

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 is the Australian Government's screen investment and administration agency. Screen Australia was established under the *Screen Australia Act 2008* (the Act), and is involved in almost every aspect of the domestic Australian screen industry relating to drama, documentary and children's content.

The agency manages the Producer Offset and invests in funds projects at every stage from development, production and into distribution. Screen Australia provides creative and business advice, supports industry sustainability via Enterprise funding, assists producers to make deals in the international marketplace and supports travel to foreign markets and festivals. Screen Australia funds activities to support Australian screen culture and provides comprehensive research and analysis of sector performance and trends.

Broadly, Screen Australia is responsible for:

- **content:** developing, producing, promoting and distributing Australian programs
- **culture:** supporting and promoting the development of screen culture in Australia
- **industry:** supporting and promoting the development of a highly creative, innovative and commercially sustainable Australian screen production industry.

Screen Australia works closely with the state screen agencies, the Australian Children's Television Foundation, Ausfilm and with international counterparts. Screen Australia also works with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts on developing screen industry policy, and with other Government bodies such as the Department of Foreign Affairs and Trade and Austrade to globally promote the interests of the Australian screen industry and Australia.

Screen Australia has a particular focus on First Nations content through its First Nations Department, which has been in existence for almost 30 years, and more generally, supporting the screen industry to become more inclusive in front of and behind the camera, to better reflect the Australian community.

Screen Australia invests in content for free-to-air television, Subscription Video on Demand (SVOD), Broadcaster Video on Demand (BVOD), other online platforms (with partners such as YouTube, Instagram and Snapchat) and in feature films. In 2022, Screen Australia recommenced working to support local games development and production.

The Australian, and international, screen industry is going through a period of fundamental change. Large foreign streaming platforms are investing significant amounts in new content intended for the local and international market. These new entrants place pressure on existing platforms such as free to air and subscription television. At the same time, the theatrical market is challenged by the new streaming entrants and changes to audience viewing patterns, as well as by the growth in the number of high budget (often franchise) releases. In these highly competitive conditions, it becomes increasingly challenging for Australian content, with generally lower budgets, to find an audience on unregulated platforms and in crowded marketplaces. The Australian production sector is also experiencing a period of unprecedented growth for the new multitude of distribution platforms and consequently competition for limited resources is intense, contributing to an increase in the cost of productions.

Screen Australia's budget is under considerable pressure with this exciting but demanding increase in content creation across new and existing platforms. As the market has become more competitive, costs have increased and the scope of support has expanded to include games. Short term additional funding to support the screen sector through the period of change associated with regulatory reform and COVID-19 disruption has concluded.

Screen Australia will manage these challenges by reducing costs and looking at the amount it invests across its slate, and strategically targeting certain mediums, platforms or genres. Online content and games represent a significant opportunity for growth and relevance to a growing proportion of the population. First Nations content remains extremely popular, successful and culturally important. Screen Australia will work to make sure that the screen sector continues to grow and creates impactful, quality content by investigating new paths to sustainability, partners for local and inward investment and supporting opportunities for industry participants to access high quality on-the-job placements, mentoring and training.

In 2023-24, Screen Australia's work will be guided by the pillars and principles of the National Cultural Policy – *Revive: a place for every story, a story for every place*, as well as Screen Australia's own Strategic Framework and Corporate plan.

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' 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 2023-24 as at Budget May 2023

	2022-23 Estimated actual \$'000	2023-24 Estimate \$'000
Opening balance/cash reserves at 1 July	18,771	18,771
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	27,834	12,890
Total annual appropriations	27,834	12,890
Amounts received from related entities		
Amounts from portfolio department ^(b)	70,454	72,564
Total amounts received from related entities	70,454	72,564
Total funds from Government	98,288	85,454
Funds from industry sources		
Funds from other sources		
Interest	1,400	3,140
Royalties	4,000	4,000
Sale of goods and services	950	160
Other	62	-
Total funds from other sources	6,412	7,300
Total net resourcing for Screen Australia	123,471	111,525
	2022-23	2023-24
Average staffing level (number)	98	105

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

(a) Appropriation Bill (No. 1) 2023-24.

