

Portfolio Additional Estimates Statements 2015-16

Communications and the Arts Portfolio

Explanations of Additional Estimates 2015-16

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SENATOR THE HON MITCH FIFIELD

MINISTER FOR COMMUNICATIONS
MINISTER FOR THE ARTS
MINISTER ASSISTING THE PRIME MINISTER FOR DIGITAL GOVERNMENT
MANAGER OF GOVERNMENT BUSINESS IN THE SENATE

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2015-16 Additional Estimates for the Communications and the Arts Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mitch Fifield', written over a printed name.

MITCH FIFIELD

Abbreviations and conventions

The following notations may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact the Assistant Secretary, Finance and Business Services Branch, the Department of Communications and the Arts on (02) 6271 1058.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at www.budget.gov.au

**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATE STATEMENTS**

USER GUIDE

The purpose of the 2015-16 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programmes supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) 2015-16. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2015-16* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

User guide

Provides a brief introduction explaining the purpose of the PAES.

Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

Section 1: Entity overview and resources	This section details the changes in total resources available to an entity, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.
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Section 2: Revisions to outcomes and planned performance	This section details changes to Government outcomes and/or changes to the planned performance of entity programmes.
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Section 3: Explanatory tables and budgeted financial statements	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.
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Glossary	Explains key terms relevant to the Portfolio.
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Acronyms	Alphabetical guide to acronyms that may be used in the Statements.
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PORTFOLIO OVERVIEW

Portfolio overview

Minister and portfolio responsibilities

The Communications and the Arts Portfolio comprises the Department of Communications and the Arts (the Department) and 17 other entities. Senator the Hon Mitch Fifield is the Minister for Communications and the Minister for the Arts.

The following changes have occurred to the Portfolio as a result of the Administrative Arrangements Order (AAO) changes announced by the Prime Minister on 21 September 2015:

- The name of the Department was changed from the Department of Communications to the Department of Communications and the Arts.
- The Copyright, Classification and the Ministry of the Arts functions were transferred to the Department from the Attorney-General's Department.
- The Department's responsibility for enhancing digital productivity was transferred to the Department of Industry, Innovation and Science.
- The Department's data policy function was transferred to the Department of the Prime Minister and Cabinet.
- The Digital Transformation Office moved to the Prime Minister and Cabinet Portfolio.
- Twelve arts portfolio bodies were transferred into the Communications and the Arts Portfolio from the Attorney-General's Portfolio.

The Communications and the Arts Portfolio now includes the following agencies:

- The Department of Communications and the Arts
- Australia Council
- Australian Broadcasting Corporation (ABC)
- Australian Communications and Media Authority (ACMA)
- Australian Film, Television and Radio School (AFTRS)
- Australian National Maritime Museum (ANMM)
- Australia Post
- Bundanon Trust
- Creative Partnerships Australia (previously known as the Australian Business Arts Foundation Ltd)
- National Film and Sound Archive of Australia (NFSA)
- National Gallery of Australia (NGA)

Portfolio Overview

- National Library of Australia (NLA)
- National Museum of Australia (NMA)
- National Portrait Gallery of Australia (NPGA)
- NBN Co Limited (nbn)
- Old Parliament House (OPH)
- Screen Australia
- Special Broadcasting Service Corporation (SBS)

A summary of the Portfolio structure is at Figure 1. Further detail about the responsibilities of each agency appears in individual agency chapters of the 2015-16 Communications Portfolio Budget (PB) Statements (for the Department, ABC, ACMA and SBS) and the 2015-16 Attorney-General's PB Statements (for Arts functions, Australia Council, AFTRS, ANMM, NFSA, NGA, NLA, NMA, NPGA, OPH, and Screen Australia). Australia Post, Bundanon Trust, Creative Partnerships Australia and nbn do not appear in the 2015-16 Portfolio Budget or Additional Estimates Statements as they are not part of the general government sector.

Additional estimates and variations are being sought for the Department and the SBS. A summary of the changes arising through the 2015-16 Additional Estimates follows for the Portfolio. Details relating to new measures are contained within the relevant agency chapter.

The Department is seeking an increase in funding of \$2.5 million through Appropriation Bill (No. 3).

SBS is seeking an increase in funding of \$4.1 million through Appropriation Bill (No. 3).

Figure 1: Communications and the Arts portfolio structure and outcomes

<p style="text-align: center;">Minister for Communications and Minister for the Arts Senator the Hon Mitch Fifield</p>
<p style="text-align: center;">Department of Communications and the Arts Portfolio Secretary: Dr Heather Smith</p>
<p>Outcome 1: Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services</p>
<p>Outcome 2: Participation in, and access to, Australia’s arts and culture through developing and supporting cultural expression</p>
<p style="text-align: center;">Australia Council Chief Executive Officer: Mr Tony Grybowski</p>
<p>Outcome 1: Supporting Australian artists and arts organisations to create and present excellent art that is accessed by audiences across Australia and abroad</p>
<p style="text-align: center;">Australian Broadcasting Corporation Managing Director: Mr Mark Scott</p>
<p>Outcome 1: Informed, educated and entertained audiences – throughout Australia and overseas – through innovative and comprehensive media and related services</p>
<p style="text-align: center;">Australian Communications and Media Authority Chair and Chief Executive Officer: Mr Chris Chapman</p>
<p>Outcome 1: A communications and media environment that balances the needs of the industry and the Australian community through regulation, education and advice</p>
<p style="text-align: center;">Australian Film, Television and Radio School Chief Executive Officer: Mr Neil Peplow</p>
<p>Outcome 1: Support the development of a professional screen arts and broadcast culture in Australia including through the provision of specialist industry-focused education, training, and research</p>

Portfolio Overview

<p style="text-align: center;">Australian National Maritime Museum Director: Mr Kevin Sumption</p>
<p>Outcome 1: Increased knowledge, appreciation and enjoyment of Australia's maritime heritage by managing the National Maritime Collection and staging programs, exhibitions and events</p>
<p style="text-align: center;">National Film and Sound Archive of Australia Chief Executive Officer: Mr Michael Loebenstein</p>
<p>Outcome 1: Increased engagement with Australia's audiovisual culture past and present through developing, preserving, maintaining and promoting the national audiovisual collection of historic and cultural significance</p>
<p style="text-align: center;">National Gallery of Australia Director: Dr Gerard Vaughan AM</p>
<p>Outcome 1: Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally</p>
<p style="text-align: center;">National Library of Australia Director-General: Ms Anne-Marie Schwirtlich</p>
<p>Outcome 1: Enhanced learning, knowledge creation, enjoyment and understanding of Australian life and society by providing access to a national collection of library material</p>
<p style="text-align: center;">National Museum of Australia Director: Dr Mathew Trinca</p>
<p>Outcome 1: Increased awareness and understanding of Australia's history and culture by managing the National Museum's collections and providing access through public programs and exhibitions</p>
<p style="text-align: center;">National Portrait Gallery of Australia Director: Mr Angus Trumble</p>
<p>Outcome 1: Enhanced understanding and appreciation of Australian identity, culture and diversity through portraiture by engaging the public in education programs and exhibitions, and by developing and preserving the national portrait collection</p>

<p style="text-align: center;">Old Parliament House Director: Ms Daryl Karp</p>
<p>Outcome 1: An enhanced appreciation and understanding of the political and social heritage of Australia for members of the public, through activities including the conservation and upkeep of, and the provision of access to, Old Parliament House and the development of its collections, exhibitions and educational programs</p>
<p style="text-align: center;">Screen Australia Chief Executive Officer: Mr Graeme Mason</p>
<p>Outcome 1: Promote engaged audiences and support a creative, innovative and commercially sustainable screen industry through the funding and promotion of diverse Australian screen product</p>
<p style="text-align: center;">Special Broadcasting Service Corporation Chief Executive Officer and Managing Director: Mr Michael Ebeid</p>
<p>Outcome 1: Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society</p>

Portfolio resources

Table 1 shows those entities reporting in the PAES and the additional resources provided to the portfolio in the 2015-16 budget year, by entity.

Table 1: Portfolio Resources (2015-16 Additional Estimates)

	Appropriation Bill No. 3 (\$m)	Appropriation Bill No. 4 (\$m)	Special appropriation (\$m)	Receipts (\$m)	Total (\$m)
Department of Communications and the Arts					
Administered appropriations	1.0	-	-	-	1.0
Departmental appropriations	1.5	-	-	-	1.5
Total:	2.5	-	-	-	2.5
Special Broadcasting Service Corporation					
Departmental appropriations	4.1	-	-	-	4.1
Total:	4.1	-	-	-	4.1
Portfolio total	6.6	-	-	-	6.6
Resources available within portfolio:					6.6

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DEPARTMENT OF COMMUNICATIONS AND THE ARTS

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Digital technologies and communications services are increasingly pervasive and are driving rapid transformation. The effective and innovative use of these technologies and services offers significant benefits for individuals, communities, businesses, industry and governments. Realising their full potential underpins Australia's future economic prosperity. The Government is also focussed on achieving a culturally rich Australia by supporting arts and culture.

The purpose of the Department is to promote an innovative and competitive communications sector, through policy development, advice and programme delivery, so all Australians can realise the full potential of digital technologies and communications services. The Department is also supporting participation in, and access to, the arts and encourages greater private sector support for the arts.

The Department achieves its outcomes by delivering a range of initiatives.

