

SPECIAL BROADCASTING SERVICE CORPORATION

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SPECIAL BROADCASTING SERVICE CORPORATION

Section 1: Agency overview and resources

There have been no significant changes to the Special Broadcasting Service Corporation's (SBS) outputs and outcomes since the 2008–09 Portfolio Budget Statements (PBS). However, a \$15 million loan from the Commonwealth has been provided in the 2008–09 Additional Estimates. This is to offset the cash flow impact of advance payments required for sporting events rights and to fund infrastructure works related to digital broadcasting.

1.1 STRATEGIC DIRECTION

SBS is a national broadcasting service that provides multicultural and multilingual services that inform, educate and entertain all Australians. Its mission is to contribute to a more cohesive, equitable and harmonious Australia through its television, radio and online services. SBS occupies a unique place in broadcasting in Australia and the world.

SBS's strategic priorities were outlined in the 2008–09 PBS. There has been no significant change since the 2008–09 PBS.

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the SBS at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2008–09 Budget year, including variations through Appropriation Bills No.3 and No.4. Total Government funding of \$209.045 million is available to SBS at Additional Estimates, including \$191.459 million in annual appropriation, \$2.586 million equity injection and the \$15 million loan.

SBS Additional Estimates Statements

Table 1.1: SBS resource statement – Additional estimates for 2008–09 as at Additional Estimates December 2008

	Estimate as at ⁺ Budget	Proposed Additional ⁼ Estimates	Total Estimate Additional Estimates	Total Available Appropriation
	2008-09 \$'000	2008-09 \$'000	2008-09 \$'000	2007-08 \$'000
Ordinary Annual Services				
Departmental outputs				
Departmental outputs	191,128	331 ¹	191,459	188,601
Total				
Total ordinary annual services	A 191,128	331	191,459	188,601
Other services				
Departmental non-operating				
Equity injections	2,586	-	2,586	3,636
Loans		15,000 ²	15,000	
Total	2,586	15,000	17,586	3,636
Total other services	B 2,586	15,000	17,586	3,636
Total Available Annual Appropriations	193,714	15,331	209,045	192,237
Special Appropriations	-	-	-	-
Total Special Appropriations	C -	-	-	-
Total Appropriations excluding Special Accounts	193,714	15,331	209,045	192,237
Special Accounts	-	-	-	-
Total Special Account	D -	-	-	-
Total resourcing A+B+C+D				
Total net resourcing for SBS	193,714	15,331	209,045	192,237

¹ Appropriation Bill (No.3) 2008-09

² Appropriation Bill (No.4) 2008-09

Reader note: All figures are GST exclusive.

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2008–09 Budget.

Table 1.2: Agency Measures since Budget

	Output Group	2008-09 \$'000	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000
Capital measures					
Special Broadcasting Service Corporation - loan					
Departmental capital	1.1	15,000	-	-	-
Total		15,000	-	-	-
Total capital measures					
	Departmental	15,000	-	-	-
	Total	15,000	-	-	-

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the SBS at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2008-09 Budget in Appropriation Bill No. 4. Table 1.4 details Additional Estimates or variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2008–09 Budget

	Output Group Impacted	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)
Outcome 1					
Increase in estimates (departmental)					
Special Broadcasting Service Corporation - loan	1.1	15,000	-	-	-
Net impact on estimates for Outcome 1 (departmental)		15,000	-	-	-

Table 1.4: Additional estimates and variations to outcomes from other variations

	Output Group Impacted	2008-09 (\$'000)	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)
Outcome 1					
Increase in estimates (departmental)					
Indexation adjustment	1.1, 1.2	-	864	1,138	1,163
SBS Digital transmission and distribution roll-out	1.4	331	1,046	1,272	1,293
Net impact on estimates for Outcome 1 (departmental)		331	1,910	2,410	2,456

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the SBS through Appropriation Bills No. 3 and No. 4.

Table 1.5: Appropriation Bill (No. 3) 2008-09

	2007-08 available ¹ (\$'000)	2008-09 Budget (\$'000)	2008-09 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	188,601	191,128	191,459	331	-
Total	188,601	191,128	191,459	331	-

¹ 2007-08 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.

Table 1.6: Appropriation Bill (No. 4) 2008-09

	2007-08 available ¹ (\$'000)	2008-09 Budget (\$'000)	2008-09 revised (\$'000)	Additional Estimates (\$'000)	Reduced estimates (\$'000)
Non-operating					
Equity injections	3,636	2,586	2,586	-	-
Loans	-	-	15,000	15,000	-
Total non-operating	3,636	2,586	17,586	15,000	-

¹ 2007-08 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.

