputs	Total	Administered Expenses	Dept Outputs	Total	Administered Expenses	Dept Outputs	Total
Community Broadcasting	2	nil	1,500	1,500	nil	1,500	1,500	nil	1,500	1,500	nil	nil	nil
Savings		nil	-2,250	-2,250	nil	nil	nil	nil	nil	nil	nil	nil	nil
Assistance to Community Broadcasters for costs associated with commercialisation of the transmission network	2	80	nil	80	80	nil	80	80	nil	80	80	nil	80
Offsets from NTA		-80	nil	-80	-80	nil	-80	-80	nil	-80	-80	nil	-80
Establish Cooma Call and Technology Centre	2	1,650	nil	1,650	nil	nil	nil	nil	nil	nil	nil	nil	nil

Support for 1999 as Online Australia Year	4	nil	1,050	1,050	nil	nil	nil	nil	nil	nil	nil	nil	nil
Building Repairs and Exhibitions - National Science and Technology Centre  (Equity Injection)	1	nil	1,930	1,930	nil	1,660	1,660	nil	1,052	1,052	nil	nil	nil

**ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

**Capital Appropriations**

Funding of \$2.570m will be provided to continue restoration of Old Parliament House.

**National Science and Technology Centre - equity injection**

**Purpose:** The Government will provide an equity injection of \$4.6 million over three years, for a major building maintenance program, including necessary repair work and the replacement of its air conditioning system. The funding will also assist in the refurbishment of exhibition spaces and equipment.

**SECTION 2**

**OUTCOMES AND OUTPUTS INFORMATION**

The map on the following page shows the relationship between the four Government outcomes and the contributing outputs for the Department of Communications, Information Technology and the Arts. Financial detail for Outcome 1 by outputs appears in table 2.2.1 while non-financial information for Outcome 1 appears in table 2.3.1.

**DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS**

**OUTCOMES**

**OUTCOME 1**

**Relationship between Outcome 1 and Contributing Outputs**

<b>Table 2.1.1: Relationship between old Program structure and new Outcome structure</b>	
<b>PROGRAM MANAGEMENT AND BUDGETING (1998-99)</b>	<b>ACCRUAL BUDGETING (1999-2000)</b>
<p><b>PROGRAM 1 Arts &amp; Heritage</b></p> <p>An Australian cultural environment that continues to:</p> <ul style="list-style-type: none"> <li>encourage participation in, and access to, diverse cultural experiences;</li> <li>promote creativity and excellence;</li> <li>foster vigorous and sustainable cultural industries; and</li> <li>foster the protection and preservation of Australia's cultural heritage.</li> </ul>	<p><b>OUTCOME 1</b></p> <p>A cultural environment that enriches the lives of all Australians.</p>
<b>Sub-programs</b>	<b>Output</b>
Subprogram 1.1 Arts & Heritage Policy	Output 1.1, 1.2, 1.3

<p>Responsive policy, regulatory and operational frameworks for the enhancement of Australia's cultural environment.</p> <p>Subprogram 1.2 National Archives of Australia</p> <p>To preserve valuable Commonwealth records as part of the archival resources of Australia and make them accessible to present and future generations.</p> <p>Subprogram 1.3 Cultural Development Assistance</p> <p>An Australian cultural environment that continues to:</p> <ul style="list-style-type: none"> <li>• encourage participation in, and access to, a diverse cultural activity and the provision of information for Australians no matter where they live;</li> <li>• promote creativity and excellence in cultural activity;</li> <li>• foster vigorous and sustainable industry sectors; and</li> <li>• foster the protection and conservation of, and access to, Australia's cultural heritage.</li> </ul>	<p>Output 1.10</p> <p>Output 1.1, 1.2, 1.3, 1.4, 1.5</p>
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PROGRAM MANAGEMENT AND BUDGETING (1998-99)	ACCRUAL BUDGETING (1999-2000)
Subprogram 1.9 National Science & Technology Centre	Output 1.8
To promote in all Australians, confidence in, understanding of, and a positive attitude to science and technology, thereby advancing the economic and cultural wealth of Australia.	
<b>Appropriations for Program 1</b>	<b>Funding for Outcome 1</b>
<b>PROGRAM 1</b>	
Arts and Heritage	
<i>Appropriation Bill No. 1</i>	
<b>Div 150 - Administrative</b>	
1: Running Costs	<ul style="list-style-type: none"> <li>• Departmental Outputs \$ 000 95,497</li> </ul>
4: Cultural Development Program	
01: Australian Film Finance Corporation	<ul style="list-style-type: none"> <li>• Administered Outputs \$ 000 217,280</li> </ul>
02: Payments to other Cultural Activities	
<i>Appropriation Bill No. 2</i>	
<b>Div 810 - Capital Works and Services</b>	

1: Acquisitions, buildings etc	Specific Purpose Payments to the States \$ 000 1,000
01: Refurbishment and fitout of the Old Parliament House	
02: National Museum of Australia - Construction of new building	Capital Appropriation \$ 000 2,570
<b>Div 813 - Payments to the States</b>	
01: Contemporary Music Package	

## OVERVIEW

This outcome will be achieved through the management of programs and grants, which encourages creativity, excellence, participation and access to diverse cultural experiences that complement the activities of the cultural organisations in the Portfolio. Against this outcome, the Department will also improve the sustainability of cultural organisations and assist in preserving and promoting Australia's heritage.

The Department will also support the work of the Council for the Centenary of Federation in developing and coordinating activities to mark the Centenary of Federation in 2001.

### 1999-2000 BUDGET MEASURES AFFECTING OUTCOME 1

#### Maintenance of the funding base of the Cultural Development Program

**Purpose:** In accordance with the Government's election commitment, an additional \$9.1 million over two years has been provided to the Cultural Development Program (CDP) to maintain existing funding levels for the major national cultural organisations and training institutions, such as Opera Australia and the National Institute of Dramatic Arts.

This CDP initiative will also provide funding for the Protection and Return of Indigenous Cultural Property and the establishment of a National Cultural Heritage fund. The former will enable culturally significant indigenous property to be protected and/or returned to its indigenous owners. The latter will assist collecting institutions acquire items of significance to Australia's cultural heritage under the *Protection of Moveable Cultural Heritage Act 1986*.

#### Extension of cultural touring programs

**Purpose:** Funding of \$6.0m over two years to increase access to, and targeted support for, cultural activities. This proposal contributes to the Government's election commitment in *Arts for Australia's Sake*, to increase high quality cultural activity in regional Australia.

Playing Australia and Visions of Australia make the performing arts and exhibitions of cultural material accessible to more Australians by providing financial assistance for touring. Festival Australia has had a significant impact in increasing cultural activity in regional and remote Australia.

#### Inveresk Museum and Art Gallery

**Purpose:** This proposal involves the planned next stage of the Inveresk redevelopment - the establishment within the site of the Queen Victoria Museum and Art Gallery. This phase will see the redevelopment of more than 20 former railway buildings, the creation of working exhibits based on the State's industrial heritage, such as the old blacksmith's shop and the restoration/construction of a new art gallery. Funding of \$1.5m will be provided by the Government in 1999-2000 for this project.

#### Continuation of enhancement funding to Sydney Symphony Orchestra (SSO)

**Purpose:** Over the last five years the Sydney Symphony Orchestra has taken significant steps towards becoming a world class orchestra. To ensure that the SSO is able to continue planning its future with confidence and certainty, the Government will continue enhancement funding of \$2.5 million in 2000-01.

This funding will allow the SSO to maintain its current range of diverse activities at the highest level of musical achievement, including its extremely busy program during the Olympics year.

#### Centenary of Federation Medallions

**Purpose:** This initiative will provide a commemorative medallion to each primary school child in 2001 and will play a major part in involving primary school children in Centenary of Federation commemorations.

Funding of \$0.5m in 1999-2000 and \$1.850m in 2000-01 will be provided to this initiative.

**Continuation of Arts Info and Australia s Cultural Network**

**Purpose:** This measure continues ArtsInfo, a one stop shop on Australia s cultural sector, providing information on opportunities for assistance, employment, training and business development as well as reference information.

Australia s Cultural Network will accelerate the Australian cultural community s uptake of services delivered via the Internet.

Funding of \$1.5m will be provided over three years.

**MEASURES SINCE LAST BUDGET AFFECTING OUTCOME 1**

Funding of \$1.7m. is to be provided in 1999-2000 to continue implementation of the Contemporary Music Development Program, which was announced at Additional Estimates 1998-99.

**RESOURCES FOR OUTCOME 1**

Table 2.2.1. Shows how the 1998-99 Appropriation and Program structure translate to resourcing for Outcome 1, including administered expenses, revenue from Government (appropriation) for outputs, and the total price of outputs.

