

# **Special Broadcasting Service Corporation**

**Entity resources and planned  
performance**



# Special Broadcasting Service Corporation

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# Special Broadcasting Service Corporation

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The Special Broadcasting Service Corporation (SBS) is a national broadcasting and media service that provides multicultural and multilingual television, radio and digital media services that inform, educate and entertain all Australians. SBS's purpose is to inspire all Australians to explore, respect and celebrate our diverse world, and in doing so, contribute to a cohesive society. SBS and its functions are guided by its Charter in section 6 of the *Special Broadcasting Service Act 1991* (SBS Act).

*SBS is unique in the Australian media landscape*

The SBS Charter, hybrid funding model, multiplatform content offering, and breadth of in-language services (more than 60 languages), set SBS apart from other Australian and global broadcasters and media providers. SBS is the most multilingual broadcaster in the world, and is also home to NITV (National Indigenous Television), the only national broadcasting and media service made by and for Indigenous Australians. The network's unique position in the industry enables it to present compelling, distinctive and thought-provoking content that no other Australian media organisation provides. SBS was established to positively contribute to Australia's social outcomes, recognising Australia is a nation built on migration. For over 45 years, SBS has played an essential role in Australia's success as a multicultural society.

*SBS supports broader social and policy objectives*

SBS contributes to the ongoing development of a vibrant and cohesive multicultural Australian society through its broad offering of multilingual and multicultural radio, television and digital programs and services to meet the needs of multicultural and First Nations Australians.

Recent census results show that Australia is more multilingual than ever. Since 2011, the number of people 'not only using English at home' increased to more than 5.6 million in 2021, representing an increase of more than 1.5 million since 2011 and nearly 800,000 since 2016 – growing at almost double the rate of the general population. A further 3.2 per cent of the population identify as Aboriginal and/or Torres Strait Islander.

With this increasing cultural and linguistic diversity, there is even greater need to build mutual understanding and respect between different sections of the community. SBS is inherently multilingual with an accelerating multifaceted language strategy to serve Australia's language communities as they grow and change.

Delivering on SBS's purpose and Charter in the upcoming years sees continued focus on SBS offering a distinctive network across both traditional and digital platforms to allow a diverse array of views and voices to be represented in mainstream media. SBS will continue to evolve its services to meet the needs of audiences, reflecting changes in social and demographic composition, technological developments and innovation.

SBS has a unique ability to reach Australia's many language communities through its multiplatform services in English and over 60 languages. SBS provides a forum for debate and discussion vital to Australia's ability to address significant issues facing communities and our society as a whole. By providing trusted news and information, and a platform for civic debate – in a broad range of Australia's languages – SBS's services are vital to Australian democracy, and a sense of belonging for all Australians.

In addition to the news and information services on radio and digital media, SBS produces SBS World News and Nula (NITV news and current affairs) seven days a week, and produces television news bulletins in Arabic and Mandarin five days a week, with all services delivering accurate and up-to-date information. The importance of NITV as a news source is increasingly apparent against the background of national discourse on issues including constitutional change and Indigenous recognition.

*SBS remains a trustworthy source of diverse stories and perspectives*

In a world of growing polarisation of views in the media, developing and maintaining trust with audiences will continue to be a challenge for traditional media, social media and digital platforms. Public broadcasting plays an important role in providing balanced and impartial news, setting the tone of public and media discourse and ensuring diverse stories and perspectives are presented, particularly in a landscape where ownership of broadcast television and multinational digital platforms is becoming more concentrated. SBS continues to be one of Australia's most trusted news sources with a long-held and well-earned reputation for quality news and analysis on global events, especially issues across multicultural and First Nations Australia. SBS is also making more Australian content than ever before, including distinctive dramas and factual programming that truly reflect our community.

SBS will look to further its value across policy portfolios. Our aim is to unlock the full potential value of existing services and activities, while preserving our editorial independence.

Traditional broadcast television continues to represent the majority of free-to-air viewing in Australia. However, an ongoing proliferation of new local and international streaming video on demand (SVOD) options is continuing to drive changes in how Australians consume video content.

COVID-19 saw positive audience growth, with SBS acting as a trusted source of information in the context of increasing misinformation, however well-established trends have resumed with consumption across all age groups declining since 2017. Intense competition for audiences and content from the new streaming services means that maintaining overall audience consumption (on television and online) for all broadcasters, including SBS, will be more challenging in the coming years.

While COVID impacts on content supply and pricing, inflation, and the rise in commissioning costs stemming from increased competition for content will continue to place pressure on SBS's acquisitions costs base, they are expected to normalise in the medium term. SBS also maintains strong relationships with key suppliers in genres that are strategically important (e.g. documentaries, drama, food, foreign movies) to SBS's multichannel and multiplatform strategy.

