

Australian Broadcasting Corporation

Agency resources and planned performance

AUSTRALIAN BROADCASTING CORPORATION

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AUSTRALIAN BROADCASTING CORPORATION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

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, informs and educates, fosters creativity and the arts, and encourages cultural diversity.

The ABC's place in the Australian broadcasting system is distinctive because of its Charter (section 6 of the *Australian Broadcasting Corporation Act 1983* ('the ABC Act')). The Charter and other provisions under the ABC Act give the Corporation particular responsibilities, such as providing an independent news service. The 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'.

Specific functions of the Corporation, set out in the ABC Act, 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 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; and
 - enable Australian citizens living or travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs.
- To encourage and promote the musical, dramatic and other performing arts in Australia.

ABC Budget Statements

The ABC provides unique and often critically important points of connection and support for communities throughout Australia. These include formal agreements with federal and state/territory authorities to coordinate the provision of emergency services information when local communities are affected by natural disasters.

Significant developments in Australia's digital media environment, anticipated over the next five years, include the proposed rollout of a national broadband network, take-up of wireless broadband and the cessation of analog television transmission.

The 2010-13 ABC Corporate Plan indicates that the ABC will strive to maintain a leadership position in digital media, capitalising fully on its strength in key content areas. Accordingly the Corporation will continue to innovate and provide national coverage and carriage of its services on all major platforms. It will seek to introduce more channels to strengthen the diversity and availability of Australian content, and to support and promote creativity and new talent. It remains committed to providing the best possible news and information with expanded and improved coverage, to developing further its presence and multi-platform capacity in regional Australia, and to acting as a virtual 'town square' in providing information that supports reasoned community debate around topics of importance. The ABC is also extending the reach and quality of international services by harnessing the combined strength of Radio Australia and Australia Network television, across all available media platforms.

The ABC Commercial Division will assist the Corporation to further develop appropriate modes of service delivery, including video-on-demand, access to digital archives and new partnerships that allow content to be more widely available.

Additional funding announced in the 2009-10 Budget has allowed the ABC to introduce a dedicated digital television and online children's service, commission and broadcast greater levels of Australian drama and extend its existing regional hubs to become catalysts and hosts for locally-generated broadband activity in regional communities. Additional funding announced in the 2010-11 Budget will allow the ABC to extend the reach and quality of digital television services, and assist in the maintenance of the ABC's current asset base.

The ABC Board will fully assess the Government's funding decisions, particularly in respect of asset maintenance, and the impact these will have on the Corporation's activities, and will confirm specific outcomes/output allocations in line with the strategic direction it has set for the 2010-11 period.

ABC appropriations are allocated in relation to four Outcomes:

- Outcome 1 relates to the delivery of ABC Charter responsibilities, and specifically: Informed, educated and entertained audiences – throughout Australia and overseas – through innovative and comprehensive media and related services. It is delivered through three programs: ABC Radio, ABC Television and Online.

ABC Budget Statements

- Outcome 2 relates to the maintenance of analog transmission of ABC radio and television services through the management of Transmission Service Agreements with a third party or parties.
- Outcomes 3 and 4 relate to the provision of digital television transmissions and digital radio transmissions, respectively, through the rollout and maintenance of associated distribution and transmission infrastructure.

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: ABC Resource Statement — Budget Estimates for 2010-11 as at Budget May 2010

Source	Estimate of prior year amounts available in 2010-11 \$'000	Proposed at Budget 2010-11 \$'000	Total estimate 2010-11 \$'000	Actual available appropriation 2009-10 \$'000
Opening balance/Reserves at bank	8,154		8,154	8,154
REVENUE FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1		762,498	762,498	731,023
Outcome 2		95,853	95,853	93,538
Outcome 3		94,191	94,191	85,557
Outcome 4		3,529	3,529	4,385
Total ordinary annual services	-	956,071	956,071	914,503
Other services²				
<i>Non-operating</i>		16,538	16,538	17,556
Total other services	-	16,538	16,538	17,556
Total annual appropriations	-	972,609	972,609	932,059
Payments from related entities³				
Amounts from other agencies		19,354	19,354	19,289
Total	-	19,354	19,354	19,289
Total funds from Government	-	991,963	991,963	951,348
FUNDS FROM OTHER SOURCES				
Interest		6,000	6,000	6,000
Sale of goods and services		184,934	184,934	184,692
Total	-	190,934	190,934	190,692
Total net resourcing for agency	8,154	1,182,897	1,191,051	1,150,194

