

AUSTRALIAN BROADCASTING CORPORATION

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AUSTRALIAN BROADCASTING CORPORATION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION

There have been no significant changes to the Australian Broadcasting Corporation's (ABC's) strategic direction, role/mission, outcomes or programs as a result of Additional Estimates. There have been minor additional appropriations for the rollout of digital television and NewsRadio extensions.

A full outline of the ABC's strategic direction can be found in the 2009-10 Portfolio Budget Statement.

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the ABC at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009-10 Budget year, including variations through Appropriation Bills No. 3 and No. 4, special appropriations and special accounts.

Table 1.1: ABC resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009

Source	Estimate as at + Budget 2009-10 \$'000	Proposed Additional = Estimates 2009-10 \$'000	Total estimate Additional Estimates 2009-10 \$'000	Total resources 2008-09 \$'000
Opening balance/Reserves at bank¹	5,897		8,154	3,456
REVENUE FROM GOVERNMENT				
Ordinary annual services²				
<i>Outcome 1</i>	731,023	-	731,023	683,384
<i>Outcome 2</i>	92,721	817	93,538	90,671
<i>Outcome 3</i>	84,177	1,380	85,557	84,356
<i>Outcome 4</i>	4,385	-	4,385	-
Total ordinary annual services	912,306	2,197	914,503	858,411
Other services³				
<i>Non-Operating</i>	17,556	-	17,556	11,250
Total other services	17,556	-	17,556	11,250
Total annual appropriations	929,862	2,197	932,059	869,661
Payments from related entities⁴				
<i>Amounts from other agencies</i>	19,289	-	19,289	18,831
Total	19,289	-	19,289	18,831
Total funds from government	949,151	2,197	951,348	888,492
FUNDS FROM OTHER SOURCES				
<i>Interest</i>	6,000	-	6,000	11,072
<i>Sale of goods and services</i>	184,692	-	184,692	184,898
Total	190,692	-	190,692	195,970
Total net resourcing for ABC	1,145,740	2,197	1,150,194	1,087,918

All figures are GST exclusive

The ABC is not directly appropriated as it is a *Commonwealth Authorities and Companies Act 1997* (CAC Act) Body. Appropriations are made to the Department of Broadband, Communications and the Digital Economy, which are then paid to the ABC and are considered 'departmental' for all purposes.

1 The opening balance/reserves at bank has been revised from \$5.9m estimated at Budget to \$8.2m actual, as reflected in the 2008-09 Annual Report.

2 Appropriation Bills (No. 1 & 3) 2009-10

3 Appropriation Bills (No. 2 & 4) 2009-10

4 Funding provided by another Government body that is not specified within the annual appropriation bills as a payment to the CAC Act body.

1.3 AGENCY MEASURES TABLE

There have been no measures taken since the 2009-10 Budget that affect ABC appropriations for 2009-10.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following table details the changes to the resourcing for the ABC at Additional Estimates, by outcome. Table 1.4 details Additional Estimates or variations through factors such as parameter adjustments.

Table 1.4: Additional estimates and variations to outcomes from other variations

	Program impacted	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Outcome 1					
Decrease in estimates (departmental)					
Changes in the wage and price indices	1.1, 1.2, 1.3	-	(642)	(677)	(3,305)
Net impact on estimates for Outcome 1 (departmental)		-	(642)	(677)	(3,305)
Outcome 2					
Increase in estimates (departmental)					
ABC New sRadio implementation	2.1	817	745	758	769
Changes in the wage and price indices	2.1	-	189	-	-
Decrease in estimates (departmental)					
Changes in the wage and price indices	2.1	-	-	(179)	(83)
Net impact on estimates for Outcome 2 (departmental)		817	934	579	686
Outcome 3					
Increase in estimates (departmental)					
Digital Implementation Plan Rollout	3.1	1,380	1,294	1,337	1,365
Decrease in estimates (departmental)					
Changes in the wage and price indices	3.1	-	(263)	(160)	(346)
Net impact on estimates for Outcome 3 (departmental)		1,380	1,031	1,177	1,019
Outcome 4					
Increase in estimates (departmental)					
Changes in the wage and price indices	4.1	-	6	-	-
Decrease in estimates (departmental)					
Changes in the wage and price indices	4.1	-	-	(5)	(3)
Net impact on estimates for Outcome 4 (departmental)		-	6	(5)	(3)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the ABC through Appropriation Bills No. 3. The ABC has no Additional Estimates appropriations under Appropriation Bill No. 4.

