

**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 7.7 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 SBS in the 2003-04 Budget is \$151.120m, including an equity injection of \$7.490m.

Table 2.1.1 shows the total appropriations for SBS for 2003-04 by the price of outputs.

### Special Broadcasting Service Corporation — appropriations 2003-04

**Table 1.1: Appropriations and other revenue**

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				(\$'000)
	Revenue from Government (appropriations)			Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)		Special appropriations <sup>(5)</sup>	Total administered appropriations	Total appropriations
	Bill No. 1	Special approps <sup>(5)</sup>	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup>			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
			(C1) <sup>1</sup>		(E1) <sup>1</sup>				(I1) <sup>1</sup>	
1. Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	143,630	-	143,630	37,457	181,087	-	-	-	-	<b>143,630</b>
					79.3%					
<b>Total</b>	<b>143,630</b>		<b>143,630</b>	<b>37,457</b>	<b>181,087</b>	-	-	-	-	<b>143,630</b>
			(K1) <sup>1</sup>							
						Departmental capital (equity injections and loans)			(K3) <sup>1</sup>	<b>7,490</b>
						Administered capital			(K4) <sup>1</sup>	-
						Total appropriations				<b>151,120</b>

- Cells C1, E1 and I1 refer to information provided in Table 2.2.1. Amount K1 to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
- 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.
- Refer to Budgeted Statement of Financial Performance for application of agency revenue.
- Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources. Non-appropriated departmental and administered revenues are details in Table 1.3.
- Estimated expenses from individual Special Appropriations are shown in Table 1.4.

Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

## MEASURES – AGENCY SUMMARY

**Table 1.2: Summary of measures disclosed in the 2003-04 Budget**

Measure	Outcome	Output affected	Appropriations budget			Appropriations forward estimate 2004-05			Appropriations forward estimate 2005-06			Appropriations forward estimate 2006-07		
			2003-04 (\$'000)			2004-05 (\$'000)			2005-06 (\$'000)			2006-07 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expense	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Special Broadcasting Service Corporation	1	1.1 1.2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Special Broadcasting Service Corporation - exemption from the Efficiency Dividend	1	1.1 1.2	Nil	834	834	Nil	1,698	1,698	Nil	2,606	2,606	Nil	Nil	Nil
Special Broadcasting Service Corporation - overseas programme acquisition	1	1.1	Nil	3,581	3,581	Nil	3,663	3,663	Nil	3,747	3,747	Nil	Nil	Nil

## REVENUE FROM INDEPENDENT SOURCES

**Table 1.3: Revenue from Independent Sources**

	Estimated revenue 2002-03 \$'000	Estimated revenue 2003-04 \$'000
<b>Departmental Revenue</b>		
Sales of goods and services	25,993	28,372
Interest	1,100	1,650
Net gains from sales of assets	10	10
Other non-appropriations revenue	8,205	7,425
<b>Total estimated revenue</b>	<b>35,308</b>	<b>37,457</b>

## ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The SBS will receive an amount of \$7.490m in 2003-04 as an equity injection. This is indicated in Table 1.1 and is accounted for in the Capital Budget Statement (see Table 3.4) and Appropriation Bill (No 2) 2003-04.

An amount of \$5.600m 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 \$1.890m in 2003-04 for the repayment of a capital component of the loan to purchase its Artarmon building headquarters.

