

SCREEN AUSTRALIA

ENTITY RESOURCES AND PLANNED PERFORMANCE

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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 the Screen Australia's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' 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 2018–19 as at Budget May 2018

	2017–18 estimated actual \$'000	2018–19 estimate \$'000
Opening balance/cash reserves at 1 July	21,164	21,164
Funds from Government		
Annual appropriations—ordinary annual services ^(a)		
Outcome 1	11,394	11,335
<i>Total annual appropriations</i>	<i>11,394</i>	<i>11,335</i>
Amounts received from related entities		
Amounts from portfolio department ^(b)	70,454	70,454
<i>Total amounts received from related entities</i>	<i>70,454</i>	<i>70,454</i>
Total funds from Government	81,848	81,789
Funds from other sources		
Sale of goods and services	160	190
Interest	2,175	2,175
Royalties from on-screen investments	5,000	4,545
Other	657	1,072
Total funds from other sources	7,992	7,982
Total net resourcing for Screen Australia	111,004	110,935
	2017–18	2018–19
Average staffing level (number)	97	97

(a) Appropriation Bill (No.1) 2018–19.

(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

There are no new measures relating to Screen Australia for the 2018–19 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 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 Screen Australia intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
Program 1.1: Screen Australia					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	11,394	11,335	11,342	11,442	11,531
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Revenues from other independent sources	7,992	7,982	7,640	7,296	7,218
Total expenses for Program 1.1	89,840	89,771	89,436	89,192	89,203
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	11,394	11,335	11,342	11,442	11,531
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Revenues from other independent sources	7,992	7,982	7,640	7,296	7,218
Total expenses for Outcome 1	89,840	89,771	89,436	89,192	89,203
	2017–18	2018–19			
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 2018–19 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		
<p>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.</p>		
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>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 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>Expected to meet criterion</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.

Screen Australia Budget Statements

Performance information		
Year	Performance criteria	Targets
2018–19	<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>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>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>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>
2019–20 and beyond	As per 2018–19	As per 2018–19
Purposes	To inspire, inform and connect audiences with compelling Australian stories.	

SECTION 3: BUDGETED FINANCIAL STATEMENTS

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of Screen Australia's finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 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 2018–19 are estimated to be \$89.8 million and will be used in delivering the activities outlined in Program 1.1.

Total income for 2018–19 is estimated to be \$89.8 million. Screen Australia's revenue from Government for 2018–19 is \$81.8 million. Screen Australia is also expecting to generate \$8.0 million in own source revenue in 2018–19. This will be predominantly sourced from recoupment from 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 net asset position as at 30 June 2019 is estimated to be \$17.7 million. This comprise total assets of \$81.5 million, less liabilities of \$63.8 million.

