

**AUSTRALIAN BROADCASTING
CORPORATION**

AUSTRALIAN BROADCASTING CORPORATION

Section 1: Agency 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 the Australian 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, give 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:

- 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:
 - broadcasting programs that contribute to a sense of national identity and inform and entertain, and reflect the cultural diversity of, the Australian community; and
 - broadcasting programs of an educational nature;
- to transmit to countries outside Australia broadcasting programs of news, current affairs, entertainment and cultural enrichment that will:
 - encourage awareness of Australia and an international understanding of Australian attitudes on world affairs; and
 - enable Australian citizens living or traveling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs; and
- 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.

The ABC Board has still to consider the 2006-07 Budget outcome and the impact it will have on the Corporation's activities and confirm specific outcome/output allocations. The ABC Board will set priorities, targets and appropriate performance measures to reflect funding levels for 2006-09, in the development of the ABC Corporate Plan for the forthcoming triennium.

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>

Section 2: Agency resources for 2006-07

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2006-07, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification. The total appropriation for the ABC in the 2006-07 Budget is \$822.677 million, including an equity injection of \$14.250 million.

Table 2.1: Appropriations and other resources 2006-07 ('000)

	Departmental				Total
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000	Revenue from other sources \$'000	\$'000
Outcome 1					
Audiences throughout Australia - and overseas - are informed, educated and entertained	651,825	-	-	162,050	813,875
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	82,021	-	-	-	82,021
Outcome 3					
The Australian community has access to ABC digital television services in accordance with approved digital implementation plans	74,581	-	-	-	74,581
Equity injections	-	14,250	-	-	14,250
Loans	-	-	-	-	-
Previous years' outputs	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-
Special capital appropriation	-	-	-	-	-
TOTAL	808,427	14,250	-	162,050	984,727

2.2: 2006-07 BUDGET MEASURES

Budget measures relating to ABC as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

Table 2.2: ABC measures

Measure	Outcome	Outputs affected	Appropriations budget 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)			Appropriations forward estimate 2008-09 (\$'000)			Appropriations forward estimate 2009-10 (\$'000)		
			Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total	Admin items	Dept outputs	Total
Expense Measures														
Australian Broadcasting Corporation - base funding	1	all	-	-	-	-	-	-	-	-	-	-	-	
Australian Broadcasting Corporation funding adequacy - improved asset management	1	all	-	750	750	-	2,250	2,250	-	3,750	3,750	-	-	
Australian Broadcasting Corporation - enhancing the Regional and Local Programming initiative	1	all	-	4,305	4,305	-	4,409	4,409	-	4,506	4,506	-	-	
Australian Broadcasting Corporation - Australian content for ABC TV	1	1.2	-	10,000	10,000	-	10,000	10,000	-	10,000	10,000	-	-	
Total Expense Measures			-	15,055	15,055	-	16,659	16,659	-	18,256	18,256	-	-	
Capital Measures														
Australian Broadcasting Corporation funding adequacy - improved asset management	1	all	-	14,250	14,250	-	12,750	12,750	-	11,250	11,250	-	-	
Total Capital Measures			-	14,250	14,250	-	12,750	12,750	-	11,250	11,250	-	-	
TOTAL OF ALL MEASURES			-	29,305	29,305	-	29,409	29,409	-	29,506	29,506	-	-	

2.3: OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources obtained by the ABC for provision of goods or services. These resources are approved for use by the ABC and are included in Table 2.1

Table 2.3: Other resources to be used

	Estimated resources 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental resources		
Sales of Goods & Services	145,982	145,000
Interest and Dividends	6,100	6,050
Other	18,600	11,000
Total departmental other resources available to be used	170,682	162,050

2.7: DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The ABC will be been appropriated a departmental equity injection of \$14.250 million for 2006-07, for improved asset management.