**Table 2.2.1 -Resources for Outcome 1**

Administered Expenses (Including third party outputs)	Estimated Payments	Estimated Expenses	Estimated Expenses
	1998-99 CASH \$ 000	1998-99 ACCRUAL \$ 000	1999-2000 \$ 000
Australian Film Finance Corporation	48,015	48,015	48,015
Cultural Development Program*	63,752	63,752	89,831
Contemporary Music Package - payments to the States	1,000	1,000	1,000
Depreciation on Old Parliament House and NSTC buildings	1,280	1,280	1,432
Federation Fund capital/current grants	39,750	39,750	84,017
Reserve Monies* *	63,000	63,000	63,000
- Other Government Bodies	400	400	400
- Other Trust Monies	813	813	813
- Cultural Ministers Council	20	20	20
- National Archives of Australia	250	250	250
- National Film and Sound Archives			
<b>Total Administered Expenses</b>	<b>218,280</b>	<b>218,280</b>	<b>288,778</b>

<b>Price of Departmental Outputs</b>	4,810	4,810	3,002
Output 1.1	3,939	3,939	2,495
Output 1.2	6,555	6,555	5,980
Output 1.3	4,466	4,466	2,799
Output 1.4	1,214	1,214	754
Output 1.5	3,498	3,498	2,331
Output 1.6	12,496	12,496	7,699
Output 1.7	12,995	12,995	11,468
Output 1.8	16,644	16,644	20,035
Output 1.9	35,294	35,294	37,873
Output 1.10	19,201	19,201	12,339
Output 1.11			
<b>Subtotal outputs</b>	<b>121,113</b>	<b>121,113</b>	<b>106,775</b>
Revenue from Government (appropriation) for Departmental outputs	109,555	109,555	95,497
	90.4%	90.4%	89.4%
Revenue from other sources	11,558	11,558	11,278
<b>Total price of outputs</b>	<b>121,113</b>	<b>121,113</b>	<b>106,775</b>
<b>TOTAL FOR OUTCOME 1</b> (Total price of outputs and administered expenses)	<b>360,918</b>	<b>360,918</b>	<b>395,553</b>
<b>STAFF YEARS (NUMBER)</b>	<b>1998-99</b>	<b>1999-2000</b>	
	773	768	

\*Funding of \$21.5m was included in Outcome 2 in error. This error will be corrected in the additional estimate process.

\*\*Reserve Monies are funds provided by external organisations for specific purposes. The main component is funds provided by other agencies, which do not have direct access to the Commonwealth payroll system, for salary and related payments.

#### CONTRIBUTION OF OUTPUTS TO ACHIEVING OUTCOME 1

##### Output 1.1 - Advice on the Development and implementation of cultural and movable heritage policies and legislation.

This policy advice will assist decision-makers in making informed decisions on the strategic directions and targeting of cultural programs of the Government and its agencies to help ensure they make the maximum possible contribution to the enhancement of Australia's cultural environment.

Good policy advice is dependent on consultation, research and access to technical and statistical information. Consultation with stakeholders ensures that the Department's advice is cognisant of cultural developments and concerns. It also assists the cultural sector to better understand Government objectives and policies.

A major policy focus for 1999-2000 will be the consideration of the recommendations of the Major Performing Arts Review. It is expected that the report will include a considered analysis of the performing arts sector and a set of strategic options for the future, together with an approach to their implementation. These will inform the Government's consideration of how to ensure that Australia continues to enjoy a financially healthy and vibrant performing arts sector.

**Table 2.3.1: Performance Information and Level of Achievement, 1999-2000**

<p>Advice on the development and implementation of cultural and moveable heritage policies and legislation.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Provision of good quality, comprehensive and timely policy advice to the Minister, Minister's Office and senior management and their satisfaction with this advice.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Completion and consideration of the Major Performing Arts Inquiry.</li> <li>• Support for one meeting of the Cultural Ministers Council and two meetings of its Standing Committee of Officers.</li> <li>• Number of policy briefs on the film, arts and cultural heritage sectors.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$3,002,000</li> </ul>
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**Output 1.2 - Programs which support national organisations of cultural excellence.**

A broad range of organisations of national cultural excellence - both performing and training organisations - will be assisted financially under specific Deeds of Grants offered by the Department to promote cultural excellence, creativity and enrich the cultural life of Australia.

The performing arts organisations include Symphony Australia, Opera Australia, the Opera Conference, the State Orchestra of Victoria and the Australian Opera and Ballet Orchestra. The national training organisations include the National Institute of Dramatic Art, the Australian National Academy of Music, the National Aboriginal and Islander Skills Development Association, the Australian Ballet School, the Australian Youth Orchestra and the Flying Fruit Fly Circus.

Assisted organisations are required to report on the effectiveness of their programs as a requirement of the grants.

**Table 2.3.2: Performance Information and Level of Achievement, 1999-2000**

<p>Programs which support national organisations of cultural excellence.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Organisations required to provide reports as appropriate, on the range of performances, audience reach, critical acclaim, international response, as well as recognition and achievements of graduating students.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• The number of and location of performance by these companies.</li> <li>• The number of graduating students.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$2,495,000</li> </ul>
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**Output 1.3 - Programs which provide access to, and targeted support for, cultural activities.**

The Department administers a suite of programs - Playing Australia, Visions of Australia and Festivals Australia - which enhance and promote access to Australia's culture, particularly access to cultural activities for people in regional and rural Australia.

On line access to Australian cultural organisations and activities and Government support for the arts is provided through two Internet gateways, "Australia's Cultural Network" and "ArtsInfo".

The Art Indemnity Scheme will be continued to facilitate access to major international art exhibitions.

The Department also makes payments to Australian authors and publishers under the Public Lending Right Scheme to provide some level of compensation to them for the loss of income caused by the free multiple use of their books in public libraries.

The Australia Foundation for Culture and the Humanities will be funded as a wholly Government owned company with the broad objective of increasing private sector support for culture and the humanities.

**Table 2.3.3: Performance Information and Level of Achievement, 1999-2000**

<p>Programs which provide access to, and targeted support for, cultural activities.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Range and impact of cultural activities funded to tour.</li> <li>• Community response to cultural components of Festivals.</li> <li>• Comprehensiveness of information available through funded websites.</li> <li>• Critical response to indemnified exhibitions.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Number and geographic range of performance tours and cultural exhibitions assisted.</li> <li>• Number and location of community festivals assisted.</li> <li>• Number and value of international exhibitions indemnified.</li> <li>• Increase in online access to cultural information.</li> <li>• Increase in the level of private sector support for the arts and humanities.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$5,980,000</li> </ul>
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**Output 1.4 - Programs which promote Australia s movable heritage, support Australia s film production and develop cultural facilities.**

The Department s administration of the *Protection of Moveable Cultural Heritage Act* (PMCH) protects Australia s cultural heritage by ensuring items of significance are not lost overseas by export.

Financial support is provided for the Distributed National Collection to ensure that heritage items of national significance which are not held in national collecting institutions are better preserved, protected and accessed by the public.

The protection of indigenous heritage will be enhanced by a program for the Protection and Return of Indigenous Cultural Property.

The Department administers the Federation Community Projects Program, the Federation Cultural and Heritage Projects Program, and the major cultural facilities component of the Federation Fund.

The Cultural Gifts Program, administered by the Department, will provide increased incentives from 1 July 1999.

The Department administers two tax concession schemes designed to encourage private investment in qualifying Australian film product. Division 10BA of the PMCH Act allows taxpayers a 100% concession for investment in individual films, the Film Licensed Investment Companies (FLIC) scheme allows taxpayers a 100% deduction on shares purchased in a FLIC which then spreads the investment across a range of product.

**Table 2.3.4: Performance Information and Level of Achievement, 1999-2000**

<p>Programs which promote Australia s moveable heritage, support Australian film production and develop cultural facilities.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Significance of collections assisted under the Distributed National Collection Program.</li> <li>• 100% compliance of Grant Deeds or Memoranda of Understanding (MOU) under the Federation Fund programs with Commonwealth and State environment, heritage, construction and audit requirements.</li> <li>• Recognition of films assisted through Departmental programs.</li> <li>• Importance of items donated under the Cultural Gifts</li> </ul>
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	<p>and Bequests Program.</p> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Number and timeliness of applications processed under the PMCH Act.</li> <li>• Number of Museums connected online.</li> <li>• Number of indigenous communities assisted under the Return of Indigenous Cultural Property Program.</li> <li>• Amount of private sector support for the film industry through departmentally administered programs (Division 10BA of the <i>Income Tax Assessment Tax 1936</i> and FLIC).</li> <li>• Number of grant deeds and MOU signed under the three Federation Fund Programs.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$2,799,000</li> </ul>
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**Output 1.5 - Advice to support Portfolio cultural agencies in meeting their regulation and accountability responsibilities.**

The Department provides advice on accountability issues to support Portfolio cultural organisations such as the Australia Council, film agencies, national collecting agencies and Commonwealth owned companies, the Australia Foundation for Culture and the Humanities and the Bundanon Trust.

**Table 2.3.5: Performance Information and Level of Achievement, 1999-2000**

<p>Advice to support Portfolio cultural agencies in meeting their regulatory and accountability responsibilities.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Timely and accurate advice on accountability and governance issues.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Number of advices to Portfolio agencies on accountability issues.</li> <li>• Number of issues addressed at Portfolio Corporate Management Committee Meetings.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$754,000</li> </ul>
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**Output 1.6 - Construct new facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies.**

The project is being managed by the Department and is due for completion in March 2001.

**Table 2.3.6: Performance Information and Level of Achievement, 1999-2000**

<p>Construct new facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Buildings, landscaping and exhibitions independently recognised as being of high quality and facilities fully functional at a level suitable for national cultural institutions.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Project milestones (time and budget) met.</li> <li>- Building envelope substantially completed to budget.</li> <li>- Exhibition design completed to budget.</li> <li>- Exhibition fabrication commenced this financial year.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$2,331,000</li> </ul>
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**Output 1.7 - Increase public access to and interest in Old Parliament House (OPH) and the National Portrait Gallery (NPG), and promote understanding and knowledge of Australian history, culture and portraiture.**

The Department is responsible for the Management of Old Parliament House (OPH) and the National Portrait Gallery (NPG). Activities in 1999-2000 will be: a range of public programs including tours and exhibitions, marketing and promotion; the establishment and development of a National Register of Australian Portraits; refurbishment, repair, maintenance, preservation and upgrading of OPH/NPG and its collection; and the provision of quality catering, restaurant and conference facilities.

