

Australian Film, Television and Radio School

**Entity resources and planned
performance**

AUSTRALIAN FILM, TELEVISION AND RADIO SCHOOL

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AUSTRALIAN FILM, TELEVISION AND RADIO SCHOOL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Film, Television and Radio School (AFTRS) is the Australian Government's national screen arts and broadcast education and training institution. AFTRS has a leadership role in supporting and building Australia's screen and broadcast sector by fostering excellence and innovation in education, training, research and through partnerships with industry.

The AFTRS purpose is to provide high-quality education and training at a range of levels to advance the skills and knowledge of talented individuals and meet the evolving needs of Australia's screen and broadcast industries. The AFTRS educates and inspires the storytellers of the future, and encourages innovative engagement with technology to disseminate those stories to audiences.

The AFTRS meets the education and training needs of industry, delivers activities and programs for schools and Indigenous Australians, and partners with cultural and commercial institutions in joint activities, making a unique contribution through its creative expertise and educational capacity. The AFTRS collaborates with industry to deliver relevant education and training opportunities, and shares its facilities, services and resources with industry organisations, associations and enterprises to support a diversity of developmental initiatives, activities and events.

The AFTRS conducts leading research relevant to industry, holds forums and disseminates ideas to stimulate conversation about the converging screen and broadcast industries.

Corporate Plan

In August 2015, AFTRS released a four year Corporate Plan approved by the Minister for the Arts, outlining seven goals:

- leading the way in providing excellence in distinctive screen and broadcast education, training and research
- encouraging diverse approaches to creativity, storytelling, and content through innovative engagement with audiences and technology
- providing flexible, accessible lifelong learning opportunities
- ensuring a diverse, thriving and creative environment for learning and teaching
- strengthening AFTRS as a cultural and industry hub
- expanding the reputation and reach of the AFTRS in global screen and broadcasting education

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- ensuring a financially sustainable future and develop opportunities through partnerships and philanthropy.

The ability of the AFTRS to deliver on its program and outcome is impacted on by the broader economic climate, and by the sector-specific transformation occurring in the film, television and radio industries and in the higher education sector. In order to manage these challenges, the AFTRS is focused on viability and relevance. The AFTRS is increasing its offering of education, training and research initiatives to a range of stakeholders, and is diversifying its partnerships in order to leverage its knowledge base into new markets. Philanthropic pathways are also being further investigated. To maintain relevance, the AFTRS engages and collaborates with industry, analyses pertinent markets, and stays agile to implement change as required.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the AFTRS 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 administered (on behalf of the government or the public) and departmental (for AFTRS' operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/ cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: AFTRS resource statement — Budget estimates for 2016-17 as at Budget May 2016

	2015-16 estimated actual \$'000	2016-17 estimate \$'000
Opening balance/cash reserves at 1 July	8,054	8,683
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	23,697	22,985
<i>Total annual appropriations</i>	23,697	22,985
Total funds from Government	23,697	22,985
Funds from other sources		
Interest	200	198
Sale of goods and services	5,587	7,837
Other	40	-
Total funds from other sources	5,827	8,035
Total net resourcing for the AFTRS	37,578	39,703
Average staffing level (number)	138	144

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement. The AFTRS is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Communications and the Arts, which are then paid to the AFTRS and are considered 'departmental' for all purposes.

(a) Appropriation Bill (No.1) 2016-17.

1.3 BUDGET MEASURES

Measures announced in the 2015–16 Mid-Year Economic and Fiscal Outlook (MYEFO) and other measures not previously reported in a portfolio statement are summarised in Part 2 of Table 1.2.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

There are no new measures relating to the AFTRS since the 2015-16 MYEFO.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Expense measures						
Communications and the Arts Portfolio — efficiencies	1.1					
Departmental expenses		(361)	(837)	(843)	(850)	-
Total		(361)	(837)	(843)	(850)	-
Total expense measures						
Departmental		(361)	(837)	(843)	(850)	-
Total		(361)	(837)	(843)	(850)	-

Prepared on a Government Finance Statistics (fiscal) 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.

The AFTRS' 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.

The AFTRS is undertaking a review of performance information and this will be reflected in the next Corporate Plan, and in the 2017-18 Portfolio Budget Statement.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. 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 from October 2016 - to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Support the development of a professional screen arts and broadcast culture in Australia, including through the provision of specialist industry-focused education, training, and research

Budgeted expenses for Outcome 1

This table shows how much the AFTRS intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Delivery of specialist education to meet the diverse creative needs of students and the skill requirements of industry by means of Award courses, activities and events and through its Open Program					
Revenue from Government					
Ordinary annual services (Appropriation Bill (No. 1))	23,697	22,985	23,147	23,349	23,558
Revenues from other independent sources	5,787	8,035	9,412	10,339	10,495
Total expenses for Program 1.1	29,484	31,020	32,559	33,688	34,053
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill (No. 1))	23,697	22,985	23,147	23,349	23,558
Revenues from other independent sources	5,787	8,035	9,412	10,339	10,495
Total expenses for Outcome 1	29,484	31,020	32,559	33,688	34,053
	2015-16	2016-17			
Average staffing level (number)	138	144			