Significant ongoing functions include:

- providing strategic advice and policy leadership to achieve a fast and affordable new broadband network
- collaborating to develop policies that deliver more efficient, trusted and secure enabling digital infrastructure
- reforming spectrum policy arrangements to ease the compliance burden on users and improve accessibility for new technologies
- assessing regulatory frameworks and advising on regulatory reform and deregulation options to promote competition, consumer safeguards, efficient and responsive portfolio agencies, and reduced regulatory burden
- reforming the copyright regulatory framework to promote creativity, commercial activity and access, particularly in relation to the digital environment
- supporting the Ministerial Advisory Council on Communications in its role of providing advice on deregulation options across the Portfolio
- analysing community expectations of quality, standard and availability of content and communications services
- undertaking research through the Bureau of Communications Research and advising on sectoral developments to inform strategic policy directions
- delivering the Mobile Black Spot Programme to further expand reliable mobile phone coverage and competition in outer metropolitan, regional and remote communities

Communications and the Arts Additional Estimates Statements

- entering into contracts, and making grants, to support the provision of public interest telecommunications services for all Australians including: standard telephone services; payphones; emergency call services; and the National Relay Service (NRS), which assists people who are deaf or have a hearing and/or speech impairment to access telephone services
- supporting the effective administration of the National Classification Scheme and providing advice to Government on regulatory reform to meet evolving industry and consumer needs
- increasing opportunities for all Australians to learn, enjoy and participate in a wide range of cultural endeavours
- supporting activities for the Indigenous arts and crafts industry, and maintaining and reviving Indigenous languages
- promoting Australian literature, including through incentives and recognition of excellence
- encouraging and facilitating sponsorship and philanthropic support for the cultural sector
- providing assistance and incentives to support the performing and visual arts, Australian screen production and creative industries
- administer Artbank to help create a market for emerging artists and enhance access to contemporary art.

Since the 2015-16 Portfolio Budget (PB) Statements were issued, the Prime Minister made an Administrative Arrangements Order (AAO) on 21 September 2015. Under the AAO, the programmes within the Department's responsibility for enhancing digital productivity that dealt with national policy issues in relation to the digital economy were transferred as follows:

- Elements of Digital Innovation that were connected to Data Policy and the Australian New Zealand Land Information (ANZLI) Special Account were transferred to the Department of the Prime Minister and Cabinet; and
- Elements connected to Digital Productivity were transferred to the Department of Industry, Innovation and Science.

Further details on the Department's strategic direction can be found in the 2015-16 PB Statements for both the Department of Communications and the Attorney-General's Department.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Department at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2015-16 Budget year, including variations through Appropriation Bill Nos. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: Department of Communications and the Arts resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016

	Actual available appropriation 2014-15 \$'000	Estimate as at Budget 2015-16 \$'000	Proposed Additional Estimate 2015-16 \$'000	Total estimate at Additional Estimates 2015-16 \$'000
Ordinary annual services^(a)				
Departmental appropriation				
Prior year departmental appropriation ^(b)	24,048	21,223	-	21,223
Departmental appropriation ^(c)	95,472	102,602	1,540	104,142
s74 Retained Revenue Receipts ^(d)	1,306	4,218	-	4,218
Total	120,826	128,043	1,540	129,583
Administered expenses				
Prior year administered appropriation	727	1,554	-	1,554
Outcome 1	147,591	197,669	964	198,633
Outcome 2	-	122,753	(5,612)	117,141
Payments to corporate entities ^(e)	1,350,698	1,491,576	(20)	1,491,556
Total	1,499,016	1,813,582	(4,668)	1,808,914
Total ordinary annual services [A]	1,619,842	1,941,625	(3,128)	1,938,497
Other services				
Departmental non-operating				
Prior year departmental appropriation	638	6,000	-	6,000
Equity injections	6,400	-	-	-
Total	7,038	6,000	-	6,000
Administered non-operating				
Prior year administered appropriation	1,537,555	-	-	-
Administered assets and liabilities	3,229,445	7,365,908	-	7,365,908
Payments to corporate entities - non-operating	50,000	26,046	-	26,046
Total	4,817,000	7,391,954	-	7,391,954
Total other services [B]	4,824,038	7,397,954	-	7,397,954
Total available annual appropriations	6,443,880	9,339,579	(3,128)	9,336,451

Table 1.1: Department of Communications and the Arts resource statement — Additional Estimates for 2015-16 as at Additional Estimates February 2016 cont.

	Actual available appropriation 2014-15 \$'000	Estimate as at Budget 2015-16 \$'000	Proposed Additional Estimate 2015-16 \$'000	Total estimate at Additional Estimates 2015-16 \$'000
Total appropriations excluding Special Accounts	6,443,880	9,339,579	(3,128)	9,336,451
Special Accounts				
Opening balance ^(f)	-	101	-	101
Appropriation receipts	-	198	-	198
Non-appropriation receipts to Special Accounts	133	314,011	-	314,011
Total Special Account [D]	133	314,310	-	314,310
Total resourcing [A+B+C+D]	6,444,013	9,653,889	(3,128)	9,650,761
Less appropriations drawn from annual or special appropriations above and credited to special accounts and/or payments to corporate entities through annual appropriations	(1,400,698)	(1,517,662)	-	(1,517,622)
Total net resourcing for entity	5,043,315	8,136,267	(3,128)	8,133,139

(a) Appropriation Act (No. 1) 2015-2016 and Appropriation Bill (No. 3) 2015-2016

(b) Estimated adjusted balance carried from previous year for annual appropriations

(c) Includes an amount of \$4.2 million in 2015-16 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

(d) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

(e) 'Corporate Entities' are Commonwealth Corporate Entities and Commonwealth Companies as defined under the *PGPA Act 2013*.

(f) Estimated opening balance for special accounts. For further information on special accounts see Table 3.1.1.

Communications and the Arts Additional Estimates Statements

Third party payments from and on behalf of other entities

	Estimate at Budget 2015-16 \$'000	Estimate at Additional Estimates 2015-16 \$'000
Payments made to Commonwealth Corporate Entities		
Administered Bill 1		
Australian Broadcasting Corporation	1,084,413	1,084,413
Special Broadcasting Service Corporation	283,270	287,370
Australia Council	-	49,526
Australian Film, Television and Radio School	-	13,673
Australian National Maritime Museum	-	6,997
National Film and Sound Archive of Australia	-	13,508
National Gallery of Australia	-	-
National Library of Australia	-	28,547
National Museum of Australia	-	17,679
National Portrait Gallery of Australia	-	5,332
Screen Australia	-	5,007
Total Administered Bill 1	1,367,683	1,512,052
Australian National Maritime Museum	-	397
National Film and Sound Archive of Australia	-	-
National Gallery of Australia	-	-
National Library of Australia	-	5,649
National Museum of Australia	-	-
National Portrait Gallery of Australia	-	-
Total Administered Bill 2	-	6,046

Note: The table above includes the amount that the Department was transferred under a section 75 determination of the *PGPA Act 2013* following the AAO changes of 21 September 2015. Zero balances indicate that no funding was transferred for 2015-16.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget. The table is split into revenue, expense and capital measures, with the affected programme identified.

Table 1.2: Entity 2015-16 measures since Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures					
Communications and the Arts	2.1				
Portfolio – efficiencies					
Administered expenses		(2,300)	(2,645)	(3,119)	(1,578)
Departmental expenses		(200)	(600)	(600)	(600)
Total		(2,500)	(3,245)	(3,719)	(2,178)
Funding for Two Major Film Projects	2.1				
Administered expenses		-	17,600	29,700	-
Total		-	17,600	29,700	-
Mobile Black Spot Programme - round 2 ^(a)	1.1				
Administered expenses		-	-	-	-
Total		-	-	-	-
Women's Safety Package ^(b)	1.1				
Administered expenses		-	-	-	-
Total		-	-	-	-
Total expense measures					
Administered		(2,300)	14,955	26,581	(1,578)
Departmental		(200)	(600)	(600)	(600)
Total		(2,500)	14,355	25,981	(2,178)
Capital measures (if applicable)					
Communications and the Arts	1.1				
Portfolio – efficiencies					
Departmental capital		(1,000)	(1,000)	(1,000)	(1,000)
Total		(1,000)	(1,000)	(1,000)	(1,000)
Total capital measures					
Departmental		(1,000)	(1,000)	(1,000)	(1,000)
Total		(1,000)	(1,000)	(1,000)	(1,000)
Decisions taken but not yet announced		(150)	(500)	(500)	(500)

Prepared on a Government Financial Statistics (fiscal) basis

(a) This measure was published in the 2015-16 Mid-Year Economic and Fiscal Outlook and includes funding of \$60 million over two years (\$30.0 million in 2016-17 and \$30.0 million in 2017-18).

