

AUSTRALIAN FILM COMMISSION

AUSTRALIAN FILM COMMISSION

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australian Film Commission (AFC) is a statutory authority established in 1975. It aims to enrich Australia's cultural identity by fostering an internationally competitive audiovisual production industry, developing and preserving a national collection of sound and moving image, and making Australia's audiovisual heritage available to all Australians. It does this through:

- developing, maintaining and preserving Australia's national audiovisual collection;
- providing access to and promotion of Australia's national audiovisual collection;
- financing film, television and interactive media project development;
- financing the professional development of practitioners through the production of feature films, documentaries, animation, short drama and digital interactive media;
- resourcing the development of Indigenous film, television and digital interactive program makers;
- resourcing activities and events which play a development role in the film, television and interactive media sector;
- resourcing filmmakers and interactive media producers to engage with the global marketplace; and
- monitoring the performance of the film, television and digital interactive media sector and providing information, analysis and research.

APPROPRIATIONS AND RESOURCING

The total appropriation for the AFC in the 2004-05 Budget is \$46.181m, including an equity injection of \$0.090m.

Australian Film Commission – appropriations 2004-05
Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('000)				Administered ('000)		Total	
	Revenue from Government (appropriations)	Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations ('000)	Special appropriations	administered appropriations		
	Bill No. 1	Special approps	Total	Bill No. 1	Bill No. 2		Total	
	(A)	(B)	(C = A+B) (C1) ⁽¹⁾	(D) (E = C+D) (E1) ⁽¹⁾	(F)	(G)	(H) (I = F+G+H) (J=C+I)	
1. To enrich Australia's cultural identity by fostering an internationally competitive audiovisual production industry, developing and preserving a national collection of sound and moving image, and making Australia's audiovisual heritage available to all.	46,091	-	46,091	3,364	49,455	-	-	46,091
Total	46,091	-	46,091	3,364	49,455	-	-	46,091
	Departmental capital (equity injections)						90	
	Administered capital						-	
	Total appropriations						46,181	

- Cells C1, E1 and I1 refer to information provided in Total Resources for Outcome tables
 - Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), new agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
 - Refer to Budgeted Statement of Financial Performance for application of agency revenue.
 - Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are details in Table 1.3.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Table 1.3: Revenue from independent sources & Administered capital and departmental equity injections and loans

REVENUE FROM INDEPENDENT SOURCES

Table 1.3: Revenue from independent sources

	Estimated revenue 2003-04 \$'000	Estimated revenue 2004-05 \$'000
Departmental revenues		
Interest	771	623
Revenue from asset sales	11	-
Other	2,739	2,741
Total estimated revenue	3,521	3,364

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

An equity injection of \$0.090m will be provided to AFC in 2004-05 to assist with the acquisition of new audiovisual material by ScreenSound Australia.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

The AFC works to achieving the outcomes specified by Government. The following section provides an agency overview, and then each outcome is discussed in turn. The map on the following page shows the relationship between the outcomes.

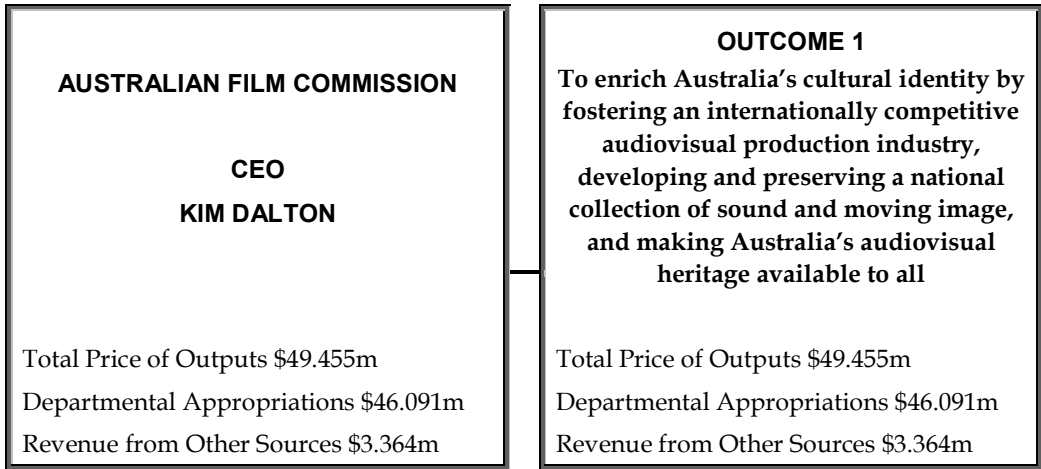
Output cost attribution

The AFC primarily uses its financial management system (FMIS) to identify and collect cost information for decision making purposes.

