

**AUSTRALIAN BROADCASTING
CORPORATION**

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 role/mission, outcomes or outputs as a result of Additional Estimates.

Table 1.1: Agency outcomes and output groups

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

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The variations to outcomes appropriations in Additional Estimates for 2006-07 arise from additional funding for extensions and enhancements to ABC Local Radio and NewsRadio. This will result in a minor increase in the price of outputs for Outcome 2, compared to that presented in the 2006-07 Portfolio Budget Statements.

Variations — Measures

There have been no measures taken since the 2006-07 Budget that affect ABC appropriations for 2006-07.

Other variations to appropriations

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

	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)	2009-10 (\$'000)
Outcome 1				
Variations (departmental)				
Revision to budget parameters	-	-	4,532	5,214
Outcome 2				
Variations (departmental)				
Analog Transmission and Distribution Rollout	1,105	1,922	1,963	2,007
Revision to budget parameters	-	1,066	1,257	1,454
Outcome 3				
Variations (departmental)				
Revision to budget parameters	-	861	960	983
Digital Implementation Plan Rollout	-	347	293	298

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The variations to appropriations in Additional Estimates for 2006-07 arise from additional funding for extensions and enhancements to ABC Local Radio and NewsRadio, included in Appropriation Bill (No. 3) 2006-07. The ABC has no Additional Estimates appropriations under Appropriation Bill (No. 4) 2006-07.

Table 1.5: Appropriation Bill (No. 3) 2006-07

	2005-06 available \$'000	2006-07 budget \$'000	2006-07 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Audiences throughout Australia - and overseas - are informed, educated and entertained	624,963	651,825	651,825	-	-
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	80,177	82,021	83,126	1,105	-
Outcome 3					
The Australian community have access to ABC digital television services in accordance with approved digital implementation plans	69,114	74,581	74,581	-	-
Total	774,254	808,427	809,532	1,105	-

SUMMARY OF STAFFING CHANGES

There have been no changes to estimated staffing levels since the 2006-07 Budget. Estimated staffing numbers may vary depending on staffing levels associated with various projects and production activity.

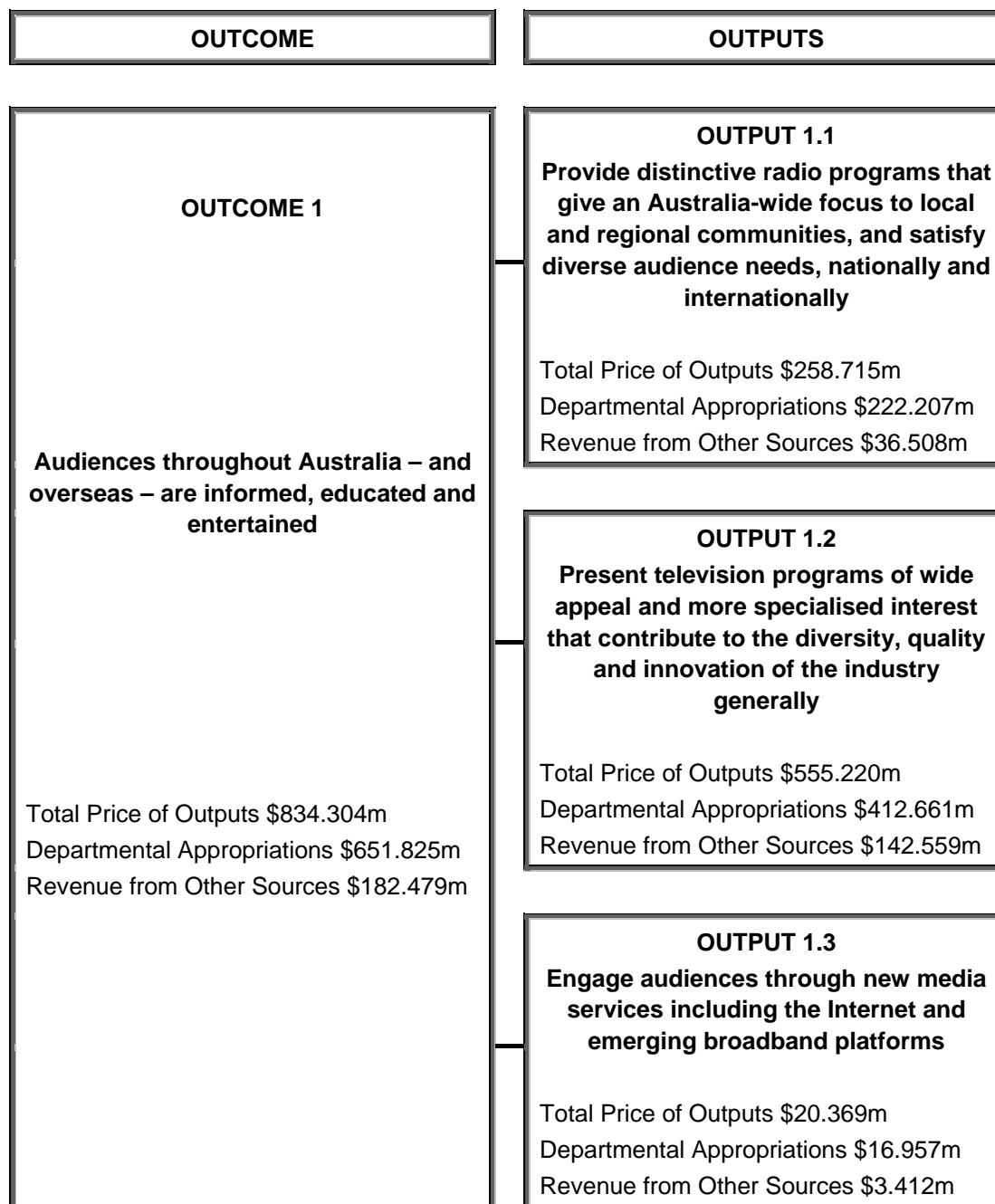
OTHER REVENUE AVAILABLE TO BE USED
Table 1.9: Other receipts available to be used

