

Australian Broadcasting Corporation

Agency Resources and Planned Performance

AUSTRALIAN BROADCASTING CORPORATION

Section 1: Agency Overview and Resources	57
1.1 Strategic Direction Statement	57
1.2 Agency Resource Statement	60
1.3 Budget Measures.....	61
Section 2: Outcomes and planned performance	63
2.1 Outcomes and Performance Information.....	63
Section 3: Explanatory Tables and Budgeted Financial Statements.....	79
3.1 Explanatory tables	79
3.2 Budgeted financial statements.....	80

AUSTRALIAN BROADCASTING CORPORATION

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Broadcasting Corporation (ABC) is one of the country's most important cultural institutions. As the primary national public broadcaster, it reflects Australia's national identity and cultural diversity, informs and educates, facilitates public debate and fosters the performing arts. The ABC plays a significant role in the lives of all Australians, not only through the broadcasting and digital media services it delivers, but also through direct engagement with local communities around the country.

The ABC's place in the Australian media environment is distinctive because of its Charter (section 6 of the *Australian Broadcasting Corporation Act 1983* (the ABC Act)). The Charter and other provisions of the ABC Act give the Corporation particular responsibilities, such as providing independent news and information. The ABC Act guarantees the editorial and administrative independence of the ABC from the Government. The ABC Board is charged with a duty "to maintain the independence and integrity of the Corporation" and other various duties.

The functions of the Corporation, set out in section 6(1) of the ABC Act, 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 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 travelling outside Australia to obtain information about Australian affairs and Australian attitudes on world affairs.
- To provide digital media services.
- To encourage and promote the musical, dramatic and other performing arts in Australia.

The ABC provides unique and often critically important points of connection and support for communities throughout Australia. These include formal agreements with Federal and State and Territory authorities for the provision of emergency services information when local communities are affected by natural disasters.

Significant developments in Australia's digital media environment, anticipated over the next five years, include the proposed rollout of a national broadband network, and the take-up of wireless broadband. In addition to this, the cessation of analog television transmissions will occur during December 2013.

The *2013-16 ABC Strategic Plan* indicates that the ABC will strive to maintain a leadership position in digital media, capitalising fully on its strengths in key content areas. The ABC will continue to innovate and provide national coverage and carriage of its services on all major platforms. It will seek to strengthen the diversity and availability of Australian content, and to support and promote creativity and new talent. It remains committed to providing the best possible news and information with expanded and improved coverage; to developing further its presence and multi-platform capacity in regional Australia; and to acting as a virtual 'town square' in providing information that supports reasoned community debate around topics of importance. The ABC is also extending the reach and quality of international services by harnessing the combined strength of Radio Australia and the Australia Network, across all available media platforms.

The ABC Commercial Division will assist the ABC to further develop appropriate modes of service delivery, including video-on-demand, access to digital archives and new partnerships that allow content to be more widely available.

Additional funding announced in the 2013-14 Budget will allow the ABC to increase the reach, impact and local relevance of news services, to develop documentaries for the ANZAC Centenary, to increase digital television coverage, and to meet the increasing demand for digital content delivered to audiences via web-based and mobile device platforms.

In addition, the provision of loan funding over three-years will enable the ABC to construct a purpose-built facility at Southbank, Melbourne to accommodate the vast majority of Melbourne-based staff and resources at the one location.

The ABC Board will fully assess the Government's funding decisions, particularly in respect of asset maintenance, and the impact these will have on the Corporation's activities, and will confirm specific outcomes/output allocations in line with the strategic direction it has set for the 2013-14 period.

ABC appropriations are allocated in relation to four Outcomes:

