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PART A

USER GUIDE

Introduction

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) 2001-02. The PBS indicates, *inter alia*, the proposed allocation of funding of the Portfolio's outcomes through the Budget.

Structure of the Portfolio Budget Statements

The Portfolio Budget Statements (PBS) are presented in three parts with subsections.

Part A: User Guide

Provides an introduction explaining the purpose of the PBS as well as information in relation to the styles and conventions used.

Part B: Portfolio Overview

Provides an overview of the portfolio. It outlines the structure of the outcomes to which the portfolio and its agencies contribute.

Part C: Agency Budget Statements

For each agency within the portfolio a statement is presented under the name of the agency.

Section 1: Agency overview, appropriations, and budget measures summary

This section details the link between the resources appropriated and their application to the outputs which contribute to the achievement of outcomes and the impact of any Budget measures.

Section 2: Outcomes and outputs information

This section details planned Government outcomes and the contributing administered items and agency outputs.

Section 3: Budgeted Financial Statements

This section contains the four budgeted financial statements in accrual format covering budget year, previous year and the three outyears for each agency. Glossaries are provided at the end of the document.

Styles and conventions used

- (a) The following notations may be used:

NEC/nec not elsewhere classified

AEST Australian Eastern Standard Time

- nil

.. not zero, but rounded to zero

na not applicable (unless otherwise specified)

nfp not for publication

\$m \$ million

- (b) Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place. Discrepancies in tables between totals and sums of components are due to rounding.

PART B

**PORTFOLIO
OVERVIEW**

PORTFOLIO OVERVIEW

Department of Communications, Information Technology and the Arts

Outcome 1: *A rich and stimulating cultural environment.*

Outcome 2: *Competitive and effective communications and information technology industries and services.*

Outcome 3: *Australians value science and technology's contribution to our culture and economic prosperity.*

Outcome 4: *Increased use, enjoyment and safety of Australia's audiovisual heritage.*

Outcome 5: *Sustainable and effective e-commerce and online activity, and an internationally competitive information economy.*

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.

The Department also incorporates the National Office for the Information Technology (NOIE), National Science and Technology Centre (NSTC) and ScreenSound Australia (SSA).

NOIE is helping Australians create a world class online economy and society through its work developing, overseeing and coordinating Commonwealth Government policy towards the development of Australia as an information economy. NSTC seeks to make science fun and relevant for everyone by engaging people in making their own stimulating discoveries. SSA plays a key role in documenting and interpreting the Australian experience and actively contributing to the development of the audiovisual industry.

Australia Council

Outcome 1: *Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence.*

Outcome 2: *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 Broadcasting Authority (ABA)

Outcome 1: *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

Part B: Portfolio Overview

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)

Outcome 1: *The ABC will create and deliver distinctive programming and services; inform, entertain and educate its audiences; and develop cultural and community identity.*

Outcome 2: *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.*

Outcome 3: *The Australian community has access to ABC digital television services in accordance with agreed timetables and funding.*

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)

Outcome 1: *An efficient industry and a competitive market.*

Outcome 2: *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.

Part B: Portfolio Overview

Australian Film Commission (AFC)

Outcome 1: *An internationally competitive Australian film and television production industry, which enhances Australia's cultural identity.*

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)

Outcome 1: *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)

Outcome 1: *Increased knowledge, appreciation and enjoyment of Australia's relationship with its waterways and the sea.*

The role of the ANMM is to acquire, manage and maximise accessibility to Australia's maritime heritage.

National Archives of Australia (NAA)

Outcome 1: *In the interests of accountable government and for the benefit of the community, the National Archives of Australia promotes reliable recordkeeping and maintains a visible, accessible and known collection.*

The National Archives of Australia:

- plays the leading role in the management of Commonwealth records;
- makes available to the public non-exempt Commonwealth records over 30 years old;
- encourages and facilitates the use of the archival resources of the Commonwealth; and
- provides leadership in developing and coordinating the preservation and use of the archival resources of Australia.

National Gallery of Australia (NGA)

Outcome 1: *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.

Part B: Portfolio Overview

National Library of Australia (NLA)

Outcome 1: *Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources.*

Functions of the National Library include:

- 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)

Outcome 1: *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 Corporation (SBS)

Outcome 1: *Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society.*

The SBS is a national multicultural and multilingual broadcaster. Its mission is to contribute to a more cohesive, equitable and harmonious Australia through its television and radio services.

Part B: Portfolio Overview

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 Archives of Australia

National Gallery of Australia

National Library of Australia

National Museum of Australia

Special Broadcasting Service Corporation

PART C

DEPARTMENT AND AGENCY BUDGET STATEMENTS

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

DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Department has responsibility for implementing Government policies designed to foster the development of communications, information technology and arts sectors in Australia, and to achieve outcomes which meet the Government's objectives for these sectors. Further, the Department administers significant programs in each of these policy areas, including the Cultural Development Program, programs to assist Commonwealth Film Development, Social Bonus programs designed to improve telecommunications services to rural and remote Australia, and in 2001-02, the Department has been charged with implementing the governments response to the Telecommunications Service Inquiry.

The Department contains three semi autonomous agencies – the National Office for the Information Economy, ScreenSound Australia, and the National Science and Technology Centre (Questacon).

The National Office for the Information Economy promotes Australia as a world-class information economy and facilitates uptake of online technologies. It provides strategic policy advice and a regulatory framework to promote the growth of Australia's information and communications technology sectors. It develops and oversees policies for applying new technology to Government administration and information service provision.

ScreenSound Australia is the national screen and sound archive, playing a key role in documenting and interpreting the Australian experience and actively contributing to the development of the audiovisual industry. ScreenSound Australia collects, preserves and makes available screen and sound material relevant to Australia's culture. Through its skills and services, ScreenSound Australia complements documentary heritage collections, and is a leader in the preservation, presentation and development of screen and sound culture in Australia.

The National Science and Technology Centre (trading as Questacon) is a national leader in communicating science. Its mission is to make science fun and relevant for everyone by engaging people in making their own stimulating discoveries.

Part C: Agency Budget Statements — DCITA

Through its Centre in Canberra, Questacon provides interactive exhibits, science performances, and targeted educational programs, attracting more than 4 million visitors since the Centre opened in 1998. Strong emphasis is placed on taking our message outside Canberra and Questacon has successfully partnered with industry, state-based science centres, museums and Government to develop and tour nationally exhibitions and interactive experiences, including accompanying interpretive and education programs. This focus has contributed to Questacon reaching a further 9 million people both across Australia and overseas.

APPROPRIATIONS

Total appropriations for the Department in the 2001-2002 Budget is \$594.564 million. Table 1.1, on the following page, shows the total appropriations for the Department of Communications, Information Technology and the Arts for 2001-2002 by the five Government outcomes, by administered expenses, price of output appropriation and, where appropriate, administered capital and departmental equity injections and loans.

Department of Communications, Information Technology and the Arts - Appropriations 2001-2002

Table 1.1: Appropriations and other revenue (\$'000)

Outcome	Departmental (price of outputs)					Administered				
	Revenue from Government (appropriations)			Revenue from other sources ⁽³⁾	Price of outputs ⁽²⁾	Annual appropriations		Special approps ⁽⁴⁾	Total administered appropriations	Total appropriations
	Bill No. 1	Special approps ⁽⁵⁾	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽¹⁾			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
1. A rich and stimulating cultural environment	30,912	2,930	33,842	4,638	38,480	86,024	-	8,370	94,394	128,236
					87.9% ⁽⁵⁾					
2. Competitive and effective communication and information technology industries and services	47,936	-	47,936	600	48,536	180,191	20,000	127,731	327,922	375,858
					98.8% ⁽⁵⁾					
3. Australians value science and technology's contribution to our culture and economic prosperity	12,500	-	12,500	5,699	18,199	-	-	-	-	12,500
					68.7% ⁽⁵⁾					
4. Increased use, enjoyment and safety of Australia's audiovisual heritage	40,878	-	40,878	7,942	48,820	-	-	-	-	40,878
					83.7% ⁽⁵⁾					
5. Sustainable and effective e-commerce and online activity, and an internationally competitive information economy	32,250	-	32,250	878	33,128	3,700	-	-	3,700	35,950
					97.3% ⁽⁵⁾					
Total	164,476	2,930	167,406	19,757	187,163	269,915	20,000	136,101	426,016	593,422
						Departmental capital (equity injections and loans)				1,142
						Total appropriations				594,564

Notes:

1. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
2. Refer to Budgeted Statement of Financial Performance (Operating Statement) for application of agency revenue.
3. Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from non-government sources. Non-appropriated departmental and administered revenues are shown in Appendix 1.
4. Estimated expenses from individual Special Appropriations are shown in Appendix 2.
5. Percentage figure indicates the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

BUDGET MEASURES — DCITA SUMMARY

Table 1.2: Summary of Measures disclosed in the 2001-2002 Budget

Measure	Outcome	Output affected	Appropriations budget			Appropriations estimate			Appropriations estimate			Appropriations estimate		
			2001-02 (\$'000)			2002-03 (\$'000)			2003-04 (\$'000)			2004-05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Australia Film Finance Corporation - continuation of funding*	1	na	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Maintenance of the base funding of elements of the Cultural Development Programme	1	na	7,400	Nil	7,400	5,700	Nil	5,700	4,900	Nil	4,900	1,400	Nil	1,400
Additional Funding for the National Council for the Centenary of Federation for promoting Federation Fund projects**	1	1.2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Pricing review of the Department of Communications, Information Technology and the Arts	1	na	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* The financial impact of this measure (\$50m per annum over 3 years, commencing 2001-02) has already been included in the forward estimates

** \$7m provided in 2000-01 under Departmental outputs

Table 1.2: Summary of Measures disclosed in the 2001-2002 Budget (continued)

Measure	Outcome	Output affected	Appropriations budget			Appropriations estimate			Appropriations estimate			Appropriations estimate		
			2001-02 (\$'000)			2002-03 (\$'000)			2003-04 (\$'000)			2004-05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Telecommunications Service Inquiry response - Extend mobile phone coverage to communities of more than 500 people	2	2.1	15,000	500	15,500	12,000	200	12,200	9,800	200	10,000	Nil	Nil	Nil
Telecommunications Service Inquiry response - Extend mobile phone coverage to other areas	2	2.1	4,300	200	4,500	16,900	200	17,100	19,700	200	19,900	Nil	Nil	Nil
Telecommunications Service Inquiry response - Contribution to a national Online Technical Assistance Programme	2	2.1	Nil	400	400	1,400	400	1,800	3,400	400	3,800	Nil	Nil	Nil
Telecommunications Service Inquiry response - National Communications Fund	2	2.1	Nil	700	700	12,500	900	13,400	25,000	400	25,400	12,500	200	12,700
Telecommunications Service Inquiry response - Funding consumer representation and research	2	2.1	Nil	Nil	Nil	800	50	850	800	50	850	800	50	850

Table 1.2: Summary of Measures disclosed in the 2001-2002 Budget (continued)

Measure	Outcome	Output affected	Appropriations budget			Appropriations estimate			Appropriations estimate			Appropriations estimate		
			2001-02 (\$'000)			2002-03 (\$'000)			2003-04 (\$'000)			2004-05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Telecommunications Service Inquiry response - Improving Services for Aboriginal and Torres Strait Islander Communities	2	2.1	Nil	400	400	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Telecommunications Service Inquiry response - Improving Community Awareness	2	2.1	5,700	1,000	6,700	Nil	200	200	Nil	Nil	Nil	Nil	Nil	Nil
Telecommunications Service Inquiry response - Savings from Rural Internet Access Fund Reserve	2	2.1	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
Digital Interference subsidy	2	2.1	10,000	Nil	10,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Savings from the National Transmission Network residual pool	2	2.1	(2,000)	Nil	(2,000)	(2,000)	Nil	(2,000)	(2,000)	Nil	(2,000)	(2,000)	Nil	(2,000)

Table 1.2: Summary of Measures disclosed in the 2001-2002 Budget (continued)

Measure	Outcome	Output affected	Appropriations budget			Appropriations estimate			Appropriations estimate			Appropriations estimate		
			2001-02 (\$'000)			2002-03 (\$'000)			2003-04 (\$'000)			2004-05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Department of Communications, Information Technology and the Arts - reallocation of surplus funds	2	2.1	Nil	Nil	Nil	Nil	(5,000)	(5,000)	Nil	(5,000)	(5,000)	Nil	(5,000)	(5,000)
Australia's response to foot and mouth disease and other quarantine risks	2	2.1	Nil	20,000	20,000	Nil	13,200	13,200	Nil	8,000	8,000	Nil	8,200	8,200
Backing Australia's Ability - National Innovation Awareness Strategy	3	3.1	Nil	700	700	Nil	1,200	1,200	Nil	1200	1,200	Nil	600	600
Backing Australia's Ability - World Class Centres of Excellence	5	5.1	3,000	1,500	4,500	7,300	1,500	8,800	11,300	700	12,000	17,200	500	17,700
Backing Australia's Ability - Innovation Access Programme	5	5.1	700	300	1,000	2,500	500	3,000	2,500	500	3,000	2,500	500	3,000

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

Funding of \$1.142 m will be provided to the Department in 2001-02 as an equity injection, to be approved as follows:

National Science and Technology Centre (Outcome 3)

\$1.052 m for a major building maintenance program, including replacement of its air conditioning system. The funding, which was approved in the 1999-2000 budget, will also assist in the refurbishment of exhibition space and equipment.