**Table 2.3.7: Performance Information and Level of Achievement, 1999-2000**

<p>Increase public access to and interest in Old Parliament House and the National Portrait Gallery, and promote understanding and knowledge of, Australian history, culture and portraiture.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Refurbish and maintain OPH in accordance with the Master Building Plan.</li> <li>• Provide catering, restaurant and conference facilities of a high order.</li> <li>• Enhanced visitor experience at OPH.</li> <li>• Establish and develop a National Portrait Collection recognised for its excellence and a National Register of Australian Portraits.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Increase visitor numbers by 10%.</li> <li>• Undertake 4 NPG exhibitions and 2 NPG seminars; 4 OPH exhibitions; 2 major OPH events and 2 new OPH tours, with a range of events and teaching activities to accompany each exhibition.</li> <li>• Increase in donations to the National Portrait Gallery.</li> <li>• Completion of planned Occupational Health and Safety building works including fire and lighting protection; complete roof repairs; and commence</li> </ul>
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	<p>construction of the Australian Federation Centre.</p> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$7,699,000</li> </ul>
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**Output 1.8 - Exhibitions and programs that encourage participation in, increase awareness of, and build positive attitudes to, science and technology and their role in improving Australia's cultural and national well-being.**

Questacon - The National Science and Technology Centre will continue to encourage participation in, increase awareness of, and increase positive attitudes to, science and technology by providing a diverse range of exhibitions and other public programs. Programs will target audiences ranging from preschool to retirement age, with a particular focus on families, school students and teachers. Increasing emphasis is being placed on market research and customer evaluation to ensure programs are satisfying visitor needs and meeting the Centre's objectives.

An extensive exhibition program will be mounted at the Centre in Canberra with a highlight being the opening of a new major exhibition developed by Questacon on the science and technology behind the sideshow and circuses, a very familiar cultural context.

Questacon will continue to give priority to taking exhibitions and education programs around Australia, with a special focus on regional and remote locations. A new major travelling education program, *NRMA Road Zone*, will be launched in July 1999. Questacon's award-winning website will be further developed to enhance access to interactive science and technology activities.

The Centre is placing greater emphasis on technology to complement a strong science focus. Discussions are underway for a possible Questacon presence at the Australian Technology Park in Sydney. Australian innovation in science and technology is being showcased in the *Innovative Australians* travelling exhibition, developed for the Department of Foreign Affairs and Trade.

As Australia's National Science and Technology Centre, Questacon works with similar organisations overseas, particularly in the Asia-Pacific region. Highlights of 1999-2000 will be the New Zealand tour of the Centre's *Terrorsaurus* exhibition which features robotic dinosaurs and a tour of the *Mathamazing* exhibition to Japanese science centres and museums. The Centre's status as a full member of the international Association of Science and Technology Centres (the only full member in the southern hemisphere) will be peer reviewed during 1999-2000.

**Table 2.3.8: Performance Information and Level of Achievement, 1999-2000**

<p>Exhibitions and programs that encourage participation in, increase awareness of, and build positive attitudes to, science and technology and their role in improving Australia's cultural and national well-being.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• 80% of visitors satisfied with Questacon programs.</li> </ul>
	<p>Quantity</p> <ul style="list-style-type: none"> <li>• Over 700,000 people participate in Questacon programs in 1999-2000, 60% outside Canberra.</li> </ul>
	<p>Price</p> <ul style="list-style-type: none"> <li>• \$15.70 per participant (44% funded by sponsorship and revenue).</li> <li>• Total price of outputs - \$11,468,000</li> </ul>

**Output 1.9 - Australia's screen and sound heritage is preserved, to improve access and enjoyment.**

To assist in delivering the above outcome the National Film & Sound Archive (NFSA) will conduct activities in two major categories:

- Collection Management
- Collection Access

Collection Management:

This category encapsulates all activities dedicated to ensuring the safe custody, preservation and development of the National sound and moving image collection.

Collection Access:

This category consists of all activities performed in providing access to the Collection. Access includes the promotion, interpretation and dissemination of the National sound and moving image collection.

**Table 2.3.9: Performance Information and Level of Achievement, 1999-2000**

<p>Australia's screen and sound heritage is preserved, to improve access and enjoyment.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• The percentage of clients satisfied with the service provided.</li> <li>• Proportion of the collection that is properly documented in the database.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Number of preservation carriers treated in accordance with published archival standards.</li> <li>• The percentage of Australians who see/hear some NFSA material broadcast during the year.</li> <li>• No items of cultural significance are lost during the year.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$20,035,000</li> </ul>
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**Output 1.10 - Commonwealth records are created and managed in accordance with best practice, and maintained to provide access to those of archival value.**

**Table 2.3.10: Performance Information and Level of Achievement, 1999-2000**

<p>Commonwealth records are created and managed in accordance with best practice, and maintained to provide access to those of archival value.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• All agencies understand and apply best practice in the creation, management (including control, preservation, accessibility and storage) and disposal of their records.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• The Australian community understands the role archives play in society, accepts the intrinsic value of the National Archives, and has satisfying access to its collection.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$37,873,000</li> </ul>
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**Output 1.11 - Knowledge and understanding of Federation is increased to encourage participation in events which celebrate and commemorate its centenary in 2001.**

The Department provides the Secretariat that supports the National Council for the Centenary of Federation.

The National Council has been charged with the responsibility for developing strategies to promote awareness and understanding of the centenary across the community, for planning and co-ordinating a range of national events and celebrations to mark the centenary, and for administering a History and Education Program that will support activities which encourage Australians to gain a better understanding of the processes that led to Federation, to reflect on 100 years of Australian achievements, and to look to Australia's future as a nation.

**Table 2.3.11: Performance Information and Level of Achievement, 1999-2000**

Knowledge and understanding of Federation is increased to encourage participation in events which celebrate and commemorate its centenary in 2001.

Quality

- The National Council and the Minister are satisfied with Secretariat services, quality and timeliness.
- The communications strategy and the celebratory activities are effectively integrated to ensure widespread community knowledge and interest in the activities and the delivery of activities that are relevant to the community.
- The effective and efficient administration of the History and Education Program.

Quantity

- Levels of awareness across the community of the centenary and proposed celebratory activities increase (as measured by community sample surveys).
- A range of national celebratory activities are delivered around the country (featuring at least one major event in each State and Territory) and across the year (featuring a major event approximately every month of 2001) leading ultimately to widespread community involvement.

Price

- Total price of outputs - \$12,339,000

**OUTCOME 2**

**Relationship between Outcome 2 and Contributing Outputs**

**Table 2.1.2: Relationship between old Program structure and new Outcome structure for Outcome 2**

<p align="center"><b>PROGRAM MANAGEMENT AND BUDGETING (1998-99)</b></p>	<p align="center"><b>ACCRUAL BUDGETING (1999-2000)</b></p>
<p><b>PROGRAM 2 Film and Intellectual Property</b></p> <p>An Australian film industry which is creative and sustainable, and which enriches the cultural life of all Australians.</p> <p>An intellectual property regime which balances the interests and creators and copyright holders and the interest of the community.</p>	<p><b>OUTCOME 1 (see page 21)</b></p> <p><b>OUTCOME 2</b></p> <p>Competitive and diverse communications and information technology industries and services.</p>
<p><b>Sub-programs</b></p>	<p><b>Output</b></p>
<p>Subprogram 2.1 Film &amp; Intellectual Property Policy</p>	<p>Output 1.1, 1.4, 1.5</p> <p>Output 2.1, 2.2, 2.3, 2.4</p>
<p>Provide policy advice which contributes to the development of an Australian film industry which is creative and sustainable, and which enriches the cultural life of all Australians.</p> <p>Provide policy advice which contributes to the development of an intellectual property regime which balances the interests of creators and copyright holders and the interests of the community.</p>	
<p><b>Appropriations for Program 2</b></p>	<p><b>Funding for Outcome 2</b></p>
<p><i>Appropriation Bill No 1</i></p>	
<p><b>Div 150 - Administrative</b></p>	
<p>1: Running Costs</p>	<ul style="list-style-type: none"> <li>• Departmental Outputs \$'000 28,160</li> </ul>
<p>2: Other Services</p>	
<p>02. Radio for the Print Handicapped</p>	<ul style="list-style-type: none"> <li>• Administered Outputs \$ 000 186,632</li> </ul>
<p>06. Regional Telecommunications Infrastructure Fund</p>	
<p>3: Grants and Contributions</p>	
<p>01. International Organisations - contributions</p>	
<p>-: Grant to Establish a visual arts copyright</p>	
<p>Collecting society</p>	
<p>4: Cultural Development Program</p>	
<p>02: Payments to other Cultural Activities</p>	
<p><b>Div 812 - Other Services</b></p>	
<p>02. Purchase broadcasting equipment for remote areas</p>	
<p><b>Div 917 - Other Services</b></p> <p>01. Compensation to Societe Internationale de Telecommunications Aeronautiques</p>	

**OVERVIEW**

The communications and information technology industries make a substantial contribution to employment and income growth in Australia both directly and as inputs to the effective operation of the economy as a whole. They also enrich the wellbeing of all Australians by improving access to a wide range of cultural and social services. They play a particularly important role in delivering services to rural and remote parts of the country.

The Portfolio covers the information technology, telecommunications, broadcasting, radiocommunications and postal industries.

Competition helps to ensure the best outcomes for consumers in terms of price, quality and range of services available. Effective regulatory arrangements and other Government policies are directed at ensuring that the industries contribute to cultural and social, as well as economic, objectives.

