

**AUSTRALIAN  
BROADCASTING  
AUTHORITY**



## AUSTRALIAN BROADCASTING AUTHORITY

### Section 1: Overview, appropriations and budget measures summary

#### OVERVIEW

The Australian Broadcasting Authority (ABA) is the broadcasting regulator for radio and television in Australia. It is also the regulator of Internet content and datacasting services.

In terms of broadcasting regulation, the ABA plans the availability of segments of the broadcasting services bands (VHF/UHF and digital television, FM and AM radio) and has the power to allocate, renew, suspend, and cancel licences and collect any fees payable.

The ABA is also empowered to develop program standards relating to broadcasting in Australia, assist broadcasting services providers (licensees) develop codes of practice, monitor compliance with licence conditions, investigate complaints about services and conduct research into community attitudes on programming matters.

The ABA has similar responsibilities in relation to datacasting services.

The ABA ensures compliance with the ownership and control provisions of the *Broadcasting Services Act 1992* (BSA). In addition, the ABA is required to inform itself and the Minister about advances and trends in broadcasting technology.

In terms of Internet content regulation, the ABA investigates complaints in relation to prohibited content (illegal content and content that is unsuitable for children). It also registers and monitors the operation of codes of practice developed and implemented by industry. In addition, the ABA has a number of other functions relating to community education, research and international liaison.

Planned outcomes are related to Government priorities.

#### APPROPRIATIONS AND RESOURCING

The total appropriation for the Australian Broadcasting Authority in the 2003-04 Budget is \$16.532m, including an appropriation from previous years output of \$0.355m.

### Australian Broadcasting Authority — appropriations 2003-04

**Table 1.1: Appropriations and other revenue**

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				Total Total appropriations
	Revenue from Government (appropriations)			Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)		Special appropriations <sup>(5)</sup>	Total administered appropriations	
	Bill No. 1	Special approps <sup>(5)</sup>	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup>			
	(A)	(B)	(C = A+B) (C1) <sup>1</sup>	(D)	(E = C+D) (E1) <sup>1</sup>	(F)	(G)	(H)	(I = F+G+H) (I1) <sup>1</sup>	(J=C+I)
1. Accessable, diverse and responsinle electronic media	16,177	-	16,177	122	16,299	-	-	-	-	<b>16,177</b>
					99.3%					
<b>Total</b>	<b>16,177</b>	<b>-</b>	<b>16,177</b> (K1) <sup>1</sup>	<b>122</b>	<b>16,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,177</b>
						Departmental capital (previous years output)			(K3) <sup>1</sup>	<b>355</b>
						Administered capital			(K4) <sup>1</sup>	-
						Total appropriations				<b>16,532</b>

- Cells C1, E1 and I1 refer to information provided in Table 2.1.1 Amount K1 refers to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
  - Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
  - Refer to Budgeted Statement of Financial Performance for application of agency revenue.
  - Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are details in Table 1.3.
  - Estimated expenses from individual Special Appropriations are shown in Table 1.4
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

## MEASURES — AGENCY SUMMARY

**Table 1.2: Summary of measures disclosed in the 2003-04 budget**

Measure	Outcome	Output affected	Appropriations budget			Appropriations forward estimate 2004-05 (\$'000)			Appropriations forward estimate 2005-06 (\$'000)			Appropriations forward estimate 2006-07 (\$'000)		
			2003-04 (\$'000)		Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
			Admin expenses	Dept outputs										
Communications, Information Technology and the Arts Portfolio - decreased resourcing in 2003-04	1	1.1	Nil	(24)	(24)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
NetAlert	3	3.2	Nil	(500)	(500)	Nil	(500)	(500)	Nil	(500)	(500)	Nil	Nil	Nil

## REVENUE FROM INDEPENDENT SOURCES

**Table 1.3: Revenue from independent sources**

	Estimated revenue 2002-03 \$'000	Estimated revenue 2003-04 \$'000
Sale of Goods and Services	182	122
Interest and dividends	29	-
Other sources of non-taxation revenue	355	-
<b>Total estimated revenue</b>	<b>566</b>	<b>122</b>

## ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

ABA will receive no administered capital, departmental equity injections or loans in 2003-04.