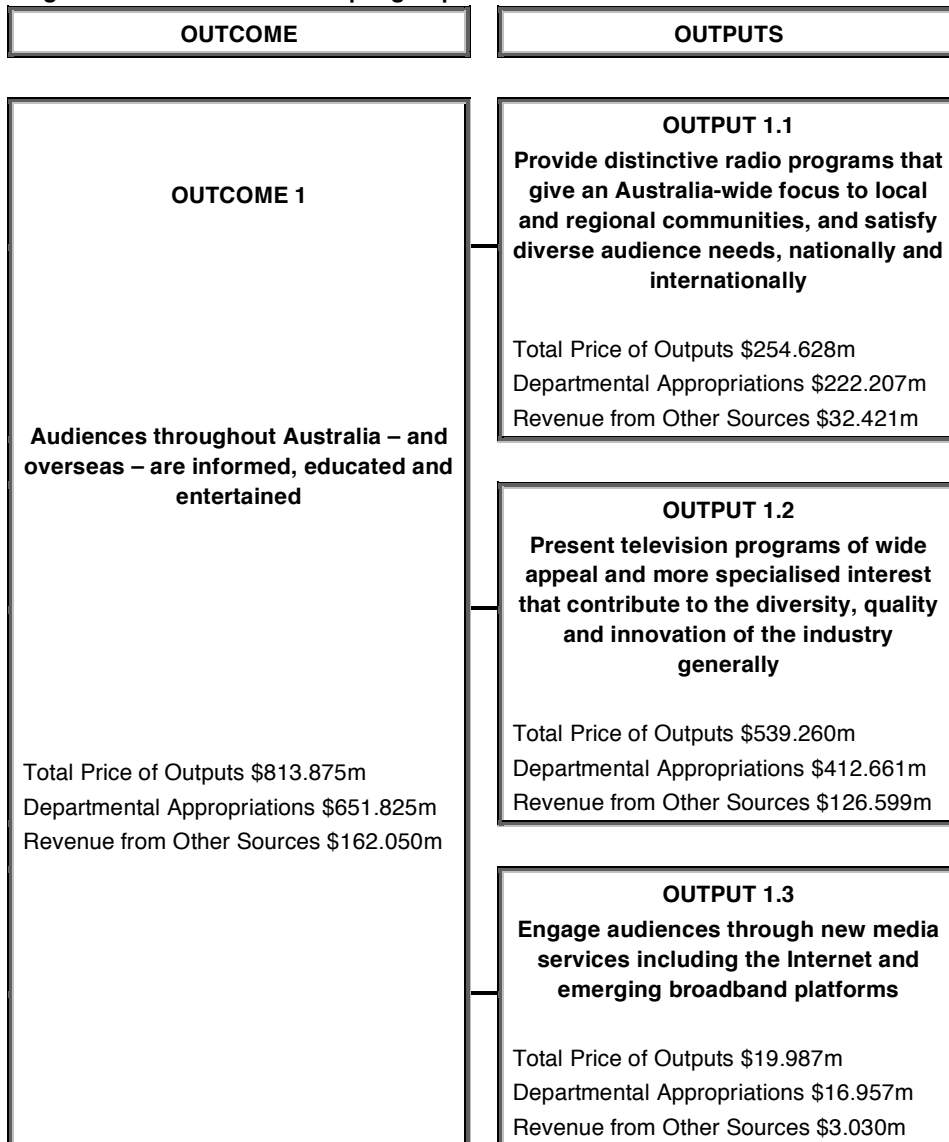
The ABC has not been appropriated any loans or administered capital for 2006-07.

Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the 3 outcomes for the ABC.

SUMMARY OF OUTCOME 1

Figure 4.1: Outcomes and output groups for Outcome 1



Note: Revenue from Government (Appropriations) contributes 80.09% to the Total Price of Outputs for Outcome 1.

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 Figure 4.1 on the previous page. These outputs contribute to and support the Corporation's aims listed above.

OUTCOME 1 – RESOURCING

Outcome 1 resourcing

Table 3.1.1 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

Table 3.1.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
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	213,050	222,207
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	395,655	412,661
Output 1.3 - Engage audiences through new media services including the Internet and emerging broadband platforms	16,258	16,957
Total revenue from government (appropriations)	624,963	651,825
<i>Contributing to price of departmental outputs</i>	<i>78.55%</i>	<i>80.09%</i>
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	34,148	32,421
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	133,343	126,599
Output 1.3 - Engage audiences through new media services including the Internet and emerging broadband platforms	3,191	3,030
Total revenue from other sources	170,682	162,050
Total resources	795,645	813,875
(Total revenue from government and from other sources)		
	2005-06	2006-07
Average staffing level (number)¹	4,200	4,200

¹ Estimated staffing numbers may vary depending on staffing levels associated with various projects and production activity.

Contributions to achievement of Outcome 1

To achieve Outcome 1, the ABC will:

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

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

Output 1.3 - Engage audiences through new media services including the Internet and emerging broadband platforms

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 AND INDICATORS

Performance information for Outcome 1

Table 3.2.1: Performance information for Outcome 1

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	<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 \$254.628m</p>
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	<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 \$539.260m</p>
Performance Information for Departmental 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 \$19.987m</p>

EVALUATIONS FOR OUTCOME 1

Evaluations planned in 2006-07 include surveys to assess the level of audience usage and appreciation of the ABC.