- Outcome 1 relates to the delivery of ABC Charter responsibilities, and specifically: Informed, educated and entertained audiences – throughout Australia and overseas – through innovative and comprehensive media and related services. It is delivered through three programs: ABC Radio, ABC Television and ABC Online.
- Outcome 2 relates to the maintenance of analog transmission of ABC radio and television services through the management of Transmission Service Agreements with a third party or parties.
- Outcomes 3 and 4 relate to the provision of digital television transmissions and digital radio transmissions, respectively, through the roll-out and maintenance of associated distribution and transmission infrastructure.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1: ABC Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts available in 2013-14 \$'000	+	Proposed at budget 2013-14 \$'000	=	Total estimate 2013-14 \$'000	Actual available appropriation 2012-13 \$'000
Opening balance/Reserves at bank	5,823		-		5,823	5,823
REVENUE FROM GOVERNMENT						
Ordinary annual services¹						
Outcome 1	-		860,642		860,642	832,200
Outcome 2	-		80,403		80,403	88,669
Outcome 3	-		109,103		109,103	100,673
Outcome 4	-		3,705		3,705	3,658
Total ordinary annual services	-		1,053,853		1,053,853	1,025,200
Other services²						
<i>Non-operating</i>	-		23,300		23,300	17,100
Total other services	-		23,300		23,300	17,100
Total annual appropriations	-		1,077,153		1,077,153	1,042,300
Payments from related entities³						
Amounts from other agencies	-		20,802		20,802	20,334
Total	-		20,802		20,802	20,334
Total funds from Government	-		1,097,955		1,097,955	1,062,634
FUNDS FROM OTHER SOURCES						
Interest	-		5,990		5,990	6,000
Sale of goods and services	-		148,692		148,692	148,692
Total	-		154,682		154,682	154,692
Total net resourcing for agency	5,823		1,252,637		1,258,460	1,223,149

The ABC is not directly appropriated as it is a 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 Appropriation Bill (No.1) 2013-14.

2 Appropriation Bill (No.2) 2013-14.

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

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the ABC are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: ABC 2013-14 Budget measures

Part 1: Measures announced since the 2012-13 MYEFO

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Revenue measures						
Australian Broadcasting Corporation - Melbourne Accommodation Project	1.1, 1.2, 1.3					
Departmental revenues		-	(10)	(931)	(1,607)	(1,655)
Total		-	(10)	(931)	(1,607)	(1,655)
Total revenue measures						
Departmental		-	(10)	(931)	(1,607)	(1,655)
Total		-	(10)	(931)	(1,607)	(1,655)
Expense measures						
Australian Broadcasting Corporation – base funding	1.1, 1.2, 1.3					
Departmental expenses ¹		-	-	-	-	-
Total		-	-	-	-	-
Australian Broadcasting Corporation – continuation of Enhanced News Services	1.1, 1.2, 1.3					
Departmental expenses		-	17,638	19,782	20,206	-
Total		-	17,638	19,782	20,206	-
Australian Broadcasting Corporation – digital delivery of content	1.1, 1.2, 1.3					
Departmental expenses		-	3,824	10,837	13,839	-
Total		-	3,824	10,837	13,839	-
Australian Broadcasting Corporation and Special Broadcasting Service Corporation digital television services - increased coverage	3.1					
Departmental expenses		-	nfp	nfp	nfp	nfp
Total		-	nfp	nfp	nfp	nfp
Australian Broadcasting Corporation - Melbourne Accommodation Project	1.1, 1.2, 1.3					
Departmental expenses		-	1,500	1,500	1,190	(826)
Total		-	1,500	1,500	1,190	(826)

Part 1: Measures announced since the 2012-13 MYEFO (Cont.)

	Program	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Anzac Centenary Program 2014-18 - additional funding	1.1, 1.2, 1.3					
Departmental expenses		-	1,577	565	209	110
Total		-	1,577	565	209	110
Total expense measures						
Departmental		-	24,539	32,684	35,444	(716)
Total ²		-	24,539	32,684	35,444	(716)
Capital measures						
Australian Broadcasting Corporation - continuation of Enhanced News Services	1.1, 1.2, 1.3					
Departmental capital		-	1,800	-	-	-
Total		-	1,800	-	-	-
Australian Broadcasting Corporation - digital delivery of content	1.1, 1.2, 1.3					
Departmental capital		-	1,500	-	-	-
Total		-	1,500	-	-	-
Australian Broadcasting Corporation - Melbourne Accommodation Project	1.1, 1.2, 1.3					
Departmental capital		-	(1,120)	65,644	31,953	(8,315)
Total		-	(1,120)	65,644	31,953	(8,315)
Total capital measures						
Departmental		-	2,180	65,644	31,953	(8,315)
Total		-	2,180	65,644	31,953	(8,315)

Prepared on a Government Finance Statistics (fiscal) basis.