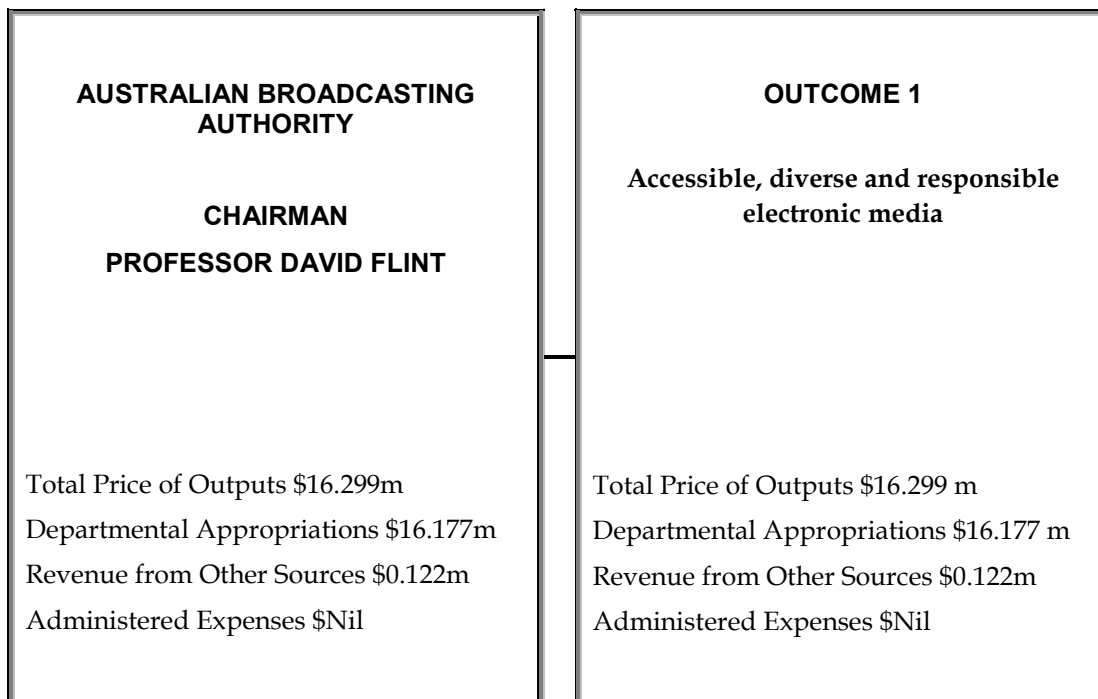
However, the ABA will receive in 2003-04 appropriations for previous year's outputs \$0.355 million for Comcover insurance.