ScreenSound Australia (Outcome 4)

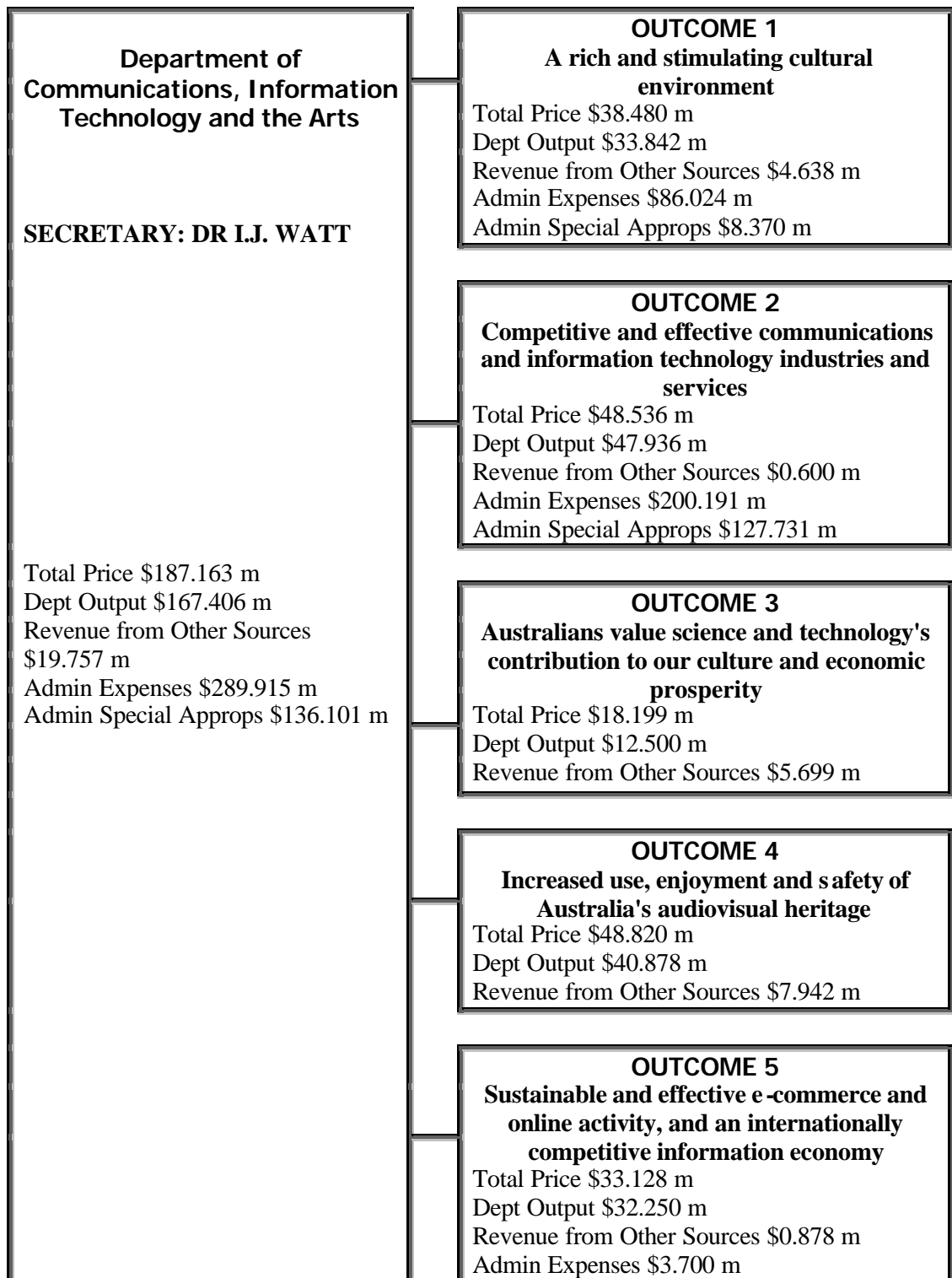
\$0.09 m to assist with the acquisition of new audiovisual material.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

Charts 1, 2 3, 4, 5 and 6 cover the Outcome and Output Structure of the Department of Communications, Information Technology and the Arts.

Chart 1: Outcome structure



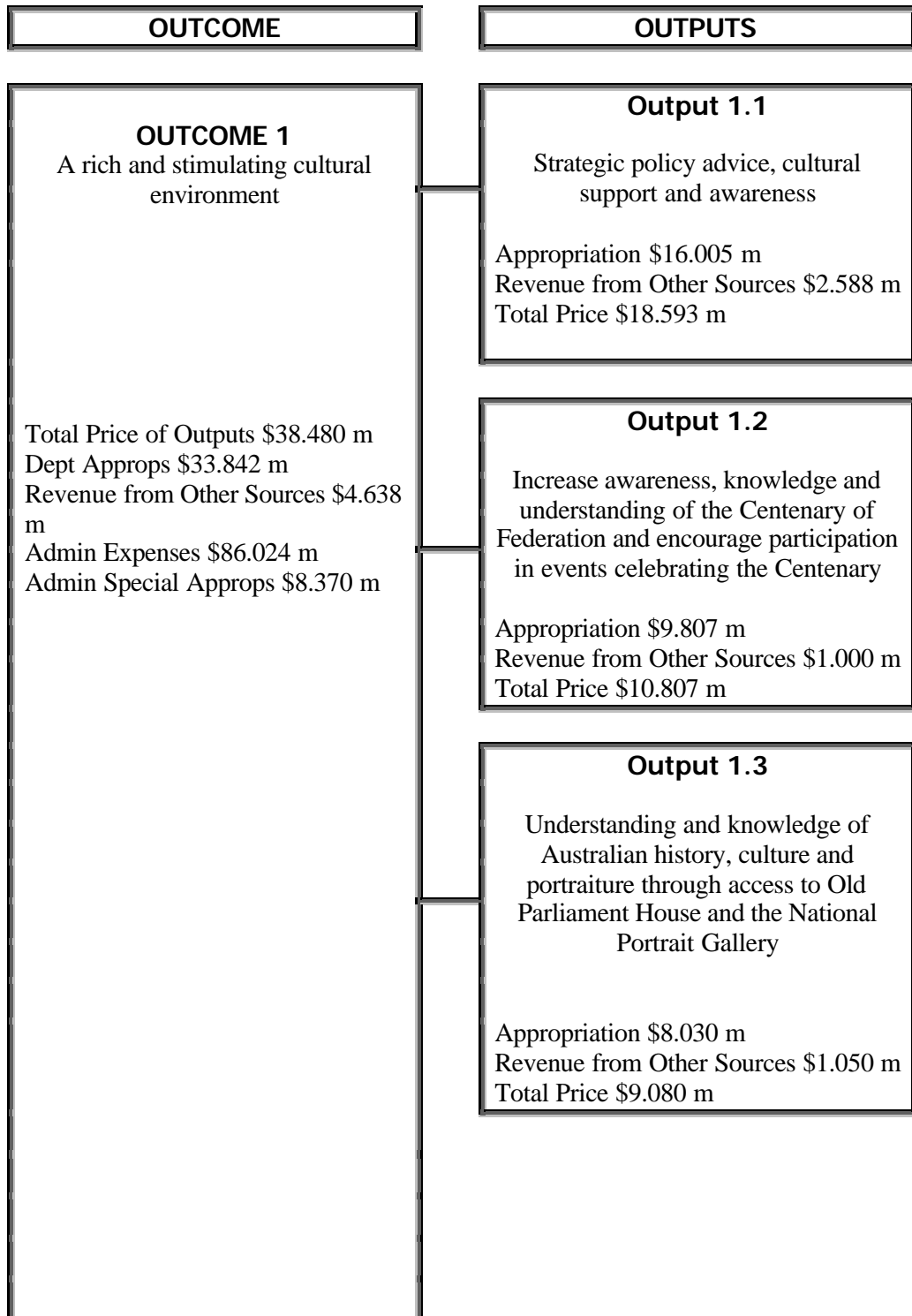
CHANGES TO OUTCOMES AND OUTPUTS

There have been a number of changes to Outcome and Output Structure of the department since the 2000-01 Portfolio Additional Estimates Statements (PAES). The major changes have been as result of creation of a separate outcome for National Office for the Information Economy (Outcome 5) from Outcome 2. The other significant change has been due to completion of the construction of the National Museum of Australia, resulting in the deletion of output 1.4. There have also been minor changes to wording of other outcomes.

The following changes have been made since the 2000-01 PAES:

- The wording of Output 1.1 as reported in PAES 2000-01 has been changed to “Strategic policy advice, cultural support and awareness”.
- Output 1.4 as reported in PAES 2000-01 has been deleted, as the National Museum construction project has been completed.
- Outcome 2 as reported in PAES 2000-01 has been changed to “Competitive and effective communications and IT industries and services”.
- The wording of Output 2.1 as reported in PAES 2000-01 has been changed to “Strategic advice, policy and programmes to achieve competitive and effective communications and information technology industries and services”.
- In the 2000-01 PAES, the National Office for the Information Economy (NOIE) was reported as Outputs 2.2 and 2.3 under Outcome 2. A new outcome 5 with three outputs has been created for NOIE.
- Outputs 2.2 and 2.3 as reported in PAES 2000-01 have been deleted.

Chart 2: Outcome 1 — Contributing outputs



Note: Revenue from Government (Appropriations) contributes 87.9 per cent to the Total Price of Output for Outcome 1 for 2001-02.

OUTCOME 1 — DESCRIPTION

A rich and stimulating cultural environment

The outputs contributing to Outcome 1 cover the broad spectrum of Australian arts and culture. Output 1.1 includes provision of policy advice to the Minister on arts and heritage issues, and the Minister's responsibilities under relevant legislation. Through Outcome 1 the Department is responsible for managing the delivery of the Cultural Development Program – aimed at promoting cultural excellence, creativity and enrichment of cultural life in Australia.

The Department's output of policy advice and grant administration reflects the Government's aim of promoting cultural excellence, creativity and the enrichment of the cultural life in Australia.

From 2001-02, funding for major arts organisations will be directed through the Australia Council. This amount includes the additional funding from the Government's 2000-01 response to the Major Performing Arts Inquiry.

The major administered programs funded through the Cultural Development Program support the touring of performing arts and exhibitions, the cultural components of festivals, a range of training organisations of national cultural significance which are assisted financially under specific deeds of Grants offered by the Department, and to provide recognition authors' and publishers' incomes are affected by the multiple use of their books in public and educational lending libraries.

The Department administers funds to the Australian Film Finance Corporation (FFC). The FFC's mission is the creation of a diverse range of culturally relevant Australian feature films and television programming which will underpin employment opportunities, entertain and inform Australian audiences and generate an acceptable level of recoupment for reinvestment.

The Department, through Outcome 1, administers projects in metropolitan and regional Australia from the Government's Federation Fund. This includes the cultural components of the major federation fund, the cultural programs element of the Federation Cultural and Heritage Projects Program and the Federation Community Projects Program.

The Outputs for the Centenary of Federation Secretariat, the management of Old Parliament House and the National Portrait Gallery, also contribute to Outcome 1.

Measures affecting Outcome 1**Australian Film Finance Corporation – continuation of funding**

Expense (\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.0	0.0	0.0	0.0

Explanation:

The Government has confirmed its in-principle decision (announced in the 2000-01 Budget) to provide triennial funding for the period 2001-02 to 2003-04 of \$50 million per year to the Australian Film Finance Corporation. This measure will maintain the Government's funding for Australian film and television productions, and provide long term certainty for investors in the Australian film and television industry.

Provision for this funding has already been included in the forward estimates.

Maintenance of the base funding of elements of the Cultural Development Programme

Expense (\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	7.4	5.7	4.9	1.4

Explanation:

The Government will provide additional funding of \$19.4 million over four years to the Cultural Development Programme for:

- Regional Access Programmes, to improve access to cultural activities, particularly in rural and regional areas;
- National Training Centres of Excellence, such as the Australian Ballet School and the National Institute of Dramatic Art, supporting Australia's most talented young performers in pursuit of excellence in their chosen fields; and
- Australia Business Arts Foundation, to encourage private sector support for the arts.

This extends the commitment given in the Government's 1998 election policy statement *Arts for Australia's Sake*, to help maintain the funding base of the Cultural Development Programme.

Additional funding for the National Council for the Centenary of Federation for promoting Federation Fund projects

Expense (\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.0	0.0	0.0	0.0

Explanation:

The Government provided an additional \$6.5 million in 2000-01 to the National Council for the Centenary of Federation to fulfil its public information campaign and to produce additional communications material. The campaign will raise awareness across the community of the centenary and the associated celebrations.

