

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 is the national screen and broadcast training, education, and research institution. AFTRS has a leadership role in supporting and building Australia's screen and broadcast sector. It does this by fostering excellence and innovation through practice-based, industry-focused courses and research with a focus on three areas: outreach, talent development and industry skills training. The School works in partnership with others across the country and internationally to leverage its reach and impact. In doing so, it develops and sustains a professional workforce that Australia is known for across the globe.

AFTRS' purpose is to find and empower Australian talent to shape and share their stories with the world by delivering future-focused, industry-relevant education, research and training. AFTRS' vision is to be the reference point for innovation in screen, sound and story-making globally.

In 2016, AFTRS released a five-year Corporate Plan and new strategic direction. In order to accelerate Australian storytelling, culture and sector growth AFTRS will focus on three areas: Outreach, Talent Development and Industry Training. Underpinning the success of these strategies, and to ensure Australian creativity is serving as a force for social, cultural and economic good, AFTRS is committed to an industry focused research program and to encouraging a diverse mix of employees and students. The School's operations and communications strategies ensure that AFTRS can support the new strategic direction and engage effectively with all stakeholders.

AFTRS' strategies are:

- **Outreach:** Build awareness and appreciation of Australian screen and broadcast culture and empower all Australians to tell their stories, wherever they come from and whoever they are.
- **Talent Development:** Educate and train new talent to ensure innovative, relevant Australian content creators are supported on their journey into the screen and broadcast industry.
- **Industry Training:** Ensure current Australian screen and broadcast practitioners have the highest levels of skills required to compete in the international marketplace.
- **Research and Development:** Drive innovation in the screen and broadcast industry and practice-based education through research to ensure relevance and growth.

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- **Inclusion:** Ensure AFTRS reflects Australian society by supporting diversity across the Schools' activities.
- **Operations:** Ensure an efficient and effective financially sustainable organisation.
- **Communications:** Position AFTRS as a leading international cultural centre of excellence and innovation in education for the screen and broadcast industries.

These strategies ensure that AFTRS will achieve its Outcome (1) and Program (1.1) in 2017-18 and over the forward estimates.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to 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 by departmental (for AFTRS's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses for Outcome 1' 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 2017–18 as at Budget May 2017

	2016–17 estimated actual \$'000	2017–18 estimate \$'000
Opening balance/cash reserves at 1 July	8,009	7,801
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	22,985	22,683
Total annual appropriations	22,985	22,683
Total funds from Government	22,985	22,683
Funds from other sources		
Interest	160	150
Sale of goods and services	7,613	8,737
Other	20	20
Total funds from other sources	7,793	8,907
Total net resourcing for AFTRS	38,787	39,391
	2016–17	2017–18
Average staffing level for AFTRS	144	145

(a) Appropriation Bill (No. 1) 2017–18.

AFTRS is not directly appropriated as it is a Corporate Commonwealth Entity. Appropriations are made to the Department of Communications and the Arts (a Non-Corporate Commonwealth Entity), which are then paid to AFTRS and are considered "departmental" for all purposes.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

Prepared on a resourcing (that is, appropriations available) basis.

1.3 BUDGET MEASURES

Part 1: Measures announced since the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO)

There are no new measures relating to AFTRS for the 2017-18 Budget.

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

	Program	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Expense measures						
Public Sector Transformation and the Efficiency Dividend ^(a)	1.1					
Departmental expenses		-	(351)	(586)	(707)	(226)
Total		-	(351)	(586)	(707)	(226)
Total Expense measures						
Departmental		-	(351)	(586)	(707)	(226)
Total		-	(351)	(586)	(707)	(226)

(a) This adjustment related to increases to the efficiency dividend announced in the 2016–17 Budget under the measure “Public Sector Transformation and the Efficiency Dividend”. 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 program. The following provides detailed information on expenses for the outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The most recent corporate plan for AFTRS can be found at:
www.aftrs.edu.au/about/governance/corporate-plan

The most recent annual performance statement can be found at:
www.aftrs.edu.au/_data/assets/pdf_file/0008/59678/Annual-Report-20152016.pdf

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 AFTRS intends to spend (on an accrual basis) on achieving the outcome, broken down by Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 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)	22,985	22,683	22,584	22,649	22,803
Revenues from other independent sources	7,856	8,981	9,615	9,652	9,613
Total expenses for Program 1.1	30,841	31,664	32,199	32,301	32,416
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	22,985	22,683	22,584	22,649	22,803
Revenues from other independent sources	7,856	8,981	9,615	9,652	9,613
Total expenses for Outcome 1	30,841	31,664	32,199	32,301	32,416
Average staffing level (number)					
	2016–17	2017–18			
	144	145			