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 the program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Support the development of a professional screen arts and broadcast culture in Australia, including through the provision of specialist industry-focused education, training, and research		
Program 1.1 – Delivery of specialist education to meet the diverse creative needs of students and the skill requirements of industry by means of award courses, activities and events and through its Open Program.		
Delivery	Program 1.1 is delivered through higher education courses, industry skills courses, outreach and schools programs, corporate courses, and related research activities and publications. Target groups comprise potential and current film, television and radio students, members of the screen arts and broadcast industry, cultural and industry partners, and Indigenous Australians.	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Engage, educate and inspire – continue to increase engagement with national and international visitors through innovative programs that are accessed in a variety of ways.</p> <p>Managing resources – continue managing resources and infrastructure effectively to support core cultural work.</p>	<p>Expected to meet criterion</p> <p>6 higher educational levels offered. 250 Open Program and Indigenous Unit courses. 40 forums for industry practitioners to share their expertise. 100 times AFTRS supported cultural and industry events and activities. Annual consultation of national skills requirements of industry.</p> <p>Expected to meet criterion</p> <p>Expenditure mix (as a percentage of total expenditure) comprised as follows:</p> <ul style="list-style-type: none"> • 82.1% expenditure on programs/projects • 6.9% expenditure on capital items • 8.5% expenditure on labour costs • 2.5% expenditure on other expenses. <p>700 new student applications. 450 new and ongoing student enrolments. 90% eligible completions. 4,750 Open Program and Indigenous Unit enrolments.</p>

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Performance information		
Year	Performance criteria	Targets
2016-17	Engage, educate and inspire – increase engagement with national and international visitors through innovative programs that are accessed in a variety of ways.	6 higher educational levels offered. 250 Open Program courses. 40 forums for industry practitioners to share their expertise. 100 times AFTRS will support cultural and industry events and activities. Annual consultation on national skills requirements of industry. 750 new student applications. 500 new and ongoing student enrolments. 90% eligible completions. 5,000 Open Program and Indigenous Unit enrolments.
2017-18 and beyond	Engage, educate and inspire – increase engagement with national and international visitors through innovative programs that are accessed in a variety of ways.	6 higher educational levels offered. 250 Open Program courses. 40 forums for industry practitioners to share their expertise. 100 times AFTRS will support cultural and industry events and activities. Annual consultation on national skills requirements of industry. 750 new student applications. 530 new and ongoing student enrolments. 90% eligible completions. 5,000 Open Program and Indigenous Unit enrolments.
Purposes	The AFTRS purpose is to provide high-quality education and training at a range of levels to advance the skills and knowledge of talented individuals and meet the evolving needs of Australia's screen and broadcast industries. AFTRS educates and inspires the storytellers of the future and encourages innovative engagement with technology to disseminate those stories to audiences. AFTRS conducts leading research relevant to industry, holds forums and disseminates ideas to stimulate conversation about the converging screen and broadcast industries.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of AFTRS finances for the 2016-17 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There is no material difference between the entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Comprehensive income statement

The budgeted financial statements for 2016–17 have been prepared in conjunction with the AFTRS Corporate Plan. The significant expansion to award course offering planned for the 2016 academic year has been achieved. Based on feedback, changes in demand and industry trends, modifications are planned for the 2017 academic year and beyond. Consequently, award course fee income is anticipated to increase by 68% (compared to \$3.4 million in the 2015-16 PBS) to \$5.7 million in 2016–17, and reach \$8.0 million by 2019-20. Compared to 2017's award course fee estimates of \$4.3 million in the prior year of the Portfolio Budget Statement, this represents a 33% increase. Income from the Open Program is budgeted to stabilise throughout the forward estimates period. The AFTRS continues to maintain a break-even target.

Employee costs are expected to rise by 2.9% in 2017 to \$17.9 million also due to increases in the award course offering. Although a small increase to the average staffing level is expected, AFTRS' own-sourced revenue has increased by a greater proportion and therefore the own-sourced revenue per average staffing level has increased by 8% compared to the 2015-16 PBS figures. Compared to the 2015-16 estimated actuals, own-sourced revenue per average staffing level has increased by 33%.

Impacts of Open Program revenue increases on non-staff labour costs have been reviewed and are reflected in the overall results. As the new courses to be introduced in forward years are implemented, employee costs are expected to rise to \$19.2 million by 2020.

Budgeted departmental balance sheet

The budgeted balance sheet is based on the latest June 2016 forecast with due consideration to flow-ons from the capital expenditure budget, income statements and cash inflows and outflows.

