

SPECIAL BROADCASTING
SERVICE CORPORATION

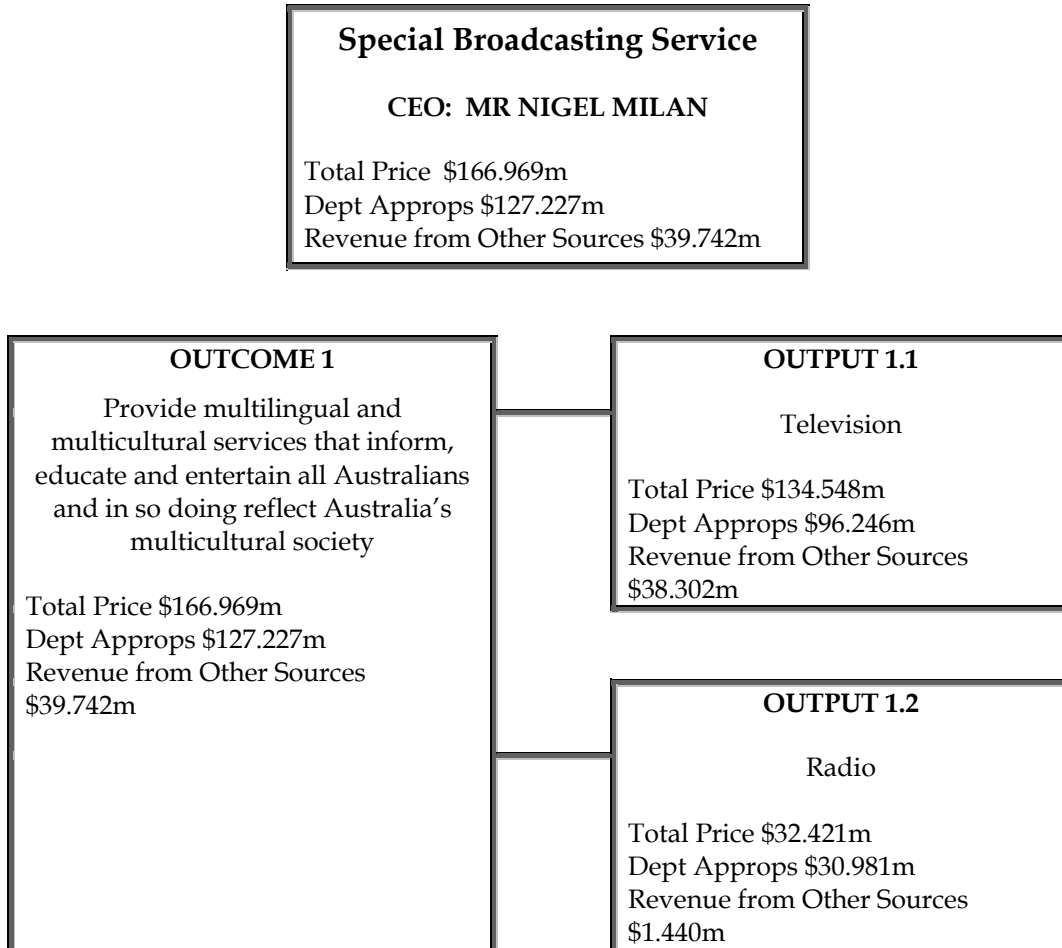
SPECIAL BROADCASTING SERVICE CORPORATION

Section 1: Overview, variations and measures

OVERVIEW

There have been no changes to the Special Broadcasting Service Corporation's (SBS) role, mission, outcomes and outputs since the 2001-02 Portfolio Budget Statements (PBS), except for some adjustments to the price of outputs, which are explained in the following pages.

Map 2: Outcomes and output groups for the agency



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The SBS Corporation has been allocated an additional \$1.411m in 2001-02 to fund the costs of digital transmission. Further details are given on the next page.

SBS is also being funded an additional \$0.716m in 2001-02 as an adjustment in capital use charge (CUC) funding. CUC funding is based on the Corporation's previous year's final results, and equity injections in the current year.

The total increase in appropriation is \$2.127m in 2001-02.

SBS will continue to receive funding for indexation due to price changes in 2002-03 and in future years.

MEASURES

Outcome 1 — Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society

| | 2001-02 (\$'000) | 2002-03 (\$'000) | 2003-04 (\$'000) | 2004-05 (\$'000) |
|---|---------------------|---------------------|---------------------|---------------------|
| <i>Increase in departmental appropriations</i> | | | | |
| Film Industry Package - increased funding for SBS Independent | - | 6,989 | 8,604 | 8,803 |

Film Industry Package - increased funding for SBS Independent

The Government has agreed to continue existing funding for another four years to 2005-06 and provide additional ongoing funding to Special Broadcasting Service Independent to assist the commissioning of quality television drama and documentaries from the independent production sector.

