

**SPECIAL BROADCASTING  
SERVICE CORPORATION**



## **SPECIAL BROADCASTING SERVICE CORPORATION**

### **Section 1: Overview, appropriations and budget measures summary**

#### **OVERVIEW**

The Special Broadcasting Service Corporation (SBS) is a national multicultural and multilingual broadcaster. Its mission is to contribute to a more cohesive, equitable and harmonious Australia through its television and radio services.

The radio service broadcasts in 68 languages on a network which includes both AM and FM services in Sydney and Melbourne as well as a national signal and it occupies a unique place in broadcasting in Australia and the world.

The television service broadcast through both digital and analogue signal is a national service viewed by 7.3 million Australians each week. Over half of its programs are in languages other than English. With access to over 600 international and local program makers and suppliers, programs are culturally and linguistically diverse, yet made accessible to all Australians through English subtitling.

#### **APPROPRIATIONS AND RESOURCING**

The total appropriation for the SBS in the 2004-05 Budget is \$165.540m, including an equity injection of \$5.620m.

Table 1.1 on the following page, shows total appropriations for SBS for 2004-05 by the price of outputs and equity injections. Further information on price of outputs is provided in Table 2.1.1.

**Special Broadcasting Service Corporation – appropriations 2004-05**  
**Table 1.1: Appropriations and other revenue ('000)**

Outcome	Departmental (price of outputs) ('000)				Administered ('000)			Total
	Revenue from Government (appropriations)	Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)	Special appropriations	administered appropriations	Total appropriations	
	Bill No. 1	Special approps	Total	Bill No. 1	Bill No. 2			
(A)	(B)	(C = A+B)	(D) (E = C+D)	(F)	(G)	(H)	(J = C+I)	
1. Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	159,920	-	159,920	42,403	202,323	-	159,920	
						79.04%		
<b>Total</b>	<b>159,920</b>	<b>-</b>	<b>159,920</b>	<b>42,403</b>	<b>202,323</b>	<b>-</b>	<b>159,920</b>	
	Departmental capital (equity injections)							<b>5,620</b>
	Administered capital							<b>-</b>
	Total appropriations							<b>165,540</b>

1. Cells C1 and E1 refer to information provided in Total Resources for Outcome tables.
  2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), new agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
  3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
  4. Revenue from other sources includes other revenue from Government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are details in Table 1.3.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Table 1.3: Revenue from independent sources & Administered capital and departmental equity injections and loans

## REVENUE FROM INDEPENDENT SOURCES

Table 1.3: Revenue from independent sources

	Estimated revenue 2003-04 \$'000	Estimated revenue 2004-05 \$'000
<b>Departmental revenues</b>		
Sales of goods and services	31,179	34,000
Interest	1,591	1,650
Net gains from sales of assets	10	10
Other non-appropriations revenue	6,900	6,743
<b>Total estimated revenue</b>	<b>39,680</b>	<b>42,403</b>

## ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Special Broadcasting Service Corporation will receive an amount of \$5.620m in 2004-05 as an equity injection. This is indicated in Table 1.1 and as accounted for in the Capital Budget Statement (see Table 3.4) and Appropriation Bill (No2) 2004-05.

An amount of \$3.600 million will be received under Phase 2 of the Digital Conversion Plan. The funding will be used to purchase digital equipment. This digital investment will enable SBS to continue to operate effectively in a broadcasting environment being transformed by digital technology.

SBS will also receive an amount of \$2.020m for the payment of the loan to purchase its Artarmon building headquarters.