	Budget estimate 2006-07 \$'000	Revised estimate 2006-07 \$'000
Departmental other receipts		
Sales of Goods and Services CAC Act 1997 (D)	145,000	154,000
Interest and Dividends CAC Act 1997 (D)	6,050	10,500
Other CAC Act 1997 (D)	11,000	17,979
Total departmental other receipts available to be used	162,050	182,479

Section 2: Agency resources for 2006-07

OUTCOMES AND OUTPUTS

Figure 2.1: Outcome and output structure for Outcome 1



Note: Revenue from Government (Appropriations) contributes 78.13% to the Total Price of Outputs for Outcome 1.

Output cost attribution

The ABC's price of outputs is determined through an attribution process that identifies those costs and revenues directly related to the provision of a particular output, those support costs and revenues that can be attributed as directly supporting a particular output and other overhead costs and revenues that are attributed across outputs on a notional basis. This approach is applied fully in determining the price of outputs for radio, television and new media within Outcome 1. The price of outputs for Outcome 2 and Outcome 3 consist entirely of direct costs, as these outcomes are comprised entirely of dedicated analog and digital transmission functions.

Outcome 1**Explanation of variations**Departmental Expenses

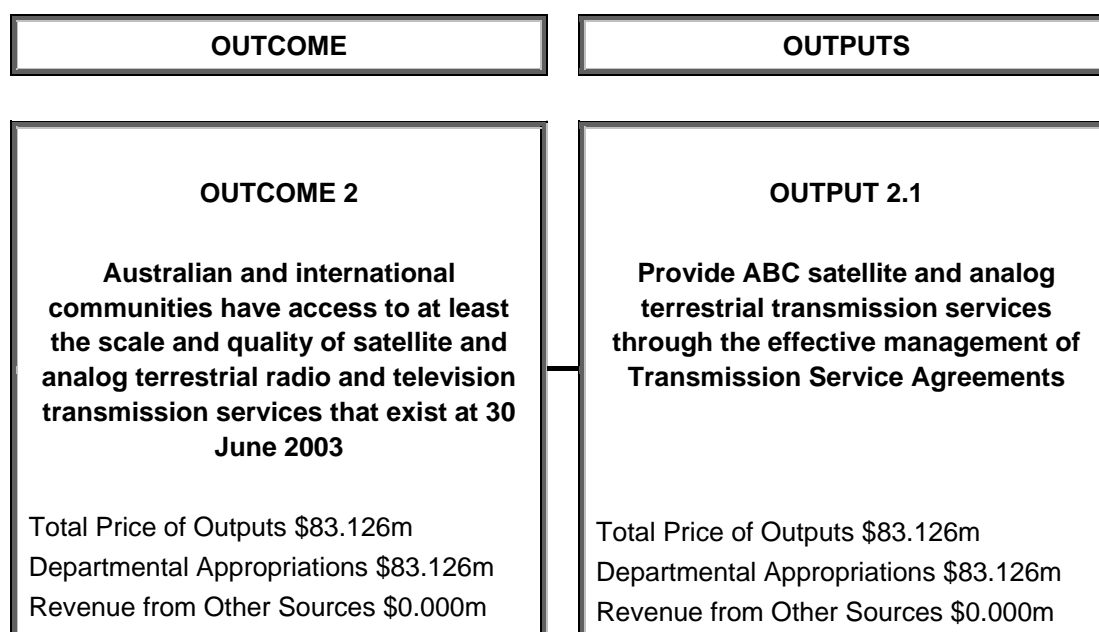
The variation in the price for Outcome 1 arises from a revision to estimated revenues from independent sources. There has been no change to 2006-07 appropriation funding for Outcome 1.

