



BUDGET★
PORTFOLIO BUDGET STATEMENTS 2013-14
BUDGET RELATED PAPER NO. 1.3

**BROADBAND, COMMUNICATIONS AND THE
DIGITAL ECONOMY PORTFOLIO**

**BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY**

© Commonwealth of Australia 2013

ISBN 9780642754455 (hardcopy)

9780642754462 (softcopy)

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SENATOR THE HON STEPHEN CONROY

MINISTER FOR BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY
MINISTER ASSISTING THE PRIME MINISTER ON DIGITAL PRODUCTIVITY
LEADER OF THE GOVERNMENT IN THE SENATE

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Speaker

I hereby submit Portfolio Budget Statements in support of the 2013-14 Budget for the Broadband, Communications and the Digital Economy Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the Portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

Stephen Conroy
Minister for Broadband
Communications and the Digital Economy

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding. All figures are GST exclusive unless otherwise indicated.

Enquiries

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A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2013-14 Portfolio Budget Statements (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2013-14 (or Appropriation Bill [Parliamentary Departments] No. 1 2013-14 for the parliamentary departments). In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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PORTFOLIO OVERVIEW

Broadband, Communications and the Digital Economy Portfolio Overview

Minister and Portfolio Responsibilities

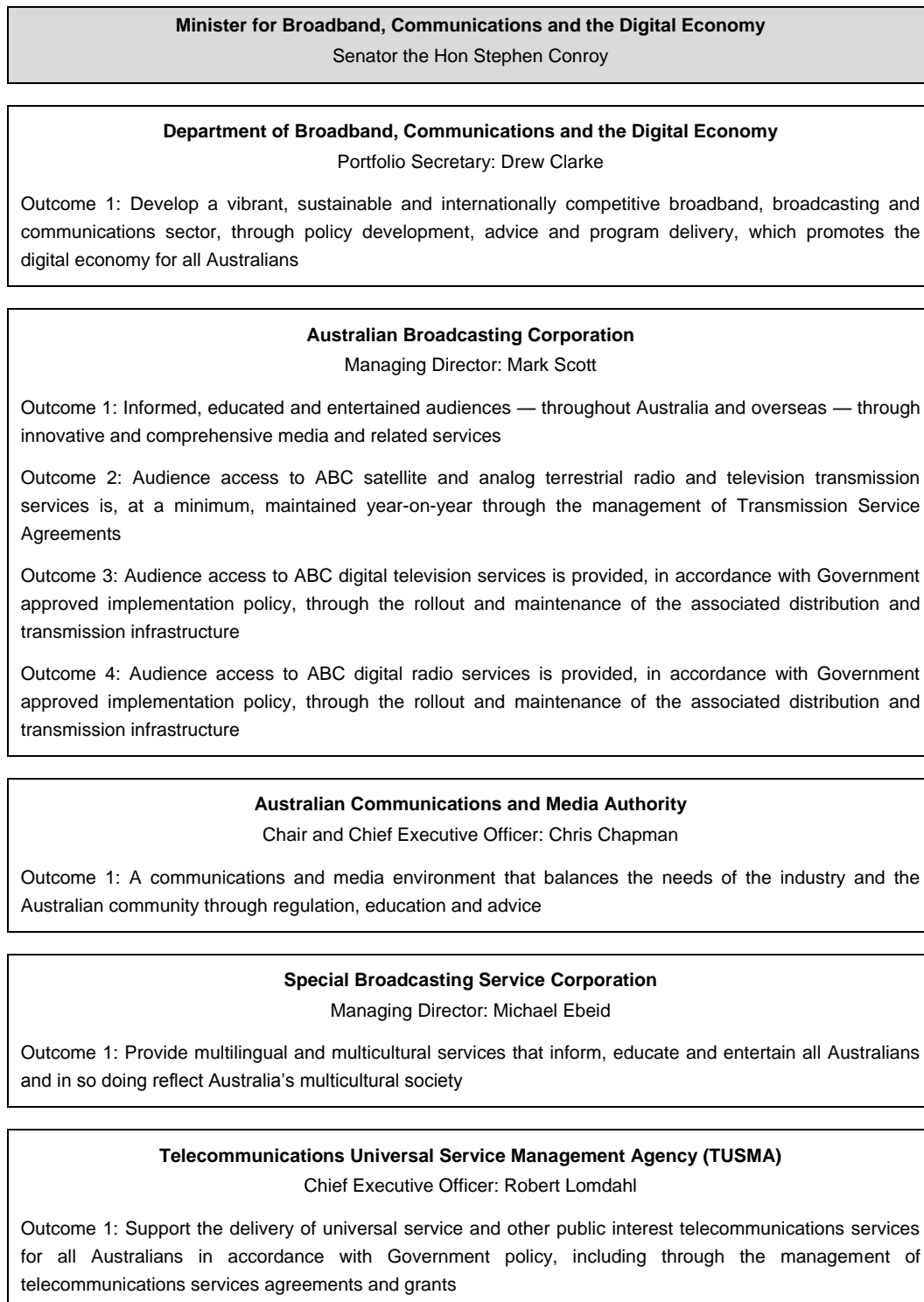
The Broadband, Communications and the Digital Economy Portfolio includes the following agencies:

- **Department of Broadband, Communications and the Digital Economy** – The Department of Broadband, Communications and the Digital Economy aims to develop a vibrant, sustainable and internationally competitive broadband, broadcasting and communications sector through policy development and program delivery, which promotes the digital economy for all Australians.
- **Australia Post** – Australia Post is a Government Business Enterprise, wholly owned by the Australian Government. It provides a high-quality mail and delivery service to all Australians and a range of parcel and logistics services.
- **Australian Broadcasting Corporation (ABC)** – The ABC is a national broadcaster. It contributes to and reflects Australia’s national identity, fosters creativity and the arts and encourages cultural diversity. The ABC is an integral part of the radio, television and online production industries and the news and information media.
- **Australian Communications and Media Authority (ACMA)** – The ACMA is responsible for regulating in accordance with legislation related to broadcasting, radio communications, telecommunications and online content. The ACMA works with all stakeholders to maximise the public benefit, including the extent to which the regulatory framework addresses the broad concerns of the community, meets the needs of industry, and maintains community and national interest safeguards.
- **NBN Co Limited (NBN Co)** – The NBN Co is a Government Business Enterprise, wholly owned by the Australian Government. It will plan, roll out and operate the National Broadband Network, providing access to high speed broadband to all Australians.
- **Special Broadcasting Service Corporation (SBS)** – The SBS is a national broadcaster. It provides multicultural and multilingual services that inform, educate and entertain all Australians. Its mission is to contribute to a more cohesive, equitable and harmonious Australia through its television, radio and online services.
- **Telecommunications Universal Service Management Agency (TUSMA)** – TUSMA is responsible for supporting the delivery of universal service and other public interest telecommunications services to all Australians.

Australia Post and NBN Co do not appear in the 2013-14 Portfolio Budget Statements as they are not part of the general government sector.

Senator the Hon Stephen Conroy is the Minister for Broadband, Communications and the Digital Economy, Minister Assisting the Prime Minister on Digital Productivity and the Leader of the Government in the Senate. A summary of the Portfolio structure is at Figure 1. Further detail about the responsibilities of each agency appears in individual agency chapters.

Figure 1: Broadband, Communications and the Digital Economy Portfolio Structure and Outcomes



PORTFOLIO RESOURCES

The major portfolio initiatives in the 2013-14 Budget include:

- \$21.4 billion in equity funding to the NBN Co over the Budget and forward years. These are further instalments of the \$30.4 billion equity commitment of the Australian Government, starting at \$5.1 billion in 2013-14, peaking at \$6.3 billion in 2014-15, before reducing to \$5.3 billion in 2015-16, then \$4.7 billion in 2016-17.
- \$90.0 million loan over three years from 2013-14 to assist the ABC with the construction of a purpose-built facility at Southbank, Melbourne. This will lead to ongoing operational savings and productivity benefits for the ABC through consolidating the vast majority of Melbourne-based staff and resources at the one location.
- \$89.4 million over three years to enable the ABC to expand its news and current affairs services, meet the growing demand for its digital services and support the maintenance of related infrastructure.
- \$26.6 million to complete the relocation of free-to-air digital television services to new channels agreed by the ACMA and to support public communications costs. The restack enables digital dividend spectrum to be freed up to deliver next-generation communications.
- \$20.0 million over three years to allow the SBS to continue delivering high quality and innovative services, and build on the success of its digital initiatives.
- \$7.2 million over three years to assist small business to get online by establishing another 21 digital enterprise services, including one virtual service targeting businesses in remote Australia, particularly indigenous business.
- \$5.7 million over two years to enable an additional 14 local councils to take advantage of the NBN to improve efficiency and effectiveness in service delivery.
- \$5.1 million over four years to ensure the Australian Music Radio Airplay Project can continue to assist musicians and community broadcasters increase the radio airplay of contemporary Australian music. A component of this funding will also be provided to assist community groups that operate self-help radio facilities retransmitting satellite services in regional and remote areas to continue providing radio services to their communities.
- \$2.5 million in 2013-14 to continue the Satellite Phone Subsidy Scheme to ensure people living, working or travelling in areas without terrestrial mobile phone coverage have access to subsidised satellite phone handsets. The Scheme also allows for emergency service and health organisations to access the subsidy where needed. A review of the cost of satellite phone handsets will be undertaken to ascertain the future need for the Satellite Phone Subsidy Scheme.
- \$2.4 million in 2013-14 to maintain existing essential functions in relation to Australia's transition to the NBN-based telecommunications environment to support continuation of telecommunications policy advice to the Australian Government and shareholder and regulatory oversight of NBN Co.

Table 1 shows the total new resources provided to the portfolio in the 2013-14 budget year, by agency.

Table 1: Portfolio Resources 2013-14

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of Broadband, Communications and the Digital Economy (DBCDE)					
Administered appropriations	225.6	1,379.0	-	-	1,604.6
Departmental appropriations	111.2	1.1	-	3.0	115.4
Total:	336.8	1,380.1	-	3.0	1,719.9
Payments to CAC Act bodies:					
Australian Broadcasting Corporation	1,053.9	23.3	-	175.5	1,252.6
Special Broadcasting Service Corporation	273.8	-	-	103.1	377.0
Australian Communications and Media Authority					
Administered appropriations	-	-	0.3	0.1	0.4
Departmental appropriations	105.5	5.8	-	0.9	112.2
Total:	105.5	5.8	0.3	1.0	112.6
Telecommunications Universal Service Management Agency					
Administered appropriations	-	85.4	-	340.7	426.2
Departmental appropriations	5.0	-	-	-	5.0
Total:	5.0	85.4	-	340.7	431.2
Portfolio total	1,775.0	1,494.7	0.3	623.3	3,893.4
Resources available within Portfolio					3,893.4

AGENCY RESOURCES AND PLANNED PERFORMANCE

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