

# **Australian Broadcasting Corporation**

## **Agency Resources and Planned Performance**



# AUSTRALIAN BROADCASTING CORPORATION

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# 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 ensure the functions of the Corporation are performed efficiently and with maximum benefit to the people of Australia", "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
  - 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 a national broadband network, and the take-up of wireless broadband.

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 Corporation 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 Board will fully assess the Government's funding decisions, and the impact these will have on the Corporation's activities, and will confirm specific allocations in line with the strategic direction it has set for the 2014-15 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.
- 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 shows the total resources from all sources. The table summarises how resources will be applied by outcome.

**Table 1.1: ABC Resource Statement  
Budget Estimates for 2014-15 as at Budget May 2014**

Source	Estimate of prior year amounts available in 2014-15 \$'000	+	Proposed at Budget 2014-15 \$'000	=	Total estimate 2014-15 \$'000	Actual Available appropriation 2013-14 \$'000
<b>Opening balance/Reserves at bank</b>	<b>5,850</b>		<b>-</b>		<b>5,850</b>	<b>5,850</b>
<b>REVENUE FROM GOVERNMENT</b>						
<b>Ordinary annual services<sup>1</sup></b>						
Outcome 1	-		868,773		868,773	860,642
Outcome 2	-		76,096		76,096	80,403
Outcome 3	-		114,988		114,988	109,103
Outcome 4	-		3,767		3,767	3,705
<b>Total ordinary annual services</b>	<b>-</b>		<b>1,063,624</b>		<b>1,063,624</b>	<b>1,053,853</b>
<b>Other services<sup>2</sup></b>						
Non-operating	-		50,000		50,000	23,300
<b>Total other services</b>	<b>-</b>		<b>50,000</b>		<b>50,000</b>	<b>23,300</b>
<b>Total annual appropriations</b>	<b>-</b>		<b>1,113,624</b>		<b>1,113,624</b>	<b>1,077,153</b>
<b>Payments from related entities<sup>3</sup></b>						
Amounts from other agencies	-		21,176		21,176	20,802
<b>Total</b>	<b>-</b>		<b>21,176</b>		<b>21,176</b>	<b>20,802</b>
<b>Total funds from Government</b>	<b>-</b>		<b>1,134,800</b>		<b>1,134,800</b>	<b>1,097,955</b>
<b>FUNDS FROM OTHER SOURCES</b>						
Interest	-		5,069		5,069	5,990
Sale of goods and services	-		138,285		138,285	138,285
<b>Total</b>	<b>-</b>		<b>143,354</b>		<b>143,354</b>	<b>144,275</b>
<b>Total net resourcing for agency</b>	<b>5,850</b>		<b>1,278,154</b>		<b>1,284,004</b>	<b>1,248,080</b>

The ABC is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of Communications which are then paid to the ABC and are considered 'departmental' for all purposes.

1 Appropriation Bill (No.1) 2014-15.

2 Appropriation Bill (No.2) 2014-15.

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 relating to the Australian Broadcasting Corporation are detailed in Budget Paper No. 2 and are summarised below.

**Table 1.2 ABC 2014-15 Budget Measures**

**Part 1: Measures announced since the 2013-14 MYEFO**

	Programme	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
<b>Expense measures</b>						
Australian Broadcasting Corporation and Special Broadcasting Service Corporation - efficiency savings						
	1.1					
	Departmental expenses	-	(8,775)	(8,970)	(8,772)	(8,934)
<b>Total</b>		-	<b>(8,775)</b>	<b>(8,970)</b>	<b>(8,772)</b>	<b>(8,934)</b>
<b>Total expense measures</b>						
	Departmental	-	(8,775)	(8,970)	(8,772)	(8,934)
<b>Total</b>		-	<b>(8,775)</b>	<b>(8,970)</b>	<b>(8,772)</b>	<b>(8,934)</b>

Prepared on a Government Finance Statistics (fiscal) basis.

