

**AUSTRALIAN FILM  
TELEVISION AND RADIO  
SCHOOL**



## **AUSTRALIAN FILM TELEVISION AND RADIO SCHOOL**

### **Section 1: Overview, appropriations and budget measures summary**

#### **OVERVIEW**

The Australian Film Television and Radio School (AFTRS) is the national advanced-level training institution for the film and broadcast industries. It provides advanced education and training in program making for the Australian broadcast media industries which will enhance the Australian cultural identity. It is the only fully post graduate specialist academy in the field in Australia and provides postgraduate and advanced skills training. It value-adds at all levels of industry by new training, re-training and staff interface with industry. It provides opportunities for students to acquire and demonstrate skills of an internationally recognised standard.

The Agency acts in partnership with other levels of Government, industry and community organisations to enhance skills and promote the expression of a national identity in broadcasting.

#### **APPROPRIATIONS AND RESOURCING**

The total appropriation for AFTRS in the 2003-04 Budget is \$15.979 million.

## Australian Film Television and Radio School — appropriations 2003-04

**Table 1.1: Appropriations and other revenue**

Outcome	Departmental (price of outputs) (\$'000)					Administered (\$'000)				Total appropriations (\$'000)
	Revenue from Government (appropriations)		Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)	Special appropriations	Total administered appropriations	Total administered appropriations		
	Bill No. 1	Special approps	Total				Bill No. 1	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup>		
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
1. Enhanced cultural identity	15,979	-	15,979	2,140	18,119	-	-	-	-	<b>15,979</b>
<b>Total</b>	<b>15,979</b>	-	<b>15,979</b>	<b>2,140</b>	<b>18,119</b>	-	-	-	-	<b>15,979</b>
			(C1) <sup>1</sup>		(E1) <sup>1</sup>				(I1) <sup>1</sup>	
			(K1) <sup>1</sup>		88.2%					
						Departmental capital (equity injections and loans)			(K3) <sup>1</sup>	-
						Administered capital			(K4) <sup>1</sup>	-
						Total appropriations				<b>15,979</b>

1. Cells C1, E1 and I1 refer to information provided in Table 2.2. Amount K1 refers to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
2. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
3. Refer to Budgeted Statement of Financial Performance for application of agency revenue.
4. Revenue from other sources includes other revenue from government (for example, resources free of charge) and revenue from other sources (for example, sales of goods and services by agencies such as the Australian Bureau of Statistics (ABS) or the Australian Broadcasting Corporation (ABC)). Non-appropriated departmental and administered revenues are details in Table 1.3.

Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

## MEASURES – AGENCY SUMMARY

**Table 1.2: Summary of Measures disclosed in the 2003-04 Budget**

Measure	Outcome	Output affected	Appropriations budget			Appropriations forward estimate			Appropriations forward estimate			Appropriations forward estimate		
			2003-04 (\$'000)			2004-05 (\$'000)			2005-06 (\$'000)			2006-07 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expense	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Communications, Information Technology and the Arts Portfolio - decreased resourcing in 2003-04	1	1.1, 1.2 & 1.3	Nil	(24)	(24)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

## REVENUE FROM INDEPENDENT SOURCES

**Table 1.3: Revenue from independent sources**

	Estimated Revenue 2002-03 \$'000	Estimated Revenue 2003-04 \$'000
<b>Departmental Revenue</b>		
Sales of goods and services	1,753	1,765
Interest	275	180
Other non-appropriation revenue	185	195
<b>Total Non-Appropriation departmental revenue</b>	<b>2,213</b>	<b>2,140</b>

## ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The AFTRS has no administered capital, and is not budgeted to receive departmental equity injections or loans in 2003-04

## Section 2: Outcomes and outputs information

### **OUTCOMES AND OUTPUT GROUPS**

AFTRS works to achieving the outcome specified by the Government. The following section provides a departmental overview and the outcome is discussed.