Net equity is forecast to be \$10.9 million at 30 June 2017 and remain stable across the forward estimates period.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	17,365	17,872	18,595	19,238	19,173
Suppliers	10,209	11,026	11,715	12,350	12,780
Depreciation and amortisation	1,950	2,122	2,249	2,100	2,100
Total expenses	29,524	31,020	32,559	33,688	34,053
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5,587	7,837	9,212	10,139	10,305
Interest	200	198	200	200	190
Total own-source revenue	5,787	8,035	9,412	10,339	10,495
Gains					
Sale of assets	40	-	-	-	-
Total gains	40	-	-	-	-
Total own-source income	5,827	8,035	9,412	10,339	10,495
Net (cost of)/contribution by services	(23,697)	(22,985)	(23,147)	(23,349)	(23,558)
Revenue from Government	23,697	22,985	23,147	23,349	23,558
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Note: Impact of net cash appropriation arrangements

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	1,950	2,122	2,249	2,100	2,100
less heritage and cultural depreciation expenses previously funded through revenue appropriations	1,950	2,122	2,249	2,100	2,100
Total comprehensive income/(loss) - as per the statement of comprehensive income	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,683	9,123	10,265	10,798	11,441
Trade and other receivables	556	604	523	438	352
Total financial assets	9,239	9,727	10,788	11,236	11,793
Non-financial assets					
Property, plant and equipment	7,913	7,077	6,169	5,714	4,739
Intangibles	330	744	903	758	633
Other non-financial assets	300	305	305	305	305
Total non-financial assets	8,543	8,126	7,377	6,777	5,677
Total assets	17,782	17,853	18,165	18,013	17,470
LIABILITIES					
Payables					
Suppliers	948	1,205	1,536	1,647	1,518
Other payables	2,461	2,382	2,296	2,210	2,131
Total payables	3,409	3,587	3,832	3,857	3,649
Provisions					
Employee provisions	3,486	3,379	3,446	3,269	2,934
Total provisions	3,486	3,379	3,446	3,269	2,934
Total liabilities	6,895	6,966	7,278	7,126	6,583
Net assets	10,887	10,887	10,887	10,887	10,887
EQUITY					
Parent entity interest					
Reserves	48	48	48	48	48
Retained surplus (accumulated deficit)	10,839	10,839	10,839	10,839	10,839
Total parent entity interest	10,887	10,887	10,887	10,887	10,887
Total Equity	10,887	10,887	10,887	10,887	10,887

Prepared on Australian Accounting Standards basis

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2016-17)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016			
Balance carried forward from previous period	10,839	48	10,887
Adjusted opening balance	10,839	48	10,887
Comprehensive income	-	-	-
Total comprehensive income	-	-	-
Closing balance attributable to the Australian Government	10,839	48	10,887

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	23,697	22,985	23,147	23,349	23,592
Sale of goods and rendering of services	5,691	7,789	9,293	10,224	10,381
Interest	200	198	200	200	200
Net GST received	1,389	1,297	1,300	1,359	1,400
Other	100	100	100	100	100
Total cash received	31,077	32,369	34,040	35,232	35,673
Cash used					
Employees	17,136	17,979	18,528	19,415	19,542
Suppliers	11,952	12,250	12,870	13,784	14,488
Total cash used	29,088	30,229	31,398	33,199	34,030
Net cash from/(used by) operating activities	1,989	2,140	2,642	2,033	1,643
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	40	-	-	-	-
Total cash received	40	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	1,400	1,700	1,500	1,500	1,000
Total cash used	1,400	1,700	1,500	1,500	1,000
Net cash from/(used by) investing activities	(1,360)	(1,700)	(1,500)	(1,500)	(1,000)
Net increase/(decrease) in cash held	629	440	1,142	533	643
Cash and cash equivalents at the beginning of the reporting period	8,054	8,683	9,123	10,265	10,798
Cash and cash equivalents at the end of the reporting period	8,683	9,123	10,265	10,798	11,441

Prepared on Australian Accounting Standards basis.

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

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	1,400	1,700	1,500	1,500	1,000
TOTAL	1,400	1,700	1,500	1,500	1,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,400	1,700	1,500	1,500	1,000
Total cash used to acquire assets	1,400	1,700	1,500	1,500	1,000

(a) Funded from annual appropriations and may include donations and contributions, gifts, internally developed assets, and proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2016			
Gross book value	23,298	1,346	24,644
Accumulated depreciation/ amortisation and impairment	(15,385)	(1,016)	(16,401)
Opening net book balance	7,913	330	8,243
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services ^(a)	1,500	200	1,700
Total additions	1,500	200	1,700
Other movements			
Depreciation/amortisation expense	(1,973)	(149)	(2,122)
Other	(363)	363	-
Total other movements	(2,336)	214	(2,122)
As at 30 June 2017			
Gross book value	24,435	1,909	26,344
Accumulated depreciation/amortisation and impairment	(17,358)	(1,165)	(18,523)
Closing net book balance	7,077	744	7,821

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.
Prepared on Australian Accounting Standards basis.