

**SPECIAL BROADCASTING SERVICE
CORPORATION**

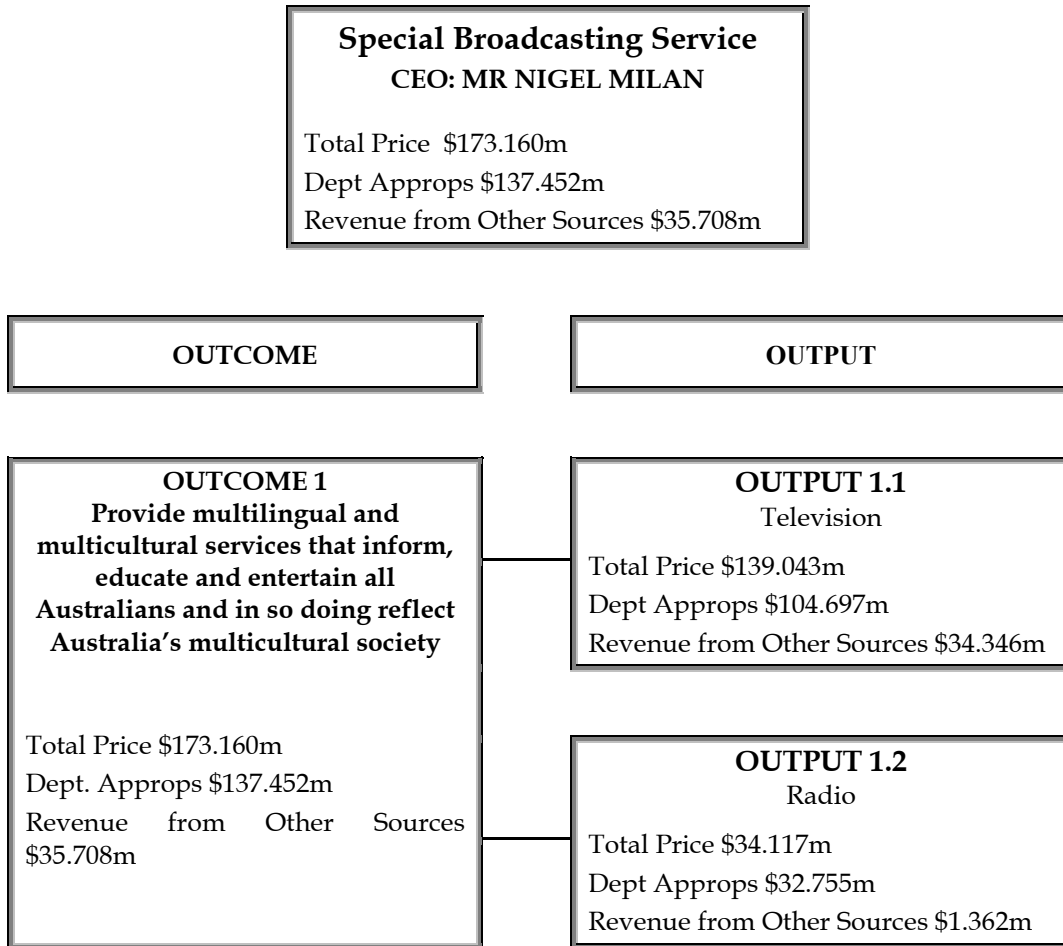
SPECIAL BROADCASTING SERVICE

Section 1: Overview, variations and measures

OVERVIEW

There have been no changes to the Special Broadcasting Service Corporation's role, mission, outcomes and outputs since the 2002-03 Portfolio Budget Statements (PBS), except for some adjustments to the price of outputs, which are explained, in the following pages.

Map 1: Outcomes and output groups for the agency



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

MEASURES

There are no new measures since the 2002-03 Budget.

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

	2002-03	2003-04	2004-05	2005-06
	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<i>Variations in departmental appropriations</i>				
Digital Transmission (Stanwell Park)	94	95	97	98
Upgrade of Sydney analogue transmitter	258	264	270	276
Indexation	97	472	477	484
Capital Use Charge	(324)	(324)	(418)	(425)

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.2: Appropriation Bill (No. 3) 2002-03

	2001-02 available \$'000	2002-03 budget \$'000	2002-03 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	127,227	137,327	137,452	125	-
TOTAL	127,227	137,327	137,452	125	-

Note: 2001-02 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 + DIAB + AFM - Savings
 - Rephasings - Other Reductions

VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS

Table 1.5: Changes to net annotated appropriations (Section 31) receipts

	Total approp 2002-03 budget \$'000	Total approp 2002-03 revised \$'000	Receipts from independent sources budget \$'000	Receipts 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	137,327	137,452	38,245	35,708	(2,537)
Total	137,327	137,452	38,245	35,708	(2,537)

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 minor 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

Digital transmission (Stanwell Park)

The SBS Corporation has been allocated an additional \$0.094m in 2002-03 to fund the costs of digital transmission for Stanwell Park.

Relocation of Sydney analogue transmitter

SBS is also being funded an additional \$0.258m in 2002-03 as an adjustment in the funding for the upgrade of the Sydney analogue television services.