Other Variations to Appropriations

Outcome 1 — Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society

| | 2001-02 (\$'000) | 2002-03 (\$'000) | 2003-04 (\$'000) | 2004-05 (\$'000) |
|---|---------------------|---------------------|---------------------|---------------------|
| <i>Increase in departmental appropriations</i> | | | | |
| Digital transmission (Canberra, Hobart, Darwin) | 1,129 | 1,425 | 1,425 | - |
| Digital transmission (Newcastle) | 282 | 4,739 | 5,053 | 5,128 |
| Adjustment to capital use charge | 716 | 835 | 1,382 | 1,719 |
| Indexation | - | 875 | 946 | 957 |

Digital Broadcasting - resourcing for transmission

The funding for digital transmission extends over a period of fifteen years. The digital signal has been simulcast alongside existing analog signals from 1 January 2001 in the mainland capital cities. The additional funding comprises \$1.129m for the extension of digital services to Canberra, Hobart and Darwin and a further \$0.282m for an extension to Newcastle. Additional regional areas will commence in future years.

MEASURES: SPECIAL BROADCASTING SERVICES CORPORATION

Table 1.1: Summary of measures since the 2001-02 Budget

| Measure | Outcome Outputs affected | | Appropriations 2001-02 (\$'000) | | | Appropriations 2002-03 (\$'000) | | | Appropriations 2003-04 (\$'000) | | | Appropriations 2004-05 (\$'000) | | |
|---|--------------------------|-----|---------------------------------|--------------|-------|---------------------------------|--------------|-------|---------------------------------|--------------|-------|---------------------------------|--------------|-------|
| | | | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total | Admin items | Dept outputs | Total |
| Film Industry Package - increased funding for SBS Independent | 1 | 1.1 | - | - | - | - | 6,989 | 6,989 | - | 8,604 | 8,604 | - | 8,803 | 8,803 |

SBS – Section 1 - Table 1.2 Appropriation Bill (No 3)
Table 1.5 - Variations to revenue from other sources

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2001-02

| | 2000-01 available \$'000 | 2001-02 budget \$'000 | 2001-02 revised \$'000 | Additional estimates \$'000 | Reduced estimates \$'000 |
|---|--------------------------------|-----------------------------|------------------------------|-----------------------------------|--------------------------------|
| DEPARTMENTAL OUTPUTS | | | | | |
| Outcome 1 | | | | | |
| Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society. | 120,593 | 125,100 | 127,227 | 2,127 | - |
| Total | 120,593 | 125,100 | 127,227 | 2,127 | - |

Note: 2000-01 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year. Available Appropriation is the amount available to be drawn down, and is equal to:

Budget Appropriation + Additional Estimates Appropriation + DIA + AFM - Savings.

VARIATIONS TO REVENUE FROM OTHER SOURCES

Table 1.5: Variations to revenue from other sources

| | Total approp 2001-02 budget \$'000 | Total approp 2001-02 revised \$'000 | Revenue from independent sources budget \$'000 | Revenue from independent sources revised \$'000 | Variation in non-govt revenue \$'000 |
|---|--|---|---|--|---|
| Outcome 1 | | | | | |
| Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society. | 133,100 | 135,227 | 32,382 | 39,742 | 7,360 |
| Total | 133,100 | 135,227 | 32,382 | 39,742 | 7,360 |

Note: This includes Bill No. 4 Administered Capital and Bill No. 4 Departmental Equity Injections and Loans.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There have been changes to the funding of Outcome 1 as a result of Additional Estimates. However the Outcome/Output structure is not affected.

Outcome 1 – Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society

Explanation of Variations

The SBS Corporation has been allocated an additional \$1.411m in 2001-02 to fund the costs of digital transmission in Canberra, Hobart, Darwin and Newcastle.

SBS is also being funded an additional \$0.716m in 2001-02 as an adjustment in capital use charge (CUC) funding. CUC funding is based on the Corporation's previous year's final results, and equity injections in the current year.

The total increase in appropriation is \$2.127m in 2001-02.

SBS is being funded for indexation from 2002-03.

An increase of \$7.360m in revenue from independent sources reflects adjustments for the amount of interest to be earned and the amount to be recognised from the TV fund established in 2000 for the extension of analog services to areas with a population of more than 10,000. The amount received at the time (\$70m) has been deferred as a liability and is recognised as revenue when the related expenses are incurred.