The Government also provided \$0.5 million in 2000-01 to supplement existing funds for the promotion of the Federation Fund projects. Promotion initiatives include media advertising, web page development and the production and distribution of newsletters.

Pricing review of the Department of Communications, Information Technology and the Arts

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.0	0.0	0.0	0.0

Explanation:

The Government conducted a pricing review for the Department of Communications, Information Technology and the Arts. This resulted in no overall change in the Department's resourcing, subject to the Department working with the Department of Finance and Administration to refine its benchmarking and continuous improvement programme.

OUTCOME 1 — RESOURCING**Table 2.1.1: Total resources for outcome 1 (\$'000)**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Annual Administered appropriations		
Cultural Development Program (including grants to Cultural Agencies and support for cultural activities)	88,257	34,840
Australian Film Finance Corporation	48,015	50,000
Major Performing Arts Inquiry	6,800	-
Contemporary Music State Pilot Specific Purpose Payment	400	-
Depreciation	1,049	1,184
St Johns Cathedral Completion Fund	2000	-
Special Administered appropriations		
Book Industry Assistance Package	7,440	8,370
Total administered appropriations	153,961	94,394
Special Administered Accounts		
Federation Fund - capital/current	142,261	50,100
Total administered expenses (including special accounts)	296,222	144,494
Departmental appropriations		
Output 1.1 - Strategic policy advice, cultural support and awareness	14,842	16005*
Output 1.2 - Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary	30,368	9,807
Output 1.3 - Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery	7,504	8,030
Output 1.4 - New facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies	1,885	-
Total revenue from government (appropriations) contributing to price of departmental outputs	54,599	33,842
	85.2%	87.9%
Revenue from other sources		
Output 1.1 - Strategic policy advice, cultural support and awareness	3,925	2,588
Output 1.2 - Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary	2,230	1,000
Output 1.3 - Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery	3,348	1,050
Output 1.4 - New facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies	13	-
Total revenue from other sources	9,516	4,638
Total price from departmental outputs	64,115	38,480
<i>(Total revenue from Government and from other sources)</i>		
Total estimated resourcing for outcome 1	360,337	182,974
<i>(Total price of outputs and admin expenses)</i>		
	2000-01	2001-02
Average staffing level (number)	265	231

* Includes \$2.930m Departmental Special Appropriations for the Book Industry Assistance Programme

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Output 1.1 – Strategic policy advice, cultural support and awareness.

The Department is responsible for the provision of strategic policy advice covering the arts, cultural development and film. It also administers a range of programs which support cultural excellence, provide access to cultural activities, promote Australia's moveable heritage, support Australian film production and develop cultural facilities.

In 2001-02 the Department will continue to provide advice on the implementation of the Government's decisions on the recommendations of the Major Performing Arts Inquiry, in consultation with the Australia Council.

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. The successful projects are determined by a competitive process and the successful applicants must comply with Deeds of Grant.

The Department assists in the administration of two tax incentive programs targeted at increasing philanthropic support for the cultural sector. The Cultural Gifts Program encourages the transfer of significant cultural heritage items from private collections to Australia's public art galleries, museums and libraries. The Register of Cultural Organisations assists cultural organisations attract financial and other support for their activities by offering donors the incentive of a tax deduction.

The Department also monitors and provides advice to the Government on tax policy matters affecting the cultural sector.

A range of national training organisations are assisted financially under specific Deeds of Grants to promote excellence and creativity. Assisted organisations are required to report on the effectiveness of their programs as a requirement of the grants.

The Department will implement the second year of the Educational Lending Right Scheme under which payments are made to Australian creators and publishers whose books are held in educational libraries. It will also continue to make similar payments under the Public Lending Right Scheme.

The Department administers Artbank, as a self-funding entity, which purchases the work of emerging artists and rents the works to the private and public sector, helping create a market for emerging artists and thus enhancing access to Australian art.

The Department also supports the activities of the Australia Business Arts Foundation (ABAF), a Commonwealth-owned company whose main objective is to increase private sector support for cultural activities by working with Australian corporations and cultural organisations to create mutually beneficial sponsorship partnerships.

The Department administers a significant part of the Commonwealth Government's Federation Fund initiative. The Federation Fund comprises three main components: Major Federation Fund Projects, which are large infrastructure projects of lasting national significance; Federation Cultural and Heritage Projects, which are medium sized cultural and heritage projects costing up to \$5 million; and Federation

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Community Projects, which are small community based projects to maximum value of \$200,000 per electorate.

The Department manages 16 Major Federation Fund projects, 28 Federation Cultural and Heritage Projects and all of the Federation Community Projects (in excess of 1000 individual projects). This represents \$425 million of the total Federation Fund budget allocation.

The focus of these projects is on the provision of much needed cultural infrastructure, particularly in regional Australia. The new facilities will provide a valuable and ongoing contribution to Australia's economy through increased participation in the cultural sector.

The Department supports the national collecting institutions – the National Gallery, the National Library, the National Maritime Museum, the National Archives, Bundanon and the National Museum of Australia – in their activities. Through liaison with these agencies, and by the provision of policy advice to the Minister, the Department monitors strategic directions and effectiveness of operations, and helps ensure that appropriate governance and accountability arrangements are maintained.

The Department's administration of the *Protection of Movable Cultural Heritage Act 1986 (PMCH)* protects Australia's significant cultural heritage from export, and ensures that items of national significance to other countries are not imported illegally.

The Art Indemnity Australia program facilitates community access to major cultural exhibitions by indemnifying owners of loaned artworks against loss or damage to their works.

Financial support will be provided through the Distributed National Collection Program to ensure that heritage collections of national significance which are not held in national collecting institutions are better preserved, protected and accessed by the public. Online services are provided through the Australian Museums Online portal.

The protection and return of indigenous heritage will be enhanced by a program for the Return of Indigenous Cultural Property (RICP). The focus will be on the appropriate return of human remains and sacred/secret objects to indigenous communities from Commonwealth and State/Territory collecting institutions.

On line access to Australian cultural organisations and activities and Government support for the arts is provided through “Australia's Cultural Network”.

The Department helps administer two tax concession schemes designed to encourage private investment in qualifying Australian film product. Division 10BA of the Income Tax Assessment 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.

The Department also supports the activities of Portfolio film agencies in their responsibilities for developing a creative and highly skilled Australian film and television industry. Advanced education and training is provided by the Australian Film, Television and Radio School. Script, professional, industry and audience development is provided through the Australian Film Commission. The Australian

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Film Finance Corporation and Film Australia invest in film, television and multimedia content production.

The Acton Peninsula Project was formerly Output 1.4 in the 2000 – 2001 Portfolio Budget Statements. The Acton Peninsula Alliance, which was responsible for the design and construction of new facilities for the National Museum of Australia and the Australian Institute of Aboriginal and Torres Strait Islander Studies (handed over to the Commonwealth on 9 March 2001), will continue to operate until 9 March 2002 to rectify any defects or omissions in the project, and to determine the final gainshare of Alliance participants. The Department will continue to represent the Commonwealth in the Alliance during this period under Output 1.1.

Output 1.2 – Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary.

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. It also has the responsibility for planning and co-ordinating a range of national events and celebrations to mark the centenary. The Council also administers 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.

Output 1.3 - Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery.

The Department is responsible for the management of Old Parliament House (OPH) and the National Portrait Gallery (NPG). Activities in 2001 – 2002 will include: conservation and interpretation of OPH as a heritage site of national significance; provision of a range of education and public programs including tours, exhibitions, seminars, lectures and special events; the development of the OPH website; marketing, promotion and the development of merchandise. The Department will continue to conserve and maintain the building and manage the OPH/NPG collections. There will be further development of the NPG's national portrait collection, the National Register of Australian Portraits and other online activities. Construction of the first phase of the Australian Federation Centre (AFC) will be completed and the AFC opened to the public. Core activities will be supported by the provision of quality shop, catering, restaurant and conference facilities to the public.

Table 2.2.1 Performance information for outcome 1

Effectiveness - Overall achievement of the outcome -	
The promotion of excellence and access to the arts and culture for all Australians	<p>A financially healthy, artistically vibrant and broadly accessible major performing arts sector measured in financial and critical terms.</p> <p>Enhancement of the pool of outstanding artists across areas of arts practice measured in terms of critical acclaim and awards gained.</p> <p>A diversity of available cultural product particularly in regional and remote areas.</p> <p>Level of private sector support to the cultural sector through philanthropy and sponsorship.</p> <p>Compensation for the loss of income by authors and publishers through the multiple use of their books in public and educational libraries.</p> <p>Extent to which appropriate governance and financial arrangements are in place for the national collecting institutions managed by the Department.</p> <p>Trends in the number of visitors to international exhibitions that have been indemnified by the Commonwealth.</p>
Enhanced cultural facilities for all Australians	Extent to which cultural facilities have been developed and/or enhanced under the Federation Fund.
Enhanced community awareness of Australian history, culture and portraiture.	<p>Provision of a wide range of public and education programs and exhibitions which highlight Australian history and cultural diversity, and the development of portraiture.</p> <p>Public and education programs, exhibitions and events to interpret OPH as a key heritage site are well attended by, and appeal to, target audiences.</p> <p>Enhanced community access through touring exhibitions, publications and online activities.</p>
The promotion of Australia's cultural heritage and history	<p>Extent of interest and participation in the celebration of the Centenary of Federation.</p> <p>Increased interest in and understanding of, access to, and protection and preservation of, Australia's cultural heritage and history.</p>
Management of the Commonwealth film program	<p>Audience access to high quality Australian film, television and other audiovisual materials.</p> <p>Commonwealth film program strategically positioned to respond to industry challenges.</p>

**Table 2.2.1 Performance Information for Outcome 1
(continued)**

<p>Cultural Development Program (including grants to national cultural training organisations and support for cultural activities).</p>	<p>Quality: Grant recipients report as appropriate on the range of performances, audience reach, critical acclaim, international response, as well as recognition and achievements of graduating students, and success in increasing corporate sector support for the arts.</p> <p>Impact of assisted touring cultural activities, festivals and indemnified exhibitions.</p> <p>Client satisfaction with the Public Lending Right Scheme.</p> <p>Quantity: Greater private sector support for the arts, number of organisations participating in ABAF training and the number of new sponsorship partnerships created.</p> <p>Number and geographic range of tours of performance and cultural exhibitions and festivals assisted and number and value of international exhibitions indemnified.</p> <p>Relative increase in the number of applications for places in training organisations funded by the Department and their states of origin.</p> <p>Relative increase in the number of graduates of training organisations funded by the Department.</p>
<p>Book Industry Assistance Plan</p>	<p>Quality: Client satisfaction with the Education Lending Right Scheme.</p> <p>Quantity: Production by the Australian Bureau of Statistics of book publishing and retailing surveys under the Plan's Statistics Program.</p>
<p>Federation Fund Grants</p>	<p>Quality: Compliance of Grant Deeds or Memoranda of Understanding (MOU) under the Federation Fund programs with Commonwealth and State environment, heritage, construction and audit requirements.</p> <p>Quantity: Proportion of Federation Fund Projects completed in accordance with program objectives, and extent of that completion.</p>

Table 2.2.1 Performance Information for Outcome 1 (continued)

<p>Output 1.1 - Strategic policy advice, cultural support and awareness</p>	<p>Quality: Timely and high quality advice provided to the Government on cultural matters, including those related to the new tax system.</p> <p>Grant recipients report as appropriate, on the range of performances, audience reach, critical acclaim, international response, as well as recognition and achievements of graduating students.</p> <p>Impact of assisted tours of performances and cultural exhibitions and festivals.</p> <p>Client satisfaction with the ELR Scheme.</p> <p>Extent to which Register of Cultural Organisations and Cultural Gifts Program clients are familiar with, and maximising the benefits of the programs, including the new philanthropy provisions.</p> <p>Production of high quality Australian Film, television and multimedia content.</p> <hr/> <p>Quantity: Relative level of private sector support of cultural activity through the Register of Cultural Organisations and Cultural Gifts Program.</p> <p>Level of online access to cultural information.</p> <p>Relative level of private sector support for the arts and humanities.</p> <p>Timely assessment of annual reports submitted by the Commonwealth cultural agencies.</p> <p>Number and timeliness of applications processed under the PMCH Act.</p> <p>Percentage of Indigenous communities notified of the existence of their cultural property in Commonwealth and State Museums in comparison with the number of communities cultural property represented in these Museum's collections.</p> <p>Level of domestic audience reach by Commonwealth film and television investments.</p> <hr/> <p>Price: \$18.593m</p>
<p>Output 1.2 - Increase awareness, knowledge and understanding of the Centenary of Federation and encourage participation in events celebrating the Centenary</p>	<p>Quality: Degree of satisfaction of the National Council and the Minister with Secretariat services, quality and timeliness.</p> <p>Degree to which 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.</p> <p>The effective and efficient administration of the History and Education Program.</p>

Table 2.2.1 Performance Information for Outcome 1 (continued)