## Section 2: Outcomes and outputs information

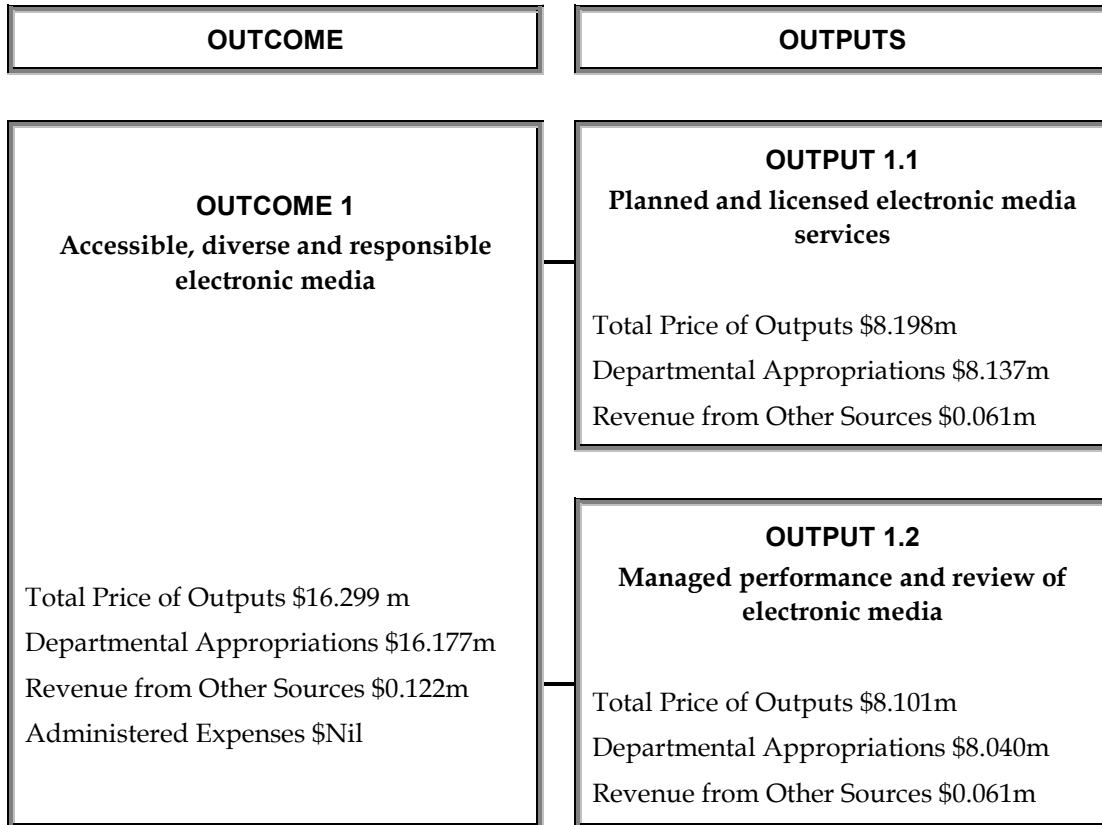
### OUTCOMES AND OUTPUT GROUPS

The map on the following page shows the relationship between the 2 outcomes.

**Map 1: Outcomes and output groups**



**Map 2: Outcome 1 — contributing outputs**



Note: Revenue from Government (Appropriations) contributes 99.3% to the Total Price of Outputs for Outcome 1 for 2003-04.

**CHANGES TO OUTCOMES AND OUTPUTS**

The ABA has not changed its outcome and output structure since the 2002-03 budget.

## OUTCOME 1 — DESCRIPTION

### Accessible, diverse and responsible electronic media

Promoting the availability of a diverse range of broadcasting services to audiences throughout Australia is one of the objects of the *Broadcasting Services Act 1992* (BSA). These objects also include the fostering of a broadcasting industry that is responsive to audience needs, respectful of community standards and diligent in responding to audience complaints. The promotion of the role of broadcasters in reflecting a sense of Australian identity, character and cultural diversity and ensuring that Australians have control of the more influential broadcasting and datacasting services, are other objects mentioned.

By making various types of new services available, the ABA is expanding the range and diversity of broadcasting services available to Australians. It also promotes the availability of broadcasting by improving coverage of existing services. The ABA plans and licences a range of broadcasting services that use traditional and new technologies.

While ensuring the electronic media comply with the BSA, licence conditions, program standards and codes of practice, the ABA encourages the electronic media to be aware of community standards and take as much responsibility for the regulation of their own operations and programming as possible.

### Measures affecting Outcome 1<sup>1</sup>

#### Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Broadcasting Authority	-0.024	-	-	-

The Government has identified savings of \$0.5 million in 2003-04 which will be effected across the portfolio.

See related measure titled *Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04*, in the Department of Communications, Information Technology and the Arts.

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<sup>1</sup> This relates to measures disclosed in the 2002-03 budget context (that is, measures agreed since the *Mid Year Economic and Fiscal Outlook* (MYEFO)).

*ABA – Section 1  
Measures affecting Outcome 1*

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**NetAlert**

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Broadcasting Authority	-0.5	-0.5	-0.5	-

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The Government will continue funding for NetAlert for the three years 2003-04 to 2005-06. NetAlert provides information and facilitates research to raise community awareness about the control of offensive online content.

Funding of \$0.5 million per annum for three years will be reallocated from the Australian Broadcasting Authority.

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references C1, E1 and I1 show the links back to Table 1.1, the Appropriations Table.