Revised performance information — 2006-07**Table 2.1.1: Performance information for outputs affected by additional estimates — Outcome 1**

Measures / Indicators / Target	Performance information 2006-07 budget	Performance information 2006-07 revised
Effectiveness - Overall achievement of the Outcome		
Audience usage of ABC Radio, Television and New Media services		
Results of audience surveys		
Performance Information for Departmental Output 1.1		
Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally	Quality	Quality
	Level and mix of Australian content	No change - as per Budget
	Genre diversity	
	Community and peer recognition and feedback	
	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 through the Internet	
	Level of radio content available through audio on demand via the Internet	
Price	Price	
\$254.628m	\$258.715m	
Performance Information for Departmental Output 1.2		
Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally	Quality	Quality
	Level and mix of Australian content	No change - as per Budget
	Genre diversity	
	Community and peer recognition and feedback	
	Quantity	Quantity
	Number of broadcast hours	No change - as per Budget
	Ratio of first run to repeat program hours	
	Price	Price
	\$539.260m	\$555.220m
	Performance Information for Departmental 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 and feedback	
	Quantity	Quantity
	Number of mailing list subscribers to ABC Online	No change - as per Budget
	Number of pages on ABC Online	
	Number of gateways on ABC Online	
	Use of content on emerging platforms such as broadband and WAP (Wireless Application Protocol)	
	Price	Price
\$19.987m	\$20.369m	

SUMMARY OF OUTCOME 2

Figure 2.2: Outcome and output structure for Outcome 2



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

Outcome 2

Explanation of variations

Departmental Expenses

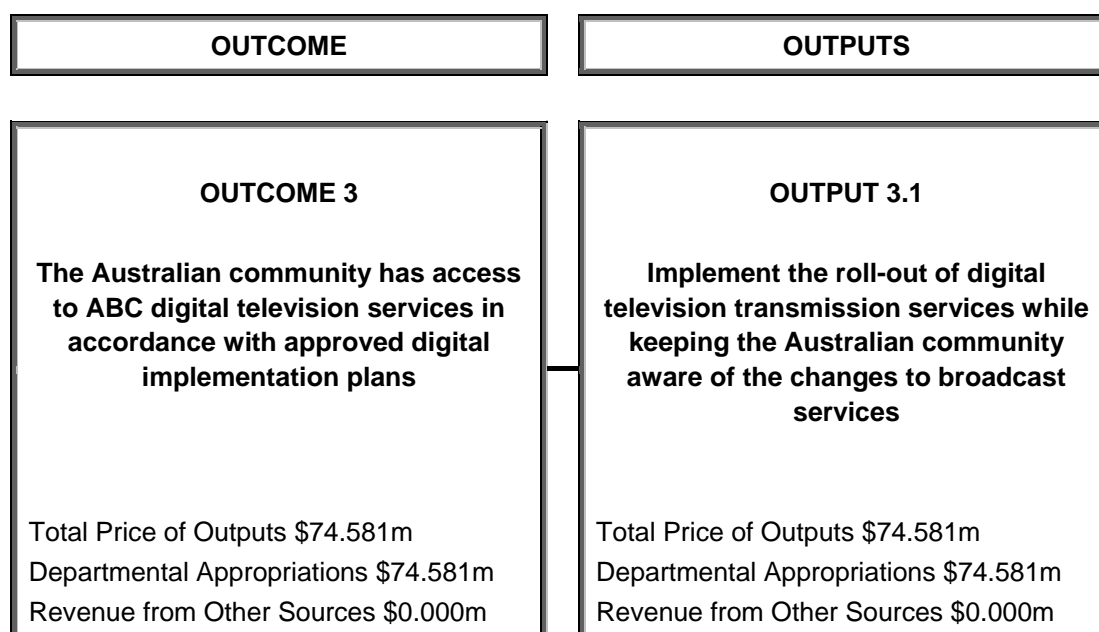
The variation in the price for Outcome 2 arises from additional appropriation funding for extensions and enhancements to ABC Local Radio and NewsRadio.

