

Senate Rural and Regional Affairs and Transport Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Screen Australia

Additional Estimates 12 February 2013

Question: 155

Topic: Films Applying for the Producer Offset

Asked By: Senator MILNE

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 1

What films have been rejected for the producer offset in the last two years and why?

Answer:

From 1 January 2011 to 13 February 2013, one film was unable to access the producer offset. Its application for a final certificate was rejected (319 final certificates were issued in that time) on the grounds that it did not meet any relevant Qualifying Australian Production Expenditure (**QAPE**) threshold (outlined in the table in subs.376-65(6) of the *Income Tax Assessment Act 1997 (ITAA)*).

From 1 January 2011 to 13 February 2013, 291 provisional certificates were issued and two films were denied access to the Producer Offset in that their applications for provisional certificates were rejected:

- One because it is, or is to a substantial extent, 'a film for exhibition as an advertising program or a commercial' (ITAA para.376-65(2)(d)), and
- One because it did not meet any relevant QAPE threshold (outlined in the table in ITAA subs.376-65(6)).

The identity of applicants seeking certification or the films to which their applications pertain is 'protected information' within the meaning of Division 355 of the *Taxation Administration Act 1953*, and cannot be disclosed by Screen Australia.

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Question: 156

Topic: Funding Guidelines for the Australian Interactive Games Fund

Asked By: Senator MILNE

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 1

When will the funding guidelines for the Australian Interactive Games Fund be released?

Answer:

The draft Interactive and Multi-Platform Program guidelines were released on Friday 15 February 2013 for public comment. The final guidelines were released on 11 March 2013.

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Question: 157

Topic: Distributors for Children's and Family Films

Asked By: Senator MILNE

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 1

Referring to question on notice RRAT 128 from the October 2012 Supplementary Budget Estimates.

1. Are there distributors for the children's and family films and programs currently in development or in production?
2. What happens to the films or programs if no distributors take them on?

Answer:

1a. Development

Projects in development do not usually have a distributor attached; however, two of the seven family films currently in receipt of Screen Australia development funding have distributors attached. Screen Australia is not involved with the development of television programs.

1b. Production

There are at present no children's or family films in production.

2. Screen Australia funds only film and TV projects that have constructed a completed finance plan, with commitments from Australian distributors (theatrical or broadcaster) and international sales agents. Projects without distributor attachment are not eligible for Screen Australia production investment; however, they may receive sufficient funding from other sources. Projects seeking Screen Australia funding through the Multi-Platform Drama Production Program do not require distributors at the time of application.

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Question: 158

Topic: Production of Children's Films

Asked By: Senator MILNE

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 1

Does Australia have any targets for the production of children's films? If so, what are they?

Answer:

When deciding which films to fund, Screen Australia balances marketplace demand against its objective of funding a diverse slate of films, which includes family films or films targeted at a younger demographic.

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Question: 159

Topic: Commonwealth Funding for Screen Australia

Asked By: Senator BRANDIS

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 2

For each of the financial years from 2007-08 to 2015-16, please provide the total Commonwealth funding, or projected Commonwealth funding, for Screen Australia.

Answer:

Screen Australia was established on 1 July 2008; funding for FY 2007-08 is therefore not available. See overleaf for table.

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	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Budget appropriation	n/a	\$ 31,389	\$ 21,901	\$ 17,411	\$ 19,781	\$ 20,863	\$ 20,979	\$ 21,141	\$ 21,270
Grant from Portfolio Dept	n/a	\$ 71,499	\$ 71,740	\$ 71,987	\$ 71,987	\$ 76,987	\$ 76,987	\$ 81,987	\$ 71,987
Amounts from other Agencies	n/a				\$ 155	\$ 83	\$ 83	\$ 83	\$ 83
Total revenue from government	n/a	\$ 102,888	\$ 93,641	\$ 89,398	\$ 91,923	\$ 97,933	\$ 98,049	\$ 103,211	\$ 93,340

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Question: 160

Topic: Administration Expenses for Screen Australia

Asked By: Senator BRANDIS

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 10

For each of the financial years from 2007-08 to 2015-16, please provide the total amount Screen Australia has spent, or is projected spend on:

- a. Staff salaries
- b. Administration Electricity
- c. The leasing of premises
 - i. Please provide details of each location and lease, including expiration date and payments.
- d. Business cards
- e. Office fit-out
- f. Domestic travel for staff
- g. International travel for staff
- h. Websites, reports, and other promotional materials
- i. Advertising
- j. Mobile telephones and mobile devices
 - i. Please include the number of devices for each financial year.
- k. Coffee machines and related consumables
- l. Office chairs
- m. Catering and hospitality
- n. Car parking
- o. Recruitment
- p. Media monitoring
- q. Subscriptions

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Answer:

Screen Australia was established on 1 July 2008. Consequently, no data are available for FY 2007-08.

Screen Australia expects current funding levels for components of the budget to be maintained over the forward estimates however minor variations do occur from year to year.