- 1 The following funding will be provided to ABC: \$834.4 million in 2013-14; \$845.5 million in 2014-15; and \$861.1 million in 2015-16. As provision for this funding has already been included in the forward estimates, it has no net budget impact.
- 2 Totals do not include the departmental expenses which are not for publication ('nfp') to protect the national broadcasters' future negotiating position.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of Australian Broadcasting Corporation in achieving Government outcomes.

Outcome 1:

Informed, educated and entertained audiences—throughout Australia and overseas—through innovative and comprehensive media and related services

Outcome 1 Strategy

The ABC aims to provide the leading Australian public media space where people engage and share their experiences. In the multi-platform, multi-channel media environment, it will do so by:

- fully embracing and developing digital platforms for diverse Australian content;
- creating opportunities for Australian creativity in audio-visual production, music and story-telling, including user-generated content and social media;
- being a 'town square' that hosts national conversation via established and emerging media platforms;
- providing the most reliable and relevant source of news and information across all platforms;
- strengthening the ABC's presence and capacity in regional Australia; and
- engaging with audiences in Asia and the Pacific through the combined strength of Radio Australia and Australia Network (subject to finalisation of arrangements for the ABC's ongoing operation of Australia Network).

Outcome Expense Statement

Table 2.1.1 provides an overview of the total expenses for Outcome 1, by program.

Table 2.1.1: Budgeted Expenses for Outcome 1

Outcome 1:	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Informed, educated and entertained audiences - throughout Australia and overseas - through innovative and comprehensive media and comprehensive media and related services.		
Program 1.1: ABC Radio		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	283,695	293,393
Payment from related entities	6,932	7,091
Revenues from other independent sources	47,064	48,087
Total for Program 1.1	337,691	348,571
Program 1.2: ABC Television		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	526,868	544,870
Payment from related entities	12,873	13,171
Revenues from other independent sources	87,409	89,307
Total for Program 1.2	627,150	647,348
Program 1.3: Online		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	21,637	22,379
Payment from related entities	529	540
Revenues from other independent sources	3,589	3,668
Total for Program 1.3	25,755	26,587
Outcome 1 Totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	832,200	860,642
Payment from related entities	20,334	20,802
Revenues from other independent sources	138,062	141,062
Total expenses for Outcome 1	990,596	1,022,506
Average Staffing Level (number)	4,542	4,619

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

The ABC is not directly appropriated as it is a 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.

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

Contributions to Outcome 1

Program 1.1: ABC Radio

Program Objective

Provide distinctive radio programs that serve all local and regional communities throughout Australia, and satisfy diverse audience needs, nationally and internationally.

The ABC will give specific focus to:

- continuing to develop the role of ABC Local Radio and ABC Local Online as the primary points of connection for communities across Australia at times of emergency;
- continuing to develop its digital radio broadcasting capability; and
- internationally, strengthening the reach and impact of Radio Australia in designated target countries.

Program Expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	337,691	348,571	354,726	363,147	357,625
Total program expenses	337,691	348,571	354,726	363,147	357,625

Program 1.1 Deliverables

- Providing a diverse mix of Australian content.
- Providing high quality news and current affairs content.
- Responding to emergencies and events of major significance.
- Providing Australian music content.
- Providing digital radio broadcasting content.
- Providing relevant and high quality Radio Australia content to international audiences in their local languages.

PROGRAM 1.1: KEY PERFORMANCE INDICATORS - ABC RADIO	
INDICATORS	2013-14 MEASURES
Radio Share	Level achieved in 2013-14 compared with results in 2012-13.
Radio Reach	Level achieved in 2013-14 compared with results in 2012-13.
International Reach	Levels achieved in 2013-14 compared with previous years and based on available research in particular countries.
Audience/Community Appreciation	Percentage of people who consider the quality of programming on ABC Radio is good in 2013-14 compared with results in 2012-13.
Editorial Standards	Results of Editorial Policy Assurance Surveys relating to news and information on ABC Radio. Efficiency of complaints management measured by performance against statutory timelines.
Level and mix of Australian content	Levels of Australian music on those radio networks that broadcast music.

