

**AUSTRALIAN BROADCASTING
CORPORATION**

AUSTRALIAN BROADCASTING CORPORATION

Section 1: Agency overview

The Australian Broadcasting Corporation (ABC) is one of the country's most important cultural institutions. As the major national public 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. It also plays an important role in digital broadcasting and the introduction of new media services. Accountable to Parliament and the Australian people, the ABC can provide equity of access to traditional media and new media to all Australians.

The ABC's place in the Australian broadcasting system is distinctive because of its Charter - section 6 of the *Australian Broadcasting Corporation Act 1983 (ABC Act)*. This Charter and other provisions under the *ABC Act*, give the ABC particular responsibilities, such as providing an independent news service. Specific functions of the ABC are set out in s6 (1) of the *ABC Act*. They are:

- to provide within Australia innovative and comprehensive broadcasting services of a high standard as part of the Australian broadcasting system consisting of national, commercial and community sectors and, without limiting the generality of the foregoing, to provide:
 - broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community; and
 - broadcasting programs of an educational nature;
- to transmit to countries outside Australia broadcasting programs of news, current affairs, entertainment and cultural enrichment that will:
 - encourage awareness of Australia and an international understanding of Australian attitudes on world affairs;
 - enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs; and
 - to encourage and promote the musical, dramatic and other performing arts in Australia.

The ABC Act guarantees the editorial and administrative independence of the Corporation from the Government. The ABC Board is charged with the duty 'to maintain the independence and integrity of the Corporation'.

The ABC's Portfolio Budget Statements do not include coverage of Symphony Australia or the state symphony orchestras. These organisations ceased to be subsidiaries of the ABC during 2006-07. When they were subsidiaries of the ABC, funds for these organisations were provided separately from ABC appropriations, through a direct grant agreement.

The ABC Board will fully assess the Government's funding decisions and the impact they will have on the Corporation's activities and confirm specific outcomes/output allocations. The ABC Board will set priorities, targets and appropriate performance measures to reflect funding levels for 2007-08 and forward years, in the development of the ABC's Corporate Plan.

1.1: SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the ABC (outputs, products and services) which contribute to the achievement of outcomes for the ABC are summarised in Table 1.1.

Table 1.1: Agency outcomes and output groups

| Outcome | Output |
|--|---|
| <p>Outcome 1 Audiences throughout Australia - and overseas - are informed, educated and entertained</p> | <p>Output 1.1 Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally</p> <p>Output 1.2 Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally</p> <p>Output 1.3 Engage audiences through new media services including the Internet and emerging broadband platforms</p> |
| <p>Outcome 2 Australian and international communities have access to at least the scale and quality of satellite and analog terrestrial radio and television transmission services that exist at 30 June 2003</p> | <p>Output 2.1 Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements</p> |
| <p>Outcome 3 The Australian community has access to ABC digital television services in accordance with approved digital implementation plans</p> | <p>Output 3.1 Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services</p> |

Section 2: Agency resources for 2007-08

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how revenue will be applied by outcome and departmental classification. The total appropriation for the ABC in the 2007-08 Budget is \$844.574 million, including an equity injection of \$12.750 million.

Table 2.1: Appropriations and other resources 2007-08 ('000)

| | Departmental | | | | Total \$'000 |
|--|---------------------------------------|---------------------------------------|------------------------------------|--------------------------|------------------|
| | Appropriation Bill No. 1 \$'000 | Appropriation Bill No. 2 \$'000 | Special Appropriation \$'000 | Revenue (a) \$'000 | |
| Outcome 1 | | | | | |
| Audiences throughout Australia - and overseas - are informed, educated and entertained | 666,586 | - | - | 178,968 | 845,554 |
| Outcome 2 | | | | | |
| Australian and international communities have access to at least the scale and quality of satellite and analog terrestrial radio and television transmission services that exist at 30 June 2003 | 87,317 | - | - | - | 87,317 |
| Outcome 3 | | | | | |
| The Australian community has access to ABC digital television services in accordance with approved digital implementation plans | 77,921 | - | - | - | 77,921 |
| Equity injections | - | 12,750 | - | - | 12,750 |
| Loans | - | - | - | - | - |
| Previous years' outputs | - | - | - | - | - |
| Administered assets and liabilities | - | - | - | - | - |
| Special capital appropriation | - | - | - | - | - |
| TOTAL | 831,824 | 12,750 | - | 178,968 | 1,023,542 |

(a) Departmental revenues that are available to be used.

Notes:

1. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
2. Refer to Budgeted Income Statement for application of agency revenue.