All figures are GST exclusive

The ABC is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Broadband, Communications and the Digital Economy, which are then paid to the ABC and are considered 'departmental' for all purposes.

1. Appropriation Bill (No.1) 2010-11
2. Appropriation Bill (No.2) 2010-11
3. Funding provided by a Government body that is not specified within the annual appropriation bills as a payment to the CAC Act body (for example, a fee for service from an FMA Act agency paid to a CAC Act body would appear here and may be explained within this footnote, as would a payment from a third agency's special appropriation).

1.3 BUDGET MEASURES

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

Table 1.2: Agency 2010-11 Budget measures

	Program	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Expense measures						
Digital Television Switchover						
- Regional Blackspot Solution	3.1					
Departmental expenses		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Total expense measures						
Departmental ²		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Capital measures						
Australian Broadcasting Corporation	1.1, 1.2,					
- additional capital funding	1.3					
Departmental capital		-	14,450	-	-	-
Total		-	14,450	-	-	-
Digital Television Switchover						
- Regional Blackspot Solution	3.1					
Departmental capital		nfp	nfp	nfp	nfp	nfp
Total		nfp	nfp	nfp	nfp	nfp
Total capital measures						
Departmental		-	14,450	nfp	nfp	nfp
Total		-	14,450	nfp	nfp	nfp

Prepared on a Government Financial Statistics (fiscal) basis.

Totals do not include the Departmental savings which are not for publication ('nfp') to protect the national broadcasters' future negotiating position.

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 Australian Broadcasting Corporation in achieving Government outcomes.

Outcome 1: Informed, educated and entertained audiences—throughout Australia and overseas—through innovative and comprehensive media and related services

Outcome 1 Strategy

The ABC aims to provide the leading Australian public media space where people engage and share their experiences. In the multi-platform, multi-channel media environment, it will do so by:

- fully embracing digital platforms and developing more channels for diverse Australian content;
- creating opportunities for Australian creativity in audio-visual production, music and story-telling, including user-generated content and social media;
- being a 'town square' that hosts national conversation via established and emerging media platforms;
- delivering the best possible news and information across all platforms;
- strengthening the ABC's presence and capacity in regional Australia; and
- engaging with audiences in Asia and the Pacific through the combined strength of Radio Australia and Australia Network.

Outcome Expense and Resource Statement

Table 2.1.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1.1: Budgeted Expenses and Resources for Outcome 1

Outcome 1: Informed, educated and entertained audiences - throughout Australia and overseas - through innovative and comprehensive media and related services.	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Program 1.1: ABC Radio		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	244,049	254,776
Payment from related entities	6,575	6,598
Revenues from other independent sources	65,007	65,089
Total for Program 1.1	315,631	326,463
Program 1.2: ABC Television		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	453,232	473,160
Payment from related entities	12,212	12,253
Revenues from other independent sources	120,727	120,881
Total for Program 1.2	586,171	606,294
Program 1.3: Online		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	18,612	19,432
Payment from related entities	502	503
Revenues from other independent sources	4,958	4,964
Total for Program 1.3	24,072	24,899
Outcome 1 Totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	715,893	747,368
Payment from related entities	19,289	19,354
Revenues from other independent sources	190,692	190,934
Total expenses for Outcome 1	925,874	957,656
	2009-10	2010-11
Average Staffing Level (number)	4,500	4,518

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

The ABC is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Broadband, Communications and the Digital Economy, which are then paid to the ABC and are considered 'departmental' for the ABC.