New entrants to the market may impact SBS's competitive standing when they compete directly with SBS for content and/or compete with SBS for audience time.

However, it is worth noting that not all new market entrants have an impact on SBS – for example those which focus on premium sports or children’s content. SBS’s distinctive voice and unique content offering sets it apart from its competitors.

*SBS’s response to these challenges will be informed by its purpose and values*

Against the background of increasing competition but also a growing need for SBS’s purpose of inspiring all Australians to explore, respect and celebrate our diverse world, and in doing so, contribute to a cohesive society, SBS will:

1. Maintain SBS’s competitive difference in a crowded market for audiences through Australian stories, local production and Indigenous and multicultural content, and continue to elevate the role of our trusted news and information.
2. Continue our journey as a contemporary multilingual broadcaster as Australia becomes even more multicultural and linguistically diverse, making our purpose even more relevant.
3. Further SBS’s ability to provide essential information to our stakeholder communities and become an essential partner to government agencies while preserving editorial independence.
4. Drive awareness of Indigenous affairs and take a leadership role on reconciliation in Australia via our Elevate Reconciliation Action Plan.
5. Optimise our digital, data, commercialisation and technology capabilities to deliver enhanced audience experiences across all platforms in a cost-effective way.
6. Keep our staff safe as we manage ongoing impacts of COVID-19, while implementing our new ways of working and focusing on the employee experience to attract and retain the best talent.
7. Make SBS a great and inclusive place to work via our next iteration of our Inclusion, Equity and Diversity Strategy which will also deliver benefits to our industry and stakeholders.

## 1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to SBS for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by departmental (for SBS's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: SBS resource statement — Budget estimates for 2022-23 as at Budget October 2022**

|   | 2021-22<br>Estimated<br>actual<br>\$'000 | 2022-23<br>Estimate<br>\$'000 |
|---|--|-------------------------------|
| <b>Opening balance/cash reserves at 1 July</b>                  | <b>11,790</b>                            | <b>9,253</b>                  |
| <b>Funds from Government</b>                                    |  |                               |
| Annual appropriations - ordinary annual services <sup>(a)</sup> |  |                               |
| Outcome 1   | 310,021                                  | 316,805                       |
| Total annual appropriations                                     | 310,021                                  | 316,805                       |
| <b>Total funds from Government</b>                              | <b>310,021</b>                           | <b>316,805</b>                |
| <b>Funds from other sources</b>                                 |  |                               |
| Interest  | 616                                      | 1,800                         |
| Royalties   | 1,254                                    | 1,300                         |
| Sale of goods and services                                      | 152,912                                  | 175,880                       |
| Other   | -  | 454                           |
| <b>Total funds from other sources</b>                           | <b>154,782</b>                           | <b>179,434</b>                |
| <b>Total net resourcing for SBS</b>                             | <b>476,593</b>                           | <b>505,492</b>                |
|   | 2021-22                                  | 2022-23                       |
| <b>Average staffing level (number)</b>                          | 1,249                                    | 1,352                         |

Prepared on a resourcing (that is, appropriations available) basis.

All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2022-23, Supply Bill (No. 3) 2022-23 and Supply Act (No. 1) 2022-23.

SBS is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (a non-corporate Commonwealth entity), which are then paid to SBS and are considered 'departmental' for all purposes.

## 1.3 Budget measures

There are no measures for SBS for the 2022-23 October Budget.

## Section 2: Outcomes and planned performance

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

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measure described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan for (SBS) can be found at:

[https://www.sbs.com.au/aboutus/sites/sbs.com.au/aboutus/files/sbs\\_corporate\\_plan\\_fy22-23.pdf](https://www.sbs.com.au/aboutus/sites/sbs.com.au/aboutus/files/sbs_corporate_plan_fy22-23.pdf)

The most recent annual performance statement can be found at:

<https://www.sbs.com.au/aboutus/sbs-2021-22-annual-report>

## 2.1 Budgeted expenses and performance 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**

### Budgeted expenses for Outcome 1

This table shows how much SBS intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

