



Budget

2019-20

Portfolio Budget Statements 2019-20

Budget Related Paper No. 1.3

Communications and the Arts Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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SCREEN AUSTRALIA

ENTITY RESOURCES AND PLANNED PERFORMANCE

SCREEN AUSTRALIA

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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 the entity 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 entity'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' table 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 2019–20 as at Budget April 2019

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	20,211	20,211
Funds from Government		
Annual appropriations — ordinary annual services ^(a)		
Outcome 1	11,335	11,331
Total annual appropriations	11,335	11,331
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	81,789	81,785
Funds from other sources		
Sale of goods and services	190	190
Interest	2,175	2,175
Royalties	4,545	4,545
Other	1,072	921
Total funds from other sources	7,982	7,831
Total net resourcing for Screen Australia	109,982	109,827
	2018–19	2019–20
Average staffing level (number)	97	97

(a) Appropriation Bill (No. 1) 2019–20.

(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 2019–20 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 Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Screen Australia					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	11,335	11,331	11,431	11,531	11,621
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Revenues from other independent sources	7,982	7,831	7,513	7,110	7,327
Total expenses for program 1.1	89,771	89,616	89,398	89,095	89,402
Outcome 1 Totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	11,335	11,331	11,431	11,531	11,621
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Revenues from other independent sources	7,982	7,831	7,513	7,110	7,327
Total expenses for Outcome 1	89,771	89,616	89,398	89,095	89,402
<hr/>					
	2018–19	2019–20			
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 2019–20 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		
Purpose		
To inspire, inform and connect audiences with compelling Australian stories.		
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
2018–19	<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>\$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 Budget Statements

		Screen Australia investment in children's TV drama: \$3.60.
Performance information		
Year	Performance criteria	Targets
2019–20	<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 \$4 million.</p> <p>225 new Australian artwork projects supported, with total funding of \$62 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.
2020–21 and beyond	As per 2019–20	As per 2019–20

SECTION 3: BUDGETED FINANCIAL STATEMENTS

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 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 2019–20 are estimated to be \$89.6 million and will be used in delivering the activities outlined in Program 1.1.

Total income for 2019–20 is estimated to be \$89.6 million. Screen Australia's revenue from Government for 2019–20 is \$81.8 million. Screen Australia is also expecting to generate \$7.8 million in own source revenue in 2019–20. 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 budgeted net asset position of \$17.7 million is expected to comprise total assets of \$76.9 million, less liabilities of \$59.2 million.

Total financial assets as at 30 June 2020 are estimated to be \$72.7 million which represents 95% 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 \$59.2 million as at 30 June 2020 of which 93% 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	12,729	12,990	13,174	13,359	13,545
Suppliers	7,778	7,722	7,520	7,033	7,154
Grants	31,510	31,050	30,950	30,950	30,950
Depreciation and amortisation	900	900	900	900	900
Finance costs	4	4	4	3	3
Write-down and impairment of assets	36,850	36,950	36,850	36,850	36,850
Total expenses	89,771	89,616	89,398	89,095	89,402
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	190	190	190	190	190
Interest	2,175	2,175	2,175	2,175	2,500
Royalties	4,545	4,545	4,545	4,545	4,545
Total own-source revenue	6,910	6,910	6,910	6,910	7,235
Gains					
Other	1,072	921	603	200	92
Total gains	1,072	921	603	200	92
Total own-source income	7,982	7,831	7,513	7,110	7,327
Net cost of services	(81,789)	(81,785)	(81,885)	(81,985)	(82,075)
Revenue from Government — annual appropriations	11,335	11,331	11,431	11,531	11,621
Revenue from Government — amounts from portfolio department	70,454	70,454	70,454	70,454	70,454
Total 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)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	20,211	20,211	20,211	20,211	20,211
Trade and other receivables	1,353	1,336	1,336	1,336	1,336
Other investments	52,167	51,137	50,919	50,702	50,485
Total financial assets	73,731	72,684	72,466	72,249	72,032
Non-financial assets					
Land and buildings	1,823	1,613	1,403	1,193	983
Property, plant and equipment	1,293	1,631	1,869	2,107	2,345
Intangibles	501	373	345	317	289
Other non-financial assets	610	610	610	610	610
Total non-financial assets	4,227	4,227	4,227	4,227	4,227
Total assets	77,958	76,911	76,693	76,476	76,259
LIABILITIES					
Payables					
Suppliers	1,093	275	275	275	275
Other payables	2,051	1,867	1,645	1,425	1,205
Total payables	3,144	2,142	1,920	1,700	1,480
Provisions					
Employee provisions	2,059	2,059	2,059	2,059	2,059
Other provisions	55,012	54,967	54,971	54,974	54,977
Total provisions	57,071	57,026	57,030	57,033	57,036
Total liabilities	60,215	59,168	58,950	58,733	58,516
Net assets	17,743	17,743	17,743	17,743	17,743
EQUITY					
Parent entity interest					
Contributed equity	9,505	9,505	9,505	9,505	9,505
Reserves	45	45	45	45	45
Retained surplus	8,193	8,193	8,193	8,193	8,193
Total equity	17,743	17,743	17,743	17,743	17,743

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	8,193	45	9,505	17,743
Adjusted opening balance	8,193	45	9,505	17,743
Estimated closing balance as at 30 June 2020	8,193	45	9,505	17,743
Closing balance attributable to the Australian Government	8,193	45	9,505	17,743

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,335	11,331	11,431	11,531	11,621
Receipts from Government	70,454	70,454	70,454	70,454	70,454
Sale of goods and rendering of services	209	109	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	4,772	4,772	4,772	4,772	4,772
Total cash received	96,445	96,341	96,541	96,641	97,056
Cash used					
Employees	12,817	12,895	13,125	13,308	13,494
Suppliers	8,964	9,701	8,570	8,034	8,168
Other	38,441	37,914	37,917	37,966	37,953
Total cash used	60,222	60,510	59,612	59,308	59,615
Net cash from operating activities	36,223	35,831	36,929	37,333	37,441
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of financial instruments	181,072	180,938	180,603	180,200	180,092
Total cash received	181,072	180,938	180,603	180,200	180,092
Cash used					
Purchase of property, plant and equipment and intangibles	900	900	900	900	900
Purchase of financial instruments	180,245	179,670	180,482	180,483	180,483
On-screen investments	36,150	36,150	36,150	36,150	36,150
Other	-	49	-	-	-
Total cash used	217,295	216,769	217,532	217,533	217,533
Net cash (used by) investing activities	(36,223)	(35,831)	(36,929)	(37,333)	(37,441)
Net increase in cash held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	20,211	20,211	20,211	20,211	20,211
Cash and cash equivalents at the end of the reporting period	20,211	20,211	20,211	20,211	20,211

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 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 2019–20)

	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	3,862	2,985	1,785	8,632
Accumulated depreciation/ amortisation and impairment	(2,039)	(1,692)	(1,284)	(5,015)
Opening net book balance	1,823	1,293	501	3,617
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase — appropriation ordinary annual services ^(a)	175	675	50	900
Total additions	175	675	50	900
Other movements				
Depreciation/amortisation expense	(385)	(337)	(178)	(900)
Total other movements	(385)	(337)	(178)	(900)
As at 30 June 2020				
Gross book value	4,037	3,660	1,835	9,532
Accumulated depreciation/ amortisation and impairment	(2,424)	(2,029)	(1,462)	(5,915)
Closing net book balance	1,613	1,631	373	3,617

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019–20 for depreciation/amortisation expenses or other operational expenses.
Prepared on Australian Accounting Standards basis.