## Section 2: Outcomes and outputs information

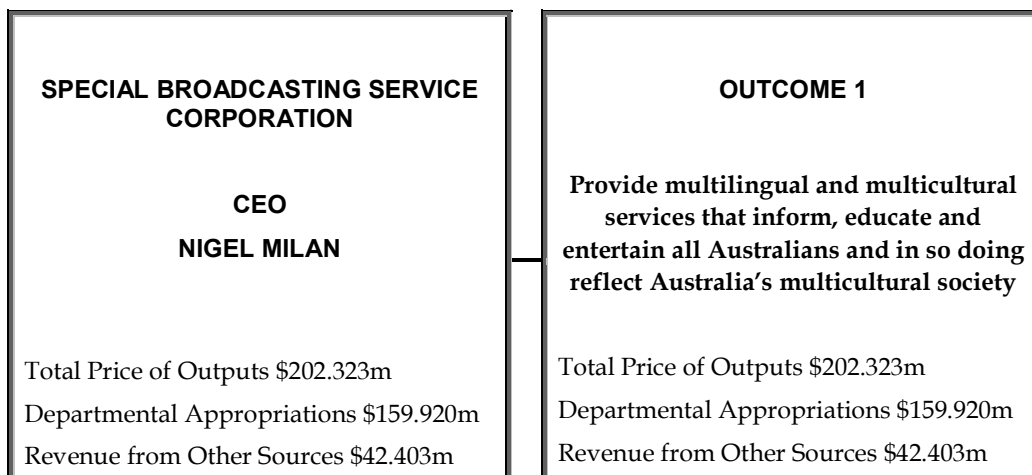
### OUTCOMES AND OUTPUT GROUPS

The SBS works to achieve the outcomes specified by Government. The following section provides an agency overview, and then each outcome is discussed in turn. The maps on the following pages show the outcome structure and the relationship between the outcomes and outputs.

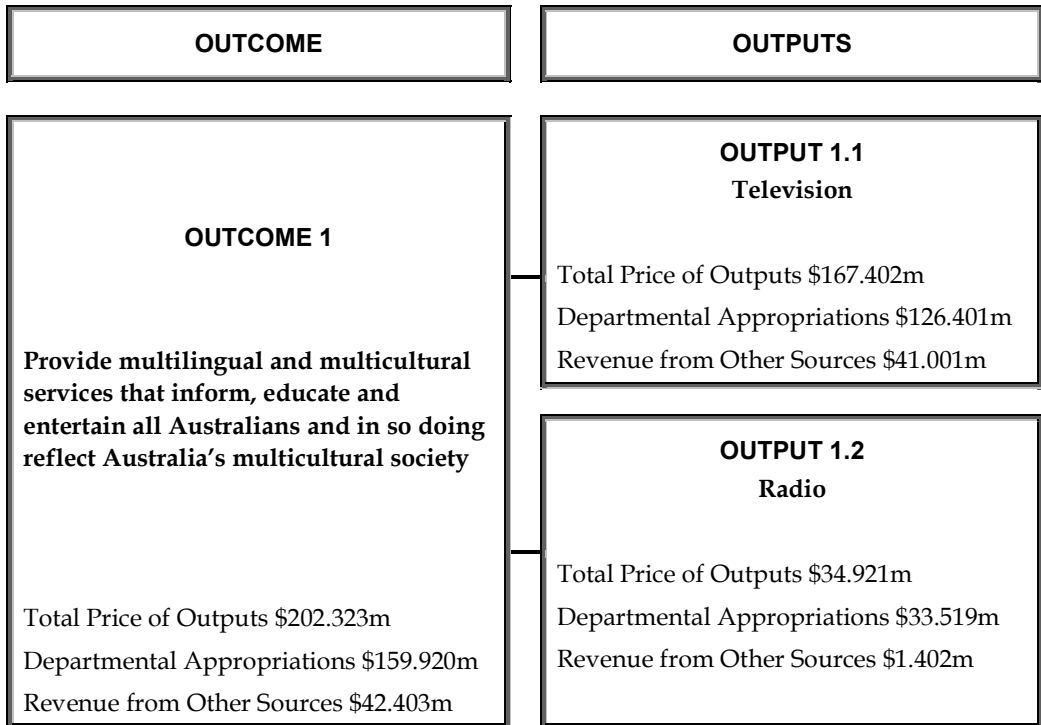
#### Output cost attribution

To as large an extent as possible all direct costs are charged to the outputs (Television and Radio). Indirect and overhead costs are attributed to the outputs by a cost allocation methodology. The cost attribution system is the proportional distribution determined by the nature of the cost and the way the cost is influenced or driven by the two outputs.

