

# **Australian Communications and Media Authority**

## **Agency Resources and Planned Performance**



# AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

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# AUSTRALIAN COMMUNICATIONS AND MEDIA AUTHORITY

## Section 1: Agency overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Communications and Media Authority (the ACMA) is responsible for the regulation of broadcasting, radiocommunications, telecommunications and online content in accordance with:

- the Australian Communications and Media Authority Act 2005;
- the *Broadcasting Services Act 1992*;
- the *Radiocommunications Act 1992*;
- the *Telecommunications Act 1997*; and
- other related legislation, including:
  - the *Do Not Call Register Act 2006*;
  - the *Spam Act 2003*;
  - the *Interactive Gambling Act 2001*;
  - the *Telecommunications (Consumer Protection and Service Standards) Act 1999*;
  - the *Telecommunications (Industry Levy) Act 2012*; and
  - the *Telecommunications Universal Service Management Agency Act 2012*.

In performing its functions and exercising its powers, the ACMA aims to be a forward-looking and efficient organisation that supports and encourages a dynamic communications sector. The ACMA works with all stakeholders to maximise the public benefit, using the legislated regulatory framework to address the broad concerns of the community, meet the needs of industry, and maintain community and national interest safeguards. Within that framework, the ACMA regulates in a technology-neutral manner, as far as possible, to enable industry to determine how products and services can be best provided to the community. Compliance and enforcement action is taken where required, in a manner proportionate to the act or breach.

The ACMA seeks to promote a communications sector that is responsive to community standards and expectations. As an evidence informed regulator, the ACMA has an extensive research and reporting program aimed at understanding and identifying the current and potential uses of communications and media services and technologies. The research program explores changes in the communications and media markets from technological, market development and community perspectives to provide an evidence base to support regulatory development, decision-making and policy advice.

In planning for the 2013-14 financial year, the ACMA will continue its work program under the following five platforms of its strategic direction.

## **1. Consumer/citizen/audience safeguards and standards**

*Consumer safeguards are effective, keep pace with community standards and reflect citizen interests.*

The ACMA is committed to ensuring the effectiveness of communications safeguards and standards.

To take account of the implications of the rapidly changing communications landscape, the ACMA regularly tests the effectiveness of current regulatory arrangements and encourages the development and implementation of standards and safeguards that consider appropriate public interest criteria.

Minimising regulatory burdens on business and enabling market entry and market diversity are likely to provide significant challenges for industry regulation. The ACMA is presently engaged in a range of activities to support regulatory certainty about new services, and clarifying the application of regulation to emerging business models.

The implementation of monitoring, compliance and enforcement strategies for existing and new telecommunications consumer protections is critical in the transition to a National Broadband Network (NBN) environment. The ACMA's annual communications report series will include a summary of the progress of the NBN rollout. The ACMA will also monitor the staged removal of the unique regulatory controls on Telstra.

In responding to the increased complexity in the range and type of communications services available, the ACMA will place emphasis on creating information programs aimed at developing and supporting digital citizenship. Specifically within this area, the ACMA will continue the implementation of the Government's Cybersafety Policy, including the ACMA Cybersmart education and outreach programs, Cybersmart website and help lines.

## **2. National safety and security**

*National safety and security interests are met in the planning and delivery of communications services.*

The ACMA seeks to promote a communications sector that is responsive to the needs of the Australian community. During 2013-14 the ACMA's national safety and security activities will continue to focus on supporting and improving the effective delivery of the Emergency Call Service (ECS) and law enforcement functions.

The ACMA will continue to contribute to the enhancement of Australia's e-security enforcement capability and protection of citizens' digital identities. The ACMA is responsible for ensuring the quality of the data provided to the Integrated Public

Number Database (IPND) which is used for location and identity information. Regular audits and investigations will continue to be conducted to identify potential breaches of IPND obligations and work will continue to enhance the quality and reliability of the data provided to the IPND.

The ACMA will continue to explore with industry and emergency services organisations the potential for automatic provision of mobile location with every emergency call.

### **3. Diversity of services**

*Consumer and audience choice of communications and media products and services is maximised.*

The ACMA is committed to maximising consumer and audience choices.

The ACMA will continue its key role in supporting the switchover to digital television. Digital television transmission and reception studies will continue with a view to ensuring digital television achieves the same coverage as current analog services. The ACMA will continue to work with broadcasters to secure analog television closure, that is, analog switch off, and implementation of television equalisation in regional and remote areas.

The ACMA is committed to maximising consumer and audience choices and it continues to monitor, and in some cases investigate, communications and media products and services.

The ACMA has responsibility for enforcing rules aimed at ensuring diversity in media ownership. The ACMA will continue to conduct necessary investigations into control arrangements and, where appropriate, to take necessary compliance and enforcement action.

### **4. Public resource management**

*Allocation and use of public resources is efficient.*

The ACMA maintains the Telecommunications Numbering Plan 1997 under the *Telecommunications Act 1997*. The Numbering Plan provides for the availability, allocation and portability of numbers in Australia, including the use, transfer and withdrawal of numbers. The ACMA is responsible for their efficient allocation and has set out a long-range strategy to increase the flexibility and efficiency of numbering arrangements.

