

AUSTRALIAN
BROADCASTING
CORPORATION

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AUSTRALIAN BROADCASTING CORPORATION

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australian Broadcasting Corporation (ABC) is one of the country's most important cultural institutions. As the major national public broadcaster it contributes to and reflects Australia's national identity, fosters creativity and the arts and encourages cultural diversity.

The ABC is an integral part of the radio, television and online production industries and the news and information media. It also plays an important role in digital broadcasting and the introduction of new media services. Accountable to Parliament and the Australian people, the ABC can provide equity of access to traditional media and new media to all Australians.

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

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

(c) to encourage and promote the musical, dramatic and other performing arts in Australia.

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

The ABC's Portfolio Budget Statements do not include coverage of Symphony Australia or the state symphony orchestras, as their funds are provided separately from ABC appropriations, through a direct grant agreement.

At the request of the Minister for Communications, Information Technology and the Arts, the ABC has commenced work on an Output Pricing Review. It is anticipated that the Review will be completed by the middle of 2002 and could then be taken into consideration in the context of forthcoming Triennial Funding discussions, the results of which would be incorporated in the 2003-04 Budget.

APPROPRIATIONS

The total appropriation for the Corporation in 2002-03 Budget is \$807.743m.

Table 1.1 on the following page, shows the total appropriations for the ABC for 2002-03 by the three outcomes, price of the outputs and equity injections. Further information is provided on resourcing for each outcome in tables 2.1.1, 2.1.2 and 2.1.3

The ABC has no Administered Expenses.

Australian Broadcasting Corporation — appropriations 2002-03

Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				Total appropriations (\$'000)
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations	Total administered appropriations	Total appropriations		
	Bill No. 1 (A)	Special approps (B)	Total (C = A+B) (C1) ⁽¹⁾	(D)	(E = C+D) (E1) ⁽¹⁾	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) ⁽²⁾ (G)	(H)	(I = F+G+H) (I1) ⁽¹⁾	(J=C+I)
1. Audiences throughout Australia - and overseas - are informed, educated and entertained.	628,388	-	628,388	131,211	759,599	-	-	-	-	628,388
					82.7%					
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 2002.	75,318	-	75,318	-	75,318	-	-	-	-	75,318
					100%					

Table 1.1 continued on next page.

Australian Broadcasting Corporation — appropriations 2002-03

Table 1.1: Appropriations and other revenue ('000) (continued)

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)			Total appropriations (\$'000)		
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations	Total administered appropriations				
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾				
	(A)	(B)	(C = A+B) (C1) ⁽¹⁾	(D)	(E = C+D) (E1) ⁽¹⁾	(F)	(G)	(H)	(I = F+G+H) (I1) ⁽¹⁾	(J=C+I)	
3. The Australian community has access to ABC digital television services in accordance with approved digital implementation plans.	29,763	-	29,763	-	29,763	-	-	-	-	29,763	
			(K1) ⁽¹⁾		100%						
Total	733,469	-	733,469	131,211	864,680	-	-	-	(K2)⁽¹⁾	733,469	
									Departmental capital (equity injections and loans)	(K3) ⁽¹⁾	74,274
									Administered capital	(K4) ⁽¹⁾	-
									Total appropriations		807,743

- Cells C1, E1 and I1 refer to information provided in Table 2.1.1, 2.1.2 and 2.1.3. Amounts K1, K2 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 gross amounts generated by the ABC Enterprises as well as other non-business revenue, which offsets costs, such as co-production and interest. Non-appropriated departmental and administered revenues are details in Appendix 1. The ABC has no administered revenue.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs by outcome.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The ABC will receive an amount under the heading of equity injection/loan of \$74.3m in 2002-03, as indicated in Table 1.1 and as accounted for in the Capital Budget Statement (see Tables 3.4 and 3.5), and Appropriation Bill (No.2) 2002-03. This amount comprises an equity injection of \$43.3m and a loan of \$31.0m.