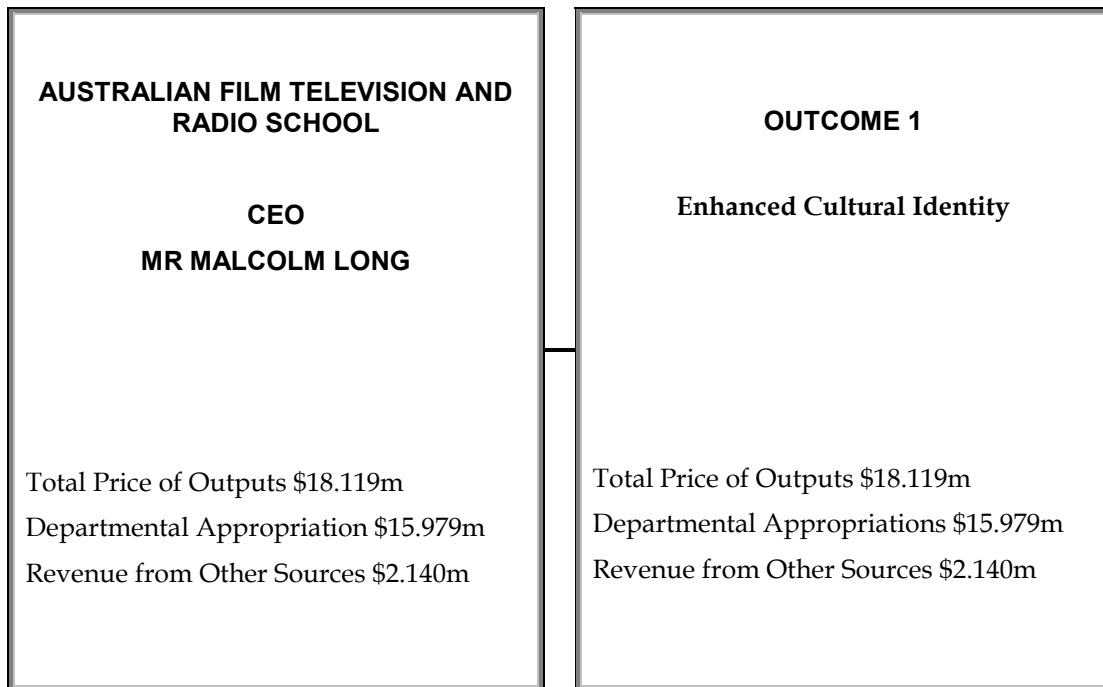
The maps on the following pages show the relationship between the outcome and the contributing outputs for AFTRS. Financial details for Outcome 1 by outputs appear in Table 2.1.1. Non-financial information for Outcome 1 appears in Table 2.2.1. Map 1 and 2 show the Output Structure and related Contributing Outputs for the agency.