Table 1.5: Appropriation Bill (No. 3) 2009-10

	2008-09 Available (\$'000)	2009-10 Budget (\$'000)	2009-10 Revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL PROGRAMS					
Outcome 1					
Informed, educated and entertained audiences - throughout Australia and overseas - through innovative and comprehensive media and related services	683,384	731,023	731,023	-	-
Outcome 2					
Audience access to ABC satellite and analog terrestrial radio and television transmission services is, at a minimum, maintained year-on-year through the management of Transmission Service Agreements	90,671	92,721	93,538	817	-
Outcome 3					
Audience access to ABC digital television services is provided, in accordance with Government approved implementation policy, through the roll-out and maintenance of the associated distribution and transmission infrastructure	84,356	84,177	85,557	1,380	-
Outcome 4					
Audience access to ABC digital radio services is provided, in accordance with Government approved implementation policy, through the roll-out and maintenance of the associated distribution and transmission infrastructure	-	4,385	4,385	-	-
Total	858,411	912,306	914,503	2,197	-

Note 1: 2008-09 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Section 2: Revisions to agency resources and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

There have been no revisions to the ABC's outcomes and programs structure, strategy or performance information as a result of Additional Estimates. There are minor changes to the resourcing of programs in Outcomes 2 and 3.

OUTCOME 1

There have been no changes to Outcome 1 as a result of Additional Estimates.

OUTCOME 2

Table 2.1.2 Budgeted Expenses and Resources for Outcome 2

There has been a variation in the resourcing for Outcome 2 in Additional Estimates as a result of additional funding for the implementation of NewsRadio services.

Outcome 2: Audience access to ABC satellite and analog terrestrial radio and television transmission services is, at a minimum, maintained year-on-year through the management of Transmission Service Agreements	2008-09 Actual expenses \$'000	2009-10 Revised estimated expenses \$'000
Program 2.1: ABC Analog Transmission		
Revenue from Government		
Ordinary annual services (Appropriation Bills No. 1 & 3)	90,603	95,150
Total for Program 2.1	90,603	95,150
Total expenses for Outcome 2	90,603	95,150
	2008-09	2009-10
Average Staffing Level (number)¹	-	-

¹ ABC staffing levels are all reflected against Outcome 1 in the 2009-10 Portfolio Budget Statements.

Program 2.1: ABC Analog Transmission

Program Expenses

	2008-09 Budget	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
('000)					
Annual departmental expenses:					
Departmental item	89,059	93,538	95,570	91,170	85,758
Expenses not requiring appropriation in the Budget year	-	1,612	-	-	-
Total program expenses	89,059	95,150	95,570	91,170	85,758

OUTCOME 3

There has been a variation in the resourcing for Outcome 3 in Additional Estimates as a result of additional rollout of Digital Implementation Plans in 2009-10.

Table 2.1.3 Budgeted Expenses and Resources for Outcome 3

Outcome 3: Audience access to ABC digital television services is provided, in accordance with Government approved implementation policy, through the roll-out and maintenance of the associated distribution and transmission infrastructure	2008-09 Actual expenses \$'000	2009-10 Revised estimated expenses \$'000
Program 3.1: Access to digital television services		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	76,628	85,557
Total for Program 3.1	76,628	85,557
Total expenses for Outcome 3	76,628	85,557
Average Staffing Level (number)¹	2008-09	2009-10
	-	-

1 ABC staffing levels are all reflected against Outcome 1 in the 2009-10 Portfolio Budget Statements.

Program 3.1: Digital Television Services

Program Expenses					
	2008-09 Budget	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
(‘000)					
Annual departmental expenses:					
Departmental item	77,356	85,557	86,455	84,502	86,462
Total program expenses	77,356	85,557	86,455	84,502	86,462

OUTCOME 4

There have been no changes to 2009-10 appropriation funding for Outcome 4 as a result of Additional Estimates.

Section 3: Explanatory tables and budgeted financial statements

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Departmental Income Statement

The principal items impacting the 2009-10 Comprehensive Income Statement since the Budget are the additional funding and related expenditures for extensions to NewsRadio services and the rollout of Digital Television.

Departmental Balance Sheet

The movements since the Budget in the Balance Sheet for 2009-10 and forward years are primarily driven by revised balances carried forward from the prior year.