**Map 1: Outcome structure**



**Map 2.1: Outcome 1 – contributing outputs**



Note: Revenue from Government (Appropriations) contributes 79.04% to the Total Price of Outputs for Outcome 1.

**CHANGES TO OUTCOMES AND OUTPUTS**

There have been no changes to SBS’s Outcome and Output structure since the 2003-04 Budget.

## **OUTCOME 1 — DESCRIPTION**

### **Provide multilingual and multicultural services that inform, educate and entertain all Australians and in doing so reflect Australia’s multicultural society**

The main objective of the Special Broadcasting Service Corporation (SBS) is to contribute to a more cohesive, equitable and harmonious Australian society through the provision of multilingual and multicultural radio and television services.

### **Measures affecting Outcome 1<sup>1</sup>**

There are no measures affecting SBS.

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<sup>1</sup> This relates to measures disclosed in the 2004-05 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO)).

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2004-05 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from Government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1** and **E1** show the links back to Table 1.1 (the Appropriations and Other Revenue Table for the SBS).

**Table 2.1.1: Total resources for Outcome 1 (\$'000)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	
<b>Departmental appropriations</b>			
Output 1.1 - Television	114,295	126,401	
Output 1.2 - Radio	31,481	33,519	
<b>Total revenue from government (appropriations)</b>	<b>145,776</b>	<b>159,920</b>	
<b>Contributing to price of departmental outputs</b>	78.6%	79.04%	(C1)
<b>Revenue from other sources</b>			
Output 1.1 - Television	38,212	41,001	
Output 1.2 - Radio	1,468	1,402	
<b>Total revenue from other sources</b>	<b>39,680</b>	<b>42,403</b>	
<b>Total price from departmental outputs</b>			
(Total revenue from government and from other sources)	<b>185,456</b>	<b>202,323</b>	(E1)
	2003-04	2004-05	
<b>Average staffing level (number)</b>	798	798	

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The SBS has two outputs – Television and Radio. SBS broadcasts provide multilingual and multicultural services to achieve the SBS outcome of informing, educating and entertaining all Australians and in doing so reflecting Australia’s multicultural society.

More details on the performance information for each output is contained in Table 2.2.1

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## PERFORMANCE INFORMATION FOR OUTCOME 1

**Table 2.2.1: Performance information for Outcome 1**

<b>Effectiveness - Overall achievement of the Outcome</b>	
Delivery of multilingual and multicultural services that reflect Australia's multicultural society	Broadcast services which inform, educate and entertain all Australians.
Television	<p><b>Quality</b> Positive viewer and community feedback; alignment of programs with Australia's multicultural society and perspective.</p> <p><b>Quantity</b> Hours of programming in languages other than English; hours of subtitled programs; audience reach</p>
Radio	<p><b>Quality</b> Positive listener and community feedback; alignment of programs with Australia's multicultural society and perspective.</p> <p><b>Quantity</b> Hours of broadcast in languages other than English.</p>
<b>Performance Information for Departmental Output 1.1</b>	
Television	<p><b>Quality</b> Viewer and community feedback. Audience reach data, using the average weekly reach figure Tenor of media comment. Number of hours of appropriate programming.</p> <p><b>Quantity</b> % of programs broadcast in languages other than English (LOTE). Number of hours of subtitled programs - making programs accessible to all Australians. Number of hours of locally produced programs</p> <p><b>Price</b> \$167.402m</p>
<b>Performance Information for Departmental Output 1.2</b>	
Radio	<p><b>Quality</b> Listener and community feedback. Audience surveys.</p> <p><b>Quantity</b> Number of hours broadcast in language other than English.</p> <p><b>Price</b> \$34.921m</p>

## **EVALUATIONS**

An annual internal audit and evaluation program is conducted by the SBS. Over a period all areas are covered by the program.