## 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 programmes are the primary vehicle by which Government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programmes which contribute to Government outcomes over the Budget and forward years.

Each outcome is described below together with its related programmes, 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
- engaging with audiences in Asia and the Pacific through the combined strength of Radio Australia and Australia Network.

## Outcome Expense Statement

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

**Table 2.1.1: Budgeted Expenses for Outcome 1**

<b>Outcome 1:</b>		
	Estimated actual expenses \$'000	2014-15 Estimated expenses \$'000
Informed, educated and entertained audiences - throughout Australia and overseas - through innovative and comprehensive media and related services.		
<b>Programme 1.1: ABC General Operational Activities</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	860,642	868,773
Payment from related entities	20,802	21,176
Revenues from other independent sources	130,655	131,422
<b>Total for Programme 1.1</b>	<b>1,012,099</b>	<b>1,021,371</b>
<b>Outcome 1 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	860,642	868,773
Payment from related entities	20,802	21,176
Revenues from other independent sources	130,655	131,422
<b>Total expenses for Outcome 1</b>	<b>1,012,099</b>	<b>1,021,371</b>
	2013-14	2014-15
<b>Average Staffing Level (number)<sup>1</sup></b>	4,650	4,642

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 Communications which are then paid to the ABC and are considered 'departmental' for all purposes.

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

## Contributions to Outcome 1

### Programme 1.1: ABC General Operational Activities

#### Programme Objective - ABC General Operational Activities

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

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

Engages audiences through new media services including the internet and emerging broadband and mobile platforms.

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
- 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
- providing news and current affairs coverage through its dedicated 24-hour news channel
- developing and deploying innovative projects that explore the potential of existing and emerging digital media platforms
- extending audience experience of content across a variety of formats
- offering the independent television production sector an environment to explore and create compelling programs
- encouraging audience participation and contribution in regional Australia, particularly through ABC Open
- continuing to develop its digital radio broadcasting capability
- strengthening the reach and impact of ABC international media services in designated target countries.

<b>Programme Expenses</b>					
	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:					
Departmental item	1,012,099	1,021,371	1,046,681	1,029,106	1,045,553
<b>Total programme expenses</b>	<b>1,012,099</b>	<b>1,021,371</b>	<b>1,046,681</b>	<b>1,029,106</b>	<b>1,045,553</b>

### **Programme 1.1 Deliverables**

- Providing a diverse mix of Australian content across all ABC platforms – radio, television, online and other digital platforms.
- Providing high quality news and current affairs content on all ABC platforms.
- Responding to emergencies and events of major significance.
- Providing Australian music content on ABC Radio services.
- Providing an integrated television programming and scheduling strategy across ABC Television channels, the internet and other emerging platforms.
- Providing first-release Australian television content, including drama, documentaries and children’s drama.
- Providing Australian content aimed at children.
- Providing creative and innovative television content, including creating opportunities for emerging Australian artistic talent.
- Making a wide range of ABC content available through time-shifting, podcasts and vodcasts, video-on-demand and streamed content.
- Providing relevant, high quality and multilingual content to audiences in Asia and the Pacific using radio, television, online and other digital platforms.
- 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.

<b>PROGRAMME 1.1 KEY PERFORMANCE INDICATORS - ABC GENERAL OPERATIONAL ACTIVITIES</b>	
<b>INDICATORS</b>	<b>2014-15 MEASURES</b>
Radio Share	Level achieved in 2014-15 compared with results in 2013-14.
Radio Reach	Level achieved in 2014-15 compared with results in 2013-14.
Television Share	Levels achieved in 2014-15 compared with results in 2013-14.
Television Reach	Level achieved in 2014-15 compared with results in 2013-14.
Online Audience Reach	Level achieved in 2014-15 compared with results in 2013-14.
International Reach	Levels achieved in 2014-15 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, ABC Television and ABC Online is good in 2014-15 compared with results in 2013-14.
Editorial Standards	Results of Editorial Policy Assurance Surveys relating to news and information on ABC Radio, ABC Television and ABC Online.  Efficiency of complaints management measured by performance against statutory timelines.
Australian Content	Percentage of first-run Australian content in 2014-15 compared with 2013-14.  Percentage of Australian children's television programs on ABC4Kids and ABC3 in 2014-15 compared with 2013-14.
Australian Music	Levels of Australian music on those radio networks that broadcast music.

