

**NATIONAL LIBRARY OF
AUSTRALIA**

NATIONAL LIBRARY OF AUSTRALIA

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The National Library of Australia is a statutory authority established under the *National Library Act 1960*. The functions of the National Library are defined in the *Act*:

- To maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people;
- To make library material in the national collection available;
- To make available such other services in relation to library matters and library material as determined by the National Library Council; and
- To cooperate in library matters with authorities or persons, whether in Australia or elsewhere, concerned with library matters.

APPROPRIATIONS AND RESOURCING

The total appropriation for the National Library in the 2003-04 Budget is \$50.587 million, including an equity injection of \$1.030 million and an appropriation for previous years outputs of \$0.312 million. Table 1.1, on the following page, shows the total appropriations, identifying price of output appropriation and departmental equity injections for the National Library.

National Library of Australia — appropriations 2003-04

Table 1.1: Appropriations and other revenue

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)		(\$'000)	
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total Total administered appropriations	Total Total administered appropriations	
	Bill No. 1	Special approps ⁽⁵⁾	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽²⁾		
	(A)	(B)	(C = A+B) (C1) ¹	(D)	(E = C+D) (E1) ¹	(F)	(G)	(H)	(I = F+G+H) (I1) ¹
1. Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources	49,245	-	49,245	9,656	58,901	-	-	-	-
					83.6%				
Total	49,245		49,245 (K1) ¹	9,656	58,901	-	-	-	49,245
								Departmental capital	(K3) ¹
								Administered capital	(K4) ¹ -
								Total appropriations	50,587

- Cells C1, E1 and I1 refer to information provided in Total Resources for Outcome tables. Amount K1 refers to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
- 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.
- Refer to Budgeted Statement of Financial Performance for application of agency revenue.
- 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.
- NLA has no administered expenses.

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 & 1.4	Nil	(71)	(71)	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
Sales of goods and services	7,307	7,246
Interest	350	50
Other non-appropriation revenue	2,426	2,360
Total estimated revenue	10,083	9,656

ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The National Library will receive an equity injection of \$1.030 million and an appropriation for previous years outputs of \$0.312 million as indicated in Table 1.1 and accounted for in the Capital Budget and Appropriation Bill 2, 2003-2004. The equity injection will be supplemented by \$9.449 million from internal Library resources and will be used to purchase Library collections and undertake building works.

Section 2: Outcomes and outputs information

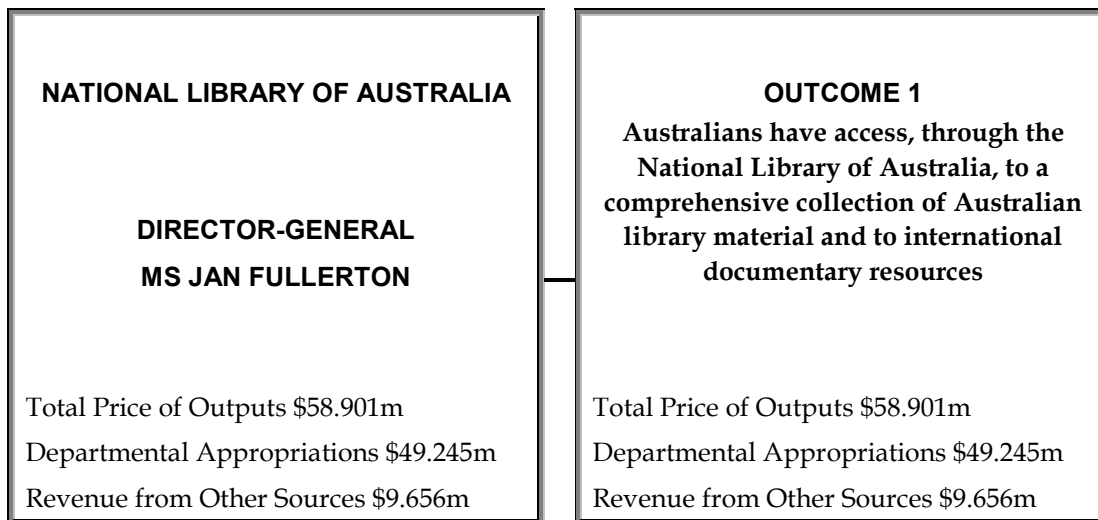
OUTCOMES AND OUTPUT GROUPS

The charts on the following pages show the relationship between outcomes and the contributing outputs for the National Library. 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.