2.2: 2007-08 BUDGET MEASURES

Budget measures relating to the ABC as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: ABC measures

| Measure | Outcome | Output affected | Appropriations Budget 2007-08 (\$'000) | | | Appropriations Forward Estimate 2008-09 (\$'000) | | | Appropriations Forward Estimate 2009-10 (\$'000) | | | Appropriations Forward Estimate 2010-11 (\$'000) | | |
|---|---------|-----------------|--|--------------|-------|--|--------------|-------|--|--------------|-------|--|--------------|-------|
| | | | Admin expenses | Dept outputs | Total | Admin expenses | Dept outputs | Total | Admin expenses | Dept outputs | Total | Admin expenses | Dept outputs | Total |
| | | | | | | | | | | | | | | |
| Expense Measures | | | | | | | | | | | | | | |
| Australian Broadcasting Corporation - Regional and Local Programming initiative - continuation of funding | 1 | 1.1, 1.2, 1.3 | - | - | - | - | - | - | - | - | - | - | - | - |
| Digital radio - national and community broadcasters ¹ | nfp | nfp | - | nfp | nfp | - | nfp | nfp | - | nfp | nfp | - | nfp | nfp |
| Total Expense Measures | | | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Measures | | | | | | | | | | | | | | |
| Digital radio - national and community broadcasters ¹ | nfp | nfp | - | nfp | nfp | - | nfp | nfp | - | nfp | nfp | - | nfp | nfp |
| Total Capital Measures | | | - | - | - | - | - | - | - | - | - | - | - | - |
| Notes: | | | | | | | | | | | | | | |
| ¹ This funding has been included in the Contingency Reserve | | | | | | | | | | | | | | |

2.3: OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources obtained by the ABC for provision of goods or services. These resources are approved for use by the ABC and are included in Table 2.1.

Table 2.3: Other resources to be used

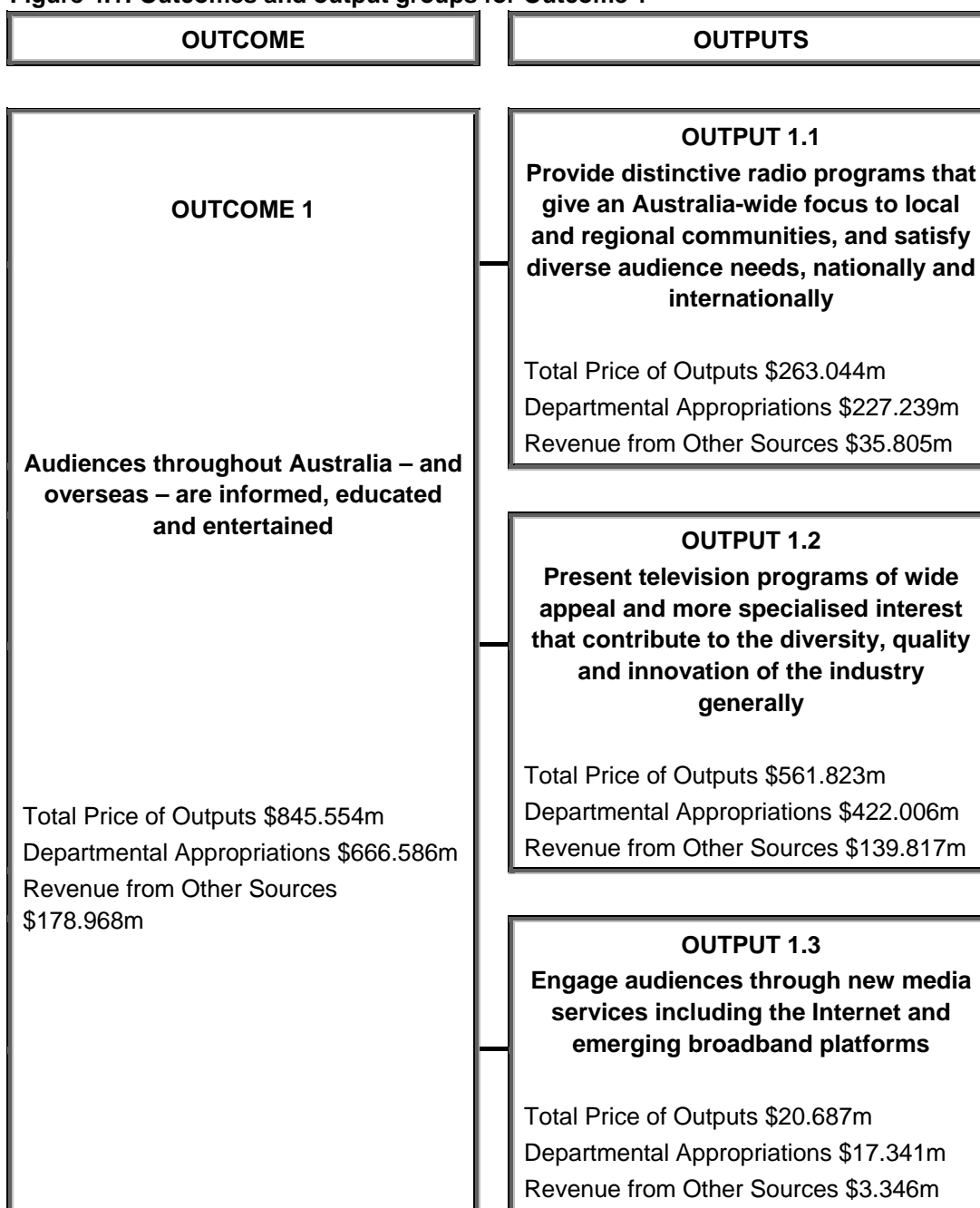
| | Estimated resources 2006-07 \$'000 | Budget estimate 2007-08 \$'000 |
|--|---|---|
| Departmental resources | | |
| Sales of Goods & Services | 154,000 | 154,225 |
| Interest and Dividends | 10,500 | 6,006 |
| Other | 17,979 | 18,737 |
| Total departmental other resources available to be used | 182,479 | 178,968 |