	<p>Quantity: Levels of awareness across the community of the centenary and proposed celebratory activities increase (as measured by community sample surveys).</p> <p>The 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.</p> <p>Price: \$10.807m</p>
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**Table 2.2.1 Performance Information for Outcome 1
(continued)**

<p>Output 1.3 - Understanding and knowledge of Australian history, culture and portraiture through access to Old Parliament House and the National Portrait Gallery</p>	<p>Quality: Interpretation of Old Parliament House as a key heritage site in accordance with the OPH Interpretation Plan.</p> <p>Enhanced visitor experience through provision of high quality visitor services, exhibitions, public and education programs at Old Parliament House (OPH) and the National Portrait Gallery (NPG).</p> <p>Repairs and maintenance of Old Parliament House carried out in accordance with the OPH Master Building Plan.</p> <p>Conservation of Old Parliament House is carried out in accordance with the OPH 2000 Conservation Management Plan (CMP) and heritage studies.</p> <p>Further development of a national portrait collection recognised for its national inclusiveness and quality.</p> <p>Further development of the NPG as a centre for the understanding of Australian portraiture and history.</p> <p>Wider national reach of NPG programs, in particular through travelling exhibitions and through online activities.</p> <p>Quantity: Relative increase in visitor numbers and the numbers of school and college groups participating in OPH and NPG education programs.</p> <p>Major interpretation of key heritage spaces; undertake five OPH exhibitions; two major OPH events; one new OPH tour; two new interpreted spaces; six oral history interviews; seven NPG exhibitions and two NPG seminars; a sponsored NPG anniversary lecture with a speaker of international status; with a range of educational and public events and activities to complement each exhibition.</p> <p>Relative increase in donations of works of art, project sponsorship and acquisition funds to the National Portrait Gallery.</p> <p>Research and planning for major restoration projects and completion of the refurbishment of the Australian Federation Centre.</p>
<p>Price: \$9.080 m</p>	

Evaluations

The Department has the following evaluations programmes for 2001-2002 affecting Outcome 1:

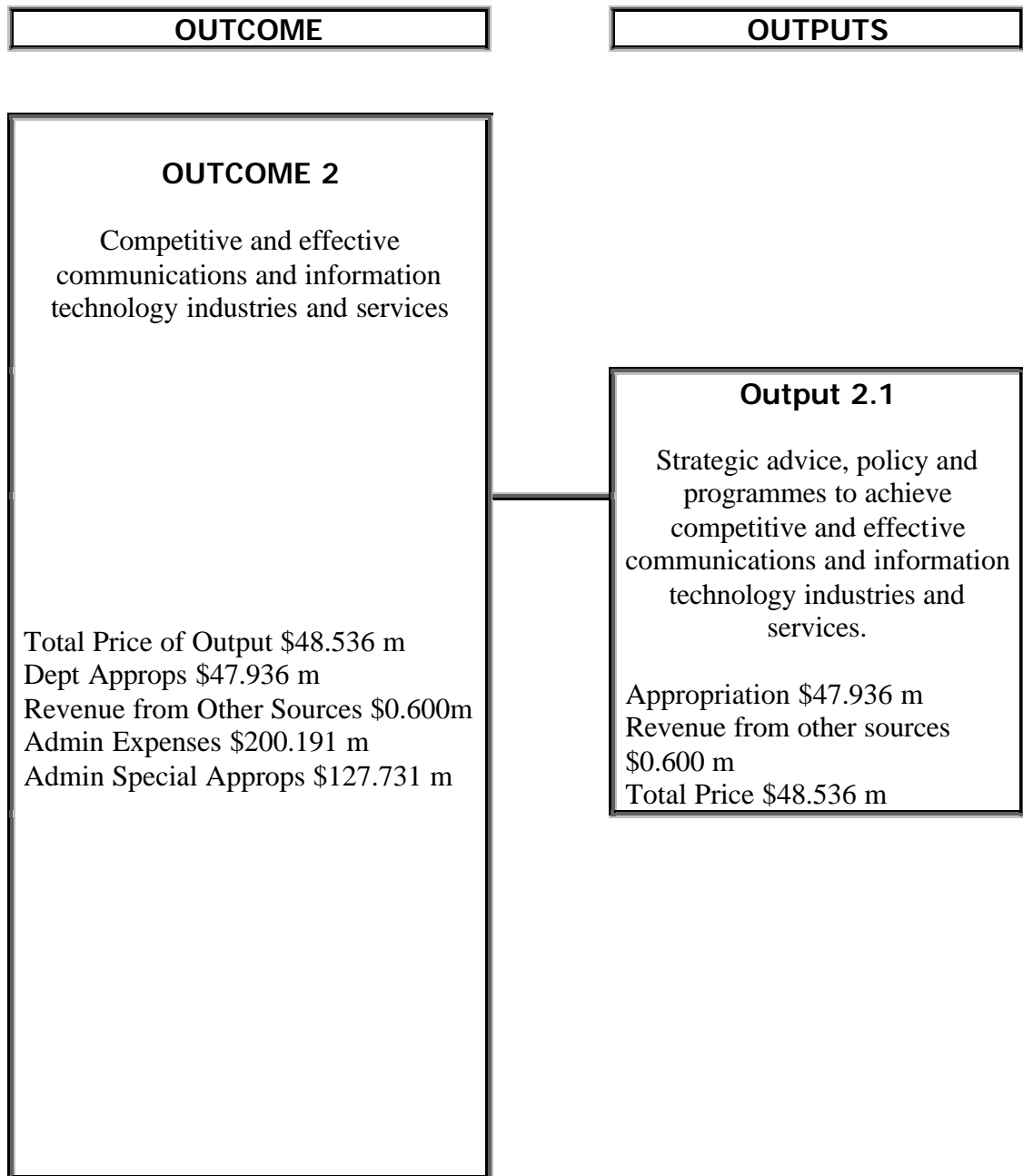
- Return of Indigenous Cultural Property Programme
- Acton Peninsula Project
- Client Service Charter

Competitive tendering and contracting

The Department has already outsourced its information technology, internal audit function and security services. DCITA also contracts out for specific policy and program advisory work where specialist expertise is not available in house.

The Department market tested components of its corporate services functions in 2000-01 including financial, human resources, property and office services. As result of the market testing, it is anticipated human resources services will be outsourced from the 2001-02 financial year.

Chart 3: Outcome 2 — Contributing outputs



Note: Revenue from Government (Appropriations) contributes 98.8 per cent to the Total Price of Output for Outcome 2 for 2001-2002.

OUTCOME 2 – DESCRIPTION

Competitive and effective communications and information technology industries and services

The Department's role in the development of communications policies and programs is to provide a framework for world-class telecommunications, broadcasting, information technology and postal industries to deliver services that enhance the economic, social and cultural well being of Australians.

Through its policy contribution to the legislative and regulatory framework, the Department seeks to establish frameworks that will encourage the development of competitive and sustainable industries that are responsive to the communications needs of Australians, and provide appropriate consumer safeguards. Through these mechanisms, the Department helps foster an open and competitive telecommunications environment and contributes to a balanced broadcasting environment comprising public, commercial, community and subscription services. Its regulatory role also includes oversight of the accountability of Telstra, Australia Post and the public broadcasters.

Policy advice is also provided by the Department on the development and implications of new technologies and services, such as digital broadcasting, third-generation mobile and online services. Its policy development takes into account the growing expectations of consumers for greater access to technologically advanced services, in addition to basic communications services. To better meet community service expectations, and to support the key objectives of industry development and accessibility, the Department administers targeted programs to maximise the benefits of communications services to the entire community. In relation to intellectual property, the Department seeks to provide policy advice which balances the interests of users, creators and investors.

Key telecommunications programs include Networking the Nation which promotes demand-driven, community-based responses to increase access to, and foster the use of, advanced communications services in regional, rural and remote areas. This program recognises that there is a need for additional funding to these areas to ensure that geographic isolation does not prevent access to relevant communications services. Other departmental programs deliver improved mobile phone coverage, and untimed local calls to consumers in extended zones.

Key broadcasting programs include the Government's Television Fund which provides funds for transmission services to extend the reach of broadcasting services to as many Australians as possible.

The IT&C sector is directly supported through the Department's administration of programs designed to promote innovation in and diffusion of information technology, to build technical capability and infrastructure, and to foster

testbeds and advanced networks. Through expenditure programs such as Building on IT Strengths (BITS) and procurement-related programs such as Partnerships for Development, and through the industry development elements of information technology outsourcing, the Department contributes to the domestic and export growth of the IT&C industry.

As part of the Government’s response to recommendations of the Telecommunications Service Inquiry, the Department is implementing a number of regulatory measures and administering a range of programs to address areas of concern identified in the provision of telecommunications services, particularly in regional Australia. Areas addressed include: timeliness of installation and repair of telephone services; mobile telephone coverage; Internet services; services for indigenous communities; communications applications projects such as in relation to education and health; consumer representation; and a community information campaign.

Measures affecting outcome 2

Telecommunications Service Inquiry response – Extend mobile phone coverage to communities of more than 500 people

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	15.5	12.2	10.0	0.0

Explanation

The Government will provide up to \$37.7 million over three years to ensure that all communities in Australia with more than 500 people have terrestrial mobile phone coverage, subject to confirmation of community needs and ongoing commercial viability.

See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – Extend mobile phone coverage to other areas

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	4.5	17.1	19.9	0.0

Explanation

The Government will make available \$50.5 million over three years for further extensions in mobile service access in smaller communities, more remote areas

and along major roads. The Government has already committed \$7 million to projects in Western Australia for this purpose. Funding will be provided through the States and Territories, and the Commonwealth will invite them to make matching contributions.

As part of this initiative the Government will allocate \$9 million from within the Rural Transaction Centres Programmes to fund greater rural access to mobile telephony to technology and services. This is consistent with the purpose of the Rural Transaction Centres Programme to enable people in rural areas to have access to services and technology that allow them to obtain information or carry out transactions, including telephone and internet services.

See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – Contribution to a national Online Technical Assistance Programme

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.4	1.8	3.8	0.0

Explanation

An Online Technical Assistance Programme will provide online help and technical support to internet users, especially rural and remote users. The objective is to help ensure that all users can achieve, on demand, a connection speed equivalent to 19.2 kilobytes per second.

This is a joint initiative with Telstra and the Commonwealth's contribution will be \$12 million over three years. As part of this initiative the Government will allocate \$6 million from the Rural Internet Access Fund, an existing Telstra Social Bonus programme.

See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – National Communications Fund

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.7	13.4	25.4	12.7

Explanation

A new National Communications Fund will allocate \$50 million in competitive grants over three years to assist significant regional communications projects, particularly for the provision of education, health and community services in regional areas. Priority will be given to applicants demonstrating effective integration with broader regional community initiatives. A further \$2.2 million will be provided to administer the grant programme.

See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – Funding consumer representation and research

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.0	0.85	0.85	0.85

Explanation

The Government will provide \$3.4 million over four years, starting in 2002-03, for consumer representation and telecommunications research. Funding guidelines will be modified to give greater priority to proposals relating to services for people with disabilities and also regional, rural and remote consumers.

See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – Improving Services for Aboriginal and Torres Strait Islander Communities

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.4	0.0	0.0	0.0

Explanation

The Government will fund additional research into the unmet telecommunications needs of indigenous communities. In addition, there will be an enhancement of the payphone obligation in relation to indigenous communities under the Universal Service Obligation.

See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – Improving Community Awareness

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts:	6.7	0.2	0.0	0.0

Explanation

Consistent with the findings of the Telecommunications Service Inquiry, an extensive campaign will be conducted to improve community awareness in regional areas of the rights of telecommunications consumers, new advanced service options, and Government funding programmes. See also the related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Telecommunications Service Inquiry response – Savings from Rural Internet Access Fund Reserve

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts:	nfp	nfp	nfp	nfp

Explanation

The Government will reallocate a proportion of the funding from the Rural Internet Access Reserve to fund telecommunications and internet initiatives as part of the Government’s response to the Telecommunications Service Inquiry. The reallocation of funds is possible because the objectives of the programme have already been met and will lead to the provision of better targeted assistance in priority areas in rural and remote communities. No figures appear in the table above as disclosure could prejudice the Government’s ongoing negotiations with stakeholders. See also related expense measures titled *Telecommunications Service Inquiry response*, in the Communications, Information Technology and the Arts portfolio.

Digital Interference subsidy

Expense(\$m):

	2001- 02	2002- 03	2003- 04	2004- 05
Department of Communications, Information Technology and the Arts	10.0	0.0	0.0	0.0

Explanation

The Government has provided up to \$10 million as a contribution on behalf of the Australian Broadcasting Corporation and the Special Broadcasting Service to a digital interference management strategy established by all Australian broadcasters. The introduction of digital television from 1 January 2001 may give rise to interference with the operation of video cassette recorders and pay television set top boxes in some areas. The interference can be eliminated by retuning. The interference management strategy involves a comprehensive public information campaign, a telephone hotline service which can provide detailed technical advice, a website, and other technical assistance to viewers where required.

