

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 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 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Opening balance/cash reserves at 1 July	19,102	19,102
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	11,331	13,531
Total annual appropriations	11,331	13,531
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	81,785	83,985
Funds from other sources		
Interest	1,509	1,000
Royalties	5,983	4,545
Sale of goods and services	158	150
Other	2,500	531
Total funds from other sources	10,150	6,226
Total net resourcing for Screen Australia	111,037	109,313
	2019-20	2020-21
Average staffing level (number)	96	97

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.

(a) Appropriation Bill (No. 1) 2020-21.

(b) Funding provided by the Department of Infrastructure, Transport, Regional Development and Communications 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 Infrastructure, Transport, Regional Development and Communications (a Non-Corporate Commonwealth Entity), which are then paid to Screen Australia and are considered "departmental" for all purposes.

1.3 BUDGET MEASURES

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

**Table 1.2: Screen Australia 2020-21 Budget measures
Measures announced after the Economic and Fiscal Update July 2020**

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Payment measures					
COVID-19 Response Package — arts portfolio entities	1.1				
Departmental payments		1,143	-	-	-
Total		1,143	-	-	-
Media Reforms Package — screen sector support	1.1				
Departmental payments		1,000	16,000	16,000	-
Total		1,000	16,000	16,000	-
Total payment measures					
Departmental		2,143	16,000	16,000	-
Total		2,143	16,000	16,000	-

Prepared on a Government Finance Statistics (underlying cash) 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.

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 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 a complete picture of an entity's planned and actual performance.

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.

Table 2.1.1: Budgeted expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Screen Australia					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	11,331	13,531	27,330	27,318	11,350
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Expenses not requiring appropriation in the budget year	2,947	(73)	(87)	(100)	-
Revenues from other independent sources	10,150	6,226	5,896	5,787	5,695
Total expenses for Program 1.1	94,882	90,138	103,593	103,459	87,499
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	11,331	13,531	27,330	27,318	11,350
Payment from related entities	70,454	70,454	70,454	70,454	70,454
Expenses not requiring appropriation in the budget year	2,947	(73)	(87)	(100)	-
Revenues from other independent sources	10,150	6,226	5,896	5,787	5,695
Total expenses for Outcome 1	94,882	90,138	103,593	103,459	87,499
	2019-20	2020-21			
Average staffing level (number)	96	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 2020-21 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
2019-20	Engage, educate and inspire — increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.	Targets met Total audience number for Australian productions, including 2.7 million admissions for productions shown at movie theatres (based on three-year average) Achieved: 3.4 million 107 million cumulative audience for Screen Australia-funded productions shown on television. Achieved: 115.7 million 1.8 million visits to Screen Australia’s website. Achieved: 2.8 million 25 culturally diverse projects and events funded, with total funding of \$4 million. Achieved: 197 projects, \$31.9 million

Performance information		
Year	Performance criteria	Targets
2019-20 continued	<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>Targets met 225 new Australian artwork projects supported, with total funding of \$62 million provided. Achieved: 434 projects, \$70.7 million \$0.4 million total funding for research and development projects. Achieved: \$0.59 million 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 Achieved: \$6.47 dollar value of production generated for each dollar of Screen Australia investment in documentaries: \$2.90 Achieved: \$5.44 dollar value of production generated for each dollar of Screen Australia investment in TV drama: \$5.50 Achieved: \$8.60 dollar value of production generated for each dollar of Screen Australia investment in children's TV drama: \$3.60 Achieved: \$5.67
2020-21	<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 1 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. 1.8 million visits to Screen Australia's website. 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. \$0.4 million total funding for research and development projects. 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.
2021-22 and beyond	As per 2020-21	As per 2020-21
Purpose	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 2020-21 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) adjusted for any surplus/deficit impacts arising from accounting for leases under AASB 16 Leases.

Total expenses for 2020-21 are estimated to be \$90.2 million and will be used in delivering the activities outlined in Program 1.1.

Total income for 2020-21 is estimated to be \$90.1 million. Screen Australia's revenue from Government for 2020-21 is \$84.0 million. Screen Australia is also expecting to generate \$6.2 million in own source revenue in 2020-21. 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 \$14.2 million is expected to comprise total assets of \$70.8 million, less liabilities of \$56.6 million.

Total financial assets as at 30 June 2021 are estimated to be \$63.8 million which represents 90% 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 \$56.6 million as at 30 June 2021 of which 84% 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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	12,740	12,869	13,024	13,261	13,503
Suppliers	5,765	5,834	5,729	5,777	5,694
Grants	35,345	33,093	46,950	46,950	30,950
Depreciation and amortisation	2,079	2,099	2,058	2,096	2,067
Finance costs	59	47	66	68	70
Write-down and impairment of assets	38,694	36,196	35,766	35,307	35,215
Losses from asset sales	200	-	-	-	-
Total expenses	94,882	90,138	103,593	103,459	87,499
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	158	150	150	150	150
Interest	1,509	1,000	1,000	1,000	1,000
Royalties	5,983	4,545	4,545	4,545	4,545
Other	610	-	-	-	-
Total own-source revenue	8,260	5,695	5,695	5,695	5,695
Gains					
Other	1,890	531	201	92	-
Total gains	1,890	531	201	92	-
Total own-source income	10,150	6,226	5,896	5,787	5,695
Net (cost of)/contribution by services	(84,732)	(83,912)	(97,697)	(97,672)	(81,804)
Revenue from Government	81,785	83,985	97,784	97,772	81,804
Surplus/(deficit) attributable to the Australian Government	(2,947)	73	87	100	-
Total comprehensive income/(loss) attributable to the Australian Government	(2,947)	73	87	100	-