## Section 3: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Departmental**

An analysis of SBS's budgeted financial statements is provided below.

#### **Statement of Financial Performance**

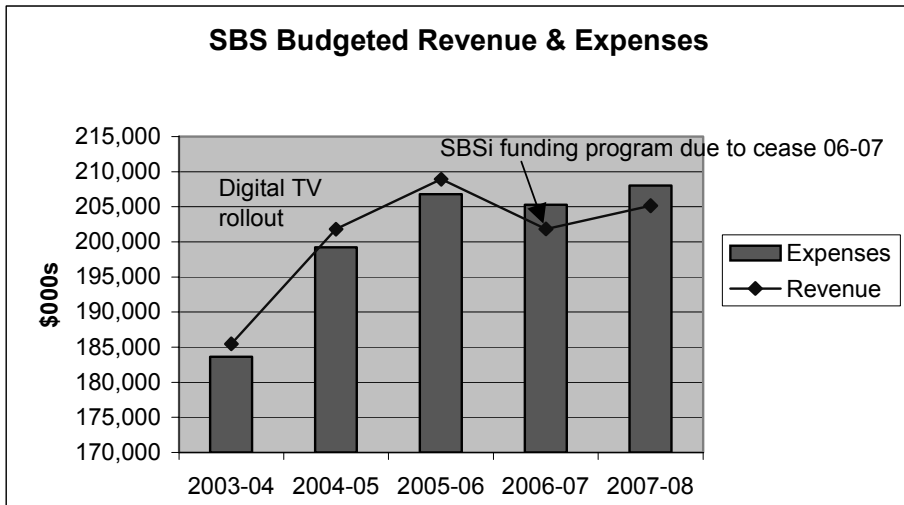
SBS is budgeting for a modest surplus of \$1.401m in 2004-05 and \$1.074m in 2005-06. An approved operating loss of \$4.315m is budgeted in 2006-07 and \$3.653m in 2007-08. The future losses are the result of the accounting treatment of SBSi (SBS independent) commissioned programs when the current funding approval ceases.

Total revenue in 2004-05 is estimated to be \$202.323m, an increase of \$16.867m on 2003-04. The increase is primarily the result of an increase in appropriated revenue from Government to meet the cost of the continuing regional rollout of digital television. Revenue from Government is budgeted to fall in 2006-07 by \$7.370m with the cessation of the current funding program for SBSi.

The proportion of total revenue obtained from Government sources is budgeted to be 79% in 2004-05.

Revenue from the sale of Goods and Services, the majority of which is revenue from television advertising, is budgeted to increase by \$2.821m to \$34.000m. Revenue classified as "Other" mainly relates to income received from funds managed by SBS which came from the part-sale of Telstra. The managed funds are utilised to extend analogue television transmission to population centres of up to 10,000 people.

Total expenses from ordinary activities in 2004-05 are estimated to be \$199.746m, an increase of \$16.112m on the level predicted in 2003-04. Costs paid to suppliers are budgeted to increase by \$13.431m over 2003-04 predicted level, the main increase being the cost of the rollout of digital television. Employee costs are predicted to rise in line with the SBS Enterprise Agreement.



### Statement of Financial Position

The Corporation's budgeted net asset position of \$199.931m on 30 June 2005 represents a small decrease (\$0.713m) on the predicted level on 30 June 2004. This level is expected to increase in 2005-06 and then decline in 2006-07 when Inventories will begin to decrease when the current funding program for SBSi ceases.

The main components of SBS's assets as at 30 June 2005 are projected to be:

- Investments – the bulk of which is the managed fund for the purpose of analogue television transmission to population centres greater than 10,000.
- Land and building – mainly comprising SBS headquarters in Artarmon, Sydney.
- Inventories – the stock of commissioned and overseas purchased programs to which SBS owns the broadcast rights.
- Infrastructure, plant and equipment – which is production and broadcast equipment for Television and Radio.