Section 3: Agency outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programs on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the three outcomes for the Australian Broadcasting Corporation.

SUMMARY OF OUTCOME 1

Figure 4.1: Outcomes and output groups for Outcome 1



Note: Revenue from Government (Appropriations) contributes 78.8% to the Total Price of Outputs for Outcome 1.

OUTCOME 1 – DESCRIPTION

Audiences throughout Australia - and overseas - are informed, educated and entertained

The ABC seeks to achieve this outcome by:

- balancing effort between competition for audiences – the relevance and appeal of ABC services – and the distinctiveness of programming and content as a national public broadcaster; and
- internal processes of management designed to enhance overall capability and the training and development of ABC staff; and
- providing value for money demonstrated through efficient and effective use of available funding.

Three outputs support Outcome 1 as shown in Figure 4.1 on the previous page. These outputs contribute to and support the Corporation's aims listed above.

OUTCOME 1 - RESOURCING

Outcome 1 resourcing

Table 3.1.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

Table 3.1.1: Total resources for Outcome 1 (\$'000)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 |
|--|--|---|
| Departmental appropriations | | |
| Output 1.1 - Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally | 222,207 | 227,239 |
| Output 1.2 - Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally | 412,661 | 422,006 |
| Output 1.3 - Engage audiences through new media services including the Internet and emerging broadband platforms | 16,957 | 17,341 |
| Total revenue from government (appropriations) | 651,825 | 666,586 |
| Contributing to price of departmental outputs | 78.13% | 78.83% |
| Other resources available to be used | | |
| Output 1.1 - Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally | 36,508 | 35,805 |
| Output 1.2 - Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally | 142,559 | 139,817 |
| Output 1.3 - Engage audiences through new media services including the Internet and emerging broadband platforms | 3,412 | 3,346 |
| Total other resources available to be used | 182,479 | 178,968 |
| Total price from departmental outputs (Total revenue from government and from other sources) | 834,304 | 845,554 |
| Total estimated resourcing for Outcome 1 (Total price of outputs and administered expenses) | 834,304 | 845,554 |
| | 2006-07 | 2007-08 |
| Average staffing level (number) | 4,300 | 4,300 |

Notes:

1 Estimated staffing numbers may vary depending on staffing levels associated with various projects and production activity.

Contributions to achievement of Outcome 1

To achieve Outcome 1, the ABC will deliver the following three outputs:

Output 1.1 - Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally

Output 1.2 - Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally

Output 1.3 - Engage audiences through new media services including the Internet and emerging broadband platforms

These three outputs are supported by four strategic objectives:

- Relevance and Appeal – build and retain audience share and reach through multi-platform programming and content that is appreciated by a broad range of communities of interest and need.
- Distinctiveness – enable audiences to be informed, educated and engaged with the challenges of contemporary life and with one another, through distinctive information, cultural and children’s programming and content.
- Organisational Capability – ensure effective alignment of the Charter, strategic aims and activities of the Corporation as an independent national broadcaster through its governance, management and commitment to a skilled and flexible workforce.
- Value for Money – achieve access to adequate funding, supported by continued improvement in the measurable efficiency and effectiveness of resource utilisation.

PERFORMANCE INFORMATION AND INDICATORS

Performance information for Outcome 1

Table 3.2.1: Performance information for Outcome 1

| Measures / Indicators / Target | Performance information 2007-08 Budget |
|--|--|
| Effectiveness - Overall achievement of the Outcome | |
| Audience usage of ABC Radio, Television and New Media services Results of audience surveys | |
| Performance Information for Departmental Output 1.1 | |
| Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally | Quality Level and mix of Australian content Genre diversity Community and peer recognition and feedback Number of artists first broadcast Quantity Number of broadcast hours Number of radio stations Level of radio content available through the Internet Level of radio content available through audio on demand via the Internet Price \$263.044m |
| Performance Information for Departmental Output 1.2 | |
| Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally | Quality Level and mix of Australian content Genre diversity Community and peer recognition and feedback Quantity Number of broadcast hours Ratio of first run to repeat program hours Price \$561.823m |
| Performance Information for Departmental Output 1.3 | |
| Engage audiences through new media services including the Internet and emerging broadband platforms | Quality Genre diversity Industry ranking of ABC Online Community and peer recognition and feedback Quantity Number of mailing list subscribers to ABC Online Number of pages on ABC Online Number of gateways on ABC Online Use of content on emerging platforms such as broadband and WAP (Wireless Application Protocol) Price \$20.687m |

EVALUATIONS FOR OUTCOME 1

Evaluations planned in 2007-08 include surveys to assess the level of audience usage and appreciation of the ABC.