**Table 2.1.1: Budgeted expenses for Outcome 1**

|   | 2021-22<br>Estimated<br>actual<br>\$'000 | 2022-23<br>Budget<br>\$'000 | 2023-24<br>Forward<br>estimate<br>\$'000 | 2024-25<br>Forward<br>estimate<br>\$'000 | 2025-26<br>Forward<br>estimate<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| <b>Program 1.1: SBS General Operational Activities</b>                            |  |                             |  |  |  |
| Revenue from Government<br>Ordinary annual services<br>(Appropriation Bill No. 1) | 240,175                                  | 245,701                     | 259,624                                  | 256,750                                  | 258,318                                  |
| Expenses not requiring appropriation in<br>the Budget year                        | -  | 19,500                      | -  | -  | -  |
| Revenues from other independent<br>sources  | 148,989                                  | 179,078                     | 158,951                                  | 163,562                                  | 168,376                                  |
| <b>Total expenses for Program 1.1</b>   | <b>389,164</b>                           | <b>444,279</b>              | <b>418,575</b>                           | <b>420,312</b>                           | <b>426,694</b>                           |
| <b>Program 1.2: SBS Transmission and Distribution Services</b>                    |  |                             |  |  |  |
| Revenue from Government<br>Ordinary annual services<br>(Appropriation Bill No. 1) | 69,846                                   | 71,104                      | 74,362                                   | 75,840                                   | 80,194                                   |
| Revenues from other independent<br>sources  | 641                                      | -                           | -  | -  | -  |
| <b>Total expenses for Program 1.2</b>   | <b>70,487</b>                            | <b>71,104</b>               | <b>74,362</b>                            | <b>75,840</b>                            | <b>80,194</b>                            |
| <b>Outcome 1 totals by resource type</b>  |  |                             |  |  |  |
| Revenue from Government<br>Ordinary annual services<br>(Appropriation Bill No. 1) | 310,021                                  | 316,805                     | 333,986                                  | 332,590                                  | 338,512                                  |
| Expenses not requiring appropriation in<br>the Budget year                        | -  | 19,500                      | -  | -  | -  |
| Revenues from other independent<br>sources  | 149,630                                  | 179,078                     | 158,951                                  | 163,562                                  | 168,376                                  |
| <b>Total expenses for Outcome 1</b>   | <b>459,651</b>                           | <b>515,383</b>              | <b>492,937</b>                           | <b>496,152</b>                           | <b>506,888</b>                           |
|   | 2021-22                                  | 2022-23                     |  |  |  |
| <b>Average staffing level (number)</b>  | 1,249                                    | 1,352                       |  |  |  |

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the Budget year as government priorities change.

**Table 2.1.2: Performance measure for Outcome 1**

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

|   |   |  |
|---|---|--|
| <b>Outcome 1 – Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia’s multicultural society</b>   |   |  |
| <b>Program 1.1 – SBS General Operational Activities</b><br>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. |   |  |
| <b>Key Activities</b>   | Content creation, acquisition, curation and content commercialisation   |  |
| <b>Year</b>   | <b>Performance measures</b>   | <b>Expected Performance Results</b>  |
| Prior year<br>2021-22   | Number of hours of TV programming broadcast in CALD – all linear channels   | Target: 28,500 hours<br>Actual: 30,713 hours of CALD programming broadcast<br>Target met   |
|   | Number of hours of locally commissioned programs broadcast (first run) all linear channels except NITV <sup>(a)</sup> | Target: 180 hours<br>Actual: 267 hours<br>Target met   |
|   | Number of hours of locally commissioned programs broadcast (first run) NITV <sup>(a)</sup>                            | Target: 45 hours<br>Actual: 21 hours – due to ongoing COVID-19 disruptions on Indigenous productions impacting the final delivery of content<br>Target not met |
|   | Percentage of radio broadcasts in languages other than English  | Target: 90%<br>Actual: 96%<br>Target met   |
|   | Total Digital Registrations   | Target: 10.2 million<br>Actual: 10.6 million<br>Target met   |
| <b>Year</b>   | <b>Performance measures</b>   | <b>Planned Performance Results</b>   |
| Budget year<br>2022-23  | Number of hours of TV programming broadcast in CALD – all linear channels   | 34,300 hours of CALD programming broadcast   |
|   | Number of hours of locally commissioned programs broadcast (first run) all linear channels except NITV <sup>(a)</sup> | 272 hours  |

| Year                         | Performance measures   | Planned Performance Results  |
|------------------------------|--|--|
| Budget year<br>2022-23 cont. | Number of hours of locally commissioned content broadcast (first run) on NITV <sup>(b)</sup> | 100 hours  |
|                              | Percentage of radio broadcasts in languages other than English                               | 90%  |
|                              | Total Digital Registrations  | 11.6 million   |
| Forward Estimates<br>2023-26 | As per 2022-23   | As per 2022-23 except:<br>Number of hours of locally commissioned content broadcast (first run) all linear channels except NITV <sup>(b)</sup> <ul style="list-style-type: none"> <li>• 2023-26: 180 hours</li> </ul> Total Digital Registrations: <ul style="list-style-type: none"> <li>• 2023-24: 12.3 million</li> <li>• 2024-25: 12.8 million</li> <li>• 2025-26: 13.2 million</li> </ul> |