SBS's liabilities are budgeted to decrease by \$7.734m to \$82.530m in 2004-05 and continue to decrease by around \$5.000m per annum in the subsequent years. The main components of SBS's liability are:

- A loan from the Commonwealth relating to the purchase of the Artarmon building. The amount owing is projected to decrease as repayments are made.
- Employee provisions are projected to generally increase over time.
- Suppliers' liabilities are budgeted to remain consistent.
- "Other" liabilities relate largely to SBS debt to the Commonwealth to rollout analogue television services to regional areas in accordance with the funding SBS is managing. This liability decreases as the funding is exhausted and the services provided.

### **Statement of Cash Flows**

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

### **Capital Budget**

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

## **BUDGETED FINANCIAL STATEMENTS**

### **Departmental financial statements**

#### **Budgeted Departmental Statement of Financial Performance (Operating Statement)**

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

#### **Budgeted Departmental Statement of Financial Position (Balance Sheet)**

This statement shows the financial position of the SBS. It helps decision-makers to track the management of the SBS's assets and liabilities.

#### **Budgeted Departmental Statement of Cash Flows**

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.

#### **Departmental Capital Budget Statements**

Shows all planned departmental 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.

#### **Departmental Non Financial Assets — Summary of Movement**

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>Revenues from ordinary activities</b>					
Revenue from Government	145,776	159,920	162,321	154,951	157,944
Goods and Services	31,179	34,000	38,000	38,100	38,200
Interest	1,591	1,650	1,670	1,690	1,710
Dividends	-	-	-	-	-
Revenue from sales of assets	10	10	10	10	10
Net foreign exchange gains	-	-	-	-	-
Other	6,900	6,743	6,910	7,088	7,268
<b>Revenues from ordinary activities</b>	<b>185,456</b>	<b>202,323</b>	<b>208,911</b>	<b>201,839</b>	<b>205,132</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	62,486	65,085	68,603	68,619	70,682
Suppliers	112,340	125,771	129,143	127,528	128,237
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	8,687	8,770	8,920	8,970	8,970
Write-down of assets	101	100	100	100	100
Value of assets sold	20	20	20	20	20
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>183,634</b>	<b>199,746</b>	<b>206,786</b>	<b>205,237</b>	<b>208,009</b>
Borrowing cost expense	1,319	1,176	1,051	917	776
Share of net profits/losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>503</b>	<b>1,401</b>	<b>1,074</b>	<b>(4,315)</b>	<b>(3,653)</b>
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Net surplus or deficit attributable to Commonwealth</b>	<b>503</b>	<b>1,401</b>	<b>1,074</b>	<b>(4,315)</b>	<b>(3,653)</b>