(b) This measure was published in the 2015-16 Mid-Year Economic and Fiscal Outlook under the Social Services Portfolio and includes funding of \$950,000 in 2015-16, \$770,000 in 2016-17 and \$406,000 in 2017-18.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the Department at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bills Nos. 3 and 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 2015-16 Budget

	Programme impacted	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (administered)					
Women's Safety Package	1.1	950	770	406	-
Mobile Black Spot Programme – round 2	1.1	-	30,000	30,000	-
Net impact on estimates for Outcome 1 (administered)		950	30,770	30,406	-
Decrease in estimates (departmental)					
Communications and the Arts Portfolio – efficiencies	1.1	(1,000)	(1,000)	(1,000)	(1,000)
Net impact on estimates for Outcome 1 (departmental)		(1,000)	(1,000)	(1,000)	(1,000)
Outcome 2					
Increase in estimates (administered)					
Funding for Two Major Film Projects	2.1	-	17,600	29,700	-
Decrease in estimates (administered)					
Communications and the Arts Portfolio – efficiencies	2.1	(2,300)	(2,645)	(3,119)	(1,578)
Net impact on estimates for Outcome 2 (administered)		(2,300)	14,955	26,581	(1,578)
Decrease in estimates (departmental)					
Communications and the Arts Portfolio – efficiencies	2.1	(200)	(600)	(600)	(600)
Net impact on estimates for Outcome 2 (departmental)		(200)	(600)	(600)	(600)
Decisions taken but not yet Announced					
		(150)	(500)	(500)	(500)

Communications and the Arts Additional Estimates Statements

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

	Programme impacted	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (administered)					
Approved Movement of Funds ^(a)	1.1	125	-	-	-
Indexation Adjustments	1.1	-	283	273	299
Consumer Representation Grants – reversal of Indexation Pause					
Revision of NBN Equity profile ^(b)	1.1	33	76	121	165
1.1	-	150,000	-	-	-
Decrease in estimates (administered)					
Reduction to International Organisation Contributions					
AAO Transfers ^(c)	1.1	(144)	-	-	-
1.1	(2,192)	(2,396)	(1,500)	(1,500)	
Net impact on estimates for Outcome 1 (administered)		(2,178)	147,963	(1,106)	(1,036)
Increase in estimates (departmental)					
Approved Movement of Funds					
AAO Transfers ^(c)	1.1	3,113	-	-	-
1.1	7,039	8,824	8,921	9,008	
Decrease in estimates (departmental)					
Indexation Adjustments					
AAO Transfers ^(c)	1.1	-	(156)	(237)	(398)
1.1	(5,059)	(6,360)	(6,349)	(6,398)	
Whole of Government savings					
1.1	(373)	(41)	(182)	(216)	
Net impact on estimates for Outcome 1 (departmental)		4,720	2,267	2,153	1,996
Outcome 2					
Increase in estimates (administered)					
AAO Transfers ^(c)					
2.1	266,646	632,825	609,065	613,811	
Decrease in estimates (administered)					
Reduction to Screen Australia Grant ^(d)					
2.1	(3,312)	(1,534)	(1,534)	(1,534)	
Net impact on estimates for Outcome 2 (administered)		263,334	631,291	607,531	612,277
Increase in estimates (departmental)					
AAO Transfers ^(c)					
		11,959	18,000	18,157	18,308
Net impact on estimates for Outcome 2 (departmental)		11,959	18,000	18,157	18,308

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

	Programme impacted	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Payments to Corporate Entities					
Increase in estimates (administered)					
Special Broadcasting Service Corporation	1.1	4,100	-	-	-
Decrease in estimates (administered)					
Arts Collection Entities	2.1	(4,120)	(7,668)	(7,703)	(7,768)
Net impact on estimates for Payments to Corporate Entities		(20)	(7,668)	(7,703)	(7,768)
(a) Movement of funds relates to Stay Smart Online (\$54,000) and the Household Assistance Scheme (\$71,000)					
(b) Equity payment of \$150.0 million moved from 2014-15 to 2016-17. The Government's nbn equity cap remains unchanged at \$29.5 billion.					
(c) Reflects transfers of funding in and out of the Department as a result of the AAO announced by the Prime Minister on 21 September 2015. These transfers do not affect appropriation bills as the related funding for the current year is transferred through section 75 of the PGPA Act.					
(d) This reduction in grant contributes to the 2015-16 MYEFO decision to reduce Screen Australia's total funding by 3%.					

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Department through Appropriation Bills Nos. 3 and 4.

Table 1.5: Appropriation Bill (No. 3) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Administered items					
Outcome 1 -					
Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services	147,591	197,699	198,663	964	-
Outcome 2 -					
Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression		122,753	122,753	-	-
Total administered	147,591	320,452	321,416	964	-
Departmental programmes					
Outcome 1 -					
Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services	95,472	90,311	92,051	1,740	-
Outcome 2 -					
Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression	-	11,959	11,759	-	(200)
Total departmental	95,472	102,270	103,810	1,740	(200)
Total administered and Departmental	95,472	422,722	425,226	2,704	(200)

Section 2: Revisions to outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Changes have been made to the Department's outcome structure since the 2015-16 PB Statements. An additional outcome has been included following the transfer of arts functions into the Department as a result of the Administrative Arrangements Order (AAO) of 21 September 2015.

Each outcome is described below together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Communications and the Arts in achieving government outcomes.

OUTCOME 1

Outcome 1: Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services

Outcome 1 strategy

The Department will deliver this outcome through a single programme: Digital Technologies and Communications Services.

Following the AAO changes of 21 September 2015, the Department transferred programmes responsible for enhancing digital productivity that dealt with national policy issues in relation to the digital economy to the Department of Industry, Innovation and Science and the data policy element to the Prime Minister and Cabinet portfolio. The Department received additional responsibility for functions relating to classification and to copyright.

The Department's strategy for delivering this outcome is to provide strategic advice on, and administer relevant projects and initiatives where it has primary responsibility, to:

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- expand digital infrastructure—advising Government on the necessary market settings to deliver competitive and efficient digital infrastructure to drive growth in the broader economy
- promote efficient communications markets—advising Government on the necessary market settings to promote competition, while ensuring access to basic services, making available socially valuable content, giving the community the classification information it expects, and safeguarding consumers from inappropriate content and unfair dealing
- ensure copyright law and regulation provide a framework that supports and promotes creativity, commercial activity and access to knowledge and cultural works, in a way that is efficient and flexible, particularly in relation to the digital environment.

This is supported through research to identify, assess and explain developments in digital technologies and communications networks and services.

Table 2.1.1 Budgeted expenses for Outcome 1

Outcome 1:	2014-15	2015-16
Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services.	Actual expenses \$'000	Revised estimated expenses ^(a) \$'000
Programme 1.1: Digital Technologies and Communications		
Services		
Administered expenses		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	127,022	195,886
Special Accounts	32	327,680
Expenses not requiring appropriation in the Budget year ^(b)	13,913	13,788
Departmental expenses		
Departmental appropriation ^(c)	92,026	88,157
Expenses not requiring appropriation in the Budget year ^(b)	6,297	5,971
Total for Programme 1.1	239,290	631,482
Outcome 1 totals by appropriation type		
Administered expenses		
Ordinary annual services (Appropriation Bill No. 1)	127,022	195,886
Special accounts	32	327,680
Expenses not requiring appropriation in the Budget year ^(b)	13,913	13,788
Departmental expenses		
Departmental appropriation ^(b)	92,026	88,157
Expenses not requiring appropriation in the Budget year ^(b)	6,297	5,971
Total expenses for Outcome 1	239,290	631,482
	2014-15	2015-16
Average staffing level (number) ^(d)	408	552

(a) 2015-16 Revised estimated expenses includes the part-year effect of the AAO transfers.

(b) Expenses not requiring appropriation in the budget year are made up of issuing of indefeasible rights of use, depreciation expense, amortisation expense, exchange rate movements, inventory expense and audit fees.

(c) Departmental Appropriation combines 'Ordinary annual services (Appropriation Act No.1 and Bill No.3) and Retained Revenue Receipts under section 74 of the PGPA Act.

(d) Staffing levels for the Department are reflected entirely against Outcome 1.

Contributions to Outcome 1

Programme objective 1.1

Programme 1.1: Digital Technologies and Communications Services

No changes have been made to the programme objective for Programme 1.1 since the 2015-16 Communications PB Statements.

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Programme expenses 1.1

	2014-15 Actual \$'000	2015-16 Revised Budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual administered expenses:					
Community Broadcasting Program	17,359	16,880	15,491	15,492	15,492
Consumer Representation Grants Program	2,164	2,196	2,237	2,278	2,318
Digital Productivity ^(a)	10,995	1,562	-	-	-
Digital Television Switchover	9,411	12,068	10,790	11,016	11,183
Digital Television Switchover - Spectrum Restacking Assistance	44,871	-	-	-	-
ICT Centre of Excellence ^(b)	21,434	21,000	-	-	-
International Organisation Contributions	3,665	3,683	3,989	4,002	4,024
Mobile Black Spot Programme	-	40,000	60,000	60,000	-
Regional Equalisation Plan	851	1,000	1,000	-	-
Spectrum - Assistance to Broadcasters for Electronic News Gathering	9,103	-	-	-	-
Stay Smart Online	423	554	500	500	500
Women's Safety Package	-	950	770	406	-
Expenses not requiring appropriation in the Budget year^(c)					
International Organisation Contributions	2,690	2,660	2,777	2,902	2,912
Regional Backbone Blackspots Program	12,010	11,128	9,396	8,033	8,033
Special Account Expenses:					
Public Interest Telecommunications Services Special Account ^(d) :					
National Relay Service ^(d)	-	20,000	20,000	20,000	20,000
Universal Service Obligation ^(d)	-	270,000	270,000	270,000	270,000
Other Public Interest Services ^(d)	-	37,600	72,200	47,600	37,600
Annual departmental expenses:					
Programme support	92,026	88,157	85,956	86,677	87,358
Expenses not requiring appropriation in the Budget year ^(c)	6,297	5,971	5,680	5,188	4,532
Total programme expenses^(e)	221,922	529,438	555,106	528,906	459,420

(a) The 2015-16 figure for this programme reflects a part-year effect due to the AAO transfers.