## Section 2: Outcomes and outputs information

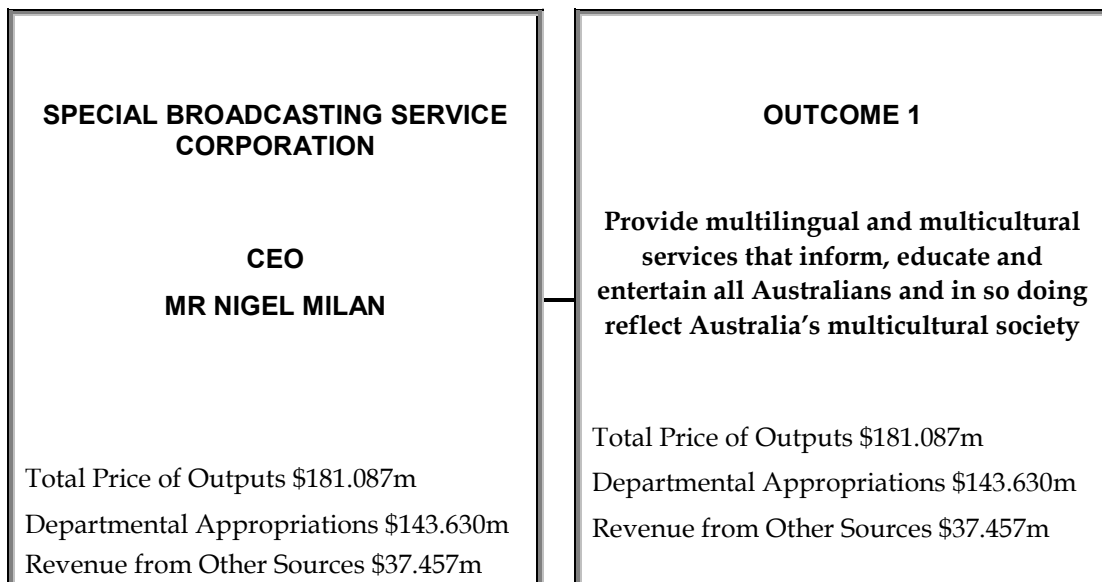
### OUTCOMES AND OUTPUTS

The maps on the following pages show the relationship between the outcome and the contributing outputs for SBS. Financial details for Outcome 1 by outputs appear in Table 2.1.1. Non-financial information for Outcome 1 appears in Table 2.2.1. Map 1 and 2 show the Outcome and Output Structure.

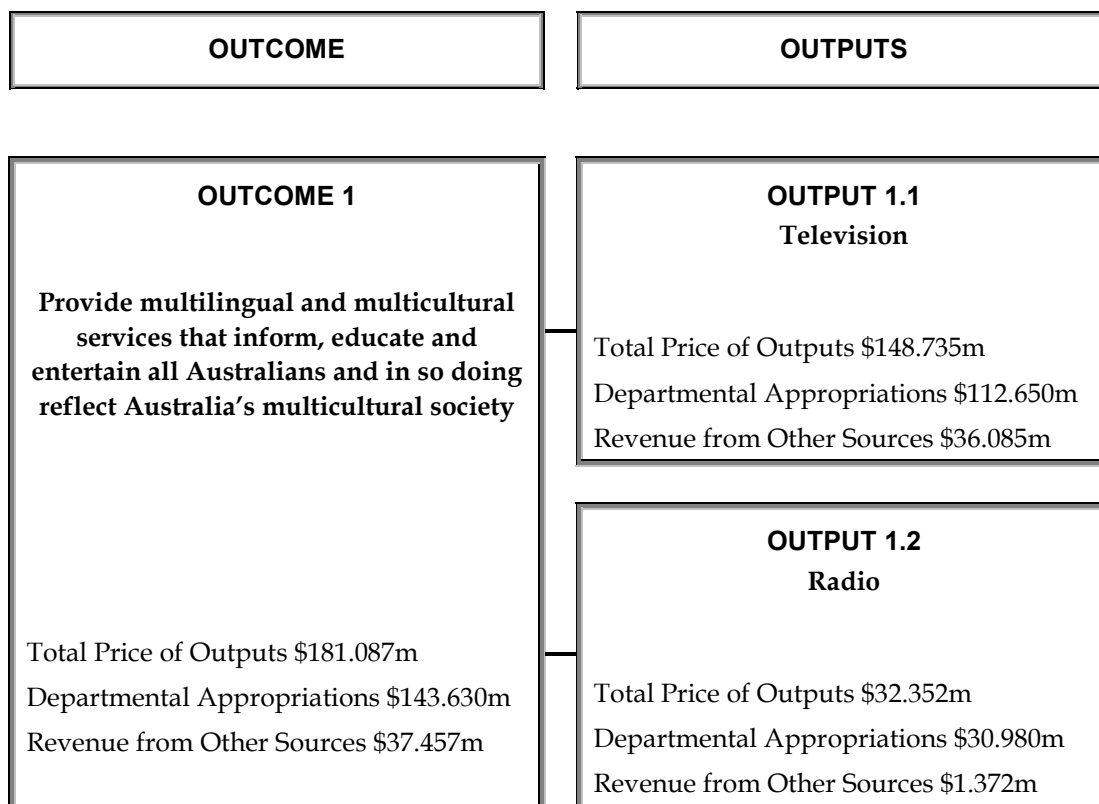
### Output cost attribution

To as large as 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: Outcome 1 — contributing outputs**