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

Contributions to Outcome 1

Program 1.1: ABC Radio

Program objective

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

The ABC will give specific focus to:

- continuing to develop the role of ABC Local Radio and ABC Local Online as the primary points of connection for communities across Australia at times of emergency;
- continuing to develop its digital radio broadcasting capability; and
- internationally, strengthening the reach and impact of Radio Australia in designated target countries.

Program expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(\$'000)					
Annual departmental expenses:					
Departmental item	315,631	326,463	334,129	341,294	348,881
Total program expenses	315,631	326,463	334,129	341,294	348,881

Program 1.1 Deliverables

- Commissioning and providing a diverse mix of Australian content.
- Providing high quality news and current affairs content.
- Responding to emergencies and events of major significance.
- Providing Australian music content.
- Promoting the composition and performance of Australian music and drama, including support for new Australian artists.
- Providing digital radio broadcasting content.
- Providing relevant and high quality Radio Australia content to broadcasting partners, internationally, in their local languages.

ABC Budget Statements

Two of the most important categories of performance measurement of the effectiveness of the ABC are:

- Audience usage of ABC Radio, Television and new media services – a measure of the ABC’s relevance and appeal to Australians. Audience Share indicates the proportion of available audiences tuned to the ABC, at given points in time, compared with competing media services. Audience Reach is a measure of how many of the population (or what proportion) consume ABC services at some time over a week.
- Measures of community satisfaction – qualitative measures that reflect community perceptions and beliefs about the value of the ABC’s contribution to Australian society. These focus on key elements of the ABC’s legislated role and purpose: standards of performance; percentage of people who value the ABC and its services; adherence to particular legislative/Charter obligations; and value for money.

These measures are represented in the Key Performance Indicators applied at the program level.

PROGRAM 1.1: KEY PERFORMANCE INDICATORS – ABC RADIO	
INDICATORS	2010-11 MEASURES
Radio Share	Level achieved in 2010-11 compared with results in 2009-10.
Radio Reach	Level achieved in 2010-11 compared with results in 2009-10.
International Reach	Levels achieved in 2010-11 compared with previous years and based on available research in particular countries.
Audience /Community Appreciation	Percentage of people who consider the quality of programming on ABC Radio is good in 2010-11 compared with results in 2009-10. Percentage of people who consider the ABC does a good job in covering country/regional issues.
Editorial Standards	Results of Editorial Policy Assurance Surveys relating to news and information on ABC Radio. Efficiency of complaints management measured by performance against statutory timelines.

Level and mix of Australian content	Levels of Australian music on those radio networks that broadcast music.
Promotion of Australian music and artistic talent	Number of major music concerts recorded for broadcast in 2010-11 compared with 2009-10. Number of initiatives per year to identify and support new Australian artists in 2010-11 compared with 2009-10.

Program 1.2: ABC Television

Program objective

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

The ABC will give specific focus to:

- expanding and improving news and current affairs coverage through the introduction of a dedicated 24-hour news channel;
- expanding significantly the range of quality Australian content offered across television multi-channels, to be delivered via a number of in-home and mobile devices, and supported by broadband delivery; and
- ensuring that the independent production sector regards ABC Television as the best place to create exciting vision projects.

Program expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(\$'000)					
Annual departmental expenses:					
Departmental item	586,171	606,294	620,525	633,840	647,922
Total program expenses	586,171	606,294	620,525	633,840	647,922

Program 1.2: Deliverables

- Providing an integrated programming and scheduling strategy across Television channels, the internet and other emerging platforms.
- Providing first-release Australian content, including drama, documentaries and children's drama.
- Providing Australian content aimed at children.
- Providing high-quality news and current affairs content.
- Responding to emergencies and events of major significance.
- Providing creative and innovative content, including creating opportunities for emerging Australian artistic talent.
- Internationally, providing relevant and high quality Australia Network television programs to Asia and the Pacific (subject to contractual arrangements with the Department of Foreign Affairs and Trade).

