

Screen Australia

Entity resources and planned performance

SCREEN AUSTRALIA

SECTION 1: ENTITY OVERVIEW AND RESOURCES	265
1.1 Strategic direction statement	265
1.2 Entity resource statement	266
1.3 Budget measures.....	267
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	268
2.1 Budgeted expenses and performance for Outcome 1	269
SECTION 3: BUDGETED FINANCIAL STATEMENTS.....	272
3.1 Budgeted financial statements	272
3.2 Budgeted financial statements tables	273

SCREEN AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Screen Australia works to support bold, enduring and culturally significant Australian storytelling that resonates with local audiences and succeeds in a global marketplace, created by a skilled and entrepreneurial screen industry.

Screen Australia's goals are:

- engaged audiences
- compelling Australian storytelling
- successful Australian screen businesses
- highly-skilled, creative and innovative industry practitioners.

Screen Australia also aims to be an efficient and effective organisation that is responsive to industry.

Screen Australia works to achieve these goals through:

- culture – supporting screen stories that shape our cultural imagination, contribute to our national belonging, and create a legacy for all Australians now and into the future
- quality – encouraging creators to extend the ambitions of their projects in terms of development, writing, craft, scale and production to produce high-end content
- innovation – supporting the creation of innovative, risk-taking content for new and evolving platforms.

Screen Australia co-finances its projects with private financing sources. International economic conditions and tightening of credit markets may impact the availability of private funds for screen projects. The environment for feature film producers is also characterised by uncertain access to distribution and a small domestic market. In addition, the difficult economic climate may affect the level of recoupment of investment flowing to Screen Australia.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to Screen Australia 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 Screen Australia's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

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

Table 1.1: Screen Australia resource statement — Budget estimates for 2017–18 as at Budget May 2017

	2016–17 estimated actual \$'000	2017–18 estimate \$'000
Opening balance/cash reserves at 1 July	20,119	20,119
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	13,983	11,394
Total annual appropriations	13,983	11,394
Amounts received from related entities		
Amounts from portfolio department ^(b)	70,454	70,454
Total amounts received from related entities	70,454	70,454
Total funds from Government	84,437	81,848
Funds from other sources		
Interest	2,150	2,175
Royalties - Equity film production investments	5,225	5,000
Sale of goods and services	170	160
Other	1,116	657
Total funds from other sources	8,661	7,992
Total net resourcing for Screen Australia	113,217	109,959
	2016–17	2017–18
Average staffing level for Screen Australia	97	97

(a) Appropriation Bill (No. 1) 2017–18.

(b) Funding provided by the Department of Communications and the Arts that is not specified within the annual Appropriation Bills as a payment to Screen Australia.

Screen Australia is not directly appropriated as it is a Corporate Commonwealth Entity. Appropriations are made to the Department of Communications and the Arts (a Non-Corporate Commonwealth Entity), which are then paid to Screen Australia and are considered "departmental" for all purposes.

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

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

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to Screen Australia are detailed in *Budget Paper No. 2* and are summarised below.

Part 1: Measures announced since the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO)

There are no new measures relating to Screen Australia for the 2017–18 Budget.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Expense measures						
Public Sector Transformation and the Efficiency Dividend ^(a)	1.1					
Departmental expenses		-	(176)	(294)	(355)	(113)
Total		-	(176)	(294)	(355)	(113)
Total Expense measures						
Departmental		-	(176)	(294)	(355)	(113)
Total		-	(176)	(294)	(355)	(113)

(a) This measure relates to increases to the efficiency dividend announced in the 2016–17 Budget under the measure “*Public Sector Transformation and the Efficiency Dividend*”.

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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.

Screen Australia's outcome is described below together with its related program. The following provides detailed information on expenses for the outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria 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 an entity's complete performance story.

The most recent corporate plan for Screen Australia can be found at:

www.screenaustralia.gov.au/corporateplan

The most recent annual performance statement can be found at:

www.screenaustralia.gov.au/annualreport

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Promote engaged audiences and support a creative, innovative and commercially sustainable screen industry through the funding and promotion of diverse Australian screen product

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Program 1.1: Screen Australia					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	13,983	11,394	11,335	11,353	11,431
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Revenues from other independent sources	8,661	7,992	8,437	8,097	8,196
Total expenses for Program 1.1	93,098	89,840	90,226	89,904	90,081
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	13,983	11,394	11,335	11,353	11,431
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Revenues from other independent sources	8,661	7,992	8,437	8,097	8,196
Total expenses for Outcome 1	93,098	89,840	90,226	89,904	90,081
	2016–17	2017–18			
Average staffing level (number)	97	97			