Note: Revenue for Government (Appropriations) contributes 79.3% to the Total Price of Outputs for Outcome 1 for 2003-04.

**CHANGES TO OUTCOMES AND OUTPUTS**

There have been no changes to SBS’s Outcome and Output structure since the 2002-03 Budget.

## OUTCOME 1 — DESCRIPTION

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

The main objective of the 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>

#### Special Broadcasting Service Corporation

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Special Broadcasting Service Corporation	-	-	-	-

The Government will maintain current base funding for the Special Broadcasting Service Corporation for the period 2003-04 to 2005-06.

This measure will involve funding of \$82.6 million in 2003-04, \$83.6 million in 2004-05 and \$85.1 million in 2005-06. Provision for this funding has already been included in the forward estimates.

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<sup>1</sup> This relates to measures disclosed in the 2003-04 budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO))

**Special Broadcasting Service Corporation- exemption from the Efficiency Dividend**

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Special Broadcasting Service Corporation	0.8	1.7	2.6	-

The Government will ensure that the existing level of the Special Broadcasting Service Corporation's (SBS's) triennial funding is maintained in real terms by exempting the SBS from the efficiency dividend. This will provide SBS with additional funding of \$5.1 million for the triennium 2003-04 to 2005-06.

**Special Broadcasting Service Corporation – overseas programme acquisition**

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Special Broadcasting Service Corporation	3.6	3.7	3.7	-

The Government will provide an additional \$11 million to the Special Broadcasting Service Corporation for the period 2003-04 to 2005-06 to assist in meeting the increasing costs of purchasing overseas programming.

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 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**, **E1** and **I1** show the links back to Table 1.1, the Appropriations and Other Revenue table for SBS.

**Table 2.1.1: Total resources for Outcome 1**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
<b>Administered appropriations</b>	-	-	
<b>Total administered expenses</b>	-	-	(I1)
<b>Departmental appropriations</b>			
Output 1.1 - Television	104,694	112,650	
Output 1.2 - Radio	32,758	30,980	
<b>Total revenue from government (appropriations)</b>	<b>137,452</b>	<b>143,630</b>	(C1)
<b>Contributing to price of departmental outputs</b>	79.6%	79.3%	
<b>Revenue from other sources</b>			
Output 1.1 - Television	33,908	36,085	
Output 1.2 - Radio	1,400	1,372	
<b>Total revenue from other sources</b>	<b>35,308</b>	<b>37,457</b>	
<b>Total price from departmental outputs</b>			
(Total revenue from government and from other sources)	<b>172,760</b>	<b>181,087</b>	(E1)
<b>Total estimated resourcing for Outcome 1</b>			
(Total price of outputs and administered appropriations)	<b>172,760</b>	<b>181,087</b>	
	2002-03	2003-04	
<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

## 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 outputs</b>	
<b>Output 1.1 - Television</b>	<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 subtitled programs - making programs accessible to all Australians. Number of hours of locally produced programs.</p> <p><b>Price</b> \$148.735m</p>
<b>Output 1.2 - Radio</b>	<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> \$32.352m</p>

## EVALUATIONS

SBS conducts an annual internal audit and evaluation program. Over a period all areas are covered by the program.

## Section 3: Budgeted financial statements

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

#### **(Table 3.1) Budgeted statement of financial performance**

##### Revenues from Government

The main factor contributing to the increase in Appropriation between 2002-03 and 2004-05 is the funding provided to cover the distribution and transmission costs of digital television broadcasting to regional areas.