Program 1.2: ABC Television

Program objective

Present television programs of wide appeal and more specialised interest that contribute to the diversity, quality and innovation of the industry generally.

The ABC will give specific focus to:

- providing news and current affairs coverage through its dedicated 24-hour news channel;
- expanding the range of quality Australian content offered across television multi-channels, to be delivered via a number of in-home and mobile devices, and supported by broadband delivery; and
- offering the independent production sector an environment to explore and create compelling television.

Program Expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	627,150	647,348	658,773	674,415	664,163
Total program expenses	627,150	647,348	658,773	674,415	664,163

Program 1.2 Deliverables

- Providing an integrated programming and scheduling strategy across Television channels, the internet and other emerging platforms.
- Providing first-release Australian content, including drama, documentaries and children's drama.
- Providing Australian content aimed at children.
- Providing high-quality news and current affairs content.
- Responding to emergencies and events of major significance.
- Providing creative and innovative content, including creating opportunities for emerging Australian artistic talent.
- Internationally, providing relevant and high quality Australia Network television programs to Asia and the Pacific.

PROGRAM 1.2: KEY PERFORMANCE INDICATORS - ABC TELEVISION	
INDICATORS	2013-14 MEASURES
Television Share	Levels achieved in 2013-14 compared with results in 2012-13.
Television Reach	Level achieved in 2013-14 compared with results in 2012-13.
Audience/Community Appreciation	Percentage of people who consider the quality of programming on ABC Television is good in 2013-14 compared with results in 2012-13.
Editorial Standards	Results of Editorial Policy Assurance Surveys relating to news and information on ABC Television. Efficiency of complaints management measured by performance against statutory timelines.
Australian Content	Percentage of first-run Australian content in 2013-14 compared with 2012-13. Percentage of Australian children's television programs on ABC4Kids and ABC3 in 2013-14 compared with 2012-13.
State/Local Television	Percentage of state/local 'break-out' television broadcast hours in 2013-14 compared with 2012-13.

Program 1.3: ABC Online

<p>Program objective</p> <p>Engage audiences through new media services including the internet and emerging broadband and mobile platforms.</p> <p>The ABC will give specific focus to:</p> <ul style="list-style-type: none"> • developing and deploying innovative projects that explore the potential of existing and emerging digital platforms; • extending audience experience of content across a variety of formats; and • encouraging audience participation and contribution in regional Australia, particularly through ABC Open.
--

Program Expenses					
	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	25,755	26,587	27,054	27,698	27,278
Total program expenses	25,755	26,587	27,054	27,698	27,278

Program 1.3 Deliverables	
<ul style="list-style-type: none"> • Providing a mix of Australian content through ABC Online. • Making a wide range of ABC content available through time shifting, podcasts and vodcasts, video-on-demand and streamed content. • Internationally, making Radio Australia and Australia Network content available online and on other platforms such as mobile telephones. • ABC Splash, a free online education portal offering an extensive library of digital educational media resources linked to the Australian Curriculum as it is rolled out. 	

PROGRAM 1.3: KEY PERFORMANCE INDICATORS - ONLINE	
INDICATORS	2013-14 MEASURES
Audience Reach	Level achieved in 2013-14 compared with results in 2012-13.
Audience /Community Appreciation	Percentage of people who consider the quality of content on ABC Online is good in 2013-14 compared with results in 2012-13.
Total Podcasts	Level achieved in 2013-14 compared with 2012-13.
Total Vodcasts	Level achieved in 2013-14 compared with 2012-13.
Editorial Standards	Results of Editorial Policy Assurance Surveys relating to news and information on ABC Online. Efficiency of complaints management measured by performance against statutory and ABC-imposed timelines.
Digital Classroom	Level of audio/video clips, hours of contemporary educational content and number of interactive educational activities.

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

Outcome 2 Strategy

Outcome 2 Appropriation is provided for the purpose of the analog terrestrial transmission of radio and television content to audiences in Australia and overseas. Analog television transmission will be switched off across Australia by December 2013, being replaced by digital television. Transmission services are provided by a third party or parties. The ABC provides oversight through a Domestic Analog Services Agreement and a Radio Australia Transmission Services Agreement.