SUMMARY OF OUTCOME 2

Figure 4.2: Outcomes and output groups for Outcome 2

| OUTCOME | OUTPUTS |
|--|---|
| <p style="text-align: center;">OUTCOME 2</p> <p style="text-align: center;">Australian and international communities have access to at least the scale and quality of satellite and analog terrestrial radio and television transmission services that exist at 30 June 2003</p> <p>Total Price of Outputs \$87.317m Departmental Appropriations \$87.317m Revenue from Other Sources \$0.000m</p> | <p style="text-align: center;">OUTPUT 2.1</p> <p style="text-align: center;">Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements</p> <p>Total Price of Outputs \$87.317m Departmental Appropriations \$87.317m Revenue from Other Sources \$0.000m</p> |

Note: Revenue from Government (Appropriations) contributes 100.0% to the Total Price of Outputs for Outcome 2.

OUTCOME 2 – DESCRIPTION

Australian and international communities have access to at least the scale and quality of satellite and analog terrestrial radio and television transmission services that exist at 30 June 2003

Through funds provided under its Outcome 1 appropriation the ABC delivers its radio and television programming streams to the interface at analog terrestrial transmission sites around Australia and in some cases via satellite.

Through a Domestic Analog Transmission Services Contract, and a Radio Australia Transmission Services Contract, the ABC oversees the transmission of its services to audiences in Australia and overseas.

OUTCOME 2 - RESOURCING

Outcome 2 resourcing

Table 3.1.2 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 2, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

Table 3.1.2: Total resources for Outcome 2 (\$'000)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 |
|--|--|---|
| Departmental appropriations | | |
| Output 2.1 - Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements | 83,126 | 87,317 |
| Total revenue from government (appropriations) | 83,126 | 87,317 |
| Contributing to price of departmental outputs | 100.00% | 100.00% |
| Other resources available to be used | | |
| Output 2.1 - Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements | - | - |
| Total other resources available to be used | - | - |
| Total price from departmental outputs (Total revenue from government and from other sources) | 83,126 | 87,317 |
| Total estimated resourcing for Outcome 2 (Total price of outputs and administered expenses) | 83,126 | 87,317 |
| | 2006-07 | 2007-08 |
| Average staffing level (number) | - | - |

Contributions to achievement of Outcome 2

To achieve Outcome 2 the ABC will deliver the following output:

Output 2.1 - Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements

PERFORMANCE INFORMATION AND INDICATORS

Performance information for Outcome 2

Table 3.2.2: Performance information for Outcome 2

| Measures / Indicators / Target | Performance information 2007-08 Budget |
|--|---|
| Effectiveness - Overall achievement of the Outcome | |
| The number of ABC analog terrestrial transmission services Results of audience surveys | |
| Performance Information for Departmental Output 2.1 | |
| Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements | <p>Quality Improvements in the level of reporting in relation to the ABC's analog terrestrial transmission services compared with the reporting available immediately prior to the privatisation of the National Transmission Network (NTN).</p> <p>Quantity Comparison of the number of individual analog terrestrial transmission services provided by the ABC with the number of such services provided immediately prior to the privatisation of the NTN. Comparison of the level of outages experienced by the ABC's analog terrestrial transmission services with outages relating to the same services immediately prior to the sale of the NTN.</p> <p>Price \$87.317m</p> |

EVALUATIONS FOR OUTCOME 2

There are no evaluations planned for Outcome 2 in 2007-08.

SUMMARY OF OUTCOME 3

Figure 4.3: Outcomes and output groups for Outcome 3

| OUTCOME | OUTPUTS |
|---|---|
| <p style="text-align: center;">OUTCOME 3</p> <p style="text-align: center;">The Australian community has access to ABC digital television services in accordance with approved digital implementation plans</p> <p>Total Price of Outputs \$77.921m Departmental Appropriations \$77.921m Revenue from Other Sources \$0.000m</p> | <p style="text-align: center;">OUTPUT 3.1</p> <p style="text-align: center;">Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services</p> <p>Total Price of Outputs \$77.921m Departmental Appropriations \$77.921m Revenue from Other Sources \$0.000m</p> |

Note: Revenue from Government (Appropriations) contributes 100.0% to the Total Price of Outputs for Outcome 3.

OUTCOME 3 – DESCRIPTION

The Australian community has access to ABC digital television services in accordance with approved digital implementation plans

The ABC, through funds provided under its Outcome 1 and Outcome 2 appropriations, delivers its radio and television programming streams which are broadcast from analog terrestrial transmission sites around Australia.