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

1.3 Budget measures

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

Table 1.2: Screen Australia 2023-24 Budget measures
Part 1: Measures announced since the 2022-23 October Budget

	Program	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
Payment Measure						
Revive – National Cultural Policy and Location Incentive						
	1.1					
	Departmental payments	-	878	892	902	911
	Total	-	878	892	902	911
Total payment measure						
	Departmental	-	878	892	902	911
	Total	-	878	892	902	911

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 measures 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:
<https://www.screenaustralia.gov.au/getmedia/bd7cf2de-1c31-44ed-a8bf-ac49bd2f89c2/Screen-Australia-Corporate-Plan-2020-2024.pdf>

The most recent annual performance statement can be found at:
<https://www.screenaustralia.gov.au/getmedia/4af98de9-e06a-4269-ae3-98d7fd5c52ee/SA-Annual-Report-2021-2022.pdf?ext=.pdf>

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
Program 1.1: Screen Australia					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	27,834	12,890	13,234	13,413	13,593
Payment from related entities	70,454	72,564	72,564	72,564	72,564
Expenses not requiring appropriation in the budget year ^(a)	(255)	53	174	107	27
Revenues from other independent sources	6,412	7,300	7,300	7,300	7,300
Total expenses for Program 1.1	104,445	92,807	93,272	93,384	93,484
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	27,834	12,890	13,234	13,413	13,593
Payment from related entities	70,454	72,564	72,564	72,564	72,564
Expenses not requiring appropriation in the budget year ^(a)	(255)	53	174	107	27
Revenues from other independent sources	6,412	7,300	7,300	7,300	7,300
Total expenses for Outcome 1	104,445	92,807	93,272	93,384	93,484
	2022-23	2023-24			
Average staffing level (number)	98	105			

(a) Net impact of AASB 16 Leases relating to right of use (buildings) lease repayments and depreciation/amortisation expenses of right of use assets.

Table 2.1.2: Performance measures 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 the 2023-24 Budget measures that have created new programs or materially changed existing programs are provided.

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 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.		
Key Activities	Key activities reported in the current corporate plan that relate to this program, include: <ul style="list-style-type: none"> Engage, educate and inspire. Lead and collaborate. 	
Year	Performance measures	Expected Performance Results
Current year 2022-23	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>Targets:</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 91 million cumulative audience for Screen Australia-funded productions shown on television.</p> <p>1.8 million visits to Screen Australia’s website.</p> <p>50 culturally diverse projects and events funded, with total funding of \$8 million.</p> <p>Targets expected to be met.</p>

Year	Performance measures	Expected Performance Results
Current year 2022-23 cont.	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>Targets:</p> <p>225 new Australian artwork projects supported, with total funding of \$74 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>Targets expected to be met.</p>
Year	Performance measures	Planned Performance Results
Budget year 2023-24	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>Total audience number for Australian productions, including 2.7 million admissions for productions shown at movie theatres (based on three-year average) and 91 million cumulative audience for Screen Australia-funded productions shown on television.</p> <p>1.8 million visits to Screen Australia’s website.</p> <p>50 culturally diverse projects and events funded, with total funding of \$8 million.</p>

Year	Performance measures	Planned Performance Results
Budget Year 2023-24 cont.	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.	225 new Australian artwork projects supported, with total funding of \$58 million provided. \$0.4 million total funding for research and development projects. Screen Australia specific indicators: <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.
Forward Estimates 2024-27	As per 2023-24	As per 2023-24.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of Screen Australia's finances for the 2023-24 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 principle 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 2023–24 are estimated to be \$92.8 million and will be used in delivering the activities outlined in Program 1.1.