**1999-2000 BUDGET MEASURES AFFECTING OUTCOME 2****Community Broadcasting**

The purpose of this measure is to continue support for the community broadcasting sector to meet increased demand for these services.

Funding will be provided to support the continuation of the Community Access Network, where all community stations are linked via an on-line network; a satellite uplink which provides stations with access to high quality, satellite delivered, programming; further development of a comprehensive information database; and to ensure that as many stations as possible continue to provide programming tailored to the needs of our ethnic population.

Fully licensed community broadcasters using National Transmission Network sites will receive additional funding to meet the increased costs of commercial transmission rates.

**Establish Cooma Call and Technology Centre**

Funding will be provided in 1999-2000 to the new Call and Technology Centre in Cooma.

The Centre will provide a facility for local businesses; high tech telephony, Internet and computing services; video and voice conference facilities; and professional meeting facilities for Small and Medium-sized Enterprises and farm based enterprises. It will also provide a local IT based enterprise to support industry development and clustering, plus a base for alternate carrier services, local fibre optic distribution and regional paging service.

**MEASURES SINCE LAST BUDGET AFFECTING OUTCOME 2**

There are no measures since last Budget affecting this outcome.

**RESOURCES FOR OUTCOME 2**

Table 2.2.2. Shows how the 1998-99 appropriation and program structure translate to total resourcing for Outcome 2, including total administered expenses, revenue from Government (appropriation) for outputs, and the total price of outputs.

**Table 2.2.2 - Total Resources for Outcome**

<b>Administered Expenses</b> (Including third party outputs)	<b>Estimated Payments</b> 1998-99 CASH \$ 000	<b>Estimated Expenses</b> 1998-99 ACCRUAL \$ 000	<b>Estimated Expenses</b> 1999-2000 \$ 000
Regional Telecommunications Infrastructure Fund	47,831	47,831	73,268
Cooma Call and Technology Centre	0	0	1,650
Radio for Print Handicapped	95	95	94
International Organisations - contributions	5,857	5,857	5,256
Purchase broadcasting equipment for remote areas	3,200	3,200	0
Compensation to Societe Internationale de	1,795	1,795	1,795
Telecommunications Aeronautiques	23,124	23,124	23,124
	0	0	50,000

Universal Service Levy	0	0	24,000
Untimed Local Call Access	22,500	22,500	2,000
Television Fund	495	495	5,445
Federation Fund grants			
National Transmission Network - residual funding pool			
<b>Total Administered Expenses</b>	<b>104,897</b>	<b>104,897</b>	<b>186,632</b>
<b>Price of Departmental Outputs</b>	2,955	2,955	4,525
Output 2.1	18,054	18,054	14,283
Output 2.2	6,673	6,673	5,349
Output 2.3	4,807	4,807	4,003
Output 2.4	82,052	82,052	0
Output 2.5			
<b>Subtotal Outputs</b>	<b>114,541</b>	<b>114,541</b>	<b>28,160</b>
Revenue from Government (appropriation) for Departmental outputs	114,541	114,451	28,160
	100%	100%	100%
Revenue from other Sources	nil	nil	nil
<b>Total Price of Outputs</b>	<b>114,541</b>	<b>114,541</b>	<b>28,160</b>
<b>TOTAL FOR OUTCOME 2</b> (Total price of outputs and administered expenses)	<b>219,438</b>	<b>219,438</b>	<b>214,792</b>
<b>STAFF YEARS (NUMBER)</b>	<b>1998-99</b>	<b>1999-2000</b>	
	275	225	

#### CONTRIBUTION OF OUTPUTS TO OUTCOME 2

The Department's policy advice assists the Government to develop and maintain a regulatory framework, which is likely to produce a competitive communications sector delivering diverse services. Policy advice is also directed towards ensuring all Australians have access to a diverse range of communications services and providing consumer safeguards.

Good policy advice is dependent on consultation, research and access to technical and statistical information. Consultation with stakeholders ensures that the Department's advice is cognisant of industry developments and community concerns. It also assists industry to better understand Government objectives and policies. A targeted program of research and statistics gathering ensures that the economic and technical implications of policy options are properly identified and explained.

The Department develops policies and administers programs which foster world competitive information industries. Assistance and advice is directed at encouraging innovation and growth among Australian enterprises particularly small to medium firms and encouraging international investment in Australia's IT&T industry.

Departmental programs aim to increase access to, and promote use of, communications services by people in regional, rural and remote areas of Australia. Through their demand driven, community based approach, they promote the emergence of diverse services, at the same time encouraging competitive commercial supply of those services where ever feasible.

#### Output 2.1

Table 2.3.2: Performance Information and Planned Level of Achievement, 1999-2000

<p>Advice on the policy and regulatory frameworks for communications and information technology industries.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Ministerial satisfaction with quality and timeliness of advice and draft legislation.</li> <li>• Successful introduction of digital television by Jan 2001.</li> <li>• Improved access to communication services in regional Australia.</li> <li>• Improvements in price, quality, type and spread of communication services.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• In accordance with <i>Television Broadcasting Services (Digital Conversion) Act 1998</i>, completion by 1 January 2000 of statutory reviews into regulation of digital television broadcasting and regional equalisation plan for facilitating introduction of digital television services in regional areas.</li> <li>• Development of amendments to the <i>Broadcasting Services Act 1992</i> and associated legislation in relation to the outcome of the digital television statutory review.</li> <li>• Policy advice on digital television reviews; digital television planning and implementation; introduction of radio services, access to broadcasting services, digitisation of national broadcasters; digital transmission of national television and digital industry development.</li> <li>• Completion of review into the telecommunications competition regime under the <i>Trade Practices Act 1974</i> in 2000.</li> <li>• Completion of review into telecommunications Universal Service Obligation (USO) funding arrangements to enable any new legislation provisions to take effect from 1 July 2000.</li> <li>• Implementation of the Government's response to Telecommunications Interception Review by 1 January 2000.</li> <li>• Advice to the Office of Asset Sales and Information Technology Outsourcing (OASITO) with the processes for the further sale of Commonwealth equity in Telstra (subject to the passage of legislation).</li> <li>• Advice on the development and implementation of policies for the competitive selection of telecommunications universal service providers.</li> </ul>
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Advice on the policy and regulatory frameworks for communications and information technology industries.

Quantity (continued)

- Implementation of the Government's policies on reform of the postal industry following the National Competitiveness Commission (NCC) report, through legislation to take effect from 1 July 2000.
- Implementation of the Government's response to the review of the *Radiocommunications Act 1992* with any legislative changes to take effect from 1 July 2000.
- Advice on telecommunications consumer and competition policy, telecommunications industry development, communications infrastructure and services, radiocommunications licensing and spectrum management, satellites, postal policy, and Government Business Enterprise (GBE) governance.
- Advice on information technology investment attraction, new business formation, exports and trade, technology diffusion and innovation matters.
- Policy advice and review of Government reforms pursued through the *Copyright Act 1968*.

Price

- Total price of outputs - \$4,525,000

**Output 2.2**

Consultation with stakeholders on development and implementation of communications and information technology policies.

Quality

- The quality of consultation will be measured by:
  - Feedback from the Minister and industry, as well as the successful implementation, and understanding by industry, of any new policies or programs developed.
  - Consultations occur at appropriate points in the policy development process.
  - High quality applications and advice to the Regional Telecommunications Infrastructure fund (RTIF) Board and high level of satisfaction by the RTIF Board of departmental recommendations.

Quantity

- Frequency of meetings relating to policy development and implementation. The Department will consult with a range of industry and community bodies including:

- The Digital Television Consultative Group and the Digital Radio Planning Steering Committee and other key industry and community stakeholders on the introduction of digital TV and radio in Australia.
- Industry supplying digital broadcasting products and services on issues relating to industry development.
- Industry, regulators and other key stakeholders on issues identified in the performance information in Output 2.1 and 2.4.
- The RTIF board, prospective applicants for Networking The Nation Grants, managers of approved projects and stakeholders more broadly.
- The Department will participate on bodies such as the Radio Communications Consultative Committee convened by the ACA, the Australian Information Economy Council Advisory Council, information industries export network.
- The Department will make submissions to relevant reviews by other agencies or Parliamentary Committees.
- The Department will consult with consumers and bodies such as Australian Record Industry Association (ARIA) on broadcasting royalties and other copyright matters.

Price

- Total price of outputs - \$14,283,000

**Output 2.3**

Research, advice and information on communications and information technology issues.

Quality

- Client satisfaction with advice, briefing material and statistical information provided to them in terms of:
  - timeliness; and
  - professional soundness and policy relevance.
- Satisfaction of clients with the quality and timeliness of fee-for-service work as evidenced by further contracts as well as written feedback.