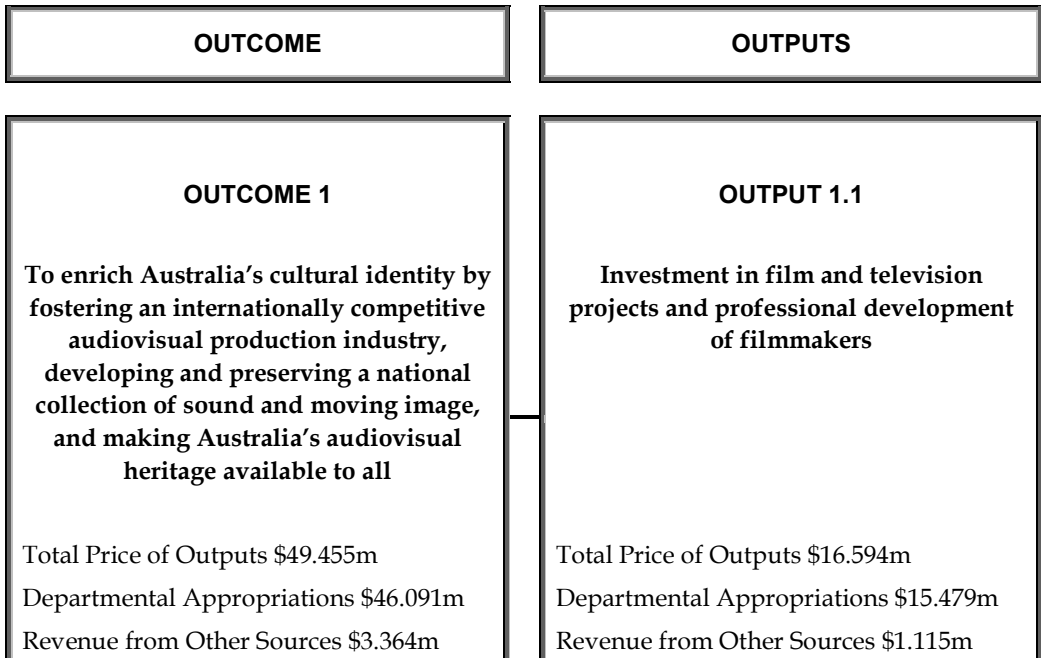
Direct costs are captured by output and are recorded in the FMIS. Direct costs are those costs which by their nature, are capable of being traced or assigned to a specific output. Examples of direct costs are employee related costs, depreciation, printing/stationary and consultancy.

Indirect costs and overheads are then appropriately allocated to outputs using cost drivers to provide the AFC with information on the full cost of its operations. Examples of indirect costs are electricity, accommodation and corporate support costs. The cost drivers used for allocating indirect costs to outputs are selected on the basis that they have a cause or effect link with the cost being allocated.