Outcome 3 provides for the televising of programs in a digital format. Funding under this Outcome provides the capacity to distribute and transmit the digital signal, which comprises the simulcast of the existing analog signal, as well as additional services. These include high definition transmissions, DIG digital radio and ABC2, the Corporation's digital television multichannel.

OUTCOME 3 - RESOURCING

Outcome 3 resourcing

Table 3.1.3 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 3, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

Table 3.1.3: Total resources for Outcome 3 (\$'000)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 |
|--|--|---|
| Departmental appropriations | | |
| Output 3.1 - Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services | 74,581 | 77,921 |
| Total revenue from government (appropriations) | 74,581 | 77,921 |
| Contributing to price of departmental outputs | 100.00% | 100.00% |
| Other resources available to be used | | |
| Output 3.1 - Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services | | - |
| Total other resources available to be used | - | - |
| Total price from departmental outputs (Total revenue from government and from other sources) | 74,581 | 77,921 |
| Total estimated resourcing for Outcome 3 (Total price of outputs and administered expenses) | 74,581 | 77,921 |
| | 2006-07 | 2007-08 |
| Average staffing level (number) | - | - |

Contributions to achievement of Outcome 3

To achieve Outcome 3 the ABC will:

Output 3.1 - Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services

PERFORMANCE INFORMATION AND INDICATORS

Performance information for Outcome 3

Table 3.2.3: Performance information for Outcome 3

| Measures / Indicators / Target | Performance information 2007-08 budget |
|--|---|
| Effectiveness - Overall achievement of the Outcome | |
| The degree to which the Australian population has access to ABC digital television transmissions | |
| Performance Information for Departmental Output 3.1 | |
| Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services | <p>Quality That each terrestrial facility operates within the limits set by the relevant Transmitter Licence and the approved Implementation Plans.</p> <p>Quantity The number of digital terrestrial television facilities in operation against the approved Implementation Plans.</p> <p>Price \$77.921m</p> |

EVALUATIONS FOR OUTCOME 3

There are no evaluations planned for Outcome 3 in 2007-08.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

It is not anticipated that the ABC will participate in any purchaser/provider arrangements in 2007-08.

4.2: COST RECOVERY ARRANGEMENTS

It is not anticipated that the ABC will participate in any cost recovery arrangements in 2007-08.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental Income Statement

The ABC is budgeting for an operating surplus of \$14.846m in 2007-08. This represents a component of the Corporation's ongoing funding base that is received as part of revenues from Government, which is applied to debt financing.

Revenues from Government are budgeted to increase by \$22.292m for 2007-08. This is comprised principally of indexation and additional funding for additional revenues for the rollout of NewsRadio and digital transmission services.

Non-government revenues are principally comprised of revenues from ABC Commercial activities, as well as other minor amounts from co-production arrangements, facilities hire, services provided, commissions etc. These revenues are largely offset by related costs of sales or represent recoveries of costs incurred.

Total expenses are budgeted to increase by \$25.281m for 2007-08. This is comprised principally of increased Employees' expenses from negotiated salaries and wages outcomes and increased costs relating to the rollout of NewsRadio and digital transmission services. Finance cost expenses decline in 2007-08 and forward years, reflecting gradual reduction in loans from Government.

Departmental Balance Sheet

The ABC's budgeted net asset position for 2007-08 of \$798.846m represents an increase of \$21.096m from the estimated actual for 2006-07. This increase comprises the budgeted operating surplus of \$14.846m for 2007-08, being the annual base funding component applied to debt financing, and an equity injection of \$12.750m for 2007-08, less a return of capital in respect of 2006-07 transmission funds in excess of requirements.

Loans currently held by the ABC have all been sourced from the Budget. This debt relates to major property projects.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

For an explanation of the Budgeted Financial Statements tables, please see the User Guide.