Total financial assets as at 30 June 2019 are estimated to be \$77.2 million, which represents 95 percent 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 \$63.8 million as at 30 June 2019 of which 93 percent 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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
EXPENSES					
Employee benefits	12,860	12,729	12,914	13,099	13,284
Suppliers	7,466	7,778	7,598	7,269	7,096
Grants	31,760	31,510	31,170	31,070	31,070
Depreciation and amortisation	900	900	900	900	900
Finance costs	4	4	4	4	3
Write-down and impairment of assets	36,850	36,850	36,850	36,850	36,850
Total expenses	89,840	89,771	89,436	89,192	89,203
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	160	190	190	190	190
Interest	2,175	2,175	2,175	2,175	2,500
Royalties	5,000	4,545	4,545	4,300	4,300
Other	657	1,072	730	631	228
Total own-source revenue	7,992	7,982	7,640	7,296	7,218
Total own-source income	7,992	7,982	7,640	7,296	7,218
Net (cost of) services	(81,848)	(81,789)	(81,796)	(81,896)	(81,985)
Revenue from Government—annual appropriation	11,394	11,335	11,342	11,442	11,531
Revenue from Government—amounts from portfolio department	70,454	70,454	70,454	70,454	70,454
Total comprehensive income/(loss)	-	-	-	-	-
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)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	21,164	21,164	21,164	21,164	21,164
Trade and other receivables	786	786	786	786	786
Other investments	55,227	54,952	54,630	54,464	54,249
Other financial assets	344	344	344	344	344
Total financial assets	77,521	77,246	76,924	76,758	76,543
Non-financial assets					
Land and buildings	1,678	1,328	978	628	278
Property, plant and equipment	1,539	1,924	2,309	2,694	3,079
Intangibles	586	551	516	481	446
Prepayments	479	479	479	479	479
Total non-financial assets	4,282	4,282	4,282	4,282	4,282
Total assets	81,803	81,528	81,206	81,040	80,825
LIABILITIES					
Payables					
Suppliers	2,001	1,723	1,444	1,173	902
Other payables	598	597	599	700	753
Total payables	2,599	2,320	2,043	1,873	1,655
Provisions					
Employee provisions	2,174	2,174	2,174	2,174	2,174
Other provisions	59,314	59,318	59,273	59,277	59,280
Total provisions	61,488	61,492	61,447	61,451	61,454
Total liabilities	64,087	63,812	63,490	63,324	63,109
Net assets	17,716	17,716	17,716	17,716	17,716
EQUITY					
Contributed equity	9,505	9,505	9,505	9,505	9,505
Reserves	45	45	45	45	45
Retained surplus	8,166	8,166	8,166	8,166	8,166
Total equity	17,716	17,716	17,716	17,716	17,716

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity—summary of movement (Budget year 2018–19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	8,166	45	9,505	17,716
Adjusted opening balance	8,166	45	9,505	17,716
Estimated closing balance as at 30 June 2019	8,166	45	9,505	17,716
Closing balance attributable to the Australian Government	8,166	45	9,505	17,716

Prepared on Australian Accounting Standards basis.

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,394	11,335	11,342	11,442	11,531
Receipts from Government	70,454	70,454	70,454	70,454	70,454
Sale of goods and rendering of services	176	209	209	209	209
Interest	2,175	2,175	2,175	2,175	2,500
Net GST received	7,500	7,500	7,500	7,500	7,500
Other	5,250	4,772	4,772	4,515	4,515
Total cash received	96,949	96,445	96,452	96,295	96,709
Cash used					
Employees	12,856	12,730	12,912	12,998	13,231
Suppliers	8,521	8,862	8,665	8,294	8,104
Other	38,751	38,450	38,128	38,050	38,067
Total cash used	60,128	60,042	59,705	59,342	59,402
Net cash from operating activities	36,821	36,403	36,747	36,953	37,307
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of financial instruments	210,657	211,072	210,730	210,631	210,228
Total cash received	210,657	211,072	210,730	210,631	210,228
Cash used					
Purchase of property, plant and equipment and intangibles	900	900	900	900	900
Purchase of financial instruments	210,428	210,425	210,378	210,534	210,485
On-screen investments	36,150	36,150	36,150	36,150	36,150
Other	-	-	49	-	-
Total cash used	247,478	247,475	247,477	247,584	247,535
Net cash (used by) investing activities	(36,821)	(36,403)	(36,747)	(36,953)	(37,307)
Net increase in cash held					
Cash and cash equivalents at the beginning of the reporting period	21,164	21,164	21,164	21,164	21,164
Cash and cash equivalents at the end of the reporting period	21,164	21,164	21,164	21,164	21,164

Prepared on Australian Accounting Standards basis.

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

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 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 2018–19)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2018				
Gross book value	3,355	3,132	1,943	8,430
Accumulated depreciation/ amortisation and impairment	(1,677)	(1,593)	(1,357)	(4,627)
Opening net book balance	1,678	1,539	586	3,803
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	(350)	(365)	(185)	(900)
Total other movements	(350)	(365)	(185)	(900)
As at 30 June 2019				
Gross book value	3,355	3,882	2,093	9,330
Accumulated depreciation/amortisation and impairment	(2,027)	(1,958)	(1,542)	(5,527)
Closing net book balance	1,328	1,924	551	3,803

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018–19 for depreciation/amortisation expenses or other operational expenses.

Prepared on Australian Accounting Standards basis.