(b) While the responsibilities for this programme were transferred to the Department of the Prime Minister and Cabinet as part of the AAO changes, estimates for 2015-16 remain with the Department to make final payment due to timing of the payment.

(c) Expenses not requiring appropriation in the budget year are made up of issuing of indefeasible rights of use, depreciation expense, amortisation expense, exchange rate movements, inventory expense and audit fees.

(d) The special account expenses commence from 2015-16 reflecting the transfer of TUSMA functions to the Department. 2014-15 Actuals were published in TUSMA's 2014-15 Annual Report.

(e) The expenses above do not include the equity funding to be provided to nbn over the period 2014-15 to 2018-19, which is as follows:

	2014-15 Actual \$b	2015-16 Revised Estimate \$b	2016-17 Forward Estimate \$b	2017-18 Forward Estimate \$b	2018-19 Forward Estimate \$b
Total	4.8	7.8	8.5	0.0	0.0

Programme deliverables

Programme 1.1 Deliverables

ENHANCING DIGITAL PRODUCTIVITY

Deliverables relating to Enhancing Digital Productivity have been removed following the AAO changes of 21 September 2015.

EXPANDING DIGITAL INFRASTRUCTURE

No changes have been made to the programme deliverables for Expanding Digital Infrastructure since the 2015-16 Communications PB Statements.

PROMOTING EFFICIENT COMMUNICATIONS MARKETS

- Implementation and monitoring of, and improvements to, the regulatory framework for Australia's new broadband network, including regulations applying to nbn operations and Telstra's Structural Separation and Migration Plan.
- Support the Minister on ABC and SBS policy and funding matters, the transmission of ABC and SBS services and on ABC and SBS board appointments.
- Provision of Community Broadcasting Program funding to assist community broadcasters, including with the delivery of community radio services.
- Advice to the Minister on appropriate consumer safeguards relating to the provision of content and communications services.
- Advice to the Minister on the production and provision of content, including media diversity and ownership.
- In consultation with stakeholders, assess the extent to which the current regulatory frameworks operating in the communications, broadcasting and media sectors remain appropriate, particularly given technological changes.
- Supporting consumer interests and protection against harm through policy advice and:
 - funding for the Australian Communications Consumer Action Network through the Consumer Representation Grants Program
 - advice on cybersecurity initiatives to inform and educate Australian consumers and small businesses about managing the risk of financial fraud and loss of personal information online.
- Establishment of the Office of the Children's e-Safety Commissioner by 1 July 2015.
- Support for, the Ministerial Advisory Council on Communications, which is tasked with providing advice on deregulation options across the Portfolio.
- Advice on the postal sector and protection of the Australian Government's interest as a shareholder of Australia Post.
- Implement and manage contractual arrangements for the delivery of

telecommunications universal services.

- Ensure copyright law and regulation provide a framework that supports and promotes creativity, commercial activity and access to knowledge and cultural works, in a way that is efficient and flexible, particularly in relation to the digital environment
- Modernise the National Classification Scheme to meet evolving industry needs, including trialling of online classification tools.
- Ensure federal privacy, information and Commonwealth records management law, policy and regulation are appropriate and efficient, particularly in relation to the digital environment.

Programme key performance indicators

Programme 1.1 Key performance indicators

ENHANCING DIGITAL PRODUCTIVITY

Key performance indicators relating to Enhancing Digital Productivity have been removed following the AAO changes of 21 September 2015.

EXPANDING DIGITAL INFRASTRUCTURE

No changes have been made to the key performance indicators for Expanding Digital Infrastructure since the 2015-16 Communications PB Statements.

PROMOTING EFFICIENT COMMUNICATIONS MARKETS

No changes have been made to the key performance indicators for Promoting Efficient Communications Markets since the 2015-16 Communications PB Statements.

OUTCOME 2

Outcome 2: Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression

Outcome 2 strategy

The Department supports the Australian Government to achieve its arts and culture policy objectives by promoting artistic excellence, artistic integrity and respect for artistic freedom; supporting the self-confidence of Australia's cultural sector by telling Australian stories and international engagement; protecting and supporting Australia's cultural heritage; and encouraging public access to arts and culture.

The Department works with 12 cultural organisations within the arts portfolio. The arts portfolio includes a diverse range of programmes and organisations across the visual and performing arts, literature, Indigenous arts and languages, screen and creative industries, and collections including libraries, galleries and museums.

Table 2.1.2 Budgeted expenses for Outcome 2

Outcome 2:	2014-15	2015-16
Participation in, and access to, Australia's arts and culture through developing and supporting cultural expression	Actual expenses	Revised estimated expenses ^(a)
	\$'000	\$'000
Programme 2.1: Arts and Cultural Development		
Administered expenses		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	-	256,414
Special Accounts	-	500
Expenses not requiring appropriation in the Budget year ^(b)	-	1,042
Departmental expenses		
Departmental appropriation ^(c)	-	12,320
Special Accounts	-	3,957
Expenses not requiring appropriation in the Budget year ^(b)	-	453
Total for Programme 2.1	-	274,686
Total expenses for Outcome 2	-	274,686
	2014-15	2015-16
Average staffing level (number)^(d)	-	-

(a) 2015-16 Revised estimated expenses includes the part-year effect of the AAO transfers

(b) Expenses not requiring appropriation in the budget year are made up of depreciation expenses and amortisation expenses.

(c) Departmental Appropriation combines 'Ordinary annual services (Appropriation Bill No. 1)' and 'Revenue from independent sources (s74)'.

(d) Staffing levels are all reflected against Outcome 1.

Contributions to Outcome 2

Programme 2.1: Arts and Cultural Development

While no changes have been made to the programme objective, deliverables and key performance indicators for the Arts and Cultural Development programme since the 2015-16 Attorney-General's PB Statements, they have been reproduced below as they have not previously been published by the Department.

Programme 2.1 objective

To administer a range of activities that support excellence in the arts and culture, develop and promote access to cultural activities, support Australian screen production, and protect Australia's movable cultural heritage.

Cultural development

- Increase access to the arts in regional and remote Australia.
- Encourage and facilitate sponsorship and philanthropic support for the cultural sector.
- Support the provision of elite training and development opportunities across a range of art forms.
- Support the development and promotion of Australia's national collections.
- Support the Australian performing and visual arts, screen and creative industries.
- Recognise excellence in Australian literature and support Australian writing.
- Regulate the export and import of significant Australian and international movable cultural heritage.

Indigenous arts, culture, languages and repatriation

- Build a more sustainable and ethical Indigenous visual arts industry.
- Support Aboriginal and Torres Strait Islander communities to revive and maintain Indigenous languages and participate in and create diverse arts projects.
- Facilitate the return of Indigenous ancestral remains and secret sacred objects from Australian institutions, and overseas institutions, to their community of origin.

Linked to: Department of the Prime Minister and Cabinet, Programme 2.1: Indigenous Advancement – Culture and Capability.

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Programme 2.1 expenses

	2014-15 Actual \$'000	2015-16 Revised Budget \$'000 ^(b)	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual administered expenses:					
Arts and Cultural Development	-	116,641	241,492	227,663	195,042
Payments to Corporate Entities	-	139,773	396,536	398,246	407,389
Special Accounts	-	500	500	500	500
Expenses not requiring appropriation in the Budget year ^(a)	-	1,042	1,586	1,637	1,691
Annual departmental expenses:					
Programme support	-	12,320	16,748	17,144	17,489
Special Accounts	-	3,957	5,646	5,448	5,487
Expenses not requiring appropriation in the Budget year ^(a)	-	453	251	253	255
Total programme expenses	-	274,686	662,759	650,891	627,853

(a) Expenses not requiring appropriation in the budget year are made up of depreciation expenses, amortisation expenses and audit fees.

(b) 2015-16 figures reflect a part-year effect for Arts and Cultural programme expenses following the AAO of 21 September 2015. Figures up to this point in time are reported by the Attorney-General's Department.

Programme 2.1 deliverables

- Effectively administer funding agreements for arts and cultural organisations to meet their stated objectives and reporting requirements.
- Encourage greater private sector support for the arts.
- Work with key stakeholders to identify ways to improve the competitiveness of the Australian screen production industries.
- Support sustainable cultural development in regional and remote areas.
- Effectively administer Indigenous arts, language and repatriation programmes.
- Effectively administer the Prime Minister’s Literary Awards in order to increase the profile of Australian writing in the community.
- Effectively administer programmes to support screen production and recompense eligible creators and publishers for the free, multiple use of their books in public and educational lending libraries.
- Effectively administer the Anzac Centenary Arts and Culture Fund to support arts and culture projects that enhance Australia’s understanding of the Anzac legacy.
- Effectively administer programmes to support the staging of significant exhibitions in Australia and the capacity of national collecting institutions to tour works.
- Effectively administer legislation to protect Australia’s heritage of movable cultural objects and protect objects on loan from overseas for temporary exhibition.
- Effectively administer Artbank to help create a market for emerging artists and enhance access to contemporary Australian art.