Table 5.1: Budgeted departmental income statement for the period ended 30 June

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| INCOME | | | | | |
| Revenues | | | | | |
| Revenues from Government | 809,532 | 831,824 | 853,344 | 869,852 | 886,800 |
| Goods and services | 154,000 | 154,225 | 154,456 | 154,692 | 154,934 |
| Fees and fines | - | - | - | - | - |
| Interest | 10,500 | 6,006 | 5,944 | 6,000 | 6,000 |
| Dividends | - | - | - | - | - |
| Rents | - | - | - | - | - |
| Royalties | - | - | - | - | - |
| Other | 17,979 | 18,737 | 18,831 | 19,289 | 19,354 |
| Total Revenue | 992,011 | 1,010,792 | 1,032,575 | 1,049,833 | 1,067,088 |
| Gains | | | | | |
| Net foreign exchange gains | - | - | - | - | - |
| Reversals of previous asset write-downs | - | - | - | - | - |
| Revenue from sales of assets | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total Gains | - | - | - | - | - |
| Total Income | 992,011 | 1,010,792 | 1,032,575 | 1,049,833 | 1,067,088 |
| EXPENSE | | | | | |
| Employees | 344,033 | 354,352 | 364,984 | 375,932 | 387,212 |
| Suppliers | 535,689 | 550,352 | 561,366 | 568,245 | 575,553 |
| Grants | - | - | - | - | - |
| Subsidies | - | - | - | - | - |
| Depreciation and amortisation | 84,069 | 85,569 | 87,069 | 87,819 | 87,819 |
| Finance costs | 6,874 | 5,673 | 4,310 | 2,991 | 1,658 |
| Write-down of assets and impairment of assets | - | - | - | - | - |
| Net losses from sale of assets | - | - | - | - | - |
| Net foreign exchange losses | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total expenses | 970,665 | 995,946 | 1,017,729 | 1,034,987 | 1,052,242 |
| Share of operating results of associates and joint ventures accounted for using the equity method | - | - | - | - | - |
| Surplus (Deficit) before Income Tax | 21,346 | 14,846 | 14,846 | 14,846 | 14,846 |
| Income Tax expense | - | - | - | - | - |
| Surplus (Deficit) | 21,346 | 14,846 | 14,846 | 14,846 | 14,846 |
| Monitory interest in net surplus (or deficit) | - | - | - | - | - |
| Net surplus (or deficit) attributable to the Australian Government | 21,346 | 14,846 | 14,846 | 14,846 | 14,846 |

Table 5.2: Budgeted departmental balance sheet as at 30 June

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash and equivalents | 5,495 | 5,495 | 5,495 | 5,495 | 5,495 |
| Trade and other receivables | 120,088 | 97,434 | 88,780 | 78,126 | 66,972 |
| Investments accounted for under the equity method | - | - | - | - | - |
| Investments | - | - | - | - | - |
| Other investments | - | - | - | - | - |
| Tax assets | - | - | - | - | - |
| Accrued revenues | 14,533 | 14,533 | 14,533 | 14,533 | 14,533 |
| Other | - | - | - | - | - |
| Total financial assets | 140,116 | 117,462 | 108,808 | 98,154 | 87,000 |
| Non-financial assets | | | | | |
| Land and buildings | 515,157 | 492,157 | 480,157 | 468,157 | 468,157 |
| Infrastructure, plant and equipment | 250,561 | 295,839 | 319,617 | 332,145 | 332,145 |
| Investment properties | - | - | - | - | - |
| Heritage and cultural assets | - | - | - | - | - |
| Inventories | 97,628 | 97,628 | 97,628 | 97,628 | 97,628 |
| Intangibles | 10,353 | 9,825 | 9,297 | 8,769 | 8,769 |
| Deferred tax asset | - | - | - | - | - |
| Biological assets | - | - | - | - | - |
| Other | 46,020 | 46,020 | 46,020 | 46,020 | 46,020 |
| Total non-financial assets | 919,719 | 941,469 | 952,719 | 952,719 | 952,719 |
| Assets held for sale | - | - | - | - | - |
| Total assets | 1,059,835 | 1,058,931 | 1,061,527 | 1,050,873 | 1,039,719 |
| LIABILITIES | | | | | |
| Interest bearing liabilities | | | | | |
| Loans | 102,000 | 80,000 | 56,500 | 31,000 | 5,000 |
| Leases | - | - | - | - | - |
| Deposits | - | - | - | - | - |
| Overdraft | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total interest bearing liabilities | 102,000 | 80,000 | 56,500 | 31,000 | 5,000 |
| Provisions | | | | | |
| Employees | 120,151 | 123,821 | 127,602 | 131,495 | 131,495 |
| Other | 59,934 | 56,264 | 52,483 | 48,590 | 48,590 |
| Total provisions | 180,085 | 180,085 | 180,085 | 180,085 | 180,085 |
| Payables | | | | | |
| Suppliers | - | - | - | - | - |
| Grants | - | - | - | - | - |
| Dividends | - | - | - | - | - |
| Finance costs | - | - | - | - | - |
| Tax liabilities | - | - | - | - | - |
| Deferred tax liabilities | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total payables | - | - | - | - | - |
| Liabilities included in disposal groups held for sale | - | - | - | - | - |
| Total liabilities | 282,085 | 260,085 | 236,585 | 211,085 | 185,085 |
| Net Assets | 777,750 | 798,846 | 824,942 | 839,788 | 854,634 |

Table 5.2: Budgeted departmental balance sheet as at 30 June (continued)