Revised performance information — 2006-07
Table 2.1.2: Performance information for outputs affected by additional estimates — outcome 2

Measures / Indicators / Target	Performance information 2006-07 budget	Performance information 2006-07 revised
Effectiveness - Overall achievement of the Outcome		
The number of ABC analog terrestrial transmission services		
Results of audience surveys		
Performance Information for Departmental Output 2.1		
Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements	Quality Improvements in the level of reporting in relation to the ABC's analog terrestrial transmission services compared with the reporting available immediately prior to the privatisation of the National Transmission Network (NTN).	Quality No change - as per Budget
	Quantity Comparison of the number of individual analog terrestrial transmission services provided by the ABC with the number of such services provided immediately prior to the privatisation of the NTN.	Quantity No change - as per Budget
	Comparison of the level of outages experienced by the ABC's analog terrestrial transmission services with outages relating to the same services immediately prior to the sale of the NTN.	No change - as per Budget
	Price \$82.021m	Price \$83.126m

SUMMARY OF OUTCOME 3

Figure 2.3: Outcome and output structure for Outcome 3



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

Outcome 3

Explanation of variations

Departmental Expenses

There have been no variations to 2006-07 appropriation funding for Outcome 3 as a result of Additional Estimates.

Revised performance information — 2006-07

There have been no changes to the performance information for Outcome 3 as a result of Additional Estimates.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Budgeted departmental income statement

The principal items impacting the 2006-07 Statement of Financial Performance since the Budget are: the additional funding and related expenditures for rollout of the digital implementation plan and extensions and enhancements to ABC Local Radio and NewsRadio; and, revised estimates for goods and services revenues, with related expenditures, from ABC Enterprises and international television activities.

Budgeted departmental balance sheet

The movements since the Budget in the Statement of Financial Position for 2006-07 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 TABLES

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

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
INCOME					
Revenues					
Revenues from Government	774,254	809,532	830,581	852,372	870,457
Goods and services	150,116	154,000	154,225	154,456	154,692
Interest	9,504	10,500	6,006	5,944	6,000
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	27,123	17,979	18,737	18,831	19,289
Total Revenue	960,997	992,011	1,009,549	1,031,603	1,050,438
Gains					
Net foreign exchange gains	272	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	-	-	11,000	-	-
Other	-	-	-	-	-
Total Gains	272	-	11,000	-	-
Total Income	961,269	992,011	1,020,549	1,031,603	1,050,438
EXPENSE					
Employees	333,879	344,033	354,352	364,984	375,932
Suppliers	520,683	535,689	549,109	560,394	568,850
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	61,388	84,069	85,569	87,069	87,819
Finance costs	8,031	6,874	5,673	4,310	2,991
Write-down of assets and impairment of assets	2,994	-	-	-	-
Net losses from sale of assets	2,261	-	11,000	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	929,236	970,665	1,005,703	1,016,757	1,035,592
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result before Income Tax	32,033	21,346	14,846	14,846	14,846
Income Tax expense	-	-	-	-	-
Net operating result	32,033	21,346	14,846	14,846	14,846
Operating result from continuing operations	32,033	21,346	14,846	14,846	14,846
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discounted operations	-	-	-	-	-
Operating result	32,033	21,346	14,846	14,846	14,846
Minority interest in net surplus (or deficit)	-	-	-	-	-
Net surplus (or deficit) attributable to the Australian Government	32,033	21,346	14,846	14,846	14,846

Table 3.2: Budget departmental balance sheet as at 30 June

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,495	5,495	5,495	5,495	5,495
Receivables	118,742	100,088	97,434	88,780	78,126
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	14,533	14,533	14,533	14,533	14,533
Other	-	-	-	-	-
Total financial assets	138,770	120,116	117,462	108,808	98,154
Non-financial assets					
Land and buildings	527,157	515,157	492,157	480,157	468,157
Infrastructure, plant and equipment	223,783	270,561	295,839	319,617	332,145
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	97,628	97,628	97,628	97,628	97,628
Intangibles	10,881	10,353	9,825	9,297	8,769
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	46,020	46,020	46,020	46,020	46,020
Total non-financial assets	905,469	939,719	941,469	952,719	952,719
Total assets	1,044,239	1,059,835	1,058,931	1,061,527	1,050,873
LIABILITIES					
Interest bearing liabilities					
Loans	122,000	102,000	80,000	56,500	31,000
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	122,000	102,000	80,000	56,500	31,000
Provisions					
Employees	116,588	120,151	123,821	127,602	131,495
Other	-	-	-	-	-
Total provisions	116,588	120,151	123,821	127,602	131,495
Payables					
Suppliers	53,167	49,604	45,934	42,153	38,260
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other	10,330	10,330	10,330	10,330	10,330
Total payables	63,497	59,934	56,264	52,483	48,590
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	302,085	282,085	260,085	236,585	211,085