	<p>Quantity</p> <ul style="list-style-type: none"> <li>Preparation of advice and reports on a range of topic relevant to policy development in the Portfolio. For example, estimates of bandwidth demand and supply, improving digital TV services provided to non-metropolitan areas and technical advice on digital broadcasting.</li> <li>Statistical material on the communications industry to assist in monitoring developments in the industry.</li> <li>Undertaking fee-for-service consultancies for a range of Government agencies on topics of relevance to the Portfolio.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>Total price of outputs - \$5,349,000</li> </ul>
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**Output 2.4**

<p>Administer departmental programs to promote access to communications services in regional Australia and to support the development of innovative information industries.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>Programs deliver improved communications services in regional Australia and improved industry development activity.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>Cooma Technology and Call Centre grant finalised under appropriate deed of agreement by 30 September 1999.</li> <li>RTIF funding rounds announced in November 1999 and May 2000; Access Ability round announced in September 1999; project grants administered in accordance with deeds.</li> <li>Level of commitments made under the Partnership for Development and Fixed Term Agreement programs and the industry development aspects of the Endorsed Supplier Arrangement and major Government purchases over \$10m and IT outsourcing.</li> <li>Level of industry development activity by carriers licensed by the <i>Telecommunications Act 1997</i>.</li> <li>Finalisation of Telecommunications Carrier Industry Development Plans for companies wishing to participate in the Australian carrier market.</li> <li>Funding rounds for the continuing Technology and Innovations Programs finalise by November 1999 for software quality and by February 2000 for testing and conformance.</li> <li>Grant deeds with the Community Broadcasting Foundation Limited in support of the</li> </ul>
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	<p>community broadcasting sector signed by 30 June 2000.</p> <ul style="list-style-type: none"> <li>• The launch of the Community Broadcasting Australian Music Channel by August 1999.</li> <li>• Funding round for the telecommunications consumer representation and social policy research program completed in May 2000.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$4,003,000</li> </ul>
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**OUTCOME 3**

**Relationship between Outcome 3 and Contributing Outputs**

<b>Table 2.1.3: Relationship between old Program structure and new Outcome structure for Outcome 3</b>	
<b>PROGRAM MANAGEMENT AND BUDGETING (1998-99)</b>	<b>ACCRUAL BUDGETING (1999-2000)</b>
<b>PROGRAM 3 Broadcasting, Online &amp; Information Services</b>	<b>OUTCOME 2 (see page 37)</b>
To support the development of efficient, innovative and diverse broadcasting, online and information industries and services that are consistent with the Government's economic, social and cultural policies.	<b>OUTCOME 3</b> Australians have electronic access to Government information and services.
<b>Sub-program</b>	<b>Outputs</b>
Subprogram 3.7 Office of Government Online	Output 3.1, 3.2
To realise improvements in efficiency and effectiveness in the Commonwealth's use of IT, including taking advantage of emerging IT opportunities to improve the future delivery of Government services and administration of programs.	
<b>Appropriations for Program 3</b>	<b>Appropriations for Outcome 3</b>
Broadcasting, Online and Information Technology	
<i>Appropriation Bill No. 1</i>	<i>Appropriation Bill No 1</i>
<b>Div 282 - OGIT</b>	
1: Running Costs	<ul style="list-style-type: none"> <li>• Departmental Outputs \$ 000 24,840</li> </ul>

2: Other Services	
01: Compensation and legal expenses	
<b>Div 864 - OGIT</b>	
1: Year 2000 Compliance	

**OVERVIEW**

The Government is committed to showing leadership in the information economy through adopting online technologies to provide better services and improve its own business practices.

It has undertaken to deliver all appropriate services electronically on the Internet by 2001; establish a Government Information Centre as a single point of access to information about Government services; and establish electronic payments as the norm for Government by 2000.

**1999-2000 BUDGET MEASURES AFFECTING OUTCOME 3**

There are no Budget measures affecting this outcome for 1999-2000.

**MEASURES SINCE LAST BUDGET AFFECTING OUTCOME 3**

There are no measures since last Budget affecting this outcome.

**RESOURCES FOR OUTCOME 3**

Table 2.2.3. Shows how the 1998-99 Appropriation and Program structure translate to total resourcing for Outcome 3, including total administered expenses, revenue from Government (appropriation) for outputs, and the total price of outputs.

**Table 2.2.3 - Total Resources for Outcome 3**

<b>Administered Expenses</b> (Including third party outputs)	Estimated Payments	Estimated Expenses	Estimated Expenses
	1998-99 CASH \$ 000	1998-99 ACCRUAL \$ 000	1999-2000 \$ 000
Year 2000 Compliance	120,000	120,000	nil
<b>Total Administered Expenses</b>	<b>120,000</b>	<b>120,000</b>	<b>nil</b>
<b>Price of Departmental Outputs</b>	18,709	18,709	13,513
Output 3.1	11,107	11,107	11,327
Output 3.2			
<b>Subtotal Outputs</b>	<b>29,816</b>	<b>29,816</b>	<b>24,840</b>
Revenue from Government (Appropriation) for Departmental Outputs	29,816	29,816	24,840
	100%	100%	100%
Revenue from other Sources	nil	nil	nil

<b>Total Price of Outputs</b>	<b>29,816</b>	<b>29,816</b>	<b>24,840</b>
<b>TOTAL FOR OUTCOME 3</b> (Total price of outputs and administered expenses)	<b>149,816</b>	<b>149,816</b>	<b>24,840</b>
<b>STAFF YEARS (NUMBER)</b>	<b>1998-99</b>	<b>1999-2000</b>	
	63	66	

**CONTRIBUTION OF OUTPUTS TO OUTCOME 3**

The Office for Government Online has a coordinating and facilitating role in assisting agencies to deliver services electronically by:

- reporting on the range of online initiatives delivered by Government;
- identifying inhibitors to take-up of electronic services; and
- providing Whole-of-Government enablers for the delivery of electronic services.

In addition, the Office is responsible for arrangements for the exchange of information on the Year 2000 problem to assist Government agencies and key sectors in their remediation work.

**Output 3.1 - Provide arrangements to facilitate the work being done by agencies to deliver services electronically.**

**Table 2.3.1: Performance Information and Planned Level of Achievement, 1999-2000**

<p>Appropriate Government Services are delivered online.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Agencies are satisfied that frameworks are in place for the electronic delivery of information and services.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• A baseline inventory of Commonwealth online initiatives established by August 1999.</li> <li>• An online authentication framework operating by November 1999 to facilitate secure online transactions and protect individual privacy.</li> <li>• Australian Government Locator Service is promoted as the consistent method for the description and indexing of Government information and services.</li> <li>• Government Information Centre pilots completed in Tasmania and Western Australia.</li> <li>• A secure environment established for the exchange of information in the Commonwealth Government.</li> <li>• An endorsed framework is in place for electronic purchasing by October 1999 and development of an electronic payments system is completed by January 2000.</li> <li>• Savings of \$35m and increased interoperability through coordinating Commonwealth telecommunications purchasing and maintenance of a panel of prequalified suppliers of administrative systems.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$13,513,000</li> </ul>
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**Output 3.2 - Facilitate cooperation and exchange of information about progress in addressing the Year 2000 problem in Government key sectors.**

**Table 2.3.2: Performance Information and Planned Level of Achievement, 1999-2000**

<p>Increased awareness of the potential impact of the Year 2000 problem and of necessary remediation measures.</p>	<p><b>Quality</b></p> <ul style="list-style-type: none"> <li>Ministers are satisfied with the level and timeliness of advice on compliance issues.</li> <li>The community has access to Government information on compliance.</li> </ul> <p><b>Quantity</b></p> <ul style="list-style-type: none"> <li>Ministers receive timely, up to date advice about the remediation progress of Commonwealth bodies and in key sectors.</li> <li>Arrangements are in place to facilitate increased information sharing on Year 2000 (Y2K) issues through development of legislation and liaison with States/Territories and industry.</li> <li>A strategy is in place to inform the public about progress towards Y2K compliance.</li> <li>Progress towards Y2K compliance of Commonwealth agencies is assisted through administration of a seed-funding program, third party audits and provision of remediation information to Commonwealth bodies.</li> <li>Arrangements are in place, in conjunction with the Department of Foreign Affairs &amp; Trade, to provide information and advice to other countries concerning Australia's approach to Y2K remediation and to obtain advice about progress in other countries</li> </ul> <p><b>Price</b></p> <ul style="list-style-type: none"> <li>Total price of outputs - \$11,327,000</li> </ul>
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**OUTCOME 4**

**Relationship between Outcome 4 and Contributing Outputs**

<b>Table 2.1.4: Relationship between old Program structure and new Outcome structure for Outcome 4</b>	
<b>PROGRAM MANAGEMENT AND BUDGETING (1998-99)</b>	<b>ACCRUAL BUDGETING (1999-2000)</b>
<b>PROGRAM 3 Broadcasting, Online &amp; Information Technology</b>	<b>OUTCOME 4</b>
To support the development of efficient, innovative and diverse broadcasting, online and information industries and services that are consistent with the Government's economic, social and cultural policies.	Competitive advantage in the global information economy to enhance Australian social well-being.

Sub-program	Output
Subprogram 3.6 National Office for the Information Economy  To develop, coordinate and overview broad policy relating to: <ul style="list-style-type: none"> <li>• the regulatory, legal and physical infrastructure environment for online services, including facilitating electronic commerce;</li> <li>• ensuring consistency of Commonwealth positions for international fora; and</li> <li>• overseeing policies for applying new technology to Government administration and information service provision and thereby will help ensure an integrated approach to delivery of online policy.</li> </ul>	Output 4.1, 4.2, 4.3
<b>Appropriations for Program 3</b>	<b>Appropriations for Outcome 4</b>
Broadcasting, Online & Information Technology	
<i>Appropriation Bill No. 1</i>	<i>Appropriation Bill No. 1</i>
<b>Div 150 - Administrative</b>	
1: Running Costs (\$ 000)	<ul style="list-style-type: none"> <li>• Departmental Outputs \$ 000 12,469</li> </ul>

**OVERVIEW**

The information economy is developing at a rapid pace and is generating opportunities across all sectors in terms of employment, in both cities and regional Australia, wealth creation through ready access to global markets and reductions in the cost of information and transactions.

To develop a competitive advantage and enhance Australian social wellbeing, all Australians need to have open and equitable access to the online economy and to be equipped with the necessary skills and knowledge to contribute to and participate in the information economy. The private sector must also continue to take the lead supported by the implementation of effective legal and regulatory frameworks (both nationally and internationally) and other Government policies to build business and consumer confidence and growth in electronic commerce and online services.

