

SPECIAL BROADCASTING SERVICE CORPORATION

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SPECIAL BROADCASTING SERVICE CORPORATION

Section 1: Agency Overview and Resources

1.1 STRATEGIC DIRECTION

The Special Broadcasting Service (SBS) Corporation's strategic priorities were outlined in the 2013-14 Portfolio Budget Statements (PB Statements). There has been no significant change since the 2013-14 PB Statements.

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for SBS at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2013-14 Budget year, including variations through Appropriation Bill Nos. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1.1: SBS Resource Statement — Additional Estimates for 2013-14 as at Additional Estimates February 2014

	Estimate as at Budget	+ Proposed Additional Estimates	= Total estimate at Additional Estimates	Total resources
	2013-14 \$'000	2013-14 \$'000	2013-14 \$'000	2012-13 \$'000
Opening balance/Reserves at bank	2,666	16,461	19,127	18,722
REVENUE FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1	273,835	(55)	273,780	246,943
Total ordinary annual services	273,835	(55)	273,780	246,943
Other services²				
Non-operating	-	-	-	2,900
Loans	-	20,000	20,000	-
Total other services	-	20,000	20,000	2,900
Total annual appropriations	273,835	19,945	293,780	249,843
FUNDS FROM OTHER SOURCES				
Interest	4,500	100	4,600	5,066
Sale of goods and services	98,643	(6,560)	92,083	82,678
Total	103,143	(6,460)	96,683	87,744
Total net resourcing for agency	376,978	13,485	409,590	356,309

¹ Appropriation Act (No.1) 2013-14 and Appropriation Bill (No.3) 2013-14

² Appropriation Act (No.2) 2013-14 and Appropriation Bill (No.4) 2013-14

1.3 AGENCY MEASURES TABLE

Table 1.2 summarises new Government measures taken since the 2013-14 Budget. The table is split into revenue, expense and capital measures, with the affected program identified.

Table 1.2: SBS 2013-14 Measures since Budget

	Program	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Capital measures					
Special Broadcasting Service Corporation - short-term loan	1.1	-	-	-	-
Departmental capital		20,000	-	-	-
Total		20,000	-	-	-
Total capital measures					
Departmental		20,000	-	-	-
Total		20,000	-	-	-

Prepared on a Government Financial Statistics (fiscal) basis

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

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 2013-14 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 2013-14 Budget

	Program impacted	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Outcome 1					
Increase in estimates (departmental)					
Special Broadcasting Service Corporation - short-term loan	1.1	20,000	-	-	-
Net impact on estimates for Outcome 1 (departmental)		20,000	-	-	-

Table 1.4: Additional Estimates and Variations to Outcomes from Other Variations

	Program impacted	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
Outcome 1					
Increase in estimates (departmental)					
SBS Digital TV Transmission and Distribution	1.4	51	67	67	68
Decrease in estimates (departmental)					
Indexation Adjustment	All	(106)	(403)	(1,287)	(1,344)
Net impact on estimates for Outcome 1 (departmental)		(55)	(336)	(1,220)	(1,276)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.5: Appropriation Bill (No. 3) 2013-14

	2012-13 Available \$'000	2013-14 Budget \$'000	2013-14 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
DEPARTMENTAL PROGRAMS					
Outcome 1					
Outcome 1 Provide multilingual and multicultural services that inform, educate and entertain all Australians and, in doing so, reflect Australia's multicultural society	246,943	273,835	273,780	-	55
Total	246,943	273,835	273,780	-	55
Total departmental	246,943	273,835	273,780	-	55

Table 1.6: Appropriation Bill (No. 4) 2013-14

	2012-13 Available \$'000	2013-14 Budget \$'000	2013-14 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Non-operating					
Equity injections	2,900	-	-	-	-
Loans	-	-	20,000	20,000	-
Total non-operating	2,900	-	20,000	20,000	-
Total	2,900	-	20,000	20,000	-

Section 2: Revisions to Agency Resources and Planned Performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

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

OUTCOME 1

Outcome 1 Strategy

There has been no change since the 2013-14 PB Statements.