Output cost attribution

The full cost of the price of individual outputs is determined through the identification of both direct costs and an appropriate amount for common costs (i.e. support costs). Common costs such as building services, personnel, accounting and information technology support are attributed on the basis of relevant cost drivers. These cost drivers provide an appropriate basis for attributing common costs, for example costs associated with providing building services are attributed on the basis of the floor space occupied and financial transaction processing costs are allocated on the basis of the number of transactions processed for an individual output.

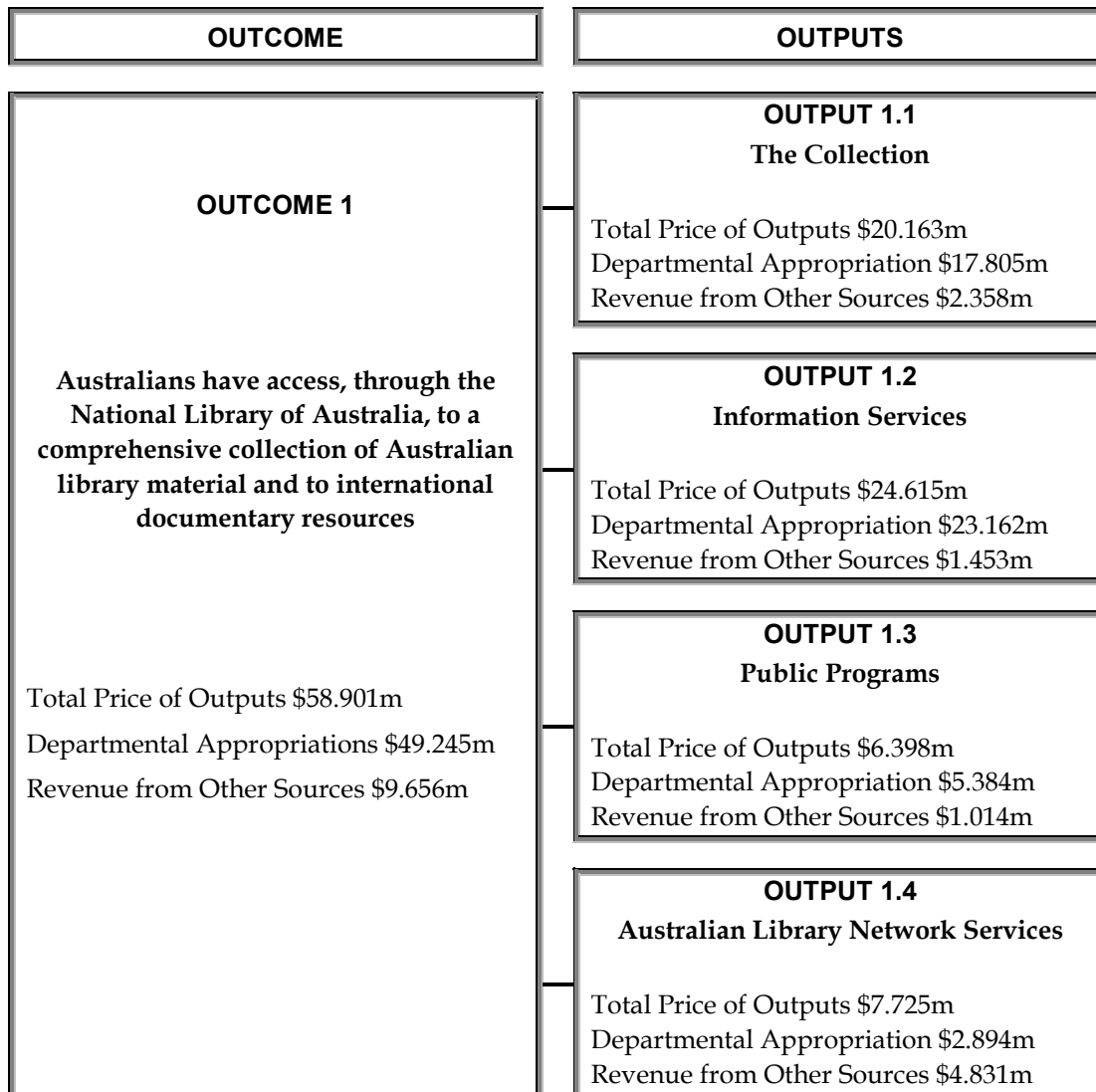
Map 1: Outcomes structure



CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the National Library's outcome/output structure for the 2003-04 financial year.