- (a) In 2021-22 and previous years, this measure included commissioned and in-house productions but excluded news and current affairs, special events and sports programming. See note (b) below for change for 2022-23.
- (b) The number of hours of locally commissioned content broadcast (first run) on NITV will include (from 2022-23 onwards) all NITV commissioned and in-house produced programs excluding network repeats, sport events and highlights programs, and news and current affairs. Previously, the definition was narrower, excluding special events and all sports programming. This change has been made to be more consistent with the equivalent metric for 'all linear channels except NITV' and better represent the breadth of NITV's output.

| <b>Program 1.2 – SBS Transmission and Distribution Services</b>  |   |  |
|--|---|--|
| To make SBS Television and Radio services available to all Australians to enable them to receive multilingual and multicultural services that inform, educate and entertain. |   |  |
| Key Activities   | Content broadcast and transmission  |  |
| Year   | Performance measures  | Expected Performance Results                   |
| Prior year<br>2021-22  | Population reach – Digital transmission sites (including VAST Satellite)          | Target: 100%<br>Actual: 100% (<br>Target met   |
|  | Availability of digital television transmission services (fully managed services) | Target: 99.82%<br>Actual: 99.96%<br>Target met |
|  | Population reach for terrestrial services (excluding satellite)                   | Target: 97%<br>Actual: 98%<br>Target met       |
|  | Availability of Radio transmission services (fully managed services)              | Target: 99.86%<br>Actual: 99.99%<br>Target met |

| <b>Year</b>                  | <b>Performance measures</b>  | <b>Planned Performance Results</b> |
|------------------------------|--|------------------------------------|
| Budget year<br>2022-23       | Population reach – Digital transmission sites<br>(including VAST Satellite)          | 100%                               |
|                              | Availability of digital television transmission<br>services (fully managed services) | 99.82%                             |
|                              | Population reach for terrestrial services<br>(excluding satellite)                   | 97%                                |
|                              | Availability of Radio transmission services<br>(fully managed services)              | 99.86%                             |
| Forward Estimates<br>2023-26 | As per 2022-23   | As per 2022-23                     |

## **Section 3: Budgeted financial statements**

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of SBS's finances for the 2022-23 Budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 Budgeted financial statements**

#### **3.1.1 Differences between entity resourcing and financial statements**

The SBS projected operating result for 2022–23 is a loss of \$19.5 million. The operating loss is the result of one-off expenses associated with the broadcast of a major sporting event in 2022-23. SBS, being financially responsible, has preserved three consecutive surpluses generated across 2019-20, 2020-21 and 2021-22 totalling \$17.7 million to proactively manage the estimated impact of this upcoming event. These surpluses will substantially offset the costs associated with this event enabling SBS to broadcast a premium world class sporting event providing significant audience outcomes. SBS has sufficient cash reserves to absorb the estimated loss in 2022-23. The total cash and investment balance is estimated to be \$32.4 million at the end of 2022-23.

Own-source revenue largely generated from sales of goods and services is budgeted at \$179.1 million for 2022–23, the main component being advertising and sponsorship revenue.