The equity injection consists of the following components:

- an amount of \$4.3m to assist in phase 1 of the ABC's conversion to digital project, as announced in the 1998-99 Budget;
- an amount of \$6.4m representing the Government's contribution towards capital costs of phase 2 of the ABC's conversion to digital project; and
- an amount of \$32.6m representing the Government's contribution towards retiring residual debt in respect of phase 1 of the ABC's conversion to digital project.

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, in addition to the equity injection above, the ABC will draw down \$31m in loan funding from the Budget to fund expenditures on the Sydney Accommodation Project, phase 1 of the ABC's conversion to digital project and East Perth building works.

The ABC has not been appropriated any administered capital for 2002-03.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUTS

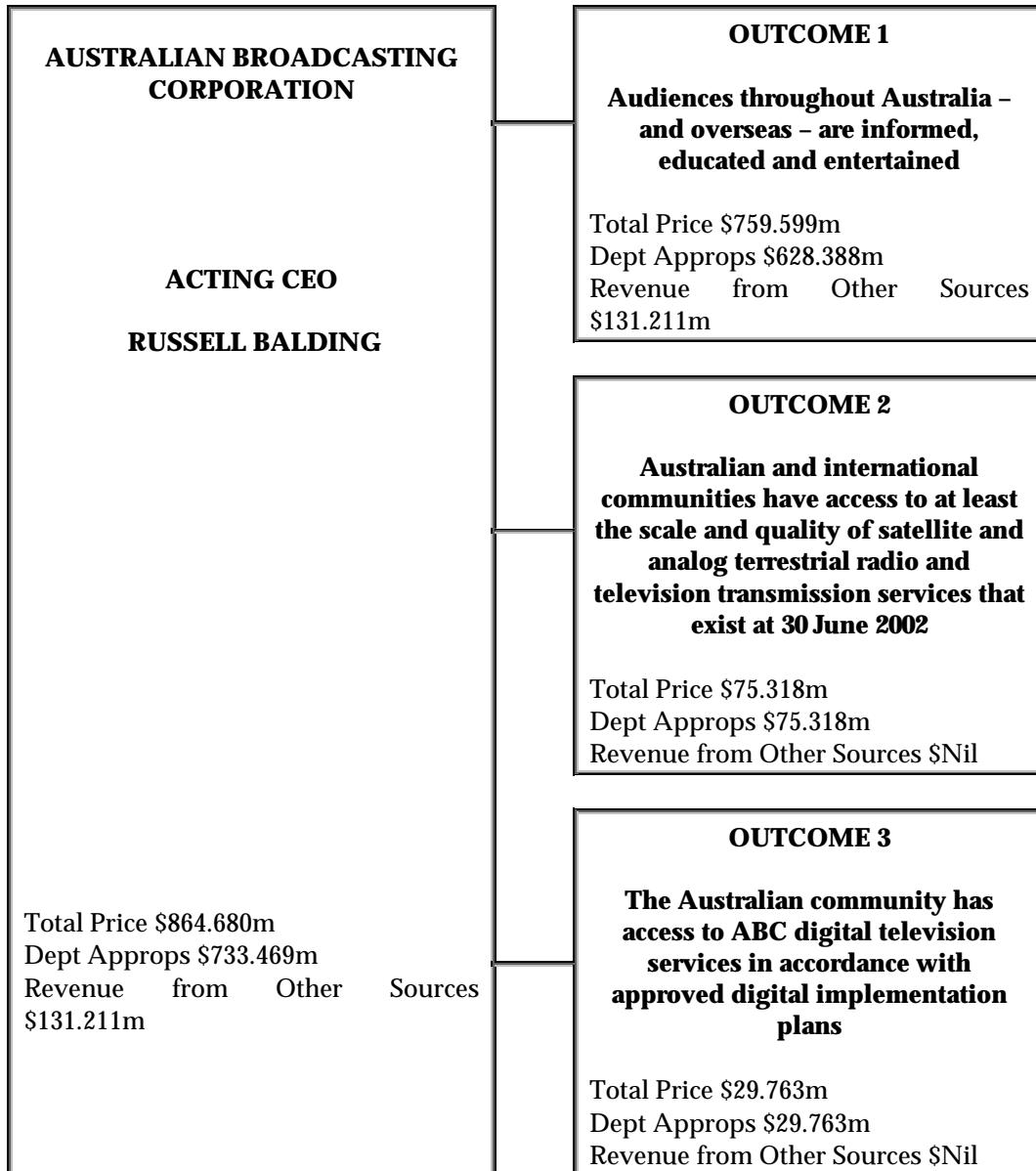
Map 1, 2, 3 and 4 on the following pages show the relationship between outcomes and the contributing outputs for the Australian Broadcasting Corporation.