Chart 2: Outcome 1 — contributing outputs



Note: Revenue from Government (Appropriations) contributes 83.6% to the Total Price of Outputs for 2003-04.

OUTCOME 1 — DESCRIPTION

Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources

Safeguarding the national collection of documentary materials, and ensuring access to global information resources are major aims of Government. The main focus of the National Library of Australia is:

- To collect, organise and maintain, for current and future use, a comprehensive collection of Australian library material and a selection of non-Australian library material supporting the study of Australia and its place in the world;
- To provide access to and information services from its collection and other documentary resources, including through public programs; and
- To provide services that support resource sharing among Australian libraries.

Measures affecting Outcome 1¹

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

Expense (\$m)	2003-04	2004-05	2005-06	2006-07
National Library of Australia	-0.071	-	-	-

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.

¹ 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 Budget 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.

Table 2.1.1: Total resources for Outcome 1

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
Administered appropriations	-	-	
Total administered expenses	-	-	(I1)
Departmental appropriations			
Output 1.1 - The Collection	19,387	17,805	
Output 1.2 - Information Services	201,780	23,162	
Output 1.3 - Public Programs	6,711	5,384	
Output 1.4 - Australian Library Network Services	3,654	2,894	
Total revenue from government (appropriations)	231,532	49,245	(C1)
Contributing to price of departmental outputs	95.8%	83.6%	
Revenue from other sources			
Output 1.1 - The Collection	2,692	2,358	
Output 1.2 - Information Services	1,603	1,453	
Output 1.3 - Public Programs	1,003	1,014	
Output 1.4 - Australian Library Network Services	4,785	4,831	
Total revenue from other sources	10,083	9,656	
Total price of departmental outputs (Total revenue from government and from other sources)	241,615	58,901	(E1)
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	241,615	58,901	
	2002-03	2003-04	
Average staffing level (number)	455	437	

Note Departmental appropriations for 2003-04 is not subject to rephasing, however they have been reduced by \$0.071m following a Cabinet decision to reduce resourcing for a number of Communications, Information Technology and the Arts portfolio agencies. This reduction is for one financial year only. After removing the effect of Capital Use Charge Funding received in 2002-03 (\$183.462m) appropriations are increasing by \$1.175m. This increase is the net effect of parameter adjustments and efficiency dividend (\$0.348m) and additional funding for insurance premiums (\$0.408m), superannuation employer contributions (\$0.586) and a reduction to depreciation funding for furniture and equipment (-\$0.096) and the Cabinet decision to reduce resourcing (-\$0.071m).

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The National Library of Australia's outputs reflect the functions of the National Library as defined in the *National Library Act 1960*, including the maintenance and development of the national collection; the provision of information services and public program activities, such as exhibitions; and the provision of the Kinetica system to support and facilitate resource sharing within the Library community.

Output 1.1 - The Collection

A comprehensive collection of Australian library material, and a selection of non-Australian publications supporting the study of Australia and its place in the world, are collected, organised, preserved and stored by the Library for current and future access.

Output 1.2 - Information Services

Information services, providing access to the Library's collections and other documentary resources are delivered nationally and internationally.

Output 1.3 - Public Programs

Public programs promoting the Library and interpreting and making its collection and other documentary resources more widely accessible, are delivered nationally and internationally to targeted audiences and the general public.

Output 1.4 - Australian Library Network Services

Collaborative projects and services, leading to improved national access to documentary resources, are delivered to the Australian library community.

PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

Effectiveness - Overall achievement of the outcome	
Appropriate and effective collecting	Collect all current Australian publications that fall within the Library's Collection Development Policy - Target 85%.
Effective access to the collection	Increased access to the collection through the National Bibliographic Database - Target: catalogue records added for 100% of new items and 100% of targeted older material (equivalent to 53,000 catalogue records). Quality: 95% met.
Requests for collection items are met	Percentage of the Australian population that is aware of the Library - Target 60%.
Community interest in and awareness of the Library	Key research libraries and special/public libraries use the Kinetica Service - Targets 100% and 80%. Percentage of stakeholders rate Resource Sharing services as successful in achieving improved access to information resources - Target 90%.
Usage of resource sharing services	
Performance information for departmental outputs	
Output 1.1	Quality
The Collection	95% of collection checked in, catalogued or indexed within set standards and specified timeframes and 85% maintained within set standards. Quantity 5,574,000 collection items stored and maintained; and 403,000 collection items acquired and / or processed or digitised. Price \$0.42 per collection item maintained; and \$44.27 per collection item acquired and / or processed or digitised.
Output 1.2	Quality
Information Services	95% of users satisfied with the information services. Quantity 2,413,000 information services transactions. Price \$10.20 per information service transaction.
Output 1.3	Quality
Public Programs	95% of visitors and / or participants in Public Programs activities are satisfied. Quantity 906,470 visitors and participants in Public Programs activities. Price \$7.06 per visitor or participant in Public Programs.
Output 1.4	Quality
Australian Library Network Services	98% of resource sharing services delivered within set standards and specified timeframes. Quantity 7,366,000 searches on resource sharing databases. Price \$1.05 per search on resource sharing databases.

EVALUATIONS

Internal audit reviews and evaluations are conducted on a continuing basis within the National Library. The Library's Audit Committee, a committee of the Library Council, reviews internal audit reviews and evaluations. Surveys assessing user and stakeholder satisfaction, and performance against Service Charter standards are conducted on a periodic basis.

Section 3: Budgeted financial statements

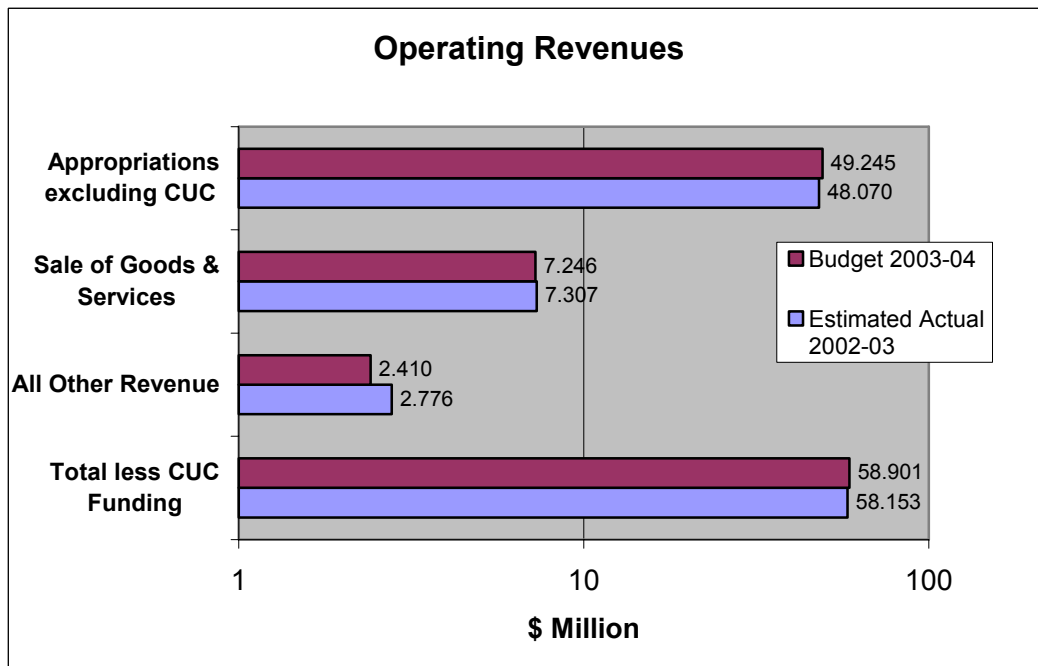
ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted Operating Outcome

Budgeted operating revenues for 2003-04, including revenue from Government are \$58.901m and budgeted operating expenses are \$58.025m resulting in a net budgeted operating surplus of \$0.876m. This compares to an estimated actual operating surplus of \$0.224 million for 2002-03 after recognising the Capital Use Charge of \$183.719m.