**1999-2000 BUDGET MEASURES AFFECTING OUTCOME 4**

**Online Australia Year**

**Purpose:** Online Australia Year in 1999 is an election commitment *in Securing Our Information Future*. The commitment aimed to build on the momentum and interest generated in the lead-up to Online Australia Day - a national day of awareness raising coordinated by the National Office for the Information Economy on 27 November 1998.

A program for Online Australia 1999 has been developed out of a period of intensive consultation with a wide range of industry, community, business and Government stakeholders.

It contributes directly to the outcome of achieving a competitive advantage in the global information economy to enhance Australian social well-being.

The Online Australia 1999 program is designed to:

- help Australians succeed online;
- build Australia s online communities; and
- involve Australians in online and information economy issues.

Online Australia will promote and add value to a range of existing information economy projects and related initiatives in order to:

- promote the high level of activity already undertaken by Government, business, industry and community;

- encourage collaboration and coordination across and between levels of Government and community and industry sectors;
- provide local projects with a national profile; and
- encourage the replication and roll out of projects which demonstrate innovation and best practice.

**MEASURES SINCE LAST BUDGET AFFECTING OUTCOME 4**

There are no measures since last Budget affecting Outcome 4.

**RESOURCES FOR OUTCOME 4**

Table 2.2.4. Shows how the 1998-99 Appropriation and Program structure translate to total resourcing for Outcome 1, including total administered expenses, revenue from Government (appropriation) for outputs, and the total price of outputs.

**Table 2.2.4 - Total Resources for Outcome 4**

<b>Administered Expenses</b> <small>(Including third party outputs)</small>	<b>Estimated Payments</b>  1998-99  CASH  \$ 000	<b>Estimated Expenses</b>  1998-99  ACCRUAL  \$ 000	<b>Estimated Expenses</b>  1999-2000  \$ 000
There are no administered expenses affecting outcome 4	nil	nil	nil
<b>Total Administered Expenses</b>	<b>nil</b>	<b>nil</b>	<b>nil</b>
<b>Price of Departmental Outputs</b>			
Output 4.1	3,742	3,742	3,117
Output 4.2	8,232	8,232	6,858
Output 4.3	2,993	2,993	2,494
<b>Subtotal Output 4</b>	<b>14,967</b>	<b>14,967</b>	<b>12,469</b>
Revenue from Government (appropriation) for Departmental outputs	14,967	14,967	12,469
	100%	100%	100%
Revenue from other Sources	nil	nil	nil
<b>Total Price of Outputs</b>	<b>14,967</b>	<b>14,967</b>	<b>12,469</b>
<b>TOTAL FOR OUTCOME 4</b> (Total price of outputs and administered expenses)	<b>14,967</b>	<b>14,967</b>	<b>12,469</b>
<b>STAFF YEARS (NUMBER)</b>	<b>1998-99</b>	<b>1999-2000</b>	
	62	76	

**CONTRIBUTION OF OUTPUTS TO OUTCOME 4**

The Department's policy advice assists the Government to develop a regulatory framework, which encourages industry self-regulation, accords with Australia's national interests, increases the confidence of business and consumers in online transactions and protects the security and legality of transactions.

Increased e-commerce and online activity by both business and consumers has the potential to have significant flow on benefits in terms of improved competitiveness of business from implementation of changed business practices

and lower cost structures. Policy advice is also directed towards achieving access for all Australians to a diverse range of communications services and for providing them with the necessary skills to contribute and participate in the information economy.

Good policy advice is dependent on consultation, research, access to technical and statistical information and benchmarking of Australia's performance with our trading partners.

Consultation with stakeholders ensures that the Department's advice is cognisant of broader Government, industry, consumer and community considerations. It enables all Governments to coordinate policy objectives and pursue national approaches in a more timely manner. It also assists industry and the community to better understand Government policy and objectives.

The Government's awareness raising programs (including Online Australia Year) and programs which promote electronic commerce (eg. Information Technology On-line) assist in enabling Australians to gain confidence to participate in and contribute to the development of the information economy. This includes not only consumers but also small and medium enterprises and Chief Executive Officers of organisations.

To assist Australia to be competitive in the global information economy, it is important that Australia play a strong role in influencing the rules being developed now to guide the international market place. Australia is represented at relevant multilateral and bilateral forums. Positions promoted by Australia in those forums such as World Trade Organisation (WTO), Asia-Pacific Economic Cooperation (APEC), International Telecommunications Union (ITU) and Government Advisory Committee (on Internet names and numbers) are developed in consultation with Australian industry.

**Output 4.1**

**Table 2.3.4: Performance Information and Planned Level of Achievement, 1999-2000**

<p>Advice on the policy, regulatory and industry environment to facilitate Australia's competitiveness in the information economy and the uptake of electronic commerce and online services.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Extent of consultation with community and stakeholders.</li> <li>• Ministerial satisfaction with quality and timeliness of advice and draft legislation.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Completion and submission of a report from the National Bandwidth Enquiry by 30 September 1999 and development of a Government response within 4 months.</li> <li>• Report to Government on progress against strategic action plans identified in "A Strategic Framework for the Information Economy".</li> <li>• Development and endorsement of access and opportunity, and cultural strategic action plans by November 1999.</li> <li>• Implementation of Government policies for online content (which are not the responsibility of the Australian Broadcasting Authority).</li> <li>• Successful transfer of responsibility for administration of internet domain names to industry self-regulatory regime.</li> <li>• Provision of continuing advice on authentication, internet domain name system, data protection/privacy, online content, consumer protection, Information Technology and Telecommunications (IT and T) skills, regional communication issues, e-commerce issues and other regulatory issues as relevant.</li> <li>• Level of access and use of information technologies by segments of the population.</li> <li>• Enhanced supply of IT and T skills.</li> <li>• Benchmarking of online outcomes and regulatory regimes with comparable countries.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$3,117,000</li> </ul>
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**Output 4.2**

<p>Overview and co-ordination of Government initiatives and programs which promote electronic commerce and online services.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Contribution of Online Council to policy processes.</li> <li>• Contribution of Australian Information Advisory Council to policy processes.</li> <li>• Extent of public and stakeholder involvement and feedback on Online Australia Year.</li> <li>• Extent of consultation within the Commonwealth Government, with State, Territory and local Governments and with community and other stakeholders.</li> <li>• Ministerial satisfaction with quality and timeliness of advice.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Level of activities related to Online Australia Year.</li> </ul> <p>Price</p> <ul style="list-style-type: none"> <li>• Total price of outputs - \$6,858,000</li> </ul>
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**Output 4.3**

<p>Representation of Australia s position internationally on information economy and information technology issues.</p>	<p>Quality</p> <ul style="list-style-type: none"> <li>• Extent of consultation with stakeholders.</li> <li>• Ministerial satisfaction with quality and timeliness of advice.</li> <li>• Effectiveness of Australia s contribution to report to APEC Ministers in 2000 on international internet bandwidth charging arrangements.</li> <li>• ITU processes move towards multilateral agreement to reform international governance for telecommunications infrastructure.</li> </ul> <p>Quantity</p> <ul style="list-style-type: none"> <li>• Representation of Australia s interest at World Trade Organisations (WTO), Asia Pacific Economic Community (APEC), General Agreement on Tariffs and Trade (GATT) etc.</li> <li>• WTO and GATT negotiations proceed on basis of service definitions that reflect Australia s policies.</li> <li>• Participation in and Government response to the Productivity Commission review of international telecommunications regulation.</li> <li>• Progress made in bilateral discussions and agreements with trading partners on e-commerce issues.</li> </ul> <p>Price</p>
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- Total price of outputs - \$2,494,000

## EVALUATIONS

The following evaluations are planned for 1999-2000:

- The pilot of the Government Information Centre in Tasmania will be evaluated in late 1999;
- Statutory reviews in relation to digital television and the telecommunication competition regime;
- Review of broadcasting legislation by the Productivity Commission;
- First evaluation report of Networking The Nation to be completed by March 2000; and

The results of these evaluations will appear in summarised form in the Department's annual report

## COMPETITIVE TENDERING AND CONTRACTING

The Department has outsourced its information technology services as part of the Group 5 process managed by OASITO. This outsourcing affects all Departmental outcomes.

The Internal Audit function, which supports all Departmental outcomes, has been outsourced.

Fee-for-service contracts will be sought on a competitively neutral basis from other Government agencies to be used as a means of ensuring market competitiveness of economic and technical advice.

## SECTION 3

### BUDGETED FINANCIAL STATEMENTS

The budgeted financial statements for the Department are presented in this section. These statements will form the basis of the financial statements that will appear in the Department's 1999-2000 Annual Report and for input into the Whole-of-Government Accounts.

#### Budgeted Statement of Revenues and Expenses (Budgeted Operating Statement)

This statement provides a picture of the expected financial results for the Department by identifying full accrual expenses and revenues, which highlights whether the Department is operating at a sustainable level in the short run.

#### Budgeted Statement of Assets and Liabilities (Budgeted Balance Sheet)

Shows the expected financial position of the Department, which enables decision-makers to track the management of the Department's assets and liabilities.

#### Budgeted 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 proposed capital expenditure funded either through the Budget as Appropriation by equity injections or as loans, and/or Appropriations for administered capital, or as funds from internal sources or as funds from other sources.

#### Non-financial Assets - Summary of Movement

This statement shows only the Budget year 1999-2000.

#### "Departmental" and "Administered" Statements

The Statements are divided into two categories, "Departmental" and "Administered". Departmental statements refer to resources under the control of the Department. The major component is operating costs ("running costs"). Administered statements provide information on transactions undertaken to implement programs on behalf of the Government, rather than the Department in its own right. The main components relate to grant payments, licence fees and buildings such as OPH.