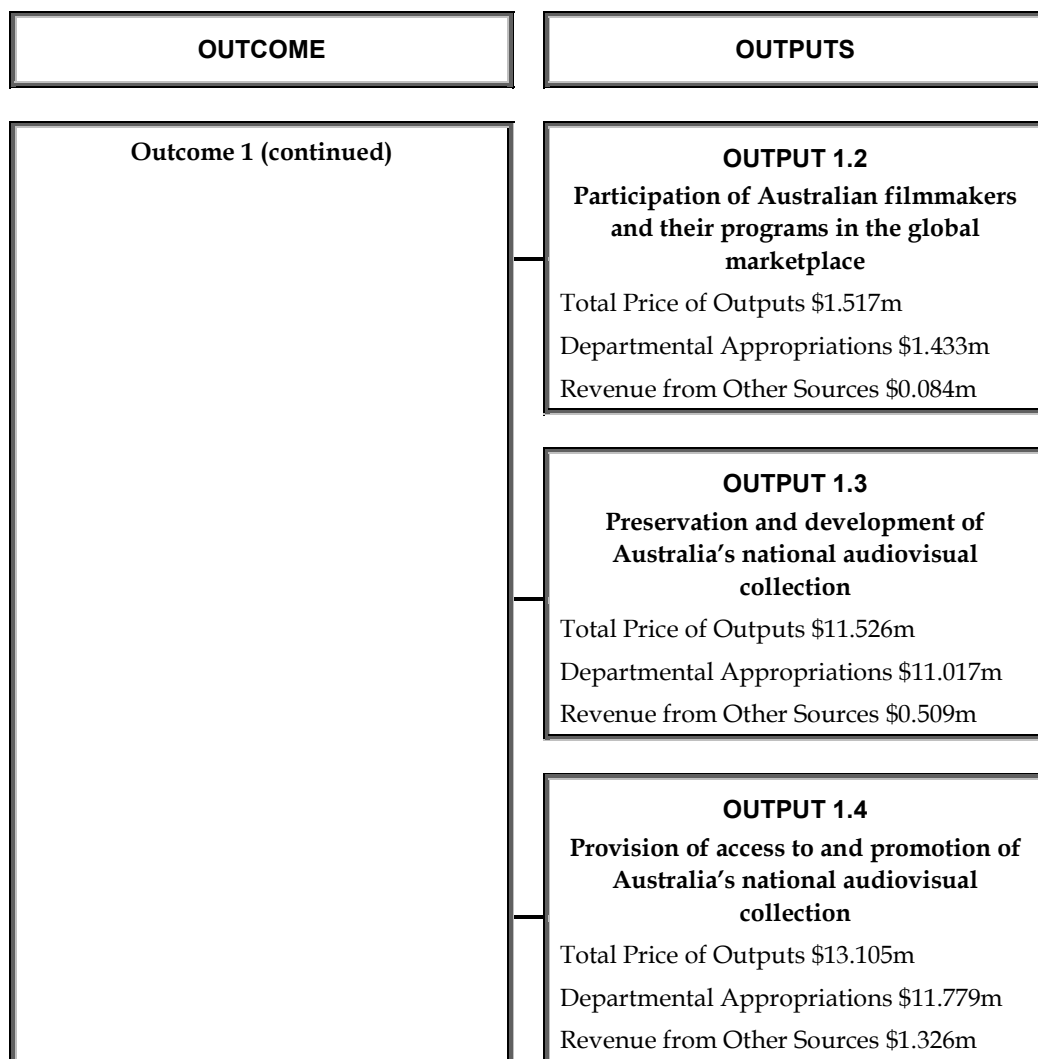
Map 1: Outcome structure



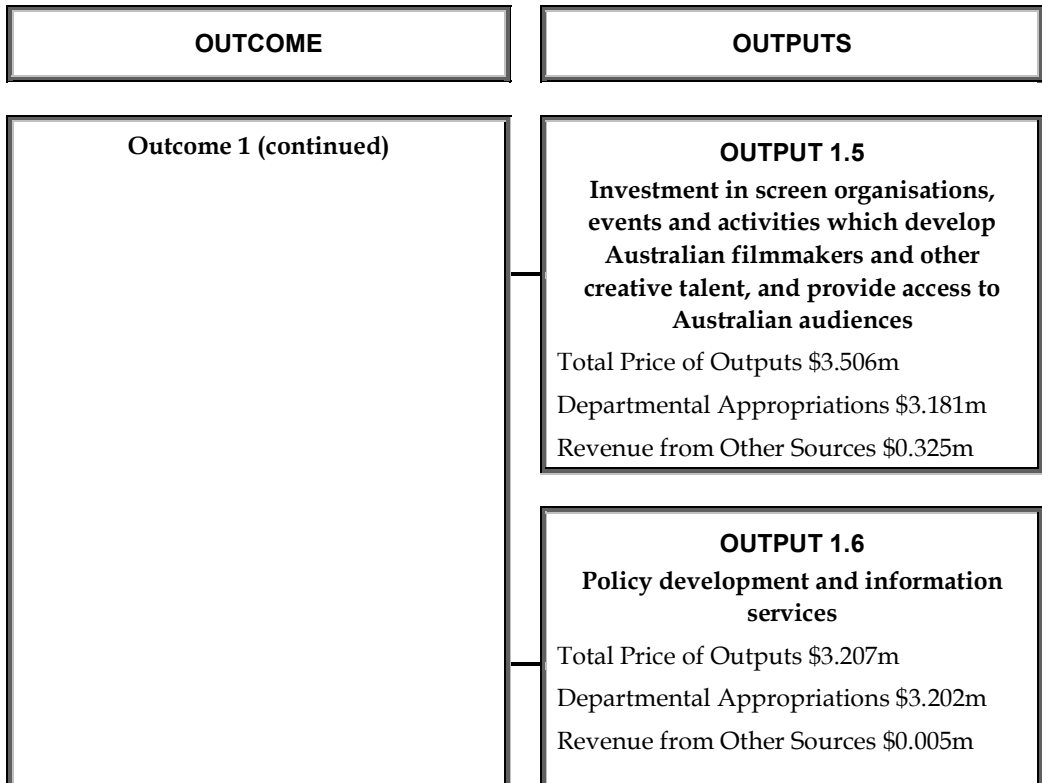
Map 2.1: Outcome 1 – contributing outputs