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward Estimate 2010-11 \$'000 |
|---|--|---|--|--|--|
| EQUITY* | | | | | |
| Parent entity interest | | | | | |
| Contributed equity | 134,545 | 140,795 | 152,045 | 152,045 | 152,045 |
| Reserves | 366,746 | 366,746 | 366,746 | 366,746 | 366,746 |
| Retained surpluses or accumulated deficits | 276,459 | 291,305 | 306,151 | 320,997 | 335,843 |
| Total parent entity interest | 777,750 | 798,846 | 824,942 | 839,788 | 854,634 |
| Minority interest | | | | | |
| Contributed equity | - | - | - | - | - |
| Reserves | - | - | - | - | - |
| Retained surpluses or accumulated deficits | - | - | - | - | - |
| Total minority interest | - | - | - | - | - |
| Total equity | 777,750 | 798,846 | 824,942 | 839,788 | 854,634 |
| Current assets | 283,764 | 261,110 | 252,456 | 241,802 | 230,648 |
| Non-current assets | 776,071 | 797,821 | 809,071 | 809,071 | 809,071 |
| Current liabilities | 180,085 | 180,085 | 180,085 | 180,085 | 180,085 |
| Non-current liabilities | 102,000 | 80,000 | 56,500 | 31,000 | 5,000 |

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Goods and services | 154,000 | 154,225 | 154,456 | 154,692 | 154,934 |
| Appropriations | 809,532 | 831,824 | 853,344 | 869,852 | 886,800 |
| Interest | 10,500 | 6,006 | 5,944 | 6,000 | 6,000 |
| Dividends | - | - | - | - | - |
| Net GST received | 50,515 | 50,515 | 50,515 | 50,515 | 50,515 |
| Other | 17,979 | 18,737 | 18,831 | 19,289 | 19,354 |
| Total cash received | 1,042,526 | 1,061,307 | 1,083,090 | 1,100,348 | 1,117,603 |
| Cash used | | | | | |
| Employees | (398,485) | (410,440) | (422,753) | (435,436) | (448,501) |
| Suppliers | (481,237) | (494,264) | (503,597) | (508,741) | (514,264) |
| Grants | - | - | - | - | - |
| Borrowing costs | (6,874) | (5,673) | (4,310) | (2,991) | (1,658) |
| Net GST paid | (50,515) | (50,515) | (50,515) | (50,515) | (50,515) |
| Other | - | - | - | - | - |
| Total cash used | (937,111) | (960,892) | (981,175) | (997,683) | (1,014,938) |
| Net cash from or (used by) operating activities | 105,415 | 100,415 | 101,915 | 102,665 | 102,665 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | - | 11,000 | - | - | - |
| Proceeds from sales of financial instruments | - | - | - | - | - |
| Repayments of loans made | - | - | - | - | - |
| Investments | - | - | - | - | - |
| Other | (1,346) | 22,654 | 8,654 | 10,654 | 11,154 |
| Total cash received | (1,346) | 33,654 | 8,654 | 10,654 | 11,154 |
| Cash used | | | | | |
| Purchase of property, plant and equipment | (98,319) | (118,319) | (98,319) | (87,819) | (87,819) |
| Purchase of financial instruments | - | - | - | - | - |
| Loans made | - | - | - | - | - |
| Investments | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total cash used | (98,319) | (118,319) | (98,319) | (87,819) | (87,819) |
| Net cash from or (used by) investing activities | (99,665) | (84,665) | (89,665) | (77,165) | (76,665) |

**Table 5.3: Budgeted departmental statement of cash flows
for the period ended 30 June (continued)**

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|--|--|---|--|--|--|
| FINANCING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations - contributed equity | 14,250 | 12,750 | 11,250 | - | - |
| Proceeds from issuing financial instruments | - | - | - | - | - |
| Proceeds from loans | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total cash received | 14,250 | 12,750 | 11,250 | - | - |
| Cash used | | | | | |
| Repayments of debt | (20,000) | (22,000) | (23,500) | (25,500) | (26,000) |
| Dividends paid | - | - | - | - | - |
| Other | - | (6,500) | - | - | - |
| Total cash used | (20,000) | (28,500) | (23,500) | (25,500) | (26,000) |
| Net cash from/(used by) financing activities | (5,750) | (15,750) | (12,250) | (25,500) | (26,000) |
| Net increase or (decrease) in cash held | - | - | - | - | - |
| Cash at the beginning of the reporting period | 5,495 | 5,495 | 5,495 | 5,495 | 5,495 |
| Effect of exchange rate movements on cash at the beginning of reporting period | - | - | - | - | - |
| Cash at the end of the reporting period | 5,495 | 5,495 | 5,495 | 5,495 | 5,495 |