Operating Revenue

Total budgeted operating revenue for 2003-04 of \$58.901m is \$0.748m or 1.29% above the estimated actual for 2002-03 after removing funding for the Capital Use Charge. The Capital Use Charge has been discontinued from the commencement of the 2003-04 financial year. A comparison of revenue across items against budget and last financial year is set out in the following graph. Please note the use of a logarithmic scaling in this graph.

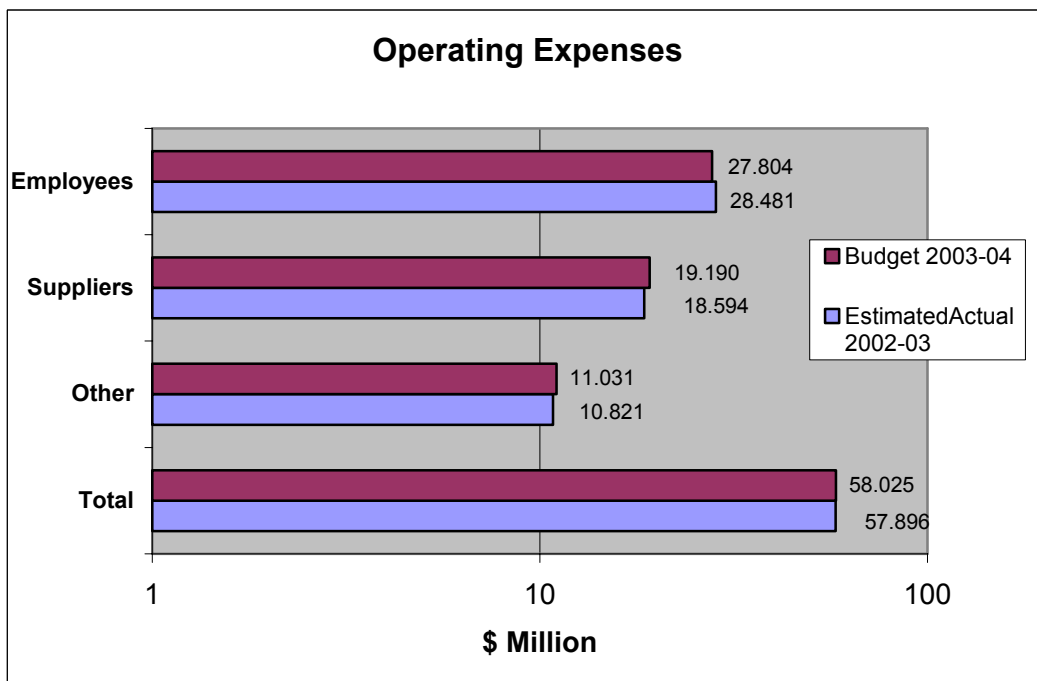


There are only minor variations to revenue. Other revenue declines by \$0.366m or 13.18% and this is largely the result of a decline in interest revenue (\$0.3m) as a result of the introduction of a just-in-time draw-downs model whereby cash is released from the Official Public Account to agencies for departmental expense as needed. This requires the Library to hold only sufficient capital to meet short-term requirements

and consequently reduce the amount of cash held. Appropriations after removing Capital Use Charge funding will increase by \$1.175m or 2.44%. The increase is the net effect of additional funding for insurance premiums (\$0.408m), superannuation employer contributions (\$0.586m) and a reduction to depreciation funding for furniture and equipment (-\$0.096m) and a reduction (-\$0.071) following a Cabinet decision to reduce resourcing for a number of Communications, Information Technology and the Arts Portfolio agencies and the net variance of parameter adjustments and an efficiency dividend (\$0.348).

Operating Expenses

Total budgeted operating expenses for 2003-04 of \$58.025m is \$0.129m or 0.22% above the estimated actual for 2002-03 financial year. A comparison of expenditure across items and against budget and last financial year is set out in the following graph. Please note the use of a logarithmic scaling in this graph.