The ACMA will continue to lead spectrum management in Australia and will progress technical advancements, ensuring that there is adequate spectrum for broadband services. The ACMA's spectrum obligations will also include the reissue and reallocation of spectrum licenses as well as engaging with stakeholders, including NBN Co.

The ACMA is assisting the Government in realising the digital dividend. This work includes the digitisation of television (including the Coverage Evaluation Program), the restack of television channels and the digital dividend spectrum auction.

## **5. Organisational capability**

*The ACMA is a relevant, resilient and knowledge-based organisation.*

The transformational elements of building organisational capacity and capabilities are captured under this strategic platform. The ACMA recognises and values individual differences and aims to raise awareness of the importance of workplace diversity and support high-quality equity and diversity outcomes. The ACMA's people and resources will be effectively managed to meet the emerging business needs of the ACMA by further improving workforce planning and leadership capabilities.

More integrated planning and performance management will enable agency leaders to guide their staff in an increasingly complex environment, creating greater business cohesion and strategic alignment as well as more collaborative approaches to work.

Agency-wide strategies that support the ACMA's organisational capability include a strategic focus on information technology, managing information and knowledge. The delivery of key information and communications technology projects and the launch of a new website will transform key ACMA functions, including spectrum and license management and complaints-handling and investigations.

Convergence and rapid technological development are outpacing legislation in ways rarely foreseen or expected by governments and legislators. In an increasing number of cases legislation may not be well designed to fit new circumstances. The ACMA is developing a range of responses to meet these challenges, including developing citizen-centric service delivery models across the ACMA and taking a flexible approach to adapt regulation to emerging issues. Using a modern, user-focussed digital platform, the ACMA will engage with our stakeholders by presenting information and services when, how and where they want. This will involve a consistent, high-level user experience, timely delivery of quality communications and effective campaign and issues management.



## 1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: ACMA Resource Statement –  
Budget Estimates for 2013-14 as at Budget May 2013**

	Estimate of prior year amounts available in 2013-14 \$'000	+	Proposed at budget 2013-14 \$'000	=	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
<b>Ordinary annual services<sup>1</sup></b>						
<b>Departmental appropriation</b>						
Prior year departmental appropriation <sup>2</sup>	13,924		-		13,924	14,782
Departmental appropriation <sup>3</sup>	-		105,507		105,507	107,087
s31 Relevant agency receipts <sup>4</sup>	-		900		900	900
<b>Total</b>	<b>13,924</b>		<b>106,407</b>		<b>120,331</b>	<b>122,769</b>
<b>Total ordinary annual services</b>	<b>13,924</b>	<b>A</b>	<b>106,407</b>		<b>120,331</b>	<b>122,769</b>
<b>Other services<sup>5</sup></b>						
<b>Departmental non-operating</b>						
Equity injections	-		5,841		5,841	1,310
<b>Total</b>	<b>-</b>		<b>5,841</b>		<b>5,841</b>	<b>1,310</b>
<b>Total other services</b>	<b>-</b>	<b>B</b>	<b>5,841</b>		<b>5,841</b>	<b>1,310</b>
<b>Total available annual appropriations</b>	<b>13,924</b>		<b>112,248</b>		<b>126,172</b>	<b>124,079</b>
<b>Special appropriations</b>						
<b>Special appropriations limited by amount</b>						
Telecommunications Act 1997	-		300		300	300
<b>Total special appropriations</b>	<b>-</b>	<b>C</b>	<b>300</b>		<b>300</b>	<b>300</b>
<b>Total appropriations excluding Special Accounts</b>	<b>13,924</b>		<b>112,548</b>		<b>126,472</b>	<b>124,379</b>

**Table 1.1: ACMA Resource Statement —  
Budget estimates for 2013-14 as at Budget May 2013**

	Estimate of prior year amounts available in 2013-14 \$'000	+	Proposed at budget 2013-14 \$'000	=	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
<b>Special Accounts</b>						
Opening balance <sup>6</sup>	-		-		-	-
Non-appropriation receipts to Special Accounts	-		50		50	58,692
<b>Total Special Account</b>	<b>D -</b>		<b>50</b>		<b>50</b>	<b>58,692</b>
<b>Total resourcing</b>						
A+B+C+D	<b>13,924</b>		<b>112,598</b>		<b>126,522</b>	<b>183,071</b>
Less appropriations drawn from special accounts above	-		(50)		(50)	(59,011)
<b>Total net resourcing for ACMA</b>	<b>13,924</b>		<b>112,548</b>		<b>126,472</b>	<b>124,060</b>

1 Appropriation Bill (No.1) 2013-14.

2 Estimated adjusted balance carried forward from previous year.

3 Includes an amount of \$13.1m in 2013-14 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

4 s31 Relevant Agency receipts — estimate.