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a)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Staff Salaries	n/a	\$20,648,952	\$15,592,016	\$15,249,087	\$14,270,508	\$14,485,000

b)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Administration Electricity						
<u>Cost Unit</u>						
Sydney Facilities	n/a	\$ 76,791	\$ 82,284	\$ 90,193	\$ 77,746	\$ 100,000
Melbourne Facilities	n/a	\$ 8,532	\$ 8,087	\$ 7,564	\$ 8,093	\$ 10,625
Lindfield (net of recovery from clients)	n/a	\$ 82,556	\$ 80,757	\$ 75,713	\$ 59,632	\$ 50,000
Total	n/a	\$ 167,879	\$ 171,127	\$ 173,471	\$ 145,470	\$ 160,625

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c)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Lease payments - premises	n/a	\$ 1,683,318	\$ 1,726,377	\$ 1,645,538	\$ 1,542,588	\$ 1,258,268
Represented by:						
Principal Office - Sydney	n/a	\$ 1,014,000	\$ 1,045,980	\$ 1,070,710	\$ 1,099,506	\$ 1,132,491
150 Williams Street, Woolloomooloo						
term Nov 2003 to Oct 2013						
Sydney - 45 Jones Street, Ultimo	n/a					
Letter of Understanding (LOU)						
Nov 2013 to Oct 2023 + 5 year option						
144 Moray Street, South Melbourne	n/a	\$ 289,320	\$ 298,606	\$ 100,054		
term Nov 2005 to Oct 2010						
290 Coventry Street, Melbourne	n/a		\$ 1,793	\$ 80,706	\$ 81,853	\$ 125,777
term 23 June 2010 to 22 June 2020						
Onerous Lease Contract	n/a	\$ 379,998	\$ 379,998	\$ 394,068	\$ 361,229	
130 Elizabeth Street, Sydney						
term May 2003 lease surrender May 2012						

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d)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Business Cards	n/a	\$ 14,803	\$ 5,011	\$ 4,933	\$ 5,227	\$ 2,795

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e)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Lease fit-out	n/a	\$ 3,317,121	\$ -	\$ 498,060	\$ -	\$ -
Represented by:						
Principal Office - Sydney	n/a	\$ 2,716,303	\$ -	\$ -	\$ -	\$ -
150 Williams Street, Woolloomooloo						
Sydney - 45 Jones Street, Ultimo	n/a	\$ -	\$ -	\$ -	\$ -	See note
<i>The fitout is funded from the lease incentive, whereby SA is reimbursed for the fitout to the value of \$2.6m by Lessor. There is thus nil cost to Screen Australia and nil net impact on cashflow. The fitout will occur over 2012/13 and 2013/14</i>						
144 Moray Street, South Melbourne	n/a	\$ 600,818	\$ -	\$ -	\$ -	\$ -
term Nov 2005 to Oct 2010						
290 Coventry Street, Melbourne	n/a	\$ -	\$ -	\$ 498,060	\$ -	\$ -
term 23 June 2010 to 22 June 2020						

f)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Domestic Travel	n/a	\$ 978,549	\$ 643,017	\$ 541,476	\$ 467,701	\$ 513,022

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	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
International Travel	n/a	\$ 485,692	\$ 267,083	\$ 288,046	\$ 279,906	\$ 426,625

h)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Website		\$ 111,117	\$ 133,986	\$ 139,282	\$ 50,667	\$ 152,000
Reports		\$ 7,740	\$ 25,185	\$ 20,513	\$ 11,322	\$ 20,000
Promotional material		\$ 150,584	\$ 46,838	\$ 168,557	\$ 89,377	\$ 132,500
Total	n/a	\$ 269,442	\$ 206,010	\$ 328,352	\$ 151,366	\$ 304,500

i)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Corporate Advertising	n/a	\$ 194,429	\$ 13,987	\$ 5,994	\$ 72,545	\$ 1,200

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j)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Mobile telephones - \$ Billed	n/a	\$ 82,982	\$ 101,221	\$ 97,731	\$ 50,954	\$ 61,000
Mobile telephones - \$ purchase		\$ 4,601	\$ 1,787	\$ 36,174		
number of Mobile telephones handsets	n/a	*	*	44	44	44

* The number of handsets in Screen Australia's possession at its formation on 1 July 2008 cannot be accurately provided, as its three predecessor agencies operated a number of different devices, some of which were approaching obsolescence. Screen Australia's mobile phones were completely replaced in 2010/11, which produced a notable reduction in operating cost.

k)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Coffee machines	n/a	\$ -	\$ -	\$ -	\$ -	\$ -
Consumables	n/a	\$ 3,600	\$ 2,945	\$ 3,157	\$ 3,389	\$ 2,510

l)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Office chairs	n/a	-	-	-	-	-

