

AUSTRALIAN BROADCASTING CORPORATION

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AUSTRALIAN BROADCASTING CORPORATION

Section 1: Agency overview and resources; variations and measures

OVERVIEW

There have been no significant changes to the Australian Broadcasting Corporation's (ABC's) role/mission, outcomes or outputs as a result of Additional Estimates.

Table 1.1: Agency outcomes and output groups

Outcome	Description	Output
Outcome 1		
Audiences throughout Australia - and overseas - are informed, educated and entertained	Provides content production and support of principal ABC output services experienced by ABC audiences	<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>
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	Provides delivery to audiences of ABC output services for domestic radio and television, and international radio, via analog transmission	<p>Output 2.1 Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements</p>
Outcome 3		
The Australian community has access to ABC digital television services in accordance with approved digital implementation plans	Provides delivery to audiences of ABC output services for digital television	<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>

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Table 1.3: Additional estimates and variations to outcomes – other variations

	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)
Outcome 1				
Variations (departmental)				
Revision to budget parameters	-	-	1,163	1,189
Outcome 2				
Variations (departmental)				
Revision to budget parameters	-	354	360	459
Outcome 3				
Variations (departmental)				
Revision to budget parameters	-	418	428	440
Digital Implementation Plan Rollout	2,139	2,882	1,749	1,773

The variations to outcomes appropriations in Additional Estimates for 2007-08 arise from additional funding for rollout of Digital Implementation Plans. This will result in a minor increase in the price of outputs for Outcome 3, compared to that presented in the 2007-08 Portfolio Budget Statements.

MEASURES — AGENCY SUMMARY

There have been no measures taken since the 2007-08 Budget that affect ABC appropriations for 2007-08.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The variations to appropriations in Additional Estimates for 2007-08 arise from additional funding for Digital Implementation and Rollout, included in Appropriation Bill (No. 3) 2007-2008. The ABC has no Additional Estimates appropriations under Appropriation Bill (No. 4) 2007-2008.

Table 1.5: Appropriation Bill (No. 3) 2007-08

	2006-07 available (\$'000)	2007-08 Budget (\$'000)	2007-08 revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL OUTPUTS					
Outcome 1					
Audiences throughout Australia - and overseas - are informed, educated and entertained	651,825	666,586	666,586	-	
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	83,126	87,317	87,317	-	
Outcome 3					
The Australian community has access to ABC digital television services in accordance with approved digital implementation plans	74,581	77,921	80,060	2,139	
Total	809,532	831,824	833,963	2,139	

Note 1: 2006-07 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:
Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings - Rephasings - Other Reductions +/- Section 32

SUMMARY OF STAFFING CHANGES

There have been no changes to estimated staffing levels since the 2007-08 Budget. Estimated staffing numbers may vary depending on staffing levels associated with various projects and production activity.

OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.8 provides details of other receipts obtained by the ABC for provision of goods and services. These resources are approved for use by the ABC.

Table 1.8: Other receipts available to be used

	Budget estimate 2007-08 (\$'000)	Revised estimate 2007-08 (\$'000)
Departmental other receipts		
Sales of Goods and Services	154,225	164,225
Interest and Dividends	6,006	6,006
Other	18,737	18,737
Total departmental other receipts available to be used	178,968	188,968

Section 2: Revisions to agency outcomes

OUTCOMES AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the Australian Broadcasting Corporation. There have been no revisions to the Corporation's outcomes and outputs structure as a result of Additional Estimates. There has been a minor change to the price of outputs.

Outcome 1

There has been a variation in the price for Outcome 1, arising from a revision to estimated revenues from independent sources.

Revised performance information — 2007-08

Table 2.1: Performance information for outputs affected by additional estimates - outcome 1

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
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	Quality
	Level and mix of Australian content	No change - as per Budget
	Genre diversity	
	Community and peer recognition	
	Number of artists first broadcast	
	Quantity	Quantity
	Number of broadcast hours	No change - as per Budget
	Number of Radio stations	
	Level of radio content available	
	Level of radio content available	
Price	Price	
\$263.044m	\$265.045m	
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	Quality
	Level and mix of Australian content	No change - as per Budget
	Genre diversity	
	Community and peer recognition	
	Quantity	Quantity
	Number of broadcast hours	No change - as per Budget
	Ratio of first run to repeat program	
	Price	Price
	\$561.823m	\$569.635m
	Output 1.3	
Engage audiences through new media services including the Internet and emerging broadband platforms	Quality	Quality
	Genre diversity	No change - as per Budget
	Industry ranking of ABC Online	
	Community and peer recognition	
	Quantity	Quantity
	Number of mailing list subscribers	No change - as per Budget
	Number of pages on ABC Online	
	Number of gateways on ABC	
	Use of content on emerging	
	Price	Price
\$20.687m	\$20.874m	

Outcome 2

There have been no changes to Outcome 2 as a result of Additional Estimates.