In managing these service agreements, the ABC strives to ensure, to the greatest extent possible, that all Australian communities have reliable access to all relevant national and local broadcasting services.

Outcome Expense Statement

Table 2.1.2 provides an overview of the total expenses for Outcome 2, by program. The year-on-year net reduction in expenses reflects the cessation of analog television transmission.

Table 2.1.2: Budgeted Expenses for Outcome 2

Outcome 2:	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
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.		
Program 2.1: ABC Analog Transmission		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	88,669	80,403
Total for Program 2.1	88,669	80,403
Outcome 2 Totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	88,669	80,403
Total expenses for Outcome 2	88,669	80,403
	2012-13	2013-14
Average Staffing Level (number)¹	-	-

¹ Staffing levels are all reflected against Outcome 1.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 2

Program 2.1: ABC Analog Transmission

Program objective

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

The ABC will give specific focus to:

- maintaining the reach and quality of audience access to ABC analog broadcasting services year-on-year;
- identifying opportunities to extend and improve access to communities that are under-served with particular services; and
- minimising the occurrence and duration of unscheduled outages.

Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	88,669	80,403	75,798	77,239	78,783
Total program expenses	88,669	80,403	75,798	77,239	78,783

Program 2.1 Deliverables

- Managing Transmission Service Agreements for the reliable and efficient provision of satellite and analog terrestrial transmission services.
- Maintaining, with the transmission service provider, a comprehensive reporting system of transmission network performance.
- Monitoring audience responses to transmission issues to help ensure any faults are rectified promptly.

PROGRAM 2.1: KEY PERFORMANCE INDICATORS - ABC ANALOG TRANSMISSION	
INDICATORS	2013-14 MEASURES
Number of analog terrestrial transmission services	Number in 2013-14 compared with 2012-13.
Audience contacts via the ABC Reception Advice Line	Level achieved in 2013-14 compared with results in 2012-13.
Transmission performance as reported by Broadcast Australia	Levels of Total Network Availability and Total 'On-air Availability' in 2013-14 compared with 2012-13.

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

Outcome 3 Strategy

Outcome 3 provides for the televising of programs in a digital format. Funding under this Outcome provides the capacity to distribute and transmit a digital signal, which comprises the simulcast of the analog signal transmitted in areas where analog television has not been switched off, as well as additional services.

Outcome Expense Statement

Table 2.1.3 provides an overview of the total expenses for Outcome 3, by program.

Table 2.1.3: Budgeted Expenses for Outcome 3

Outcome 3: Audience access to ABC digital television services is provided, in accordance with Government approved implementation policy, through the rollout and maintenance of the associated distribution and transmission infrastructure.	2012-13 Estimated actual expenses \$'000	2013-14 Estimated expenses \$'000
Program 3.1: Access to digital TV services		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	100,673	109,103
Total for Program 3.1	100,673	109,103
Outcome 3 Totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	100,673	109,103
Total expenses for Outcome 3	100,673	109,103
	2012-13	2013-14
Average Staffing Level (number)¹	-	-

¹ Staffing levels are all reflected against Outcome 1.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 3

Program 3.1: Access to Digital Television Services

Program objective
 Implement the roll-out of digital television transmission services.
 The ABC will give specific focus to:

- extending the reach and quality of audience access to ABC digital television services in accordance with approved digital implementation plans;
- identifying opportunities to extend and improve access to communities that are under-served with particular services; and
- minimising the occurrence and duration of unscheduled outages.

Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	100,673	109,103	113,947	116,619	119,700
Total program expenses	100,673	109,103	113,947	116,619	119,700

Program 3.1 Deliverables

- Managing Transmission Service Agreements for the reliable and efficient provision of digital terrestrial television services.
- Maintaining, with the transmission service provider, a comprehensive reporting system of transmission network performance.
- Monitoring audience responses to transmission issues to help ensure any faults are rectified promptly.

PROGRAM 3.1: KEY PERFORMANCE INDICATORS - ACCESS TO DIGITAL TELEVISION SERVICES	
INDICATORS	2013-14 MEASURES
Degree to which the Australian population has access to ABC digital television transmissions	2013-14 results compared with 2012-13.
Terrestrial facilities operate within the limits set by the relevant Transmitter Licence and the approved Implementation Plan	All facilities meet requirements.
The number of digital terrestrial television facilities in operation against the approved Implementation Plans	Number of facilities in operation and in test mode compared with approved Implementation Plans.