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017–18 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 award courses, industry skills courses and workshops, outreach and schools programs, corporate courses, and research activities and publications. Target groups comprise potential and current film, television and radio students, members of the screen and broadcast industry, cultural and industry partners, and Indigenous Australians.		
Performance information		
Year	Performance criteria^(a)	Targets
2016–17	<p><i>Outreach: Build awareness and appreciation of Australian screen and broadcast culture and empower all Australians to tell their stories, wherever they come from and whoever they are.</i></p> <p><i>Talent Development: Educate and train new talent to ensure innovative, relevant Australian content creators are supported on their journey into the screen and broadcast industry.</i></p> <p><i>Industry Training: Ensure current Australian screen and broadcast practitioners have the highest levels of skills required to compete in the international marketplace.</i></p>	<p>Expected to meet criterion 250 Open Program and Indigenous Unit courses offered. 40 forums for industry practitioners to share their expertise. 100 cultural and industry events held. 5,000 Open Program and Indigenous Unit enrolments.</p> <p>Expected to meet criterion 6 higher educational levels offered. 750 new student applications. 500 new and ongoing student enrolments. 90% eligible completions.</p> <p>Expected to meet criterion Annual consultation of national skills requirements of industry</p>
2017–18	<p><i>Outreach: Build awareness and appreciation of Australian screen and broadcast culture and empower all Australians to tell their stories, wherever they come from and whoever they are.</i></p> <p><i>Talent Development: Educate and train new talent to ensure innovative, relevant Australian content creators are supported on their journey into the screen and broadcast industry.</i></p> <p><i>Industry Training: Ensure current Australian screen and broadcast practitioners have the highest levels of skills required to compete in the international marketplace.</i></p>	<p>250 Open Program and Indigenous Unit courses <i>and/ or workshops</i>. 100 cultural and industry events held. 5,000 Open Program and Indigenous Unit enrolments.</p> <p>6 higher educational levels offered. 750 new student applications received. 530 new and ongoing student enrolments. 90% eligible completions.</p> <p>40 forums <i>and training events</i> held for industry practitioners.</p>

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Performance information		
Year	Performance criteria^(a)	Targets
2018–19 and beyond	<p><i>Outreach: Build awareness and appreciation of Australian screen and broadcast culture and empower all Australians to tell their stories, wherever they come from and whoever they are.</i></p> <p><i>Talent Development: Educate and train new talent to ensure innovative, relevant Australian content creators are supported on their journey into the screen and broadcast industry.</i></p> <p><i>Industry Training: Ensure current Australian screen and broadcast practitioners have the highest levels of skills required to compete in the international marketplace.</i></p>	<p>250 Open Program and Indigenous courses.</p> <p>100 cultural and industry events held.</p> <p>5,000 Open Program and Indigenous Unit enrolments.</p> <p>6 higher educational levels offered.</p> <p>750 new student applications received.</p> <p>530 new and ongoing student enrolments.</p> <p>90% eligible completions.</p> <p>Triennial consultation on national skills requirements of industry.</p> <p>40 forums <i>and training events held</i> for industry practitioners.</p>
<p>Purpose AFTRS' purpose is to find and empower Australian talent to shape and share their stories with the world by delivering future-focused, industry-relevant education, research and training.</p>		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of AFTRS finances for the 2017-18 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

Award course fee income is anticipated to increase by 28% to \$6.6 million in 2017-18, and reach \$7.2 million by 2020-21 (compared to \$5.1 million forecasted for 2016-17). Income from the Open Program is budgeted to stabilise at \$2.2 million throughout the forward estimates period. AFTRS continues to maintain a break-even target.

Employee costs are expected to rise by 4.2% in 2017-18 to \$18.3 million due to increases in the Award course offering. Average staffing level is virtually unchanged from current year. Overall, total expenses for 2017-18 (\$31.7 million) is an increase of 2.7% from 2016-17 while own-sourced revenue is expected to increase by 14.3%.

As new courses to be introduced in forward years are implemented, employee costs are expected to rise to \$19.0 million by 2020-21.