Financial details for Outcome 1 by outputs and output groups appears in table 2.1.1 (Total Resources for Outcome 1) while non-financial information for Outcome 1 appears in table 2.2.1 (Performance Information for Outcome 1).

Financial details for Outcome 2 by outputs and output groups appears in table 2.1.2 (Total Resources for Outcome 2) while non-financial information for Outcome 2 appears in table 2.2.2 (Performance Information for Outcome 2).

Financial details for Outcome 3 by outputs and output groups appears in table 2.1.3 (Total Resources for Outcome 3) while non-financial information for Outcome 3 appears in table 2.2.3 (Performance Information for Outcome 3).

Map 1: Outcome structure



CHANGES TO OUTCOMES AND OUTPUTS

The ABC Board developed a new Corporate Plan in mid 2001, covering the 2001-04 period. As part of this process the Board revised its outcomes and outputs to ensure alignment between the Corporate Plan and the statements. The wording of the statements has been revised to better reflect the intended impact on target communities the Appropriations are expected to achieve.

OUTCOME 1 — DESCRIPTION

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

The ABC seeks to achieve this outcome by:

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

Three outputs support Outcome One as shown in Map 2 on the previous page. These outputs contribute to and support the Corporation's aims listed above.

Measures affecting Outcome 1

There are no Government Budget Measures affecting Outcome 1 for the ABC in 2002-03.

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2002-03 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 Appropriation Table.

Table 2.1.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	
Administered appropriations	-	-	
Total administered expenses	-	-	(I1)
Departmental appropriations			
Output 1.1 Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally.	205,276	212,249	
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.	387,469	400,629	
Output 1.3 Engage audiences through new media services including the Internet and emerging broadband platforms.	15,001	15,510	
Total revenue from government (appropriations)	607,746	628,388	(C1)
Contributing to price of departmental outputs	82.4%	82.7%	
Revenue from other sources			
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.	25,020	25,336	
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.	103,138	104,441	
Output 1.3 Engage audiences through new media services including the Internet and emerging broadband platforms.	1,416	1,434	
Total revenue from other sources	129,574	131,211	
Total price from departmental outputs			
(Total revenue from government and from other sources)	737,320	759,599	(E1)
Total estimated resourcing for Outcome 1			
(Total price of outputs and administered appropriations)	737,320	759,599	
	2001-02	2002-03	
Average staffing level (number)*	4,200	4,200	

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

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

To achieve Outcome 1, the ABC will:

- Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally – (Output 1.1);
- Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally – (Output 1.2); and
- Engage audiences through new media services including the Internet and emerging broadband platforms – (Output 1.3).

These three Outputs are supported by four strategic objectives:

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

PERFORMANCE INFORMATION FOR OUTCOME 1

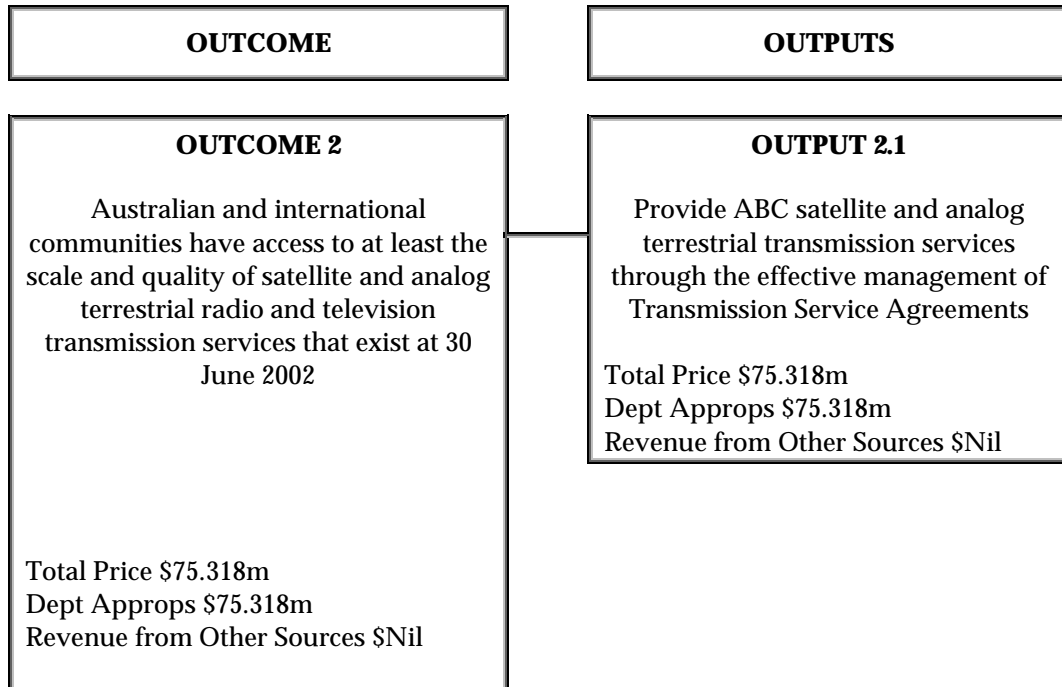
Table 2.2.1: Performance information for Outcome 1

Effectiveness - Overall achievement of the Outcome - (Measures, indicators and targets used as appropriate)	
Audience usage of ABC Radio, Television and New Media services	
Results of audience surveys	
Performance information for departmental outputs	
Output 1.1 — Provide distinctive radio programs that give an Australia-wide focus to local and regional communities, and satisfy diverse audience needs, nationally and internationally	<p>Quality Level and mix of Australian content. Genre diversity. Community and peer recognition and feedback. Number of artists first broadcast.</p> <p>Quantity Number of broadcast hours. Number of Radio stations. Level of radio content available through the Internet. Level of radio content available through audio on demand via the Internet.</p> <p>Price Total price of output \$237.585m</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>Quality Level and mix of Australian content. Genre diversity. Community and peer recognition and feedback.</p> <p>Quantity Number of broadcast hours. Ratio of first run to repeat program hours.</p> <p>Price Total price of output \$505.070m</p>
Output 1.3 — Engage audiences through new media services including the Internet and emerging broadband platforms	<p>Quality Genre diversity. Industry ranking of ABC Online. Community and peer recognition and feedback.</p> <p>Quantity Number of mailing list subscribers to ABC Online. Number of pages on ABC Online. Number of gateways on ABC Online. Use of content on emerging platforms such as broadband and WAP (Wireless Application Protocol).</p> <p>Price Total price of output \$16.944m</p>

EVALUATIONS

Evaluations planned in 2002-03 include surveys to assess the level of audience usage and appreciation of the ABC.

Map 3: Outcome 2 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 100% to the Total Price of Outputs for Outcome 2 for 2002-03.

OUTCOME 2 — DESCRIPTION

Australian and international communities have access to at least the scale and quality of satellite and analog terrestrial radio and television transmission services that exist at 30 June 2002

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

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

Measures affecting outcome 2

There are no Government Budget Measures affecting Outcome 2 for the ABC in 2002-03.