Revised Performance Information and Level of Achievement – 2001-02

There are no changes to the performance information that SBS will use to assess the level of its achievement during 2001-02, apart from some variations to output price as outlined on the next page.

Table 2.1: Performance information for outputs affected by additional estimates Outcome 1

| Output | Performance information 2001-02 budget | Performance information 2001-02 revised |
|---------------------------------|---|--|
| Output 1.1 Television | Quality: Viewer and community feedback. Audience reach data, using the average weekly reach figure. Tenor of media comment. Number of hours of appropriate programming. Quantity: % of programs broadcast in languages other than English (LOTE) Number of hours subtitled programmes - making programmes accessible to all Australians. Number of hours of locally produced programmes. Price: \$125.061m | Quality: No change - as per Budget. Quantity: No change - as per Budget. Price: \$134.548m |

Section 3: Budgeted Financial Statements

Revisions to the budgeted departmental financial statements for the Special Broadcasting Service since the 2001-02 PBS are presented in this section.

Budget statement of financial performance (budget operating statement)

This statement provides a picture of the expected financial results for the SBS by identifying full accrual expenses and revenues, which highlights whether the SBS is operating at a sustainable level in the short run.

Budget statement of financial position (budget balance sheet)

Shows the financial position of the SBS and whether the SBS's financial strength is likely to improve or worsen. It enables decision-makers to track the management of the SBS's assets and liabilities and, in conjunction with information on forecast cash flows, whether the SBS is financially viable in the long run.

Budget cash flow statement

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Capital budget

Shows all planned capital expenditure (capital expenditure on non-financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Table 3.1: Budgeted departmental statement of financial performance (for the period ended 30 June)

| | Actual 2000-01 \$'000 | Revised budget 2001-02 \$'000 | Forward estimate 2002-03 \$'000 | Forward estimate 2003-04 \$'000 | Forward estimate 2004-05 \$'000 |
|--|-----------------------------|--|--|--|--|
| Revenues from ordinary activities | | | | | |
| Revenue from government | 123,870 | 127,227 | 137,577 | 138,898 | 139,610 |
| Sales of goods and services | 24,894 | 25,683 | 27,396 | 28,372 | 28,997 |
| Interest | 2,944 | 3,500 | 2,000 | 2,000 | 2,000 |
| Dividends | - | - | - | - | - |
| Net gains from sales of assets | - | 10 | 10 | 10 | 10 |
| Other | 25,191 | 10,549 | 8,839 | 9,003 | 9,248 |
| Total revenues from ordinary activities | 176,899 | 166,969 | 175,822 | 178,283 | 179,865 |
| Expenses from ordinary activities (excluding borrowing costs expense) | | | | | |
| Employees | 52,373 | 53,268 | 55,447 | 57,713 | 60,069 |
| Suppliers | 100,652 | 87,454 | 97,413 | 98,018 | 96,062 |
| Grants | - | - | - | - | - |
| Depreciation and amortisation | 7,281 | 9,500 | 8,994 | 9,810 | 10,010 |
| Write down of assets | 358 | 100 | 100 | 100 | 100 |
| Net losses from sales of assets | 54 | 20 | 20 | 20 | 20 |
| Other | 24 | - | - | - | - |
| Total expenses from ordinary activities (excluding borrowing costs expense) | 160,742 | 150,342 | 161,974 | 165,661 | 166,261 |
| Borrowing cost expense (Interest expen | 4,313 | 4,350 | 2,000 | 2,000 | 2,000 |
| Net surplus or deficit from ordinary activities | 11,844 | 12,277 | 11,848 | 10,622 | 11,604 |
| Gain or loss on extraordinary items | - | - | - | - | - |
| Net surplus or deficit | 11,844 | 12,277 | 1,848 | 10,622 | 11,604 |
| Capital use charge | 9,373 | 10,312 | 11,241 | 11,831 | 12,291 |
| Net surplus or deficit after capital use charge | 2,471 | 1,965 | 607 | (1,209) | (687) |