### **OUTPUT COST ATTRIBUTION**

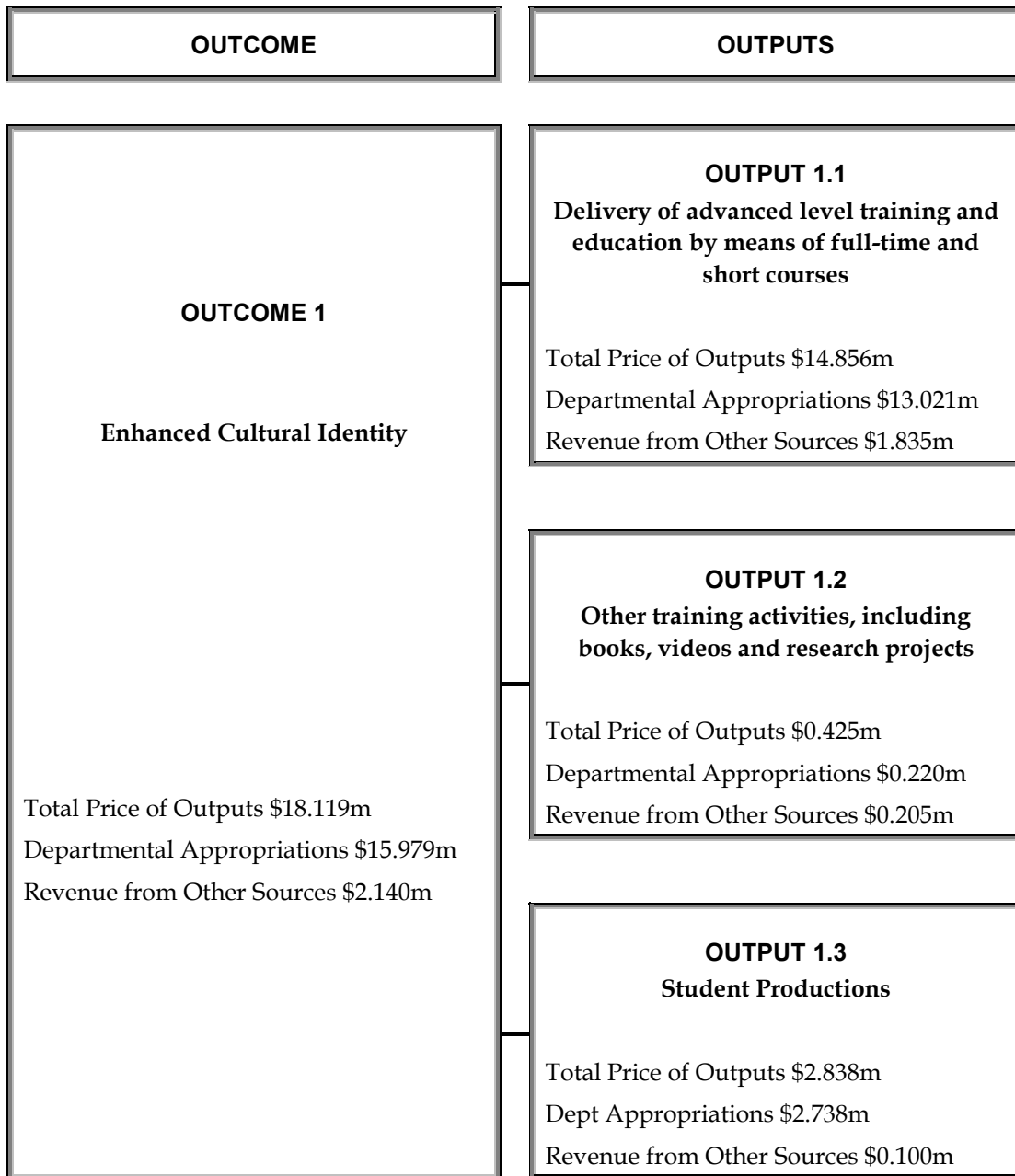
The AFTRS Financial Management Information System applies direct costs against individual activities. The activities are matched to the appropriate output. Where indirect costs can be attributed to a single output, they are applied against the output. Non-directly attributable costs are applied against outputs on an estimate of consumption basis.

## OUTCOME AND OUTPUT GROUPS

Map 1: Outcome Structure



**Map 2: Outcome 1 — contributing outputs**



Note: Revenue from Government (Appropriations) contributes 88.2% of the Total Price of Outputs for Outcome 1 for 2003-04.

## **CHANGES TO OUTCOMES AND OUTPUTS**

There have been no changes to the AFTRS's outcome and outputs structure since the 2002-03 Budget.

### **OUTCOME 1 - DESCRIPTION**

#### **Enhanced cultural identity**

To contribute to the achievement of an enhanced Australian cultural identity –

- Achieved through advanced education and training in program making for the Australian broadcast media industries.
- Produce industry professionals who have the appropriate skills for the making of film, television and radio programs for the Australian and international community which articulate the Australian cultural identity and aspirations, and which are diverse, rich and innovative.

The AFTRS conducts advanced-level training for program makers in the broadcast media industries. This training has two main facets –

- Training industry experienced people for high level entry into the film and broadcast industries achieved through full time and extended part time courses.
- Up-skilling and fine-tuning the skills and abilities of those people already operating at a high level in the industry through the provision of short courses and seminars.

The AFTRS offers full-time postgraduate courses of a one-year Graduate Diploma of Arts, a second year Master of Arts, and selected research students are offered a third year Master of Arts (Hons) course. A range of over 100 short courses and seminars are also offered throughout the year. Additionally a Commercial Radio full-time course is offered leading to a Graduate Diploma, together with a number of radio short courses. The full-time post graduate program offers specialisations in Cinematography, Design, Documentary, Sound, Scriptwriting, Editing, Directing, Producing, Digital Media, Television, Radio and Screen Studies.

Since its inception, AFTRS has produced over 1,000 graduates and approximately 50,000 industry practitioners have participated in short courses and seminars.

The AFTRS also provides other ancillary training and research services in the form of publications, textbooks, training videos, and library facilities.

As part of the training of students the AFTRS also produce a large number of short films each year. These films are shown nationally and internationally and have received critical acclaim at a number of film festivals, and a nomination at the 2003 Academy Awards.