Revised performance information — 2007-08

There have been no changes to the performance information for Outcome 2 as a result of Additional Estimates.

Outcome 3

There has been a variation in the price for Outcome 3 in Additional Estimates, as result of additional rollout of Digital Implementation Plans in 2007-08.

Revised performance information — 2007-08

Table 2.3: Performance information for outputs affected by additional estimates — outcome 3

Output	Performance information 2007-08 Budget	Performance information 2007-08 revised
Output 3.1		
Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services	Quality That each terrestrial facility operates within the limits set by the relevant Transmitter Licence and the approved Implementation Plans.	Quality No change - as per Budget
	Quantity The number of digital terrestrial television facilities in operation against the approved Implementation Plans.	Quantity No change - as per Budget
	Price \$77.921m	Price \$80.060m

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

The principal items impacting the 2007-08 Statement of Financial Performance since the Budget are the additional funding and related expenditures for rollout of the digital implementation plans, and revised estimates for revenues from independent sources with related expenditures.

The movements since the Budget in the Statement of Financial Position for 2007-08 and to some extent, the forward years, are primarily driven by revised balances carried forward from the prior year. The movement in Equity for 2007-08 includes an estimated return of equity of \$6.5m in respect of unspent prior year Outcome 3 funding.

BUDGETED FINANCIAL STATEMENTS

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

Departmental financial statements

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000
INCOME					
Revenue					
Revenues from Government	809,532	833,963	856,998	873,552	890,661
Goods and services	153,600	164,225	164,456	164,692	164,934
Interest	11,563	6,006	5,944	6,000	6,000
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	20,043	18,737	18,831	19,289	19,354
Total revenue	994,738	1,022,931	1,046,229	1,063,533	1,080,949
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	994,738	1,022,931	1,046,229	1,063,533	1,080,949
EXPENSE					
Employees	356,005	354,352	364,984	375,932	387,212
Suppliers	534,505	562,491	575,020	581,945	589,414
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	61,657	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	5,211	-	-	-	-
Net losses from sale of assets	7,492	-	-	-	-
Net foreign exchange losses	736	-	-	-	-
Other	-	-	-	-	-
Total expenses	972,480	1,008,085	1,031,383	1,048,687	1,066,103
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax	22,258	14,846	14,846	14,846	14,846
Income Tax expense	-	-	-	-	-
Net operating result	22,258	14,846	14,846	14,846	14,846

Table 3.1: Budgeted departmental income statement (for the period ended 30 June) (cont).

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating result from continuing operations	22,258	14,846	14,846	14,846	14,846
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discontinued operations	-	-	-	-	-
Operating result	22,258	14,846	14,846	14,846	14,846
Minority interest in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	22,258	14,846	14,846	14,846	14,846

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,456	3,456	3,456	3,456	3,456
Receivables	137,908	115,254	106,600	95,946	84,792
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	10,277	10,277	10,277	10,277	10,277
Other financial assets	-	-	-	-	-
Total financial assets	151,641	128,987	120,333	109,679	98,525
Non-financial assets					
Land and buildings	516,114	493,114	481,114	469,114	469,114
Infrastructure, plant and equipment	223,794	269,072	292,850	305,378	305,378
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	84,076	84,076	84,076	84,076	84,076
Intangibles	11,287	10,759	10,231	9,703	9,703
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other Non Financial Assets	71,749	71,749	71,749	71,749	71,749
Total non-financial assets	907,020	928,770	940,020	940,020	940,020
Total assets	1,058,661	1,057,757	1,060,353	1,049,699	1,038,545
LIABILITIES					
Payables					
Suppliers	60,211	56,541	52,760	48,867	48,867
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Financing costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other payables	5,395	5,395	5,395	5,395	5,395
Total payables	65,606	61,936	58,155	54,262	54,262
Interest bearing liabilities					
Loans	102,000	80,000	56,500	31,000	5,000
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	102,000	80,000	56,500	31,000	5,000
Provisions					
Employees	118,881	122,551	126,332	130,225	130,225
Other provisions	-	-	-	-	-
Total provisions	118,881	122,551	126,332	130,225	130,225
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	286,487	264,487	240,987	215,487	189,487

Table 3.2: Budgeted departmental balance sheet (as at 30 June) (cont)