**Table 2.1.1: Total resources for Outcome 1**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
<b>Administered appropriations<sup>1</sup></b>			
<i>The ABA has no administered expenses</i>	-	-	
<b>Total administered expenses</b>	-	-	(I1)
<b>Departmental appropriations</b>			
Output 1.1 Planned and licensed electronic media services	7,725	8,137	
Output 1.2 Managed performance and review of electronic media services	7,429	8,040	
<b>Total revenue from government (appropriations)</b>	<b>15,154</b>	<b>16,177</b>	(C1)
<b>Contributing to price of departmental outputs</b>	<b>96.4%</b>	<b>99.3%</b>	
<b>Revenue from other sources</b>			
Output 1.1 Planned and licensed electronic media	402	61	
Output 1.2 Managed performance and review of electronic media	164	61	
<b>Total revenue from other sources</b>	<b>566</b>	<b>122</b>	
<b>Total price from departmental outputs</b>			
(Total revenue from government and from other sources)	<b>15,720</b>	<b>16,299</b>	(E1)
<b>Total estimated resourcing for Outcome 1</b>			
(Total price of outputs and administered appropriations)	<b>15,720</b>	<b>16,299</b>	
	2002-03	2003-04	
<b>Average staffing level (number)</b>	134	134	

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The ABA's outputs planned and licenced electronic media services and managed performance and review of electronic media services, reflect the objects and regulatory policy set out in the BSA and Ministerial Directions as to Government policy. The ABA licenses new broadcasting and datacasting services and plans and licenses a range of services using the broadcasting services bands of the radiofrequency spectrum. It is also the electronic media regulatory authority, developing and monitoring compliance with program standards and enforcing licence conditions.

Much content regulation of electronic media is co-regulatory in nature. Broadcasters, datacasters and internet service providers (ISPs) develop and implement codes of practice, while the ABA is responsible for ensuring compliance with the codes and that the codes adequately reflect community concerns.

## PERFORMANCE INFORMATION FOR OUTCOME 1

**Table 2.2.1 Performance Information for Outcome 1**

<b>Effectiveness - Overall achievement of the Outcome</b>	
Expansion of industry	Number and type of new services made available.
Industry compliance	Levels of compliance with BSA, licence conditions, program standards and codes of practice.
Community and consumer satisfaction	Level of awareness and satisfaction with regulatory mechanisms to be gauged by research into community attitudes.
<b>Performance information for departmental outputs</b>	
Output 1.1 Planned and Licensed Electronic Media Services	<p><b>Quality</b>                      Planned services which are spectrum efficient and useable.                      Licences allocated within two years of being planned.                      Temporary community licences allocated within 12 weeks of application.                      Datacasting licences allocated efficiently.</p> <p><b>Quantity</b>                      10 variations to existing radio plans.                      Digital channel plans for low power repeater services in regional markets.                      Licence area plans for all analog television and Aggregated/Regional markets (4).                      Licences to be allocated: 2 commercial radio, 12 community radio, 4 community television, 60 temporary community licences and datacasting licences as required.</p> <p><b>Price</b>                      \$8.198 m</p>

**Table 2.2.1 Performance Information for Outcome 1 (continued)**

Output 1.2 Managed Performance and Review of Electronic Media	<p><b>Quality</b> High level of industry compliance with standards and codes of practice and the ownership and control rules of the BSA. Research and trend analysis on community standards, interests and values.</p> <p><b>Quantity</b> Lack of recurring breaches by licensees of licence conditions and codes of practice. Completion of 75% of codes investigations within 4 months of receipt of complaint or further information; processing of all applications lodged for opinions on control or temporary approval of breach of the BSA within one month of receiving an application or further information. Provision of opinions as to category of service within timeframes in the BSA; 100% of C&amp;P programs classified within 60 days of receipt of complete applications. Decision on appropriate action in relation to Internet content complaints within one week of receipt.</p> <p><b>Price</b> \$8.101 m</p>
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## EVALUATIONS

Information on planning evaluation activity that relates to this outcome is included in the table above will be shown in the Annual Report.