### 3.2 Budgeted financial statements tables

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

|   | 2021-22<br>Estimated<br>actual<br>\$'000 | 2022-23<br>Budget<br>\$'000 | 2023-24<br>Forward<br>estimate<br>\$'000 | 2024-25<br>Forward<br>estimate<br>\$'000 | 2025-26<br>Forward<br>estimate<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| <b>EXPENSES</b>   |  |                             |  |  |  |
| Employee benefits   | 165,106                                  | 177,308                     | 177,108                                  | 179,272                                  | 181,849                                  |
| Suppliers   | 274,014                                  | 322,710                     | 298,929                                  | 300,337                                  | 308,410                                  |
| Depreciation and amortisation   | 19,893                                   | 14,822                      | 16,402                                   | 16,105                                   | 16,226                                   |
| Finance costs   | 638                                      | 543                         | 498                                      | 438                                      | 403                                      |
| <b>Total expenses</b>   | <b>459,651</b>                           | <b>515,383</b>              | <b>492,937</b>                           | <b>496,152</b>                           | <b>506,888</b>                           |
| <b>LESS:</b>  |  |                             |  |  |  |
| <b>OWN-SOURCE INCOME</b>  |  |                             |  |  |  |
| <b>Own-source revenue</b>   |  |                             |  |  |  |
| Sale of goods and rendering of services   | 153,413                                  | 174,498                     | 154,269                                  | 158,579                                  | 163,402                                  |
| Interest  | 616                                      | 1,800                       | 2,200                                    | 2,400                                    | 2,400                                    |
| Rental income   | 1,411                                    | 1,382                       | 1,400                                    | 1,425                                    | 1,449                                    |
| Royalties   | 1,254                                    | 1,300                       | 1,512                                    | 1,500                                    | 1,501                                    |
| Other   | 133                                      | 98                          | 100                                      | 150                                      | 126                                      |
| <b>Total own-source revenue</b>   | <b>156,827</b>                           | <b>179,078</b>              | <b>159,481</b>                           | <b>164,054</b>                           | <b>168,878</b>                           |
| <b>Total own-source income</b>  | <b>156,827</b>                           | <b>179,078</b>              | <b>159,481</b>                           | <b>164,054</b>                           | <b>168,878</b>                           |
| <b>Net (cost of)/contribution by services</b>                                       | <b>(302,824)</b>                         | <b>(336,305)</b>            | <b>(333,456)</b>                         | <b>(332,098)</b>                         | <b>(338,010)</b>                         |
| Revenue from Government   | 310,021                                  | 316,805                     | 333,986                                  | 332,590                                  | 338,512                                  |
| <b>Surplus/(deficit) attributable to the Australian Government</b>                  | <b>7,197</b>                             | <b>(19,500)</b>             | <b>530</b>                               | <b>492</b>                               | <b>502</b>                               |
| <b>OTHER COMPREHENSIVE INCOME</b>   |  |                             |  |  |  |
| <b>Total comprehensive income/(loss)</b>  | <b>7,197</b>                             | <b>(19,500)</b>             | <b>530</b>                               | <b>492</b>                               | <b>502</b>                               |
| <b>Total comprehensive income/(loss) attributable to the Australian Government</b>  | <b>7,197</b>                             | <b>(19,500)</b>             | <b>530</b>                               | <b>492</b>                               | <b>502</b>                               |
| <b>Note: Impact of net cash appropriation arrangements</b>                          |  |                             |  |  |  |
| <b>Total comprehensive income/(loss) - as per statement of comprehensive income</b> | <b>7,197</b>                             | <b>(19,500)</b>             | <b>530</b>                               | <b>492</b>                               | <b>502</b>                               |
| plus: depreciation/amortisation expenses for ROU assets <sup>(a)</sup>              | 9,404                                    | 3,643                       | 3,589                                    | 3,625                                    | 3,726                                    |
| less: lease principal repayments <sup>(a)</sup>                                     | (9,101)                                  | (3,684)                     | (3,684)                                  | (3,600)                                  | (3,580)                                  |
| <b>Net cash operating surplus/ (deficit)</b>  | <b>6,894</b>                             | <b>(19,459)</b>             | <b>625</b>                               | <b>467</b>                               | <b>356</b>                               |

Prepared on Australian Accounting Standards basis.

(a) Applies to lease arrangements under AASB 16 Leases.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