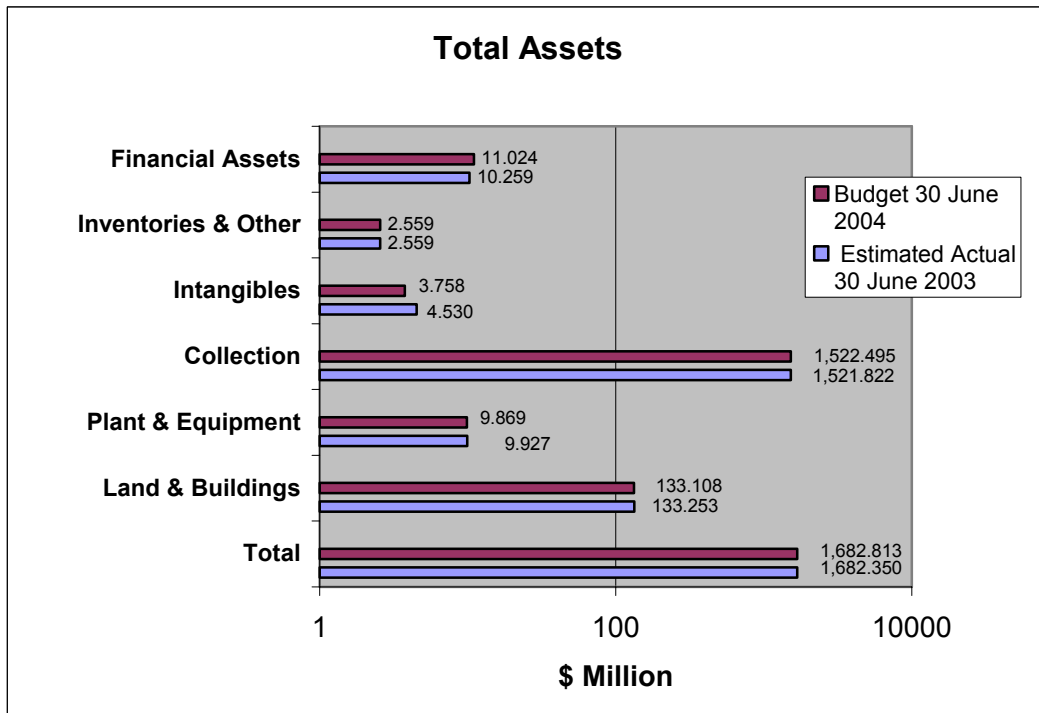
There are only minor variations to operating expenses. The reduction in employee expenses of \$0.677m or 2.38% is the net effect of a reduction in average full time staff numbers (18) with an associated separation expense of \$0.530m during 2002-03 and increases to employer superannuation contributions of \$0.807m during 2003-04, offset by other variations including salary increases.

Equity

The Library's total equity is planned to increase by \$1.906m to \$1,671.673m or 0.11% in 2003-04. The increase was a result of an equity injection (\$1.03m) and the net operating result for the 2003-04 year of \$0.876m.