<b>PROGRAMME 1.1 KEY PERFORMANCE INDICATORS - ABC GENERAL OPERATIONAL ACTIVITIES</b>	
<b>INDICATORS</b>	<b>2014-15 MEASURES</b>
State/Local Television	Percentage of state/local 'break-out' television broadcast hours in 2014-15 compared with 2013-14.
Total Podcasts	Level achieved in 2014-15 compared with 2013-14.
Total Vodcasts	Level achieved in 2014-15 compared with 2013-14.
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 content to audiences in Australia and overseas. 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.

Analog television transmission ceased on 10 December 2013, having been replaced by digital television. The 2013-14 figures set out below reflect the final year of analog television costs. The wording of this outcome will be revised in future budgets to reflect this change.

**Outcome Expense Statement**

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

**Table 2.1.2: Budgeted Expenses for Outcome 2**

<b>Outcome 2:</b>	2013-14	2014-15
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	Estimated actual expenses \$'000	Budget estimate \$'000
<b>Programme 2.1: ABC Analog Transmission</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	80,403	76,096
<b>Total for Programme 2.1</b>	<b>80,403</b>	<b>76,096</b>
<b>Outcome 2 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	80,403	76,096
<b>Total expenses for Outcome 2</b>	<b>80,403</b>	<b>76,096</b>
	2013-14	2014-15
<b>Average Staffing Level (number)<sup>1</sup></b>	-	-

<sup>1</sup> 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**

**Programme 2.1: ABC Analog Transmission**

**Programme objective**  
 Provide 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
- minimising the occurrence and duration of unscheduled outages.

**Programme expenses**

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:					
Departmental item	80,403	76,096	77,390	79,015	80,595
<b>Total programme expenses</b>	<b>80,403</b>	<b>76,096</b>	<b>77,390</b>	<b>79,015</b>	<b>80,595</b>

**Programme 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.

<b>PROGRAMME 2.1: KEY PERFORMANCE INDICATORS - ABC ANALOG TRANSMISSION</b>	
<b>INDICATORS</b>	<b>2014-15 MEASURES</b>
Number of analog terrestrial transmission services	Number in 2014-15 compared with 2013-14.
Audience contacts via the ABC Reception Advice Line	Level achieved in 2014-15 compared with results in 2013-14.
Transmission performance as reported by Broadcast Australia, the ABC's transmission services provider	Levels of Total Network Availability and Total 'On-air Availability' in 2014-15 compared with 2013-14.

**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, as well as additional services.

Analog television transmissions ceased on 10 December 2013, having been replaced by digital television. The 2013-14 figures set out below reflect the final year of analog television costs.

**Outcome Expense Statement**

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

**Table 2.1.3: Budgeted Expenses for Outcome 3**

<b>Outcome 3:</b>	2013-14	2014-15
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.	Estimated actual expenses \$'000	Estimated expenses \$'000
<b>Programme 3.1: Access to digital TV services</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	109,103	114,988
<b>Total for Programme 3.1</b>	<b>109,103</b>	<b>114,988</b>
<b>Outcome 3 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	109,103	114,988
<b>Total expenses for Outcome 3</b>	<b>109,103</b>	<b>114,988</b>
	2013-14	2014-15
<b>Average Staffing Level (number)<sup>1</sup></b>	-	-

<sup>1</sup> 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

#### Programme 3.1: Access to Digital Television Services

##### Programme objective

Provide ABC satellite and digital 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 digital television broadcasting services year-on-year
- identifying opportunities to extend and improve access to communities that are under-served with particular services
- minimising the occurrence and duration of unscheduled outages.

