

SPECIAL BROADCASTING SERVICE CORPORATION

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SPECIAL BROADCASTING SERVICE CORPORATION

Section 1: Agency overview and resources

There have been no significant changes to the Special Broadcasting Service Corporation's (SBS) outcome since the 2009-10 Portfolio Budget Statements (PBS). However, a \$5 million movement of funds from the forward estimates into 2009-10 will occur in 2009-10 to fund urgent remedial building works required for SBS's Sydney premises.

1.1 STRATEGIC DIRECTION

SBS's strategic priorities were outlined in the 2009-10 PBS. There has been no significant change since the 2009-10 PBS.

1.2 AGENCY RESOURCE STATEMENT

The Agency Resource Statement details the resourcing for the SBS at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2009-10 Budget year, including variations through Appropriation Bills No.3 and No.4, special appropriations and special accounts.

Total Government funding of \$213.118 million is available to the SBS at Additional Estimates, including \$208.228 million in annual appropriation and \$4.890 million in equity injections.

Table 1.1: SBS resource statement – Additional estimates for 2009-10 as at Additional Estimates November 2009

Source	Estimate as at + Budget	Proposed Additional = Estimates	Total estimate Additional Estimates	Total resources
	2009-10 \$'000	2009-10 \$'000	2009-10 \$'000	2008-09 \$'000
Opening balance/Reserves at bank¹	2,589		15,921	
REVENUE FROM GOVERNMENT				
Ordinary annual services				
<i>Outcome 1</i>	202,589	5,639 ²	208,228	190,293
Total ordinary annual services	202,589	5,639	208,228	190,293
Other services				
<i>Non-Operating</i>	4,890	-	4,890	2,586
<i>SBS Loan</i>	-	-	-	15,000
Total other services	4,890	-	4,890	17,586
Total annual appropriations	207,479	5,639	213,118	207,879
Total funds from government	207,479	5,639	213,118	207,879
FUNDS FROM OTHER SOURCES				
<i>Interest</i>	500	700	1,200	2,525
<i>Royalties</i>	3,800	1,115	4,915	4,066
<i>Sale of goods and services</i>	93,816	(4,939)	88,877	64,099
<i>Other</i>	6,971	1,496	8,467	7,159
Total	105,087	(1,628)	103,459	77,849
Total net resourcing for SBS	315,155	4,011	319,166	285,728

All figures are GST exclusive.

CRF – Consolidated Revenue Fund.

SBS is not directly appropriated as it is a Commonwealth Authorities and Companies Act Body (CAC). Appropriations are made to the Department of Broadband, Communications and the Digital Economy which are then paid to SBS and are considered 'departmental' for all purposes.

1. The opening balance/reserves at bank has been revised from \$2.589m estimated at Budget to \$15.921m actual, as reflected in the 2008-09 Annual Report. The actual for 2008-09 also includes short term investments as cash Equivalents.
2. Appropriation Bill (No. 3) 2009-10

1.3 AGENCY MEASURES TABLE

There have been no measures since the 2009-10 Budget.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the SBS at Additional Estimates, by outcome. Table 1.4 details Additional Estimates or variations through factors such as parameter adjustments.

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

	Program impacted	2009-10 (\$'000)	2010-11 (\$'000)	2011-12 (\$'000)	2012-13 (\$'000)
Outcome 1					
Increase in estimates (departmental)					
Indexation adjustment	All	-	114	-	-
Movement of funds for building works	1.1, 1.2	5,000	-	-	-
SBS Digital transmission and distribution roll-out	1.4	753	776	784	793
Decrease in estimates (departmental)					
Indexation adjustment	All	(114)	-	(605)	(529)
Movement of funds for building works	1.1, 1.2	-	(1,000)	(1,000)	(1,000)
Net impact on estimates for Outcome 1 (departmental)					
		5,639	(110)	(821)	(736)

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

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

Table 1.5: Appropriation Bill (No. 3) 2009-10

	2008-09 Available (\$'000)	2009-10 Budget (\$'000)	2009-10 Revised (\$'000)	Additional estimates (\$'000)	Reduced estimates (\$'000)
DEPARTMENTAL PROGRAMS					
Outcome 1					
Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society	190,293	202,589	208,228	5,639	-
Total	190,293	202,589	208,228	5,639	-

Note 1: 2008-09 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Table 1.6: Appropriation Bill (No. 4) 2009-10

There have been no variations to Appropriation Bill No. 4 since the 2009-10 Budget.