Savings from the National Transmission Network residual pool

Expense(\$m):

	2001- 02	2002- 03	2003- 04	2004- 05
Department of Communications, Information Technology and the Arts	-2.0	-2.0	-2.0	-2.0

Explanation

The National Transmission Network residual pool was created after the sale of the National Transmission Network to ensure that a number of Government commitments in relation to the transmission arrangements for national, community and remote commercial broadcasters, as well as Radio for the Print Handicapped, were met. As ongoing transmission funding or grant deed payments have now been put in place to meet these commitments, surplus funds are not required. Funds can be reallocated to other priority areas.

See also the related expense measure titled *Maintenance of the funding base of the Cultural Development Programme* in the Communications, Information Technology and the Arts portfolio.

Department of Communications, Information Technology and the Arts – reallocation of surplus funds

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.0	-5.0	-5.0	-5.0

Explanation

Savings arise in the Department of Communications, Information Technology and the Arts by redirecting surplus funds from completed programmes.

Further information

Reallocation of surplus funds will support other priority areas. See also the expense measures titled *Maintenance of the funding base of the Cultural Development Programme, Renewed support to Regional Arts Fund, Young and Emerging Artists Initiative, and the Major Festivals Initiative* in the Communications, Information Technology and the Arts portfolio.

Australia's response to foot and mouth disease and other quarantine risks

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	20.0	13.2	8.0	8.2

Explanation

The Government will provide \$596.4m over 5 years to provide additional resourcing and infrastructure to strengthen Australia's defence against the introduction of exotic pests and diseases, including foot and mouth disease.

Further information

\$49.4 m over 4 years will be provided to Australia Post through the Department of Communications, Information Technology and the Arts to implement a heightened quarantine inspection regime to cover 100 percent of all mail entering Australia.

This is a cross portfolio measure between the Department of Agriculture, Fisheries and Forestry, the Attorney General's Department, the Department of Communications, Information Technology and the Arts, and the Department of Transport and Regional Services. Only that part of the measure that applies to the Department of Communications, Information Technology and the Arts is represented in the table above.

See related expense, revenue and capital measures for *Australia's response to foot and mouth disease and other quarantine risks* under the portfolio's mentioned above.

OUTCOME 2 – RESOURCING

Table 2.1.2: Total resources for outcome 2 (\$'000)

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Annual Administered appropriations		
Regional Telecommunications Infrastructure Fund	48,243	47,859
Telstra Social Bonus 2	13,911	88,940
International Organisations Contributions	5,256	5,256
National Transmission Network Residual Funding Pool	3,938	1,332
Compensation to Societe Internationale de Telecommunications Aeronatiques	1,795	1,804
ABC & SBS Digital Interference Study	-	10,000
Telecommunications Service Inquiry response	-	25,000
Australia's response to foot and mouth disease and other quarantine risks	-	20,000
Special administered appropriations		
Telstra Social Bonus Reserve Funds	25,580	70,440
Regional Telecommunications Infrastructure Fund	31,287	57,291
Total administered appropriations	130,010	327,922
Special Administered Accounts		
National Relay Service	10,000	10,000
Universal Service Levy	51,235	51,235
Federation Fund Grants	8,000	11,500
Total administered expenses (including special accounts)	199,245	400,657
Departmental appropriations		
Output 2.1 - Strategic advice, policy and programmes to achieve competition and effective communications and information technology industries and services	44,306	47,936
Total revenue from government (appropriations) contributing to price of departmental outputs	44,306 99.1%	47,936 98.8%
Revenue from other sources		
Output 2.1 - Strategic advice, policy and programmes to achieve competition and effective communications and information technology industries and services	395	600
Total revenue from other sources	395	600
Total price from departmental outputs <i>(Total revenue from Government and from other sources)</i>	44,701	48,536
Total estimated resourcing for outcome 2 <i>(Total price of outputs and admin expenses)</i>	243,946	449,193
	2000-01	2001-02
Average staffing level (number)	301	293

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

The Department assists Government in the development and implementation of communications policy and of legislation, maintenance of the regulatory framework, and administration of programs in accordance with the Government's broader objectives.

Policy advice is directed at promoting access to a range of communications services for all Australians, providing appropriate consumer safeguards and promoting a growing and competitive information technology and communication industry.

Policy advice is also provided to assist the development and maintenance of a workable and modern intellectual property regime which balances the interests of creators, investors and consumers.

The Department's program administration complements the broader policy objectives. It focuses in particular on industry development and assisting communities in regional, rural and remote areas to access services.

The Department undertakes these activities in consultation with the community and industry, on the basis of research and analysis of technical and statistical information, and with assessment of wider social and economic implications. Its consultations and research help inform the Department's contribution to its planned outcome and shape the performance of its communications output.

Table 2.2.2 Performance information for outcome 2

Effectiveness - Overall achievement of the outcome	
Continued development of competitive and effective communications markets	Improved range, quality, price, and choice in, communications services
	Improvements in regulated industry and agency customer service performance
	Greater contestability in provision of Standard Telephone Service among Universal Service Obligation providers and Special Digital Data Service Obligation providers
	Continued development of new digital broadcasting services
	Regulatory environment in place
Increased access to communications services	Increased penetration of communications services, including in non-metropolitan areas.
	Continued improvement to services for people with special needs, including people with a disability and remote Indigenous communities
Growth in the IT&C sector, especially by Australian small to medium enterprises and start ups	Comparative growth in the value of domestic production of ICT goods and services against international benchmarks.
	Continued growth in the value of exports of ICT goods and services
Development and maintenance of a workable and modern intellectual property regime	Balance of creators, investors, and consumers' interests

Table 2.2.2 Performance information for outcome 2 (continued)

Performance information for administered items (including third party outputs)	
Regional Telecommunications Infrastructure Fund	Quality: Efficient, timely and proper program administration. Satisfaction of the NTN Board and other stakeholders the quality of Secretariat support.
	Quantity: Percentage of applications fully administered in accordance with timeframes and to the standards described in the program guidelines. Percentage of deed proposals made to applicants within one month of announcement of Board decisions. Number of audits of projects.
Telstra Social Bonus 2	Quality: Efficient program administration; timely funding agreement management; tenders conducted with probity.
	Quantity: Extent to which Government targets for rollouts are met. Percentage of applications fully administered in accordance with timeframes and to the standards described in the program guidelines. Percentage of deed proposals made to applicants within one month of announcement of Board decisions.
National Relay Service	Quality: Contract between the Commonwealth (DCITA) and the National Relay Service provider is administered efficiently.
	Quantity: Extent to which service standards specified in the contract between the Commonwealth (DCITA) and the National Relay Service provider are met.
Universal Service Levy	Quality: Total levy collections are paid to the Universal Service Provider in accordance with established process.
	Quantity: Percentage of payments collected and made in accordance with processes specified in legislation.
ABC & SBS Digital Interference Subsidy	Quality: Potential for interference to ancillary equipment from new digital broadcasting services adequately managed.
	Quantity: Interference from new digital services minimised.
National Transmission Network Residual Funding Pool	Quality: CSOs for transmission services efficiently administered.
	Quantity: Funding delivered promptly to recipients in accordance with contractual obligations.
Federation Fund Grants - Commonwealth Technology Port	Quality: Efficient and timely funding agreement monitoring
	Quantity: Progress with development of the Commonwealth Technology Port consistent with milestones in funding agreement

Table 2.2.2 Performance information for outcome 2 (continued)

Compensation to Societe Internationale de Telecommunications	<p>Quality: Continued investment by SITA in Australia</p> <p>Quantity: Allocated funding expended</p>
Government response to Telecommunication Service Inquiry	<p>Quality: Efficient program administration; timely funding agreement management; Expressions of Interest (EOI) and Tenders conducted with probity.</p> <p>Quantity: Extent to which Government targets for rollouts are met.</p> <p>Percentage of applications fully administered in accordance with timeframes and to the standards described in the program guidelines.</p> <p>Percentage of deed proposals made to applicants within one month of announcement of Board decisions.</p> <p>Number of audits of projects.</p>

Performance information for departmental outputs	
Output 2.1 - Strategic advice, policy and programmes to achieve competitive and effective communications and information technology industries and services.	<p>Quality:</p> <p>Timeliness, practicality and relevance of advice and draft legislation supported by accurate research;</p> <p>Stakeholder satisfaction with consultation processes;</p> <p>Efficiency and timeliness of program administration;</p> <p>Tenders conducted with probity;</p> <p>Timeliness and comprehensiveness of responses to reviews and proposals;</p> <p>Client satisfaction with fee-for-service consultancies;</p> <p>Government EOI or tender accountability requirements met;</p> <p>Commonwealth funding agreement outcomes achieved.</p> <p>Quantity:</p> <p>Percentage of program funding applications administered in accordance with guidelines;</p> <p>Percentage of levies collected and paid in accordance with established processes;</p> <p>Amount of repeat business for fee-for-service consultancies.</p> <p>Price: \$48.536m</p>

Evaluations

The Department has the following evaluation programmes for 2001-2002 affecting Outcome 2:

- Enterprise & Radiocommunications – Productivity Commission - Review of Market Based Spectrum Management Reform & Associated Regulatory Activities
- Review of Community Broadcasting Funding Initiatives – Infrastructure and multicultural programming.
- Client Service Charter

Competitive tendering and contracting

The Department has already outsourced its information technology, internal audit function and security services. DCITA also contracts out for specific policy and program advisory work where specialist expertise is not available in house.

The Department market tested components of its corporate services functions in 2000-01 including financial, human resources, property and office services. As result of the market testing, it is anticipated human resources services will be outsourced from the 2001-02 financial year.

OUTCOME 3 — DESCRIPTION

Australians Value Science and Technology's Contribution to Our Culture and Economic Prosperity

Enhancement of the well being of all Australians through a rich and stimulating cultural environment is a major aim of Government. The National Science and Technology Centre (trading as Questacon) aims to help Australians to value science and technology's contribution to our culture and economic prosperity. As a national leader in communicating science, Questacon makes science fun and relevant for everyone by engaging people in making their own stimulating discoveries.

Questacon is a recognised leader in designing, developing and building exciting exhibitions and programs and communicating the relevance of science and technology using a variety of media (from face to face interaction to using the latest technologies). Whilst the Centre in Canberra showcases our interactive exhibits, travelling programs and science performances, Questacon has an extensive program of activity outside Canberra, both across Australia and overseas. This includes hiring of our exhibitions, travelling programs (science performances and interactive exhibits) and an award winning interactive website.

In 2001-2002, Questacon will continue to strengthen its capability in five key areas:

- National leadership in engaging people in science and technology. This will involve, amongst other things: profiling Australian science and innovation; working with partners to communicate the relevance of science and technology in their industry; and enhancing the quality of the Questacon experience in Canberra.
- Revitalised commitment in taking interactive science and technology to regional, rural and remote Australia. This will include improving our 'Outreach' experience; seeking opportunities for significant involvement in regional areas and use of alternate delivery approaches.
- Engaging people in discovering how new technologies shape our future;
- Growing Questacon's business in a way that continues to add value for our stakeholders; and
- Being a well managed and efficient organisation with a strong customer focus.

Key priorities for 2001-2002 will include:

- Delivery of phase one of the Centre's new 'Smart Moves' initiative (refer description under Measures affecting Outcome 3);
- Opening of two new 'permanent' exhibitions in the Centre in Canberra: an Aboriginal science and technology exhibition jointly developed with the

Part C: Agency Budget Statements — DCITA

South Australia Investigator Science Centre and “Awesome Earth” developed in conjunction with Scitech Discovery Centre, Perth.

- Partnering with the Photonics Cooperative Research Centre to deliver a national outreach program;
- Enhancement of our major national touring program – The Shell Questacon Science Circus to take account of external evaluation completed in 2000-2001;
- Expansion of our web presence to incorporate program delivery;
- Working with the Australian Technology Park, Sydney, and the NSW Department of Education to develop programs to help build a ‘culture of innovation’;
- Host the 3rd Science Centre World Congress in the Centre in Canberra;
- Work towards attaining accreditation for our people strategies under the Investors in People standard.

Measures affecting outcome 3

Backing Australia’s Ability – National Innovation Awareness Strategy

Expense(\$m):

	2001-02	2002-03	2003-04	2004-05
Department of Communications, Information Technology and the Arts	0.7	1.2	1.2	0.6

Explanation

As part of the National Innovation Awareness Strategy, the Government will provide \$3.7 million over four years to support the rural and regional programme *Smart Moves*, administered by the National Science and Technology Centre (Questacon). This programme will deliver innovative ways to increase the awareness of school students and their teachers of science and innovation, by touring presentations, exhibits, a website and media presentations. The aim is to encourage students to be innovative, creative and entrepreneurial, and to consider careers in science and technology. This funding is part of the \$35 million provided to raise awareness of innovation and the role it plays in our society. The strategy includes support for activities included in the existing Science and Technology Awareness Programme, and business-led innovation awareness initiatives. See also the related expense measure titled *Backing Australia’s Ability – National Innovation Awareness Strategy* in the Industry, Science and Resources portfolio.