Table 3.2 – Departmental Statement of Financial Position

Table 3.2: Budget departmental statement of financial position

| | Actual 2000-01 \$'000 | Revised budget 2001-02 \$'000 | Forward estimate 2002-03 \$'000 | Forward estimate 2003-04 \$'000 | Forward estimate 2004-05 \$'000 |
|--------------------------------------|-----------------------------|--|--|--|--|
| ASSETS | | | | | |
| Financial assets | | | | | |
| Cash | 2,547 | 2,624 | 2,421 | 2,161 | 3,234 |
| Receivables | 7,850 | 11,870 | 12,669 | 13,565 | 14,778 |
| Investments | 80,461 | 67,410 | 61,079 | 56,228 | 52,773 |
| Accrued revenues | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total financial assets | 90,858 | 81,904 | 76,169 | 71,954 | 70,785 |
| Non-financial assets | | | | | |
| Land and buildings | 46,851 | 50,311 | 51,111 | 50,211 | 49,011 |
| Infrastructure, plant and equipment | 30,190 | 30,890 | 33,470 | 34,850 | 33,170 |
| Inventories | 15,419 | 20,019 | 25,919 | 28,819 | 30,849 |
| Intangibles | 914 | 914 | 1,100 | 1,382 | 1,382 |
| Other | 6,660 | 6,725 | 6,835 | 7,835 | 8,824 |
| Total non-financial assets | 100,034 | 108,859 | 118,435 | 123,097 | 123,236 |
| Total assets | 190,892 | 190,763 | 194,604 | 195,051 | 194,021 |
| LIABILITIES | | | | | |
| Debt | | | | | |
| Loans | 21,744 | 19,644 | 18,444 | 17,244 | 16,044 |
| Leases | 500 | 397 | 104 | - | - |
| Deposits | - | - | - | - | - |
| Overdrafts | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total debt | 22,244 | 20,041 | 18,548 | 17,244 | 16,044 |
| Provisions and payables | | | | | |
| Employees | 13,476 | 14,515 | 15,576 | 16,659 | 17,735 |
| Suppliers | 7,243 | 7,355 | 7,576 | 8,300 | 9,097 |
| Grants | 34 | 34 | 34 | 34 | 34 |
| Other | 62,744 | 55,308 | 50,753 | 45,106 | 39,290 |
| Total provisions and payables | 83,497 | 77,212 | 73,939 | 70,099 | 66,156 |
| Total liabilities | 105,741 | 97,253 | 92,487 | 87,343 | 82,200 |
| EQUITY | | | | | |
| Capital | 38,199 | 46,199 | 54,199 | 60,999 | 65,799 |
| Reserves | 15,722 | 15,722 | 15,722 | 15,722 | 15,722 |
| Accumulated surpluses or deficits | 31,230 | 31,589 | 32,196 | 30,987 | 30,300 |
| Total equity | 85,151 | 93,510 | 102,117 | 107,708 | 111,821 |
| Current liabilities | 75,886 | 68,677 | 63,443 | 58,520 | 53,501 |
| Non-current liabilities | 29,855 | 28,576 | 29,044 | 28,823 | 28,699 |
| Current assets | 27,298 | 30,846 | 37,342 | 40,878 | 45,194 |
| Non-current assets | 163,594 | 159,917 | 157,262 | 154,173 | 148,827 |

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

| | Actual 2000-01 \$'000 | Revised budget 2001-02 \$'000 | Forward estimate 2002-03 \$'000 | Forward estimate 2003-04 \$'000 | Forward estimate 2004-05 \$'000 |
|--|-----------------------------|--|--|--|--|
| OPERATING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Appropriations for outputs | 120,593 | 127,227 | 137,577 | 138,898 | 139,610 |
| Sales of goods and services | 25,093 | 24,683 | 26,396 | 27,372 | 27,997 |
| Interest | 6,454 | 6,976 | 4,643 | 4,484 | 4,224 |
| Other | 7,921 | 9,828 | 10,389 | 10,537 | 10,663 |
| Total cash received | 160,061 | 168,714 | 179,005 | 181,291 | 182,494 |
| Cash used | | | | | |
| Employees | 52,572 | 51,268 | 53,947 | 56,213 | 58,569 |
| Suppliers | 93,069 | 90,821 | 100,095 | 99,517 | 96,091 |
| Grants | - | - | - | - | - |
| Interest | 4,313 | 4,350 | 2,000 | 2,000 | 2,000 |
| Other | 7921 | 9,743 | 10,306 | 10,455 | 10,582 |
| Total cash used | 157,875 | 156,182 | 166,348 | 168,185 | 167,242 |
| Net cash from operating activities | 2,186 | 12,532 | 12,657 | 13,106 | 15,252 |
| INVESTING ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from sales of property, plant and equipment | 9 | 10 | 10 | 10 | 10 |
| Repayments of loans made | - | - | - | - | - |
| Other | 32,536 | 10,829 | 8,418 | 7,581 | 5,749 |
| Total cash received | 32,545 | 10,839 | 8,428 | 7,591 | 5,759 |
| Cash used | | | | | |
| Purchase of property, plant and equipment | 23,023 | 13,780 | 12,680 | 10,692 | 7,250 |
| Loans made | - | - | - | - | - |
| Other | 26,393 | 4,513 | 4,063 | 4,034 | 3,997 |
| Total cash used | 49,416 | 18,293 | 16,743 | 14,726 | 11,247 |
| Net cash from investing activities | (16,871) | (7,454) | (8,315) | (7,135) | (5,488) |
| FINANCIAL ACTIVITIES | | | | | |
| Cash received | | | | | |
| Proceeds from issuing equity instruments | - | - | - | - | - |
| Proceeds from debt | - | - | - | - | - |
| Other | 23,400 | 8,000 | 8,000 | 6,800 | 4,800 |
| Total cash received | 23,400 | 8,000 | 8,000 | 6,800 | 4,800 |