PROGRAM 1.2: KEY PERFORMANCE INDICATORS – ABC TELEVISION	
INDICATORS	2010-11 MEASURES
Television Share	Levels achieved in 2010-11 compared with results in 2009-10.
Television Reach	Level achieved in 2010-11 compared with results in 2009-10.
Audience/Community Appreciation	Percentage of people who consider the quality of programming on ABC Television is good in 2010-11 compared with results in 2009-10.
Editorial Standards	Results of Editorial Policy Assurance Surveys relating to news and information on ABC Television. Efficiency of complaints management measured by performance against statutory timelines.
Australian Content	Percentage of first-run Australian content (between 6pm and midnight) in 2010-11 compared with 2009-10. Percentage of Australian children's television programs on ABC3 in 2010-11 compared with 2009-10.
State/Local Television	Percentage of state/local 'break-out' television broadcast hours in 2010-11 compared with 2009-10.

Program 1.3: Online

Program objective

Engage audiences through new media services including the internet and emerging broadband and mobile platforms.

The ABC will give specific focus to:

- developing and deploying innovative projects that demonstrate the possibilities of digital platforms;
- extending audience experience of content across a variety of formats; and
- encouraging audience participation and contribution in regional Australia, particularly through ABC Open multimedia producers situated in Local Radio centres.

Program expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(\$'000)					
Annual departmental expenses:					
Departmental item	24,072	24,899	25,484	26,029	26,609
Total program expenses	24,072	24,899	25,484	26,029	26,609

<p>Program 1.3: Deliverables</p> <ul style="list-style-type: none"> • Providing a mix of Australian content through ABC Online. • Making available audio-visual content across the ABC's total offering through means such as time shifting, podcasts and vodcasts, video-on-demand and streamed content. • Internationally, making Radio Australia and Australia Network (subject to contractual arrangements with the Department of Foreign Affairs and Trade) content available online and on other platforms such as mobile telephones.

PROGRAM 1.3: KEY PERFORMANCE INDICATORS – ONLINE	
INDICATORS	2010-11 MEASURES
Audience Reach	Level achieved in 2010-11 compared with results in 2009-10.
Audience /Community Appreciation	Percentage of people who consider the quality of content on ABC Online is good in 2010-11 compared with results in 2009-10.
Total Podcasts	Level achieved in 2010-11 compared with 2009-10.
Total Vodcasts	Level achieved in 2010-11 compared with 2009-10.
Editorial Standards	<p>Results of Editorial Policy Assurance Surveys relating to news and information on ABC Online.</p> <p>Efficiency of complaints management measured by performance against statutory and ABC-imposed timelines.</p>

Outcome 2: Audience access to ABC satellite and analog terrestrial radio and television transmission services is, at a minimum, maintained year-on-year through the management of Transmission Service Agreements

Outcome 2 Strategy

Outcome 2 Appropriation is provided for the purpose of the analog terrestrial transmission of programming to audiences in Australia and overseas. Transmission services are provided by a third party provider. The ABC provides oversight through a Domestic Analog Services Agreement and a Radio Australia Transmission Services Agreement.

In managing these service agreements, the ABC strives to ensure, to the extent feasible, that all Australian communities have reliable access to all broadcasting services whose purpose is relevant to those communities—that is, national networks and local stations.

Outcome 2 Budgeted Expenses and Resources

Table 2.1.2 provides an overview of the total expenses for Outcome 2, by program.

Table 2.1.2: Budgeted Expenses and Resources for Outcome 2

Outcome 2: Audience access to ABC satellite and analog terrestrial radio and television transmission services is, at a minimum, maintained year-on-year through the management of Transmission Service Agreements.	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Program 2.1: ABC Analog Transmission		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	95,150	95,853
Total for Program 2.1	95,150	95,853
Outcome 2 Totals by resource type		
Revenue from Government	95,150	95,853
Total expenses for Outcome 2	95,150	95,853
<hr/>		
Average Staffing Level (number)¹	2009-10	2010-11
	-	-

1. ABC staffing levels are all reflected against Outcome 1.

Note: Departmental revenue from Government splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 2

Program 2.1 ABC Analog Transmission

Program objective

Provides ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements.