Section 2: Revisions to agency resources and planned performance

2.1 RESOURCES AND PERFORMANCE INFORMATION

OUTCOME 1

Outcome 1 Strategy

Departmental Appropriation for Outcome 1 has increased by \$5.639 million. This includes a \$5 million movement of funds from the forward estimates, \$0.753 million additional funding for the rollout of the digital implementation plan and a \$0.114 million indexation adjustment reduction.

The Digital Transmission and Distribution program has changed since the 2009-10 Budget. This program has now been separated into two programs, namely: Program 1.4 Digital TV Transmission and Distribution; and Program 1.5 Digital Radio Transmission and Distribution.

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 so doing reflect Australia's multicultural society	2008-09 Actual expenses \$'000	2009-10 Revised estimated expenses \$'000
Program 1.1: Television		
Revenue from Government		
Ordinary annual services (Appropriation Bills No. 1 & 3)	92,654	102,309
Revenues from other independent sources	56,305	81,246
Total for Program 1.1	148,959	183,555
Program 1.2: Radio		
Revenue from Government		
Ordinary annual services (Appropriation Bills No. 1 & 3)	23,188	25,577
Revenues from other independent sources	11,146	14,956
Total for Program 1.2	34,334	40,533
Program 1.3: Analogue Transmission and Distribution		
Revenue from Government		
Ordinary annual services (Appropriation Bills No. 1 & 3)	17,941	18,335
Revenues from other independent sources	7,085	6,721
Total for Program 1.3	25,026	25,056
Program 1.4: Digital Transmission and Distribution¹		
Revenue from Government		
Ordinary annual services (Appropriation Bills No. 1 & 3)	56,510	-
Revenues from other independent sources	(171)	-
Total for Program 1.4	56,339	-
Program 1.4: Digital TV Transmission and Distribution		
Revenue from Government		
Ordinary annual services (Appropriation Bills No. 1 & 3)	-	59,605
Revenues from other independent sources	-	-
Total for Program 1.4	-	59,605
Program 1.5: Digital Radio Transmission and Distribution		
Revenue from Government		
Ordinary annual services (Appropriation Bills No. 1 & 3)	-	2,402
Revenues from other independent sources	-	-
Total for Program 1.5	-	2,402
Outcome 1 Totals by resource type		
Revenue from Government		
Ordinary Annual Services (Appropriation Bills No. 1 & 3)	190,293	208,228
Revenues from other independent sources	74,365	102,923
Total expenses for Outcome 1	264,658	311,151
Average Staffing Level (number)	809	840

1. This program has been split into two programs: Digital TV Transmission and Distribution; and Digital Radio Transmission and Distribution.

Program 1.1: Television**Program objective**

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

Program expenses

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
('000)					
Annual departmental expenses:					
Departmental item	92,654	102,309	99,683	105,602	107,536
Expenses not requiring appropriation in the Budget year	56,305	81,246	71,424	79,108	89,353
Total program expenses	148,959	183,555	171,107	184,710	196,889

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to the program deliverables.

Program 1.2: Radio**Program objective**

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

Program expenses

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
('000)					
Annual departmental expenses:					
Departmental item	23,188	25,577	24,921	26,400	26,884
Expenses not requiring appropriation in the Budget year	11,146	14,956	16,856	19,778	22,338
Total program expenses	34,334	40,533	41,777	46,178	49,222

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to the program deliverables.

Program 1.3: Analogue Transmission and Distribution

Program objective

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

Program expenses

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
('000)					
Annual departmental expenses:					
Departmental item	17,941	18,335	18,358	15,403	12,139
Expenses not requiring appropriation in the Budget year	7,085	6,721	6,925	6,981	4,100
Total program expenses	25,026	25,056	25,283	22,384	16,239

Program Deliverables

There has been no change to the program deliverables.