	Actual	Revised	Forw ard	Forw ard	Forw ard
	2006-07	budget	estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY*					
Parent entity interest					
Contributed equity	128,135	134,385	145,635	145,635	145,635
Reserves	366,668	366,668	366,668	366,668	366,668
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	277,371	292,217	307,063	321,909	336,755
Total parent entity interest	772,174	793,270	819,366	834,212	849,058
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	772,174	793,270	819,366	834,212	849,058
Current assets	151,641	128,987	120,333	109,679	98,525
Non-current assets	907,020	928,770	940,020	940,020	940,020
Current liabilities	184,487	184,487	184,487	184,487	184,487
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 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2006-07 \$'000	Revised budget 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	113,410	164,225	164,456	164,692	164,934
Appropriations	809,532	833,963	856,998	873,552	890,661
Interest	11,473	6,006	5,944	6,000	6,000
Dividends	-	-	-	-	-
Net GST received	47,609	50,515	50,515	50,515	50,515
Other cash received	3,211	18,737	18,831	19,289	19,354
Total cash received	985,235	1,073,446	1,096,744	1,114,048	1,131,464
Cash used					
Employees	350,473	386,453	406,773	447,853	457,212
Suppliers	469,981	530,390	533,231	510,024	519,414
Grants	-	-	-	-	-
Financing costs	6,865	-	-	-	-
Net GST paid	51,213	50,515	50,515	50,515	50,515
Other cash used	-	34,173	27,810	28,491	27,658
Total cash used	878,532	1,001,531	1,018,329	1,036,883	1,054,799
Net cash from or (used by) operating activities	106,703	71,915	78,415	77,165	76,665
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	177	11,000	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	177	11,000	-	-	-
Cash used					
Purchase of property, plant and equipment	84,461	118,319	98,319	87,819	87,819
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other cash used	12,298	(654)	14,846	14,846	(11,154)
Total cash used	96,759	117,665	113,165	102,665	76,665
Net cash from or (used by) investing activities	(96,582)	(106,665)	(113,165)	(102,665)	(76,665)

**Table 3.3: Budgeted departmental statement of cash flows
(for the period ended 30 June) (cont)**

	Actual	Revised budget	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2006-07	2007-08	2008-09	2009-10	2010-11
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	14,250	12,750	11,250	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other cash received	-	22,000	23,500	25,500	-
Total cash received	14,250	34,750	34,750	25,500	-
Cash used					
Repayments of debt (including finance lease principal)	20,000	-	-	-	-
Dividends paid	6,410	-	-	-	-
Other cash used	-	-	-	-	-
Total cash used	26,410	-	-	-	-
Net cash from or (used by) financing activities	(12,160)	34,750	34,750	25,500	-
Net increase or (decrease) in cash held	(2,039)	-	-	-	-
Cash at the beginning of the reporting period	5,495	3,456	3,456	3,456	3,456
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	3,456	3,456	3,456	3,456	3,456

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget 2007-08)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2007					
Balance carried forward from previous period	277,371	366,708	(40)	128,135	772,174
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	277,371	366,708	(40)	128,135	772,174
Income and expense					
Income and expenses recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expense recognised directly in equity	-	-	-	-	-
Net operating result	14,846	-	-	-	14,846
Total income and expenses	14,846	-	-	-	14,846
Sub-total income and expense attributable to Australian Government	-	-	-	-	-
Sub-total income and expense attributable to minority interest	-	-	-	-	-
Transactions with owners					
<i>Distributions to owners</i>					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other: *	-	-	-	(6,500)	(6,500)
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	12,750	12,750
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	6,250	6,250
Transfers between equity components	-	-	-	-	-
Closing balance less minority interests	292,217	366,708	(40)	134,385	793,270
Estimated closing balance as at 30 June 2008	292,217	366,708	(40)	134,385	793,270

* Return of capital represents an estimated return of equity of \$6.5m in respect of unspent prior year Outcome 3 funding.

Table 3.5: Departmental capital budget statement

	Actual 2006-07 \$'000	Revised budget 2007-08 \$'000	Forw ard estimate 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard 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					
Departmental resources	44,482	105,569	87,069	87,819	87,819
Total	58,732	118,319	98,319	87,819	87,819

Table 3.6: 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
As at 1 July 2007								
Gross book value	158,956	652,187	-	514,824	-	31,818	-	1,357,785
Accumulated depreciation	163	294,866	-	291,030	-	20,531	-	606,590
Opening net book value	158,793	357,321	-	223,794	-	11,287	-	751,195
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	660,343	-	621,737	-	35,068	-	1,465,104
Accumulated depreciation	163	315,022	-	352,665	-	24,309	-	692,159
Estimated closing net book value	147,793	345,321	-	269,072	-	10,759	-	772,945

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The Australian Broadcasting Corporation's budget statements are prepared in compliance with 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). The Australian Broadcasting Corporation does not have any administered transactions.