The ABC will give specific focus to:

- maintaining the reach and quality of audience access to ABC analog broadcasting services year-on-year;
- identifying opportunities to extend and improve access to communities that are under-served with particular services; and
- minimising the occurrence and duration of unscheduled outages.

Program expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(\$'000)					
Annual departmental expenses:					
Departmental item	95,150	95,853	92,162	87,373	79,061
Total program expenses	95,150	95,853	92,162	87,373	79,061

Program 2.1 Deliverables

- Managing Transmission Service Agreements for the reliable and efficient provision of satellite and analog terrestrial transmission services.
- Maintaining, with the transmission service provider, a comprehensive reporting system of transmission network performance.
- Monitoring audience responses to transmission issues to help ensure any faults are rectified promptly.

PROGRAM 2.1: KEY PERFORMANCE INDICATORS – ANALOG TRANSMISSION	
INDICATORS	2010-11 MEASURES
Number of analog terrestrial transmission services	Number in 2010-11 compared with 2009-10.
Audience contacts via the ABC Reception Advice Line	Level achieved in 2010-11 compared with results in 2009-10.
Transmission performance as reported by Broadcast Australia	Levels of Total Network Availability and Total 'On-air Availability' in 2010-11 compared with 2009-10.

Outcome 3: Audience access to ABC digital television services is provided, in accordance with Government approved implementation policy, through the roll-out and maintenance of the associated distribution and transmission infrastructure

Outcome 3 Strategy

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.

Outcome 3 Budgeted Expenses and Resources

Table 2.1.3 provides an overview of the total expenses for Outcome 3, by program.

Table 2.1.3: Budgeted Expenses and Resources for Outcome 3

Outcome 3: Audience access to ABC digital television services is provided, in accordance with Government approved implementation policy, through the rollout and maintenance of the associated distribution and transmission infrastructure.	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Program 3.1: Access to digital TV services		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	86,112	93,636
Total for Program 3.1	86,112	93,636
Outcome 3 Totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	86,112	93,636
Total expenses for Outcome 3	86,112	93,636
	2009-10	2010-11
Average Staffing Level (number)¹	-	-

1. ABC staffing levels are all reflected against Outcome 1.

Note: Departmental Appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 3

Program 3.1: Digital Television Services

Program objective

Implement the rollout of digital television transmission services.

The ABC will give specific focus to:

- extending the reach and quality of audience access to ABC digital television services in accordance with approved digital implementation plans;
- identifying opportunities to extend and improve access to communities that are under-served with particular services; and
- minimising the occurrence and duration of unscheduled outages.

Program expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(\$'000)					
Annual departmental expenses:					
Departmental item	86,112	93,636	92,355	95,331	97,659
Total program expenses	86,112	93,636	92,355	95,331	97,659

Program 3.1 Deliverables

- Managing Transmission Service Agreements for the reliable and efficient provision of digital terrestrial television services.
- Maintaining, with the transmission service provider, a comprehensive reporting system of transmission network performance.
- Monitoring audience responses to transmission issues to help ensure any faults are rectified promptly.

PROGRAM 3.1: KEY PERFORMANCE INDICATORS – ACCESS TO DIGITAL TELEVISION SERVICES	
INDICATORS	2010-11 MEASURES
Degree to which the Australian population has access to ABC digital television transmissions	2010-11 results compared with 2009-10.
Terrestrial facilities operate within the limits set by the relevant Transmitter Licence and the approved Implementation Plan	All facilities meet requirements.
The number of digital terrestrial television facilities in operation against the approved Implementation Plans	Number of facilities in operation and in test mode compared with approved Implementation Plans.

Outcome 4: Audience access to ABC digital radio services is provided, in accordance with Government approved implementation policy, through the rollout and maintenance of the associated distribution and transmission infrastructure

Outcome 4 Strategy

Outcome 4 provides for the introduction of digital radio broadcasting in accordance with Government policy. Funding under this Outcome provides the capacity to distribute and transmit the digital signals.