Outcome 4:

Audience access to ABC digital radio services is provided, in accordance with Government approved implementation policy, through the rollout and maintenance of the associated distribution and transmission infrastructure

Outcome 4 Strategy

Outcome 4 provides for the introduction of digital radio broadcasting in accordance with Government policy. Funding under this Outcome provides the capacity to distribute and transmit digital signals.

Outcome Expense Statement

Table 2.1.4 provides an overview of the total expenses for Outcome 4, by program.

Table 2.1.4: Budgeted Expenses for Outcome 4

Outcome 4:	2012-13	2013-14
Audience access to ABC digital radio services is provided, in accordance with Government approved implementation policy, through the rollout and maintenance of the associated distribution and transmission infrastructure.	Estimated actual expenses \$'000	Estimated expenses \$'000
Program 4.1: Access to digital radio services		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	3,658	3,705
Total for Program 4.1	3,658	3,705
Outcome 4 Totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	3,658	3,705
Total expenses for Outcome 4	3,658	3,705
<hr/>		
Average Staffing Level (number)¹	2012-13	2013-14
	-	-

¹ Staffing levels are all reflected against Outcome 1.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome 4

Program 4.1: Access to Digital Radio Services

Program objective
 Implement the roll-out of digital radio transmission services to the five mainland state capital cities.

Program expenses

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	3,658	3,705	3,756	3,811	3,869
Total program expenses	3,658	3,705	3,756	3,811	3,869

- Program 4.1 Deliverables**
- Managing Transmission Service Agreements for the reliable and efficient provision of digital radio services.
 - Maintaining, with the transmission service provider, a comprehensive reporting system of transmission network performance.
 - Monitoring audience responses to transmission issues to help ensure any faults are rectified promptly.

PROGRAM 4.1: KEY PERFORMANCE INDICATORS - ACCESS TO DIGITAL RADIO SERVICES	
INDICATORS	2013-14 MEASURES
Degree to which the five mainland state capital cities have access to ABC digital radio transmissions	2013-14 results compared with 2012-13.
Terrestrial facilities operate within the limits set by the relevant Transmitter Licence and the approved Implementation Plan	All facilities meet requirements.

Section 3: Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and Government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure (AGIE)

Outcome	Appropriations			Total approp \$'000	Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000				
Outcome 1							
Departmental 2013-14	8,057	-	-	8,057	-	8,057	All
<i>Departmental 2012-13</i>	<i>10,030</i>	-	-	<i>10,030</i>	-	<i>10,030</i>	<i>All</i>
Total outcome 2013-14	8,057	-	-	8,057	-	8,057	
<i>Total outcome 2012-13</i>	<i>10,030</i>	-	-	<i>10,030</i>	-	<i>10,030</i>	
Total AGIE 2013-14	8,057	-	-	8,057	-	8,057	
<i>Total AGIE 2012-13</i>	<i>10,030</i>	-	-	<i>10,030</i>	-	<i>10,030</i>	

Expenditure may vary depending on changes in activity levels on projects and production activity.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in Agency Resourcing and Financial Statements

An amount of \$1.5 million, accrued as Revenue from Government for 2011-12 in the Comprehensive Income Statement, was appropriated for payment to the ABC in 2012-13. This accrual has then been reversed in 2012-13. Consequently, for 2012-13 the amount showing for agency resourcing in Table 1.1 is \$1.5 million higher than the Revenue from Government showing in the Comprehensive Income Statement for that year.

3.2.2 Analysis of Budgeted Financial Statements

Departmental Income Statement

The ABC is budgeting for an operating surplus of \$13.6 million in 2013-14. 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 \$30.2 million for 2013-14. This is comprised principally of additional funding for journalism, documentaries and digital content delivery, base funding indexation and funding for transmission works, offset by reductions related to the cessation of analog television transmission.

Own-source revenues are principally comprised of revenues from ABC Commercial activities, as well as other minor amounts from co-production arrangements, facilities hire, services provided, interest and commissions. These revenues are largely offset by related costs of sales or represent recoveries of costs incurred.