There will be a decrease in 2006-07 due to the termination of SBSI funding.

##### Sales of Goods and Services

The increase is approximately in line with CPI and growth in activity has not been included.

##### Expenses

Generally suppliers and employee expenses are projected to increase in line with inflation.

Depreciation expense is projected to increase from \$8.100m in 2002-03 to \$9.300m in 2003-04 due to the completion and move of SBS Melbourne to Federation Square.

An operating deficit is projected in 2006-07 due to the cessation of SBSI funding in that year.

#### **(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 the loan.

The increase in capital (equity) throughout the period relates mainly to the injection of capital from government to fund digital broadcasting.

The rate of increase in the level of inventories is partly related to SBSI-commissioned programs.

#### **(Table 3.3) Budgeted statement of cash flows**

The variations in cash inflows and outflows for operating activities during the period covered by the estimates, are due to the same factors outlined above in the explanation to the Statement of Financial Performance (Table 3.1).

The difference between the cash received for sales of goods and services in 2002-03 to 2003-04 related to income received for the World Cup coverage.

**(Table 3.4) Capital budget**

SBS is receiving capital via equity injections to fund 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 (\$1.890 million in 2003-04).

**DEPARTMENTAL FINANCIAL STATEMENTS**

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

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

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

This statement shows the financial position of the Agency. It helps decision-makers to track the management of the Agency’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 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

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	137,452	143,630	153,121	156,780	149,575
Goods and services	25,993	28,372	28,997	29,996	31,196
Interest	1,100	1,650	1,800	1,950	2,100
Dividends	-	-	-	-	-
Revenue from sales of assets	10	10	10	10	10
Reversals of previous asset w rite-dow ns	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	8,205	7,425	8,465	7,507	7,549
<b>Revenues from ordinary activities</b>	<b>172,760</b>	<b>181,087</b>	<b>192,393</b>	<b>196,243</b>	<b>190,430</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	59,600	61,676	64,161	66,247	68,037
Suppliers	89,943	107,593	116,171	118,392	116,371
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	8,100	9,300	9,300	9,300	9,300
Write-dow n of assets	100	100	100	100	100
Value of assets sold	20	20	20	20	20
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>157,763</b>	<b>178,689</b>	<b>189,752</b>	<b>194,059</b>	<b>193,828</b>
Borrow ing costs expense	1,480	1,370	1,240	1,110	917
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>13,517</b>	<b>1,028</b>	<b>1,401</b>	<b>1,074</b>	<b>(4,315)</b>
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>13,517</b>	<b>1,028</b>	<b>1,401</b>	<b>1,074</b>	<b>(4,315)</b>
Capital Use Charge Paid *	11,303				
<b>Net surplus or deficit after CUC</b>	<b>2,214</b>	<b>1,028</b>	<b>1,401</b>	<b>1,074</b>	<b>(4,315)</b>

\* The Capital Use Charge w ill be abolished from 1 July 2003.

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
Outside equity interests in net surplus or deficit	-	-	-	-	-
<b>Net surplus or deficit attributable to the Commonwealth</b>	<b>2,214</b>	<b>1,028</b>	<b>1,401</b>	<b>1,074</b>	<b>(4,315)</b>
Net credit (debit) to asset revaluation reserve	-	-	-	-	-
Net exchange difference recognised as a direct debit (credit) to equity	-	-	-	-	-
Adjustments arising from Standards recognised as direct debit (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit (credit) to equity	-	-	-	-	-
<b>Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity</b>	<b>2,214</b>	<b>1,028</b>	<b>1,401</b>	<b>1,074</b>	<b>(4,315)</b>