5 Appropriation Bill (No.2) 2013-14.

6 Estimated opening balance for special accounts (less 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for other Government and Non-agency Bodies accounts (SOG), or Services for Other Entities and Trust Monies Special accounts (SOETM)). For further information on special accounts see Table 3.1.2.

Note: All figures are GST exclusive.

### 1.3 BUDGET MEASURES

Budget measures relating to the ACMA are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2: ACMA 2013-14 Budget measures**  
**Part 1: Measures announced since the 2012-13 MYEFO**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Revenue measures</b>						
Broadcast licence fees – permanent reduction	1.1					
Administered revenue		-	-	-	-	-
<b>Total</b>		-	-	-	-	-
Australian Communications and Media Authority - revenue assurance project - continuation						
	1.1					
Administered revenue		-	nfp	nfp	nfp	nfp
<b>Total</b>		-	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
Trans-Tasman Mobile Roaming						
	1.1					
Administered revenue		-	-	193	387	382
<b>Total</b>		-	-	<b>193</b>	<b>387</b>	<b>382</b>
Untimed Local Calls in the Extended Zones - continuation						
	1.2					
Administered revenue		-	nfp	nfp	nfp	nfp
<b>Total</b>		-	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>	<b>nfp</b>
<b>Total revenue measures</b>						
Administered		-	-	193	387	382
<b>Total</b>		-	-	<b>193</b>	<b>387</b>	<b>382</b>
<b>Expense measures</b>						
Australian Communications and Media Authority - revenue assurance project - continuation						
	1.1					
Departmental expenses		-	1,373	1,381	1,094	1,104
<b>Total</b>		-	<b>1,373</b>	<b>1,381</b>	<b>1,094</b>	<b>1,104</b>
Australian Communications and Media Authority - frequency monitoring facilities - upgrade and relocation						
	1.1					
Departmental expenses		-	374	397	287	291
<b>Total</b>		-	<b>374</b>	<b>397</b>	<b>287</b>	<b>291</b>
<b>Total expense measures</b>						
Departmental		-	1,747	1,778	1,381	1,395
<b>Total</b>		-	<b>1,747</b>	<b>1,778</b>	<b>1,381</b>	<b>1,395</b>

Prepared on a Government Finance Statistics (fiscal) basis.

Note: Totals do not include not for publication ('nfp') amounts.

**Part 1: Measures announced since the 2012-13 MYEFO (continued)**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Capital measures</b>						
Australian Communications and Media Authority - revenue assurance project - continuation	1.1					
Departmental capital		-	1,000	-	-	-
<b>Total</b>		-	<b>1,000</b>	-	-	-
Australian Communications and Media Authority - frequency monitoring facilities - upgrade and relocation	1.1					
Departmental capital		-	4,706	4,456	-	-
<b>Total</b>		-	<b>4,706</b>	<b>4,456</b>	-	-
<b>Total capital measures</b>						
Administered						
Departmental		-	5,706	4,456	-	-
<b>Total</b>		-	<b>5,706</b>	<b>4,456</b>	-	-

Prepared on a Government Finance Statistics (fiscal) basis.

**Part 2: MYEFO measures not previously reported in a portfolio statement**

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Expense measures</b>						
Targeted savings - public service efficiencies	All					
Departmental expenses		(244)	(480)	(504)	(539)	(506)
<b>Total</b>		<b>(244)</b>	<b>(480)</b>	<b>(504)</b>	<b>(539)</b>	<b>(506)</b>
<b>Total expense measures</b>						
Departmental		(244)	(480)	(504)	(539)	(506)
<b>Total</b>		<b>(244)</b>	<b>(480)</b>	<b>(504)</b>	<b>(539)</b>	<b>(506)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

## Section 2: Outcomes and planned performance

### 2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the ACMA in achieving Government outcomes.

**Outcome 1:**

**A communications and media environment that balances the needs of the industry and the Australian community through regulation, education and advice**

#### Outcome 1 strategy

The ACMA will contribute to the achievement of this outcome by:

- providing a regulatory framework that effectively allocates and licences communications while ensuring that public interest objectives are met;
- ensuring that the framework responds promptly and flexibly to emerging challenges, such as those arising from technological developments and the growth of emerging services;
- fostering industry compliance with, and contribution to, the regulatory framework without imposing undue financial or administrative burden;
- promoting a communications sector that is diverse, innovative, competitive and responsive to the needs of the Australian community;
- undertaking digital economy research examining participation and effective use of digital communications and media;
- ensuring the effectiveness of statutory consumer safeguards;
- fostering a compliance culture within the communications sector and adherence to regulatory obligations;
- enabling and encouraging the development, implementation and maintenance of standards and safeguards that consider appropriate community interest criteria;
- developing and delivering programs that aim to raise awareness of rights, obligations and safety issues;
- promoting a communications sector that respects community standards, reflects citizen attitudes and is diligent in responding to community complaints;

- ensuring that the community is well informed about communications matters; and
- undertaking research and consultation to maximise the extent to which the information, standards and safeguards regime addresses the broad concerns of the community.