Map 2.1: Outcome 1 – contributing outputs (continued)



Map 2.1: Outcome 1 – contributing outputs (continued)



Note: Revenue from Government (Appropriations) contributes 93.2% to the Total Price of Outputs for Outcome 1.

CHANGES TO OUTCOMES AND OUTPUTS

The Australian Film Commission has amended its outcome statement to reflect its integration with ScreenSound Australia, the National Screen and Sound Archive, on 1 July 2003.

OUTCOME 1 — DESCRIPTION

To enrich Australia's cultural identity by fostering an internationally competitive audiovisual production industry, developing and preserving a national collection of sound and moving image, and making Australia's audiovisual heritage available to all.

The Australian Film Commission's outputs of:

- **Output 1.1:** Investment in film and television projects and professional development of filmmakers
- **Output 1.2:** Participation of Australian filmmakers and their programs in the global marketplace
- **Output 1.3:** Preservation and development of Australia's national audiovisual collection
- **Output 1.4:** Provision of access to and promotion of Australia's national audiovisual collection
- **Output 1.5:** Investment in screen organisations, events and activities which develop Australian filmmakers and other creative talent, and provide access to Australian audiences
- **Output 1.6:** Policy development and information services

contribute to the achievement of the outcome.

Measures affecting Outcome 1¹

There are no measures affecting AFC's Outcome 1.

¹ This relates to measures disclosed in the 2004-05 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO)).

OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2004-05 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1** and **E1** show the links back to Table 1.1 (the Appropriations and Other Revenue Table for the AFC).

Table 2.1.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000
Departmental appropriations		
Output Group 1.1 - Investment in film and television projects and professional development of filmmakers	14,619	15,479
Output Group 1.2 - Participation of Australian filmmakers and their programs in the global marketplace	1,368	1,433
Output Group 1.3 - Preservation and development of Australia's national audiovisual collection	130	11,017
Output Group 1.4 - Provision of access to and promotion of Australia's national audiovisual collection	139	11,779
Output Group 1.5 - Investment in screen organisations, events and activities which develop Australian filmmakers and other creative talent and provide access to Australian audiences	3,036	3,181
Output Group 1.6 - Policy development and information services	3,199	3,202
Total revenue from government (appropriations)	22,491	46,091 (C1)
<i>(Contributing to price of departmental outputs)</i>	86.46%	93.20%
Revenue from other sources		
Output Group 1.1 - Investment in film and television projects and professional development of filmmakers	1,167	1,115
Output Group 1.2 - Participation of Australian filmmakers and their programs in the global marketplace	88	84
Output Group 1.3 - Preservation and development of Australia's national audiovisual collection	533	509
Output Group 1.4 - Provision of access to and promotion of Australia's national audiovisual collection	1,388	1,326
Output Group 1.5 - Investment in screen organisations, events and activities which develop Australian filmmakers and other creative talent and provide access to Australian audiences	340	325
Output Group 1.6 - Policy development and information services	5	5
Total revenue from other sources	3,521	3,364
Total price from departmental outputs		
<i>(Total revenue from government and from other sources)</i>	26,012	49,455 (E1)
	2003-04	2004-05
Average staffing level (number)	271	271

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The AFC's outputs relate to:

- developing, maintaining and preserving Australia's national audiovisual collection;
- providing access to and promotion of Australia's national audiovisual collection;
- financing of film, television and interactive media project development and the professional development of practitioners;
- resourcing of film, television and interactive media practitioners to engage with the global marketplace;
- resourcing of screen activities and events which provide access for the community; and
- provision of information, analysis and research covering the performance of the film, television and interactive media industries.