Table 2.1 Budgeted Expenses and Resources for Outcome 1

Outcome 1: Provide multilingual and multicultural services that inform, educate and entertain all Australians and, in doing so, reflect Australia's multicultural society	2012-13 Actual expenses \$'000	2013-14 Revised estimated expenses \$'000
Program 1.1: Television		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	134,719	153,631
Revenues from other independent sources	80,586	103,848
Total for Program 1.1	215,305	257,479
Program 1.2: Radio		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	33,680	34,166
Revenues from other independent sources	7,222	7,488
Total for Program 1.2	40,902	41,654
Program 1.3: Analog Transmission and Distribution		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1 & Bill No. 3)	9,057	2,534
Revenues from other independent sources	916	886
Total for Program 1.3	9,973	3,420
Program 1.4: Digital TV Transmission and Distribution		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1 & Bill No. 3)	67,819	81,385
Revenues from other independent sources	230	-
Total for Program 1.4	68,049	81,385
Program 1.5: Digital Radio Transmission and Distribution		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1 & Bill No. 3)	1,668	2,064
Revenues from other independent sources	-	-
Total for Program 1.5	1,668	2,064
Outcome 1 Totals by resource type		
Revenue from Government		
Ordinary annual services (Appropriation Act No. 1 and Bill No. 3)	246,943	273,780
Revenues from other independent sources	88,954	112,222
Total expenses for Outcome 1	335,897	386,002
	2012-13	2013-14
Average Staffing Level (number)	978	1,058

Program 1.1: Television

Program Objective

Delivering multilingual and multicultural television services that reflect Australia's multicultural society.

Program Expenses

	2012-13 Actual \$'000	2013-14 Revised budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	134,719	153,631	162,143	164,803	162,977
Expenses not requiring appropriation in the Budget year 1	80,586	103,848	97,755	91,501	93,004
Total program expenses	215,305	257,479	259,898	256,304	255,981

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to key performance indicators.

Program Objective

Program 1.2: Radio

Delivering multilingual and multicultural radio services that reflect Australia's multicultural society.

Program Expenses

	2012-13 Actual \$'000	2013-14 Revised budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	33,680	34,166	36,094	36,564	35,895
Expenses not requiring appropriation in the Budget year 1	7,222	7,488	7,629	8,536	9,075
Total program expenses	40,902	41,654	43,723	45,100	44,970

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to key performance indicators.

Program 1.3: Analog Transmission and Distribution

Program Objective

To make SBS analog television and radio available to all Australians.

Program Expenses

	2012-13 Actual \$'000	2013-14 Revised budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	9,057	2,534	2,839	2,889	2,950
Expenses not requiring appropriation in the Budget year 1	916	886	-	-	-
Total program expenses	9,973	3,420	2,839	2,889	2,950

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to key performance indicators.

Program Objective

Program 1.4: Digital Television Transmission and Distribution

To make SBS Digital Television available to all Australians.

Program Expenses

	2012-13 Actual \$'000	2013-14 Revised budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	67,819	81,385	82,802	81,448	80,839
Expenses not requiring appropriation in the Budget year 1	230	-	-	-	-
Total program expenses	68,049	81,385	82,802	81,448	80,839

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to key performance indicators.

Program 1.5: Digital Radio Transmission and Distribution

Program Objective

To make SBS Digital Radio available to all Australians.

Program Expenses

	2012-13 Actual \$'000	2013-14 Revised budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	1,668	2,064	2,097	2,124	2,167
Expenses not requiring appropriation in the Budget year 1	-	-	-	-	-
Total program expenses	1,668	2,064	2,097	2,124	2,167

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to key performance indicators.

Section 3: Explanatory Tables and Budgeted Financial Statements

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of Budgeted Financial Statements

SBS's financial statements include short term borrowing from the Commonwealth of \$20 million.