##### Programme expenses

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:					
Departmental item	109,103	114,988	117,731	120,830	123,787
<b>Total programme expenses</b>	<b>109,103</b>	<b>114,988</b>	<b>117,731</b>	<b>120,830</b>	<b>123,787</b>

##### Programme 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.

<b>PROGRAMME 3.1: KEY PERFORMANCE INDICATORS - ACCESS TO DIGITAL TELEVISION SERVICES</b>	
<b>INDICATORS</b>	<b>2014-15 MEASURES</b>
Degree to which the Australian population has access to ABC digital television transmissions	2014-15 results compared with 2013-14.
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 maintenance 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 programme.

**Table 2.1.4: Budgeted Expenses for Outcome 4**

<b>Outcome 4:</b>	2013-14	2014-15
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	Estimated actual expenses \$'000	Estimated expenses \$'000
<b>Programme 4.1: Access to digital radio services</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	3,705	3,767
<b>Total for Programme 4.1</b>	<b>3,705</b>	<b>3,767</b>
<b>Outcome 4 Totals by resource type</b>		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	3,705	3,767
<b>Total expenses for Outcome 4</b>	<b>3,705</b>	<b>3,767</b>
	2013-14	2014-15
<b>Average Staffing Level (number)<sup>1</sup></b>	-	-

<sup>1</sup> 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

### Programme 4.1: ABC Access to Digital Radio Services

#### Programme objective

Maintains digital radio transmission services to the five mainland state capital cities.

#### Programme expenses

	2013-14 Estimated actual \$'000	2014-15 Budget \$'000	2015-16 Forward estimate \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000
Annual departmental expenses:					
Departmental item	3,705	3,767	3,816	3,878	3,938
<b>Total programme expenses</b>	<b>3,705</b>	<b>3,767</b>	<b>3,816</b>	<b>3,878</b>	<b>3,938</b>

#### Programme 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.

#### PROGRAMME 4.1: KEY PERFORMANCE INDICATORS - ACCESS TO DIGITAL RADIO SERVICES

INDICATORS	2014-15 MEASURES
Degree to which the five mainland state capital cities have access to ABC digital radio transmissions	2014-15 results compared with 2013-14.
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 2014-15 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and programme 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	Programme				Other	Total	Programme
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
<b>ABC</b>							
<b>Outcome 1</b>							
Departmental 2014-15	7,656	-	-	7,656	-	7,656	All
<i>Departmental 2013-14</i>	<i>8,410</i>	-	-	<i>8,410</i>	-	<i>8,410</i>	<i>All</i>
Total outcome 2014-15	7,656	-	-	7,656	-	7,656	
<i>Total outcome 2013-14</i>	<i>8,410</i>	-	-	<i>8,410</i>	-	<i>8,410</i>	
<b>Total AGIE 2014-15</b>	<b>7,656</b>	-	-	<b>7,656</b>	-	<b>7,656</b>	
<i>Total AGIE 2013-14</i>	<i>8,410</i>	-	-	<i>8,410</i>	-	<i>8,410</i>	

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

## **3.2 BUDGETED FINANCIAL STATEMENTS**

### **3.2.2 Analysis of Budgeted Financial Statements**

#### **Departmental Income Statement**

The ABC is budgeting for an operating surplus of \$11.9 million in 2014-15. 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 \$9.8 million for 2014-15. This is comprised principally of indexation on base funding, additional funding for digital content delivery, journalism, and funding for transmission works, offset by reductions related to efficiency savings, the cessation of analog television transmission and digital classroom funding termination.

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 \$10.9 million for 2014-15. This is comprised principally of expected increases in salary costs, additional costs relating to digital content delivery, journalism, and transmission related works, offset by reductions related to efficiency savings, the cessation of analog television transmission and digital classroom funding termination.