## Section 3: Budgeted financial statements

### **DEPARTMENTAL FINANCIAL STATEMENTS**

#### **Budgeted Departmental Statement of Financial Performance (Operating Statement)**

This statement provides a picture of the expected financial results for the Agency by identifying full accrual expenses, accrual revenues and capital use charge, which highlights whether the Agency is operating at a sustainable level.

#### **Budgeted Departmental Statement of Financial Position (Balance Sheet)**

This statement shows the financial position of the Agency. It helps decision-makers to track the management of the Agency's assets and liabilities.

#### **Budgeted Departmental Statement of Cash Flows**

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

#### **Departmental Capital Budget Statements**

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.

#### **Departmental Non Financial Assets — Summary of Movement**

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

### **SCHEDULE OF ADMINISTERED ACTIVITY**

#### **Schedule of Budgeted Revenues and Expenses Administered on behalf of Government**

This schedule identifies the main revenues and expenses administered on behalf of the Government.

#### **Schedule of Budgeted Assets and Liabilities Administered on behalf of Government**

This schedule shows the assets and liabilities administered on behalf of the Government.

#### **Schedule of Budgeted Administered Cash Flows**

This schedule shows cash flows administered on behalf of the Government.

**Schedule of Administered Capital Budget**

This schedule shows details of planned administered capital expenditure.

**Schedule of Administered Non-financial Assets — Summary of Movement**

This schedule discloses details of movement in administered non-financial assets.

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	15,154	16,177	16,128	16,013	16,180
Goods and services	182	122	136	136	136
Interest	29	-	-	-	-
Dividends	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	355	-	-	-	-
<b>Revenues from ordinary activities</b>	<b>15,720</b>	<b>16,299</b>	<b>16,264</b>	<b>16,149</b>	<b>16,316</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	9,477	9,882	9,844	9,913	9,961
Suppliers	5,239	5,358	5,255	5,065	5,528
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	924	999	1,070	1,105	816
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>15,640</b>	<b>16,239</b>	<b>16,169</b>	<b>16,083</b>	<b>16,305</b>
Borrowing costs expense	80	60	95	66	11
Share of net profits/losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.1: Budgeted departmental statement of financial performance

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
Capital Use Charge Paid *	-				
<b>Net surplus or deficit after CUC</b>	-	-	-	-	-
Outside equity interests in net surplus or deficit	-	-	-	-	-
<b>Net surplus or deficit attributable to the Commonwealth</b>	-	-	-	-	-
Net credit (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit (credit) to equity	-	-	-	-	-
Adjustments arising from Standards recognised as direct debit (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit (credit) to equity	-	-	-	-	-
<b>Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity</b>	-	-	-	-	-

\*The Capital Use Charge will be abolished from 1 July 2003.

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	201	847	824	646	720
Receivables	538	191	196	201	207
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>739</b>	<b>1,038</b>	<b>1,020</b>	<b>847</b>	<b>927</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	756	835	1,423	1,119	822
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	2,797	2,537	2,278	2,432	2,453
Other	285	285	285	275	265
<b>Total non-financial assets</b>	<b>3,838</b>	<b>3,657</b>	<b>3,986</b>	<b>3,826</b>	<b>3,540</b>
<b>Total assets</b>	<b>4,577</b>	<b>4,695</b>	<b>5,006</b>	<b>4,673</b>	<b>4,467</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	867	867	1,057	614	289
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>867</b>	<b>867</b>	<b>1,057</b>	<b>614</b>	<b>289</b>
<b>Provisions</b>					
Employees	3,007	3,131	3,247	3,367	3,486
Other	-	-	-	-	-
<b>Total provisions</b>	<b>3,007</b>	<b>3,131</b>	<b>3,247</b>	<b>3,367</b>	<b>3,486</b>
<b>Payables</b>					
Suppliers	129	123	128	118	118
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing Costs	-	-	-	-	-
Other	-	-	-	-	-
<b>Total payables</b>	<b>129</b>	<b>123</b>	<b>128</b>	<b>118</b>	<b>118</b>
<b>Total liabilities</b>	<b>4,003</b>	<b>4,121</b>	<b>4,432</b>	<b>4,099</b>	<b>3,893</b>