Section 2: Revisions to agency outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

OUTCOME 1

Outcome 1 Strategy

Departmental Appropriation for Outcome 1 has increased by \$0.331 million due to additional funding for the rollout of the digital implementation plan. The Outcome/Output structure has not been affected.

Table 2.1: Performance information for outputs groups affected by additional estimates — outcome 1

Output Group 1.1: Television	
Changes in components of Output Group 1.1: Television	
<ul style="list-style-type: none"> • Total price of outputs \$168.766m • Departmental revenue from Government \$92.654m • Revenue from other sources \$76.112m 	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$168.766m

Output 1.2: Radio	
Changes in components of Output Group 1.2 : Radio	
<ul style="list-style-type: none"> • Total price of outputs \$29.806m • Departmental revenue from Government \$23.188m • Revenue from other sources \$6.618m 	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$29.806m

Output 1.3: Analogue Transmission and Distribution	
Changes in components of Output Group 1.3: Analogue Transmission and Distribution	
<ul style="list-style-type: none"> Total price of outputs \$24.465m Departmental revenue from Government \$17.941m Revenue from other sources \$6.524m 	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$24.465m

Output 1.4: Digital Transmission and Distribution	
Changes in components of Output Group 1.4: Digital Transmission and Distribution	
<ul style="list-style-type: none"> Total price of outputs \$57.676m Departmental revenue from Government \$57.676m 	
Key Performance Indicators	2008-09 Target
Quality	No change – as per Budget
Quantity	No change – as per Budget
Price	\$57.676m

Section 3: Explanatory tables and budgeted financial statements

3.1 EXPLANATORY TABLES

3.1.1 Estimates of variations to Average Staffing Level

Changes in Average Staff Level (ASL) are presented in the Portfolio Additional Estimates Statements at the whole of agency level to demonstrate any movements since Budget. The ASL figures for Budget were reported in agency Portfolio Budget Statements in each Outcome Resourcing Table.

Table 3.1.2: Average Staffing Level (ASL)

	2008-09 Budget	2008-09 Revised	Variation
Outcome 1			
Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	770	790	20
Total	770	790	20

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The revised Additional Estimates for 2008–09 mainly reflect additional funding and expenditure for the rollout of the digital implementation plan. SBS's predicted operating result for 2008–09 remains a modest surplus of \$0.539 million. SBS's financial statements include borrowing from the Commonwealth of \$15 million. This will be repaid over 5 years.

3.2.2 Budgeted financial statements

Departmental financial statements

Table 3.2.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
INCOME					
Revenue					
Revenues from Government	187,178	191,459	197,352	201,497	205,551
Goods and services	56,191	75,475	93,789	88,995	96,426
Interest	3,809	2,000	500	500	500
Rents	860	907	907	907	907
Royalties	3,778	4,421	4,567	4,676	4,779
Other	6,783	6,451	8,221	8,025	8,281
Total revenue	258,599	280,713	305,336	304,600	316,444
Gains					
Other	2	-	-	-	-
Total gains	2	-	-	-	-
Total income	258,601	280,713	305,336	304,600	316,444
EXPENSE					
Employees	71,561	76,720	79,251	81,153	82,938
Suppliers	179,086	194,204	215,409	209,144	219,369
Depreciation and amortisation	6,428	8,927	9,381	10,500	10,500
Finance costs	930	884	1,182	889	587
Write-down of assets and impairment of assets	458	-	-	-	-
Net losses from sale of assets	3	-	-	-	-
Net foreign exchange losses	4	-	-	-	-
Total expenses	258,470	280,735	305,223	301,686	313,394
Share of operating results of accounted for using the equity method	465	561	-	-	-
Operating result before Income Tax	596	539	113	2,914	3,050
Net operating result	596	539	113	2,914	3,050
Net surplus or (deficit) attributable to the Australian Government	596	539	113	2,914	3,050