Through its outputs the AFC fosters the development of the film, television and interactive media industries, preserves and provides access to, and understanding of, Australia's audiovisual culture, and is the major screen culture organisation in Australia, bringing national leadership and focus to this area.

The development role of the AFC complements the training and educational role of the Australian Film, Television and Radio School and the direct production support of the Film Finance Corporation Australia. It also contributes to the overall package of Commonwealth assistance to the film, television and interactive media sector through developing projects and people and contributing to its positioning in the domestic and international marketplace.

Table 2.2.1: Performance information for Outcome 1

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

Effectiveness - Overall achievement of the Outcome	
Project development	Slate of quality projects in development.
Practitioner development	Production-based professional development opportunities provided.
Engagement of practitioners with the global marketplace	Travel grants, marketing loans, published information and seminars provided.
Access for the community to screen activities and events	Select screen activities and events resourced.
Provision of information, analysis and research	Information collected, analysed and disseminated. Research and information published. Submissions on all major policy issues. Contribution to policy forums.
Performance Information for Departmental Output 1.1	
Investment in film and television projects and professional development of filmmakers	<p>Quality</p> <p>Minimum of 25 per cent of General Development Investment recipients to put at least one project into production in a 3 year period.</p> <p>At least 75 per cent of feature films or short features made with AFC production investment achieve Australian theatrical release or television broadcast commitment.</p> <p>At least 75 per cent of short dramas, animations and interactive media titles supported by the AFC achieve festival or television exposure.</p> <p>At least 20 per cent of scripts in which the Indigenous Unit has invested to be seeking finance, in production or completed production over a 3 year period.</p> <p>At least 90 per cent of recipients consider that placements with more experienced professionals have advanced their skills.</p> <p>Quantity</p> <p>Maintain or increase level of investment per project.</p> <p>Maintain the participation rate of AFC developed projects in the national production slate at an average 6 feature films per year on a rolling three year basis while reducing the size of the AFC development slate.</p> <p>Price</p> <p>\$16.594m</p>

Table 2.2.1: Performance information for Outcome 1 (continued)

Performance Information for Departmental Output 1.2	
Participation of Australian filmmakers and their programs in the global marketplace	<p>Quality A minimum of 80 per cent of recipients of travel assistance report specific benefits from the travel.</p> <p>An 80 per cent satisfaction rating from people attending seminars held in Sydney, Melbourne, Adelaide, Brisbane and Perth each year dealing with festivals and markets.</p> <p>Positive feedback from diplomatic missions.</p> <p>Quantity A minimum of 80 per cent of recipients of travel assistance report specific benefits from the travel.</p> <p>At least 75 per cent of productions by indigenous Australians made with AFC investment to achieve theatrical or festival release, or television licence or pre-sale.</p> <p>At least 20 per cent of scripts by indigenous Australians in which the AFC has invested to be seeking finance, in production or completed production over a 3 year period.</p> <p>Price \$1.517m</p>
Performance Information for Departmental Output 1.3	
Preservation and development of Australia's national audiovisual collection	<p>Quality Safety of the collection is maintained at required levels.</p> <p>Quantity One hundred per cent of priority acquisitions are accessioned within 12 months.</p> <p>Identified priority items disposed from the collection.</p> <p>290,000 feet of preservation film and 1,600 video and sound preservation carriers are treated.</p> <p>Price: \$11.526m</p>
Performance Information for Departmental Output 1.4	
Provision of access to and promotion of Australia's national audiovisual collection	<p>Quality High visitor and audience satisfaction and engagement, with 90% of visitors and audience rating their satisfaction as good or very good.</p> <p>95 per cent of clients serviced according to the Service Charter.</p> <p>Quantity Increase visitor and audience reach, both locally and nationally, including touring exhibitions, on-line delivery of information and other channels of delivery.</p> <p>Price: \$13.105m</p>

Table 2.2.1: Performance information for Outcome 1 (continued) & Evaluations

Table 2.2.1: Performance information for Outcome 1 (continued)

Performance Information for Departmental Output 1.5

Investments in screen organisations, events and activities which develop Australian filmmakers and other creative talent, and provide access to Australian audiences.