|   | 2021-22<br>Estimated<br>actual<br>\$'000 | 2022-23<br>Budget<br>\$'000 | 2023-24<br>Forward<br>estimate<br>\$'000 | 2024-25<br>Forward<br>estimate<br>\$'000 | 2025-26<br>Forward<br>estimate<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| <b>ASSETS</b>                             |  |                             |  |  |  |
| <b>Financial assets</b>                   |  |                             |  |  |  |
| Cash and cash equivalents                 | 9,253                                    | 9,719                       | 9,192                                    | 8,870                                    | 9,098                                    |
| Trade and other receivables               | 29,711                                   | 29,755                      | 29,756                                   | 31,164                                   | 31,174                                   |
| Other investments                         | 32,647                                   | 22,679                      | 20,970                                   | 16,766                                   | 16,954                                   |
| <b>Total financial assets</b>             | <b>71,611</b>                            | <b>62,153</b>               | <b>59,918</b>                            | <b>56,800</b>                            | <b>57,226</b>                            |
| <b>Non-financial assets</b>               |  |                             |  |  |  |
| Land and buildings                        | 113,325                                  | 111,323                     | 109,241                                  | 106,656                                  | 104,030                                  |
| Property, plant and equipment             | 47,205                                   | 50,985                      | 47,765                                   | 42,213                                   | 38,094                                   |
| Intangibles                               | 15,674                                   | 14,074                      | 12,974                                   | 13,424                                   | 13,874                                   |
| Inventories                               | 93,158                                   | 95,670                      | 102,645                                  | 105,288                                  | 110,241                                  |
| Other non-financial assets                | 41,485                                   | 15,742                      | 14,243                                   | 16,744                                   | 15,345                                   |
| <b>Total non-financial assets</b>         | <b>310,847</b>                           | <b>287,794</b>              | <b>286,868</b>                           | <b>284,325</b>                           | <b>281,584</b>                           |
| <b>Total assets</b>                       | <b>382,458</b>                           | <b>349,947</b>              | <b>346,786</b>                           | <b>341,125</b>                           | <b>338,810</b>                           |
| <b>LIABILITIES</b>                        |  |                             |  |  |  |
| <b>Payables</b>                           |  |                             |  |  |  |
| Suppliers                                 | 35,708                                   | 25,782                      | 25,529                                   | 25,010                                   | 25,882                                   |
| Other payables                            | 18,008                                   | 17,908                      | 17,654                                   | 16,702                                   | 16,672                                   |
| <b>Total payables</b>                     | <b>53,716</b>                            | <b>43,690</b>               | <b>43,183</b>                            | <b>41,712</b>                            | <b>42,554</b>                            |
| <b>Interest bearing liabilities</b>       |  |                             |  |  |  |
| Leases                                    | 39,140                                   | 35,456                      | 31,772                                   | 26,590                                   | 22,941                                   |
| <b>Total interest bearing liabilities</b> | <b>39,140</b>                            | <b>35,456</b>               | <b>31,772</b>                            | <b>26,590</b>                            | <b>22,941</b>                            |
| <b>Provisions</b>                         |  |                             |  |  |  |
| Employee provisions                       | 34,776                                   | 35,476                      | 35,976                                   | 36,476                                   | 36,466                                   |
| Other provisions                          | 1,049                                    | 1,048                       | 1,048                                    | 1,048                                    | 1,048                                    |
| <b>Total provisions</b>                   | <b>35,825</b>                            | <b>36,524</b>               | <b>37,024</b>                            | <b>37,524</b>                            | <b>37,514</b>                            |
| <b>Total liabilities</b>                  | <b>128,681</b>                           | <b>115,670</b>              | <b>111,979</b>                           | <b>105,826</b>                           | <b>103,009</b>                           |
| <b>Net assets</b>                         | <b>253,777</b>                           | <b>234,277</b>              | <b>234,807</b>                           | <b>235,299</b>                           | <b>235,801</b>                           |
| <b>EQUITY</b>                             |  |                             |  |  |  |
| <b>Parent entity interest</b>             |  |                             |  |  |  |
| Contributed equity                        | 110,403                                  | 110,403                     | 110,403                                  | 110,403                                  | 110,403                                  |
| Reserves                                  | 96,186                                   | 96,186                      | 96,186                                   | 96,186                                   | 96,186                                   |
| Retained surplus (accumulated deficit)    | 47,188                                   | 27,688                      | 28,218                                   | 28,710                                   | 29,212                                   |
| <b>Total parent entity interest</b>       | <b>253,777</b>                           | <b>234,277</b>              | <b>234,807</b>                           | <b>235,299</b>                           | <b>235,801</b>                           |
| <b>Total equity</b>                       | <b>253,777</b>                           | <b>234,277</b>              | <b>234,807</b>                           | <b>235,299</b>                           | <b>235,801</b>                           |

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2022-23)**

|  | Retained earnings | Asset revaluation reserve | Other reserves | Contributed equity/capital | Total equity    |
|--|-------------------|---------------------------|----------------|----------------------------|-----------------|
|  | \$'000            | \$'000                    | \$'000         | \$'000                     | \$'000          |
| <b>Opening balance as at 1 July 2022</b>                         |                   |                           |                |                            |                 |
| Balance carried forward from previous period                     | 47,188            | 96,573                    | (387)          | 110,403                    | 253,777         |
| <b>Adjusted opening balance</b>                                  | <b>47,188</b>     | <b>96,573</b>             | <b>(387)</b>   | <b>110,403</b>             | <b>253,777</b>  |
| <b>Comprehensive income</b>                                      |                   |                           |                |                            |                 |
| Surplus/(deficit) for the period                                 | (19,500)          | -                         | -              | -                          | (19,500)        |
| <b>Total comprehensive income</b>                                | <b>(19,500)</b>   | <b>-</b>                  | <b>-</b>       | <b>-</b>                   | <b>(19,500)</b> |
| of which:  |                   |                           |                |                            |                 |
| Attributable to the Australian Government                        | 27,688            | 96,573                    | (387)          | 110,403                    | 234,277         |
| <b>Estimated closing balance as at 30 June 2023</b>              | <b>27,688</b>     | <b>96,573</b>             | <b>(387)</b>   | <b>110,403</b>             | <b>234,277</b>  |
| <b>Closing balance attributable to the Australian Government</b> | <b>27,688</b>     | <b>96,573</b>             | <b>(387)</b>   | <b>110,403</b>             | <b>234,277</b>  |