#### **Departmental Balance Sheet**

The ABC's budgeted net asset position for 2014-15 of \$1.0 billion represents an increase of \$11.9 million from the estimated actual for 2013-14. This increase comprises the budgeted operating surplus of \$11.9 million for 2014-15, being predominantly the annual base funding component applied to debt financing.

### 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 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EXPENSES</b>					
Employee benefits	487,585	504,619	522,249	540,528	540,528
Suppliers	624,384	618,619	624,502	590,559	612,370
Depreciation and amortisation	93,341	92,217	96,184	98,292	98,292
Finance costs	-	767	2,683	3,450	2,683
<b>Total expenses</b>	<b>1,205,310</b>	<b>1,216,222</b>	<b>1,245,618</b>	<b>1,232,829</b>	<b>1,253,873</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	138,285	138,285	138,285	138,285	138,285
Interest	5,990	5,069	4,393	4,345	4,045
Other	20,802	21,176	21,643	22,053	22,538
<b>Total own-source revenue</b>	<b>165,077</b>	<b>164,530</b>	<b>164,321</b>	<b>164,683</b>	<b>164,868</b>
<b>Total own-source income</b>	<b>165,077</b>	<b>164,530</b>	<b>164,321</b>	<b>164,683</b>	<b>164,868</b>
<b>Net cost of (contribution by) services</b>	<b>1,040,233</b>	<b>1,051,692</b>	<b>1,081,297</b>	<b>1,068,146</b>	<b>1,089,005</b>
Revenue from Government	1,053,853	1,063,624	1,086,980	1,072,922	1,094,265
<b>Surplus (Deficit) attributable to Australian Government</b>	<b>13,620</b>	<b>11,932</b>	<b>5,683</b>	<b>4,776</b>	<b>5,260</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>13,620</b>	<b>11,932</b>	<b>5,683</b>	<b>4,776</b>	<b>5,260</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>13,620</b>	<b>11,932</b>	<b>5,683</b>	<b>4,776</b>	<b>5,260</b>

Prepared on Australian Accounting Standards basis.

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

	Program actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	5,850	5,850	5,850	5,850	5,850
Trade and other receivables	174,811	175,379	177,356	180,802	195,301
Investments accounted for under the equity method	17,871	17,871	17,871	17,871	17,871
Other financial assets	5,477	5,477	5,477	5,477	5,477
<b>Total financial assets</b>	<b>204,009</b>	<b>204,577</b>	<b>206,554</b>	<b>210,000</b>	<b>224,499</b>
<b>Non-financial assets</b>					
Land and buildings	623,184	600,931	690,038	657,663	625,288
Property, plant and equipment	187,468	194,490	233,615	238,558	232,932
Intangibles	40,602	49,364	58,126	66,888	75,650
Inventories	153,932	153,932	153,932	153,932	153,932
Other non-financial assets	90,859	158,692	45,404	45,404	45,404
<b>Total non-financial assets</b>	<b>1,096,045</b>	<b>1,157,409</b>	<b>1,181,115</b>	<b>1,162,445</b>	<b>1,133,206</b>
<b>Total assets</b>	<b>1,300,054</b>	<b>1,361,986</b>	<b>1,387,669</b>	<b>1,372,445</b>	<b>1,357,705</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	60,698	60,698	60,698	60,698	60,698
Other payables	28,604	28,604	28,604	28,604	28,604
<b>Total payables</b>	<b>89,302</b>	<b>89,302</b>	<b>89,302</b>	<b>89,302</b>	<b>89,302</b>
<b>Interest bearing liabilities</b>					
Loans	20,000	70,000	90,000	70,000	50,000
<b>Total interest bearing liabilities</b>	<b>20,000</b>	<b>70,000</b>	<b>90,000</b>	<b>70,000</b>	<b>50,000</b>
<b>Provisions</b>					
Employee provisions	168,461	168,461	168,461	168,461	168,461
Other provisions	2,425	2,425	2,425	2,425	2,425
<b>Total provisions</b>	<b>170,886</b>	<b>170,886</b>	<b>170,886</b>	<b>170,886</b>	<b>170,886</b>
<b>Total liabilities</b>	<b>280,188</b>	<b>330,188</b>	<b>350,188</b>	<b>330,188</b>	<b>310,188</b>
<b>Net assets</b>	<b>1,019,866</b>	<b>1,031,798</b>	<b>1,037,481</b>	<b>1,042,257</b>	<b>1,047,517</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>EQUITY<sup>1</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	119,495	119,495	119,495	119,495	119,495
Reserves	596,634	596,634	596,634	596,634	596,634
Retained surplus (accumulated deficit)	303,737	315,669	321,352	326,128	331,388
<b>Total parent entity interest</b>	<b>1,019,866</b>	<b>1,031,798</b>	<b>1,037,481</b>	<b>1,042,257</b>	<b>1,047,517</b>
<b>Total equity</b>	<b>1,019,866</b>	<b>1,031,798</b>	<b>1,037,481</b>	<b>1,042,257</b>	<b>1,047,517</b>