Program Key Performance Indicators

There has been no change to the program deliverables.

Program 1.4: Digital TV Transmission and Distribution

Program objective

To make SBS Digital Television available to all Australians.

Program expenses

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
('000)					
Annual departmental expenses:					
Departmental item	56,510	59,605	60,384	61,027	61,878
Expenses not requiring appropriation in the Budget year	(171)	-	-	-	-
Total program expenses	56,339	59,605	60,384	61,027	61,878

Program 1.4 Deliverables

- Maintaining and improving the availability of SBS's digital television transmissions.
- Extending the reach of SBS's digital network.

Program 1.4 Key Performance Indicators

- Measure of fault free transmission time (by fault management system reported daily and monthly, including but not limited to level of transmitter power).
- Logging and response to viewer calls regarding transmission.
- Program performance indicators as per the below table.

Key Performance Indicators	2008-09 Actuals	2009-10 Revised budget target	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
Aggregate performance measure by availability of digital television signal	99.83%	99.84%	99.85%	99.86%	99.87%
Population reach	96.40%	96.50%	96.60%	96.70%	96.80%

Program 1.5: Digital Radio Transmission and Distribution

Program objective

To make SBS Digital Radio available to all Australians.

Program expenses

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
(‘000)					
Annual departmental expenses:					
Departmental item	-	2,402	1,939	1,988	2,038
Expenses not requiring appropriation in the Budget year	-	-	-	-	-
Total program expenses	-	2,402	1,939	1,988	2,038

Program 1.5 Deliverables

- To implement Digital Audio Broadcast of SBS radio services (coverage in 5 capital cities planned).

	2008-09 Actuals	2009-10 Revised budget	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
(‘000)					
Annual departmental expenses:					
Departmental item	-	2,402	1,939	1,988	2,038
Expenses not requiring appropriation in the Budget year	-	-	-	-	-
Total program expenses	-	2,402	1,939	1,988	2,038

SBS Additional Estimates Statements

Program 1.5 Key Performance Indicators

- Measure of fault free transmission time (by fault management system reported daily and monthly, including but not limited to level of transmitter power).
- Logging and response to listener calls regarding transmission.
- Program performance indicators as per the below table.

Key Performance Indicators	2008-09 Actuals	2009-10 Revised budget target	2010-11 Forw ard year 1	2011-12 Forw ard year 2	2012-13 Forw ard year 3
Percentage of Australian Population reached by digital Radio	0%	55.30%	55.30%	55.30%	55.30%
Aggregate performance measure by availability of digital radio signal	0%	99.00%	99.10%	99.20%	99.30%
Number of Services Commenced for digital Radio	-	5	5	5	5

Section 3: Explanatory tables and budgeted financial statements

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The revised Additional Estimates for 2009-10 mainly reflect movement of funds and additional funding and expenditure for the digital implementation plan rollout. A \$5 million movement of funds from the forward estimates into 2009-10 will occur in the 2009-10 Additional Estimates to fund urgent remedial building works required for SBS's Sydney premises.

SBS's predicted operating result for 2009-10 has been revised down from \$1.134 million in the 2009-10 Budget to \$0.536 million. The reduction in Goods and Services revenue reflects anticipated lower advertising revenue, mainly attributable to the impact of the global economic downturn.

3.2.2 Budgeted financial statements

Departmental financial statements

Table 3.2.1: Budgeted Departmental Comprehensive Income Statement (showing Net Cost of Services) for the period ended 30 June

