



Budget 2020-21

Portfolio Budget Statements 2020-21 Budget Related Paper No. 1.10

Infrastructure, Transport, Regional Development and
Communications Portfolio

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

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The Hon Michael McCormack MP

**Deputy Prime Minister
Minister for Infrastructure, Transport and Regional Development
Leader of The Nationals
Federal Member for Riverina**

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2020-21 Budget for the Infrastructure, Transport, Regional Development and Communications Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

Michael McCormack

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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 targeted to meet the identified needs of screen and broadcast partners and beyond. AFTRS explores new frontiers of story and technology via research projects and hosts events that help creative practitioners grapple with emerging 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, agility, 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 focal point for innovation in screen, sound and storytelling, 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 Innovation** – 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 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 2020–21 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 the AFTRS 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 2020-21 as at Budget October 2020

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Opening balance/cash reserves at 1 July	6,560	7,589
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	22,605	25,059
Total annual appropriations	22,605	25,059
Total funds from Government	22,605	25,059
Funds from other sources		
Interest	180	74
Sale of goods and services	7,739	8,785
Other	145	18
Total funds from other sources	8,064	8,877
Total net resourcing for AFTRS	37,229	41,525
<hr/>		
Average staffing level (number)	2019-20 139	2020-21 145

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.

(a) Appropriation Bill (No. 1) 2020-21.

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

1.3 BUDGET MEASURES

Budget measures relating to AFTRS are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: AFTRS 2020-21 Budget measures
Measures announced after the Economic and Fiscal Update July 2020

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Payment measures					
COVID-19 Response Package — arts portfolio entities	1.1				
Departmental payments		2,300	-	-	-
Total		2,300	-	-	-
Total payment measures					
Departmental		2,300	-	-	-
Total		2,300	-	-	-

Prepared on a Government Finance Statistics (underlying cash) 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.

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 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 a complete picture of an entity's planned and actual performance.

The most recent Corporate Plan for AFTRS can be found at:

<https://www.aftrs.edu.au/governance/corporate-documents/>

The most recent annual performance statement can be found at:

https://www.aftrs.edu.au/wp-content/uploads/2019/10/AFTRS_AnnualReport_2018-19.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 program.

Table 2.1.1: Budgeted expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Delivery of specialist education					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	22,605	25,059	22,635	22,605	22,636
Expenses not requiring appropriation in the budget year	363	190	111	147	235
Revenues from other independent sources	8,004	8,877	9,014	9,280	9,355
Total expenses for Program 1.1	30,972	34,126	31,760	32,032	32,226
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	22,605	25,059	22,635	22,605	22,636
Expenses not requiring appropriation in the budget year	363	190	111	147	235
Revenues from other independent sources	8,004	8,877	9,014	9,280	9,355
Total expenses for Outcome 1	30,972	34,126	31,760	32,032	32,226
	2019-20	2020-21			
Average staffing level (number)	139	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 2020-21 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	2019-20 Actual Achievement/Targets
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>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>Target met</p> <p>3,000 participants in AFTRS training</p> <p>50,000 views of AFTRS content and events</p> <p>10 partnerships a year to deliver training nationally</p> <p>Target met</p> <p>425 award course applications received</p> <p>300 new and ongoing Award Course student enrolments</p> <p>80% eligible completions</p> <p>Target met</p> <p>200 industry practitioners</p> <p>Triennial consultation on national skills requirements of industry</p> <p>2 industry research projects per year</p>
2020-21	<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>3,000 participants in AFTRS training</p> <p>50,000 views of AFTRS content and events</p> <p>10 partnerships a year to deliver training nationally</p> <p>425 award course applications received</p> <p>300 new and ongoing Award Course student enrolments</p> <p>80% eligible completions</p>

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Performance information		
Year	Performance criteria	2019-20 Actual Achievement/Targets
2020-21 continued	Industry Training: Ensure current Australian screen and broadcast practitioners have the highest levels of skills required to compete in the international marketplace	200 industry practitioners Triennial consultation on national skills requirements of industry 2 industry research projects per year
2021-22 and beyond	As per 2020-21	As per 2020-21
Purposes	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.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 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 10.9% in 2020-21. Award Course fee income of \$6.4 million is an increase of 12.4% from the 2019-20 result, and is expected to continue to increase across the forward estimates period. Income from the Open Program and Business Development is budgeted to be \$2.3 million for 2020-21 (\$2.0 million for 2019-20) and is then expected to increase throughout the forward estimates period.

Employee costs are expected to decrease by 2.5% to \$16.8 million in 2020-21 and then increase over the forward years. Overall, total expenses for 2020-21 (\$34.1 million) is an increase of 10.2% from 2019-20. The impact of AASB 16 Leases on AFTRS' result for 2020-21 is expected to be \$0.2 million with a similar impact in the forward years. Average staffing level is planned to be 145 in the forward years.

