



Budget

2019-20

Portfolio Budget Statements 2019-20

Budget Related Paper No. 1.3

Communications and the Arts Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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**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 national institution for education, training and research for the screen and broadcast industries. AFTRS helps to build a strong local industry, empowering storytelling talent to create great Australian content and engage local and international audiences.

AFTRS offers world-class, industry-relevant screen and broadcast education and skills training with a focus on creativity and cultural entrepreneurship. AFTRS also deepens and broadens skills in practitioners through industry training and thought leadership – drawing on partnerships and input from the screen and broadcast sectors and beyond. AFTRS explores new frontiers of storytelling and technology via research projects and hosts events that help creative practitioners grapple with challenges, new practices and ideas.

AFTRS partners across Australia to find great storytellers, whatever their background, and equip them with the skills they need to become the leaders of screen and broadcast industries internationally.

AFTRS recognises that in the context of major disruptions to the screen and broadcast sectors, the skills of creative problem solving, collaboration, communication, ‘big-picture’ innovation and entrepreneurialism will be key to the ongoing success of our professional workforce.

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.

AFTRS’ strategic pillars are to find, develop and support Australian storytelling talent with the following areas of strategic focus:

- **Outreach:** 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

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- **Research and Development:** Drive innovation in the screen and broadcast industry and practice-based education through research to ensure relevance and growth
- **Inclusion:** Ensure AFTRS reflects Australian society by supporting diversity across its 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 and program in 2019-20 and over the forward estimates.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity 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 the entity's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' table 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 2019–20 as at Budget April 2019

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	6,435	5,776
Funds from Government		
Annual appropriations — ordinary annual services ^(a)		
Outcome 1	22,584	22,605
Total annual appropriations	22,584	22,605
Total funds from Government	22,584	22,605
Funds from other sources		
Sale of goods and services	7,627	8,327
Interest	388	388
Other	1,214	1,200
Total funds from other sources	9,229	9,915
Total net resourcing for AFTRS	38,248	38,296
	2018–19	2019–20
Average staffing level (number)	145	145

(a) Appropriation Bill (No.1) 2019–20.

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

There are no new measures relating to AFTRS for the 2019–20 Budget.

SECTION 2: OUTCOMES AND PLANNED PERFORMANCE

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the 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/wp-content/uploads/2018/08/AFTRS06_CorporatePlan_Internal_s12_LR.pdf.

The most recent annual performance statement can be found at:

www.aftrs.edu.au/wp-content/uploads/2018/10/Annual-Report-2017-2018.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 the AFTRS intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Australia Film Television and Radio School					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	22,584	22,605	22,803	23,005	23,184
Revenues from other independent sources	8,336	8,594	9,328	9,670	9,973
Total expenses for program 1.1	30,920	31,199	32,131	32,675	33,157
Outcome 1 Totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	22,584	22,605	22,803	23,005	23,184
Revenues from other independent sources	8,336	8,594	9,328	9,670	9,973
Total expenses for Outcome 1	30,920	31,199	32,131	32,675	33,157
	2018–19	2019–20			
Average staffing level (number)	145	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 2019–20 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		
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.		
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	Targets
2018–19	<p>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.</p> <p>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.</p> <p>Industry Training: Ensure current Australian screen and broadcast practitioners have the highest levels of skills required to compete in the international marketplace.</p>	<p>Expected to meet criterion 3,000 participants in AFTRS training. 50,000 views of AFTRS content and events. 10 partnerships a year to deliver training nationally.</p> <p>Expected to meet criterion 425 award course applications received. 300 new and ongoing Award Course student enrolments. 80% eligible completions.</p> <p>Expected to meet criterion 200 industry practitioners trained. Triennial consultation on national skills requirements of industry. 2 industry research projects per year.</p>
2019–20	<p>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.</p>	<p>3,000 participants in AFTRS training. 50,000 views of AFTRS content and events. 10 partnerships a year to deliver training nationally.</p>

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Performance information		
Year	Performance criteria	Targets
2019–20 continued	<p>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.</p> <p>Industry Training: Ensure current Australian screen and broadcast practitioners have the highest levels of skills required to compete in the international marketplace.</p>	<p>425 award course applications received. 300 new and ongoing Award Course student enrolments. 80% eligible completions.</p> <p>200 industry practitioners. Triennial consultation on national skills requirements of industry. 2 industry research projects per year.</p>
2020–21 and beyond	As per 2019–20	As per 2019–20

SECTION 3: BUDGETED FINANCIAL STATEMENTS

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Comprehensive income statement

Own-source revenue is expected to increase by 3.1 percent in 2019–20. Award Course fee income of \$5.9 million is an increase of 8.6 percent from the 2018–19 forecast, and is expected to continue to increase across the forward estimates period. Income from the Open Program is budgeted to be \$2.3 million for 2019–20 (\$2.1 million for 2018–19) and is then expected to increase by 10 percent each year throughout the forward estimates period.