In the year 2003, the AFTRS is celebrating its 30<sup>th</sup> year anniversary.

## **MEASURES AFFECTING OUTCOME 1<sup>1</sup>**

### **Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04**

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
Australian Film Television and Radio School	-0.024	-	-	-

The Government has identified savings of \$0.5 million in 2003-04 which will be effected across the portfolio.

See related measure titled *Communications, Information Technology and the Arts Portfolio – decreased resourcing in 2003-04*, in the Department of Communications, Information Technology and the Arts.

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<sup>1</sup> This relates to measures disclosed in the 2003-04 budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook* (MYEFO))

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2003-04 appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources, and the total price of outputs. Cell references **C1**, **E1** and **I1** show the links back to Table 1.1, the Appropriations Table.

**Table 2.1.1: Total resources for Outcome 1**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
<b>Administered appropriations</b>	-	-	
<b>Total administered appropriations</b>	-	-	(I1)
<b>Departmental appropriations</b>			
Output 1.1 Delivery of advanced level training and education by means of full-time and short courses	15,320	13,021	
Output 1.2 Other training activities, including books, videos and research projects	310	220	
Output 1.3 Student Productions	3,242	2,738	
<b>Total revenue from government (appropriations)</b>	<b>18,872</b>	<b>15,979</b>	(C1)
<b>Contributing to price of departmental outputs</b>	<b>89.5%</b>	<b>88.2%</b>	
<b>Revenue from other sources</b>			
Output 1.1 Delivery of advanced level training and education by means of full-time and short courses	2,026	1,835	
Output 1.2 Other training activities, including books, videos and research projects	163	205	
Output 1.3 Student Productions	24	100	
<b>Total revenue from other sources</b>	<b>2,213</b>	<b>2,140</b>	
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>21,085</b>	<b>18,119</b>	
<b>Total estimated resourcing for Outcome 1</b> (Total price of outputs and administered appropriations)	<b>21,085</b>	<b>18,119</b>	(E1)
	2002-03	2003-04	
<b>Average staffing level (number)</b>	142	142	

## **OUTCOME 1 — CONTRIBUTION OF OUTPUTS**

### **Output 1.1 - Delivery of advanced level training and education by means of full-time and short courses**

The AFTRS offers full time postgraduate level courses at:

- Graduate Diploma of Arts
- Master of Arts
- Master of Arts (Hons)

The full-time post graduate program offers specialisations in:

- Cinematography
- Design
- Documentary
- Digital Media
- Directing
- Editing
- Producing
- Radio
- Scriptwriting
- Screen Studies
- Sound
- Television

A range of over 200 short courses and seminars are also offered throughout the year.

**Output 1.2 - Other training activities, including books, videos and research projects**

The AFTRS also provides other ancillary training and research services in the form of:

- Publications
- Textbooks
- Training videos
- Library services
- Academic Research Projects

**Output 1.3 - Student Productions**

AFTRS students produce a large number of short films each year. The films are shown throughout Australia as well as being entered in a number of international film festivals. These productions frequently receive international and domestic acclaim.

## PERFORMANCE INFORMATION FOR OUTCOME 1

**Table 2.2.1: Performance information for Outcome 1**

<b>Effectiveness - Overall achievement of the outcome</b>	
<b>Indicator 1</b>	
Increased professionalism and knowledge growth in Australia's program makers.	Increase in quality of applicants for post graduate courses Increase in applications and attendances at short courses
<b>Indicator 2</b>	
High employment rates for graduates	Maintenance of current high employment rate of the AFTRS graduates
<b>Performance information for departmental outputs</b>	
<b>Output 1.1</b>	
Delivery of advanced level training and education by means of full-time and short courses	<b>Quality</b> Increased quality of applications requiring raised entry standards
	<b>Quantity</b> Applications to full time courses to exceed 400 Attendance at short courses to exceed 4,000 participants Course revenues to increase by greater than the CPI
	<b>Price</b> \$14.856m
	<hr/>
<b>Output 1.2</b>	
Other training activities including, books, videos and research projects	<b>Quality</b> The reputation of publications and textbooks maintained and recognised by distributions through major Australian & international publishers
	<b>Quantity</b> Costs to be maintained at same levels as 2000-01 reflecting Government's productivity gains requirements Additional industry partnerships to be undertaken Income increase of 2%
	<b>Price</b> \$0.425m
	<hr/>
<b>Output 1.3</b>	
Student Productions	<b>Quality</b> Increased representation of films at Australian and major international festivals
	<b>Quantity</b> Production targets for 2003-04 onwards Costs to be maintained at same levels as 2000-01 reflecting Government's productivity gains requirements Income increase of 5%
	<b>Price</b> \$2.838m
	<hr/>

## EVALUATIONS

AFTRS monitors its outputs by evaluating customer satisfaction with services provided and conducting ongoing research into industry needs.