Indexation adjustment

SBS continues to receive funding for indexation due to price changes. In 2002-03 an additional \$0.097m will be allocated.

Capital Use Charge

The funding for Capital Use Charge (CUC) has been adjusted downwards by \$0.324m. CUC funding is based on the Corporation’s previous year’s final results, and equity injections in the current year.

The net impact of these variations results in a \$0.125m increase in appropriation in 2002-03.

Revenue from Other Sources

Reduction of \$2.537m following reassessment of predicted external revenue after analysis of previous years’ results.

Revised performance information and level of achievement – 2002-03

There is no change to the performance information outlined in the Corporation’s 2002-03 PBS.

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

Output	Performance information 2002-03 budget	Performance information 2002-03 revised
Output group 1.1 :Television		
Output 1.1: Television	<p>Quality: 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>Quantity: % of programs broadcast in languages other than English (LOTE). Number of hours subtitled programs - making programs accessible to all Australians. Number of hours of locally produced programs</p> <p>Price: \$141.444m</p>	<p>Quality: No change - as per budget</p> <p>Quality: No change - as per budget</p> <p>Price: \$139.043m</p>
Output group 1.2 : Radio		
Output 1.2: Radio	<p>Quality: Listener and community Audience surveys.</p> <p>Quantity: Number of hours broadcast in language other than English.</p> <p>Price: \$34.128m</p>	<p>Quality: No change - as per budget</p> <p>Quality: No change - as per budget</p> <p>Price: \$34.117m</p>

Section 3: Budgeted Financial Statements

Revisions to the budgeted departmental financial statements for the Special Broadcasting Service since the 2002-03 PBS are presented in this section.

Budgeted 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.

Budgeted 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.

Budgeted 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 statement

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

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

	Actual 2001-02 \$'000	Revised budget 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
Revenues from ordinary activities					
Revenue from government	127,227	137,452	140,514	143,453	146,359
Sales of goods and services	30,045	25,993	28,372	28,997	29,996
Interest	2,190	1,500	1,650	1,800	1,950
Dividends	-	-	-	-	-
Net gains from sales of assets	12	10	10	10	10
Other	8,132	8,205	7,425	8,465	7,507
Total revenues from ordinary activities	167,606	173,160	177,971	182,725	185,822
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	55,873	59,000	61,676	64,161	66,747
Suppliers	90,056	89,943	92,394	93,701	94,388
Grants	-	-	-	-	-
Depreciation and amortisation	9,073	8,100	9,300	9,300	9,300
Write down of assets	126	100	100	100	100
Net losses from sales of assets	-	20	20	20	20
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	155,128	157,163	163,490	167,282	170,555
Borrowing cost expense	3,510	1,480	1,370	1,240	1,110
Net surplus or deficit from ordinary activities	8,968	14,517	13,111	14,203	14,157
items	-	-	-	-	-
Net surplus or deficit	8,968	14,517	13,111	14,203	14,157
Capital use charge	9,949	11,303	12,196	12,956	13,646
Net surplus or deficit after capital use charge	(981)	3,214	915	1,247	511

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

	Actual 2001-02 \$'000	Revised budget 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
ASSETS					
Financial assets					
Cash	3,212	2,793	647	444	1,187
Receivables	14,198	12,669	13,565	14,778	15,778
Investments	62,788	65,479	60,628	57,173	51,774
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	80,198	80,941	74,840	72,395	68,739
Non-financial assets					
Land and buildings	47,471	48,271	47,371	46,171	44,971
Infrastructure, plant and equipment	28,741	32,215	34,105	33,135	32,165
Inventories	21,908	29,419	35,819	40,349	44,250
Intangibles	764	950	1,232	1,232	1,182
Other	7,838	6,835	7,835	8,824	9,824
Total non-financial assets	106,722	117,690	126,362	129,711	132,392
Total assets	186,920	198,631	201,202	202,106	201,131
LIABILITIES					
Debt					
Loans	24,000	22,220	20,330	18,310	16,160
Leases	104	104	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	24,104	22,324	20,330	18,310	16,160
Provisions and payables					
Employees	14,049	15,576	16,659	17,735	18,366
Suppliers	8,892	7,576	8,300	9,097	9,297
Grants	-	-	-	-	-
Other	49,311	50,797	45,150	39,334	33,317
Total provisions and payables	72,252	73,949	70,109	66,166	60,980
Total liabilities	96,356	96,273	90,439	84,476	77,140
EQUITY					
Capital	46,199	54,779	62,269	67,889	73,739
Reserves	15,722	15,722	15,722	15,722	15,722
Accumulated surpluses or deficits	28,643	31,857	32,772	34,019	34,530
Total equity	90,564	102,358	110,763	117,630	123,991
Current liabilities	46,886	63,453	58,530	53,511	47,694
Non-current liabilities	49,470	32,820	31,909	30,965	29,446
Current assets	62,660	41,214	46,364	51,904	57,548
Non-current assets	124,260	157,417	154,838	150,202	143,583