Total expenses are budgeted to increase by \$32.1 million for 2013-14. This is comprised principally of expected increases in salary costs, additional costs relating to journalism, documentaries and digital content delivery, and minor amounts for additional transmission related works, offset by reductions related to the cessation of analog television transmission.

Departmental Balance Sheet

The ABC's budgeted net asset position for 2013-14 of \$1.0 billion represents an increase of \$16.9 million from the estimated actual for 2012-13. This increase comprises the budgeted operating surplus of \$13.6 million for 2013-14, being predominantly the annual base funding component applied to debt financing, and new asset purchases from capital funding, for equipment relating to journalism and digital content delivery.

3.2.3 Budgeted Financial Statements Tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
for the period ended 30 June**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	471,125	487,585	504,619	522,249	540,528
Suppliers	622,051	634,791	636,451	641,813	609,148
Depreciation and amortisation	90,420	93,341	92,217	96,184	98,292
Finance costs	-	-	767	2,683	3,450
Total expenses	1,183,596	1,215,717	1,234,054	1,262,929	1,251,418
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	148,692	148,692	148,692	148,692	148,692
Interest	6,000	5,990	5,069	4,393	4,345
Other	20,334	20,802	21,176	21,621	22,074
Total own-source revenue	175,026	175,484	174,937	174,706	175,111
Total own-source income	175,026	175,484	174,937	174,706	175,111
Net cost of (contribution by) services	1,008,570	1,040,233	1,059,117	1,088,223	1,076,307
Revenue from Government	1,023,700	1,053,853	1,071,049	1,093,906	1,081,083
Surplus (Deficit) attributable to the Australian Government	15,130	13,620	11,932	5,683	4,776
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income (loss)	15,130	13,620	11,932	5,683	4,776
Total comprehensive income (loss) attributable to the Australian Government	15,130	13,620	11,932	5,683	4,776

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,823	5,823	5,823	5,823	5,823
Trade and other receivables	97,007	137,151	137,719	139,696	143,142
Investments accounted for under the equity method	18,333	18,333	18,333	18,333	18,333
Other financial assets	9,852	9,852	9,852	9,852	9,852
Total financial assets	131,015	171,159	171,727	173,704	177,150
Non-financial assets					
Land and buildings	661,277	639,024	616,771	705,878	673,503
Property, plant and equipment	246,868	227,078	234,100	273,225	278,168
Intangibles	44,861	53,623	62,385	71,147	79,909
Inventories	133,273	133,273	133,273	133,273	133,273
Other non-financial assets	47,887	77,944	145,777	32,489	32,489
Total non-financial assets	1,134,166	1,130,942	1,192,306	1,216,012	1,197,342
Total assets	1,265,181	1,302,101	1,364,033	1,389,716	1,374,492
LIABILITIES					
Payables					
Suppliers	60,907	60,907	60,907	60,907	60,907
Other payables	15,822	15,822	15,822	15,822	15,822
Total payables	76,729	76,729	76,729	76,729	76,729
Interest bearing liabilities					
Loans	-	20,000	70,000	90,000	70,000
Total interest bearing liabilities	-	20,000	70,000	90,000	70,000
Provisions					
Employee provisions	173,725	173,725	173,725	173,725	173,725
Other provisions	2,486	2,486	2,486	2,486	2,486
Total provisions	176,211	176,211	176,211	176,211	176,211
Total liabilities	252,940	272,940	322,940	342,940	322,940
Net assets	1,012,241	1,029,161	1,041,093	1,046,776	1,051,552

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

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	127,061	130,361	130,361	130,361	130,361
Reserves	592,298	592,298	592,298	592,298	592,298
Retained surplus (accumulated deficit)	292,882	306,502	318,434	324,117	328,893
Total parent entity interest	1,012,241	1,029,161	1,041,093	1,046,776	1,051,552
Total Equity	1,012,241	1,029,161	1,041,093	1,046,776	1,051,552