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m)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Catering	n/a	\$ 121,409	\$ 98,299	\$ 120,196	\$ 132,797	\$ 76,751
Hospitality	n/a	\$ 171,817	\$ 106,426	\$ 101,139	\$ 78,040	\$ 57,143
Total	n/a	\$ 293,226	\$ 204,725	\$ 221,335	\$ 210,837	\$ 133,894

n)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Car Parking - Sydney	n/a	\$ 56,480	\$ 58,175	\$ 59,920	\$ 61,720	\$ 63,500
Car Parking - Melbourne	n/a	\$ 24,000	\$ 24,000	\$ 17,000	\$ 9,000	\$ 9,315
Total	n/a	\$ 80,480	\$ 82,175	\$ 76,920	\$ 70,720	\$ 72,815

o)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Recruitment	n/a	\$ 163,661	\$ 100,020	\$ 72,180	\$ 21,619	\$ 160,000

p)

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Media monitoring	n/a	\$ 48,113	\$ 68,567	\$ 64,162	\$ 23,325	\$ 37,000

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	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Subscriptions	n/a	\$ 34,214	\$ 46,990	\$ 49,155	\$ 42,211	\$ 43,510

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Question: 161

Topic: Electricity Expenditure for Screen Australia

Asked By: Senator BRANDIS

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 1

Please provide the amount spent on electricity by Screen Australia for:

- a. the billing period ending prior 30 June 2012.
- b. the billing period commencing after 30 June 2012.

Answer:

- a. \$23,947.
- b. \$26,445.

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Screen Australia

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Question: 162

Topic: Australian Interactive Games Fund

Asked By: Senator BRANDIS

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 2

Concerning the Australian Interactive Games Fund:

- a. Was Screen Australia disappointed to receive only 37 submissions to the options paper?
- b. Is 37 submissions adequate consultation?
- c. What additional consultation work will Screen Australia conduct?
- d. When does Screen Australia expect the first round of funding to open?
- e. How does Screen Australia respond to media commentary that the Fund is more akin to industry assistance than it is to arts funding?

Answer:

- a. No. Screen Australia was impressed by the number, scope and quality of the submissions, which came from industry organisations, as well as games studios and individuals. It was also very pleased with the level of engagement across all its other consultation channels, including online platforms (115 participants in webinar) and face-to-face.
- b. As noted in (a) above, individual submissions comprised only one aspect of Screen Australia's consultation around the Australian Interactive Games Fund.

The full consultation process consisted of:

- a dedicated website at www.screenaustralia.gov.au/gamesoptions providing a forum for online discussion, links to published submissions and other resources
- a dedicated Facebook page at www.facebook.com/InteractiveGamesFund - 'likes' of almost 400, and a reach of almost 900.
- a Twitter hashtag #gamesfund, with the feed embedded on the discussion site

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- public forums in Sydney, Adelaide, Brisbane and Melbourne, attended by more than 250 people; notes from each of these sessions were published on the online discussion site.
- over ten Perth-based developers consulted directly via teleconference, with key points published on the discussion site, and six individual follow-up phone calls.
- an interactive webinar, in which Screen Australia presented the key insights from the public forums and responded to comments and questions from 115 participants from around Australia; a recording was then placed on the discussion site.
- 15 one-on-one meetings with a diverse range of game development businesses.

Screen Australia also sought the advice of the Games Developers' Association of Australia (GDAA), with GDAA CEO Tony Reed participating in the public forums and webinar, and providing feedback solicited from his members via a private LinkedIn group.

Overall, the consultation provided valuable input into the draft guidelines for the new interactive and multi-platform programs. As one submission on the guidelines noted, "The panel has done a solid job in listening to those who attended and contributed their thoughts to the mechanics of the funding. I for one can't wait to see this in execution!!"

- c. Draft guidelines were released on 15 February 2013, and were open for feedback via email and the online discussion site until Friday 1 March 2013.

The GDAA also solicited feedback through its members and shared this with Screen Australia.

- d. Screen Australia released final guidelines on 11 March 2013, with applications open from that date and deadlines for each program as follows:
- Games Enterprise: 22 April
 - Games Production: 12 July

- e. The programs have been designed as both industry and cultural support.

One of the key principles of the programs is to support a diversity of project types, styles and scales.

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Additional Estimates 12 February 2013

Question: 163

Topic: Screen Australia Productions Budget

Asked By: Senator BRANDIS

Type of Question: Written

Date set by the committee for the return of answer: 5 April 2013

Number of pages: 1

On 19 December 2012, Brendan Swift, wrote in Inside Film:

“Screen Australia has committed its entire annual \$42 million budget for drama production in just over six months”.

a. Is this accurate?

i. If so, how does Screen Australia explain its decision?

If so, does Screen Australia expect this to have any impact upon the supply or development of productions for the rest of the year, or beyond?

Answer:

No. Screen Australia expects to have provisionally committed its drama production budget by the end of March 2013, a period of nine months since the beginning of the financial year. In the case of both TV and feature films, the demand on Screen Australia funds is a welcome sign of the quality of the projects that are being brought to Screen Australia.

It should also be noted that these funds are *provisionally* committed: the funding does not become final until contracting occurs, which in some cases may not occur at all, and in others may take a period of months. Furthermore, the commitment of funds has no bearing on the timing of final drawdown of production funding, which occurs regularly throughout the year. Finally, Screen Australia will have funds available for television production in the June 2013 round.