SUMMARY OF OUTCOME 2

Figure 4.2: Outcomes and output groups for Outcome 2

OUTCOME	OUTPUTS
<p style="text-align: center;">OUTCOME 2</p> <p style="text-align: center;">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>Total Price of Outputs \$82.021m Departmental Appropriations \$82.021m Revenue from Other Sources \$0.000m</p>	<p style="text-align: center;">OUTPUT 2.1</p> <p style="text-align: center;">Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements</p> <p>Total Price of Outputs \$82.021m Departmental Appropriations \$82.021m Revenue from Other Sources \$0.000m</p>

Note: Revenue from Government (Appropriations) contributes 100.00% to the Total Price of Outputs for Outcome 2.

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 2003.

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.

OUTCOME 2 – RESOURCING

Outcome 2 resourcing

Table 3.1.2 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 2, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

Table 3.1.2: Total resources for Outcome 2 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
Departmental appropriations		
Output 2.1 - Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements	80,177	82,021
Total revenue from government (appropriations) <i>Contributing to price of departmental outputs</i>	80,177 100.00%	82,021 100.00%
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 resources	80,177	82,021
(Total revenue from government and from other sources)		
	2005-06	2006-07
Average staffing level (number)	-	-

Contributions to achievement of Outcome 2

Output 2.1 - Provide ABC satellite and analog terrestrial transmission services through the effective management of Transmission Service Agreements

To achieve Outcome 2 the ABC will:

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

PERFORMANCE INFORMATION AND INDICATORS

Performance information for Outcome 2

Table 3.2.2: Performance information for Outcome 2

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	<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 (NTN).</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 \$82.021m</p>

EVALUATIONS FOR OUTCOME 2

There are no evaluations planned for Outcome 2 in 2006-07.

SUMMARY OF OUTCOME 3

Figure 4.3: Outcomes and output groups for Outcome 3

OUTCOME	OUTPUTS
<p style="text-align: center;">OUTCOME 3</p> <p style="text-align: center;">The Australian community has access to ABC digital television services in accordance with approved digital implementation plans</p> <p>Total Price of Outputs \$74.581m Departmental Appropriations \$74.581m Revenue from Other Sources \$0.000m</p>	<p style="text-align: center;">OUTPUT 3.1</p> <p style="text-align: center;">Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services</p> <p>Total Price of Outputs \$74.581m Departmental Appropriations \$74.581m Revenue from Other Sources \$0.000m</p>

Note: Revenue from Government (Appropriations) contributes 100.00% to the Total Price of Outputs for Outcome 3.

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, which comprises the simulcast of the existing analog signal, as well as additional services. These include high definition transmissions, DIG digital radio and ABC2 digital television multichannel.

OUTCOME 3 – RESOURCING

Outcome 3 resourcing

Table 3.1.3 shows how the 2006-07 Budget appropriations translate to total resourcing for Outcome 3, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

Table 3.1.3: Total resources for Outcome 3 (\$'000)

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000
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	69,114	74,581
Total revenue from government (appropriations)	69,114	74,581
<i>Contributing to price of departmental outputs</i>	100.00%	100.00%
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 resources	69,114	74,581
(Total revenue from government and from other sources)		
	2005-06	2006-07
Average staffing level (number)	-	-

Contributions to achievement of Outcome 3

Output 3.1 - Implement the roll-out of digital television transmission services while keeping the Australian community aware of the changes to broadcast services

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.

PERFORMANCE INFORMATION AND INDICATORS

Performance information for Outcome 3

Table 3.2.3: Performance information for Outcome 3

Effectiveness - Overall achievement of the Outcome	
The degree to which the Australian population has access to ABC digital television transmissions	
Performance Information for Departmental 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 \$74.581m</p>

EVALUATIONS FOR OUTCOME 3

There are no evaluations planned for Outcome 3 in 2006-07.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

It is not anticipated that the ABC will participate in any purchaser/provider arrangements in 2006-07.

4.2: COST RECOVERY ARRANGEMENTS

It is not anticipated that the ABC will participate in any cost recovery arrangements in 2006-07.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

Budgeted Departmental Income Statement

The ABC is budgeting for an operating surplus of \$14.846m in 2006-07. This represents a component of the Corporation's ongoing funding base that is received as part of revenues from government, which is applied to debt financing.