### Outcome expense statement

Table 2.1 provides an overview of the total expenses for Outcome 1 by program.

**Table 2.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b> A communications and media environment that balances the needs of the industry and the Australian community through regulation, education and advice	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
<b>Program 1.1: Communications regulation, planning and licensing</b>		
Administered expenses	305	50
Special Accounts	305	50
Departmental expenses	73,125	68,100
Departmental appropriation <sup>1</sup>	72,468	67,443
Revenue from independent sources (s31)	657	657
<b>Total for Program 1.1</b>	<b>73,430</b>	<b>68,150</b>
<b>Program 1.2: Consumer safeguards, education and information</b>		
Administered expenses	59,006	300
Special appropriations	300	300
Special Accounts	58,706	-
Departmental expenses	27,046	25,187
Departmental appropriation <sup>1</sup>	26,803	24,944
Revenue from independent sources (s31)	243	243
<b>Total for Program 1.2</b>	<b>86,052</b>	<b>25,487</b>
<b>Outcome 1 Totals by appropriation type</b>		
Administered Expenses	59,311	350
Special appropriations	300	300
Special Accounts	59,011	50
Departmental expenses	100,171	93,287
Departmental appropriation <sup>1</sup>	99,271	92,387
Revenue from independent sources (s31)	900	900
<b>Total expenses for Outcome 1</b>	<b>159,482</b>	<b>93,637</b>
	2012-13	2013-14
<b>Average Staffing Level (number)</b>	533	523

<sup>1</sup> Departmental Appropriation combines "Ordinary annual services (Appropriation Bill No. 1)" and "Revenue from independent sources (s31)".

Note: Departmental appropriation splits and total are indicative estimates and may change in the course of the budget year.

## Contributions to Outcome 1

### Program 1.1: Communications regulation, planning and licensing

#### Program objective

The ACMA will provide a regulatory environment that balances the needs of industry and the Australian community by effective regulation of the communications industry and by planning and licensing of communication services.

The ACMA administers regulatory requirements applicable to the communications sector. The ACMA monitors compliance with these requirements and takes timely action where required and at a level that is proportionate to any failure to comply.

The ACMA will provide efficient planning, allocation and use of national resources used by the communications sector, such as radiofrequency spectrum, communications numbering and infrastructure.

The ACMA plans and licenses a range of services using the broadcasting services bands of the radiofrequency spectrum. The ACMA performs planning activities to meet current and anticipated demands for access to other spectrum bands and develops policies and legislative instruments to underpin licensing and market-based allocation frameworks for those bands. The agency also manages telecommunications carrier licensing, nominated carrier declaration and trial certificate frameworks.

#### Administered activities

Other Trust Moneys Special Account – primarily used to facilitate the submission of applications to the International Telecommunication Union (ITU) for establishment of satellite networks.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special Account Expenses:					
Other Trust Monies	305	50	50	50	50
Annual departmental expenses:					
Program expenses	53,381	49,713	47,332	46,312	46,931
Program support	19,744	18,387	17,505	17,128	17,357
<b>Total program expenses</b>	<b>73,430</b>	<b>68,150</b>	<b>64,887</b>	<b>63,490</b>	<b>64,338</b>

**Program 1.1 Deliverables**

- Government revenue targets met in the collection of annual numbering charges.
- Price-based allocations of spectrum completed within statutory timeframes.
- Annual identification and publication of primary issues facing key radiocommunications services and methods the ACMA proposes to use to manage these issues.
- Greater marketplace contestability in frequency assignments.
- Increased proportion of spectrum licensed through class and spectrum licensing.
- Licensing and numbering transaction applications dealt with within applicable timeframes.
- Online content, Do Not Call Register, spam, broadcasting and telecommunications consumer codes complaints dealt with within applicable timeframes.
- Applications for an opinion on control or temporary approval of a breach of the *Broadcasting Services Act 1992* dealt with within applicable timeframes.
- Manage the realisation of the digital dividend as the transition from analog to digital television takes place.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Deliverables					
Communications regulation, planning and licensing	73,430	68,150	64,887	63,490	64,338



**Program 1.1 Key Performance Indicators**

- An effective regulatory environment that supports a dynamic communications sector and enables industry to meet the communications needs of the community.
- Efficient planning, allocation and use of national resources such as radiofrequency spectrum, communications numbering and infrastructure.
- Industry contributes to, and complies with, the regulatory framework without being subject to undue financial or administrative burden.
- Levels of industry compliance with the regulatory framework as assessed by breaches and recurrent breaches of legislation, codes, standards and licence conditions.
- The cost of the ACMA's regulatory activities is minimised to the extent possible.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Key performance indicators					
Communications regulation, planning and licensing	73,430	68,150	64,887	63,490	64,338

**Program 1.2: Consumer safeguards, education and information**

**Program objective**

The ACMA ensures that the community's expectations are reflected in the standards and safeguards regime which applies to communications products and services. The ACMA also ensures that the community is informed about communications products and services. The ACMA's Cybersmart Program provides cybersafety education to primary and secondary school-aged children, their teachers and parents about how to engage safely and effectively online.