Table 3.2: Departmental statement of financial position

**Table 3.2: Budget departmental statement of financial position  
as at 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	3,124	5,163	5,363	7,095	6,069
Receivables	6,426	5,314	5,060	4,640	4,668
Investments accounted for under the equity method	2,732	2,732	2,732	2,732	2,732
Other investments	64,031	60,031	60,031	61,031	63,031
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>76,313</b>	<b>73,240</b>	<b>73,186</b>	<b>75,498</b>	<b>76,500</b>
<b>Non-financial assets</b>					
Land and buildings	49,755	48,705	47,655	46,605	45,555
Infrastructure, plant and equipment	31,261	30,791	30,121	29,401	28,681
Heritage and cultural assets	-	-	-	-	-
Inventories	36,625	40,525	44,325	39,625	35,125
Intangibles	2,300	2,180	2,060	1,940	1,820
Other	4,390	4,490	4,640	4,740	4,540
<b>Total non-financial assets</b>	<b>124,331</b>	<b>126,691</b>	<b>128,801</b>	<b>122,311</b>	<b>115,721</b>
<b>Total assets</b>	<b>200,644</b>	<b>199,931</b>	<b>201,987</b>	<b>197,809</b>	<b>192,221</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	20,275	18,238	16,076	13,781	11,345
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>20,275</b>	<b>18,238</b>	<b>16,076</b>	<b>13,781</b>	<b>11,345</b>
<b>Provisions</b>					
Employees	15,620	14,120	14,635	15,165	15,715
Capital Use Charge	-	-	-	-	-
Other	-	-	-	-	-
<b>Total provisions</b>	<b>15,620</b>	<b>14,120</b>	<b>14,635</b>	<b>15,165</b>	<b>15,715</b>
<b>Payables</b>					
Suppliers	9,891	8,857	8,965	9,178	9,178
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	44,478	41,315	37,986	34,480	30,795
<b>Total payables</b>	<b>54,369</b>	<b>50,172</b>	<b>46,951</b>	<b>43,658</b>	<b>39,973</b>
<b>Total liabilities</b>	<b>90,264</b>	<b>82,530</b>	<b>77,662</b>	<b>72,604</b>	<b>67,033</b>

**Table 3.2: Budget departmental statement of financial position  
as at 30 June (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>EQUITY</b>					
<b>Parent equity interest</b>					
Contributed equity	62,269	67,889	73,739	78,934	82,570
Reserves	15,722	15,722	15,722	15,722	15,722
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	32,389	33,790	34,864	30,549	26,896
<b>Total parent equity interest</b>	<b>110,380</b>	<b>117,401</b>	<b>124,325</b>	<b>125,205</b>	<b>125,188</b>
<b>Outside equity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>110,380</b>	<b>117,401</b>	<b>124,325</b>	<b>125,205</b>	<b>125,188</b>
Current liabilities	31,671	30,895	31,127	31,472	31,615
Non-current liabilities	58,593	51,635	46,535	41,132	35,418
Current assets	60,565	55,492	59,388	56,100	50,403
Non-current assets	140,079	144,439	142,599	141,709	141,818

Table 3.3: Departmental statement of cash flows

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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	145,776	159,920	162,321	154,951	157,944
Goods and services	30,830	35,080	38,580	38,799	38,516
Interest	4,267	4,150	4,171	4,192	4,213
Dividends	-	-	-	-	-
Other	9,596	10,511	10,556	10,495	10,457
Extraordinary Items	-	-	-	-	-
<b>Total cash received</b>	<b>190,469</b>	<b>209,661</b>	<b>215,628</b>	<b>208,437</b>	<b>211,130</b>
<b>Cash used</b>					
Employees	61,834	66,585	68,088	68,089	70,132
Suppliers	116,749	130,804	132,985	122,714	123,536
Grants and subsidies	-	-	-	-	-
Borrowing costs	1,294	1,176	1,051	917	776
Other	9,362	9,400	9,802	9,695	9,722
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>189,239</b>	<b>207,965</b>	<b>211,926</b>	<b>201,415</b>	<b>204,166</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,230</b>	<b>1,696</b>	<b>3,702</b>	<b>7,022</b>	<b>6,964</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	10	10	10	10	10
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	24,307	30,000	26,000	27,500	28,000
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>24,317</b>	<b>30,010</b>	<b>26,010</b>	<b>27,510</b>	<b>28,010</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	8,994	7,250	7,200	7,200	7,200
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	22,553	26,000	26,000	28,500	30,000
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>31,547</b>	<b>33,250</b>	<b>33,200</b>	<b>35,700</b>	<b>37,200</b>
<b>Net cash from/(used by) investing activities</b>	<b>(7,230)</b>	<b>(3,240)</b>	<b>(7,190)</b>	<b>(8,190)</b>	<b>(9,190)</b>