Table 3.2 Budgeted departmental statement of financial position

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	2,793	2,260	2,211	3,017	4,095
Receivables	12,269	13,165	14,378	15,378	12,150
Investments accounted for under the equity method	-	-	-	-	-
Other investments	65,479	60,628	57,173	51,774	49,872
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>80,541</b>	<b>76,053</b>	<b>73,762</b>	<b>70,169</b>	<b>66,117</b>
<b>Non-financial assets</b>					
Land and buildings	51,271	50,371	49,171	47,971	46,771
Infrastructure, plant and equipment	32,215	34,105	33,135	32,165	31,195
Heritage and cultural assets	-	-	-	-	-
Inventories	24,919	31,319	35,849	39,750	38,598
Intangibles	2,450	2,732	2,732	2,682	2,632
Other	6,835	7,835	8,824	9,824	10,714
<b>Total non-financial assets</b>	<b>117,690</b>	<b>126,362</b>	<b>129,711</b>	<b>132,392</b>	<b>129,910</b>
<b>Total assets</b>	<b>198,231</b>	<b>202,415</b>	<b>203,473</b>	<b>202,561</b>	<b>196,027</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	22,220	20,330	18,310	16,160	13,909
Leases	104	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>22,324</b>	<b>20,330</b>	<b>18,310</b>	<b>16,160</b>	<b>13,909</b>
<b>Provisions</b>					
Employees	16,176	17,259	18,335	18,466	19,284
Other	50,797	45,150	39,334	33,317	26,559
<b>Total provisions</b>	<b>66,973</b>	<b>62,409</b>	<b>57,669</b>	<b>51,783</b>	<b>45,843</b>
<b>Payables</b>					
Suppliers	7,576	9,800	10,597	10,797	11,574
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing Costs	-	-	-	-	-
Other	-	-	-	-	-
<b>Total payables</b>	<b>7,576</b>	<b>9,800</b>	<b>10,597</b>	<b>10,797</b>	<b>11,574</b>
<b>Total liabilities</b>	<b>96,873</b>	<b>92,539</b>	<b>86,576</b>	<b>78,740</b>	<b>71,326</b>

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	54,779	62,269	67,889	73,739	78,934
Reserves	15,722	15,722	15,722	15,722	15,722
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	30,857	31,885	33,286	34,360	30,045
<b>Total parent entity interest</b>	<b>101,358</b>	<b>109,876</b>	<b>116,897</b>	<b>123,821</b>	<b>124,701</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>101,358</b>	<b>109,876</b>	<b>116,897</b>	<b>123,821</b>	<b>124,701</b>
<b>Total assets and liabilities by maturity</b>					
Current assets	36,314	43,077	48,771	54,478	51,176
Non-current assets	161,917	159,338	154,702	148,083	144,851
Current liabilities	63,453	60,030	55,011	49,194	43,213
Non-current liabilities	33,420	32,509	31,565	29,546	28,113

Table 3.3 Budgeted departmental statement of cash flows

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and Services	34,993	27,372	27,997	28,996	32,269
Appropriations	137,452	143,630	153,121	156,780	149,575
Interest	4,143	4,134	4,024	4,150	4,265
Dividends	-	-	-	-	-
Other	12,189	11,337	11,463	11,597	11,577
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>188,777</b>	<b>186,473</b>	<b>196,605</b>	<b>201,523</b>	<b>197,686</b>
<b>Cash used</b>					
Employees	57,500	60,176	62,661	64,247	67,249
Suppliers	98,259	112,633	119,483	121,222	116,519
Grants	-	37	-	-	-
Borrowing costs	1,480	1,370	1,240	1,110	917
Other	10,106	10,255	10,382	10,890	10,287
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>167,345</b>	<b>184,471</b>	<b>193,766</b>	<b>197,469</b>	<b>194,972</b>
<b>Net cash from/ (used by) operating activities</b>	<b>21,432</b>	<b>2,002</b>	<b>2,839</b>	<b>4,054</b>	<b>2,714</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment and intangibles	10	10	10	10	10
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	20,006	14,581	15,749	15,149	15,610
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>20,016</b>	<b>14,591</b>	<b>15,759</b>	<b>15,159</b>	<b>15,620</b>
<b>Cash used</b>					
Purchase of property, plant and equipment and intangibles	17,180	10,692	7,250	7,200	7,200
Purchase of financial Instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	20,080	12,034	14,997	14,907	13,000
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>37,260</b>	<b>22,726</b>	<b>22,247</b>	<b>22,107</b>	<b>20,200</b>
<b>Net cash from/ (used by) investing activities</b>	<b>(17,244)</b>	<b>(8,135)</b>	<b>(6,488)</b>	<b>(6,948)</b>	<b>(4,580)</b>