Outcome 4 Budgeted Expenses and Resources

Table 2.1.4 provides an overview of the total expenses for Outcome 4, by program.

Table 2.1.4: Budgeted Expenses and Resources for Outcome 4

Outcome 4: Audience access to ABC digital radio services is provided, in accordance with Government approved implementation policy, through the rollout and maintenance of the associated distribution and transmission infrastructure.	2009-10 Estimated actual expenses \$'000	2010-11 Estimated expenses \$'000
Program 4.1: Access to digital radio services		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	4,385	3,529
Total for Program 4.1	4,385	3,529
Outcome 4 Totals by resource type		
Revenue from Government	4,385	3,529
Total expenses for Outcome 4	4,385	3,529
	2009-10	2010-11
Average Staffing Level (number)¹	-	-

1. ABC staffing levels are all reflected against Outcome 1.

Note: Departmental Appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 4

Program 4.1: Access to Digital Radio Services

Program objective
 Implement the rollout of digital radio transmission services to the five mainland state capital cities.

Program expenses

	2009-10 Revised budget	2010-11 Budget	2011-12 Forward year 1	2012-13 Forward year 2	2013-14 Forward year 3
(\$'000)					
Annual departmental expenses:					
Departmental item	4,385	3,529	3,588	3,653	3,727
Total program expenses	4,385	3,529	3,588	3,653	3,727

Program 4.1 Deliverables

- Managing Transmission Service Agreements for the reliable and efficient provision of digital radio services.
- Maintaining, with the transmission service provider, a comprehensive reporting system of transmission network performance.
- Monitoring audience responses to transmission issues to help ensure any faults are rectified promptly.

PROGRAM 4.1: KEY PERFORMANCE INDICATORS – ACCESS TO DIGITAL RADIO SERVICES	
INDICATORS	2009-10 MEASURES
Degree to which the five mainland state capital cities have access to ABC digital radio transmissions	2010-11 results compared with 2009-10.
Terrestrial facilities operate within the limits set by the relevant Transmitter Licence and the approved Implementation Plan	All facilities meet requirements.

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 2010-11 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, movements in administered funds, special accounts and government indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill	Bill	Special	Total			
	No. 1 \$'000	No. 2 \$'000	approp \$'000	approp \$'000			
ABC							
Outcome 1							
Departmental 2010-11	7,280			7,280	-	7,280	All
<i>Departmental 2009-10</i>	<i>3,111</i>			<i>3,111</i>	-	<i>3,111</i>	<i>All</i>
Total outcome 2010-11	<u>7,280</u>	-	-	<u>7,280</u>	-	<u>7,280</u>	
<i>Total outcome 2009-10</i>	<i><u>3,111</u></i>	-	-	<i><u>3,111</u></i>	-	<i><u>3,111</u></i>	
Total AGIE 2010-11	<u>7,280</u>	-	-	<u>7,280</u>	-	<u>7,280</u>	
<i>Total AGIE 2009-10</i>	<i><u>3,111</u></i>	-	-	<i><u>3,111</u></i>	-	<i><u>3,111</u></i>	

Expenditure may vary depending on changes in activity levels on projects and production activity.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.2 Analysis of budgeted financial statements

Departmental Income Statement

The ABC is budgeting for an operating surplus of \$15.1 million in 2010-11. 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 \$40.5 million for 2010-11. This is comprised principally of additional funding provided by Government under triennial funding arrangements, additional funding for rollout of digital television and indexation, offset by savings.

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. Other Revenues beyond 2011-12 are subject to confirmation of contractual arrangements, which have yet to be finalised.

Total expenses are budgeted to increase by \$39.2 million for 2010-11. This is comprised principally of additional expenditure on activities for a digital children's television service, additional Australian drama content for television, and regional broadband hubs, as well as increased Employees' expenses from negotiated salaries and wages outcomes and inflation cost increases for Goods and Services Expenses. Finance cost expenses decline over forward years, reflecting gradual reduction in loans from Government.