The ACMA monitors and reports on the performance of the telecommunications industry in the delivery of services to consumers and small businesses. It also ensures industry compliance with statutory consumer safeguards. This work will have a particular focus on the National Broadband Network, as rollout proceeds.

The ACMA promotes communications industry co-regulatory arrangements. The ACMA contributes to, registers and encourages compliance with, industry codes, licence conditions and service provider rules as well as legislation developed to address consumer protection issues, including protection from unsolicited electronic messages and telemarketing calls.

The beta website, Engage, is the ACMA's main public facing outreach platform which is used to regularly deliver a suite of tailored news items and rich content to industry and consumers. The ACMA undertakes targeted information campaigns on important communications topics, through various media and works with other organisations on consumer protection campaigns.

The ACMA encourages the communications sector to provide sufficient information about new services and changes to existing services, to enable consumers to make informed decisions.

**Administered activities**

Telecommunications Consumer Codes – provides funding for the development of consumer codes by participants within the telecommunications industry.

**Linked to:**

Elements of the administered items in Program 1.2 are also delivered by TUSMA, which is responsible for delivering public interest telecommunications services including:

- The Universal Service Obligation (USO), which ensures that standard telephone services and payphones are to be reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business; and
- The National Relay Service (NRS), which assists people who are deaf, or have a hearing and/or speech impairment, to access a telephone service equivalent to the standard telephone service available to all Australians.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Special Appropriations:					
<i>Telecommunications - Consumer Codes</i>	300	300	300	300	300
Special Account Expenses:					
Universal Service Levy	58,706	-	-	-	-
Annual departmental expenses:					
Program expenses	19,744	18,387	17,507	17,129	17,358
Program support	7,302	6,800	6,474	6,335	6,420
<b>Total program expenses</b>	<b>86,052</b>	<b>25,487</b>	<b>24,281</b>	<b>23,764</b>	<b>24,078</b>

**Program 1.2 Deliverables**

- Deliver information programs to raise awareness of rights and responsibilities, including safety issues.
- Report on industry compliance with statutory consumer safeguards available within required timeframes.
- Develop cybersafety education programs which are research based and educationally sound.
- Undertake consultation at regular intervals to receive information and advice on matters affecting consumers of communications services.
- In co-operation with industry, undertake reviews of communications standards, codes and determinations within appropriate timeframes.
- Raise awareness of Australia's spam and do not call legislation among consumers, businesses and the telemarketing and e-marketing industries through education programs and publications.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Deliverables					
Consumer safeguards, education and information	86,052	25,487	24,281	23,764	24,078

**Program 1.2 Key Performance Indicators**

- The community has access to sufficient information to enable it to make informed decisions about communications products and services.
- Effective community safeguards are implemented and maintained.
- Research is undertaken and stakeholders engaged, to maximise the extent to which information, standards and safeguards address the broad concerns of the community.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Key performance indicators					
Consumer safeguards, education and information	86,052	25,487	24,281	23,764	24,078

## Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses and special accounts.

### 3.1 EXPLANATORY TABLES

#### 3.1.2 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.2 shows the expected additions (receipts) and reductions (payments) for each account used by the ACMA.

**Table 3.1.2: Estimates of Special Account Flows and Balances**

	Outcome	Opening balance	Receipts	Payments	Closing balance
		2013-14 2012-13	2013-14 2012-13	2013-14 2012-13	2013-14 2012-13
		\$'000	\$'000	\$'000	\$'000
Universal Service Account (A)	1	-	-	-	-
<i>FMA Act<sup>1</sup> s21 and TCPSS Act<sup>2</sup> s21(2)</i>		64	58,642	58,706	-
Services for Other Entities and Trust					
Moneys (A)	1	-	50	50	-
<i>FMA Act s20</i>		255	50	305	-
<b>Total Special Accounts 2013-14</b>					
<b>Budget estimate</b>		-	50	50	-
<b>Total Special Accounts 2012-13</b>					
<b>estimated actual</b>		319	58,692	59,011	-

(A) = Administered

1 *Financial Management and Accountability Act 1997.*

2 *Telecommunications (Consumer Protection and Service Standards) Act 1999.*

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.1 Differences in agency resourcing and financial statements**

There are no significant differences between the resource information presented in the Budget Papers and Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics (GFS).

### **3.2.2 Analysis of budgeted financial statements**

#### **Departmental Comprehensive Income Statement**

The ACMA is budgeting in 2013-14 for total expenditure of \$103.6 million. This represents a decrease of \$6.3 million from the 2012-13 estimated position.

The decrease is primarily due to terminating Digital Television Switchover and Dividend funding.