Total income for 2023–24 is estimated to be \$92.8 million. Screen Australia's revenue from Government for 2023–24 is \$85.5 million. Screen Australia is also expecting to generate \$7.3 million in own source revenue in 2023–24. This will be predominantly sourced from recoupment from screen investments, interest income and rendering of services.

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

Screen Australia has budgeted \$0.8 million in capital expenditure.

Screen Australia's budgeted net asset position of \$14.7 million is expected to comprise total assets of \$97.8 million, less liabilities of \$83.1 million.

Total financial assets as at 30 June 2024 are estimated to be \$89.5 million which represents 91 per cent 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 \$83.1 million as at 30 June 2024 of which 88 per cent 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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	14,298	16,118	16,439	16,762	17,090
Suppliers	6,537	8,319	8,411	8,423	8,460
Grants	37,043	32,015	32,138	31,844	31,510
Depreciation and amortisation	1,914	1,865	1,953	2,035	2,131
Finance costs	17	79	95	84	57
Write-down and impairment of assets	44,636	34,411	34,236	34,236	34,236
Total expenses	104,445	92,807	93,272	93,384	93,484
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	950	160	160	160	160
Interest	1,400	3,140	3,140	3,140	3,140
Royalties	4,000	4,000	4,000	4,000	4,000
Total own-source revenue	6,350	7,300	7,300	7,300	7,300
Gains					
Other	62	-	-	-	-
Total gains	62	-	-	-	-
Total own-source income	6,412	7,300	7,300	7,300	7,300
Net (cost of)/contribution by services	(98,033)	(85,507)	(85,972)	(86,084)	(86,184)
Revenue from Government	98,288	85,454	85,798	85,977	86,157
Surplus/(deficit) attributable to the Australian Government	255	(53)	(174)	(107)	(27)
Total comprehensive income/(loss)	255	(53)	(174)	(107)	(27)
Total comprehensive income/(loss) attributable to the Australian Government	255	(53)	(174)	(107)	(27)
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) - as per statement of comprehensive income	255	(53)	(174)	(107)	(27)
plus: depreciation/amortisation expenses for ROU assets ^(a)	1,064	1,354	1,503	1,509	1,509
plus: Lease Incentive ^(a)	270	90			
less: lease principal repayments ^(a)	(1,589)	(1,391)	(1,329)	(1,402)	(1,482)
Net cash operating surplus/ (deficit)	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

(a) Applies to leases under AASB 16 Leases.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	18,771	18,771	18,771	18,771	18,771
Trade and other receivables	3,191	3,191	3,191	3,191	3,191
Other investments	67,855	67,497	67,163	66,956	66,248
Total financial assets	89,817	89,459	89,125	88,918	88,210
Non-financial assets					
Land and buildings	7,689	6,446	5,724	4,193	2,621
Property, plant and equipment	1,028	1,206	1,613	1,909	2,150
Intangibles	0	0	0	0	0
Other non-financial assets	653	653	653	653	653
Total non-financial assets	9,370	8,305	7,990	6,755	5,424
Assets held for sale					
Total assets	99,187	97,764	97,115	95,673	93,634
LIABILITIES					
Payables					
Suppliers	225	225	225	225	225
Other payables	670	720	787	854	324
Total payables	895	945	1,012	1,079	549
Interest bearing liabilities					
Leases	7,140	5,749	5,258	3,856	2,374
Total interest bearing liabilities	7,140	5,749	5,258	3,856	2,374
Provisions					
Employee provisions	2,554	2,554	2,554	2,554	2,554
Other provisions	73,883	73,854	73,803	73,803	73,803
Total provisions	76,437	76,408	76,357	76,357	76,357
Liabilities included in disposal groups held for sale					
Total liabilities	84,472	83,102	82,627	81,292	79,280
Net assets	14,715	14,662	14,488	14,381	14,354
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)	5,165	5,112	4,938	4,831	4,804
Total parent entity interest	14,715	14,662	14,488	14,381	14,354
Total equity	14,715	14,662	14,488	14,381	14,354