Table 3.3: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)

| | Actual 2000-01 \$'000 | Revised budget 2001-02 \$'000 | Forward estimate 2002-03 \$'000 | Forward estimate 2003-04 \$'000 | Forward estimate 2004-05 \$'000 |
|--|-----------------------------|--|--|--|--|
| Cash used | | | | | |
| Repayments of debt | 1,566 | 2,165 | 1,200 | 1,200 | 1,200 |
| Capital use and dividends paid | - | 10,312 | 11,241 | 11,831 | 12,291 |
| Other | 9,258 | 397 | 104 | - | - |
| Total cash used | 10,824 | 12,874 | 12,545 | 13,031 | 13,491 |
| Net cash from financing activities | 12,576 | (4,874) | (4,545) | (6,231) | (8,691) |
| Net increase in cash held | (2,109) | 204 | (203) | (260) | 1,073 |
| Cash at the beginning of the reporting period | 4,656 | 2,420 | 2,624 | 2,421 | 2,161 |
| Cash at the end of the reporting period | 2,547 | 2,624 | 2,421 | 2,161 | 3,234 |

Table 3.4: Departmental capital budget statement

| | Actual 2000-01 \$'000 | Revised budget 2001-02 \$'000 | Forward estimate 2002-03 \$'000 | Forward estimate 2003-04 \$'000 | Forward estimate 2004-05 \$'000 |
|---|-----------------------------|--|--|--|--|
| CAPITAL APPROPRIATIONS | | | | | |
| Total equity injections | 23,400 | 8,000 | 8,000 | 6,800 | 4,800 |
| Total loans | - | - | - | - | - |
| Appropriation of previous year accrued revenue | - | - | - | - | - |
| Total Capital Appropriations | 23,400 | 8,000 | 8,000 | 6,800 | 4,800 |
| Represented by: | | | | | |
| Purchase of non-current assets | 20,227 | 6,800 | 6,800 | 5,600 | 3,600 |
| Other | 3,173 | 1,200 | 1,200 | 1,200 | 1,200 |
| Total | 23,400 | 8,000 | 8,000 | 6,800 | 4,800 |
| PURCHASE OF NON-CURRENT ASSETS | | | | | |
| Funded by capital appropriations | 20,227 | 6,800 | 6,800 | 5,600 | 3,600 |
| Funded internally by Departmental resources | - | 6,980 | 5,880 | 5,092 | 3,650 |
| Total Purchase of Non- Current Assets | 20,227 | 13,780 | 12,680 | 10,692 | 7,250 |

NOTES TO THE FINANCIAL STATEMENTS

Basis of Accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Significant Variations

The major reasons for variations since the 2001-02 PBS are as follows:

- (a) Increases in appropriation for digital transmission, and an adjustment to the Capital Use Charge.
- (b) The extension and increase in funding for SBS Independent (SBSI) Production Fund. The programme has been extended to 2005-06, with the 2002-03 funding amounting to \$7m, and then to \$8.6m indexed from 2003-04.

Cashflows have been adjusted to reflect the cash inflows and outflows related to extensions of analog services, digital transmission and other indexation adjustments.

Appendix 1

Non-appropriation departmental revenue

| | Budgeted estimate 2001-02 \$'000 | Revised estimate 2001-02 \$'000 |
|---|--|---------------------------------------|
| Departmental Revenue | | |
| Sales of goods and services | 23,683 | 25,683 |
| Interest | 400 | 3,500 |
| Other | 8,299 | 10,559 |
| Total Non-Appropriation departmental revenue | 32,382 | 39,742 |