Quality

Performance targets for organisations delivering AFC supported programs to be met at a level of 80 per cent or above.

Quantity

A minimum of 7 different programs or events delivered in at least 30 regional centres each year, and at least two programs or events delivered in each capital city each year.

Total attendances of at least 400,000 for curated screen events and one-off screenings in the twelve month period.

Provision of at least 4,000 places for practitioners in professional development activities supported by the AFC through organisations for the twelve month period.

Price:

\$3.506m

Performance Information for Departmental Output 1.6

Policy development and information services

Quality

The National Production Survey quoted in the Australian Bureau of Statistics yearbook, the American Film Marketing Association's factbook and Screen Digest.

AFC submissions referenced in all reports from major inquiries.

At least 500,000 successful requests for specific pages of the AFC and Screen Network Australia websites per year.

Quantity

Regular updates and publication of key data, including:

~ feature film, television drama, documentary and shorts catalogues;

~ Get The Picture, including box office and awards for Australian Productions;

~ cinema and television release data for Australian productions;

~ cinema, TV and video industry; and

~ the National Feature Film and TV Drama Survey.

Price:

\$3.207m

EVALUATIONS

Information on planned evaluation activity for the coming year that relates to this outcome is included in Table 2.2.1 and the results will be shown in the annual report.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

The budgeted financial statements comprise the full financial statements for the AFC. These show the revised planned financial performance for the 2004–05 Budget year and each of the forward years from 2005–06 to 2007–08.

The budgeted statements contain estimates prepared in accordance with the requirements of the Government's financial budgeting and reporting framework, including the principles of Australian Accounting Standards and Statements of Accounting Concepts, as well as specific guidelines issued by the Department of Finance and Administration.

An analysis of the AFC's budgeted financial statements, as reflected in the AFC's budgeted departmental financial statements and notes for the 2004–05 financial year is provided below.

Statement of Financial Performance

The AFC and ScreenSound Australia (SSA) were integrated on 1 July 2003. To facilitate the transfer of SSA's 2003–04 funding, the AFC received an Equity Injection pursuant to Finance Minister Order (FMO) 5A. This results in the AFC reporting a technical operating loss for the 2003–04 financial year. This loss is due to the requirement for the AFC to report all operating expenses associated with SSA during the financial year, without any offsetting revenue item. Consequently the AFC will record an estimated operating deficit of \$21.984m in 2003–04.

Statement of Financial Position

Following the integration with SSA the AFC's budgeted net asset position will increase to \$224.207m in 2003–04. The AFC's major non-current assets include land and buildings in Canberra, plant and equipment and heritage and cultural assets.

In accordance with FMO 5A contributed equity is budgeted to be \$240.165m in 2003–04 and represents the net book value of SSA's assets and liabilities as recorded in DCITA's 2002–03 financial statements.

Accumulated deficits as at 30 June 2004 are budgeted to be \$16.321m and represents:

- the estimated operating deficit for 2003–04 of \$21.984m; and
- the opening balance of the accumulated surplus of \$5.663m.

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted Departmental Statement of Financial Performance (Operating Statement)

This statement provides a picture of the expected financial results for the AFC by identifying full accrual expenses and accrual revenues which highlights whether the AFC is operating at a sustainable level.

Budgeted Departmental Statement of Financial Position (Balance Sheet)

This statement shows the financial position of the AFC. It helps decision-makers to track the management of the AFC's assets and liabilities.

Budgeted Departmental Statement of Cash Flows

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

Departmental Capital Budget Statements

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded either through capital appropriations for additional equity or borrowings, or from funds from internal sources.

Departmental Non Financial Assets — Summary of Movement

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

**Table 3.1: Budgeted departmental statement of financial performance
for the period ended 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
Revenues from ordinary activities					
Revenue from Government	22,491	46,091	44,614	45,060	45,441
Goods and Services	1,158	1,153	1,176	1,183	1,163
Interest	771	623	575	565	587
Dividends	-	-	-	-	-
Revenue from sales of assets	11	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Other	1,581	1,588	1,569	1,590	1,586
Revenues from ordinary activities	26,012	49,455	47,934	48,398	48,777
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	18,277	18,991	19,555	20,086	20,728
Suppliers	13,922	14,582	13,209	13,013	12,776
Grants	4,041	4,063	3,938	3,888	3,838
Subsidies	-	-	-	-	-
Depreciation and amortisation	3,100	3,240	3,249	3,220	3,209
Write-down of assets	8,630	8,476	7,888	8,092	8,164
Value of assets sold	11	-	1	1	1
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Expenses from ordinary activities (excluding borrowing costs expense)	47,981	49,352	47,840	48,300	48,716
Borrowing cost expense	15	96	82	70	61
Share of net profits/losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Operating surplus or deficit from ordinary activities	(21,984)	7	12	28	-
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or deficit attributable to Commonwealth	(21,984)	7	12	28	-