Prepared on Australian Accounting Standards basis.

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

**Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2014-15)**

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2014</b>					
Balance carried forward from previous period	303,737	596,559	75	119,495	1,019,866
<b>Adjusted opening balance</b>	<b>303,737</b>	<b>596,559</b>	<b>75</b>	<b>119,495</b>	<b>1,019,866</b>
<b>Comprehensive income</b>					
Surplus (deficit) for the period	11,932				11,932
<b>Total comprehensive income</b>	<b>11,932</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,932</b>
<b>of which:</b>					
Attributable to the Australian Government	11,932	-	-	-	11,932
<b>Transactions with owners</b>					
<b>Contributions by owners</b>					
Equity Injection	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Estimated closing balance as at 30 June 2015</b>	<b>315,669</b>	<b>596,559</b>	<b>75</b>	<b>119,495</b>	<b>1,031,798</b>
<b>Closing balance attributable to the Australian Government</b>	<b>315,669</b>	<b>596,559</b>	<b>75</b>	<b>119,495</b>	<b>1,031,798</b>

Prepared on Australian Accounting Standards basis.

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	1,053,853	1,063,624	1,086,980	1,072,922	1,094,265
Sale of goods and rendering of services	138,285	138,285	138,285	138,285	138,285
Interest	5,990	5,069	4,393	4,345	4,045
Other	88,459	89,606	98,585	89,069	90,678
<b>Total cash received</b>	<b>1,286,587</b>	<b>1,296,584</b>	<b>1,328,243</b>	<b>1,304,621</b>	<b>1,327,273</b>
<b>Cash used</b>					
Employees	487,585	504,619	522,249	540,528	540,528
Suppliers	641,384	618,619	624,502	590,559	612,370
Other	62,657	69,197	79,625	70,466	70,823
<b>Total cash used</b>	<b>1,191,626</b>	<b>1,192,435</b>	<b>1,226,376</b>	<b>1,201,553</b>	<b>1,223,721</b>
<b>Net cash from (used by) operating activities</b>	<b>94,961</b>	<b>104,149</b>	<b>101,867</b>	<b>103,068</b>	<b>103,552</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	15,000	-	25,000	-	-
Investments	10,866	-	-	-	-
<b>Total cash received</b>	<b>25,866</b>	<b>-</b>	<b>25,000</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	90,117	153,581	144,890	79,622	69,053
Other	43,144	568	1,977	3,446	14,499
<b>Total cash used</b>	<b>133,261</b>	<b>154,149</b>	<b>146,867</b>	<b>83,068</b>	<b>83,552</b>
<b>Net cash from (used by) investing activities</b>	<b>(107,395)</b>	<b>(154,149)</b>	<b>(121,867)</b>	<b>(83,068)</b>	<b>(83,552)</b>