Employee costs are expected to rise by 3.1 percent to \$16.7 million in 2019–20 and then by an average of 2 percent annually by 2022–23. Average staffing level is planned to remain at 145. Overall, total expenses for 2019–20 (\$31.2 million) is an increase of 0.9 percent from 2018–19. AFTRS continues to maintain a break-even target.

Departmental balance sheet

The budgeted balance sheet is based on the latest June 2019 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 \$11.1 million at 30 June 2020 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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	16,146	16,651	17,150	17,493	17,666
Suppliers	12,870	12,613	12,992	13,189	13,474
Depreciation and amortisation	1,904	1,935	1,989	1,993	2,017
Total expenses	30,920	31,199	32,131	32,675	33,157
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	7,934	8,206	8,940	9,282	9,585
Interest	388	388	388	388	388
Other	14	-	-	-	-
Total own-source revenue	8,336	8,594	9,328	9,670	9,973
Total own-source income	8,336	8,594	9,328	9,670	9,973
Net (cost of)/contribution by services	(22,584)	(22,605)	(22,803)	(23,005)	(23,184)
Revenue from Government	22,584	22,605	22,803	23,005	23,184
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	-	-
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)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,776	5,622	5,662	5,850	6,147
Trade and other receivables	2,847	2,968	3,221	3,339	3,444
Total financial assets	8,623	8,590	8,883	9,189	9,591
Non-financial assets					
Property, plant and equipment	7,053	6,965	6,817	6,623	6,401
Intangibles	1,517	1,450	1,429	1,300	1,175
Other non-financial assets	521	521	521	521	521
Total non-financial assets	9,091	8,936	8,767	8,444	8,097
Total assets	17,714	17,526	17,650	17,633	17,688
LIABILITIES					
Payables					
Suppliers	990	972	1,001	1,013	1,040
Other payables	3,637	3,585	3,678	3,622	3,630
Total payables	4,627	4,557	4,679	4,635	4,670
Provisions					
Employee provisions	1,965	1,847	1,849	1,876	1,896
Total provisions	1,965	1,847	1,849	1,876	1,896
Total liabilities	6,592	6,404	6,528	6,511	6,566
Net assets	11,122	11,122	11,122	11,122	11,122
EQUITY					
Parent entity interest					
Reserves	175	175	175	175	175
Retained surplus (accumulated deficit)	10,947	10,947	10,947	10,947	10,947
Total parent entity interest	11,122	11,122	11,122	11,122	11,122
Total equity	11,122	11,122	11,122	11,122	11,122

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	10,947	175	11,122
Adjusted opening balance	10,947	175	11,122
Estimated closing balance as at 30 June 2020	10,947	175	11,122
Closing balance attributable to the Australian Government	10,947	175	11,122

Prepared on Australian Accounting Standards basis.

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

	2018-19 Estimated actual \$'000	2019-20 Budget \$'000	2020-21 Forward estimate \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,584	22,605	22,803	23,005	23,184
Sale of goods and rendering of services	7,627	8,327	9,193	9,400	9,690
Interest	388	388	388	388	388
Net GST received	1,200	1,200	1,200	1,200	1,200
Total cash received	31,799	32,520	33,584	33,993	34,462
Cash used					
Employees	16,811	16,769	17,148	17,466	17,646
Suppliers	13,919	14,125	14,576	14,669	14,849
Total cash used	30,730	30,894	31,724	32,135	32,495
Net cash from/(used by) operating activities	1,069	1,626	1,860	1,858	1,967
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	14	-	-	-	-
Total received used	14	-	-	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	1,742	1,780	1,820	1,670	1,670
Total cash used	1,742	1,780	1,820	1,670	1,670
Net cash from/(used by) investing activities	(1,728)	(1,780)	(1,820)	(1,670)	(1,670)
Net increase/(decrease) in cash held	(659)	(154)	40	188	297
Cash and cash equivalents at the beginning of the reporting period	6,435	5,776	5,622	5,662	5,850
Cash and cash equivalents at the end of the reporting period	5,776	5,622	5,662	5,850	6,147

Prepared on Australian Accounting Standards basis.

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

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	1,742	1,780	1,820	1,670	1,670
TOTAL	1,742	1,780	1,820	1,670	1,670
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,742	1,780	1,820	1,670	1,670
Total cash used to acquire assets	1,742	1,780	1,820	1,670	1,670

(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 2019–20)

	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	25,680	3,445	29,125
Accumulated depreciation/ amortisation and impairment	(18,627)	(1,928)	(20,555)
Opening net book balance	7,053	1,517	8,570
Capital asset additions			
Estimated expenditure on new or replacement assets			
By purchase — appropriation ordinary annual services ^(a)	1,380	400	1,780
Total additions	1,380	400	1,780
Other movements			
Depreciation/amortisation expense	(1,468)	(467)	(1,935)
Total other movements	(1,468)	(467)	(1,935)
As at 30 June 2020			
Gross book value	27,060	3,845	30,905
Accumulated depreciation/amortisation and impairment	(20,095)	(2,395)	(22,490)
Closing net book balance	6,965	1,450	8,415

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019–20 for depreciation/amortisation expenses, DCBs or other operational expenses.
Prepared on Australian Accounting Standards basis.