Table 3.2: Departmental statement of financial position

**Table 3.2: Budget departmental statement of financial position
as at 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
ASSETS					
Financial assets					
Cash	10,152	10,346	10,483	10,813	11,107
Receivables	862	768	692	582	442
Investments accounted for under the equity method	-	-	-	-	-
Other investments	4,705	4,516	4,499	4,709	5,043
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	15,719	15,630	15,674	16,104	16,592
Non-financial assets					
Land and buildings	30,006	31,219	31,456	31,281	31,089
Infrastructure, plant and equipment	7,182	6,894	6,598	6,338	6,104
Heritage and cultural assets	175,282	175,372	175,462	175,552	175,642
Inventories	457	456	456	456	456
Intangibles	902	907	927	947	967
Other	374	376	380	380	384
Total non-financial assets	214,203	215,224	215,279	214,954	214,642
Total assets	229,922	230,854	230,953	231,058	231,234
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	961	1,585	1,358	1,178	1,018
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	961	1,585	1,358	1,178	1,018
Provisions					
Employees	4,179	4,419	4,661	4,854	5,102
Capital Use Charge	-	-	-	-	-
Other	-	-	-	-	-
Total provisions	4,179	4,419	4,661	4,854	5,102
Payables					
Suppliers	460	456	459	457	454
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	115	90	69	45	46
Total payables	575	546	528	502	500
Total liabilities	5,715	6,550	6,547	6,534	6,620

**Table 3.2: Budget departmental statement of financial position
as at 30 June (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
EQUITY					
Parent equity interest					
Contributed equity	240,165	240,255	240,345	240,435	240,525
Reserves	363	363	363	363	363
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	(16,321)	(16,314)	(16,302)	(16,274)	(16,274)
Total parent equity interest	224,207	224,304	224,406	224,524	224,614
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	224,207	224,304	224,406	224,524	224,614
Current liabilities	2,299	2,605	2,676	2,745	2,841
Non-current liabilities	3,416	3,945	3,871	3,789	3,779
Current assets	13,776	12,797	12,457	12,828	13,831
Non-current assets	216,146	218,057	218,496	218,230	217,403

Table 3.3: Departmental statement of cash flows

**Table 3.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,491	46,091	44,614	45,060	45,441
Goods and services	1,190	1,153	1,156	1,159	1,163
Interest	770	623	575	565	587
Dividends	-	-	-	-	-
Other	1,161	1,144	1,147	1,161	1,161
Extraordinary Items	-	-	-	-	-
Total cash received	25,612	49,011	47,492	47,945	48,352
Cash used					
Employees	18,243	18,751	19,313	19,893	20,480
Suppliers	13,917	14,586	13,210	13,017	12,779
Grants and subsidies	4,041	4,063	3,938	3,888	3,838
Borrowing costs	15	96	82	70	61
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	36,216	37,496	36,543	36,868	37,158
Net cash from/(used by) operating activities	(10,604)	11,515	10,949	11,077	11,194
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	12	-	-	-	-
Proceeds from sales of financial instruments	8,892	9,001	7,830	7,351	7,392
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	545	482	481	537	589
Other	705	719	669	980	1,277
Extraordinary items	-	-	-	-	-
Total cash received	10,154	10,202	8,980	8,868	9,258
Cash used					
Purchase of property, plant and equipment	4,308	4,291	3,331	2,925	2,925
Purchase of financial instruments	9,002	7,830	7,351	7,391	8,101
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	573	500	503	508	516
Other	9,197	9,616	8,470	8,701	8,546
Extraordinary items	-	-	-	-	-
Total cash used	23,080	22,237	19,655	19,525	20,088
Net cash from/(used by) investing activities	(12,926)	(12,035)	(10,675)	(10,657)	(10,830)