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
EQUITY					
Parent entity interest					
Contributed equity	120,295	134,545	140,795	152,045	152,045
Reserves	366,746	366,746	366,746	366,746	366,746
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	255,113	276,459	291,305	306,151	320,997
Total parent entity interest	742,154	777,750	798,846	824,942	839,788
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	742,154	777,750	798,846	824,942	839,788
Current assets	248,309	120,116	117,462	108,808	98,154
Non-current assets	795,930	939,719	941,469	952,719	952,719
Current liabilities	147,567	180,085	180,085	180,085	180,085
Non-current liabilities	154,518	102,000	80,000	56,500	31,000

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	121,031	154,000	154,225	154,456	154,692
Appropriations	774,254	809,532	830,581	852,372	870,457
Interest	9,634	10,500	6,006	5,944	6,000
Dividends	-	-	-	-	-
Net GST received	42,236	50,515	50,515	50,515	50,515
Other	1,813	17,979	18,737	18,831	19,289
Total cash received	948,968	1,042,526	1,060,064	1,082,118	1,100,953
Cash used					
Employees	332,618	398,485	410,440	422,753	435,436
Suppliers	465,341	481,237	493,021	502,625	509,346
Grants	-	-	-	-	-
Financing costs	8,034	6,874	5,673	4,310	2,991
Net GST paid	46,304	50,515	50,515	50,515	50,515
Other	-	-	-	-	-
Total cash used	852,297	937,111	959,649	980,203	998,288
Net cash from or (used by) operating activities	96,671	105,415	100,415	101,915	102,665
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	369	-	11,000	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	18,654	2,654	8,654	10,654
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	369	18,654	13,654	8,654	10,654
Cash used					
Purchase of property, plant and equipment	47,824	118,319	98,319	98,319	87,819
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	23,292	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	71,116	118,319	98,319	98,319	87,819
Net cash from or (used by) investing activities	(70,747)	(99,665)	(84,665)	(89,665)	(77,165)

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

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	14,250	12,750	11,250	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	14,250	12,750	11,250	-
Cash used					
Repayments of debt	19,000	20,000	22,000	23,500	25,500
Dividends paid	6,321	-	6,500	-	-
Other	-	-	-	-	-
Total cash used	25,321	20,000	28,500	23,500	25,500
Net cash from/(used by) financing activities	(25,321)	(5,750)	(15,750)	(12,250)	(25,500)
Net increase or (decrease) in cash held	603	-	-	-	-
Cash at the beginning of the reporting period	4,892	5,495	5,495	5,495	5,495
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	5,495	5,495	5,495	5,495	5,495

Table 3.4: Departmental statement of changes in equity – summary of movement (Budget year 2006-07)

	Accumulated results	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balances as at 1 July 2006					
Balance carried forward from previous period	255,113	366,708	38	120,295	742,154
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balances	255,113	366,708	38	120,295	742,154
Income and expenses					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expenses recognised directly in equity	-	-	-	-	-
Net operating result	21,346	-	-	-	21,346
Total income and expenses	21,346	-	-	-	21,346
Sub-total income and expense attributable to Australian Government attributable to minority interest	-	-	-	-	-
Transactions with owners					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other:	-	-	-	14,250	14,250
Contribution by owners					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	14,250	14,250
Transfers between equity components	-	-	-	-	-
Closing balance less minority interests	276,459	366,708	38	134,545	777,750
Estimated closing balance as at 30 June 2007	276,459	366,708	38	134,545	777,750

Table 3.5: Departmental capital budget statement

	Actual 2005-06 \$'000	Revised budget 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'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	80,070	104,069	85,569	87,069	87,819
Departmental resources					
Total	80,070	118,319	98,319	98,319	87,819

Note: The actual figures for purchase of non-current assets include some transfers from Capital Work In Progress, for which some expenditures were incurred in prior years.

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2006									
Gross book value	158,956	-	644,376	-	508,218	-	28,539	-	1,340,089
Accumulated depreciation	122	-	276,053	-	284,435	-	17,658	-	578,268
Opening net book value	158,834	-	368,323	-	223,783	-	10,881	-	761,821
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	-	60,135	-	3,778	-	84,069
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2007									
Gross book value	158,956	-	652,532	-	615,131	-	31,789	-	1,458,408
Accumulated depreciation	122	-	296,209	-	344,570	-	21,436	-	662,337
Estimated closing net book value	158,834	-	356,323	-	270,561	-	10,353	-	796,071

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.