### 3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)  
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>EXPENSES</b>					
Employee benefits	68,019	63,911	56,385	55,775	55,785
Suppliers	32,152	29,376	32,433	31,129	32,281
Depreciation and amortisation	9,759	10,358	9,136	8,973	10,147
<b>Total expenses</b>	<b>109,930</b>	<b>103,645</b>	<b>97,954</b>	<b>95,877</b>	<b>98,213</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	900	900	900	900	900
<b>Total own-source revenue</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>
<b>Total own-source income</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>	<b>900</b>
<b>Net cost of (contribution by) services</b>	<b>109,030</b>	<b>102,745</b>	<b>97,054</b>	<b>94,977</b>	<b>97,313</b>
Revenue from Government	99,271	92,387	87,918	86,004	87,166
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>(9,759)</b>	<b>(10,358)</b>	<b>(9,136)</b>	<b>(8,973)</b>	<b>(10,147)</b>
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss)</b>	<b>(9,759)</b>	<b>(10,358)</b>	<b>(9,136)</b>	<b>(8,973)</b>	<b>(10,147)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(9,759)</b>	<b>(10,358)</b>	<b>(9,136)</b>	<b>(8,973)</b>	<b>(10,147)</b>
<b>Note: Reconciliation of comprehensive income attributable to ACMA</b>					
	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(9,759)</b>	<b>(10,358)</b>	<b>(9,136)</b>	<b>(8,973)</b>	<b>(10,147)</b>
plus non-appropriated expenses depreciation and amortisation expenses	9,759	10,358	9,136	8,973	10,147
<b>Total comprehensive income (loss) –attributable to the ACMA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	1,315	1,315	1,315	1,315	1,315
Trade and other receivables	19,952	15,726	15,726	7,764	7,764
Other financial assets	699	699	699	699	699
<b>Total financial assets</b>	<b>21,966</b>	<b>17,740</b>	<b>17,740</b>	<b>9,778</b>	<b>9,778</b>
<b>Non-financial assets</b>					
Land and buildings	15,788	24,677	24,258	24,808	24,393
Property, plant and equipment	7,976	11,432	15,982	16,366	17,782
Intangibles	23,423	23,907	22,116	25,140	23,273
Other non-financial assets	1,606	1,606	1,606	1,606	1,606
<b>Total non-financial assets</b>	<b>48,793</b>	<b>61,622</b>	<b>63,962</b>	<b>67,920</b>	<b>67,054</b>
<b>Total assets</b>	<b>70,759</b>	<b>79,362</b>	<b>81,702</b>	<b>77,698</b>	<b>76,832</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	5,910	5,910	5,910	5,910	5,910
Other payables	50	50	50	50	50
<b>Total payables</b>	<b>5,960</b>	<b>5,960</b>	<b>5,960</b>	<b>5,960</b>	<b>5,960</b>
<b>Provisions</b>					
Employee provisions	21,967	21,967	21,967	21,967	21,967
Other provisions	1,930	1,930	1,930	1,930	1,930
<b>Total provisions</b>	<b>23,897</b>	<b>23,897</b>	<b>23,897</b>	<b>23,897</b>	<b>23,897</b>
<b>Total liabilities</b>	<b>29,857</b>	<b>29,857</b>	<b>29,857</b>	<b>29,857</b>	<b>29,857</b>
<b>Net assets</b>	<b>40,902</b>	<b>49,505</b>	<b>51,845</b>	<b>47,841</b>	<b>46,975</b>
<b>EQUITY <sup>1</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	62,385	81,346	92,822	97,791	107,072
Reserves	1,575	1,575	1,575	1,575	1,575
Retained surplus (accumulated deficit) <sup>2</sup>	(23,058)	(33,416)	(42,552)	(51,525)	(61,672)
<b>Total parent entity interest</b>	<b>40,902</b>	<b>49,505</b>	<b>51,845</b>	<b>47,841</b>	<b>46,975</b>
<b>Total Equity</b>	<b>40,902</b>	<b>49,505</b>	<b>51,845</b>	<b>47,841</b>	<b>46,975</b>

Prepared on Australian Accounting Standards basis.

<sup>1</sup> Equity is the residual interest in assets after deductions of liabilities.

<sup>2</sup> Retained surplus (accumulated deficit) includes depreciation loss.



**Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2013-14)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2013</b>				
Balance carried forward from previous period	(23,058)	1,575	62,385	40,902
<b>Adjusted opening balance</b>	<b>(23,058)</b>	<b>1,575</b>	<b>62,385</b>	<b>40,902</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(10,358)	-	-	(10,358)
<b>Total comprehensive income</b>	<b>(10,358)</b>	<b>-</b>	<b>-</b>	<b>(10,358)</b>
of which:				
Attributable to the Australian Government	(10,358)	-	-	(10,358)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity Injection - Appropriation	-	-	5,841	5,841
Departmental Capital Budget (DCBs)	-	-	13,120	13,120
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>18,961</b>	<b>18,961</b>
<b>Estimated closing balance as at 30 June 2014</b>	<b>(33,416)</b>	<b>1,575</b>	<b>81,346</b>	<b>49,505</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(33,416)</b>	<b>1,575</b>	<b>81,346</b>	<b>49,505</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows  
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	107,324	97,013	88,366	88,366	90,092
Sale of goods and rendering of services	900	900	900	900	900
Net GST received	2,526	2,580	2,380	2,380	2,380
<b>Total cash received</b>	<b>110,750</b>	<b>100,493</b>	<b>91,646</b>	<b>91,646</b>	<b>93,372</b>
<b>Cash used</b>					
Employees	68,019	63,911	56,385	55,775	55,785
Suppliers	32,152	29,776	32,881	33,491	35,207
Net GST paid	2,526	2,580	2,380	2,380	2,380
<b>Total cash used</b>	<b>102,697</b>	<b>96,267</b>	<b>91,646</b>	<b>91,646</b>	<b>93,372</b>
<b>Net cash from (used by) operating activities</b>	<b>8,053</b>	<b>4,226</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment	16,219	23,187	11,476	4,969	9,281
<b>Total cash used</b>	<b>16,219</b>	<b>23,187</b>	<b>11,476</b>	<b>4,969</b>	<b>9,281</b>
<b>Net cash from (used by) investing activities</b>	<b>(16,219)</b>	<b>(23,187)</b>	<b>(11,476)</b>	<b>(4,969)</b>	<b>(9,281)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	8,166	18,961	11,476	4,969	9,281
<b>Total cash received</b>	<b>8,166</b>	<b>18,961</b>	<b>11,476</b>	<b>4,969</b>	<b>9,281</b>
<b>Net cash from (used by) financing activities</b>	<b>8,166</b>	<b>18,961</b>	<b>11,476</b>	<b>4,969</b>	<b>9,281</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	1,315	1,315	1,315	1,315	1,315
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,315</b>	<b>1,315</b>	<b>1,315</b>	<b>1,315</b>	<b>1,315</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	7,816	13,120	6,900	4,969	9,281
Equity injections – Bill 2	350	5,841	4,576	-	-
<b>Total new capital appropriations</b>	<b>8,166</b>	<b>18,961</b>	<b>11,476</b>	<b>4,969</b>	<b>9,281</b>
<b>Provided for:</b>					
Purchase of non-financial assets	8,166	18,961	11,476	4,969	9,281
<b>Total Items</b>	<b>8,166</b>	<b>18,961</b>	<b>11,476</b>	<b>4,969</b>	<b>9,281</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>1</sup>	1,310	5,841	4,576	-	-
Funded by capital appropriation - DCB <sup>2</sup>	7,816	13,120	6,900	4,969	9,281
Funded internally from departmental resources <sup>3</sup>	7,093	4,226	-	-	-
<b>TOTAL</b>	<b>16,219</b>	<b>23,187</b>	<b>11,476</b>	<b>4,969</b>	<b>9,281</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	16,219	23,187	11,476	4,969	9,281
<b>Total cash used to acquire assets</b>	<b>16,219</b>	<b>23,187</b>	<b>11,476</b>	<b>4,969</b>	<b>9,281</b>

Prepared on Australian Accounting Standards basis.

1 Includes both current Bill 2 and prior Bill 2 capital appropriations.

2 Include purchase from Departmental Capital Budgets (DCBs).

3 Includes funding from prior year appropriations for unused depreciation.

**Table 3.2.6: Statement of Asset Movements (2013-14)**

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2013</b>					
Gross book value	6,830	13,391	16,126	51,330	87,677
Accumulated depreciation/amortisation and impairment	-	(4,433)	(8,150)	(27,907)	(40,490)
<b>Opening net book balance</b>	<b>6,830</b>	<b>8,958</b>	<b>7,976</b>	<b>23,423</b>	<b>47,187</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>1</sup>	-	-	4,841	1,000	5,841
By purchase - appropriation ordinary annual services <sup>2</sup>	-	6,553	1,250	5,317	13,120
By purchase - other	-	4,226	-	-	4,226
<b>Total additions</b>	<b>-</b>	<b>10,779</b>	<b>6,091</b>	<b>6,317</b>	<b>23,187</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(1,890)	(2,635)	(5,833)	(10,358)
<b>Total other movements</b>	<b>-</b>	<b>(1,890)</b>	<b>(2,635)</b>	<b>(5,833)</b>	<b>(10,358)</b>
<b>As at 30 June 2014</b>					
Gross book value	6,830	24,170	22,217	57,647	110,864
Accumulated depreciation/amortisation and impairment	-	(6,323)	(10,785)	(33,740)	(50,848)
<b>Closing net book balance</b>	<b>6,830</b>	<b>17,847</b>	<b>11,432</b>	<b>23,907</b>	<b>60,016</b>

Prepared on Australian Accounting Standards basis.

1 'Appropriation equity' refers to equity injections provided through Appropriation Bill (No.2) 2013-14.

2 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2013-14 for depreciation / amortisation expenses, DCBs.

**Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Suppliers	300	300	300	300	300
Subsidies	145,076	-	-	-	-
Other expenses	50	50	50	50	50
<b>Total expenses administered on behalf of Government</b>	<b>145,426</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
<b>Taxation revenue</b>					
Taxation revenue	639,947	689,770	680,921	674,392	678,295
<b>Total taxation revenue</b>	<b>639,947</b>	<b>689,770</b>	<b>680,921</b>	<b>674,392</b>	<b>678,295</b>
<b>Non-taxation revenue</b>					
Sale of goods and rendering of services	5,033	5,033	5,033	5,033	5,033
Fees and fines	46,439	47,079	46,572	46,866	46,861
Other revenue	149,206	4,130	4,130	4,130	4,130
<b>Total non-taxation revenue</b>	<b>200,678</b>	<b>56,242</b>	<b>55,735</b>	<b>56,029</b>	<b>56,024</b>
<b>Total own-source revenues administered on behalf of Government</b>	<b>840,625</b>	<b>746,012</b>	<b>736,656</b>	<b>730,421</b>	<b>734,319</b>
<b>Gains</b>					
Sale of assets	3,508,137	2,500	2,500	2,500	2,500
<b>Total gains administered on behalf of Government</b>	<b>3,508,137</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>	<b>2,500</b>
<b>Total own-sourced income administered on behalf of Government</b>	<b>4,348,762</b>	<b>748,512</b>	<b>739,156</b>	<b>732,921</b>	<b>736,819</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Taxation receivables	430,423	461,261	447,903	437,661	437,661
Trade and other receivables	2,071,024	2,012,694	47,534	47,828	47,823
<b>Total financial assets</b>	<b>2,501,447</b>	<b>2,473,955</b>	<b>495,437</b>	<b>485,489</b>	<b>485,484</b>
<b>Total assets administered on behalf of Government</b>	<b>2,501,447</b>	<b>2,473,955</b>	<b>495,437</b>	<b>485,489</b>	<b>485,484</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Subsidies	5,207	5,207	5,207	5,207	5,207
Other payables	1,316	1,316	1,316	1,316	1,316
<b>Total payables</b>	<b>6,523</b>	<b>6,523</b>	<b>6,523</b>	<b>6,523</b>	<b>6,523</b>
<b>Total liabilities administered on behalf of Government</b>	<b>6,523</b>	<b>6,523</b>	<b>6,523</b>	<b>6,523</b>	<b>6,523</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.9: Schedule of budgeted administered cash flows  
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sales of goods and rendering of services	43,526	51,112	52,112	51,605	51,799
Taxes	348,806	658,932	693,460	684,734	678,235
Net GST received	5,865	-	-	-	-
Other	4,130	4,130	4,130	4,130	4,130
<b>Total cash received</b>	<b>402,327</b>	<b>714,174</b>	<b>749,702</b>	<b>740,469</b>	<b>734,164</b>
<b>Cash used</b>					
Subsidies paid	58,717	-	-	-	-
Suppliers	605	350	350	350	350
Net GST paid	5,865	-	-	-	-
<b>Total cash used</b>	<b>65,187</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
<b>Net cash from (used by) operating activities</b>	<b>337,140</b>	<b>713,824</b>	<b>749,352</b>	<b>740,119</b>	<b>733,814</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of property, plant and equipment	1,484,154	61,830	1,967,153	2,500	2,500
<b>Total cash received</b>	<b>1,484,154</b>	<b>61,830</b>	<b>1,967,153</b>	<b>2,500</b>	<b>2,500</b>
<b>Net cash from (used by) investing activities</b>	<b>1,484,154</b>	<b>61,830</b>	<b>1,967,153</b>	<b>2,500</b>	<b>2,500</b>
<b>Net increase (decrease) in cash held</b>	<b>1,821,294</b>	<b>775,654</b>	<b>2,716,505</b>	<b>742,619</b>	<b>736,314</b>
Cash and cash equivalents at beginning of reporting period	377	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	300	300	300	300	300
- Special Accounts	58,692	50	50	50	50
	<b>58,992</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
Cash to Official Public Account for:					
- Appropriations	(1,880,663)	(776,004)	(2,716,855)	(742,969)	(736,664)
	<b>(1,880,663)</b>	<b>(776,004)</b>	<b>(2,716,855)</b>	<b>(742,969)</b>	<b>(736,664)</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

### **3.2.4 Notes to the financial statements**

#### **Budgeted Financial Statements**

The ACMA's financial statements have been prepared in accordance with the Australian Equivalents to the International Financial Reporting Standards (AEIFRS).

#### **Administered Financial Statements**

##### **Taxation Revenue**

Represents revenue collected from Broadcasting Licence Fees, Radiocommunications Taxes, TUSMA levies and the Annual Numbering Charge.

##### **Non-taxation Revenue**

Represents revenue collected from activities including the Telecommunication Licence Charges, non-taxation radiocommunications charges and the Do Not Call Register access fees.

##### **Sale of Assets Revenue**

Represents revenue from telephone numbering auctions, the renewal of the 15 year spectrum licence and the sale of the digital dividend spectrum auction relating to 700MHz and 2.5GHz bands.