**Table 3.3: Budgeted departmental statement of cash flows
for the period ended 30 June (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
FINANCIAL ACTIVITIES					
Cash received					
Appropriations - contributed equity	22,175	90	90	90	90
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	807	881	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	22,982	971	90	90	90
Cash used					
Repayments of debt	150	257	227	180	160
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	150	257	227	180	160
Net cash from/(used by) financing activities	22,832	714	(137)	(90)	(70)
Net increase in cash held	(698)	194	137	330	294
Cash at the beginning of the reporting period	10,850	10,152	10,346	10,483	10,813
Effect of exchange rate movements on cash at the beginning of the reporting period	-	-	-	-	-
Cash at the end of the reporting period	10,152	10,346	10,483	10,813	11,107

Table 3.4: Departmental capital budget statement

Table 3.4: Departmental capital budget statement

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	90	90	90	90
Total loans	-	-	-	-	-
Total	-	90	90	90	90
Represented by					
Purchase of non-financial assets	-	90	90	90	90
Other	-	-	-	-	-
Total	-	90	90	90	90
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	90	90	90	90
Funded internally by departmental resources	4,550	4,201	3,241	2,835	2,835
Total	4,550	4,291	3,331	2,925	2,925

Table 3.5: Departmental non-financial assets — summary of movement (Budget year 2004-05)

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer Software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	2,850	27,156	-	7,182	175,282	902	-	213,372
Additions	-	2,290	-	1,538	90	373	-	4,291
Disposals	-	-	-	(31)	-	-	-	(31)
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(1,077)	-	(1,795)	-	(368)	-	(3,240)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	2,850	28,369	-	6,894	175,372	907	-	214,392
Total additions								
Self funded	-	2,290	-	1,538	-	373	-	4,201
Appropriations	-	-	-	-	90	-	-	90
Total	-	2,290	-	1,538	90	373	-	4,291

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Departmental

The increase in revenue in 2004-05 of \$23.443m is related to the integration of the AFC and ScreenSound Australia (SSA) and the inclusion of funding for the twenty seventh pay in 2003-04. In 2003-04, the AFC received an equity injection in lieu of SSA's annual appropriation. Accordingly, the operating loss is due to the AFC reporting all operating expenses associated with SSA during the financial year, without any offsetting revenue item.

The decrease in revenue of \$1.521m in 2005-06 is due to the termination of the broadband funding, which was provided to seed the development of innovative broadband content and applications and the return to normal twenty six pays in 2005-06.

Expenses increased by \$1.371m in 2004-05 predominantly due to costs associated with the integration of the AFC and SSA and an increase in appropriation as part of the Government's film industry package announced in September 2001.

The write down of assets included within Expenses from ordinary activities in the Statement of Financial Performance is mainly comprised of adjustments to the provision for loss of investments and loans as well as the write off of loans and investments not previously provided for.

Grants include film industry assistance provided in the form of grants to filmmakers and cultural organisations as well as special industry assistance projects managed by the AFC.

Receivables in the Statement of Financial Position primarily comprise assistance provided to the film industry in the form of loans.

The Investments category in the Statement of Financial Position comprises assistance provided to the film industry in the form of equity investments for both the development and production of film and interactive media projects. The investments are net after any recoupment, provisions for loss and write-offs.

The Heritage and cultural assets refers to the national collection of film, television, video, radio and recorded sound materials. These items were initially valued at 30 June 2002. SSA also holds collection items on deposit under agreements. These are not controlled by SSA until the ownership of the items is passed onto SSA at the end of the contract. These "on deposit" items have not been recognised as assets in the Statement of Financial Position.

The lease liability has increased in 2003-04 and 2004-05 due to the AFC renewing its Sydney accommodation lease, which provides for a lease incentive in the form of a fitout. The proposed lease incentive has been accounted for in accordance with UIG Abstract 3, Lease Incentives which requires the lease incentive to be treated as a liability. The liability then reduces over the lease term as it is repaid through a component of the periodic rental payments.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

Cross Agency Overview

The Australian Film Commission is not involved in any significant purchaser/provider relationships, as its outputs are not purchased by other agencies to contribute to other Government outcomes.

COST RECOVERY ARRANGEMENTS

Summary of Cost Recovery Impact Statement

The Australian Film Commission does not have any material cost recovery arrangements in place.