Revenues from government are budgeted to increase by \$34.173m for 2006-07. This is comprised principally of additional funding for: Australian content on ABC Television; enhancement of Regional and Local Programming Initiatives; improved asset management; and additional revenues for the rollout of digital transmission services.

Non-government revenues are principally comprised of revenues from ABC Enterprises activities, as well as other minor amounts from co-production arrangements, facilities hire, services provided, commissions etc. These revenues are largely offset by related costs of sales or represent recoveries of costs incurred. The estimates for these revenues and related costs decline for 2006-07, pending finalisation of contracts for 2006-07 and forward years.

Total income for 2006-07 includes an amount of \$11.000m for estimated net proceeds of property sales, which is offset by an equal written down value amount in total expenses.

Total expenses are budgeted to increase by \$25.541m for 2006-07. After excluding the expected written down values for assets sold, expenses increase by \$14.541m. This is comprised principally of increased Employees' expenses from negotiated salaries and wages outcomes. Finance cost expenses decline in 2006-07 and forward years, reflecting gradual reduction in loans from Government.

Budgeted Departmental Balance Sheet

The ABC's budgeted net asset position for 2006-07 of \$754.025m represents an increase of \$29.096m from the estimated actual for 2005-06. This increase comprises the budgeted operating surplus of \$14.846m for 2006-07, being the annual base funding component applied to debt financing, and an equity injection of \$14.250m for 2006-07.

Loans currently held by the ABC have all been sourced from the Budget. This debt relates to major property projects as well as expenditures on phase 1 of the ABC's conversion to digital.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

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

Table 5.1: Budgeted departmental income statement for the period ended 30 June

	Estimated actual 2005-06 \$'000	Budget estimate 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	808,427	826,385	843,367	860,501
Goods and services	145,982	145,000	145,000	145,000	145,000
Interest	6,100	6,050	6,006	5,944	6,000
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	18,600	-	-	-	-
Total Revenue	944,936	959,477	977,391	994,311	1,011,501
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	-	11,000	-	-	-
Other	-	-	-	-	-
Total Gains		11,000			
Total Income	944,936	970,477	977,391	994,311	1,011,501
EXPENSE					
Employees	334,012	344,033	354,352	364,984	375,932
Suppliers	504,735	509,655	516,951	523,102	529,913
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	83,319	84,069	85,569	87,069	87,819
Finance costs	8,024	6,874	5,673	4,310	2,991
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from assets sold	-	11,000	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	930,090	955,631	962,545	979,465	996,655
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result from continuing operations	14,846	14,846	14,846	14,846	14,846
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discounted operations	-	-	-	-	-
Operating result	14,846	14,846	14,846	14,846	14,846
Minority interest in net surplus (or deficit)	-	-	-	-	-
Net surplus (or deficit) attributable to the Australian Government	14,846	14,846	14,846	14,846	14,846

Table 5.2: Budget departmental balance sheet as at 30 June

	Estimated actual 2005-06 \$'000	Budget estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000
ASSETS					
Financial assets					
Cash	4,738	4,738	4,738	4,738	4,738
Receivables	99,489	86,085	81,181	76,277	70,123
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	11,013	11,013	11,013	11,013	11,013
Other	-	-	-	-	-
Total financial assets	115,240	101,836	96,932	92,028	85,874
Non-financial assets					
Land and buildings	521,447	498,447	486,447	474,447	462,447
Infrastructure, plant and equipment	197,491	243,519	266,547	286,575	294,603
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	92,130	92,130	92,130	92,130	92,130
Intangibles	7,150	6,622	6,094	5,566	5,038
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	81,018	81,018	81,018	81,018	81,018
Total non-financial assets	899,236	921,736	932,236	939,736	935,236
Total assets	1,014,476	1,023,572	1,029,168	1,031,764	1,021,110
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	118,788	122,351	126,021	129,802	133,695
Other	-	-	-	-	-
Total provisions	118,788	122,351	126,021	129,802	133,695
Payables					
Suppliers	35,233	31,670	28,000	24,219	20,326
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	13,526	13,526	13,526	13,526	13,526
Total payables	48,759	45,196	41,526	37,745	33,852
Liabilities included in disposal groups held for sale	-	-	-	-	-
Total liabilities	289,547	269,547	247,547	224,047	198,547
EQUITY*					
Parent entity interest					
Contributed equity	120,295	134,545	147,295	158,545	158,545
Reserves	366,708	366,708	366,708	366,708	366,708
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	237,926	252,772	267,618	282,464	297,310
Total parent entity interest	724,929	754,025	781,621	807,717	822,563
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	724,929	754,025	781,621	807,717	822,563
Current assets	115,240	101,836	96,932	92,028	85,874
Non-current assets	899,236	921,736	932,236	939,736	935,236
Current liabilities	167,547	167,547	167,547	167,547	167,547
Non-current liabilities	122,000	102,000	80,000	56,500	31,000