Table 3.2: Budgeted departmental statement of financial position

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	152	152	152	152	152
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	422	422	422	422	422
<b>Total parent entity interest</b>	<b>574</b>	<b>574</b>	<b>574</b>	<b>574</b>	<b>574</b>
<b>Outside equity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>574</b>	<b>574</b>	<b>574</b>	<b>574</b>	<b>574</b>
<b>Total assets and liabilities by maturity</b>					
Current assets	739	1,038	1,020	847	927
Non-current assets	3,838	3,657	3,986	3,826	3,540
Current liabilities	1,800	1,850	1,900	1,780	1,780
Non-current liabilities	2,203	2,271	2,532	2,319	2,113

**Table 3.3: Budgeted Departmental Statement of Cash Flow  
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and Services	105	122	130	130	130
Appropriations	15,154	16,178	16,128	16,013	15,680
Interest	29	-	-	-	-
Dividends	-	-	-	-	-
Other	546	776	487	373	440
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>15,834</b>	<b>17,076</b>	<b>16,745</b>	<b>16,516</b>	<b>16,250</b>
<b>Cash used</b>					
Employees	9,357	9,711	9,731	9,793	9,841
Suppliers	6,059	5,840	5,922	5,891	5,797
Grants	-	-	-	-	-
Borrow ing costs	80	60	95	66	11
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>15,496</b>	<b>15,611</b>	<b>15,748</b>	<b>15,750</b>	<b>15,649</b>
<b>Net cash from/ (used by) operating activities</b>	<b>338</b>	<b>1,465</b>	<b>997</b>	<b>766</b>	<b>601</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant, equipment and intangibles	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	532	819	1,020	944	527
Purchase of financial Instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>532</b>	<b>819</b>	<b>1,020</b>	<b>944</b>	<b>527</b>
<b>Net cash from/ (used by) investing activities</b>	<b>(532)</b>	<b>(819)</b>	<b>(1,020)</b>	<b>(944)</b>	<b>(527)</b>

Table 3.3: Budgeted departmental statement of cash flows

**Table 3.3: Budgeted Departmental Statement of Cash Flow  
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from/ (used by) financing activities</b>	-	-	-	-	-
<b>Net increase/(decrease) in cash held</b>	<b>(194)</b>	<b>646</b>	<b>(23)</b>	<b>(178)</b>	<b>74</b>
Cash at the beginning of the reporting period	395	201	847	824	646
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>201</b>	<b>847</b>	<b>824</b>	<b>646</b>	<b>720</b>

**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	- (K3) <sup>1</sup>	-	-	-
Total loans	-	- (K3) <sup>1</sup>	-	-	-
Appropriation from previous year output	-	355	-	-	-
<b>Represented by</b>					
Purchase of non-current assets	-	-	-	-	-
Other	-	355	-	-	-
<b>Total</b>	<b>-</b>	<b>355</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON CURRENT ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by	532	819	1,020	944	527
Departmental resources					
<b>Total purchase of non-current assets</b>	<b>532</b>	<b>819</b>	<b>1,020</b>	<b>944</b>	<b>527</b>

1 These two lines link to (K3) in Table 1.1

Part C: Agency Budget Statements – ABA

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)**

	Land	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
Carrying amount at the start of year	-	-	-	756	-	2797	-	3553
Additions	-	-	-	31	-	787	-	818
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	531	-	(531)	-	-
Depreciation/amortisation expense	-	-	-	(483)	-	(516)	-	(999)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	<b>835</b>	-	<b>2,537</b>	-	<b>3,372</b>
<b>Total additions</b>								
Self funded	-	-	-	31	-	787	-	818
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>31</b>	-	<b>787</b>	-	<b>818</b>