Programme 2.1 Key performance indicators

- Cultural and arts programmes and legislation are administered effectively.
- Access to high-quality cultural experiences in regional and remote areas and for Indigenous people is maintained or increased.
- Arts training organisations provide access to high-quality elite-level performing arts training for emerging Australian artists.

Section 3: Explanatory tables and budgeted financial Statements

3.1 EXPLANATORY TABLES

Estimates of special account flows

Special Accounts provide a means to set aside and record amounts used for specified purposes. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department. The corresponding table in the 2015-16 PB Statements is Table 3.1.2.

Table 3.1.1: Estimates of special account flows and balances

	Outcome	Opening balance	Receipts	Payments	Adjustments (a)	Closing balance
		\$'000	\$'000	\$'000	\$'000	\$'000
Australia New Zealand Land Information - s80 PGPA Act (A)	1					
2015-16		103	-	9	94	-
2014-15		133	-	30	-	103
Public Interest Telecommunications Services Special Account - s80 PGPA Act (A) and (D)	1					
2015-16		-	312,207	328,907	32,560	15,860
2014-15		-	-	-	-	-
Art Rental Special Account - PGPA Act s78 Determination 2006/18 (D)	2					
2015-16		-	1,559	1,809	1,107	857
2014-15		-	-	-	-	-
Cultural Special Account - PGPA Act s78 Determination 2011/18 (D)	2					
2015-16		-	198	558	960	600
2014-15		-	-	-	-	-
Indigenous Repatriation Special Account - PGPA Act s78 Determination 2005/45 (D)	2					
2015-16		-	211	1,590	3,456	2,077
2014-15		-	-	-	-	-
National Cultural Heritage Account: <i>Protection of Moveable Cultural Heritage Act 1986 s25</i> - PGPA Act s80 (A)	2					
2015-16		-	34	500	467	1
2014-15		-	-	-	-	-
Total special accounts 2015-16 Budget estimate		103	314,209	333,373	38,456	19,395
Total special accounts 2014-15 actual		133	-	30	-	103

(A) Administered (D) Departmental

(a) Adjustments relates to functions transferred in and out of the Department following the AAO changes of 21 September 2015.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Due to the Administrative Arrangements Order issued by the Prime Minister on 21 September 2015, matters dealt with by the Department were extended to include: Classification, Copyright and Cultural affairs, including movable cultural heritage and support for the arts. The responsibility for whole of government service delivery policy functions were transferred to the Department of Industry, Innovation and Science and Department of the Prime Minister and Cabinet. These changes have resulted in significant resource implications for the Department. All amounts reported in the financial statements for 2015-16 reflect a part year effect for the assumed and relinquished functions of the Department as transfers happened part way through the 2015-16 financial year.

Total departmental appropriation for ordinary annual services has increased in 2015-16 to \$99.9 million.

Changes in administered funding in 2015-16 and onwards reflects the transfer of the Arts and Cultural Development programme as well as payments to nine of the Arts Agencies (Corporate Entities) that transferred to the Portfolio. The Department also received administered capital funding of \$1.6 million in 2016-17 for the National Institute of Dramatic Arts.

3.2.2 Budgeted financial statements

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2014-15 Actual \$'000	2015-16 Revised Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	50,825	65,676	70,005	71,222	72,793
Suppliers	40,784	39,258	38,703	38,405	37,895
Depreciation and amortisation	5,906	5,802	5,511	5,021	4,367
Finance costs	65	63	62	62	66
Write-down and impairment of assets	730	–	–	–	–
Losses from asset sales	2	–	–	–	–
Other expenses	11	–	–	–	–
Total expenses	98,323	110,799	114,281	114,710	115,121
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	795	4,218	4,541	4,578	4,808
Rental income	215	–	–	–	–
Other	203	392	392	392	392
Total own-source revenue	1,213	4,610	4,933	4,970	5,200
Gains					
Sale of assets	6	–	–	–	–
Other	391	471	481	485	488
Total gains	397	471	481	485	488
Total own-source income	1,610	5,081	5,414	5,455	5,688
Net cost of (contribution by) services	96,713	105,718	108,867	109,255	109,433
Revenue from government	91,377	99,916	103,356	104,234	105,066
Surplus (deficit) attributable to the Australian Government	(5,336)	(5,802)	(5,511)	(5,021)	(4,367)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	(1,645)	–	–	–	–
Total other comprehensive income	(1,645)	–	–	–	–
Total comprehensive income (loss)	(6,981)	(5,802)	(5,511)	(5,021)	(4,367)
Total comprehensive income (loss) attributable to the Australian Government	(6,981)	(5,802)	(5,511)	(5,021)	(4,367)

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June cont.

Note: Impact of net cash appropriation arrangements					
	2014-15	2015-16	2016-17	2017-18	2018-19
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(1,075)	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue Appropriations ^(a)	5,906	5,802	5,511	5,021	4,367
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	(6,981)	(5,802)	(5,511)	(5,021)	(4,367)

Prepared on Australian Accounting Standards basis.

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Appropriation Act No. 1 or Bill No. 3 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Appropriation Act No. 1 or Bill No. 3 equity appropriations. For information regarding DCBs, please refer to Table 3.2.5 Departmental Capital Budget Statement.

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

	2014-15 Actual \$'000	2015-16 Revised Budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	655	656	656	656	656
Trade and other receivables	19,954	26,676	27,165	25,535	25,281
Other investments	–	857	857	857	857
Other financial assets	366	366	366	366	366
Total financial assets	20,975	28,555	29,044	27,414	27,160
Non-financial assets					
Land and buildings	3,245	2,323	1,355	1,253	1,302
Property, plant and equipment	2,452	3,730	4,692	4,408	4,385
Heritage and Cultural Assets	–	39,775	39,631	39,485	39,337
Intangibles	8,550	7,380	5,609	4,765	4,198
Other non-financial assets	908	1,205	1,161	1,193	1,171
Total non-financial assets	15,155	54,413	52,448	51,104	50,393
Total assets	36,130	82,968	81,492	78,518	77,553
LIABILITIES					
Payables					
Suppliers	9,621	10,007	9,968	10,079	10,048
Lease incentives	469	707	871	833	650
Other payables	2,666	2,199	2,169	2,206	2,218
Total payables	12,756	12,913	13,008	13,118	12,916
Provisions					
Employee provisions	16,666	20,377	21,053	21,660	22,033
Other provisions	4,177	4,753	4,817	2,596	2,661
Total provisions	20,843	25,130	25,870	24,256	24,694
Total liabilities	33,599	38,043	38,878	37,374	37,610
Net assets	2,531	44,925	42,614	41,144	39,943
EQUITY					
Parent entity interest					
Contributed equity	15,880	20,106	23,696	27,341	31,019
Reserves	8,189	8,189	8,189	8,189	8,189
Retained surplus (accumulated deficit)	(21,538)	16,630	10,729	5,614	735
Total parent entity interest	2,531	44,925	42,614	41,144	39,943
Total equity	2,531	44,925	42,614	41,144	39,943

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget Year 2015-16)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2015				
Balance carried forward from previous period	(21,538)	8,189	15,880	2,531
Adjusted opening balance	(21,538)	8,189	15,880	2,531
Comprehensive income				
Surplus (deficit) for the period	(5,802)	–	–	(5,802)
Total comprehensive income	(5,802)	–	–	(5,802)
of which:				
Attributable to the Australian Government	(5,802)	–	–	(5,802)
Transactions with owners				
Contributions by owners				
Equity Injection – Appropriation	3,352	–	–	3,352
Departmental Capital Budget (DCB)	–	–	4,226	4,226
Restructuring	40,618	–	–	40,618
Sub-total transactions with owners	43,970	–	4,226	48,196
Estimated closing balance as at 30 June 2016	16,630	8,189	20,106	44,925
Closing balance attributable to the Australian Government	16,630	8,189	20,106	44,925

Prepared on Australian Accounting Standards basis

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	97,529	95,562	102,473	103,697	104,933
Sale of goods and rendering of services	423	3,976	4,857	4,548	4,799
Net GST received	3,681	4,128	3,751	3,797	3,656
Other	224	2,148	345	430	404
Total cash received	101,857	105,814	111,426	112,472	113,792
Cash used					
Employees	59,403	60,396	70,162	70,703	73,577
Suppliers	37,388	45,417	41,264	41,769	40,215
Section 74 retained revenue receipts transferred to Official Public Account	4,987	–	–	–	–
Other	12	–	–	–	–
Total cash used	101,790	105,813	111,426	112,472	113,792
Net cash from (used by) operating Activities	67	1	–	–	–
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and Equipment	12	–	–	–	–
Total cash received	12	–	–	–	–
Cash used					
Purchase of property, plant, equipment and intangibles	4,012	4,226	3,590	3,645	3,678
Total cash used	4,012	4,226	3,590	3,645	3,678
Net cash from (used by) investing activities	(4,000)	(4,226)	(3,590)	(3,645)	(3,678)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	4,012	4,226	3,590	3,645	3,678
Cash from restructuring	–	857	–	–	–
Total cash received	4,012	5,083	3,590	3,645	3,678
Cash used					
Net cash from (used by) financing Activities	4,012	5,083	3,590	3,645	3,678
Net increase (decrease) in cash held	79	858	–	–	–
Cash and cash equivalents at the beginning of the reporting period	576	655	1,513	1,516	1,513
Cash and cash equivalents at the end of the reporting period	655	1,513	1,513	1,516	1,513

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Act No. 1 (DCB)	4,095	4,226	3,590	3,645	3,678
Equity injections - Act No. 2	6,400	–	–	–	–
Total new capital appropriations	10,495	4,226	3,590	3,645	3,678
Provided for:					
Purchase of non-financial assets	4,012	4,226	3,590	3,645	3,678
Total items	4,012	4,226	3,590	3,645	3,678
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	400	–	–	–	–
Funded by capital appropriation – DCB	3,612	4,226	3,590	3,645	3,678
Total purchases of non-financial assets	4,012	4,226	3,590	3,645	3,678
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,012	4,226	3,590	3,645	3,678
Total cash used to acquire assets	4,012	4,226	3,590	3,645	3,678

Prepared on Australian Accounting Standards basis.