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2005-06 \$'000	Budget estimate 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	145,982	145,000	145,000	145,000	145,000
Appropriations	774,254	808,427	826,385	843,367	860,501
Interest	6,100	6,050	6,006	5,944	6,000
Dividends	-	-	-	-	-
Other	69,115	50,515	50,515	50,515	50,515
Total cash received	995,451	1,009,992	1,027,906	1,044,826	1,062,016
Cash used					
Employees	362,833	373,928	386,453	406,773	447,853
Suppliers	474,829	478,675	484,850	481,313	457,992
Grants	-	-	-	-	-
Financing costs	8,024	6,874	5,673	4,310	2,991
Other	50,515	50,515	50,515	50,515	50,515
Total cash used	896,201	909,992	927,491	942,911	959,351
Net cash from or (used by) operating activities	99,250	100,000	100,415	101,915	102,665
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	11,000	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	6,321	9,000	22,000	23,500	25,500
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	4,000	5,154	-	-	-
Total cash received	10,321	25,154	22,000	23,500	25,500
Cash used					
Purchase of property, plant and equipment	63,319	117,569	96,069	94,569	83,319
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	20,000	750	2,250	3,750	4,500
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	14,846	14,846	14,846
Total cash used	83,319	118,319	113,165	113,165	102,665
Net cash from or (used by) investing activities	(72,998)	(93,165)	(91,165)	(89,665)	(77,165)

**Table 5.3: Budgeted departmental statement of cash flows
for the period ended 30 June (continued)**

	Estimated actual 2005-06 \$'000	Budget estimate 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	20,085	21,085	22,000	23,500	25,500
Dividends paid	6,321	-	-	-	-
Other	-	-	-	-	-
Total cash used	26,406	21,085	22,000	23,500	25,500
Net cash from/(used by) financing activities	(26,406)	(6,835)	(9,250)	(12,250)	(25,500)
Net increase or (decrease) in cash held	(154)	-	-	-	-
Cash at the beginning of the reporting period	4,892	4,738	4,738	4,738	4,738
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	4,738	4,738	4,738	4,738	4,738

**Table 5.4: Departmental statement of changes in equity – summary of movement
(Budget 2006-07)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balances as at 1 July 2006					
Balance carried forward from previous period	237,926	366,708	-	120,295	724,929
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balances	237,926	366,708	-	120,295	724,929
Income and expenses					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expenses	-	-	-	-	-
Net operating result	14,846	-	-	-	14,846
Total income and expenses recognised directly in equity	14,846	-	-	-	14,846
Transactions with owners					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
Contribution by owners					
Appropriation (equity injection)	-	-	-	14,250	14,250
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	14,250	14,250
Transfers between equity components	-	-	-	-	-
Closing balance as at 30 June 2007	252,772	366,708	-	134,545	754,025

Table 5.5: Departmental capital budget statement

	Estimated actual 2005-06 \$'000	Budget estimate 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	63,319	103,319	83,319	83,319	83,319
Departmental resources					
Total	63,319	117,569	96,069	94,569	83,319

Table 5.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2006-07)

	Land	Investment property	Buildings	Specialist military equipment	Other infrastructure and 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	159,053	-	637,285	-	548,448	-	27,065	-	1,371,851
Accumulated depreciation	81	-	274,810	-	350,957	-	19,915	-	645,763
Opening net book value	158,972	-	362,475	-	197,491	-	7,150	-	726,088
Additions:									
by purchase	-	-	8,156	-	106,163	-	3,250	-	117,569
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	(11,000)	-	-	-	-	-	-	-	(11,000)
As at 30 June 2007									
Gross book value	148,053	-	645,441	-	654,611	-	30,315	-	1,478,420
Accumulated depreciation	81	-	294,966	-	411,092	-	23,693	-	729,832
Closing net book value	147,972	-	350,475	-	243,519	-	6,622	-	748,588

5.3: NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The Australian Broadcasting Corporation's budget statements are prepared in compliance with the 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). This ensures that agencies are only held fully accountable for the transactions they control. The Australian Broadcasting Corporation does not have any administered transactions.

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. This debt relates to major property projects as well as expenditures on phase 1 of the ABC's conversion to digital 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.