Budgeted departmental balance sheet

The budgeted balance sheet is based on the latest June 2017 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 2018 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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	17,606	18,349	18,853	18,691	19,001
Suppliers	11,427	11,324	11,545	11,799	11,903
Depreciation and amortisation	1,808	1,991	1,801	1,811	1,512
Total expenses	30,841	31,664	32,199	32,301	32,416
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	7,690	8,825	9,459	9,496	9,457
Interest	166	156	156	156	156
Total own-source revenue	7,856	8,981	9,615	9,652	9,613
Total own-source income	7,856	8,981	9,615	9,652	9,613
Net (cost of)/contribution by services	(22,985)	(22,683)	(22,584)	(22,649)	(22,803)
Revenue from Government	22,985	22,683	22,584	22,649	22,803
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	7,801	8,425	8,851	9,817	10,672
Trade and other receivables	1,782	1,820	1,875	1,930	1,985
Other financial assets	22	22	22	12	12
Total financial assets	9,605	10,267	10,748	11,759	12,669
Non-financial assets					
Property, plant and equipment	7,483	7,290	7,185	6,550	6,019
Intangibles	926	628	432	256	85
Other non-financial assets	516	516	516	516	416
Total non-financial assets	8,925	8,434	8,133	7,322	6,520
Total assets	18,530	18,701	18,881	19,081	19,189
LIABILITIES					
Payables					
Suppliers	1,163	1,090	1,108	1,084	1,075
Other payables	3,151	3,065	2,979	2,902	2,717
Total payables	4,314	4,155	4,087	3,986	3,792
Provisions					
Employee provisions	3,321	3,651	3,899	4,200	4,502
Total provisions	3,321	3,651	3,899	4,200	4,502
Total liabilities	7,635	7,806	7,986	8,186	8,294
Net assets	10,895	10,895	10,895	10,895	10,895
EQUITY					
Parent entity interest					
Reserves	48	48	48	48	48
Retained surplus (accumulated deficit)	10,847	10,847	10,847	10,847	10,847
Total parent entity interest	10,895	10,895	10,895	10,895	10,895
Total Equity	10,895	10,895	10,895	10,895	10,895

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017–18)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017			
Balance carried forward from previous period	10,847	48	10,895
Adjusted opening balance	10,847	48	10,895
Total comprehensive income	-	-	-
Estimated closing balance as at 30 June 2018	10,847	48	10,895
Closing balance attributable to the Australian Government	10,847	48	10,895

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,985	22,683	22,584	22,649	22,803
Sale of goods and rendering of services	7,613	8,737	9,364	9,401	9,362
Interest	160	150	150	150	150
Net GST received	1,170	1,091	1,110	1,084	1,075
Other	20	20	20	20	20
Total cash received	31,948	32,681	33,228	33,304	33,410
Cash used					
Employees	18,310	19,083	19,607	19,439	19,761
Suppliers	11,427	11,324	11,545	11,799	11,903
Total cash used	29,737	30,407	31,152	31,238	31,664
Net cash from/(used by) operating activities	2,211	2,274	2,076	2,066	1,746
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,419	1,650	1,650	1,100	891
Total cash used	2,419	1,650	1,650	1,100	891
Net cash from/(used by) investing activities	(2,419)	(1,650)	(1,650)	(1,100)	(891)
Net increase/(decrease) in cash held	(208)	624	426	966	855
Cash and cash equivalents at the beginning of the reporting period	8,009	7,801	8,425	8,851	9,817
Cash and cash equivalents at the end of the reporting period	7,801	8,425	8,851	9,817	10,672

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	2,199	1,500	1,500	1,000	810
TOTAL	2,199	1,500	1,500	1,000	810
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,419	1,650	1,650	1,100	891
Total cash used to acquire assets	2,419	1,650	1,650	1,100	891

(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 2017–18)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2017			
Gross book value	23,243	2,190	25,433
Accumulated depreciation/amortisation and impairment	(15,760)	(1,264)	(17,024)
Opening net book balance	7,483	926	8,409
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase - appropriation ordinary annual services ^(a)	1,500	-	1,500
Total additions	1,500	-	1,500
Other movements			
Depreciation/amortisation expense	(1,693)	(298)	(1,991)
Total other movements	(1,693)	(298)	(1,991)
As at 30 June 2018			
Gross book value	24,743	2,190	26,933
Accumulated depreciation/amortisation and impairment	(17,453)	(1,562)	(19,015)
Closing net book balance	7,290	628	7,918

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2017–18 for depreciation/amortisation expenses, DCBs or other operational expenses.
Prepared on Australian Accounting Standards.