3.2.2 Budgeted Financial Statements

Departmental Financial Statements

Table 3.2.1: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services)

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
EXPENSES					
Employee benefits	109,588	124,421	127,286	129,831	132,428
Suppliers	214,446	248,636	249,803	243,346	239,519
Depreciation and amortisation	11,448	12,500	14,170	14,588	14,860
Finance costs	304	445	100	100	100
Write-down and impairment of assets	75	-	-	-	-
Foreign exchange losses	35	-	-	-	-
Total expenses	335,896	386,002	391,359	387,865	386,907
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	77,147	96,170	94,349	88,865	90,567
Interest	4,331	4,400	4,400	4,400	4,400
Rental income	1,071	1,063	1,113	1,135	1,160
Royalties	4,046	4,905	5,231	5,335	5,447
Other	2,892	5,995	650	650	650
Total own-source revenue	89,487	112,533	105,743	100,385	102,224
Gains					
Sale of assets	1	-	-	-	-
Other	-	-	-	-	-
Total gains	1	-	-	-	-
Total own-source income	89,488	112,533	105,743	100,385	102,224
Net cost of (contribution by) services	246,408	273,469	285,616	287,480	284,683
Revenue from Government	246,943	273,780	285,975	287,828	284,828
Surplus (Deficit)	535	311	359	348	145
Less Income Tax Expense	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	535	311	359	348	145
Total comprehensive income (loss)	535	311	359	348	145
Total comprehensive income (loss) attributable to the Australian Government	535	311	359	348	145

Prepared on Australian Accounting Standards basis.

Table 3.2.2: Budgeted Departmental Balance Sheet (as at 30 June)

	Actual	Revised	Forward	Forward	Forward
	2012-13	budget	estimate	estimate	estimate
	\$'000	2013-14	2014-15	2015-16	2016-17
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	19,127	3,814	5,374	4,774	4,208
Trade and other receivables	18,233	33,391	16,913	17,597	17,677
Other investments	23,333	11,288	8,508	4,056	-
Total financial assets	60,693	48,493	30,795	26,427	21,885
Non-financial assets					
Land and buildings	64,691	63,223	61,755	62,355	60,887
Property, plant and equipment	32,076	39,127	38,805	35,117	33,625
Intangibles	16,428	15,247	14,867	15,367	15,467
Inventories	63,935	81,807	87,116	89,597	91,144
Other non-financial assets	18,978	18,868	13,868	18,775	24,775
Total non-financial assets	196,108	218,272	216,411	221,211	225,898
Assets held for sale					
Total assets	256,801	266,765	247,206	247,638	247,783
LIABILITIES					
Payables					
Suppliers	22,080	22,079	22,079	22,079	22,079
Tax Liabilities	-	-	-	-	-
Other payables	21,578	15,045	15,045	15,045	15,045
Total payables	43,658	37,124	37,124	37,124	37,124
Interest bearing liabilities					
Loans	3,011	20,000	-	-	-
Leases	707	707	707	707	707
Total interest bearing liabilities	3,718	20,707	707	707	707
Provisions					
Employee provisions	21,074	20,272	20,354	20,438	20,438
Other	1,138	1,138	1,138	1,138	1,138
Total provisions	22,212	21,410	21,492	21,576	21,576
Total liabilities	69,588	79,241	59,323	59,407	59,407
Net assets	187,213	187,524	187,883	188,231	188,376
EQUITY					
Parent entity interest					
Contributed equity	111,022	111,022	111,022	111,022	111,022
Reserves	48,876	48,876	48,876	48,876	48,876
Retained surplus (accumulated deficit)	27,315	27,626	27,985	28,333	28,478
Total parent entity interest	187,213	187,524	187,883	188,231	188,376
Total Equity	187,213	187,524	187,883	188,231	188,376

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2013-14)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	27,315	48,876	111,022	187,213
Adjusted opening balance	27,315	48,876	111,022	187,213
Comprehensive income				
Surplus (deficit) for the period	311	-	-	311
Total comprehensive income	311	-	-	311
Closing balance attributable to the Australian Government	27,626	48,876	111,022	187,524

Prepared on Australian Accounting Standards basis

Table 3.2.4: Budgeted Departmental Statement of Cash Flows (as at 30 June)