Special evaluations planned for 2003-04 include an exit survey of all 2003 graduating students to ascertain their assessment of program outcomes and satisfaction levels.

## Section 3: Budgeted financial statements

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Statement of Financial Performance**

Increases in Government Revenues represent an agreed cost of services increase less an allowance of 1% for efficiency dividends. Sale of Goods and Services have risen by an amount projected to represent increasing consumer demand. Interest earnings have decreased due to reduced cash holdings during the year as a result of cessation of the Capital Use Charge.

Changes in Employee Expenses represent increased remunerations contained in the 2002 Enterprise Agreement and increased on-costs for superannuation and workers compensation insurance.

The asset revaluation increase is a tri-annual revaluation of Land and Buildings in accordance with the fair value method of valuation. The Land and Buildings are scheduled to be again re-valued in 2005-06, or on the occurrence of any significant environmental change.

#### **Statement of Financial Position**

The increase in cash reserves is the accumulation of funds for the replacement of major long lived assets.

Equity reserves have increased by \$4.5 million as a consequence of the tri-annual revaluation of Land and Buildings in accordance with the fair value method of valuation.

#### **Statement of Cash Flows**

The increase in cash reserves is the accumulation of funds for the replacement of major long lived assets.

Cash from Operating Activities has decreased due to the cessation of funding for the Capital Use Charge.

## **DEPARTMENTAL FINANCIAL STATEMENTS**

### **Budgeted Departmental Statement of Financial Performance (Operating Statement)**

This statement provides a picture of the expected financial results for the Agency by identifying full accrual expenses, accrual revenues and capital use charge, which highlights whether the Agency is operating at a sustainable level.

### **Budgeted Departmental Statement of Financial Position (Balance Sheet)**

This statement shows the financial position of the Agency. It helps decision-makers to track the management of the Agency's assets and liabilities.

### **Budgeted Departmental Statement of Cash Flows**

Budgeted cash flows, as reflected in the statement of cash flows, provides important information on the extent and nature of cash flows by categorising them into expected cash flows from operating activities, investing activities and financing activities.

### **Departmental Capital Budget Statement**

Shows all planned departmental capital expenditure (capital expenditure on non-financial assets), whether funded through capital appropriations for additional equity or borrowings, or from funds from internal sources.

### **Departmental Non-financial Assets – Summary of Movement**

Shows budgeted acquisitions and disposals of non-financial assets during the budget year.

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>REVENUE</b>					
<b>Revenues from ordinary activities</b>					
Revenues from government	18,872	15,979	16,075	16,457	16,783
Goods and services	1,753	1,765	2,033	2,047	2,059
Interest	275	180	183	191	197
Dividends	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	185	195	210	230	250
<b>Total revenues from ordinary activities</b>	<b>21,085</b>	<b>18,119</b>	<b>18,501</b>	<b>18,925</b>	<b>19,289</b>
<b>EXPENSE</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	9,792	10,080	10,255	10,433	10,614
Suppliers	5,826	5,839	6,046	6,292	6,475
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	2,200	2,200	2,200	2,200	2,200
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>17,818</b>	<b>18,119</b>	<b>18,501</b>	<b>18,925</b>	<b>19,289</b>
Borrowing costs expense	-	-	-	-	-
Share of net profits/losses of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>3,267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>3,267</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.1: Budgeted departmental statement of financial performance

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
Capital Use Charge Paid *	3,267				
<b>Net surplus or deficit after CUC</b>	-	-	-	-	-
Outside equity interests in net surplus or deficit	-	-	-	-	-
<b>Net surplus or deficit attributable to the Commonwealth</b>	-	-	-	-	-
Net credit (debit) to asset revaluation reserve	4,500	-	-	4,500	-
Net exchange difference recognised as a direct debit (credit) to equity	-	-	-	-	-
Adjustments arising from Standards recognised as direct debit (credit) to equity	-	-	-	-	-
Initial adjustments from transitional UIG consensus view recognised as direct debit (credit) to equity	-	-	-	-	-
<b>Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity</b>	<b>4,500</b>	<b>-</b>	<b>-</b>	<b>4,500</b>	<b>-</b>