OUTCOME 3 — RESOURCING

Table 2.1.3: Total resources for outcome 3 (\$'000)

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Annual Administered appropriations	-	-
Total administered appropriations	-	-
Departmental appropriations		
Output 3.1 Programs and exhibitions that engage people in science and technology	9,632	12,500
Total revenue from government (appropriations) contributing to price of departmental outputs	9,632 63.4%	12,500 68.7%
Revenue from other sources		
Output 3.1 Programs and exhibitions that engage people in science and technology	5,556	5,699
Total revenue from other sources	15,188	18,199
Total price from departmental outputs <i>(Total revenue from Government and from other sources)</i>	15,188	18,199
Total estimated resourcing for outcome 3 <i>(Total price of outputs and admin expenses)</i>	15,188	18,199
	2000-01	2001-02
Average staffing level (number)	110	115

Table 2.2.3 Performance information for outcome 3

Effectiveness - Overall achievement of the outcome	
Extent to which programs are perceived to be relevant and engage people in science and technology in a way that is both educational and entertaining.	All NSTC programs and exhibitions are perceived to be relevant and to engage people in science and technology. (Measured annually by evaluation, both internal and external, that assess impact.)

Performance information for departmental outputs	
Output 3.1 - Programs and exhibitions that engage people in science and technology	Quality: 90% satisfaction rate of visitors to our programs and exhibitions
	Quantity: 1,000,000 people participate in Questacon programs in 2001-2002, 60% outside the Centre in Canberra
	Price: \$18.20 per participant, including CUC (31% funded from sources other than Government - sponsorship, fees and charges for services)

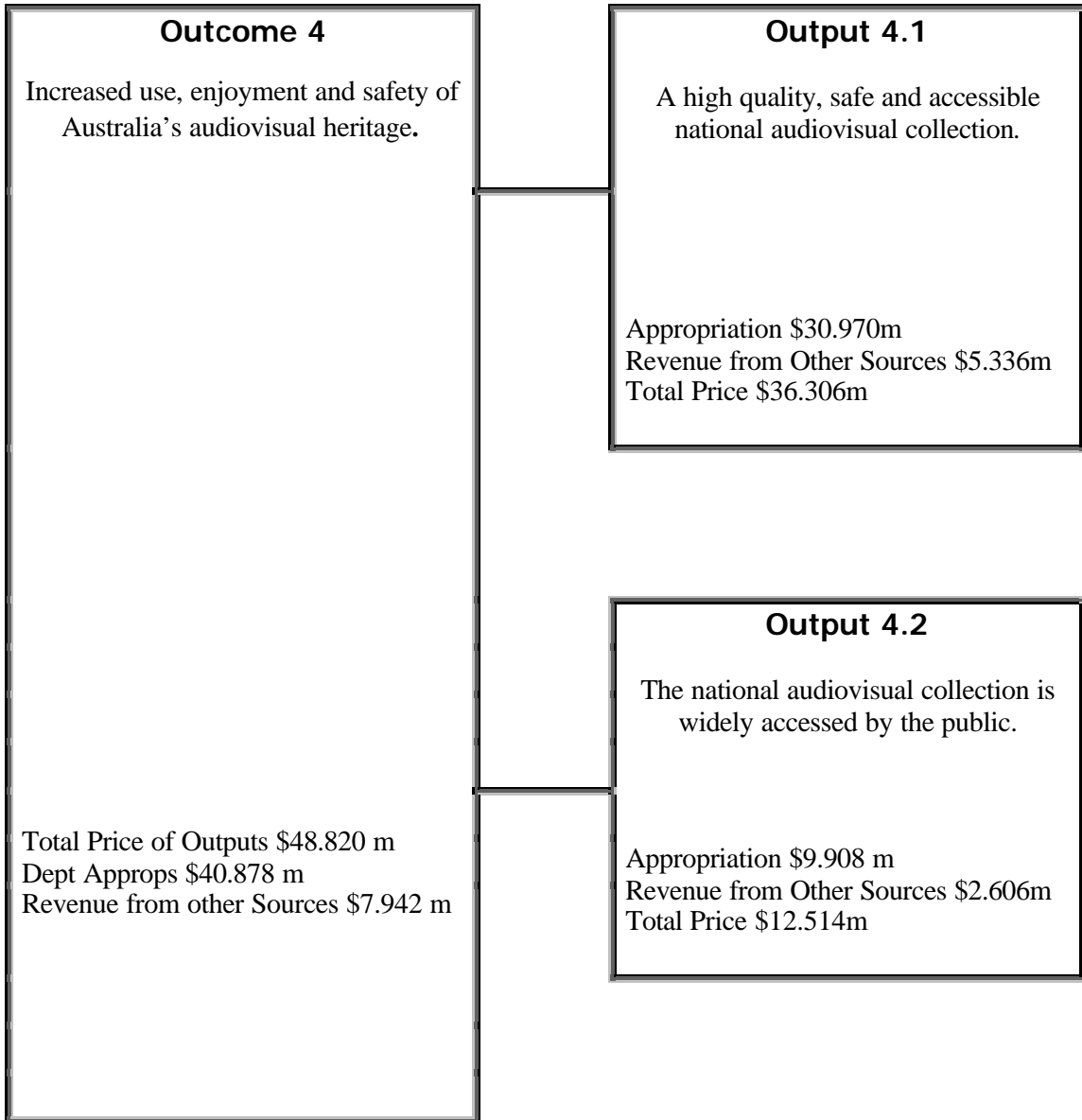
Evaluations

Internal audits and evaluations are performed on a regular basis within Questacon. Periodic research and analysis (both internal and external) of both stakeholder and customer needs is also carried out specifically with respect to new exhibition and program ideas and concepts or renewal of existing programs. Surveys assessing levels of customer satisfaction and performance against our Customer Survey Charter standards are reviewed on a regular basis.

Competitive tendering and contracting

The National Science and Technology Centre has progressively contracted out functions, where the business case supports such a decision, on a competitive basis. Functions currently outsourced include: the Cafe, design printing and publication of key marketing materials, operations and maintenance of the building and associated plant and equipment, some aspects of exhibition development, IT support and development, corporate training, legal services, security, internal audit and a number of other activities. Questacon has also contracted out all elements of its building capital works program (funded by the equity injection), except overall responsibility for project management.

Chart 5: Outcome 4 — Contributing outputs



Note: Revenue from Government (Appropriations) contributes 83.7 per cent to the Total Price of Output for Outcome 4 for 2001-02.

OUTCOME 4 — DESCRIPTION

Increased use, enjoyment and safety of Australia's audiovisual heritage.

To achieve this outcome ScreenSound Australia will conduct activities in two major categories:

- **Collection Management**

This category encapsulates all activities dedicated to ensuring the safe custody, preservation and development of the national screen and sound 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 screen and sound collection.

Measures affecting outcome 4

There are no Budget Measures affecting Outcome 4.

OUTCOME 4 — RESOURCING**Table 2.1.4: Total resources for outcome 4 (\$'000)**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Annual Administered appropriations	-	-
Total administered appropriations	-	-
Departmental appropriations		
Output 4.1 - A high quality, safe and accessible national audiovisual collection	30,511	30,970
Output 4.2 - The national audiovisual collection is widely accessed by the public	9,668	9,908
Total revenue from government (appropriations) contributing to price of departmental outputs	40,179 82.8%	40,878 83.7%
Revenue from other sources		
Output 4.1 - A high quality, safe and accessible national audiovisual collection	5,791	5,336
Output 4.2 - The national audiovisual collection is widely accessed by the public	2,557	2,606
Total revenue from other sources	8,348	7,942
Total price from departmental outputs <i>(Total revenue from Government and from other sources)</i>	48,527	48,820
Total estimated resourcing for outcome 4 <i>(Total price of outputs and admin expenses)</i>	48,527	48,820
Average staffing level (number)	2000-01 215	2001-02 209

OUTCOME 4 — CONTRIBUTION OF OUTPUTS

ScreenSound Australia is the national screen and sound archive and its outputs of collection management and collection access reflect the Government’s responsibilities as custodian of Australia’s cultural heritage. ScreenSound Australia develops and maintains an audiovisual collection that is reflective of Australian culture and the audiovisual industry and encourages the access and use of the collection throughout the country.

Table 2.2.4 Performance information for outcome 4

Effectiveness - Overall achievement of the outcome	
Safety of the National Collection	All accessioned collection material is stored in the appropriate environment within 3 months of receipt.
Development of the National Collection	3% increase in the size of the national collection. Deselect items that no longer suit collection policy.
Control of the National Collection	Accurate description of all new acquisitions entered onto 5% reduction of the accessioning backlog.
Access to the National Collection	Total annual viewing audience of 65% of Australian population (12.35 million people). 348,000 visitors to exhibitions/shows and viewers of ScreenSound products.

Performance information for departmental outputs	
Output 4.1 A high quality, safe and accessible national audiovisual collection.	<p>Quality: 100% of new acquisitions accessioned within 18 months. Materials maintained in optimum conditions for 95% of the time. Materials acquired meet identified collection priority needs and formal preferences.</p> <p>Quantity: 47,000 items accessioned in 2001-02. 1.2 million items stored. 14,000 items acquired into the collection. Identified priority items disposed from the collection.</p>
Output 4.2 The national audiovisual collection is widely accessed by the public.	<p>Quality: 95% of clients serviced according to Service Charter. 95% of visitors to onsite exhibitions and participants in public outreach activities satisfied.</p> <p>Quantity: 3,000 access requests serviced. 9,500 access enquiries answered. 65% (12.35 million people) of the Australian public view or listen to at least one item from the collection during the year, via media distribution channels. 90,000 onsite visitors to exhibition, public, education and cultural outreach programs. 58,000 visitors to external programs. 200,000 people view/listen to ScreenSound</p>

Evaluations

Surveys assessing user and stakeholder satisfaction, and performance against Service Charter standards are conducted on a periodic basis.

Competitive tendering and contracting

ScreenSound Australia has outsourced its information technology services, internal audit function and payroll systems and services. ScreenSound Australia also contracts out for specific policy and program work where it is cost beneficial to do so or if there is not sufficient expertise in house.

ScreenSound Australia will progressively market test its corporate services. A result of the first phase of this process is expected by the end of the 2001-02 financial year.

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.

OUTCOME 5 - DESCRIPTION

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

The National Office for the Information Economy (NOIE) has a whole-of-Government role in developing, advising and coordinating Government policy (and administering programs) relating to the information economy and use of online technologies by Government, business and the community. In developing policy, NOIE seeks to put in place efficient and cost-effective solutions to enhance the range, accessibility and use of online services by the community and to promote innovation and growth of the information technology and communications (IT&C) industries, as key elements in promoting the overall competitiveness of the Australian economy.

NOIE develops policy and administers programs with the objective of establishing Australia as a key player in the global information economy. This involves responsibility for coordinating Commonwealth positions relating to information economy issues in relevant international fora so as to influence the emerging international rules and conventions for electronic commerce regulatory processes for the benefit of Australia.

NOIE is responsible for establishing frameworks that promote the development and growth of competitive and sustainable information technology and communications (IT&C) industries, that address convergence of technology issues and that are capable of responding to the needs of consumers. This involves new responsibilities for development of information industries to ensure Australia realises the full potential of new online services and electronic commerce.

NOIE coordinates whole-of-Government policy that addresses practical, technical, regulatory and social issues affecting the use of online technologies and take-up of e-commerce by Government, business and the community. These are directed towards building business and consumer confidence in online transactions, providing appropriate consumer safeguards, enhancing access to online services and promoting the development of a skills base that is essential to Australia's participation in the global online market.

The Government is committed to showing leadership to drive consumer and business take-up of online services through its own commitment to the adoption of online technologies. As a major user of new technologies, the Government has undertaken to deliver all suitable services electronically on the Internet by 2001 to provide better services to all Australians and to improve its own business practices. While each agency is responsible for the electronic delivery of its own services, NOIE provides common infrastructure, coordination and management arrangements to enable and support quality integrated services across Government.

Measures affecting outcome 5**Backing Australia's Ability - World Class Centres of Excellence****Expense(\$m):**

	2001-02	2002-03	2003-04	2004-05
Department of Communications Information Technology and the Arts	4.5	8.8	12.0	17.7

Explanation

The Government will create World Class Centres of Excellence in research, including funding to set up a Centre focussing on information and communications technology. The Centre will receive \$129.5 million over 5 years and will build a critical mass in research expertise and develop networks into existing research organisations. Of the total, \$62.5 million will be provided through the Australian Research Council's Competitive Grants in the years 2002-03 to 2005-06. The Centre will recruit Australian and overseas research leaders and is expected to attract substantial investment.

See the related expense measures titled *Backing Australia's Ability – World Class Centres of Excellence* and *Backing Australia's Ability – Expansion of the Cooperative Research Centres programme* in the Industry, Science and Resources portfolio, and *Backing Australia's Ability – Double funding for national competitive research grants* in the Education, Training and Youth Affairs portfolio.