	Actual 2012-13 \$'000	Revised budget 2013-14 \$'000	Forward estimate 2014-15 \$'000	Forward estimate 2015-16 \$'000	Forward estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	248,476	273,700	285,893	287,744	284,748
Sale of goods and rendering of services	82,678	92,083	117,903	95,385	97,824
Interest	5,066	4,600	4,400	4,400	4,400
Net GST received	11,030	11,840	12,000	12,000	12,000
Income tax received	79	-	-	-	-
Total cash received	347,329	382,223	420,196	399,529	398,972
Cash used					
Employees	109,506	125,223	127,204	129,747	132,428
Suppliers	227,846	281,571	262,212	262,834	259,166
Borrowing costs	289	345	-	-	-
Other	539	1,611	-	-	-
Total cash used	338,180	408,750	389,416	392,581	391,594
Net cash from (used by) operating activities	9,149	(26,527)	30,780	6,948	7,378
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant, equipment and intangibles	6	-	-	-	-
Investments	160,926	11,115	2,780	4,452	4,056
Total cash received	160,932	11,115	2,780	4,452	4,056
Cash used					
Purchase of property, plant, equipment and intangibles	7,146	16,901	12,000	12,000	12,000
Investments	162,323	-	-	-	-
Total cash used	169,469	16,901	12,000	12,000	12,000
Net cash from (used by) investing activities	(8,537)	(5,786)	(9,220)	(7,548)	(7,944)

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted Departmental Statement of Cash Flows (as at 30 June)
(Continued)**

	Actual	Revised	Forward	Forward	Forward
	2012-13	budget	estimate	estimate	estimate
	\$'000	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
FINANCING ACTIVITIES					
Cash received					
Contributed equity	2,900	-	-	-	-
Cash received from borrowings	-	20,000	-	-	-
Total cash received	2,900	20,000	-	-	-
Cash used					
Repayments of borrowings	3,000	3,000	20,000	-	-
Finance lease payments	107	-	-	-	-
Total cash used	3,107	3,000	20,000	-	-
Net cash from (used by) financing activities	(207)	17,000	(20,000)	-	-
Net increase (decrease) in cash held	405	(15,313)	1,560	(600)	(566)
Cash and cash equivalents at the beginning of the reporting period	18,722	19,127	3,814	5,374	4,774
Cash and cash equivalents at the end of the reporting period	19,127	3,814	5,374	4,774	4,208

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Capital Budget Statement — Departmental

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Act No. 2	2,900	-	-	-	-
Loans – Bill No. 4	-	20,000	-	-	-
Total new capital appropriations	2,900	20,000	-	-	-
Provided for:					
<i>Purchase of non-financial assets</i>	2,900	-	-	-	-
<i>Other Items</i>	-	20,000	-	-	-
Total Items	2,900	20,000	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation - DCB	2,900	1,724	-	-	-
Funded internally from departmental resources	4,246	15,177	12,000	12,000	12,000
TOTAL AMOUNT SPENT	7,146	16,901	12,000	12,000	12,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	7,146	16,901	12,000	12,000	12,000
Total cash used to acquire assets	7,146	16,901	12,000	12,000	12,000

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2013-14)

	Land	Buildings	Other property, Plant and equipment	Computer Software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013					
Gross book value	27,215	46,414	70,866	24,470	168,965
Accumulated depreciation/amortisation and impairment	-	(8,938)	(38,788)	(8,043)	(55,769)
Opening net book balance	27,215	37,476	32,078	16,427	113,196
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - appropriation ordinary annual services	-	600	15,801	500	16,901
Total additions	-	600	15,801	500	16,901
Other movements					
Depreciation/amortisation expense	-	(2,068)	(8,752)	(1,680)	(12,500)
As at 30 June 2014					
Gross book value	27,215	47,014	86,667	24,970	185,866
Accumulated depreciation/amortisation and impairment	-	(11,006)	(47,540)	(9,723)	(68,269)
Closing net book balance	27,215	36,008	39,127	15,247	117,597

Prepared on Australian Accounting Standards basis.