\* The Capital Use Charge will be abolished from July 1 2003

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	6,000	6,407	6,791	7,273	7,769
Receivables	352	350	355	356	360
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>6,352</b>	<b>6,757</b>	<b>7,146</b>	<b>7,629</b>	<b>8,129</b>
<b>Non-financial assets</b>					
Land and buildings	27,708	27,458	27,408	31,725	31,542
Infrastructure, plant and equipment	3,109	2,999	2,739	2,482	2,265
Heritage and cultural assets	-	-	-	-	-
Inventories	88	88	88	88	88
Intangibles	-	-	-	-	-
Other	242	242	242	242	242
<b>Total non-financial assets</b>	<b>31,147</b>	<b>30,787</b>	<b>30,477</b>	<b>34,537</b>	<b>34,137</b>
<b>Total assets</b>	<b>37,499</b>	<b>37,544</b>	<b>37,623</b>	<b>42,166</b>	<b>42,266</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	1,721	1,775	1,842	1,904	1,982
Other	-	-	-	-	-
<b>Total provisions</b>	<b>1,721</b>	<b>1,775</b>	<b>1,842</b>	<b>1,904</b>	<b>1,982</b>
<b>Payables</b>					
Suppliers	909	1,120	1,132	1,113	1,135
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Borrow ing Costs	-	-	-	-	-
Other	570	350	350	350	350
<b>Total payables</b>	<b>1,479</b>	<b>1,470</b>	<b>1,482</b>	<b>1,463</b>	<b>1,485</b>
<b>Total liabilities</b>	<b>3,200</b>	<b>3,245</b>	<b>3,324</b>	<b>3,367</b>	<b>3,467</b>

Table 3.2: Budgeted departmental statement of financial position

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	14,819	14,819	14,819	19,319	19,319
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	19,480	19,480	19,480	19,480	19,480
<b>Total parent entity interest</b>	<b>34,299</b>	<b>34,299</b>	<b>34,299</b>	<b>38,799</b>	<b>38,799</b>
<b>Outside equity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total outside equity interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>34,299</b>	<b>34,299</b>	<b>34,299</b>	<b>38,799</b>	<b>38,799</b>
<b>Total assets and liabilities by maturity</b>					
Current assets	6,352	6,757	7,146	7,629	8,129
Non-current assets	31,147	30,787	30,477	34,537	34,137
Current liabilities	2,684	2,712	2,771	2,796	2,872
Non-current liabilities	516	533	553	571	595

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and Services	1,743	1,767	2,028	2,046	2,055
Appropriations	18,872	15,979	16,075	16,457	16,783
Interest	275	180	183	191	197
Dividends	-	-	-	-	-
Other	185	195	210	230	250
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>21,075</b>	<b>18,121</b>	<b>18,496</b>	<b>18,924</b>	<b>19,285</b>
<b>Cash used</b>					
Employees	9,722	10,026	10,188	10,371	10,536
Suppliers	5,815	5,848	6,034	6,311	6,453
Grants	-	-	-	-	-
Borrow ing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>15,537</b>	<b>15,874</b>	<b>16,222</b>	<b>16,682</b>	<b>16,989</b>
<b>Net cash from/ (used by) operating activities</b>	<b>5,538</b>	<b>2,247</b>	<b>2,274</b>	<b>2,242</b>	<b>2,296</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant, equipment and intangibles	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	1,700	1,840	1,890	1,760	1,800
Purchase of financial Instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>1,700</b>	<b>1,840</b>	<b>1,890</b>	<b>1,760</b>	<b>1,800</b>
<b>Net cash from/ (used by) investing activities</b>	<b>(1,700)</b>	<b>(1,840)</b>	<b>(1,890)</b>	<b>(1,760)</b>	<b>(1,800)</b>