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2023-24)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2023					
Balance carried forward from previous period	5,165	45	-	9,505	14,715
Adjusted opening balance	5,165	45	-	9,505	14,715
Comprehensive income					
Surplus/(deficit) for the period	(53)	-	-	-	(53)
Total comprehensive income	(53)	-	-	-	(53)
of which:					
Attributable to the Australian Government	(53)	-	-	-	(53)
Estimated closing balance as at 30 June 2024	5,112	45	-	9,505	14,662
Closing balance attributable to the Australian Government	5,112	45	-	9,505	14,662

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	27,834	12,890	13,234	13,413	13,593
Receipts from Government	70,454	72,564	72,564	72,564	72,564
Sale of goods and rendering of services	1,045	176	176	176	176
Interest	1,400	3,140	3,140	3,140	3,140
Net GST received	7,500	7,058	7,053	7,023	6,990
Other	4,151	4,120	4,120	4,120	4,120
Total cash received	112,384	99,948	100,287	100,436	100,583
Cash used					
Employees	14,247	16,068	16,372	16,695	17,620
Suppliers	7,196	9,155	9,247	9,259	9,296
Interest payments on lease liability	14	76	95	84	57
Other	44,130	38,373	38,491	38,167	37,800
Total cash used	65,587	63,672	64,205	64,205	64,773
Net cash from/(used by) operating activities	46,797	36,276	36,082	36,231	35,810
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of financial instruments	155,062	155,000	155,000	155,000	155,000
Total cash received	155,062	155,000	155,000	155,000	155,000
Cash used					
Purchase of property, plant and equipment and intangibles	800	800	800	800	800
Purchase of financial instruments	154,853	154,642	154,666	154,793	154,292
On-screen Investments	43,917	33,743	33,587	33,536	33,536
Other	700	700	700	700	700
Total cash used	200,270	189,885	189,753	189,829	189,328
Net cash from/(used by) investing activities	(45,208)	(34,885)	(34,753)	(34,829)	(34,328)
FINANCING ACTIVITIES					
Cash used					
Principal payments on lease liability	1,589	1,391	1,329	1,402	1,482
Total cash used	1,589	1,391	1,329	1,402	1,482
Net cash from/(used by) financing activities	(1,589)	(1,391)	(1,329)	(1,402)	(1,482)
Net increase/(decrease) in cash held					
Cash and cash equivalents at the beginning of the reporting period	18,771	18,771	18,771	18,771	18,771
Cash and cash equivalents at the end of the reporting period	18,771	18,771	18,771	18,771	18,771

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	800	800	800	800	800
TOTAL	800	800	800	800	800
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	800	800	800	800	800
Total cash used to acquire assets	800	800	800	800	800

Prepared on Australian Accounting Standards basis.

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

Table 3.6: Statement of departmental asset movements (Budget year 2023-24)

	Asset Category			Total
	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2023				
Gross book value	4,168	2,691	933	7,792
Gross book value - ROU assets	16,517	-	-	16,517
Accumulated depreciation/amortisation and impairment	(3,802)	(1,663)	(933)	(6,398)
Accumulated depreciation/amortisation and impairment - ROU assets	(9,194)	-	-	(9,194)
Opening net book balance	7,689	1,028	-	8,717
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ^(a)	400	400	-	800
Total additions	400	400	-	800
Other movements				
Depreciation/amortisation expense	(289)	(222)	-	(511)
Depreciation/amortisation on ROU assets	(1,354)	-	-	(1,354)
Total other movements	(1,643)	(222)	-	(1,865)
As at 30 June 2024				
Gross book value	4,568	3,091	933	8,592
Gross book value - ROU assets	7,634	-	-	7,634
Accumulated depreciation/amortisation and impairment	(4,091)	(1,885)	(933)	(6,909)
Accumulated depreciation/amortisation and impairment - ROU assets	(1,665)	-	-	(1,665)
Closing net book balance	6,446	1,206	-	7,652

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2023-24 for depreciation/amortisation expenses, departmental capital budget or other operational expenses.