Total Assets

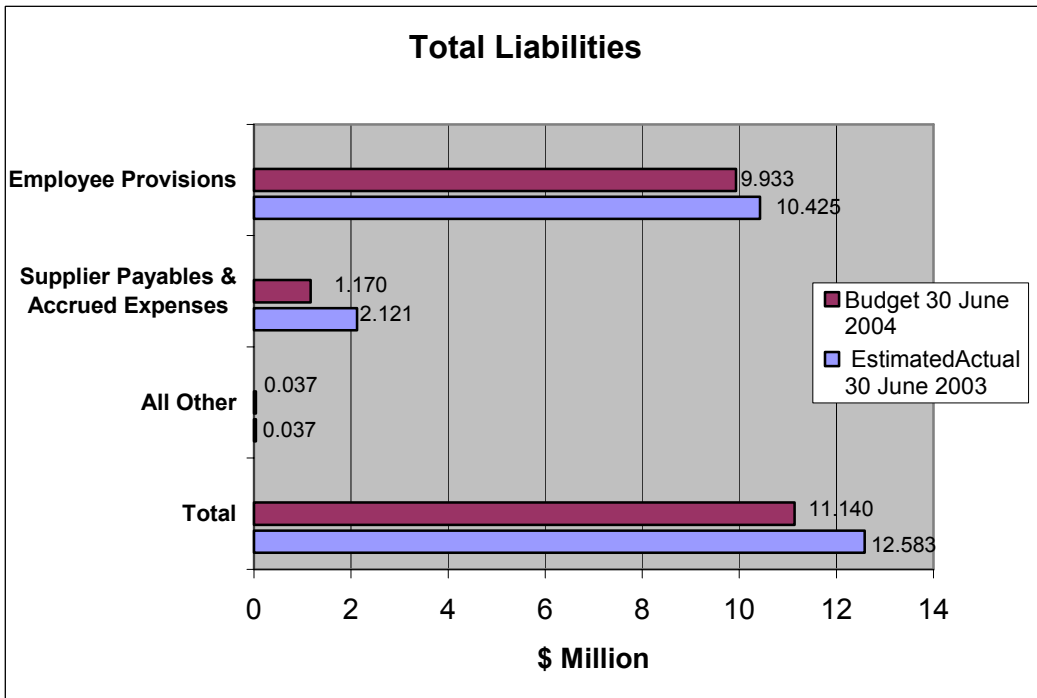
The Library’s total assets will remain virtually unchanged from the 2002-03 year at \$1,682.813m as displayed on the following graph. Please note the use of a logarithmic scaling in this graph.



There are no substantial changes, however the budget estimates do not reflect a planned revaluation of the Collection, which is to be undertaken during the 2003-04 financial year.

Total Liabilities

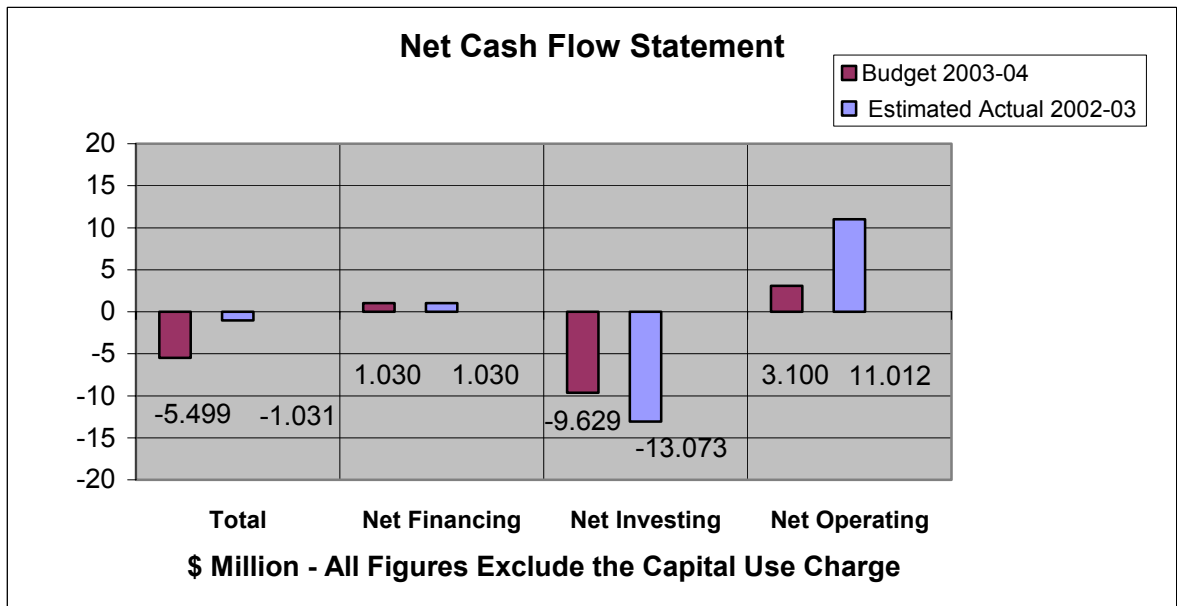
The Library’s total Liabilities are planned to reduce by \$1.443m or 11.47%, when compared to the 2002-03 financial year, to \$11.140m as set out in the following graph.