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Table 3.2.6: Statement of asset movements (2015-16 Budget year)

	Land and Buildings	Other property, plant and equipment	Heritage and Cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	3,245	2,456	–	19,362	25,063
Accumulated depreciation/amortisation and impairment	–	(1)	–	(10,812)	(10,813)
Opening net book balance	3,245	2,455	–	8,550	14,250
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase—appropriation equity	808	2,052	–	1,366	4,226
From acquisition of entities or operations (including restructuring)	12	545	39,919	58	40,534
Total additions	820	2,597	39,919	1,424	44,760
Other movements					
Depreciation/amortisation expense	(1,742)	(1,322)	(144)	(2,594)	(5,802)
From disposal of entities or operations (including restructuring)	–	–	–	–	–
Total other movements	(1,742)	(1,322)	(144)	(2,594)	(5,802)
As at 30 June 2016					
Gross book value	4,065	5,052	39,919	20,786	69,823
Accumulated depreciation/amortisation and impairment	(1,742)	(1,323)	(144)	(13,406)	(16,615)
Closing net book balance	2,323	3,730	39,775	7,380	53,208

Prepared on Australian Accounting Standards basis.

Table 3.2.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers ^(a)	11,627	331,328	364,063	338,100	328,100
Grants ^(b)	111,849	190,213	309,739	294,838	202,066
Depreciation and amortisation	7,991	9,075	9,619	9,670	9,724
Finance costs	3,269	–	–	–	–
Payments to corporate entities ^(b)	1,349,152	1,491,556	1,689,290	1,701,187	1,720,866
Other expenses ^(b)	6,364	28,856	29,307	29,421	29,405
Total expenses administered on behalf of government	1,490,252	2,051,028	2,402,018	2,373,216	2,290,161
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Non-taxation revenue					
Interest	1,312	2,502	2,792	2,041	1,438
Rental income	1,529	1,529	1,529	1,529	1,529
Other revenue	562	–	–	–	–
Total non-taxation revenue	3,403	4,031	4,321	3,570	2,967
Total own-source revenue administered on behalf of government	3,403	4,031	4,321	3,570	2,967
Gains					
Other gains	989	–	–	–	–
Total gains administered on behalf of government	989	–	–	–	–
Total own-source income administered on behalf of government	4,392	4,031	4,321	3,570	2,967
Net cost of (contribution by) services	1,485,860	2,046,997	2,397,697	2,369,646	2,287,194
Surplus (deficit)	(1,485,860)	(2,046,997)	(2,397,697)	(2,369,646)	(2,287,194)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	1,061	–	–	–	–
Losses on available for sale financial assets	(2,206,279)	–	–	–	–
Total other comprehensive income	(2,205,218)	–	–	–	–
Total comprehensive income (loss)	(3,691,078)	(2,046,997)	(2,397,697)	(2,369,646)	(2,287,194)

Prepared on Australian Accounting Standards basis.

(a) Increase in 2015-16 reflects the Department taking over responsibility for the former TUSMA functions.

(b) Increase in 2015-16 and beyond largely reflects the impact of AAO changes of 21 September 2015.

Table 3.2.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward Estimate \$'000
ASSETS					
Financial assets					
Trade and other receivables	68,269	120,750	99,971	80,497	60,829
Other investments	11,250,005	24,626,892	33,102,539	33,102,539	33,102,539
Other financial assets	12	140	–	–	–
Total financial assets	11,318,286	24,747,782	33,202,510	33,183,036	33,163,368
Non-financial assets					
Land and buildings	–	53,441	53,509	53,545	53,521
Property, plant and equipment	172,144	164,111	156,078	148,045	140,012
Other non-financial assets	7,154	4,176	4,524	6,208	7,892
Total non-financial assets	179,298	221,728	214,111	207,798	201,425
Total assets administered on behalf of government	11,497,584	24,969,510	33,416,621	33,390,834	33,364,793
LIABILITIES					
Payables					
Suppliers ^(a)	304	342,870	328,900	328,900	328,900
Grants	4,051	–	–	–	–
GST payable	3,624	3,624	3,624	3,624	3,624
Other payables	17,463	15,934	14,405	12,876	11,347
Total payables	25,442	362,428	346,929	345,400	343,871
Total liabilities administered on behalf of government	25,442	362,428	346,929	345,400	343,871
Net assets/(liabilities)	11,472,142	24,607,082	33,069,692	33,045,434	33,020,922

Prepared on Australian Accounting Standards basis.

(a) Increase in 2015-16 and beyond largely reflects the impact of AAO changes of 21 September 2015.

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	815	1,634	2,084	1,480	1,130
Net GST received	16,274	–	–	–	–
Other	1,773	1,518	1,669	1,400	1,049
Total cash received	18,862	3,152	3,753	2,880	2,179
Cash used					
Grant payments	144,484	193,794	309,738	294,838	202,066
Suppliers	11,537	312,577	375,400	338,100	328,100
Payments to corporate entities	1,349,152	1,491,556	1,689,290	1,701,187	1,720,866
Other	6,484	29,719	29,432	29,432	29,422
Total cash used	1,511,657	2,027,646	2,403,860	2,363,557	2,280,454
Net cash from (used by) operating activities	(1,492,795)	(2,024,494)	(2,400,107)	(2,360,677)	(2,278,275)
INVESTING ACTIVITIES					
Cash received					
Repayments of advances & loans	20,000	–	20,000	20,000	20,000
Other	14,625	–	–	–	–
Total cash received	34,625	–	20,000	20,000	20,000
Cash used					
Purchase of property, plant and Equipment	–	–	1,654	1,673	1,667
Loans to corporate entities	50,000	20,000	–	–	–
Corporate entity investments	4,767,000	7,844,954	8,506,847	31,566	31,862
Total cash used	4,817,000	7,864,954	8,508,501	33,239	33,529
Net cash from (used by) investing activities	(4,782,375)	(7,864,954)	(8,488,501)	(13,239)	(13,529)
Net increase (decrease) in cash held	(6,275,170)	(9,889,448)	(10,888,608)	(2,373,916)	(2,291,804)

Communications and the Arts Additional Estimates Statements

Table 3.2.9: Schedule of budgeted administered cash flows (for the period ended 30 June) (continued)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward Estimate \$'000
Cash and cash equivalents at the beginning of the reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	148,350	671,767	1,117,035	1,073,748	967,409
- Special accounts	32	-	-	-	-
- Corporate Entity Appropriations	6,116,152	9,336,510	10,196,137	1,732,753	1,752,728
- Other	64,155	1,235	-	-	-
<i>Total cash from Official Public Account</i>	<i>6,328,689</i>	<i>10,009,512</i>	<i>11,313,172</i>	<i>2,806,501</i>	<i>2,720,137</i>
Cash to Official Public Account for:					
- Appropriations	(32)	(120,064)	(424,564)	(432,585)	(428,333)
- Special accounts	-	-	-	-	-
- Corporate Entity Appropriations	-	-	-	-	-
- Other	(53,487)	-	-	-	-
<i>Total cash to Official Public Account</i>	<i>(53,519)</i>	<i>(120,064)</i>	<i>(424,564)</i>	<i>(432,585)</i>	<i>(428,333)</i>
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2.10: Schedule of administered capital budget (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (ACB)	–	–	1,654	1,673	1,667
Administered assets and liabilities—Bill 2	3,279,445	7,365,908	8,325,647	–	–
Total new capital appropriations	3,279,445	7,365,908	8,327,301	1,673	1,667
Provided for:					
Purchase of non-financial assets	–	–	1,654	1,673	1,667
Other items ^(a)	4,817,000	7,365,908	8,325,647	–	–
Total items	4,817,000	7,365,908	8,327,301	1,673	1,667
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation—ACB	–	–	1,654	1,673	1,667
Total purchases of non-financial assets	–	–	1,654	1,673	1,667
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	–	–	1,654	1,673	1,667
Total cash used to acquire assets	–	–	1,654	1,673	1,667

Prepared on Australian Accounting Standards basis.

(a) Includes payments from the previous year's Administered assets and liabilities appropriation.

Table 3.2.11: Statement of administered asset movements (2015-16 Budget year)

	Buildings	Other property, plant and equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2015			
Gross book value	–	172,270	172,270
Accumulated depreciation/amortisation and impairment	–	(126)	(126)
Opening net book balance	–	172,144	172,144
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or placement assets			
From acquisition of entities or operations (including restructuring)	54,483	–	54,483
Total additions	54,483	–	54,483
Other movements			
Depreciation/amortisation expense	(1,042)	(8,033)	(9,075)
Total other movements	(1,042)	(8,033)	(9,075)
As at 30 June 2016			
Gross book value	54,483	172,270	226,753
Accumulated depreciation/amortisation and impairment	(1,042)	(8,159)	(9,201)
Closing net book balance	53,441	164,111	217,552

Prepared on Australian Accounting Standards basis.