**Table 5.4: Departmental statement of changes in equity – summary of movement
(Budget 2007-08)**

| | Retained earnings \$'000 | Asset revaluation reserve \$'000 | Other reserves \$'000 | Contributed equity/ capital \$'000 | Total equity \$'000 |
|--|--------------------------------|---|-----------------------------|---|---------------------------|
| Opening balances as at 1 July 2007 | | | | | |
| Balance carried forward from previous period | 276,459 | 366,708 | 38 | 134,545 | 777,750 |
| Adjustment for changes in accounting policies | - | - | - | - | - |
| Adjusted opening balances | 276,459 | 366,708 | 38 | 134,545 | 777,750 |
| Income and expenses | | | | | |
| Income and expenses recognised directly in equity: | - | - | - | - | - |
| Gain/loss on revaluation of property | - | - | - | - | - |
| Sub-total income and expenses | - | - | - | - | - |
| Surplus (Deficit) for the period | 14,846 | - | - | - | 14,846 |
| Total income and expenses recognised directly in equity | 14,846 | - | - | - | 14,846 |
| Transactions with owners | | | | | |
| Distribution to owners | | | | | |
| Returns on capital | | | | | |
| Dividends | - | - | - | - | - |
| Returns of capital | | | | | |
| Restructuring | - | - | - | - | - |
| Other | - | - | - | - | - |
| Contribution by owners | | | | | |
| Appropriation (equity injection) | - | - | - | 6,250 | 6,250 |
| Other: | | | | | |
| Restructuring | - | - | - | - | - |
| Sub-total transactions with owners | - | - | - | 6,250 | 6,250 |
| Transfers between equity components | - | - | - | - | - |
| Estimated closing balance as at 30 June 2008 | 291,305 | 366,708 | 38 | 140,795 | 798,846 |

Table 5.5: Departmental capital budget statement

| | Estimated actual 2006-07 \$'000 | Budget estimate 2007-08 \$'000 | Forward estimate 2008-09 \$'000 | Forward estimate 2009-10 \$'000 | Forward estimate 2010-11 \$'000 |
|---|--|---|--|--|--|
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 14,250 | 12,750 | 11,250 | - | - |
| Total loans | - | - | - | - | - |
| Total capital appropriations | 14,250 | 12,750 | 11,250 | - | - |
| Represented by: | | | | | |
| Purchase of non-financial assets | 14,250 | 12,750 | 11,250 | - | - |
| Other | - | - | - | - | - |
| Total represented by | 14,250 | 12,750 | 11,250 | - | - |
| PURCHASE OF NON-FINANCIAL ASSETS | | | | | |
| Funded by capital appropriation | 14,250 | 12,750 | 11,250 | - | - |
| Funded internally by | 84,069 | 105,569 | 87,069 | 87,819 | 87,819 |
| Departmental resources | | | | | |
| Total | 98,319 | 118,319 | 98,319 | 87,819 | 87,819 |

Table 5.6: Departmental property, plant, equipment and intangibles - summary of movement (Budget year 2007-08)

| | Land | Investment property | Buildings | Specialist military equipment | Other infrastructure plant and equipment | Heritage and cultural assets | Computer software | Other intangibles | Total |
|---|----------------|---------------------|----------------|-------------------------------|--|------------------------------|-------------------|-------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2007 | | | | | | | | | |
| Gross book value | 158,956 | - | 652,532 | - | 595,131 | - | 31,789 | - | 1,438,408 |
| Accumulated depreciation | 122 | - | 296,209 | - | 344,570 | - | 21,436 | - | 662,337 |
| Opening net book value | 158,834 | - | 356,323 | - | 250,561 | - | 10,353 | - | 776,071 |
| Additions: | | | | | | | | | |
| by purchase | - | - | 8,156 | - | 106,913 | - | 3,250 | - | 118,319 |
| by finance lease | - | - | - | - | - | - | - | - | - |
| internally developed | - | - | - | - | - | - | - | - | - |
| from acquisitions of entities or operations (including restructuring) | - | - | - | - | - | - | - | - | - |
| Revaluations and impairment through equity | - | - | - | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - | - | - | - |
| Depreciation/amortisation expense | - | - | 20,156 | - | 61,635 | - | 3,778 | - | 85,569 |
| Impairments recognised in operating result | - | - | - | - | - | - | - | - | - |
| Other movements | - | - | - | - | - | - | - | - | - |
| Disposals: | | | | | | | | | |
| from disposal of entities or operations (including restructuring) | (11,000) | - | - | - | - | - | - | - | (11,000) |
| other disposals | - | - | - | - | - | - | - | - | - |
| As at 30 June 2008 | | | | | | | | | |
| Gross book value | 147,956 | - | 660,688 | - | 702,044 | - | 35,039 | - | 1,545,727 |
| Accumulated depreciation | 122 | - | 316,365 | - | 406,205 | - | 25,214 | - | 747,906 |
| Estimated closing net book value | 147,834 | - | 344,323 | - | 295,839 | - | 9,825 | - | 797,821 |

5.3: Notes to the financial statements

Basis of Accounting

The Australian Broadcasting Corporation's budget statements are prepared in compliance with the Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts and the Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Departmental

Under the Commonwealth's accrual budgeting framework, transactions that agencies control (Departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions they control. The ABC does not have any administered transactions.

Debt

In accordance with the Government's preference on risk management, the ABC now sources debt through the Budget rather than from external financial markets.

As a result of this decision, all debt currently held by the ABC has been sourced from the Budget. This debt relates to major property projects.

GST in Cash Flow Statement

The amounts shown on the Cash Flow Statement under Operating Activities: Cash Received Other and Cash Used Other, include estimated net amounts in respect of cash receipts and payments in relation to the GST.