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

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	3,300	-	-	-	-
Other	20,000	50,000	20,000	-	-
<b>Total cash received</b>	<b>23,300</b>	<b>50,000</b>	<b>20,000</b>	-	-
<b>Cash used</b>					
Repayments of borrowings	-	-	-	20,000	20,000
Dividends paid	10,866	-	-	-	-
<b>Total cash used</b>	<b>10,866</b>	-	-	<b>20,000</b>	<b>20,000</b>
<b>Net cash from (used by) financing activities</b>	12,434	50,000	20,000	(20,000)	(20,000)
<b>Net increase (decrease) in cash held</b>					
Cash and cash equivalents at the beginning of the reporting period	5,850	5,850	5,850	5,850	5,850
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5,850</b>	<b>5,850</b>	<b>5,850</b>	<b>5,850</b>	<b>5,850</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.5: Departmental Capital Budget Statement**

	Estimated actual 2013-14 \$'000	Budget estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000	Forward estimate 2017-18 \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Equity injections - Bill 2	3,300	-	-	-	-
Loans - Bill 2	20,000	50,000	20,000	-	-
<b>Total capital appropriations</b>	<b>23,300</b>	<b>50,000</b>	<b>20,000</b>	-	-
<b>Total new capital appropriations</b>					
<b>Provided for:</b>					
Purchase of non-financial assets	23,300	50,000	20,000	-	-
<b>Total Items</b>	<b>23,300</b>	<b>50,000</b>	<b>20,000</b>	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	23,300	50,000	20,000	-	-
Funded internally from departmental resources	66,817	103,581	124,890	79,622	69,053
<b>TOTAL</b>	<b>90,117</b>	<b>153,581</b>	<b>144,890</b>	<b>79,622</b>	<b>69,053</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	90,117	153,581	144,890	79,622	69,053
<b>Total cash used to acquire assets</b>	<b>90,117</b>	<b>153,581</b>	<b>144,890</b>	<b>79,622</b>	<b>69,053</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2.6: Statement of Asset Movements (2014-15)**

	Land	Buildings	Other property, Plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>					
Gross book value	174,344	523,169	594,847	100,199	1,392,559
Accumulated depreciation/amortisation and impairment	(157)	(74,172)	(407,379)	(59,597)	(541,305)
<b>Opening net book balance</b>	<b>174,187</b>	<b>448,997</b>	<b>187,468</b>	<b>40,602</b>	<b>851,254</b>
<b>CAPITAL ASSET ADDITIONS</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation ordinary annual services	-	16,819	51,381	17,548	85,748
<b>Total additions</b>	<b>-</b>	<b>16,819</b>	<b>51,381</b>	<b>17,548</b>	<b>85,748</b>
<b>Other movements</b>					
Depreciation/amortisation expense	-	(39,072)	(44,359)	(8,786)	(92,217)
Disposals					
Disposals/Writedowns	-	-	(20,000)	-	(20,000)
Disposals/Writedowns (Accumulated depreciation)	-	-	20,000	-	20,000
<b>Total other movements</b>	<b>-</b>	<b>(39,072)</b>	<b>(44,359)</b>	<b>(8,786)</b>	<b>(92,217)</b>
<b>As at 30 June 2015</b>					
Gross book value	174,344	539,988	626,228	117,747	1,458,307
Accumulated depreciation/amortisation and impairment	(157)	(113,244)	(431,738)	(68,383)	(613,522)
<b>Closing net book balance</b>	<b>174,187</b>	<b>426,744</b>	<b>194,490</b>	<b>49,364</b>	<b>844,785</b>

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 a corporate Commonwealth entity, the ABC's appropriation funding is appropriated to the Department of Communications 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 from 2013-14 (\$50 million in 2014-15) 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.