Backing Australia's Ability – Innovation Access Programme**Expense(\$m):**

	2001-02	2002-03	2003-04	2004-05
Department of Communications Information Technology and the Arts	1.0	3.0	3.0	3.0

Explanation

As part of the Innovation Access Programme, the Government will extend the Information Technology Online programme, facilitating e-commerce take-up in key sectors, including small business and medium enterprise. The Innovation Access Programme is designed to increase access by Australian researchers and firms to global research and technologies.

See also the related expense measure titled *Backing Australia's Ability – Innovation Access Programme* in the Industry, Science and Resources portfolio.

OUTCOME 5 — RESOURCING**Table 2.1.5: Total Resources for Outcome 5 (\$` 000)**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Annual Administered appropriations		
ICT R&D Centre of Excellence	-	3,000
Information Technology On-Line (ITOL)	-	700
Total administered appropriations	-	3,700
Departmental appropriations		
Output 5.1 Strategic advice and activities relating to the development and growth of Australia's information and communications technology sectors	14,314	14,593
Output 5.2 Strategic advice and activities and representation relating to Australia's participation in the global information economy and use of online technologies	1,516	1,861
Output 5.3 Strategic advice and activities relating to Government Online	12,700	15,796
Total revenue from government (appropriations) Contributing to price of departmental outputs	28,530 97.2%	32,250 87.6%
Revenue from other sources		
Output 5.1 Strategic advice and activities relating to the development and growth of Australia's information and communications technology sectors	107	100
Output 5.2 Strategic advice and activities and representation relating to Australia's participation in the global information economy and use of online technologies	-	418
Output 5.3 Strategic advice and activities relating to Government Online	705	360
Total revenue from other sources	812	878
Total price from departmental outputs <i>(Total revenue from Government and from other sources)</i>	29,342	33,128
Total estimated resourcing for outcome 5 <i>(Total price of outputs and admin expenses)</i>	29,342	36,828
	2000-01	2001-02
Average staffing level (number)	142	170

OUTCOME 5 — CONTRIBUTION OF OUTPUTS

Output 5.1 - Strategic advice and activities relating to the development and growth of Australia's information and communication technology sectors

NOIE's role in developing and coordinating policy advice assists the Government to develop a regulatory framework for the information economy that encourages industry self-regulation, accords with Australia's national interests, increases the confidence of business and consumers in online transactions, protects the security and legality of transactions and addresses convergence of technology issues.

NOIE develops policy and administers programs in consultation with the community, industry and other Government agencies on the basis of relevant research and analysis into technical and statistical information and an assessment of the broader social and economy implications.

Competitive IT&C industries have the potential to provide significant economic benefits for Australia from greater productivity and lower costs. Policy advice is directed at promoting growth and investment in the IT&C industries, including the range of communications services available to all Australians, shaping industry practices, industry self-regulation and the provision of appropriate consumer safeguards. The Government's programs (eg. Information Technology On-Line) support industry-based solutions to promote the growth of e-commerce.

Access to computers and the Internet, and the ability to effectively use this technology are becoming increasingly important for full participation in economic, political and social life. The Agency investigates public, private and community-based initiatives designed to encourage greater individual, family and community access to the Internet. In concert with other levels of government and industry, NOIE develops policies and practices related to skills development and information on the benefits of the Internet and e-commerce to ensure no groups are excluded from participation.

Creativity and innovation are fundamental to maintain the social and economic well-being of all Australians. The Government's programs are directed at retaining world class researchers in Australia and supporting research and development to accelerate investment and commercialisation of leading edge technologies (eg. ICT Centre of Excellence).

Output 5.2 - Strategic advice, activities and representation relating to Australia's participation in the global information economy and use of online technologies

A major challenge for Australia is to capture its fair share of global economic activity associated with the Information Economy. To maximise Australian access to opportunities in global markets, NOIE undertakes the international promotion of Australia's communications and information technology industries and works towards the liberalisation of the international regulatory environment.

NOIE, in cooperation with other Government bodies, represents Australia in world forums to build support for global consensus that reflects Australia's

interests. Key areas in developing the Commonwealth's interests include building bilateral links with particular countries on international issues, raising international awareness of Australia's role in terms of public policy, innovation and as a centre for commercial activity, and a strong role in managing the international domain name space.

NOIE manages international Australian contact on Information Economy issues. It oversees bilateral e-commerce agreements and acts as a clearing house for international developments which are of broad interest domestically. NOIE facilitates the involvement of Australia's business sector and non-Government organisations in international activity, where it supports Australia's national interest. It assists with capacity-building initiatives and manages interoperability issues (eg. Project Angus).

Output 5.3 - Strategic advice and activities relating to Government online

The Government has an important leadership role in developing community and business confidence in Internet use through its own adoption of online technologies to provide better services and to improve its own business practices. The role of NOIE is to provide a common infrastructure and management arrangements so as to assist agencies to deliver services online and to take full advantage of the opportunities provided by the Internet.

NOIE provides a framework and coordinates a whole-of-Government approach to support agency efforts. These include the facilitation of enablers (such as authentication, metadata standards, electronic publishing and privacy and security), facilitation of cross-agency services, putting Government business operations online, monitoring best practice and progress, and enhancing the impact of the Government Online initiatives on development of the Australian IT industry.

A strong customer focus is required for the community and business to reap the full benefits from the delivery of Government services online. The Government's programs and policies are directed at marketing of government online, developing a structured and integrated service delivery model across Government agencies (eg. through the Portal strategy), developing a common infrastructure architecture for service delivery across the Commonwealth and embedding online capacity in achievement of the policy and program objectives of individual agencies.

Table 2.2.5 Performance information for outcome 5

Effectiveness - Overall achievement of the outcome	
<p>Australia's Information and Communications Technology sectors Growth in the competitiveness and sustainability of Australia's ICT sectors</p>	<p>Quantity: Increases in rate of new company formation in ICT sectors in Australia Increase in number and value of inwards ICT investment projects facilitated by Invest Australia in collaboration with NOIE Take-up of e-commerce in Australia increases with business and consumer confidence</p>
<p>Australia's participation in the global Information Economy Co-ordination of Commonwealth positions relating to Information Economy issues in relevant international fora</p>	<p>Quality: Extent to which Australia's position and contribution is reflected in the developing international regulatory settings for the global Information Economy and reform of international bodies</p>
<p>Government electronic service delivery Government own use of the Internet.</p>	<p>Quality: 100 per cent of agencies comply with minimum quality standards. Proportion of services that are integrated.</p>
	<p>Quantity: 100 cent of Government agencies providing appropriate services online by December 2001. 100% of agencies able to conduct simple procurement electronically.</p>
Performance information for administered items (including third party outputs)	
<p>Information Technology On-Line (ITOL) Grant</p>	<p>Quality: Feed-back from stakeholders on commercial benefits of online solutions for small and medium businesses and for communities</p>
	<p>Quantity: Up to 20 new grants made to areas of particular importance to the Australian economy during 2001-2002, such as financial services, health, education and agriculture</p>
<p>ICT Centre of Excellence grant</p>	<p>Quality: Feed-back from stakeholders on the level and extent of consultation with the ICT industry and research community during establishment of the Centre</p>
	<p>Quantity: Successful bidder to Centre funding achieves significant contributions to the Centre's costs over and above the Commonwealth's contribution ICT Centre of Excellence is established by May 2002</p>

Part C: Agency Budget Statements — DCITA

Performance information for departmental outputs	
<p>Output 5.1 - Strategic advice and activities relating to the development and growth of the information and communications technology sectors</p>	<p>Quality: Level of industry satisfaction with the effectiveness of strategies to enhance business take-up of e-commerce Quality and usefulness of statistical benchmarking to Government, business and consumers Level and effectiveness of security and integrity of the national information infrastructure Feed-back from stakeholders on management of domestic and international domain issues that accord with Australia's national interest Contribution of the Information Economy to economic and social growth of regional and rural Australia</p> <p>Quantity: Increase in take-up of e-commerce and online transactions by Australian business, especially small and medium enterprises Rate of increase in individual, family and community access to the Internet Rate of increase of small and medium enterprises engaging in e-commerce to do business. Reduction in disparities to Internet access within the community. Monitoring on the implementation of the <i>Electronic Transactions Act 1999</i></p>
<p>Output 5.2 Strategic advice, activities and representation relating to Australia's participation in the global Information Economy and use of online technologies</p>	<p>Quality: Level and effectiveness of representation in world forums International recognition of Australia's positive contribution to international consensus Support for Australia's business sector and non-Government organisations in international activity</p>
<p>Output 5.3 Strategic advice and activities relating to Government online</p>	<p>Quality: Agency participation in NOIE cooperative initiatives. Agency participation in monitoring arrangements. State/Territory endorsement of national approaches. Extent to which agencies seek assistance in relation to telecommunications purchases. Agency awareness and adoption of Government Online security requirements.</p> <p>Quantity: 100 per cent of suppliers are paid electronically, except in exceptional circumstances. Up to 10 public key infrastructure providers accredited under the Gatekeeper strategic framework.</p> <p>Milestones: Provision of an electronic tendering system to enable agencies to conduct complex procurement activities online by the end of 2001. Provision by June 2001 of a directory of online product and service providers. Development of Online Portals by the third quarter of 2001.</p>

Competitive tendering and contracting

The Department has already outsourced its information technology, internal audit function and security services. DCITA also contracts out for specific policy and program advisory work where specialist expertise is not available in house.

NOIE participated in the Department's market testing of corporate services functions in 2000-01 including financial, human resources, property and office services. As result of the market testing, it is anticipated human resources services will be outsourced from the 2001-02 financial year.

Section 3: Budget Financial Statements

DEPARTMENTAL STATEMENTS

Budgeted Departmental Statement of Financial Performance (Operating Statement)

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

Budgeted Departmental Statement of Financial Position (Balance Sheet)

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

Budgeted Departmental Statement of Cash Flows

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.

Departmental Capital Budget Statement

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

Departmental Non-financial Assets – Summary of Movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

ADMINISTERED NOTES

Details of transactions administered by the agency on behalf of the Commonwealth are to be shown in the following notes to the financial statements.

Note of Budgeted Administered Financial Performance (Operating Statement)

This note identifies the main revenues and expenses administered on behalf of the Government. It also discloses administered revenues from Government and Transfers to the Public Account.

Note of Budgeted Administered Financial Position (Balance Sheet)

This note shows the assets and liabilities administered on behalf of the Government.

Note of Budgeted Administered Cash Flows

This note shows cash flows administered on behalf of the Government.

Note of Administered Capital Budget

This note shows details of planned administered capital expenditure.

Note of Administered Non-financial Assets – Summary of Movement

This note discloses details of movements in administered non-financial assets.

Table 3.1: Budgeted Departmental Statement of Financial Performance (Operating Statement) for the period ended 30 June

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
Revenues from ordinary activities					
Revenue from government	177,246	167,406	147,693	147,584	148,844
Sales of goods and services	10,115	10,320	10,510	10,705	10,823
Interest	708	255	249	242	236
Dividends	-	-	-	-	-
Net gains from sales of assets	-	-	-	-	-
Other	13,804	9,182	9,587	9,603	9,620
Total revenues from ordinary activities	201,873	187,163	168,039	168,134	169,523
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	65,162	64,698	61,431	64,664	63,901
Suppliers	107,019	79,357	62,177	58,748	60,886
Grants	-	-	-	-	-
Depreciation and amortisation	13,724	14,461	15,658	15,786	15,640
Write down of assets	-	-	-	-	-
Net losses from sales of assets	-	-	-	-	-
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	185,905	158,516	139,266	139,198	140,427
Borrowing cost expense (Interest expense)	23	23	23	23	23
Net surplus or deficit from ordinary activities	15,945	28,624	28,750	28,913	29,073
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	15,945	28,624	28,750	28,913	29,073
Capital use charge	(26,777)	(27,575)	(27,700)	(27,830)	(27,961)
Net surplus or deficit after capital use charge	(10,832)	1,049	1,050	1,083	1,112

**Table 3.2: Budgeted Departmental Statement of Financial Position
(Balance Sheet) as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
ASSETS					
Financial assets					
Cash	6,178	6,408	6,835	8,948	10,297
Receivables	3,901	3,495	3,179	2,946	2,756
Investments	486	486	486	486	486
Accrued revenues	445	445	445	445	445
Other	-	-	-	-	-
Total financial assets	11,010	10,834	10,945	12,825	13,984
Non-financial assets					
Land and buildings	51,460	51,011	51,145	50,503	50,556
Infrastructure, plant and equipment	205,464	206,438	207,072	207,972	208,145
Inventories	545	545	545	545	545
Intangibles	2,494	2,880	1,910	995	314
Other	1,299	1,299	1,299	1,299	1,299
Total non-financial assets	261,262	262,173	261,971	261,314	260,859
Total assets	272,272	273,007	272,916	274,139	274,843
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	95	95	96	96	96
Deposits	1,357	305	305	305	305
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	1,452	400	401	401	401
Provisions and payables					
Employees	18,564	18,351	17,212	17,265	16,721
Suppliers	1,683	1,702	1,721	1,741	1,761
Grants	-	-	-	-	-
Other	2,886	2,676	2,564	2,541	2,567
Total provisions and payables	23,133	22,729	21,497	21,547	21,049
Total liabilities	24,585	23,129	21,898	21,948	21,450
EQUITY					
Capital	41,241	42,383	42,473	42,563	42,653
Reserves	24,854	24,854	24,854	24,854	24,854
Accumulated surpluses or deficits	181,592	182,641	183,691	184,774	185,886
Total equity	247,687	249,878	251,018	252,191	253,393
Current liabilities	14,063	12,833	12,391	12,460	12,347
Non-current liabilities	10,522	10,295	9,506	9,488	9,103
Current assets	14,948	15,357	14,619	15,654	16,132
Non-current assets	257,324	257,649	258,296	258,485	258,711