* 'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2013-14)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	292,882	592,302	(4)	127,061	1,012,241
Adjusted opening balance	292,882	592,302	(4)	127,061	1,012,241
Comprehensive income					
Surplus (deficit) for the period	13,620	-	-	-	13,620
Total comprehensive income	13,620	-	-	-	13,620
of which:					
Attributable to the Australian Government	13,620	-	-	-	13,620
Transactions with owners					
Contributions by owners					
Equity Injection	-	-	-	3,300	3,300
Sub-total transactions with owners	-	-	-	3,300	3,300
Estimated closing balance as at 30 June 2014	306,502	592,302	(4)	130,361	1,029,161
Closing balance attributable to the Australian Government	306,502	592,302	(4)	130,361	1,029,161

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows
(for the period ended 30 June)**

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	1,025,200	1,053,853	1,071,049	1,093,906	1,081,083
Sale of goods and rendering of services	148,692	148,692	148,692	148,692	148,692
Interest	6,000	5,990	5,069	4,393	4,345
Other	83,751	84,500	91,387	100,295	90,948
Total cash received	1,263,643	1,293,035	1,316,197	1,347,286	1,325,068
Cash used					
Employees	471,125	487,585	504,619	522,249	540,528
Suppliers	622,051	634,791	636,451	641,813	609,148
Other	63,417	63,698	70,978	81,357	72,324
Total cash used	1,156,593	1,186,074	1,212,048	1,245,419	1,222,000
Net cash from (used by) operating activities	107,050	106,961	104,149	101,867	103,068
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	25,000	-
Investments	8,555	-	-	-	-
Total cash received	8,555	-	-	25,000	-
Cash used					
Purchase of property, plant and equipment	100,037	90,117	153,581	144,890	79,622
Other	24,113	40,144	568	1,977	3,446
Total cash used	124,150	130,261	154,149	146,867	83,068
Net cash from (used by) investing activities	(115,595)	(130,261)	(154,149)	(121,867)	(83,068)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	17,100	3,300	-	-	-
Other	-	20,000	50,000	20,000	-
Total cash received	17,100	23,300	50,000	20,000	-
Cash used					
Dividends paid	8,555	-	-	-	-
Repayment of borrowing	-	-	-	-	20,000
Total cash used	8,555	-	-	-	20,000
Net cash from (used by) financing activities	8,545	23,300	50,000	20,000	(20,000)
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	5,823	5,823	5,823	5,823	5,823
Cash and cash equivalents at the end of the reporting period	5,823	5,823	5,823	5,823	5,823

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	17,100	3,300	-	-	-
Loans – Bill 2	-	20,000	50,000	20,000	-
Total new capital appropriations	17,100	23,300	50,000	20,000	-
Provided for:					
Purchase of non-financial assets	12,100	23,300	50,000	20,000	-
Other Items	5,000	-	-	-	-
Total Items	17,100	23,300	50,000	20,000	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	12,100	23,300	50,000	20,000	-
Funded internally from departmental resources	87,937	66,817	103,581	124,890	79,622
TOTAL	100,037	90,117	153,581	144,890	79,622
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	100,037	90,117	153,581	144,890	79,622
Total cash used to acquire assets	100,037	90,117	153,581	144,890	79,622

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2013-14)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013					
Gross book value	188,154	543,551	671,080	95,161	1,497,946
Accumulated depreciation/amortisation and impairment	(44)	(70,384)	(424,212)	(50,300)	(544,940)
Opening net book balance	188,110	473,167	246,868	44,861	953,006
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services	-	16,819	25,693	17,548	60,060
Total additions	-	16,819	25,693	17,548	60,060
Other movements					
Depreciation/amortisation expense	-	(39,072)	(45,483)	(8,786)	(93,341)
Total other movements	-	(39,072)	(45,483)	(8,786)	(93,341)
As at 30 June 2014					
Gross book value	188,154	560,370	696,773	112,709	1,558,006
Accumulated depreciation/amortisation and impairment	(44)	(109,456)	(469,695)	(59,086)	(638,281)
Closing net book balance	188,110	450,914	227,078	53,623	919,725

Prepared on Australian Accounting Standards basis.

3.2.4 Notes to the Financial Statements

Basis of Accounting

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

Departmental

Under the Commonwealth's 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.

The ABC will draw down \$90 million in borrowings from Government over three years to assist with the cash flow requirements of expenditures relating to the Melbourne 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.