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

	Actual 2001-02 \$'000	Revised budget 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	127,227	137,452	140,514	143,453	146,359
Sales of goods and services	26,679	24,993	27,372	27,997	28,996
Interest	5,000	4,143	4,134	4,024	4,150
Other	8,044	10,389	10,537	10,663	10,797
Total cash received	166,950	176,977	182,557	186,137	190,302
Cash used					
Employees	55,300	57,500	60,176	62,661	64,247
Suppliers	102,132	96,759	98,971	97,013	97,218
Grants	-	-	-	-	-
Interest	3,208	1,480	1,370	1,240	1,110
Other	9,416	10,306	10,455	10,582	11,090
Total cash used	170,056	166,045	170,972	171,496	173,665
Net cash from operating activities	(3,106)	10,932	11,585	14,641	16,637
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	26	10	10	10	10
Repayments of loans made					
Other	34,822	9,006	7,581	5,749	5,149
Total cash received	34,848	9,016	7,591	5,759	5,159
Cash used					
Purchase of property, plant and equipment	8,426	12,680	10,692	7,250	7,200
Loans made	-	-	-	-	-
Other	23,122	3,080	4,034	3,997	3,907
Total cash used	31,548	15,760	14,726	11,247	11,107
Net cash from investing activities	3,300	(6,744)	(7,135)	(5,488)	(5,948)
FINANCIAL ACTIVITIES					
Cash received					
Proceeds from equity injection	8,000	8,580	7,490	5,620	5,850
Proceeds from debt	24,000	24,000	-	-	-
Other	-	-	-	-	-
Total cash received	32,000	32,580	7,490	5,620	5,850

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

	Actual 2001-02 \$'000	Revised budget 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
Cash used					
Repayments of debt	20,821	25,780	1,890	2,020	2,150
Capital use and dividends paid	10,185	11,303	12,196	12,956	13,646
Other	396	104	-	-	-
Total cash used	31,402	37,187	14,086	14,976	15,796
Net cash from financing activities	598	(4,607)	(6,596)	(9,356)	(9,946)
Net increase in cash held	792	(419)	(2,146)	(203)	743
Cash at the beginning of the reporting period	2,420	3,212	2,793	647	444
Cash at the end of the reporting period	3,212	2,793	647	444	1,187

Table 3.4: Departmental capital budget statement

	Actual 2001-02 \$'000	Revised budget 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	8,000	8,580	7,490	5,620	5,850
Total loans	-	24,000	-	-	-
Appropriation of previous year accrued revenue	-	-	-	-	-
Total Capital Appropriations	8,000	32,580	7,490	5,620	5,850
Represented by					
Purchase of non-financial assets	8,000	6,800	5,600	3,600	3,700
Other		25,780	1,890	2,020	2,150
Total Items	8,000	32,580	7,490	5,620	5,850
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	8,000	6,800	5,600	3,600	3,700
Funded internally by Departmental resources	140	5,880	5,092	3,650	3,500
Total Amount Funded	8,140	12,680	10,692	7,250	7,200

Table 3.5: Departmental non-financial assets — Summary of movement budget year 2002-03

	Land	Buildings	Total land and buidings	Specialist military equipment	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	9,700	37,771	47,471	-	28,741	28,741	764	76,976
Additions	-	2,500	2,500	-	9,700	9,700	480	12,680
Disposals	-	-	-	-	(20)	(20)	-	(20)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount w rite-dow ns	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(1,700)	(1,700)	-	(6,106)	(6,106)	(294)	(8,100)
Write-off of assets	-	-	-	-	(100)	(100)	-	(100)
Carrying amount at the end of year	9,700	38,571	48,271	-	32,215	32,215	950	81,436
Total additions								
Self funded	-	2,500	2,500	-	2,900	2,900	480	5,880
Appropriations	-	-	-	-	6,800	6,800	-	6,800
Total	-	2,500	2,500	-	9,700	9,700	480	12,680

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.

(Table 3.1) BUDGETED STATEMENT OF FINANCIAL PERFORMANCE

The increase in revenue from the Government relates to funding for digital transmission and the SBS Independent. The decrease between the Actual 2001-02 results and the revised budget for 2002-03 in the items of sales of goods and services and suppliers expenses is partly related to the coverage of the Soccer World Cup in 2001-02.

(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 the Statement of Financial Performance (Table 3.1).

(Table 3.4) CAPITAL BUDGET STATEMENT

SBS is receiving capital via equity injections to fund the conversion of technical equipment from analogue to digital (Digital Phase 1), as well as for the capital component of costs associated with 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 repayment of the capital component of the loan in relation to the Artarmon building (\$1.780m in 2002-03).

APPENDIX 1: REVENUE FROM INDEPENDENT SOURCES

	Budget estimate	Revised estimate
	2002-03	2002-03
	\$'000	\$'000
DEPARTMENTAL REVENUE		
Sales of goods and services	27,396	25,993
Interest	2,000	1,500
Other non-appropriation revenue	8,849	8,215
Total estimated revenue	38,245	35,708