Table 2.1.2: Total resources for Outcome 2 & Outcome 2 – Contribution of Outputs

OUTCOME 2 — RESOURCING

Table 2.1.2 shows how the 2002-03 appropriations translate to total resourcing for Outcome 2, 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 2.1.2: Total resources for Outcome 2 (\$'000)

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	
Administered appropriations	-	-	
Total administered expenses	-	-	(I1)
Departmental appropriations			
Output 2.1 Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements.	73,393	75,318	
Total revenue from government (appropriations)	73,393	75,318	(C1)
Contributing to price of departmental outputs	100%	100%	
Revenue from other sources			
Output 2.1 Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements.	-	-	
Total revenue from other sources	-	-	
Total price from departmental outputs			
(Total revenue from government and from other sources)	73,393	75,318	(E1)
Total estimated resourcing for Outcome 2			
(Total price of outputs and administered appropriations)	73,393	75,318	
	2001-02	2002-03	
Average staffing level (number)	-	-	

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

To achieve Outcome 2 the ABC will:

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

Table 2.2.2 on the next page provides information on the strategies chosen to deliver Outcome 2, and shows the links between the output and the outcome.

PERFORMANCE INFORMATION FOR OUTCOME 2

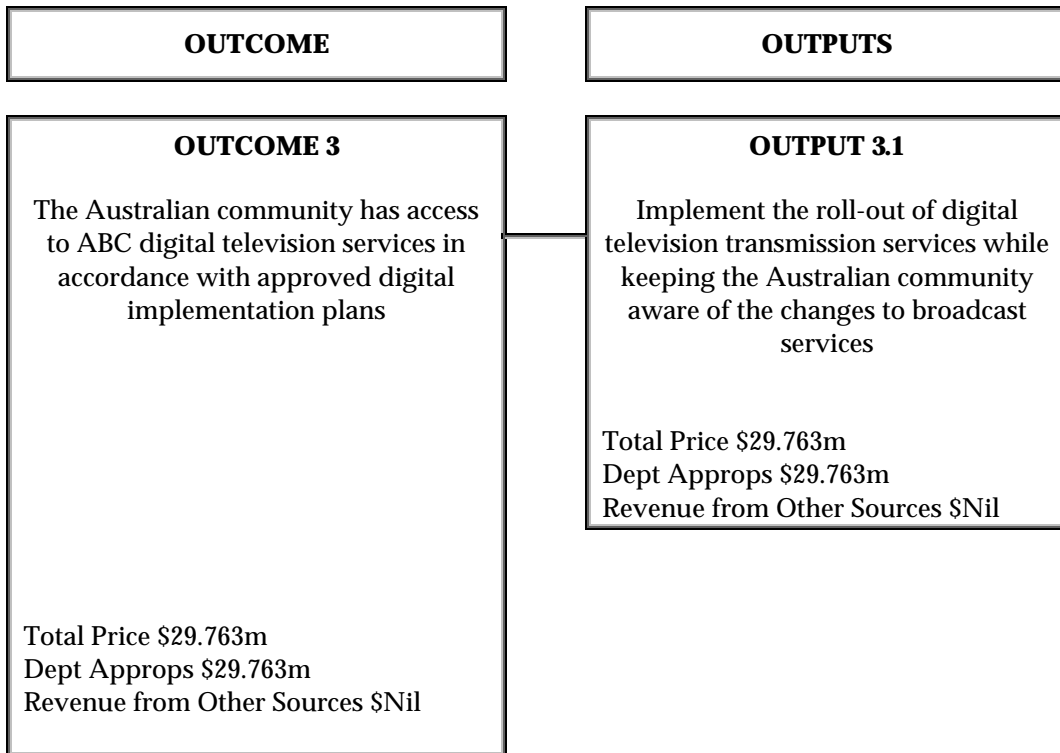
Table 2.2.2: Performance information for Outcome 2

Effectiveness - Overall achievement of the Outcome - (Measures, indicators and targets used as appropriate)	
The number of ABC analog terrestrial Results of audience surveys	
Performance information for departmental outputs	
Output 2.1 — Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements	<p>Quality Improvements in the level of reporting in relation to the ABC's analog terrestrial transmission services compared with the reporting available immediately prior to the privatisation of the National Transmission Network.</p> <p>Quantity Comparison of the number of individual analog terrestrial transmission services provided by the ABC with the number of such services provided immediately prior to the privatisation of the NTN. Comparison of the level of outages experienced by the ABC's analog terrestrial transmission services with outages relating to the same services immediately prior to the sale of the NTN.</p> <p>Price Total price of output \$75.318m</p>

EVALUATIONS

Evaluations planned in 2002-03 include surveys to assess the level of audience appreciation of the ABC.