Table 3.3: Budgeted departmental statement of cash flows

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June (continued)**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash received</b>	-	-	-	-	-
<b>Cash used</b>					
Repayments of debt	23	-	-	-	-
Capital use charge paid	3,267	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
<b>Total cash used</b>	<b>3,290</b>	-	-	-	-
<b>Net cash from/ (used by) financing activities</b>	(3,290)	-	-	-	-
<b>Net increase/(decrease) in cash held</b>	<b>548</b>	<b>407</b>	<b>384</b>	<b>482</b>	<b>496</b>
Cash at the beginning of the reporting period	5,452	6,000	6,407	6,791	7,273
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>6,000</b>	<b>6,407</b>	<b>6,791</b>	<b>7,273</b>	<b>7,769</b>

**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000	Forw ard estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	- (K1) <sup>1</sup>	-	-	-
Total loans	-	- (K1) <sup>1</sup>	-	-	-
<b>Represented by</b>					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<b>PURCHASE OF NON CURRENT ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	1,700	1,840	1,890	1,760	1,800
<b>Total</b>	<b>1,700</b>	<b>1,840</b>	<b>1,890</b>	<b>1,760</b>	<b>1,800</b>

<sup>1</sup> These two lines link to (K3) in Table 1.1

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2003-04)**

	Land	Buildings	Specialist military equipment	Other infrastructure plant and equipment	Heritage and cultural assets	Computer software	Other intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	<b>8,355</b>	<b>19,353</b>	-	<b>3,109</b>	-	-	-	<b>30,817</b>
Additions	-	300	-	1,540	-	-	-	<b>1,840</b>
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	96	454	-	1,650	-	-	-	<b>2,200</b>
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	<b>8,259</b>	<b>19,199</b>	-	<b>2,999</b>	-	-	-	<b>30,457</b>
<b>Total additions</b>	-	300	-	1,540	-	-	-	<b>1,840</b>
Self funded	-	300	-	1,540	-	-	-	<b>1,840</b>
Appropriations	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>300</b>	-	<b>1,540</b>	-	-	-	<b>1,840</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of Accounting**

AFTRS's budget statements are prepared with reference to the Australian Accounting Standards, the Finance Minister's Orders and Statements of Best Practice released by the Australian National Audit Office.

### **Departmental Financial Statements and Notes Administered Items**

Under the Commonwealth's accrual budgeting framework, and consistent with Australian Accounting Standards, transactions that agencies control (departmental transactions) are separately budgeted for and reported on from transactions agencies do not have control over (Administered transactions). This ensures that agencies are only held fully accountable for the transactions over which they have control.

- Departmental items are those assets, liabilities, revenues and expenses in relation to an agency or authority that are controlled by the agency. Departmental expenses include employee and supplier expenses and other administrative costs, which are incurred by the agency in providing its goods and services.
- Administered items are revenues, expenses, assets and liabilities that are managed by an agency or authority on behalf of the Government according to set Government directions. Administered expenses include subsidies, grants and personal benefit payments and Administered revenues include taxes, fees, fines and excises.

### **Appropriations in the accrual budgeting framework**

Under the Commonwealth's accrual budgeting framework, separate annual appropriations are provided for:

- Departmental price of outputs appropriations: representing the Government's purchase of outputs from agencies,
- Departmental capital appropriations: for investments by the Government for either additional equity or loans in agencies,
- Administered expense appropriations: for the estimated Administered expenses relating to an existing outcome, a new outcome or a Specific Purpose Payment to the states; and
- Administered capital appropriations: for increases in Administered equity through funding non-expense Administered payments.

Special appropriations fund the majority of payments from the Consolidated Revenue Fund (especially those that are entitlement driven or involve transfers to State governments).

### **Capital Use Charge**

The Government has agreed to discontinue the Capital Use Charge from 1 July 2003.

### **Administered investments in controlled entities**

Each Commonwealth Department is required to show an Administered investment in each Commonwealth Authority and Company (CAC) Act 1997 entity within their portfolio. These Administered investments should be valued at the Commonwealth's ownership interest in the net assets of those CAC entities, fixed at a notional acquisition date of 30 June 1997.

### **Asset valuation**

From 1 July 2002 Commonwealth agencies and authorities are required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

## Section 4: Purchaser/Provider and Cost Recovery arrangements

### **PURCHASER/PROVIDER ARRANGEMENTS**

The AFTRS has no purchaser/provider arrangements.

### **COST RECOVERY ARRANGEMENTS**

The AFTRS has no cost recovery arrangements.