#### Table 3.1 Budgeted Statement of Revenues and Expenses

##### Departmental

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUES</b>					
Revenue from Government					
Ordinary Annual Appropriations	268,879	160,746	165,175	153,651	154,028
Resources received free of charge	168	167	167	167	167
Revenues from independent sources					
Sales of goods and services	8,365	8,216	8,449	8,519	8,560
Interest from bank / investments	70	1,104	1,239	1,373	1,497
Other revenues from independent sources	2,955	1,791	1,828	1,865	1,903
<b>Total revenues</b>	280,437	172,244	176,858	165,575	166,155
<b>EXPENSES</b>					
Employees	61,127	65,662	65,450	61,981	57,641
Suppliers	199,793	104,384	92,276	83,910	88,334
Interest on leases, borrowings etc	54	656	1,053	980	902
Write down of assets	47	0	0	0	0
Losses from sales of assets	743	0	0	0	0
Depreciation and amortisation	8,598	9,017	9,077	9,474	9,959
Movement in LSL and annual leave balances	2,758	1,016	1,065	1,116	1,173
Expenses of business operations	0	0	0	0	0
<b>Total expenses</b>	273,120	180,735	168,921	157,461	158,009
<b>Operating surplus/(deficit) before extraordinary items</b>	7,317	(8,491)	7,937	8,114	8,146
Net revenues or expenses from extraordinary items	0	0	0	0	0
Capital Use Charge	0	(7,466)	(7,698)	(7,874)	(7,907)
<b>Operating Surplus/(Deficit)</b>	7,317	(15,957)	239	240	239
Accumulated results at 1 July	397,516	72,453	56,496	56,735	56,975
Extraordinary items	(332,380)	0	0	0	0
<b>Accumulated surplus at 30 June</b>	72,453	56,496	56,735	56,975	57,214

Table 3.1 Budgeted Statement of Revenues and Expenses (continued)

## Administered

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUES</b>					
Revenue from Government					
Appropriations	339,806	324,910	319,131	259,783	134,189
Revenues from independent sources					
Licence fees, fines and charges	393,583	409,717	425,023	436,343	448,243
Other Revenue	64,483	64,483	64,483	64,483	64,483

<b>Total revenues</b>	797,872	<b>799,110</b>	808,637	760,609	646,915
<b>EXPENSES</b>					
Depreciation & Amortisation	1,280	<b>1,432</b>	1,620	1,755	1,755
Subsidies	1,500	<b>1,500</b>	1,500	1,500	0
Grants	351,765	<b>308,846</b>	317,317	210,139	113,069
Other	87,508	<b>161,632</b>	161,632	161,632	111,607
<b>Total expenses</b>	442,177	<b>473,410</b>	482,069	375,026	226,431
<b>Operating result</b>	355,695	<b>325,700</b>	326,568	385,583	420,484
<b>Transfers to Official Public Account</b>	386,539	<b>393,325</b>	413,823	426,417	439,068
<b>Operating result after transfers</b>	(30,844)	<b>(67,625)</b>	(87,255)	(40,834)	(18,584)
Accumulated surplus at 1 July	283,512	<b>678,024</b>	610,399	370,593	329,759
Extraordinary items	425,356	<b>0</b>	(152,551)	0	0
<b>Accumulated surplus at 30 June</b>	678,024	<b>610,399</b>	370,593	329,759	311,175

Table 3.2 Budgeted Statement of Assets and Liabilities

## Departmental

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
<i>as at 30 June</i>	1998-99	<b>1999-2000</b>	2000-01	2001-02	2002-03
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>DEBT</b>					
Loans	22,179	<b>20,182</b>	18,863	17,454	15,949
Leases	2,167	<b>1,406</b>	516	1,662	1,160
Other	1,204	<b>956</b>	965	965	964
<b>Total debt</b>	25,550	<b>22,544</b>	20,344	20,081	18,073
<b>PROVISIONS AND PAYABLES</b>					
Employees	20,268	<b>21,283</b>	22,350	23,465	24,637
Suppliers	16,210	<b>1,592</b>	1,534	1,545	1,540
Capital Use Charge (CUC) payable in future years	0	<b>10,466</b>	7,698	7,874	7,907
Other	10	<b>10</b>	10	10	43
<b>Total provisions and payables</b>	36,488	<b>33,351</b>	31,592	32,894	34,127
<b>EQUITY</b>					
Accumulated results	72,453	<b>56,496</b>	56,735	56,975	57,214
Asset revaluation reserve	3,758	<b>3,758</b>	3,758	3,758	3,758
Other reserves	0	<b>1,930</b>	3,590	4,642	4,642
<b>Total equity</b>	76,211	<b>62,184</b>	64,083	65,375	65,614
<b>Total liabilities and equity</b>	138,249	<b>118,079</b>	116,019	118,350	117,814
<b>FINANCIAL ASSETS</b>					
Cash - non-CUC	8,420	<b>11,014</b>	13,603	17,272	19,756

Cash on hand for CUC payment	0	<b>10,440</b>	7,665	7,842	7,874
Receivables	940	<b>1,088</b>	580	580	942
Carry-over from 1998-99	30,450	0	0	0	0
Receivable for CUC	0	<b>26</b>	33	32	33
Investments	0	0	0	0	0
<b>Total financial assets</b>	39,810	<b>22,568</b>	21,881	25,726	28,605
<b>NON-FINANCIAL ASSETS</b>					
Land and buildings	25,580	<b>26,427</b>	27,058	27,074	26,454
Infrastructure, plant and equipment & exhibitions	68,625	<b>65,501</b>	63,486	61,542	59,020
Inventories	795	<b>800</b>	800	800	800
Intangibles	1,720	<b>1,791</b>	1,947	2,080	1,706
Other	1,719	<b>992</b>	847	1,128	1,229
<b>Total non-financial assets</b>	98,439	<b>95,511</b>	94,138	92,624	89,209
<b>Total assets</b>	138,249	<b>118,079</b>	116,019	118,350	117,814

Table 3.2 Budgeted Statement of Assets and Liabilities (continued)

## Administered

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
<i>as at 30 June</i>	1998-99	<b>1999-2000</b>	2000-01	2001-02	2002-03
	\$'000	<b>\$'000</b>	\$'000	\$'000	\$'000
<b>ASSETS AND LIABILITIES</b>					
<b>Equity</b>					
Accumulated results	669,436	<b>601,811</b>	362,005	321,171	302,587
Equity in statutory authorities at 30 June 1997	854,675	<b>854,678</b>	854,678	854,678	854,678
Other reserves	8,588	<b>8,588</b>	8,588	8,588	8,588
Capital	7,261	<b>9,181</b>	9,181	9,181	9,181
<b>Total equity</b>	1,531,375	<b>1,465,670</b>	1,225,864	1,185,030	1,166,446
<b>Total liabilities and equity</b>	1,531,375	<b>1,465,670</b>	1,225,864	1,185,030	1,166,446
<b>Financial assets</b>					
Receivables	397,371	<b>216,548</b>	84,335	35,325	9,239
Investments	846,090	<b>846,090</b>	846,090	846,090	846,090
Accrued Revenues	201,147	<b>217,371</b>	228,479	238,390	247,627
<b>Total financial assets</b>	1,444,608	<b>1,280,009</b>	1,158,904	1,119,805	1,102,956
<b>Non-financial assets</b>					
Land and buildings	82,362	<b>181,316</b>	62,675	61,000	59,325
Infrastructure, plant and equipment	1,831	<b>1,784</b>	1,737	1,690	1,643
Other	2,574	<b>2,561</b>	2,548	2,535	2,522
<b>Total non-financial assets</b>	86,767	<b>185,661</b>	66,960	65,225	63,490
<b>Total assets</b>	1,531,375	<b>1,465,670</b>	1,225,864	1,185,030	1,166,446

Table 3.3 Budgeted Cash Flow Statement

## Departmental

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and services	11,323	10,009	10,279	10,386	10,465
Interest	70	1,104	1,239	1,373	1,497
Appropriations	247,426	191,414	165,173	153,649	154,026
<b>Total cash received</b>	258,819	202,307	176,691	165,408	165,988
<b>Cash used</b>					
Payments to employees	61,085	65,719	65,510	62,042	57,704
Payments to suppliers	186,264	101,018	91,892	83,612	88,330
Interest and other financing costs	54	656	1,053	980	902
<b>Total cash used</b>	247,403	167,393	158,455	146,634	146,936
<b>Net cash from operating activities</b>	11,416	35,134	18,236	18,774	19,052
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, Plant & Equipment (P&E)	35	35	35	35	35
Equity	0	4,573	2,979	2,460	1,505
Other	55	210	157	75	75
<b>Total cash received</b>	90	4,818	3,171	2,570	1,615
<b>Cash used</b>					
Purchase of property, P&E	28,532	6,811	7,849	7,663	6,459
Other	1,266	17,321	1,476	1,677	1,722
<b>Total cash used</b>	29,798	24,132	9,325	9,340	8,181
<b>Net cash from investing activities</b>	(29,708)	(19,314)	(6,154)	(6,770)	(6,566)
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrowings (inc leases)	23,900	0	0	1,500	0
<b>Total cash received</b>	23,900	0	0	1,500	0
<b>Cash used</b>					
CUC paid	0	0	10,440	7,665	7,842
<b>Total cash used</b>	590	2,786	12,268	9,658	9,970
<b>Net cash from financing activities</b>	23,310	(2,786)	(12,268)	(8,158)	(9,970)
<b>Net increase (decrease) in cash held</b>	5,018	13,034	(186)	3,846	2,516

add cash at 1 July	3,402	<b>8,420</b>	21,454	21,268	25,114
<b>Cash at 30 June</b>	<b>8,420</b>	<b>21,454</b>	21,268	25,114	27,630