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

|   | 2021-22<br>Estimated<br>actual<br>\$'000 | 2022-23<br>Budget<br>\$'000 | 2023-24<br>Forward<br>estimate<br>\$'000 | 2024-25<br>Forward<br>estimate<br>\$'000 | 2025-26<br>Forward<br>estimate<br>\$'000 |
|---|--|-----------------------------|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |  |                             |  |  |  |
| <b>Cash received</b>  |  |                             |  |  |  |
| Receipts from Government  | 310,021                                  | 316,805                     | 333,986                                  | 332,590                                  | 338,512                                  |
| Sale of goods and rendering of services                             | 173,870                                  | 191,074                     | 174,065                                  | 176,845                                  | 182,771                                  |
| Interest  | 544                                      | 1,800                       | 2,200                                    | 2,400                                    | 2,400                                    |
| Other   | -  | 600                         | 1,612                                    | 1,650                                    | 1,627                                    |
| <b>Total cash received</b>  | <b>484,435</b>                           | <b>510,279</b>              | <b>511,863</b>                           | <b>513,485</b>                           | <b>525,310</b>                           |
| <b>Cash used</b>  |  |                             |  |  |  |
| Employees   | 164,222                                  | 177,108                     | 176,609                                  | 179,023                                  | 181,869                                  |
| Suppliers   | 315,106                                  | 323,445                     | 323,308                                  | 324,950                                  | 329,042                                  |
| Interest payments on lease liability                                | 629                                      | 543                         | 498                                      | 438                                      | 403                                      |
| <b>Total cash used</b>  | <b>479,957</b>                           | <b>501,096</b>              | <b>500,415</b>                           | <b>504,411</b>                           | <b>511,314</b>                           |
| <b>Net cash from/(used by) operating activities</b>                 | <b>4,478</b>                             | <b>9,183</b>                | <b>11,448</b>                            | <b>9,074</b>                             | <b>13,996</b>                            |
| <b>INVESTING ACTIVITIES</b>   |  |                             |  |  |  |
| <b>Cash received</b>  |  |                             |  |  |  |
| Proceeds from sales of financial instruments                        | 211,524                                  | 229,847                     | 222,478                                  | 226,024                                  | 229,173                                  |
| <b>Total cash received</b>  | <b>211,524</b>                           | <b>229,847</b>              | <b>222,478</b>                           | <b>226,024</b>                           | <b>229,173</b>                           |
| <b>Cash used</b>  |  |                             |  |  |  |
| Purchase of property, plant and equipment and intangibles           | 3,412                                    | 15,000                      | 10,000                                   | 10,000                                   | 10,000                                   |
| Purchase of financial instruments                                   | 206,026                                  | 219,880                     | 220,769                                  | 221,820                                  | 229,361                                  |
| <b>Total cash used</b>  | <b>209,438</b>                           | <b>234,880</b>              | <b>230,769</b>                           | <b>231,820</b>                           | <b>239,361</b>                           |
| <b>Net cash from/(used by) investing activities</b>                 | <b>2,086</b>                             | <b>(5,033)</b>              | <b>(8,291)</b>                           | <b>(5,796)</b>                           | <b>(10,188)</b>                          |
| <b>FINANCING ACTIVITIES</b>   |  |                             |  |  |  |
| <b>Cash used</b>  |  |                             |  |  |  |
| Principal payments on lease liability                               | 9,101                                    | 3,684                       | 3,684                                    | 3,600                                    | 3,580                                    |
| <b>Total cash used</b>  | <b>9,101</b>                             | <b>3,684</b>                | <b>3,684</b>                             | <b>3,600</b>                             | <b>3,580</b>                             |
| <b>Net cash from/(used by) financing activities</b>                 | <b>(9,101)</b>                           | <b>(3,684)</b>              | <b>(3,684)</b>                           | <b>(3,600)</b>                           | <b>(3,580)</b>                           |
| <b>Net increase/(decrease) in cash held</b>                         | <b>(2,537)</b>                           | <b>466</b>                  | <b>(527)</b>                             | <b>(322)</b>                             | <b>228</b>                               |
| Cash and cash equivalents at the beginning of the reporting period  | 11,790                                   | 9,253                       | 9,719                                    | 9,192                                    | 8,870                                    |
| <b>Cash and cash equivalents at the end of the reporting period</b> | <b>9,253</b>                             | <b>9,719</b>                | <b>9,192</b>                             | <b>8,870</b>                             | <b>9,098</b>                             |