Notes to the financial statements

Departmental financial statements and schedule of administered activity

The financial statements have been prepared in accordance with Australian Accounting Standards.

Appropriations in the accrual budgeting framework

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

- Departmental price of outputs appropriations: representing the Government's funding for outputs from agencies;
- Departmental capital appropriations: for investments by the Government, either through 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 territories or local Government; and
- Special appropriations: to fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement-driven or involve transfers to State Governments).

Administered investments in controlled entities

Each Commonwealth Department is required to show an administered investment in each corporate entity within their portfolio. These administered investments are recorded at their fair value.

Asset valuation

Infrastructure, plant and equipment is valued at fair value. To ensure that assets carrying amounts do not materially differ from fair value, the Department re-values infrastructure, plant and equipment on an annual basis.

**SPECIAL BROADCASTING SERVICE
CORPORATION**

**ADDITIONAL ESTIMATES
STATEMENTS 2015-16**

**Entity resources and planned
performance**

SPECIAL BROADCASTING SERVICE CORPORATION

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SPECIAL BROADCASTING SERVICE CORPORATION

Section 1: Agency overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Special Broadcasting Service Corporation (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 digital media services. SBS's functions are guided by its Charter (in Section 6 of the *Special Broadcasting Service Act 1991*).

In the Additional Estimates, SBS will receive \$4.1 million in 2015-16 to replace revenue that could not be raised as legislation to allow the SBS further advertising flexibility was not passed by the Parliament.

A full outline of SBS's Strategic Direction can be found in the 2015-16 Portfolio Budget Statements (PB Statements).

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for SBS at Additional Estimates. Table 1.1 shows the total resources from all sources for the 2015-16 Budget year, including variations through Appropriation Bill No 3.

Table 1.1: Special Broadcasting Service Corporation resource statement – Additional Estimates February 2016

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2014-15	2015-16	2015-16	2015-16
	\$'000	\$'000	\$'000	\$'000
Opening balance/Reserves at bank	12,048	13,944	-	13,944
REVENUE FROM GOVERNMENT				
Ordinary annual services(a)				
Outcome 1	285,859	283,270	4,100	287,370
Total ordinary annual services	285,859	283,270	4,100	287,370
Other services				
Total annual appropriations	285,859	283,270	4,100	287,370
Total funds from Government	285,859	283,270	4,100	287,370
FUNDS FROM OTHER SOURCES				
Interest	3,682	3,428	(578)	2,850
Sale of goods and services	101,662	87,107	1,090	88,197
Total	105,344	90,535	512	91,047
Total net resourcing for agency	403,251	387,749	4,612	392,361

(a) *Appropriation Act (No. 1) 2015-16* and *Appropriation Bill (No. 3) 2015-16*.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2015-16 Budget.

Table 1.2: Special Broadcasting Service Corporation 2015-16 measures since Budget

	Programme	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Expense measures					
Special Broadcasting Service - Additional Funding	1.1				
Departmental expenses		4,100	-	-	-
Total		4,100	-	-	-

1.4 BUDGET MEASURES

The following tables detail the changes to the resourcing for SBS at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates and variations resulting from new measures since the 2015-16 Budget in Appropriation Bill No 3. Table 1.4 details variations through other factors, such as parameter adjustments.

Table 1.3: Additional estimates and variations to outcomes from measures since 2015-16 Budget

	Programme impacted	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Increase in estimates (departmental)					
Special Broadcasting Service Corporation - Additional Funding	1.1	4,100	-	-	-
Net impact on estimates for Outcome 1 (departmental)					
		4,100	-	-	-

Table 1.4: Additional estimates and variations to outcomes from other

Variations					
	Programme impacted	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000
Outcome 1					
Decrease in estimates (departmental)					
Whole of Government savings	1.1	-	(64)	(65)	(64)
Indexation adjustment	1.1	-	(365)	(540)	(911)
Indexation adjustment	1.2	-	(170)	(257)	(431)
Net impact on estimates for Outcome 1 (departmental)					
		-	(599)	(862)	(1,406)

(a) Estimates in brackets indicate a reduction. No brackets indicate an increase.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for SBS through Appropriation Bill No. 3.

Table 1.5: Appropriation Bill (No. 3) 2015-16

	2014-15 Available \$'000	2015-16 Budget \$'000	2015-16 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programmes					
Outcome 1:					
Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	285,859	283,270	287,370	4,100	-
Total departmental	285,859	283,270	287,370	4,100	-

2014-15 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

There have been no revisions to SBS's outcomes and programme structure, strategy or performance information as a result of Additional Estimates.

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

Outcome 1 strategy

There have been no changes since the 2015-16 Budget Estimates.

Table 2.1: Budgeted expenses for Outcome 1

Outcome 1: Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	2014-15 Actual expenses \$'000	2015-16 Revised estimated expenses \$'000
Programme 1.1: SBS General Operating Activities		
Revenue from Government		
Ordinary annual services (<i>Appropriation Act No. 1</i> and Bill No. 3)	196,729	199,136
Revenues from other independent sources	99,824	89,581
Total for Programme 1.1	296,553	288,717
Program 1.2: SBS Transmission and Distribution		
Revenue from Government		
Ordinary annual services (<i>Appropriation Act No. 1</i> and Bill No. 3)	89,130	88,234
Revenues from other independent sources	(1,652)	-
Total for Programme 1.2	87,478	88,234
Outcome 1 Totals by resource type		
Revenue from Government		
Ordinary annual services (<i>Appropriation Act No. 1</i> and Bill No. 3)	285,859	287,370
Revenues from other independent sources	98,172	89,581
Total expenses for Outcome 1	384,031	376,951
Average Staffing Level (number)	1,040	1,020

Contributions to Outcome 1

Programme 1.1: SBS General Operational Activities

Programme Objective

Delivering multilingual and multicultural television, radio and digital media services that reflect Australia's multicultural society and inspire all Australians to explore and celebrate our diverse world, and in doing so promote social cohesion amongst the many cultures of our nation.

Programme expenses 1.1

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	196,729	199,136	185,902	183,040	185,147
Expenses not requiring appropriation in the Budget year	99,824	89,581	86,290	94,139	89,343
Total programme expenses	296,553	288,717	272,192	277,179	274,490

Programme 1.1 Deliverables

There has been no change to the programme deliverables.

Programme 1.1 Key Performance Indicators

There has been no change to key performance indicators.

Programme 1.2: SBS Transmission and Distribution Services

Programme Objective

To make SBS Television and Radio services available to all Australians

Programme expenses 1.2

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward year 1 \$'000	2017-18 Forward year 2 \$'000	2018-19 Forward year 3 \$'000
Annual departmental expenses: Departmental item	87,478	88,234	86,539	87,307	87,535
Total programme expenses	87,478	88,234	86,539	87,307	87,535

Programme 1.2 Deliverables

There has been no change to the programme deliverables.

Programme 1.2 Key Performance Indicators

There has been no change to key performance indicators.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2015-16 budget year.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

SBS's predicted operating result for 2015-16 is a modest surplus of \$0.4 million.

It should be noted that an efficiency savings measure of \$53.7 million has been applied to SBS funding from 2014-15.

Of the announced funding reduction of \$53.7 million, \$25.2 million was based on back-office efficiency opportunities agreed as part of the Government's Efficiency Study. A further \$28.5 million was predicated on successful legislative amendment to the SBS Act, which would provide SBS with additional advertising and sponsorship flexibility and allow SBS to deliver this portion of the appropriation reduction via an annual revenue increase. In the 2015-16 Additional Estimates, \$4.1 million of this amount has been appropriated to SBS to replace the revenue that could not be raised as the SBS advertising flexibility legislation was not passed by the Parliament. The remaining \$24.4 million reduction linked to the amendment to the advertising and sponsorship flexibility for the three years from 2016-17 is reflected in SBS's forward estimates. In the absence of further supplementation, SBS will need to reconsider its expenditure with a view to operating within its current funding.

Revenue from own-source is budgeted at \$89.9 million for 2015-16. This is largely generated from sales of goods and services, the main component being advertising revenue. The advertising revenue forecast in the estimates from 2016-17 to 2018-19 does not include additional gross advertising and sponsorship revenue based on successful legislative amendment to the SBS Act due to this bill not being passed in 2015.

3.2.2 Budgeted financial statements tables

Table 3.2.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
EXPENSES					
Employee benefits	121,654	118,200	120,291	121,494	122,709
Suppliers	250,204	246,455	225,558	231,373	228,198
Depreciation and amortisation	11,820	12,230	12,826	11,597	11,118
Finance costs	141	66	56	22	-
Write-down and impairment of assets	2	-	-	-	-
Losses from asset sales	29	-	-	-	-
Other expenses	181	-	-	-	-
Total expenses	384,031	376,951	358,731	364,486	362,025
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	88,309	81,336	78,006	85,661	80,657
Interest	3,698	2,850	2,950	3,050	3,100
Rental income	1,113	1,116	1,148	1,155	1,188
Royalties	4,597	3,698	4,199	4,329	4,461
Other	780	947	452	445	412
Total own-source revenue	98,497	89,947	86,755	94,640	89,818
Gains					
Sale of assets	20	-	-	-	-
Total gains	20	-	-	-	-
Total own-source income	98,517	89,947	86,755	94,640	89,818
Net cost of/contribution by) services	285,514	287,004	271,976	269,846	272,207
Revenue from Government	285,859	287,370	272,441	270,347	272,682
Surplus/(Deficit) attributable to the Australian Government	345	366	465	501	475
OTHER COMPREHENSIVE INCOME	-	-	-	-	-
Total comprehensive income/(loss)	345	366	465	501	475
Total comprehensive income/(loss) attributable to the Australian Government	345	366	465	501	475

Prepared on Australian Accounting Standards basis.