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
EXPENSES					
Employee benefits	76,967	83,577	82,695	85,589	88,585
Supplier	180,145	216,613	206,384	219,590	226,815
Depreciation and amortisation	6,486	9,765	10,500	10,500	10,500
Write-down and impairment of assets	53	-	-	-	-
Losses from asset sales	128	-	-	-	-
Foreign Exchange losses	101	-	-	-	-
Finance costs	778	1,196	911	608	366
Total expenses	264,658	311,151	300,490	316,287	326,266
LESS:					
OWN-SOURCE INCOME					
Revenue					
Sale of goods and rendering of services	64,099	88,877	84,223	94,514	108,484
Interest	2,525	1,200	500	500	500
Other revenue	11,225	13,382	11,473	12,231	9,580
Share of surplus of associates	518	-	-	-	-
Total revenue	78,367	103,459	96,196	107,245	118,564
Gains					
Other gains	4	-	-	-	-
Total gains	4	-	-	-	-
Total own-source income	78,371	103,459	96,196	107,245	118,564
Net cost of (contribution by) services					
Revenue from government	190,293	208,228	205,285	210,420	210,475
Surplus (Deficit)	4,006	536	991	1,378	2,773
Surplus (Deficit) attributable to the Australian Government	4,006	536	991	1,378	2,773

Prepared on Australian Accounting Standards basis.

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

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
ASSETS					
Financial assets					
Cash and equivalents	15,921	2,024	2,412	3,471	2,719
Trade and other receivables	15,260	24,247	18,813	14,113	14,113
Investments accounted for under the equity method	4,522	4,522	4,522	4,522	4,522
Investments	28,370	23,000	15,500	9,500	2,000
Total financial assets	64,073	53,793	41,247	31,606	23,354
Non-financial assets					
Land and buildings	63,959	62,491	61,023	59,555	58,087
Infrastructure, plant and equipment	21,887	33,259	35,387	39,875	46,258
Inventories	71,252	69,690	73,396	67,766	64,146
Intangibles	13,106	16,437	15,277	14,097	12,917
Other	23,212	12,908	11,270	17,270	20,270
Total non-financial assets	193,416	194,785	196,353	198,563	201,678
Total assets	257,489	248,578	237,600	230,169	225,032
LIABILITIES					
Interest bearing liabilities					
Loans	23,808	18,051	12,126	6,021	3,011
Total interest bearing liabilities	23,808	18,051	12,126	6,021	3,011
Provisions					
Employees	17,842	19,463	19,563	19,663	19,763
Other	1,252	1,394	1,656	1,814	1,814
Total provisions	19,094	20,857	21,219	21,477	21,577
Payables					
Suppliers	25,619	22,729	16,667	15,867	15,867
Other	30,233	22,780	19,521	12,540	7,540
Total payables	55,852	45,509	36,188	28,407	23,407
Total liabilities	98,754	84,417	69,533	55,905	47,995
Net assets	158,735	164,161	168,067	174,264	177,037

Prepared on Australian Accounting Standards basis.

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

	Actual	Revised budget	Forward estimate	Forward estimate	Forward estimate
	2008-09	2009-10	2010-11	2011-12	2012-13
	\$'000	\$'000	\$'000	\$'000	\$'000
EQUITY*					
Parent entity interest					
Contributed equity	85,156	90,046	92,961	97,780	97,780
Reserves	39,986	39,986	39,986	39,986	39,986
Retained surpluses or accumulated deficits	33,593	34,129	35,120	36,498	39,271
Total parent entity interest	158,735	164,161	168,067	174,264	177,037
Total equity	158,735	164,161	168,067	174,264	177,037
Current assets	132,244	119,389	116,411	113,140	107,768
Non-current assets	125,244	129,189	121,189	117,029	117,264
Current liabilities	56,204	55,157	50,936	40,255	39,356
Non-current liabilities	42,550	29,260	18,597	15,650	8,639

Prepared on Australian Accounting Standards basis.

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

Table 3.2.3: Budgeted Departmental Statement of Cash Flows (as at 30 June)