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017–18 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Promote engaged audiences and support a creative, innovative and commercially sustainable screen industry through the funding and promotion of diverse Australian screen product		
Program 1.1 – Screen Australia		
Delivery		
The key results will be for creative individuals and businesses, through financial and other assistance, to make high-quality film, television, interactive entertainment, and other screen programs and for these programs to attract Australian and international audiences.		
Performance information		
Year	Performance criteria	Targets
2016–17	<p>Engage, educate and inspire – increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Lead and collaborate – be leaders in the sector and foster long-term relationships through partnerships and collaborations with key stakeholders and similar organisations/institutions nationally and internationally.</p>	<p>Expected to meet criterion</p> <p>Total audience number for Australian productions, including 2.7 million admissions for productions shown at movie theatres (based on three-year average) and 105 million cumulative audience for Screen Australia-funded productions shown on television.</p> <p>1.8 million visits to Screen Australia’s website.</p> <p>25 culturally diverse projects and events funded, with total funding of \$3.3 million.</p> <p>Expected to meet criterion</p> <p>235 new Australian artwork projects supported, with total funding of \$59.8 million provided.</p> <p>\$0.4 million total funding for research and development projects.</p> <p>Screen Australia specific indicators:</p> <ul style="list-style-type: none"> dollar value of production generated for each dollar of Screen Australia investment in features: \$3.80 dollar value of production generated for each dollar of Screen Australia investment in documentaries: \$2.90 dollar value of production generated for each dollar of Screen Australia investment in adult television: \$5.00 dollar value of production generated for each dollar of Screen Australia investment in children’s television: \$3.60.

Performance information		
Year	Performance criteria	Targets
2017–18	<p>Engage, educate and inspire – increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Lead and collaborate – be leaders in the sector and foster long-term relationships through partnerships and collaborations with key stakeholders and similar organisations/institutions nationally and internationally.</p>	<p>Total audience number for Australian productions, including 2.7 million admissions for productions shown at movie theatres (based on three-year average) and 107 million cumulative audience for Screen Australia-funded productions shown on television.</p> <p>1.8 million visits to Screen Australia’s website.</p> <p>25 culturally diverse projects and events funded, with total funding of \$3.3 million.</p> <p>225 new Australian artwork projects supported, with total funding of \$59.4 million provided.</p> <p>Screen Australia specific indicators:</p> <ul style="list-style-type: none"> • dollar value of production generated for each dollar of Screen Australia investment in features: \$5.90 • dollar value of production generated for each dollar of Screen Australia investment in documentaries: \$2.90 • dollar value of production generated for each dollar of Screen Australia investment in TV drama: \$5.50 • dollar value of production generated for each dollar of Screen Australia investment in children’s TV drama: \$3.60.
2018–19 and beyond	<p>Engage, educate and inspire – increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Lead and collaborate – be leaders in the sector and foster long-term relationships through partnerships and collaborations with key stakeholders and similar organisations/institutions nationally and internationally.</p>	<p>Total audience number for Australian productions, including 2.7 million admissions for productions shown at movie theatres (based on three-year average) and 107 million cumulative audience for Screen Australia-funded productions shown on television.</p> <p>1.8 million visits to Screen Australia’s website.</p> <p>25 culturally diverse projects and events funded, with total funding of \$3.3 million.</p> <p>225 new Australian artwork projects supported, with total funding of \$59.4 million provided.</p> <p>\$0.4 million total funding for research and development projects.</p> <p>Screen Australia specific indicators:</p> <ul style="list-style-type: none"> • dollar value of production generated for each dollar of Screen Australia investment in features: \$5.90 • dollar value of production generated for each dollar of Screen Australia investment in documentaries: \$2.90 • dollar value of production generated for each dollar of Screen Australia investment in TV drama: \$5.50 • dollar value of production generated for each dollar of Screen Australia investment in children’s TV drama: \$3.60.
<p>Purpose To inspire, inform and connect audiences with compelling Australia stories.</p>		

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017–18 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

There is no material difference between the entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Screen Australia's budget has been developed on the underlying principal of a balanced budget, that is, annual expense matches the annual revenue forecast to be received.

Total expenses for 2017–18 are estimated to be \$89.8 million and will be used in delivering the activities outlined in Program 1.1.

Total income for 2017–18 is estimated to be \$89.8 million. Screen Australia's revenue from government for 2017–18 is \$81.8 million. Screen Australia is also expecting to generate \$8 million in own source revenue in 2017–18. This will be predominantly sourced from recoupment of screen investments, loans, and interest income.

Screen Australia continues to focus on containing administrative operating expenses to maximise funds directed to on-screen production.

Screen Australia has budgeted \$0.9 million in capital expenditure.

Screen Australia's budgeted net asset position of \$17.7 million is expected to comprise total assets of \$81.7 million, less liabilities of \$64.0 million.

Total financial assets as at 30 June 2018 are estimated to be \$77.2 million which represents 94% of the total asset value. A significant proportion of Screen Australia's financial assets (cash and investments in term deposits) have been committed to funding screen projects.