3.2.2 Budgeted financial statements

Departmental financial statements

Table 3.2.1: Budgeted Departmental Comprehensive Income Statement (showing Net Cost of Services) for the period ended 30 June

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
EXPENSES					
Employee benefits	418,616	424,945	441,941	459,619	478,004
Supplier	576,932	594,131	611,965	610,454	606,461
Depreciation and amortisation	85,228	88,899	87,639	87,639	87,639
Write-down and impairment of assets	3,440				
Finance costs	4,319	2,991	1,658	287	-
Other					
Total expenses	1,088,535	1,110,966	1,143,203	1,157,999	1,172,104
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	184,898	184,692	184,934	189,581	195,268
Interest	11,072	6,000	6,000	6,000	6,000
Other revenue	29,636	19,289	19,354	-	-
Total revenue	225,606	209,981	210,288	195,581	201,268
Gains					
Sale of assets	17,771				
Other gains	625				
Total gains	18,396	-	-	-	-
Total own-source income	244,002	209,981	210,288	195,581	201,268
Net cost of (contribution by) services	844,533	900,985	932,915	962,418	970,836
Revenue from government	858,411	914,503	948,045	977,548	985,966
Surplus (Deficit)	13,878	13,518	15,130	15,130	15,130
Surplus (Deficit) attributable to the Australian Government	13,878	13,518	15,130	15,130	15,130
Total comprehensive income attributable to the Australian Government	13,878	13,518	15,130	15,130	15,130

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and equivalents	8,154	8,154	8,154	8,154	8,154
Trade and other receivables	12,128	12,128	12,128	12,128	12,128
Investments	141,300	102,135	91,265	101,395	116,525
Other	15,356	15,356	15,356	15,356	15,356
Total financial assets	176,938	137,773	126,903	137,033	152,163
Non-financial assets					
Land and buildings	639,586	609,185	591,330	561,475	531,620
Infrastructure, plant and equipment	225,194	293,574	311,272	341,497	371,723
Inventories	90,570	90,570	90,570	90,570	90,570
Intangibles	14,439	14,016	14,173	13,803	13,432
Other	77,953	77,953	77,953	77,953	77,953
Total non-financial assets	1,047,742	1,085,298	1,085,298	1,085,298	1,085,298
Total assets	1,224,680	1,223,071	1,212,201	1,222,331	1,237,461
LIABILITIES					
Interest bearing liabilities					
Loans	56,500	31,000	5,000	-	-
Total interest bearing liabilities	56,500	31,000	5,000	-	-
Provisions					
Employees	120,886	124,779	124,779	124,779	124,779
Other	82,642	71,749	71,749	71,749	71,749
Total provisions	203,528	196,528	196,528	196,528	196,528
Payables					
Other	18,562	18,562	18,562	18,562	18,562
Total payables	18,562	18,562	18,562	18,562	18,562
Total liabilities	278,590	246,090	220,090	215,090	215,090
Net assets	946,090	976,981	992,111	1,007,241	1,022,371

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June) (cont)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
EQUITY¹					
Parent entity interest					
Contributed equity	103,662	121,035	121,035	121,035	121,035
Reserves	551,387	551,387	551,387	551,387	551,387
Retained surpluses or accumulated deficits	291,041	304,559	319,689	334,819	349,949
Total parent entity interest	946,090	976,981	992,111	1,007,241	1,022,371
Total equity	946,090	976,981	992,111	1,007,241	1,022,371
Current assets	275,761	275,399	272,951	275,232	278,639
Non-current assets	948,919	947,672	939,250	947,099	958,822
Current liabilities	230,403	223,903	202,903	197,903	197,903
Non-current liabilities	48,187	22,187	17,187	17,187	17,187

Prepared on Australian Accounting Standards basis.

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

Table 3.2.3: Budgeted Departmental Statement of Cash Flows (as at 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	175,417	184,692	184,934	189,581	195,268
Appropriations	858,411	914,503	948,045	977,548	985,966
Interest	10,877	6,000	6,000	6,000	6,000
Other	83,316	73,611	75,451	55,936	55,528
Total cash received	1,128,021	1,178,806	1,214,430	1,229,065	1,242,762
Cash used					
Employees	409,447	427,775	444,856	462,622	478,004
Suppliers	572,672	591,301	609,050	607,451	606,461
Other	59,124	82,813	83,754	61,223	55,528
Total cash used	1,041,243	1,101,889	1,137,660	1,131,296	1,139,993
Net cash from or (used by) operating activities	86,778	76,917	76,770	97,769	102,769
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	40,110	-	-	-	-
Investments	-	24,368	-	-	-
Total cash received	40,110	24,368	-	-	-
Cash used					
Purchase of property, plant and equipment	64,093	126,455	87,639	87,639	87,639
Other	17,158	9,947	15,131	15,130	15,130
Total cash used	81,251	136,402	102,770	102,769	102,769
Net cash from or (used by) investing activities	(41,141)	(112,034)	(102,770)	(102,769)	(102,769)