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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>FINANCIAL ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	7,490	5,620	5,850	5,195	3,636
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>7,490</b>	<b>5,620</b>	<b>5,850</b>	<b>5,195</b>	<b>3,636</b>
<b>Cash used</b>					
Repayments of debt	1,918	2,037	2,162	2,295	2,436
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	18	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>1,936</b>	<b>2,037</b>	<b>2,162</b>	<b>2,295</b>	<b>2,436</b>
<b>Net cash from/(used by) financing activities</b>	<b>5,554</b>	<b>3,583</b>	<b>3,688</b>	<b>2,900</b>	<b>1,200</b>
<b>Net increase in cash held</b>	<b>(446)</b>	<b>2,039</b>	<b>200</b>	<b>1,732</b>	<b>(1,026)</b>
Cash at the beginning of the reporting period	3,570	3,124	5,163	5,363	7,095
Effect of exchange rate movements on cash at the beginning of the reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>3,124</b>	<b>5,163</b>	<b>5,363</b>	<b>7,095</b>	<b>6,069</b>

Table 3.4: Departmental capital budget statement

**Table 3.4: Departmental capital budget statement**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	7,490	5,620	5,850	5,195	3,636
Total loans	-	-	-	-	-
<b>Total</b>	<b>7,490</b>	<b>5,620</b>	<b>5,850</b>	<b>5,195</b>	<b>3,636</b>
<b>Represented by</b>					
Purchase of non-financial assets	5,600	3,600	3,700	2,944	1,200
Other	1,890	2,020	2,150	2,251	2,436
<b>Total</b>	<b>7,490</b>	<b>5,620</b>	<b>5,850</b>	<b>5,195</b>	<b>3,636</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	5,600	3,600	3,700	2,944	1,200
Funded internally by departmental resources	3,394	3,650	3,500	4,256	6,000
<b>Total</b>	<b>8,994</b>	<b>7,250</b>	<b>7,200</b>	<b>7,200</b>	<b>7,200</b>

**Table 3.5: Departmental non-financial assets — summary of movement (Budget year 2004-05)**

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer Software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	9,700	40,055	-	31,261	-	2,300	-	83,316
Additions	-	300	-	6,750	-	200	-	7,250
Disposals	-	-	-	(20)	-	-	-	(20)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(1,350)	-	(7,100)	-	(320)	-	(8,770)
Write-off of assets	-	-	-	(100)	-	-	-	(100)
Carrying amount at the end of year	9,700	39,005	-	30,791	-	2,180	-	81,676
<b>Total additions</b>								
Self funded	-	300	-	3,150	-	200	-	3,650
Appropriations	-	-	-	3,600	-	-	-	3,600
<b>Total</b>	-	300	-	6,750	-	200	-	7,250

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Table 3.1: Budgeted statement of financial performance**

The increase in revenue from the Government to 2005-06 relates to funding for digital transmission and for SBS Independent. There is a corresponding increase in Suppliers expenses. Government appropriation is shown as reducing in 2006-07 at the current planned end of funding for SBS Independent.

### **Table 3.2: Budgeted statement of financial position**

The level of the loan liability in relation to the Artarmon building decreases throughout the period covered by these forward estimates as repayments are made which reduce that loan.

### **Table 3.3: Budgeted statement of cash flows**

The variations in cash inflows and outflows for operating expenses during the period covered by the estimates are due to the same factors outlined above in the explanation of the Budgeted statement of financial performance (Table 3.1).

### **Table 3.4: Capital budget statement**

SBS is receiving capital via equity injections to fund the capital costs associated with the conversion to digital transmission (Digital Phase 2). "Other" capital funding during the period covered by the estimates represents the injection of capital from Government to fund the capital component of the loan in relation to the Artarmon building (\$2.02 m in 2004-05).

## Section 4: Purchaser/Provider and Cost Recovery arrangements

### **PURCHASER/PROVIDER ARRANGEMENTS**

The SBS does not have any purchaser/provider arrangements.

### **COST RECOVERY ARRANGEMENTS**

The SBS does not have any cost recovery arrangements.