Map 4: Outcome 3 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 100% to the Total Price of Outputs for Outcome 3 for 2002-03.

OUTCOME 3 — DESCRIPTION

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

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

Outcome 3 provides for the televising of programs in a digital format. Funding under this Outcome provides the capacity to distribute and transmit the digital signal, simulcasted alongside the existing analog signal.

Measures affecting outcome 3

There are no Government Budget Measures affecting Outcome 3 for the ABC in 2002-03.

OUTCOME 3 — RESOURCING

Table 2.1.3 shows how the 2002-03 appropriations translate to total resourcing for Outcome 3, 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 2.1.3: Total resources for Outcome 3 (\$'000)

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	
Administered appropriations	-	-	
Total administered expenses	-	-	(I1)
Departmental appropriations			
Output 3.1 Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services.	29,426	29,763	
Total revenue from government (appropriations) Contributing to price of departmental outputs	29,426 100%	29,763 100%	(C1)
Revenue from other sources			
Output 3.1 Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services.	-	-	
Total revenue from other sources	-	-	
Total price from departmental outputs (Total revenue from government and from other sources)	29,426	29,763	(E1)
Total estimated resourcing for Outcome 3 (Total price of outputs and administered appropriations)	29,426	29,763	
	2001-02	2002-03	
Average staffing level (number)	-	-	

OUTCOME 3 — CONTRIBUTION OF OUTPUTS

To achieve Outcome 3 the ABC will:

- implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services.

Table 2.2.3 below provides information on strategies chosen to deliver Outcome 3, and shows the links between the outputs and the outcome.

PERFORMANCE INFORMATION FOR OUTCOME 3

Table 2.2.3: Performance information for Outcome 3

Effectiveness - Overall achievement of the Outcome (Measures, indicators and targets used as appropriate)	
The degree to which the Australian population has access to ABC digital television transmissions	
The availability of the digital network	
Performance information for departmental outputs	
Output 3.1 — Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services	<p>Quality That each terrestrial facility operates within the limits set by the relevant Transmitter Licence and the approved Implementation Plans.</p> <p>Quantity The number of digital terrestrial television facilities in operation against the approved Implementation Plans.</p> <p>Price Total price of outputs - \$29.763m</p>

EVALUATIONS

Evaluations planned in 2002-03 include reviewing the performance of external providers against their contractual obligations to the ABC.

Section 3: Budgeted financial statements

DEPARTMENTAL STATEMENTS

- Budgeted Departmental Statement of Financial Performance (Operating Statement)
- Budgeted Departmental Statement of Financial Position (Balance Sheet)
- Budgeted Departmental Statement of Cash Flows
- Departmental Capital Budget Statement
- Departmental Non-financial Assets – Summary of Movement

Table 3.1: Budgeted Departmental Statement of Financial Performance

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
Revenues from ordinary activities					
Revenues from government	710,565	733,469	754,010	776,252	776,923
Sales of goods and services	104,887	107,509	110,228	112,992	115,982
Interest	6,177	6,332	6,459	6,612	6,612
Dividends	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-
Other	18,510	17,370	17,770	18,180	18,600
Total revenues from ordinary activities	840,139	864,680	888,467	914,036	918,117
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	307,604	315,602	324,754	331,574	339,200
Suppliers	383,488	385,860	395,080	411,289	407,908
Grants	-	-	-	-	-
Depreciation and amortisation	65,899	75,102	78,319	83,319	83,319
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	756,991	776,564	798,153	826,182	830,427
Borrowing costs expense	8,237	12,572	12,792	10,631	8,834
Net surplus or deficit from ordinary activities	74,911	75,544	77,522	77,223	78,856
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or deficit	74,911	75,544	77,522	77,223	78,856
Capital use charge	59,260	58,646	60,505	62,377	64,010
Net surplus or deficit after capital use charge	15,651	16,898	17,017	14,846	14,846