Departmental balance sheet

The budgeted balance sheet is based on the latest June 2020 forecast with due consideration to flow-ons from the capital expenditure budget, income statements and cash inflows and outflows.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	17,233	16,799	17,639	17,816	17,995
Suppliers	6,458	10,090	6,807	6,987	7,333
Depreciation and amortisation	6,369	6,539	6,343	6,345	6,386
Finance costs	742	698	971	884	512
Write-down and impairment of assets	170	-	-	-	-
Total expenses	30,972	34,126	31,760	32,032	32,226
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	7,739	8,785	8,930	9,196	9,271
Interest	180	74	63	63	63
Other	82	18	18	18	18
Total own-source revenue	8,001	8,877	9,011	9,277	9,352
Gains					
Sale of assets	3	-	3	3	3
Other	60	-	-	-	-
Total gains	63	-	3	3	3
Total own-source income	8,064	8,877	9,014	9,280	9,355
Net (cost of)/contribution by services	(22,908)	(25,249)	(22,746)	(22,752)	(22,871)
Revenue from Government	22,605	25,059	22,635	22,605	22,636
Surplus/(deficit) attributable to the Australian Government	(303)	(190)	(111)	(147)	(235)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	910	-	-	-	-
Total other comprehensive income	910	-	-	-	-
Total comprehensive income/(loss)	607	(190)	(111)	(147)	(235)
Total comprehensive income/(loss) attributable to the Australian Government	607	(190)	(111)	(147)	(235)

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	7,589	7,165	7,051	8,132	9,368
Trade and other receivables	143	3,067	3,115	3,204	3,229
Total financial assets	7,732	10,232	10,166	11,336	12,597
Non-financial assets					
Land and buildings	56,955	53,448	49,889	45,275	40,661
Property, plant and equipment	7,749	7,796	7,766	7,690	7,586
Intangibles	1,209	1,037	923	853	770
Prepayments	509	509	509	509	509
Total non-financial assets	66,422	62,790	59,087	54,327	49,526
Total assets	74,154	73,022	69,253	65,663	62,123
LIABILITIES					
Payables					
Suppliers	1,179	1,179	1,179	1,179	1,179
Other payables	412	3,678	3,737	3,848	3,880
Total payables	1,591	4,857	4,916	5,027	5,059
Interest bearing liabilities					
Leases	57,136	53,601	49,951	46,419	43,081
Total interest bearing liabilities	57,136	53,601	49,951	46,419	43,081
Provisions					
Employee provisions	3,052	2,379	2,312	2,290	2,291
Total provisions	3,052	2,379	2,312	2,290	2,291
Total liabilities	61,779	60,837	57,179	53,736	50,431
Net assets	12,375	12,185	12,074	11,927	11,692
EQUITY					
Parent entity interest					
Reserves	1,070	1,070	1,070	1,070	1,070
Retained surplus (accumulated deficit)	11,305	11,115	11,004	10,857	10,622
Total parent entity interest	12,375	12,185	12,074	11,927	11,692
Total equity	12,375	12,185	12,074	11,927	11,692

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2020-21)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2020			
Balance carried forward from previous period	11,305	1,070	12,375
Adjusted opening balance	11,305	1,070	12,375
Comprehensive income			
Surplus/(deficit) for the period	(190)	-	(190)
Total comprehensive income	(190)	-	(190)
Estimated closing balance as at 30 June 2021	11,115	1,070	12,185
Closing balance attributable to the Australian Government	11,115	1,070	12,185

Prepared on Australian Accounting Standards basis

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,605	25,059	22,635	22,605	22,636
Sale of goods and rendering of services	7,601	9,127	8,941	9,218	9,278
Interest	210	74	63	63	63
Net GST received	1,101	1,100	1,100	1,100	1,100
Other	-	18	18	18	18
Total cash received	31,517	35,378	32,757	33,004	33,095
Cash used					
Employees	16,929	17,472	17,706	17,838	17,994
Suppliers	6,820	11,190	7,772	6,897	7,243
Interest payments on lease liability	742	698	971	884	512
Total cash used	24,491	29,360	26,449	25,619	25,749
Net cash from/(used by) operating activities	7,026	6,018	6,308	7,385	7,346
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	3	-	3	3	3
Total cash received	3	-	3	3	3
Cash used					
Purchase of property, plant and equipment and intangibles	1,565	1,851	1,719	1,719	1,719
Total cash used	1,565	1,851	1,719	1,719	1,719
Net cash from/(used by) investing activities	(1,562)	(1,851)	(1,716)	(1,716)	(1,716)

Prepared on Australian Accounting Standards basis.

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

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	1,565	1,851	1,719	1,719	1,719
TOTAL	1,565	1,851	1,719	1,719	1,719
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,565	1,851	1,719	1,719	1,719
Total cash used to acquire assets	1,565	1,851	1,719	1,719	1,719

(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 2020-21)

	Asset Category			Total
	Buildings	Other property, plant and equipment	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020				
Gross book value	-	7,662	2,451	10,113
Gross book value - ROU assets	61,435	137	-	61,572
Accumulated depreciation/amortisation and impairment	-	(25)	(1,242)	(1,267)
Accumulated depreciation/amortisation and impairment - ROU assets	(4,480)	(25)	-	(4,505)
Opening net book balance	56,955	7,749	1,209	65,913
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ^(a)	-	1,538	313	1,851
Total additions	-	1,538	313	1,851
Other movements				
Depreciation/amortisation expense	-	(1,469)	(485)	(1,954)
Depreciation/amortisation on ROU assets	(4,563)	(22)	-	(4,585)
Other				-
Other - ROU assets	1,056	-	-	1,056
Total other movements	(3,507)	(1,491)	(485)	(5,483)
As at 30 June 2021				
Gross book value	-	9,200	2,764	11,964
Gross book value - ROU assets	62,491	137	-	62,628
Accumulated depreciation/amortisation and impairment	-	(1,494)	(1,727)	(3,221)
Accumulated depreciation/amortisation and impairment - ROU assets	(9,043)	(47)	-	(9,090)
Closing net book balance	53,448	7,796	1,037	62,281

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2020-21 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.