**Table 3.6: Schedule of Budgeted Revenues and Expenses Administered on behalf of Government for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimates 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>REVENUES</b>					
<b>Taxation</b>					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	200,000	210,000	220,000	230,000	240,000
<b>Total taxation</b>	<b>200,000</b>	<b>210,000</b>	<b>220,000</b>	<b>230,000</b>	<b>240,000</b>
<b>Non-taxation</b>					
Goods and services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Revenue from sale of assets	35,381	-	-	-	-
Other sources of non-taxation revenues	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Total non-taxation</b>	<b>35,381</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenues administered on on behalf of the Government</b>	<b>235,381</b>	<b>210,000</b>	<b>220,000</b>	<b>230,000</b>	<b>240,000</b>
<b>EXPENSES</b>					
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Personal benefits	-	-	-	-	-
Employees	-	-	-	-	-
Suppliers	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Write down and impairment of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Interest	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total expenses administered on behalf of the Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.7: Schedule of budgeted assets and liabilities

**Table 3.7: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government as at 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	-	-	-	-	-
Receivables	-	-	-	-	-
Investments	-	-	-	-	-
Accrued revenues	200,000	210,000	220,000	230,000	240,000
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>200,000</b>	<b>210,000</b>	<b>220,000</b>	<b>230,000</b>	<b>240,000</b>
<b>Non-financial assets</b>					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	-	-	-	-	-
Other non-financial assets	-	-	-	-	-
<b>Total non-financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of the Government</b>	<b>200,000</b>	<b>210,000</b>	<b>220,000</b>	<b>230,000</b>	<b>240,000</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Commonwealth securities	-	-	-	-	-
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	-	-	-	-	-
Taxation refunds provided	-	-	-	-	-
Australian currency on issue	-	-	-	-	-
Other Provisions	-	-	-	-	-
<b>Total provisions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Payables</b>					
Suppliers	-	-	-	-	-
Grants and subsidies	-	-	-	-	-
Personal benefits payable	-	-	-	-	-
Taxation refunds due	-	-	-	-	-
Other payables	-	-	-	-	-
<b>Total payables</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.8: Schedule of Budgeted Administered Cash Flows  
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Income tax	-	-	-	-	-
Indirect tax	-	-	-	-	-
Other taxes, fees and fines	225,870	200,000	210,000	220,000	230,000
Sale of goods	-	-	-	-	-
Rendering of services	-	-	-	-	-
Interest	-	-	-	-	-
Dividends	-	-	-	-	-
Cash from Official Public Account -					
Appropriations	-	-	-	-	-
Special Accounts	-	-	-	-	-
Other	-	-	-	-	-
Transfer from other entities (Finance - WOG)	-	-	-	-	-
Other	35,381	-	-	-	-
<b>Total cash received</b>	<b>261,251</b>	<b>200,000</b>	<b>210,000</b>	<b>220,000</b>	<b>230,000</b>
<b>Cash used</b>					
Borrowing costs	-	-	-	-	-
Employees	-	-	-	-	-
Grant payments	-	-	-	-	-
Interest paid	-	-	-	-	-
Subsidies paid	-	-	-	-	-
Personal benefits	-	-	-	-	-
Suppliers	-	-	-	-	-
Cash to Official Public Account from -					
Appropriations	-	-	-	-	-
Special Accounts	-	-	-	-	-
Other	261,251	200,000	210,000	220,000	230,000
Transfers to other entities (Finance - WOG)	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>261,251</b>	<b>200,000</b>	<b>210,000</b>	<b>220,000</b>	<b>230,000</b>
<b>Net cash from/(used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.8: Schedule of budgeted administered cash flows

**Table 3.8: Schedule of Budgeted Administered Cash Flows  
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	-	-	-	-	-
Proceeds from sales of equity instruments	-	-	-	-	-
Proceeds from sales of investments	-	-	-	-	-
Repayments of advances	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Transfers from Other Entities	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	-	-	-	-	-
Purchase of equity instruments	-	-	-	-	-
Advances and loans made	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Transfers to Other Entities	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from/(used by) investing activities</b>	-	-	-	-	-
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from borrow ing	-	-	-	-	-
Cash from Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Net repayment of borrow ings	-	-	-	-	-
Dividends paid	-	-	-	-	-
Cash to Official Public Account	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	-	-	-	-	-
<b>Net cash from/(used by) financing activities</b>	-	-	-	-	-
<b>Net increase (decrease) in cash held</b>					
Cash at beginning of reporting period	-	-	-	-	-
Effect of exchange rate movements on cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	-	-	-	-	-