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted Departmental Statement of Cash Flows (as at 30 June)
(cont)**

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity instruments	11,250	17,556	-	-	-
Other	-	25,500	26,000	5,000	-
Total cash received	11,250	43,056	26,000	5,000	-
Cash used					
Repayments of debt	23,500	-	-	-	-
Dividends paid	31,130	7,939	-	-	-
Total cash used	54,630	7,939	-	-	-
Net cash from or (used by) financing activities	(43,380)	35,117	26,000	5,000	-
Net increase or (decrease) in cash held	2,257	-	-	-	-
Cash at the beginning of the reporting period	5,897	8,154	8,154	8,154	8,154
Cash at the end of the reporting period	8,154	8,154	8,154	8,154	8,154

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2009-10)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2009					
Balance carried forward from previous period	291,041	551,427	(40)	103,662	946,090
Adjusted opening balance	291,041	551,427	(40)	103,662	946,090
Income and expense					
Surplus (deficit) for the period	13,518	-	-	-	13,518
Total income and expenses recognised directly in equity	13,518	-	-	-	13,518
Transactions with owners					
<i>Distribution to owners</i>					
Returns of capital					
Other ¹	-	-	-	(183)	(183)
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	17,556	17,556
Sub-total transactions with owners	-	-	-	17,373	17,373
Estimated closing balance as at 30 June 2010	304,559	551,427	(40)	121,035	976,981

Prepared on Australian Accounting Standards basis.

1 Return of capital represents an estimated return of equity of \$0.2m in respect of 2006-09 Outcome 2 transmission funds in excess of requirements.

Table 3.2.5: Capital Budget Statement - Departmental

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	11,250	17,556	-	-	-
Total capital appropriations	11,250	17,556	-	-	-
Represented by:					
Purchase of non-financial assets	-	17,556	-	-	-
Total represented by	-	17,556	-	-	-
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	11,250	17,556	-	-	-
Funded internally from departmental resources ¹	87,069	108,899	87,639	87,639	87,639
TOTAL	98,319	126,455	87,639	87,639	87,639

Prepared on Australian Accounting Standards basis.

1 Includes the following sources of funding: annual and prior year appropriations; donations and contributions; gifts; finance leases; internally developed assets; s31 relevant agency receipts; and proceeds from the sale of assets.

Table 3.2.6: Statement of Asset Movements (2009-10)

	Land	Buildings	Other Intangibles infrastructure, plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2009				
Gross book value	172,367	501,604	544,690	1,259,938
Accumulated depreciation/amortisation	46	34,339	319,496	380,719
Opening net book balance	172,321	467,265	225,194	879,219
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	-	8,156	115,049	126,455
Acquisition of entities or operations (including restructuring) sub-total				
	-	8,156	115,049	126,455
Other movements				
Depreciation/amortisation expense	-	38,557	46,669	88,899
As at 30 June 2010				
Gross book value	172,367	509,760	659,739	1,386,393
Accumulated depreciation/amortisation	46	72,896	366,165	469,618
Closing net book balance	172,321	436,864	293,574	916,775

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

Basis of Accounting

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

Variation in Presentation from 2008-09 Audited Financial Statements

The 2008-09 Actual amounts shown in the budgeted financial statements are consistent with the audited financial statements presented in the ABC's 2008-09 Annual Report, but vary slightly in presentation format from those statements. These variations arise from minor differences in the reporting templates issued by the Department of Finance and Deregulation for preparation of the audited financial statements versus the format of budgeted financial statements in the Government's Central Budget Management System.

Departmental

Under the Commonwealth's accrual budgeting framework, transactions that agencies control (Departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions they control. The ABC does not have any administered transactions.

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

Debt

In accordance with the Government's preference on risk management, the ABC now sources debt through the Budget rather than from external financial markets.

As a result of this decision, all debt currently held by the ABC has been sourced from the Budget. The ABC's debt relates to major property projects.