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	552	27,709	42,738	39,775	54,621
Receivables	80,327	75,327	65,837	89,047	89,047
Investments	1,887	1,887	1,887	1,887	1,887
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	82,766	104,923	110,462	130,709	145,555
Non-financial assets					
Land and buildings	330,287	419,601	411,445	403,289	395,133
Infrastructure, plant and equipment	221,767	270,274	273,257	276,290	284,442
Inventories	57,568	57,568	57,568	57,568	57,568
Intangibles	10,341	6,564	2,787	1,009	1,013
Other	133,481	19,511	19,511	19,511	19,511
Total non-financial assets	753,444	773,518	764,568	757,667	757,667
Total assets	836,210	878,441	875,030	888,376	903,222
LIABILITIES					
Debt					
Loans	160,000	191,000	169,500	168,000	168,000
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	50,000	-	-	-	-
Total debt	210,000	191,000	169,500	168,000	168,000
Provisions and payables					
Employees	102,116	103,175	104,247	104,247	104,247
Suppliers	34,222	34,222	34,222	34,222	34,222
Grants	-	-	-	-	-
Other	-	-	-	-	-
Total provisions and payables	136,338	137,397	138,469	138,469	138,469
Total liabilities	346,338	328,397	307,969	306,469	306,469
EQUITY					
Capital	89,113	132,387	132,387	132,387	132,387
Reserves	228,708	228,708	228,708	228,708	228,708
Accumulated surpluses or deficits	172,051	188,949	205,966	220,812	235,658
Total equity	489,872	550,044	567,061	581,907	596,753
Current liabilities	136,338	137,397	138,469	138,469	138,469
Non-current liabilities	210,000	191,000	169,500	168,000	168,000
Current assets	82,766	104,923	110,462	130,709	145,555
Non-current assets	753,444	773,518	764,568	757,667	757,667

Table 3.3: Budgeted Departmental Statement of Cash Flows

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	710,565	733,469	754,010	776,252	776,923
Sales of goods and services	123,397	124,879	127,998	131,172	134,582
Interest	6,177	6,332	6,459	6,612	6,612
Other	47,132	48,051	49,081	51,029	50,515
Total cash received	887,271	912,731	937,548	965,065	968,632
Cash used					
Employees	306,558	314,543	323,682	330,489	338,115
Suppliers	383,488	385,860	395,080	411,289	407,908
Grants	-	-	-	-	-
Interest	8,237	12,572	12,792	10,631	8,834
Other	47,132	48,051	49,081	51,029	50,515
Total cash used	745,415	761,026	780,635	803,438	805,372
Net cash from operating activities	141,856	151,705	156,913	161,627	163,260
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	2,110	38,000	-	-	-
Repayments of loans made	-	-	-	-	-
Other	25,000	5,000	9,490	-	-
Total cash received	27,110	43,000	9,490	-	-
Cash used					
Purchase of property, plant and equipment	93,561	127,686	69,369	76,418	83,319
Loans made	-	-	-	-	-
Other	55,080	5,490	-	-	-
Total cash used	148,641	133,176	69,369	76,418	83,319
Net cash from investing activities	(121,531)	(90,176)	(59,879)	(76,418)	(83,319)
FINANCING ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	-	-	-	-	-
Proceeds from debt	20,000	31,000	20,000	-	-
Other	14,600	43,274	-	-	-
Total cash received	34,600	74,274	20,000	-	-
Cash used					
Repayments of debt	-	50,000	41,500	25,795	1,085
Capital use and dividends paid	59,260	58,646	60,505	62,377	64,010
Other	-	-	-	-	-
Total cash used	59,260	108,646	102,005	88,172	65,095
Net cash from financing activities	(24,660)	(34,372)	(82,005)	(88,172)	(65,095)

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
Net increase (decrease) in cash held	(4,335)	27,157	15,029	(2,963)	14,846
Cash at the beginning of the reporting period	4,887	552	27,709	42,738	39,775
Cash at the end of the reporting period	552	27,709	42,738	39,775	54,621