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

|  | 2021-22<br>Estimated<br>actual<br>\$'000 | 2022-23<br>Budget<br>\$'000 | 2023-24<br>Forward<br>estimate<br>\$'000 | 2024-25<br>Forward<br>estimate<br>\$'000 | 2025-26<br>Forward<br>estimate<br>\$'000 |
|--|--|-----------------------------|--|--|--|
| <b>PURCHASE OF NON-FINANCIAL ASSETS</b>                                      |  |                             |  |  |  |
| Funded internally from departmental resources <sup>(a)</sup>                 | 3,412                                    | 15,000                      | 10,000                                   | 10,000                                   | 10,000                                   |
| <b>TOTAL</b>   | <b>3,412</b>                             | <b>15,000</b>               | <b>10,000</b>                            | <b>10,000</b>                            | <b>10,000</b>                            |
| <b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b> |  |                             |  |  |  |
| Total purchases  | 3,412                                    | 15,000                      | 10,000                                   | 10,000                                   | 10,000                                   |
| <b>Total cash used to acquire assets</b>                                     | <b>3,412</b>                             | <b>15,000</b>               | <b>10,000</b>                            | <b>10,000</b>                            | <b>10,000</b>                            |

Prepared on Australian Accounting Standards basis.

- (a) Includes the following sources of funding: current Bill 1 and prior year Act 1 appropriations, donations and contributions, gifts, internally developed assets and proceeds from the sale of assets.

**Table 3.6: Statement of departmental asset movements (Budget year 2022-23)**

|   | Land          | Buildings      | Other property, plant and equipment | Computer software and intangibles | Total           |
|---|---------------|----------------|-------------------------------------|-----------------------------------|-----------------|
|   | \$'000        | \$'000         | \$'000                              | \$'000                            | \$'000          |
| <b>As at 1 July 2022</b>  |               |                |                                     |                                   |                 |
| Gross book value  | 59,700        | 47,540         | 46,325                              | 40,250                            | 193,815         |
| Gross book value - ROU assets                                       | -             | 11,725         | 37,513                              | -                                 | 49,238          |
| Accumulated depreciation/amortisation and impairment                | -             | (2,390)        | (28,817)                            | (24,576)                          | (55,783)        |
| Accumulated depreciation/amortisation and impairment - ROU assets   | -             | (3,250)        | (7,816)                             | -                                 | (11,066)        |
| <b>Opening net book balance</b>                                     | <b>59,700</b> | <b>53,625</b>  | <b>47,205</b>                       | <b>15,674</b>                     | <b>176,204</b>  |
| <b>Capital asset additions</b>                                      |               |                |                                     |                                   |                 |
| <b>Estimated expenditure on new or replacement assets</b>           |               |                |                                     |                                   |                 |
| By purchase - appropriation ordinary annual services <sup>(a)</sup> | -             | 600            | 12,900                              | 1,500                             | 15,000          |
| <b>Total additions</b>  | <b>-</b>      | <b>600</b>     | <b>12,900</b>                       | <b>1,500</b>                      | <b>15,000</b>   |
| <b>Other movements</b>  |               |                |                                     |                                   |                 |
| Depreciation/amortisation expense                                   | -             | (1,776)        | (6,303)                             | (3,100)                           | (11,179)        |
| Depreciation/amortisation on ROU assets                             | -             | (826)          | (2,817)                             | -                                 | (3,643)         |
| <b>Total other movements</b>  | <b>-</b>      | <b>(2,602)</b> | <b>(9,120)</b>                      | <b>(3,100)</b>                    | <b>(14,822)</b> |
| <b>As at 30 June 2023</b>   |               |                |                                     |                                   |                 |
| Gross book value  | 59,700        | 48,140         | 59,225                              | 41,750                            | 208,815         |
| Gross book value - ROU assets                                       | -             | 11,725         | 37,513                              | -                                 | 49,238          |
| Accumulated depreciation/amortisation and impairment                | -             | (4,166)        | (35,120)                            | (27,676)                          | (66,962)        |
| Accumulated depreciation/amortisation and impairment - ROU assets   | -             | (4,076)        | (10,633)                            | -                                 | (14,709)        |
| <b>Closing net book balance</b>                                     | <b>59,700</b> | <b>51,623</b>  | <b>50,985</b>                       | <b>14,074</b>                     | <b>176,382</b>  |

Prepared on Australian Accounting Standards basis.

(a) 'Approordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses, DCBs or other operational expenses.