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	19,102	19,102	19,102	19,102	19,102
Trade and other receivables	1,142	1,142	1,142	1,142	1,142
Other investments	55,200	43,517	43,365	43,213	42,770
Total financial assets	75,444	63,761	63,609	63,457	63,014
Non-financial assets					
Land and buildings	5,493	5,649	5,844	6,056	6,354
Property, plant and equipment	695	979	1,254	1,529	1,804
Intangibles	162	97	97	97	97
Prepayments	238	320	300	300	300
Total non-financial assets	6,588	7,045	7,495	7,982	8,555
Total assets	82,032	70,806	71,104	71,439	71,569
LIABILITIES					
Payables					
Suppliers	441	441	441	441	441
Other payables	466	515	548	599	606
Total payables	907	956	989	1,040	1,047
Interest bearing liabilities					
Leases	5,219	5,388	5,563	5,744	5,864
Total interest bearing liabilities	5,219	5,388	5,563	5,744	5,864
Provisions					
Employee provisions	2,494	2,494	2,494	2,494	2,494
Other provisions	59,296	47,779	47,782	47,785	47,788
Total provisions	61,790	50,273	50,276	50,279	50,282
Total liabilities	67,916	56,617	56,828	57,063	57,193
Net assets	14,116	14,189	14,276	14,376	14,376
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)	4,566	4,639	4,726	4,826	4,826
Total parent entity interest	14,116	14,189	14,276	14,376	14,376
Total equity	14,116	14,189	14,276	14,376	14,376

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020-21)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	4,566	45	9,505	14,116
Adjusted opening balance	4,566	45	9,505	14,116
Comprehensive income				
Surplus/(deficit) for the period	73	-	-	73
Total comprehensive income	73	-	-	73
Estimated closing balance as at 30 June 2021	4,639	45	9,505	14,189
Closing balance attributable to the Australian Government	4,639	45	9,505	14,189

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	11,331	13,531	27,330	27,318	11,350
Receipts from Government	70,454	70,454	70,454	70,454	70,454
Sale of goods and rendering of services	168	165	165	165	165
Interest	1,286	1,000	1,000	1,000	1,000
Net GST received	5,604	7,500	7,500	7,500	7,500
Other	6,775	4,495	4,575	4,684	4,776
Total cash received	95,618	97,145	111,024	111,121	95,245
Cash used					
Employees	12,334	12,820	12,991	13,210	13,496
Suppliers	5,829	6,508	6,280	6,355	6,263
Interest payments on lease liability	53	43	63	65	67
Other	35,682	40,247	54,125	54,118	38,127
Total cash used	53,898	59,618	73,459	73,748	57,953
Net cash from operating activities	41,720	37,527	37,565	37,373	37,292
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	4	-	-	-	-
Proceeds from sales of financial instruments	166,293	180,531	180,201	180,092	180,000
Total cash received	166,297	180,531	180,201	180,092	180,000
Cash used					
Purchase of property, plant and equipment and intangibles	875	900	900	900	900
Purchase of financial instruments	173,425	169,017	180,548	180,548	180,257
On-screen investments	22,435	46,736	34,865	34,515	34,515
Total cash used	196,735	216,653	216,313	215,963	215,672
Net cash (used by) investing activities	(30,438)	(36,122)	(36,112)	(35,871)	(35,672)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,579	1,405	1,453	1,502	1,620
Total cash used	1,579	1,405	1,453	1,502	1,620
Net cash (used by) financing activities	(1,579)	(1,405)	(1,453)	(1,502)	(1,620)
Net increase in cash held	9,703	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	9,399	19,102	19,102	19,102	19,102
Cash and cash equivalents at the end of the reporting period	19,102	19,102	19,102	19,102	19,102

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	875	900	900	900	900
TOTAL	875	900	900	900	900
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	875	900	900	900	900
Total cash used to acquire assets	875	900	900	900	900

(a) Includes current Appropriation Bill 1 and revenue from independent sources.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2020-21)

	Asset Category			Total
	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	4,000	2,464	1,301	7,765
Gross book value - ROU assets	9,786	-	-	9,786
Accumulated depreciation/ amortisation and impairment	(2,276)	(1,769)	(1,139)	(5,184)
Accumulated depreciation/ amortisation and impairment - ROU assets	(6,017)	-	-	(6,017)
Opening net book balance	5,493	695	162	6,350
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	(537)	(391)	(115)	(1,043)
Depreciation/amortisation on ROU assets	(1,056)	-	-	(1,056)
Total other movements	(1,593)	(391)	(115)	(2,099)
As at 30 June 2021				
Gross book value	4,175	3,139	1,351	8,665
Gross book value - ROU assets	9,786	-	-	9,786
Accumulated depreciation/amortisation and impairment	(2,813)	(2,160)	(1,254)	(6,227)
Accumulated depreciation/amortisation and impairment - ROU assets	(7,073)	-	-	(7,073)
Closing net book balance	4,075	979	97	5,151

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2020-21 for depreciation/amortisation expenses, or other operational expenses.

Prepared on Australian Accounting Standards basis.