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

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,944	5,219	9,393	7,122	4,628
Trade and other receivables	19,187	17,088	17,088	17,088	17,088
Other investments	15,934	5,934	5,934	5,934	5,934
Total financial assets	49,065	28,241	32,415	30,144	27,650
Non-financial assets					
Land and buildings	71,639	70,184	68,729	67,274	65,819
Property, plant and equipment	27,053	31,377	25,606	21,064	22,001
Intangibles	18,860	21,860	22,260	27,660	33,060
Inventories	71,677	79,675	75,704	78,715	89,233
Other non-financial assets	23,144	23,144	31,252	32,287	20,556
Total non-financial assets	212,373	226,240	223,551	227,000	230,669
Assets held for sale					
Total assets	261,438	254,481	255,966	257,144	258,319
LIABILITIES					
Payables					
Suppliers	29,118	26,118	26,118	26,118	26,118
Other payables	9,343	5,242	5,692	5,692	5,692
Total payables	38,461	31,360	31,810	31,810	31,810
Interest bearing liabilities					
Leases	395	224	44	-	-
Total interest bearing liabilities	395	224	44	-	-
Provisions					
Employee provisions	22,381	22,282	22,982	23,682	24,382
Other provisions	1,166	1,214	1,264	1,285	1,285
Total provisions	23,547	23,496	24,246	24,967	25,667
Total liabilities	62,403	55,080	56,100	56,777	57,477
Net assets	199,035	199,401	199,866	200,367	200,842
EQUITY*					
Parent entity interest					
Contributed equity	110,403	110,403	110,403	110,403	110,403
Reserves	60,542	60,542	60,542	60,542	60,542
Retained surplus/(accumulated deficit)	28,090	28,456	28,921	29,422	29,897
Total parent entity interest	199,035	199,401	199,866	200,367	200,842
Total non-controlling interest	-	-	-	-	-
Total Equity	199,035	199,401	199,866	200,367	200,842

Prepared on Australian Accounting Standards basis.

(a) 'Equity' is the residual interest in assets after deduction of liabilities.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2015-16)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2015					
Balance carried forward from previous period	28,090	60,542	-	110,403	199,035
Adjusted opening balance	28,090	60,542	-	110,403	199,035
Comprehensive income					
Surplus/(deficit) for the period	366	-	-	-	366
Total comprehensive income	366	-	-	-	366
Estimated closing balance as at 30 June 2016					
	28,456	60,542	-	110,403	199,401
Closing balance attributable to the Australian Government	28,456	60,542	-	110,403	199,401

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	285,937	287,370	272,441	270,348	272,682
Sale of goods and rendering of services	101,662	88,197	83,805	91,589	86,718
Interest	3,682	2,850	2,950	3,050	3,100
Net GST received	10,524	10,500	10,500	10,500	10,500
Total cash received	401,805	388,917	369,696	375,487	373,000
Cash used					
Employees	124,349	123,919	121,436	122,664	123,615
Suppliers	252,424	266,453	238,745	244,919	236,484
Borrowing costs	200	18	6	1	-
Other	2,767	1	1	-	1
Total cash used	379,740	390,391	360,188	367,584	360,100
Net cash from/(used by) operating activities	22,065	(1,474)	9,508	7,903	12,900
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	1	-	-	-	-
Investments	188,350	170,000	160,000	160,000	160,000
Total cash received	188,351	170,000	160,000	160,000	160,000
Cash used					
Purchase of property, plant, equipment and intangibles	5,337	17,081	5,155	10,130	15,394
Investments	183,022	160,000	160,000	160,000	160,000
Total cash used	188,359	177,081	165,155	170,130	175,394
Net cash from/(used by) investing activities	(8)	(7,081)	(5,155)	(10,130)	(15,394)

Table 3.2.4: Budgeted departmental statement of cash flows (for the period ended 30 June) (continued)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
FINANCING ACTIVITIES					
Cash received					
Other	(3)	-	-	-	-
Total cash received	(3)	-	-	-	-
Cash used					
Repayments of borrowings	20,000	-	-	-	-
Other	158	170	180	44	-
Total cash used	20,158	170	180	44	-
Net cash used by financing activities	(20,161)	(170)	(180)	(44)	-
Net increase/(decrease) in cash held	1,896	(8,725)	4,173	(2,271)	(2,494)
Cash and cash equivalents at the beginning of the reporting period	12,048	13,944	5,219	9,392	7,121
Cash and cash equivalents at the end of the reporting period	13,944	5,219	9,392	7,121	4,627

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental capital budget statement (for the period ended 30 June)

	2014-15 Actual \$'000	2015-16 Revised budget \$'000	2016-17 Forward estimate \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources	5,337	18,099	6,000	11,000	16,000
TOTAL AMOUNT SPENT	5,337	18,099	6,000	11,000	16,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,337	18,099	6,000	11,000	16,000
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	5,337	18,099	6,000	11,000	16,000

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of asset movements (Budget year 2015-16)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2015					
Gross book value	32,590	49,107	77,139	30,156	188,992
Accumulated depreciation/amortisation and impairment	-	(10,058)	(50,086)	(11,296)	(71,440)
Opening net book balance	32,590	39,049	27,053	18,860	117,552
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services(b)	-	600	12,499	5,000	18,099
Total additions	-	600	12,499	5,000	18,099
Other movements					
Depreciation/amortisation expense	-	(2,055)	(8,175)	(2,000)	(12,230)
Total other movements	-	(2,055)	(8,175)	(2,000)	(12,230)
As at 30 June 2016					
Gross book value	32,590	49,707	89,638	35,156	207,091
Accumulated depreciation/amortisation and impairment	-	(12,113)	(58,261)	(13,296)	(83,670)
Closing net book balance	32,590	37,594	31,377	21,860	123,421

Prepared on Australian Accounting Standard basis

PORTFOLIO GLOSSARY

Accrual Accounting	The system of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered Items	The expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates process. The Parliamentary departments have their own appropriations.
Capital Expenditure	Expenditure by an agency on capital projects, for example, purchasing a building.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Portfolio Glossary and Acronyms

Departmental Items	Assets, liabilities, revenues and expenses which are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Effectiveness Indicators	Measures the joint or independent contribution of outputs and administered items to the achievement of their specified outcome.
Efficiency Indicators	Measures the adequacy of an agency's management of its outputs (and where applicable, administered items).
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair Value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Commonwealth. Actual outcomes are assessments of the results or impacts actually achieved.
Revenue	Total value of resources earned or received to cover the production of goods and services.

Special Account

Balances existing within the CRF that are supported by standing appropriations s.78 and 80 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.78 PGPA Act) or through an Act of Parliament (referred to in s.80 of the PGPA Act).

Special Appropriations
(including Standing
Appropriations)

An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the CRF does not generally cease at the end of the financial year.

Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.

ACRONYMS

AAO	Administrative Arrangements Order
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABC	Australian Broadcasting Corporation
ACCAN	Australian Communications Consumer Action Network
ACMA	Australian Communications and Media Authority
AEIFRS	Australian Equivalents to the International Financial Reporting Standards
AFTRS	Australian Film, Television and Radio School
AGIE	Australian Government Indigenous Expenditure
ANAO	Australian National Audit Office
ANMM	Australian National Maritime Museum
ANZLI	Australian New Zealand Land Information
ASL	Average Staffing Level
BLF	Broadcast Licensing Fees
BSA	<i>Broadcasting Services Act 1992</i>
CALD	Culturally and linguistically diverse
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
DTO	Digital Transformation Office
GFS	Government Finance Statistics
GHz	Gigahertz
GST	Goods and Services Tax
ICT	Information and Communications Technology
IPND	Integrated Public Number Database
ISBN	International Standard Book Numbering
IT	Information Technology
ITU	International Telecommunication Union
MHz	Megahertz

Portfolio Glossary and Acronyms

MYEFO	Mid-Year Economic and Fiscal Outlook
NFSA	National Film and Sound Archive of Australia
NGA	National Gallery of Australia
NLA	National Library of Australia
NMA	National Museum of Australia
NPGA	National Portrait Gallery of Australia
Nbn	NBN Co Limited
Nfp	Not for publication
NITV	National Indigenous Television service
NRS	National Relay Service
OECD	Organisation for Economic Co-operation and Development
OPH	Old Parliament House
PAES	Portfolio Additional Estimates Statements
PB Statements	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PhD	Doctor of Philosophy
SBS	Special Broadcasting Service Corporation
TCPSS Act	<i>Telecommunications (Consumer Protection and Service Standards) Act 1999</i>
TUSMA	Telecommunications Universal Service Management Agency
USO	Universal Service Obligation
VAST	Viewer Access Satellite Television
VoIP	Voice over Internet Protocol