Table 3.4: Departmental Capital Budget Statement

Table 3.4: Departmental Capital Budget Statement

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	14,600	(K3) 43,274	-	-	-
Total loans	20,000	(K3) ⁽¹⁾ 31,000	20,000	-	-
Represented by					
Purchase of non-current assets	30,400	27,400	20,000	-	-
Other	4,200	46,874	-	-	-
Total	34,600	74,274	20,000	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	30,400	27,400	20,000	-	-
Funded internally by					
Departmental resources	63,161	100,286	49,369	76,418	76,418
Total purchase of non-current assets	93,561	127,686	69,369	76,418	76,418

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

Table 3.5: Departmental Non-financial Assets – Summary of Movement (Budget year 2002-03)

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>As at 1 July 2002 (Opening)</i>	121,033	209,254	330,287	221,767	221,767	10,341	562,395
Additions	-	97,470	97,470	149,676	149,676	-	247,146
Disposals	-	-	-	38,000	38,000	-	38,000
Revaluation increments	-	-	-	-	-	-	-
Recoverable amount written-downs	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	8,156	8,156	63,169	63,169	3,777	75,102
Write-off of assets	-	-	-	-	-	-	-
<i>As at 30 June 2003 (Closing)</i>	121,033	298,568	419,601	270,274	270,274	6,564	696,439
Total additions							
Self funded	-	97,470	97,470	122,276	122,276	-	219,746
Appropriations	-	-	-	27,400	27,400	-	27,400
Total	-	97,470	97,470	149,676	149,676	-	247,146

Notes to the Financial Statements

Departmental

The Australian Broadcasting Corporation's budget statements are prepared in compliance with the Australian Accounting Standards. 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 for which they control. The Australian Broadcasting Corporation does not have any administered transactions.

Appropriations

Under ABC's triennial funding arrangement with the Commonwealth Government, the ABC has an agreed ongoing funding base that is indexed each year. This base funding is allocated within the ABC to programming, project and other activities according to priorities determined by the ABC Board. To accommodate the Accrual Budgeting Framework presentation of information in this document and on initial advice from the Department of Finance and Administration, the ABC has been presenting a component of its ongoing funding base applied to debt financing as part of the Equity Injection figure. This treatment was causing some distortions in the ABC's financial statements. Following subsequent discussions with the Department of Finance and Administration, these amounts will be shown as revenues on the Operating Statement from 2001-02 onwards, with a resulting operating surplus which is then fully applied to debt financing. (refer to Tables 1.1 and 3.4)

Depreciation

Increase in the amount of annual depreciation and amortisation in the Budgeted Statement of Revenues and Expenses shows an increase each year. This is due to additional capital expenditure, particularly in respect of digital equipment.

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, the ABC will source all new debt funding from the Budget to fund existing financial instruments as they mature as well as expenditures on the Sydney Accommodation Project, phase 1 of the ABC's conversion to digital project and East Perth Accommodation Project.

Equity Injection

An amount of \$43.3m is included in the 2002-03 Capital Budget as an equity injection. This comprises two components. The first component is an amount of \$4.3m to assist in phase 1 of the conversion to digital television, as announced in the 1998-99 Budget. The second component is an amount of \$6.4m to assist in phase 2 of the conversion to digital television, as announced in the 2000-01 Budget.

The equity injection figure for 2002-03 also includes an estimated contribution of \$32.6m towards retirement of outstanding debt relating to phase 2 of the ABC's conversion to digital project, pursuant to an undertaking from the Commonwealth Government.

Loans

In accordance with the Governments preference on risk management, the ABC now sources debt through the budget rather than from external financial markets.

As a result of this decision, in addition to the equity injection above, the ABC will draw down \$31.0m in loan funding from the Budget to fund expenditures on the Sydney Accommodation Project, phase 1 of the ABC's conversion to digital project and the East Perth Accommodation project.

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.

APPENDIX 1: REVENUES FROM INDEPENDENT SOURCES

Revenues from independent sources

	Estimated revenue 2001-02 \$'000	Estimated revenue 2002-03 \$'000
Sale of Goods and Services	104,887	107,509
Interest and dividends	6,177	6,332
Other sources of non-taxation revenue	18,510	17,370
Total estimated revenue	129,574	131,211

