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REPORT

2015/16



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Australian Government
Department of Communications and the Arts

Dr Heather Smith PSM

Secretary

Senator the Hon Mitch Fifield
Minister for Communications
Minister for the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

I present the Annual Report of the Department of Communications and the Arts (the Department) for the year ended 30 June 2016 for your presentation to the Parliament in accordance with subsection 63(1) of the *Public Service Act 1999*.

This Report has been prepared in accordance with the provisions of section 46 of the *Public Governance, Performance and Accountability Act 2013*.

In accordance with the Commonwealth Fraud Control Framework, I certify that fraud risk assessments and fraud control plans have been prepared for the Department; appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place for the Department; and all reasonable measures have been taken to deal appropriately with fraud relating to the Department.

Yours sincerely

A handwritten signature in blue ink that reads "Heather Smith".

Heather Smith
22 September 2016

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A CHANGED DEPARTMENT

In September 2015, we welcomed the Arts Division and classification and copyright functions into the Department. We became the Department of Communications and the Arts.

We established a dedicated branch to focus on regional communications to better support delivery of communications programs and services to regional Australia.

NATIONAL BROADBAND NETWORK

At the end of 2015–16, **NBN connections were available for 25 per cent of Australian homes and businesses**, up from 10 per cent a year earlier.

The first of two **Sky Muster satellites** was launched during 2015–16 extending access to high-speed broadband for Australians living and working in regional and remote areas.

The rollout of the **NBN** in regional Australia is progressing well, with **22 per cent of the fixed line rollout complete for existing regional premises** compared to 16 per cent in metropolitan areas.



56 new or improved base stations operational / 499 to be delivered under round 1

MOBILE BLACK SPOT PROGRAM

The Government has committed a total of **\$220 million** over three funding rounds towards the Mobile Black Spot Program.

There were **56 new or improved base stations operational at the end of June 2016**, with a total of 499 to be delivered over a three-year period under round 1 of the program.



PROTECTING

AUSTRALIA'S MOVABLE

CULTURAL HERITAGE

We supported the independent review of the *Protection of Movable Cultural Heritage Act 1986* that protects Australia's cultural heritage. The Government has accepted the principles of the review.

CATALYST

The new Catalyst—Australian Arts and Culture Fund was launched in November 2015 to **provide funding for innovative projects and initiatives from arts and cultural organisations.** In 2015–16, **125 projects were approved for Catalyst funding**, delivering funding of over \$23 million over four years. Small-to-medium arts organisations received more than 69 per cent of Catalyst funding.

Of all arts and culture activities funded through Catalyst, 38 per cent will take place in major cities, 29 per cent in regional locations, nine per cent in remote or very remote locations and 24 per cent in international locations.



38%

Major cities



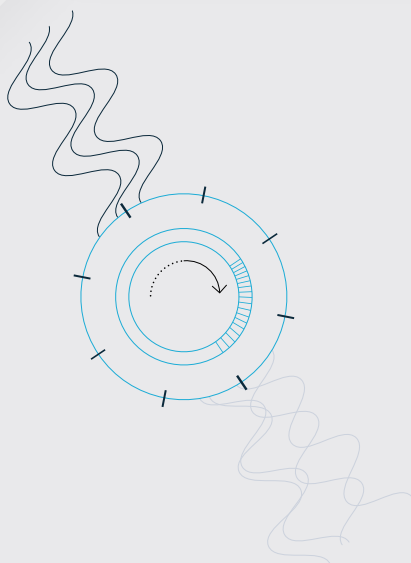
38%

Regional & Remote



24%

International



SPECTRUM

Spectrum is a critical enabler of Australia's current and future communications infrastructure. As demand for spectrum grows, Australia's regulatory framework must be responsive to emerging technologies and services and ensure that competing spectrum priorities are effectively managed.

In 2015–16 we commenced reform of Australia's spectrum management framework to **reduce the regulatory burden on spectrum users and to ensure Australia is able to meet future demands on spectrum.**

MEDIA

REFORM

We worked with the Government to introduce legislation to amend the control and ownership rules under the *Broadcasting Services Act 1992* to update our media laws in light of market and technological change in the broadcasting sector.

This reform package, to be re-introduced to Parliament, is designed to enhance the **amount of local TV content in regional Australia** and provide an incentive for **local content to be filmed in the local area**.



THE

MARRAKESH

TREATY

We led Australia's efforts to have the **Marrakesh Treaty** ratified. This international treaty mandates exceptions to copyright law so people with a vision impairment can enjoy more books in Braille, large-print and audio formats.

Our efforts involved working closely with other Australian Government agencies, disability organisations and copyright holders.

NEW WAYS

TO CLASSIFY

COMPUTER GAMES

We ran a pilot of an online tool that allows game developers to submit their online, mobile and downloadable computer games for assessment against classification requirements.

This has resulted in more than **450,000 games being classified**—games which would not otherwise have had ratings information available for Australian consumers.



450,000

GUIDE TO THE REPORT

THIS REPORT OUTLINES THE OPERATIONS AND PERFORMANCE OF THE DEPARTMENT OF COMMUNICATIONS AND THE ARTS FOR THE FINANCIAL YEAR ENDING 30 JUNE 2016. IT HAS BEEN PREPARED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 46 OF THE *PUBLIC GOVERNANCE PERFORMANCE AND ACCOUNTABILITY ACT 2013* (PGPA ACT).

Note that figures in tables and in the text of this report may be rounded. Figures in the text are generally rounded to one decimal place, while those in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

SECTION 1—OVERVIEW

Includes a review of the year by the Secretary, and an outline of the Department, our purpose, the outcomes, and programs we administered, as well as an overview of the portfolio structure.

SECTION 2—ANNUAL PERFORMANCE STATEMENT

Reports on our performance during the year as required under paragraph 39(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 16F of the *Public Governance, Performance and Accountability Rule* (PGPA Rule). We demonstrate how the Department has performed during the year in relation to our purpose and programs.

SECTION 3—MANAGEMENT AND ACCOUNTABILITY

Details our governance arrangements, management practices and outcomes, and workforce management.

SECTION 4—FINANCIAL STATEMENTS

Contains our audited financial statements for 2015–16.

SECTION 5—APPENDICES

Supplementary information on a range of issues, such as a resource statement and expenses for outcome, reporting on legislation and statutory instruments, workforce demographics, and advertising and market research.

SECTION 6—REFERENCE INFORMATION

Provides a list of acronyms, glossary of terms, an alphabetical index and a compliance index.