Total liabilities are estimated to be \$64.0 million as at 30 June 2018 of which 92% relates to obligations to pay amounts under executed screen industry contracts.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	12,200	12,860	13,046	13,243	13,637
Suppliers	8,025	7,466	7,916	7,737	7,620
Grants	33,573	31,760	31,510	31,170	31,070
Depreciation and amortisation	900	900	900	900	900
Finance costs	3	4	4	4	4
Write-down and impairment of assets	38,397	36,850	36,850	36,850	36,850
Total expenses	93,098	89,840	90,226	89,904	90,081
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	170	160	160	160	160
Interest	2,150	2,175	2,500	2,500	2,500
Royalties - Equity film production investments	5,225	5,000	5,000	5,000	5,000
Other	1,116	657	777	437	536
Total own-source revenue	8,661	7,992	8,437	8,097	8,196
Total own-source income	8,661	7,992	8,437	8,097	8,196
Net (cost of)/contribution by services	(84,437)	(81,848)	(81,789)	(81,807)	(81,885)
Revenue from Government	84,437	81,848	81,789	81,807	81,885
Surplus/(deficit) attributable to the Australian Government					
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	20,119	20,119	20,119	20,119	20,119
Trade and other receivables	931	931	931	931	931
Other investments	55,913	55,686	55,459	55,229	55,018
Other financial assets	475	475	475	475	475
Total financial assets	77,438	77,211	76,984	76,754	76,543
Non-financial assets					
Land and buildings	1,953	1,623	1,293	963	633
Property, plant and equipment	1,099	1,559	2,019	2,479	2,939
Intangibles	558	428	298	168	38
Other non-financial assets	857	857	857	857	857
Total non-financial assets	4,467	4,467	4,467	4,467	4,467
Total assets	81,905	81,678	81,451	81,221	81,010
LIABILITIES					
Payables					
Suppliers	2,180	1,900	1,622	1,343	1,072
Other payables	171	171	171	171	171
Total payables	2,351	2,071	1,793	1,514	1,243
Provisions					
Employee provisions	2,473	2,522	2,569	2,663	2,719
Other provisions	59,402	59,406	59,410	59,365	59,369
Total provisions	61,875	61,928	61,979	62,028	62,088
Total liabilities	64,226	63,999	63,772	63,542	63,331
Net assets	17,679	17,679	17,679	17,679	17,679
EQUITY					
Parent entity interest					
Contributed equity	9,505	9,505	9,505	9,505	9,505
Reserves	45	45	45	45	45
Retained surplus (accumulated deficit)	8,129	8,129	8,129	8,129	8,129
Total parent entity interest	17,679	17,679	17,679	17,679	17,679
Total Equity	17,679	17,679	17,679	17,679	17,679

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017–18)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	8,129	45	9,505	17,679
Adjusted opening balance	8,129	45	9,505	17,679
Estimated closing balance as at 30 June 2018	8,129	45	9,505	17,679
Closing balance attributable to the Australian Government	8,129	45	9,505	17,679

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	13,983	11,394	11,335	11,353	11,431
Receipts from Government	70,454	70,454	70,454	70,454	70,454
Sale of goods and rendering of services	187	166	166	166	166
Interest	2,150	2,175	2,500	2,500	2,500
Net GST received	8,000	8,000	8,000	8,000	8,000
Other	5,310	5,000	5,000	5,000	5,000
Total cash received	100,084	97,189	97,455	97,473	97,551
Cash used					
Employees	12,168	12,818	13,006	13,163	13,589
Suppliers	8,828	8,213	8,708	8,511	8,382
Other	40,830	39,065	38,768	38,486	38,366
Total cash used	61,826	60,096	60,482	60,160	60,337
Net cash from/(used by) operating activities	38,258	37,093	36,973	37,313	37,214
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of financial instruments	201,039	210,657	210,777	210,437	210,536
Total cash received	201,039	210,657	210,777	210,437	210,536
Cash used					
Purchase of property, plant and equipment and intangibles	900	900	900	900	900
Purchase of financial instruments	238,397	246,850	246,850	246,850	246,850
Total cash used	239,297	247,750	247,750	247,750	247,750
Net cash from/(used by) investing activities	(38,258)	(37,093)	(36,973)	(37,313)	(37,214)
Cash and cash equivalents at the beginning of the reporting period	20,119	20,119	20,119	20,119	20,119
Cash and cash equivalents at the end of the reporting period	20,119	20,119	20,119	20,119	20,119

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	900	900	900	900	900
TOTAL	900	900	900	900	900
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	900	900	900	900	900
Total cash used to acquire assets	900	900	900	900	900

(a) Includes current Appropriation Bill 1 and revenue from other independent sources.
Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2017–18)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017				
Gross book value	3,296	2,758	1,750	7,804
Accumulated depreciation/amortisation and impairment	(1,343)	(1,659)	(1,192)	(4,194)
Opening net book balance	1,953	1,099	558	3,610
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ^(a)	-	750	150	900
Total additions	-	750	150	900
Other movements				
Depreciation/amortisation expense	(330)	(290)	(280)	(900)
Total other movements	(330)	(290)	(280)	(900)
As at 30 June 2018				
Gross book value	3,296	3,508	1,900	8,704
Accumulated depreciation/amortisation and impairment	(1,673)	(1,949)	(1,472)	(5,094)
Closing net book balance	1,623	1,559	428	3,610

(a) "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2017–18 for depreciation/amortisation expenses or other operational expenses.

Prepared on Australian Accounting Standards basis.