Prepared on Australian Accounting Standards basis

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,970	5,073	5,080	6,903	3,889
Receivables	15,406	15,393	20,970	15,536	15,836
Investments accounted for under the equity method	4,004	4,565	4,565	4,565	4,565
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	58,680	28,380	23,510	20,510	7,510
Total financial assets	80,060	53,411	54,125	47,514	31,800
Non-financial assets					
Land and buildings	65,994	64,526	63,058	61,590	60,122
Infrastructure, plant and equipment	10,487	29,613	32,869	34,997	39,485
Inventories	53,278	70,759	72,545	76,251	76,621
Intangibles	3,664	7,004	5,835	4,675	3,495
Other	17,712	15,273	4,469	2,831	8,831
Total non-financial assets	151,135	187,175	178,776	180,344	188,554
Total assets	231,195	240,586	232,901	227,858	220,354
LIABILITIES					
Payables					
Suppliers	17,683	17,790	17,903	17,041	16,241
Financing costs	-	160	128	96	64
Other payables	35,120	29,073	23,952	19,527	12,546
Total payables	52,803	47,023	41,983	36,664	28,851
Interest bearing liabilities					
Loans	11,342	23,754	18,009	12,094	6,000
Total interest bearing liabilities	11,342	23,754	18,009	12,094	6,000
Provisions					
Employees	15,870	15,370	15,470	15,570	15,670
Other provisions	1,080	1,214	1,356	1,618	1,776
Total provisions	16,950	16,584	16,826	17,188	17,446
Total liabilities	81,095	87,361	76,818	65,946	52,297

Table 3.2.2: Budgeted departmental balance sheet (as at 30 June)(continued)

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000	Forward estimate 2011-12 \$'000
EQUITY*					
Parent entity interest					
Contributed equity	82,570	85,156	87,901	90,816	93,911
Reserves	37,943	37,943	37,943	37,943	37,943
Retained surpluses or accumulated deficits	29,587	30,126	30,239	33,153	36,203
Total parent entity interest	150,100	153,225	156,083	161,912	168,057
Minority interest	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	150,100	153,225	156,083	161,912	168,057
Current assets	115,511	126,498	120,464	111,922	113,578
Non-current assets	115,684	114,088	112,437	115,936	106,776
Current liabilities	43,120	43,860	44,372	43,610	37,910
Non-current liabilities	37,975	43,501	32,446	22,336	14,387

*Note: 'equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	54,744	80,889	95,116	100,662	103,112
Appropriations	188,601	191,459	197,352	201,497	205,551
Interest	5,926	3,900	2,590	950	500
Net GST received	15,614	18,158	16,990	17,554	19,107
Total cash received	264,885	294,406	312,048	320,663	328,270
Cash used					
Employees	71,878	76,441	78,372	81,053	82,838
Suppliers	173,927	209,883	207,018	209,420	226,495
Financing costs	777	625	1,111	812	505
Net GST paid	15,181	18,304	17,410	17,554	19,107
Other cash used	3,283	1,423	-	-	-
Total cash used	265,046	306,676	303,911	308,839	328,945
Net cash from or (used by) operating activities	(161)	(12,270)	8,137	11,824	(675)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	2	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	35,456	42,800	29,800	21,000	33,000
Other cash received					
Total cash received	35,458	42,800	29,800	21,000	33,000
Cash used					
Purchase of property, plant and equipment	3,251	29,925	10,000	10,000	12,340
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	33,784	12,500	24,930	18,000	20,000
Total cash used	37,035	42,425	34,930	28,000	32,340
Net cash from or (used by) investing activities	(1,577)	375	(5,130)	(7,000)	660

Table 3.2.3: Budgeted departmental statement of cash flows (for the period ended 30 June)(continued)

	Actual 2007-08 \$'000	Revised budget 2008-09 \$'000	Forw ard estimate 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	3,636	2,586	2,745	2,915	3,095
Proceeds from loans	-	15,000	-	-	-
Total cash received	3,636	17,586	2,745	2,915	3,095
Cash used					
Repayments of debt	2,437	2,588	5,745	5,915	6,095
Total cash used	2,437	2,588	5,745	5,915	6,095
Net cash from or (used by) financing activities	1,199	14,998	(3,000)	(3,000)	(3,000)
Net increase or (decrease) in cash held	(539)	3,103	7	1,824	(3,015)
Cash at the beginning of the reporting period	2,509	1,970	5,073	5,080	6,904
Cash at the end of the reporting period	1,970	5,073	5,080	6,904	3,889

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental statement of changes in equity — summary of movement (Budget 2008–09)

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2008					
Balance carried forw ard from previous period	29,587	37,943	-	82,570	150,100
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	29,587	37,943	-	82,570	150,100
Income and expense					
Net operating result	539	-	-	-	539
Total income and expenses	539	-	-	-	539
Transactions with owners					
<i>Contribution by owners</i>					
Appropriation (equity injection)	-	-	-	2,586	2,586
Sub-total transactions with owners	-	-	-	2,586	2,586
Estimated closing balance as at 30 June 2009	30,126	37,943	-	85,156	153,225

Prepared on Australian Accounting Standards basis.