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
 for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	24,000	-	-	-	-
Other	8,580	7,490	5,620	5,850	5,195
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>32,580</b>	<b>7,490</b>	<b>5,620</b>	<b>5,850</b>	<b>5,195</b>
<b>Cash used</b>					
Repayments of debt	25,780	1,890	2,020	2,150	2,251
Capital use charge paid	11,303	-	-	-	-
Dividends paid	-	-	-	-	-
Other	104	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>37,187</b>	<b>1,890</b>	<b>2,020</b>	<b>2,150</b>	<b>2,251</b>
<b>Net cash from/ (used by) financing activities</b>	<b>(4,607)</b>	<b>5,600</b>	<b>3,600</b>	<b>3,700</b>	<b>2,944</b>
<b>Net increase/(decrease) in cash held</b>	<b>(419)</b>	<b>(533)</b>	<b>(49)</b>	<b>806</b>	<b>1,078</b>
Cash at the beginning of the reporting period	3,212	2,793	2,260	2,211	3,017
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>2,793</b>	<b>2,260</b>	<b>2,211</b>	<b>3,017</b>	<b>4,095</b>

Table 3.4 Departmental capital budget statement

**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	8,580	7,490 (K3) <sup>1</sup>	5,620	5,850	5,195
Total loans	24,000	- (K3) <sup>1</sup>			
<b>Represented by</b>					
Purchase of non-current assets	6,800	5,600	3,600	3,700	2,944
Other	25,780	1,890	2,020	2,150	2,251
<b>Total</b>	<b>32,580</b>	<b>7,490</b>	<b>5,620</b>	<b>5,850</b>	<b>5,195</b>
<b>PURCHASE OF NON CURRENT ASSETS</b>					
Funded by capital appropriation	6,800	5,600	3,600	3,700	2,944
Funded internally by Departmental resources	10,380	5,092	3,650	3,500	4,256
<b>Total</b>	<b>17,180</b>	<b>10,692</b>	<b>7,250</b>	<b>7,200</b>	<b>7,200</b>

<sup>1</sup> These two lines link to (K3) in Table 1.1

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)**

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer softw are	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	12,700	38,571	-	32,215	-	2,450	-	<b>85,936</b>
Additions	-	800	-	9,400	-	492	-	<b>10,692</b>
Disposals	-	-	-	(20)	-	-	-	<b>(20)</b>
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount w rite-dow ns	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(1,700)	-	(7,390)	-	(210)	-	<b>(9,300)</b>
Write-off of assets	-	-	-	(100)	-	-	-	<b>(100)</b>
Carrying amount at the end of year	<b>12,700</b>	<b>37,671</b>	-	<b>34,105</b>	-	<b>2,732</b>	-	<b>87,208</b>
<b>Total additions</b>								
Self funded	-	800	-	3,800	-	492	-	<b>5,092</b>
Appropriations	-	-	-	5,600	-	-	-	<b>5,600</b>
<b>Total</b>	-	<b>800</b>	-	<b>9,400</b>	-	<b>492</b>	-	<b>10,692</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental Financial Statements and Notes Administered Items**

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, 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 over which they have control.

Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.

Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

### **Appropriations in the accrual budgeting framework**

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies;
- Departmental capital appropriations - for investments by the Government for either additional equity or loans in agencies;
- Administered expense appropriations - for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the States; and
- Administered capital appropriations - for increases in Administered equity through funding non-expense Administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

### **Capital Use Charge**

The Government has agreed to discontinue the Capital Use Charge from 1 July 2003.

### **Administered investments in controlled entities**

Each Commonwealth Department is required to show an Administered investment in each Commonwealth Authority and Company (CAC) Act 1997 entity within their portfolio. These Administered investments should be valued at the Commonwealth's

ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

**Asset valuation**

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

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

### **PURCHASER/PROVIDER ARRANGEMENTS**

Purchaser/Provider arrangements do not apply to SBS.

### **COST RECOVERY ARRANGEMENTS**

SBS does not have cost recovery arrangements.