**Table 3.3 Budgeted Cash Flow Statement (continued)**
**Administered**

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Taxes, fees and fines	386,810	<b>393,493</b>	413,915	426,432	439,006
Appropriations	338,526	<b>323,478</b>	317,511	258,028	132,434
Cash from Consolidated Revenue Fund (CRF)	39,950	<b>84,017</b>	98,455	50,760	0
Other	64,483	<b>64,483</b>	64,483	64,483	64,483
<b>Total cash received</b>	<b>829,569</b>	<b>865,471</b>	894,364	799,703	635,923
<b>Cash used</b>					
Subsidies	1,500	<b>1,500</b>	1,500	1,500	0
Grants	351,765	<b>308,846</b>	317,317	210,139	113,069
Cash to CRF	386,539	<b>393,325</b>	413,823	426,417	439,068
Cash - other	88,564	<b>161,632</b>	161,632	161,632	111,607
<b>Total cash used</b>	<b>828,368</b>	<b>865,303</b>	894,272	799,688	663,744
<b>Net cash from operating activities</b>	<b>1,201</b>	<b>168</b>	92	15	(27,821)
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Equity	7,261	<b>2,570</b>	0	0	0
Cash from CRF	19,188	<b>97,736</b>	35,450	0	27,759
Other	0	<b>0</b>	0	0	62
<b>Total cash received</b>	<b>26,449</b>	<b>100,306</b>	35,450	0	27,821
<b>Cash used</b>					
Purchase of property, (P&E)	28,311	<b>100,306</b>	35,450	0	0
Purchase of investments	271	<b>168</b>	92	15	0
<b>Total cash used</b>	<b>28,582</b>	<b>100,474</b>	35,542	15	0
<b>Net cash from investing activities</b>	<b>(2,133)</b>	<b>(168)</b>	(92)	(15)	27,821
<b>FINANCING ACTIVITIES</b>					
<b>Net cash from financing activities</b>	<b>0</b>	<b>0</b>	0	0	0
<b>Net increase (decrease) in cash held</b>	<b>(932)</b>	<b>0</b>	0	0	0
add cash at 1 July	932	<b>0</b>	0	0	0

Cash at 30 June	0	0	0	0	0
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**Table 3.4 Capital Budget**
**Departmental**

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Equity injections	0	1,930	1,660	1,052	0
Loans	21,885	0	0	0	0
Appropriation of previous year carried forward	9,000	31,340	0	0	0
<b>TOTAL CAPITAL APPROPRIATION</b>	30,885	33,270	1,660	1,052	0
<b>Represented by:</b>					
Purchase of non-current assets	21,885	2,820	1,660	1,052	0
Other items	9,000	30,450	0	0	0
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by capital Appropriation	0	2,820	1,660	1,052	0
Funded by off-Budget borrowings	21,885	0	0	0	0
Internally funded	5,485	3,991	6,189	6,611	6,459
<b>Total Non-current Assets</b>	27,370	6,811	7,849	7,663	6,459

**Administered**

	Estimated Actual	Estimated	Estimated	Estimated	Estimated
	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000
Equity injections	7,261	1,920	0	0	0
Loans	0	0	0	0	0
Appropriation of previous year carried forward	0	650	0	0	0
<b>TOTAL CAPITAL APPROPRIATION</b>	7,261	2,570	0	0	0
<b>Represented by:</b>					
Purchase of non-current assets	7,261	2,570	0	0	0
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by capital Appropriation	7,261	2,570	0	0	0
Internally funded	21,050	97,736	35,450	0	0
<b>Total Non-current Assets</b>	28,311	100,306	35,450	0	0

**Table 3.5 Non-Financial assets - Estimated summary of movement**

This Table is presented for the 1999-2000 year only.

**Departmental**

	Land	Buildings	Total Land and Buildings	Other infrastructure, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross value</b>						
As at 1 July 1999	0	33,784	33,784	113,204	2,132	149,120
Additions	0	2,584	2,584	3,730	497	6,811
Disposals	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
As at 30 June 2000	0	36,368	36,368	116,934	2,629	155,931
<b>Accumulated depreciation</b>						
As at 1 July 1999	0	8,204	0	44,579	412	53,195
Disposals	0	0	0	0	0	0
Charge for the reporting period	0	1,737	1,737	6,854	426	9,017
Other movements	0	0	0	0	0	0
As at 30 June 2000	0	9,941	9,941	51,433	838	62,212
<b>Net book value as at 30 June 2000</b>	0	26,427	26,427	65,501	1,791	93,719
<b>Net book value as at 1 July 1999</b>	0	25,580	25,580	68,625	1,720	95,925

**Table 3.5 Non-Financial assets - Estimated summary of movement (continued)**
**Administered**

	Land	Buildings	Total Land and Buildings	Infrastructure, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Gross value</b>						
As at 1 July 1999	0	83,562	83,562	1,831	0	85,393
Additions	0	100,306	100,306	0	0	100,306
Disposals	0	0	0	0	0	0
Other movements	0	0	0	0	0	0
As at 30 June 2000	0	183,868	183,868	1,831	0	185,699
<b>Accumulated depreciation</b>						
As at 1 July 1999	0	1,200	1,200	0	0	1,200
Disposals	0	0	0	47	0	47
Charge for the reporting period	0	1,352	1,352	0	0	1,352
Other movements	0	0	0	0	0	0
As at 30 June 2000	0	2,552	2,552	47	0	2,599

<b>Net book value as at 30 June 2000</b>	0	181,316	181,316	1,784	0	183,100
<b>Net book value as at 1 July 1999</b>	0	82,362	82,362	1,784	0	84,146

**NOTES TO THE BUDGETED FINANCIAL STATEMENTS**

The purpose of this section is to provide additional information on significant items to effectively inform the reader. A summary of significant accounting policies adopted by the Department may be found in its annual report. The statements have been prepared in accordance with directions issued by the Department of Finance and Administration.

**"DEPARTMENTAL" STATEMENTS**

**Change to Accounting Policy**

The NFSA s heritage collection is being recognised in the Statements for the first time in 1998-99. As the valuation process for this collection had not been completed at the time of Budget preparation, an estimate of \$23m has been provided in the financial statements.

**Identified Variations**

The National Transmission Network (NTN) was sold during 1998-99; the sale has had the following effects on the Statements:

- revenues from Government and expenses have reduced by \$90m; and
- a reduction of equity totaling \$399m and associated extraordinary loss of \$356m. This represents the written-down value of transmission and other assets less provisions for employee entitlements.

The NFSA has constructed an extension to its Acton (ACT) headquarters building at a cost of \$22m. This project was completed during 1998-99 and has been funded by off-budget debt financing.

An amount of \$31m appropriated in 1998-99 but not spent is to be carried into 1999-2000, an increase from \$9m in 1998-99. The principal components of this carry-over relate to the Centenary of Federation (\$8m), a Y2K communications strategy (\$6m), provision for finalisation of the NTN sale costs (\$5m) and savings to offset 1999-2000 minor new policy (\$4.7m).

A CUC, which represents a return to shareholders (the Government) of 12% pa on the Department s net equity, is to be introduced from 1 July 1999. The Charge is funded by an increase in Appropriations and is expected to amount to around \$10m in 1999-2000 and \$8m pa over the forward estimate. The increase in 1999-2000 reflects the effects of the carry-over described above.

Artbank, the Government s art rental operation, is expected to generate an operating profit of around \$0.200m pa. This profit is reinvested in new artworks each year.

**"ADMINISTERED" STATEMENTS**

**Accounting Policy**

The Department has been allocated some \$425m for projects associated with the Federation Fund, including \$152m for construction of buildings for the National Museum of Australia (NMA) and the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS). This allocation is treated as an extraordinary revenue on receipt. Expenditure on grants is expensed as it occurs, resulting in an annual operating loss. Expenditure relating to buildings is transferred to "Land and Buildings" as work in progress. The remaining balance of the allocation at the end of each year is treated as a receivable. Ownership of the buildings is to be transferred to the NMA and AIATSIS respectively on completion in 2001, resulting in an extraordinary loss in that year.

**Identified Variations**

Grants expenditure is expected to fall significantly over the estimates period. The main components of the variation are:

- one-time expenditure of \$120m in 1998-99 relating to Year 2000 preparation;
- Federation Fund grants totaling \$273m from 1998-99 to 2001-02; and
- "Social Bonus" funding relating to the sale of additional Telstra shares, totaling \$351m from 1999-2000 to 2003-04. This funding is provided on the assumption that the sale passes Parliament.

**APPENDIX 1**

**Administered revenues collected on behalf of Government**

The Department collects the following revenues on behalf of the Government:

Estimated Actual	Estimated	Estimated	Estimated	Estimated
1998-99	1999-2000	2000-01	2001-02	2002-03
\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
	<b>\$ 000</b>			

<b>Licence fees, fines and charges</b>	393,583	<b>409,717</b>	425,023	436,343	448,243
Universal service levy	23,124	<b>23,124</b>	23,124	23,124	23,124
Australian Broadcasting Authority - licence fees	200,935	<b>217,159</b>	228,267	238,178	247,415
Australian Communications Authority - telecommunications numbering fees and charges	168,608	<b>168,621</b>	172,895	174,381	177,121
National Archives of Australia - fees and charges	916	<b>813</b>	737	660	583

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