**Table 3.9: Schedule of Administered Capital Budget**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Administered capital	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-current assets	-	-	-	-	-
Other					
<b>Total</b>	-	-	-	-	-
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by Capital appropriation	-	-	-	-	-
Funded internally by Departmental resources					
<b>Total</b>	-	-	-	-	-

**Table 3.10: Schedule of Administered Non-financial Assets — Summary of Movement (Budget year 2003-04)**

	Land	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
Carrying amount at the start of year	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	-	-	-	-
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	-	-	-	-	-	-	-	-
<b>Total additions</b>								-
Self funded	-	-	-	-	-	-	-	-
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### Departmental

#### Budgeted Departmental Statement of Financial Performance

##### Other Revenue

The Other Revenue estimate for 2002-03 comprises funding intended to cover the depreciation of certain ABA assets. It is recognised as receivable for the 2002-03 financial year. For forward years, this depreciation funding will be part of ABA's appropriation and included in Revenues from government.

#### Expenses from Ordinary Activities

##### Employees

Employee expenses increase in 2003-04 as result of increase in PSS & CSS contribution and salary increases. No voluntary redundancies have been factored into the forecasts for 2003-04 or forward years.

##### Depreciation and Amortisation

These estimates relate to the depreciation and amortisation of computer software, including the ABA's information management system, broadcast planning tools software and technical equipment.

##### Borrowing Costs Expense

These expenses are related to the ABA's IT outsourcing finance lease.

##### Net Surplus or Deficit

The operating results for 2003-04 and forward years are in deficit due to unforeseen increases in employer contribution rates for staff superannuation.

#### Budgeted Departmental Statement of Financial Position

##### Receivables

The Receivables estimate for 2002-03 includes funds due from 2002-03 financial year for funding of asset depreciation. The cash will be made available to ABA in 2003-04 via an appropriation for prior year outputs.

##### Intangibles

These estimates comprise computer software, including the ABA's Information Management System and broadcasting planning tools software. These significant assets are being progressively acquired over the period 2001-02 to 2003-04 and year-by-year variations in value are reflective of both depreciation and anticipated re-investment in these tools.

##### Liabilities

#### Employee Provisions

The liability for employee entitlements represents accrued salaries, annual leave and long service leave.

### **Leases**

The ABA, as part of a cluster known as Group 8, entered into a sale and leaseback transaction of certain IT assets. The IT equipment provided to and used by the ABA includes desktop computers, midrange and other equipment. The IT outsourcing contract has been accounted for as a finance lease in accordance with AAS 17, *Leases*.

## **Administered**

### **Budgeted Administered Statement of Financial Performance**

#### Taxation Revenue

##### **Other taxes, fees and fines**

This balance represents revenue collected by the ABA under the *Broadcasting Services Act 1992* on behalf of the Commonwealth. These funds are remitted to the Commonwealth's Official Public Account.

Revenue is also derived from auction sales of broadcasting licences (please refer to the paragraph on net gains from the sale of assets below).

##### **Proceeds gains from sales of assets**

This balance represents amounts received by the ABA for the sale of commercial licences by auction.

### **Budgeted Administered Statement of Financial Position**

#### Assets

##### **Accrued Revenue**

This balance represents amounts receivable for radio and television broadcasting licences. The due date for licences is 31 December of each financial year.

### **Departmental Financial Statements and Notes Administered Items**

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, 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 over which they have control.

Departmental assets, liabilities, revenues and expenses in relation to an agency or authority are those which are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities which are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

### **Appropriations in the Accrual Budgeting Framework**

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies,
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies,
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Special appropriations continue under the accrual appropriation framework, and fund the majority of payments from the Consolidated Revenue Fund.

### **Asset valuation**

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

## Section 4: Purchaser/Provider and Cost Recovery arrangements

### **PURCHASER/PROVIDER ARRANGEMENTS**

ABA has no purchaser/provider arrangements.

### **COST RECOVERY ARRANGEMENTS**

ABA has no cost recovery arrangements.