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	64,334	86,780	93,755	104,464	118,064
Appropriations	191,459	208,308	205,285	210,420	210,475
Interest	4,365	2,990	950	500	500
GST	18,764	16,990	17,554	19,107	20,337
Total cash received	278,922	315,068	317,544	334,491	349,376
Cash used					
Employees	74,995	81,856	82,595	85,489	88,485
Suppliers	198,704	210,650	211,507	221,221	235,071
GST	18,699	16,810	17,553	19,107	20,337
Borrow ing costs	626	-	-	-	-
Other	1,423	1,166	-	-	-
Total cash used	294,447	310,482	311,655	325,817	343,893
Net cash from or (used by) operating activities	(15,525)	4,586	5,889	8,674	5,483
INVESTING ACTIVITIES					
Cash received					
Investments	-	30,300	25,500	26,000	11,000
Total cash received	-	30,300	25,500	26,000	11,000
Cash used					
Purchase of property, plant and equipment	-	23,000	10,000	12,340	14,235
Investments	1,818	24,930	18,000	20,000	-
Total cash used	1,818	47,930	28,000	32,340	14,235
Net cash from or (used by) investing activities	(1,818)	(17,630)	(2,500)	(6,340)	(3,235)

Prepared on Australian Accounting Standards basis.

**Table 3.2.3: Budgeted Departmental Statement of Cash Flows (as at 30 June)
(cont)**

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	2,586	4,890	2,915	4,819	-
Deposits Taken	6,550	-	-	-	-
Cash received from borrow ings	15,000	-	-	-	-
Total cash received	24,136	4,890	2,915	4,819	-
Cash used					
Repayments of debt	2,587	5,745	5,915	6,094	3,000
Total cash used	2,587	5,745	5,915	6,094	3,000
Net cash from or (used by) financing activities	12,413	(5,745)	(5,915)	(6,094)	(3,000)
Net increase or (decrease) in cash held	(11,563)	(13,899)	389	1,059	(752)
Cash at the beginning of the reporting period	27,484	15,921	2,022	2,411	3,470
Cash at the end of the reporting period	15,921	2,022	2,411	3,470	2,718

Prepared on Australian Accounting Standards basis.

Table 3.2.4: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2009-10)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2009				
Balance carried forward from previous period	33,593	39,986	85,156	158,735
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	33,593	39,986	85,156	158,735
Income and expense				
Income and expenses recognised directly in equity	536	-	-	536
Sub-total income and expense	536	-	-	536
Surplus (deficit) for the period	-	-	-	-
Total income and expenses recognised directly in equity	536	-	-	536
Transactions with owners				
Appropriation (equity injection)	-	-	2,745	2,745
Other: Injection for Capital works	-	-	2,145	2,145
Sub-total transactions with owners	-	-	4,890	4,890
Estimated closing balance as at 30 June 2010	34,129	39,986	90,046	164,161

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Capital Budget Statement - Departmental

	Actual 2008-09 \$'000	Revised budget 2009-10 \$'000	Forw ard estimate 2010-11 \$'000	Forw ard estimate 2011-12 \$'000	Forw ard estimate 2012-13 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	2,586	4,890	2,915	4,819	-
Total capital appropriations	2,586	4,890	2,915	4,819	
Represented by:					
Purchase of non-financial assets	2,586	4,890	2,915	4,819	-
Total represented by	2,586	4,890	2,915	4,819	
ACQUISITION OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	2,145	-	1,724	-
Funded internally from departmental resources ¹	23,278	20,855	10,000	10,616	14,235
TOTAL	23,278	23,000	10,000	12,340	14,235

Prepared on Australian Accounting Standards basis.

¹ Includes the following sources of funding: annual and prior year appropriations; donations and contributions; gifts; finance leases; internally developed assets; s31 relevant agency receipts; and proceeds from the sale of assets

Table 3.2.6: Statement of Asset Movements (2009-10)

	Land	Buildings	Other Intangibles infrastructure, plant and equipment	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2009				
Gross book value	21,250	46,384	45,847	130,136
Accumulated depreciation/amortisation	-	(3,675)	(23,960)	(31,184)
Opening net book balance	21,250	42,709	21,887	161,320
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase or internally developed	-	600	17,389	23,000
Acquisition of entities or operations (including restructuring) sub-total	-	600	17,389	23,000
Other movements				
Depreciation/amortisation expense	-	(2,068)	(6,017)	(9,765)
As at 30 June 2010				
Gross book value	21,250	46,984	63,236	153,136
Accumulated depreciation/amortisation	-	(5,743)	(29,977)	(40,949)
Closing net book balance	21,250	41,241	33,259	112,187

Prepared on Australian Accounting Standards basis.