**Table 3.3: Budgeted Departmental Statement of Cash Flows
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	177,246	167,406	147,693	147,584	148,844
Sales of goods and services	10,115	10,318	10,510	10,705	10,819
Interest	708	255	249	242	236
	17,613	12,003	10,967	10,637	10,944
Total cash received	205,682	189,982	169,419	169,168	170,843
Cash used					
Employees	64,298	64,911	62,570	64,611	64,445
Suppliers	98,866	73,787	56,609	53,179	55,313
Grants	-	-	-	-	-
Interest	23	23	23	23	23
Other	10,475	8,174	6,725	6,373	6,657
Total cash used	173,662	146,895	125,927	124,186	126,438
Net cash from operating activities	32,020	43,087	43,492	44,982	44,405
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	35	85	135	35	85
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	35	85	135	35	85
Cash used					
Purchase of property, plant and equipment	28,882	15,457	15,591	15,164	15,270
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	28,882	15,457	15,591	15,164	15,270
Net cash from investing activities	(28,847)	(15,372)	(15,456)	(15,129)	(15,185)
FINANCIAL ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	-	-	1	-	-
Proceeds from debt	-	-	-	-	-
Other	1,851	1,142	90	90	90
Total cash received	1,851	1,142	91	90	90

**Table 3.3: Budgeted Departmental Statement of Cash Flows
(continued)
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
Cash used					
Repayments of debt	17	-	-	-	-
Capital use and dividends paid	26,777	27,575	27,700	27,830	27,961
Other	6,073	1,052	-	-	-
Total cash used	32,867	28,627	27,700	27,830	27,961
Net cash from financing activities	(31,016)	(27,485)	(27,609)	(27,740)	(27,871)
Net increase in cash held	(27,843)	230	427	2,113	1,349
Cash at the beginning of the reporting period	34,021	6,178	6,408	6,835	8,948
Cash at the end of the reporting period	6,178	6,408	6,835	8,948	10,297

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Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	1,848	1,142	-	-	-
Total loans	-	-	-	-	-
Total Capital Appropriations	1,848	1,142	-	-	-
Represented by:					
Purchase of non-current assets	1,848	1,142	-	-	-
Other	-	-	-	-	-
Total	1,848	1,142	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	1,848	1,142	90	90	90
Funded internally by Departmental resources	25,367	14,613	15,791	15,358	16,102
Total Purchase of Non- Current Assets	27,215	15,755	15,881	15,448	16,192

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2001-02)

	Land	Buildings	Total Land and Buildings	Infrastructure Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROSS VALUE						
<i>As at 1 July 2001 (opening)</i>	2,520	57,206	59,726	240,343	4,451	304,520
Additions	-	1,395	1,395	13,533	947	15,875
Disposals	-	-	-	85	100	185
Other movements	-	50	50	-	31	81
<i>As at 30 June 2002 (closing)</i>	2,520	58,651	61,171	253,791	5,329	320,291
ACCUMULATED DEPRECIATION						
<i>As at 1 July 2001 (opening)</i>	-	8,266	8,266	34,879	1,957	45,102
Disposals	-	-	-	-	100	100
Charge for the reporting period	-	1,845	1,845	12,041	575	14,461
Other movements	-	49	49	433	17	499
<i>As at 30 June 2002 (closing)</i>	-	10,160	10,160	47,353	2,449	59,962
Net book value	2,520	48,491	51,011	206,438	2,880	260,329
As at 30 June 2002 (closing book value)						
Net book value as at 1 July 2001 opening book value)	2,520	48,940	51,460	205,464	2,494	259,418
TOTAL ADDITIONS						
Self funded	-	1,395	1,395	12,481	857	14,733
Appropriations	-	-	-	1,052	90	1,142
Total	-	1,395	1,395	13,533	947	15,875

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**Table 3.6: Note of Budgeted Administered Financial Performance
(Operating Statement) for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
REVENUES					
Taxation					
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	61,235	61,235	61,235	61,235	61,235
Total taxation	61,235	61,235	61,235	61,235	61,235
Non-taxation					
Appropriations	222,244	294,855	244,255	241,064	134,237
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net gains from sales of assets	-	-	-	-	-
Other sources of non-taxation revenues	-	-	-	-	-
Total non-taxation	222,244	294,855	244,255	241,064	134,237
Total revenues administered on behalf of the Government	283,479	356,090	305,490	302,299	195,472
EXPENSES					
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Grants	433,183	486,432	392,699	239,880	133,053
Suppliers	-	-	-	-	-
Depreciation and amortisation	1,049	1,184	1,184	1,184	1,184
Net losses from sales of assets	-	-	-	-	-
Interest	-	-	-	-	-
Other	61,235	61,235	61,235	61,235	61,235
Total expenses administered on behalf of the Government	495,467	548,851	455,118	302,299	195,472
Extraordinary items	(31,294)	-	-	-	-
Net contribution or (cost) to the budget outcome	(243,282)	(192,761)	(149,628)	-	-
Cash transfer to / from OPA	-	-	-	-	-
Net surplus or (deficit)	(243,282)	(192,761)	(149,628)	-	-

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**Table 3.7: Note of Budgeted Administered Financial Position
(Balance Sheet) as at 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
ASSETS					
Financial assets					
Cash	2,969	2,969	2,969	2,969	2,969
Receivables	354,215	162,507	13,598	14,087	14,990
Investments	967,421	967,421	967,421	967,421	967,421
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	1,324,605	1,132,897	983,988	984,477	985,380
Non-financial assets					
Land and buildings	35,660	34,673	33,536	32,399	31,262
Infrastructure, plant and equipmen	1,737	1,690	1,643	1,596	1,549
Other	2,375	2,375	2,375	2,375	2,375
Total non-financial assets	39,772	38,738	37,554	36,370	35,186
Total assets administered on behalf of the Government	1,364,377	1,171,635	1,021,542	1,020,847	1,020,566
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Employees	-	-	-	-	-
Suppliers	4,209	4,209	4,209	4,209	4,209
Grants	1,404	1,404	1,404	1,404	1,404
Other	4,359	4,378	3,913	3,218	2,937
Total provisions and payables	9,972	9,991	9,526	8,831	8,550
Total liabilities administered on behalf of the Government	9,972	9,991	9,526	8,831	8,550
EQUITY					
Capital	7,127	7,127	7,127	7,127	7,127
Reserves	846,346	846,346	846,346	846,346	846,346
Accumulated surpluses or deficits	500,932	308,171	158,543	158,543	158,543
Total equity administered on behalf of the Government	1,354,405	1,161,644	1,012,016	1,012,016	1,012,016
Current liabilities	9,898	9,917	9,452	8,757	8,476
Non-current liabilities	74	74	74	74	74
Current assets	359,559	167,851	18,942	19,431	20,334
Non-current assets	1,004,818	1,003,784	1,002,600	1,001,416	1,000,232

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**Table 3.8: Note of Budgeted Administered Cash Flows
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
OPERATING ACTIVITIES					
Cash received					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	61,235	61,235	61,235	61,235	61,235
Appropriations	506,014	486,582	392,699	239,880	133,053
Interest	-	-	-	-	-
Other	43,775	21,868	16,770	8,664	4,874
Total cash received	611,024	569,685	470,704	309,779	199,162
Cash used					
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Suppliers	-	-	-	-	-
Grants	433,183	486,432	392,699	239,880	133,053
Interest	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	99,452	83,103	78,005	69,899	66,109
Total cash used	532,635	569,535	470,704	309,779	199,162
Net cash from operating activities	78,389	150	-	-	-
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of property, plant and equipment	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant and equipment	78,389	150	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	78,389	150	-	-	-
Net cash from investing activities	(78,389)	(150)	-	-	-

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**Table 3.8: Note of Budgeted Administered Cash Flows
(continued)
for the period ended 30 June**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
FINANCING ACTIVITIES					
Cash received					
Proceeds from borrowing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase in cash held	-	-	-	-	-
Cash at beginning of reporting period	2,969	2,969	2,969	2,969	2,969
Administered cash at end of reporting period	2,969	2,969	2,969	2,969	2,969

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Table 3.9: Note of Administered Capital Budget

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
CAPITAL APPROPRIATIONS					
Administered capital	-	-	-	-	-
Total Capital Appropriations	-	-	-	-	-
Represented by:					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by Departmental resources	78,389	150	-	-	-

Table 3.10: Note of Administered Non-financial Assets — Summary of Movement (Budget Year 2001-2002)

	Land	Buildings	Total Land and Buildings	Infrastructure Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROSS VALUE						
<i>As at 1 July 2001 (opening)</i>	-	38,063	38,063	1,878	-	39,941
Additions	-	150	150	-	-	150
Disposals	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	38,213	38,213	1,878	-	40,091
ACCUMULATED DEPRECIATION						
<i>As at 1 July 2001 (opening)</i>	-	2,403	2,403	141	-	2,544
Disposals	-	-	-	-	-	-
Charge for the reporting period	-	1,137	1,137	47	-	1,184
Other movements	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	3,540	3,540	188	-	3,728
Net book value						
As at 30 June 2002	-	34,673	34,673	1,690	-	36,363
(closing book value)						
Net book value						
as at 1 July 2001	-	35,660	35,660	1,737	-	37,397
opening book value)						
TOTAL ADDITIONS						
Self funded	-	150	150	-	-	150
Appropriations	-	-	-	-	-	-
Total	-	150	150	-	-	150

NOTES TO THE FINANCIAL STATEMENTS

Under the Commonwealth's accrual budgeting framework, transactions that agencies control (departmental transactions) are separately budgeted for and reported for from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

Departmental assets, liabilities, revenues and expenses in relation to an agency or authority are those which are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services. Administered items are revenues, expenses, assets and liabilities which are managed by any agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

Departmental

Note 1 – Table 3.1: Budgeted Departmental Statement of Financial Performance

The Capital Use Charge (CUC) represents a return to shareholders (the Government) of 11% pa on the Departments net equity. CUC is funded via appropriations.

Note 2 – Table 3.1: Budgeted Department Statement of Financial Performance

The operating deficit after CUC of \$10.832 m in 2000-01 is as a result of expensing cash balances carried over from 1999-2000.

Administered

Note 3. Table 3.6: Note of Budgeted Administered Financial Performance.

The net deficit relates to special accounts for the Federation Fund grants and Telstra Social Bonus Programmes. The 1999-00 appropriation for the Telstra Social Bonus Programmes have been treated as revenue in that year and expensed over the subsequent years. The losses from 2000-01 reflect the expenses being incurred in those years.

Note 4. Table 3.6: Note of Budgeted Administered Financial Performance.

The Department has been allocated around \$425m for projects associated with the Federation Fund, including \$152m for the construction of the buildings and infrastructure for the National Museum of Australia (NMA), Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) and the National Capital Authority (NCA). This funding is treated as an extraordinary revenue on receipt but expenditure is transferred to "Land and Buildings" as a work in progress. The remaining balance of the allocation is treated as a receivable which reduces each year when the buildings are constructed as work in progress. In 2000-01, the ownership of the building relating to the NMA will be transferred to them resulting in an increase in the Department's investment in

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the NMA and a consequent reduction in Land and Buildings. The relevant building and infrastructure will also be transferred to AIATSIS (\$15.187m) and NCA (\$16.107m) which results in an extraordinary loss of \$31.294m, as well as a reduction in Land and Buildings.

Appendix 1

Non-Appropriation Departmental and Administered Revenue

	Estimated Revenue 2000-01 \$'000	Estimated Revenue 2001-02 \$'000
Departmental Revenue		
Sales of goods and services	10,115	10,320
Interest	708	255
Other non-appropriation revenue	13,804	9,182
Total Non-Appropriation departmental revenue	24,627	19,757
Administered Revenue		
Licence fees, fines and charges	61,235	61,235
Other non-appropriation revenue	-	-
Total Non-Appropriation administered revenue	61,235	61,235

Appendix 2

Estimates of Expenses from Special Appropriations

	Estimated Expenses 2000-01 \$'000	Estimated Expenses 2001-02 \$'000
Book Industry Assistance Package	-	11,300
Telstra Social Bonus Reserve Funds	25,580	70,440
Regional Telecommunications Infrastructure Fund	31,287	57,291
Total estimated Expenses	56,867	139,031