Departmental Balance Sheet

The ABC's budgeted net asset position for 2010-11 of \$1,008.6 million represents an increase of \$31.7 million from the estimated actual for 2009-10. This increase comprises the budgeted operating surplus of \$15.1 million for 2010-11, being predominantly the annual base funding component applied to debt financing, plus equity injections of \$16.5m.

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

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 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EXPENSES					
Employee benefits	437,769	455,281	473,493	492,431	512,128
Supplier expenses	581,862	605,798	606,526	607,152	603,794
Depreciation and amortisation	88,899	87,937	87,937	87,937	87,937
Finance costs	2,991	1,658	287	-	-
Total expenses	1,111,521	1,150,674	1,168,243	1,187,520	1,203,859
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	184,692	184,934	189,581	195,268	201,126
Interest	6,000	6,000	6,000	6,000	6,000
Other	19,289	19,354	-	-	-
Total revenue	209,981	210,288	195,581	201,268	207,126
Total own-source income	209,981	210,288	195,581	201,268	207,126
Net cost of (contribution by) services	901,540	940,386	972,662	986,252	996,733
Revenue from Government	915,058	955,516	987,792	1,001,382	1,011,863
Surplus (Deficit)					
Surplus (Deficit) attributable to the Australian Government	13,518	15,130	15,130	15,130	15,130
Total comprehensive income attributable to the Australian Government	13,518	15,130	15,130	15,130	15,130

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
ASSETS					
Financial assets					
Cash and equivalents	8,154	8,154	8,154	8,154	8,154
Trade and other receivables	12,128	12,128	12,128	12,128	12,128
Other investments	99,492	84,765	94,895	110,025	125,155
Other	15,911	15,356	15,356	15,356	15,356
Total financial assets	135,685	120,403	130,533	145,663	160,793
Non-financial assets					
Land and buildings	609,185	591,330	561,475	531,620	501,765
Property, plant and equipment	295,662	327,810	358,035	388,261	418,486
Intangibles	14,016	14,173	13,803	13,432	13,062
Inventories	90,570	90,570	90,570	90,570	90,570
Other	77,953	77,953	77,953	77,953	77,953
Total non-financial assets	1,087,386	1,101,836	1,101,836	1,101,836	1,101,836
Total assets	1,223,071	1,222,239	1,232,369	1,247,499	1,262,629
LIABILITIES					
Payables					
Other	18,562	18,562	18,562	18,562	18,562
Total payables	18,562	18,562	18,562	18,562	18,562
Interest bearing liabilities					
Loans	31,000	5,000	-	-	-
Total interest bearing liabilities	31,000	5,000	-	-	-
Provisions					
Employee provisions	124,779	124,779	124,779	124,779	124,779
Other	71,749	65,249	65,249	65,249	65,249
Total provisions	196,528	190,028	190,028	190,028	190,028
Total liabilities	246,090	213,590	208,590	208,590	208,590
Net assets	976,981	1,008,649	1,023,779	1,038,909	1,054,039

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	121,035	137,573	137,573	137,573	137,573
Reserves	551,387	551,387	551,387	551,387	551,387
Retained surplus (accumulated deficit)	304,559	319,689	334,819	349,949	365,079
Total parent entity interest	976,981	1,008,649	1,023,779	1,038,909	1,054,039
Total equity	976,981	1,008,649	1,023,779	1,038,909	1,054,039

Prepared on Australian Accounting Standards basis.

* 'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2010-11)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2010					
Balance carried forward from previous period	304,559	551,427	(40)	121,035	976,981
Adjusted opening balance	304,559	551,427	(40)	121,035	976,981
Surplus (deficit) for the period	15,130				15,130
Total comprehensive income recognised directly in equity	15,130	-	-	-	15,130
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends					-
Returns of capital					
Restructuring					-
Other					-
<i>Contributions by owners</i>					
Appropriation (equity injection)				16,538	16,538
Appropriation (departmental capital budget)					-
Other					-
Sub-total transactions with owners	-	-	-	16,538	16,538
Transfers between equity components					
Estimated closing balance as at 30 June 2011	319,689	551,427	(40)	137,573	1,008,649

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	184,692	184,934	189,581	195,268	201,126
Appropriations	914,503	956,071	987,792	1,001,382	1,011,863
Interest	6,000	6,000	6,000	6,000	6,000
Other	72,591	76,280	55,544	55,596	55,218
Total cash received	1,177,786	1,223,285	1,238,917	1,258,246	1,274,207
Cash used					
Employees	437,769	455,281	473,493	492,431	512,128
Suppliers	581,862	605,798	606,526	607,152	603,794
Other	81,793	84,583	60,831	55,596	55,218
Total cash used	1,101,424	1,145,662	1,140,850	1,155,179	1,171,140
Net cash from (used by) operating activities	76,362	77,623	98,067	103,067	103,067
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Investments	27,939	6,500	-	-	-
Total cash received	27,939	6,500	-	-	-
Cash used					
Purchase of property, plant and equipment	128,543	102,387	87,937	87,937	87,937
Other	13,518	15,131	15,130	15,130	15,130
Total cash used	142,061	117,518	103,067	103,067	103,067
Net cash from (used by) investing activities	(114,122)	(111,018)	(103,067)	(103,067)	(103,067)

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

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity (injection)	17,556	16,538	-	-	-
Other	28,143	26,000	5,000	-	-
Total cash received	45,699	42,538	5,000	-	-
Cash used					
Dividends paid	7,939	6,500	-	-	-
Other	-	2,643	-	-	-
Total cash used	7,939	9,143	-	-	-
Net cash from (used by) financing activities	37,760	33,395	5,000	-	-
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	8,154	8,154	8,154	8,154	8,154
Cash and cash equivalents at the end of the reporting period	8,154	8,154	8,154	8,154	8,154

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2009-10 \$'000	Budget estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000
CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	17,556	16,538			
Total capital appropriations	17,556	16,538	-	-	-
Total new capital appropriations					
Represented by:					
Purchase of non-financial assets	17,556	14,450			
Other Items		2,088			
Total Items	17,556	16,538	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	17,556	14,450			
Funded internally from departmental resources ²	110,987	87,937	87,937	87,937	87,937
TOTAL	128,543	102,387	87,937	87,937	87,937
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	128,543	102,387	87,937	87,937	87,937
less additions by finance lease					
less additions by creditors / borrowings					
plus borrowing / finance costs					
plus Annual finance lease costs					
less Gifted assets					
less s32 / restructuring					
Total cash used to acquire assets	128,543	102,387	87,937	87,937	87,937

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2010-11)

	Land	Buildings	Other property, plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010					
Gross book value	172,367	509,760	661,827	44,527	1,388,481
Accumulated depreciation/amortisation and impairment	(46)	(72,896)	(366,165)	(30,511)	(469,618)
Opening net book balance	172,321	436,864	295,662	14,016	918,863
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - other		20,156	78,453	3,778	102,387
Total additions	-	20,156	78,453	3,778	102,387
Other movements					
Depreciation/amortisation expense		(38,011)	(46,305)	(3,621)	(87,937)
As at 30 June 2011					
Gross book value	172,367	529,916	740,280	48,305	1,490,868
Accumulated depreciation/amortisation and impairment	(46)	(110,907)	(412,470)	(34,132)	(557,555)
Closing net book balance	172,321	419,009	327,810	14,173	933,313

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the financial statements

Basis of Accounting

The ABC's budget statements are prepared on an Australian Accounting Standards basis.

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.

As an agency subject to the Commonwealth Authorities and Companies Act 1997 (CAC Act), the ABC's appropriation funding is appropriated to the Department of Broadband, Communications and the Digital Economy as Administered funds, and are then paid to the ABC, where they are treated as Departmental for all reporting purposes by the Corporation.

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.