The reduction in the value of employee provisions primarily relates to the value of accrued salaries and wages declining by \$0.753m due to when the Public Service payday occurs (i.e. the number of unpaid working days at the end of the financial year). Supplier payables are estimated to decline by \$0.951m as a result of the timing of expenditure (i.e. less unpaid accounts payable invoices on-hand).

Cash Flow Statement

Due to the introduction of just-in-time cash draw down the level of funds held by the Library declines from \$8.014m to \$2.515m and this is reflected in the Cash Flow Statement. The Library holds cash to meet current liabilities and fund ongoing operational activities including asset purchases. A comparison of cash flow items against the current and previous financial year is set out in the following graph.



The variation (-\$7.912m) in net operating activities primarily reflects the requirement to delay drawing down appropriation funds until they are required under the just-in-time drawdown model. Funds not drawn down are held within the budget financial statements as an appropriation receivable rather than cash. The variation (-\$3.444m) in the net investing activities reflects the availability of collection material and the fact that a number of large one-off projects (e.g. the new Integrated Library Management System) were undertaken during 2002-03.

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 Statements

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**

	Notes	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
REVENUE						
Revenues from ordinary activities						
Revenues from government	1, A	231,532	49,245	50,102	50,728	51,804
Goods and services		7,307	7,246	7,250	7,250	7,250
Interest	2.	350	50	50	50	50
Dividends		-	-	-	-	-
Revenue from sales of assets		-	-	-	-	-
Reversals of previous asset write-downs		-	-	-	-	-
Net foreign exchange gains		-	-	-	-	-
Correction of fundamental error		-	-	-	-	-
Other		2,426	2,360	2,360	2,360	2,360
Revenues from ordinary activities		241,615	58,901	59,762	60,388	61,464
EXPENSE						
Expenses from ordinary activities (excluding borrowing costs expense)						
Employees		28,481	27,804	28,305	28,367	29,013
Suppliers		18,594	19,190	19,727	20,221	20,581
Grants	3.	248	200	200	200	200
Subsidies		-	-	-	-	-
Depreciation and amortisation		10,493	10,781	10,851	10,921	10,991
Write-down of assets		28	-	-	-	-
Value of assets sold		2	-	-	-	-
Net foreign exchange losses		-	-	-	-	-
Correction of fundamental error		-	-	-	-	-
Other		50	50	50	50	50
Expenses from ordinary activities (excluding borrowing costs expense)		57,896	58,025	59,133	59,759	60,835
Borrowing costs expense		-	-	-	-	-
Share of net profits/losses of associates and joint ventures accounted for using the equity method		-	-	-	-	-
Correction of fundamental error		-	-	-	-	-
Operating surplus or deficit from ordinary activities		183,719	876	629	629	629
Gain or loss on extraordinary items		-	-	-	-	-
Correction of fundamental error		-	-	-	-	-
Net surplus or deficit		183,719	876	629	629	629
Capital Use Charge Paid	B	183,495				
Net surplus or deficit after CUC		224	876	629	629	629

A. This line links to (K1) in Table 1.1

B. The Capital Use Charge will be abolished from 1 July 2003.

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
Outside equity interests in net surplus or deficit	-	-	-	-	-
Net surplus or deficit attributable to the Commonwealth	224	876	629	629	629
Net credit (debit) to asset revaluation reserve	(1,207)	-	-	-	-
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	-	-	-	-	-
Total revenues, expenses and valuation adjustments attributable to members of the parent entity and recognised directly in equity	(983)	876	629	629	629

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

	Notes	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
ASSETS						
Financial assets						
Cash	5.	8,014	2,515	3,101	3,687	4,273
Receivables	6.	1,045	7,309	9,551	11,700	15,188
Investments accounted for under the equity method		-	-	-	-	-
Other investments		-	-	-	-	-
Accrued revenues		1,200	1,200	1,200	1,200	1,200
Other		-	-	-	-	-
Total financial assets		10,259	11,024	13,852	16,587	20,661
Non-financial assets						
Land and buildings		133,253	133,108	132,422	131,881	129,861
Infrastructure, plant and equipment		9,927	9,869	9,869	9,869	9,869
Heritage and cultural assets		1,521,822	1,522,495	1,523,144	1,523,763	1,524,352
Inventories		689	689	689	689	689
Intangibles		4,530	3,758	3,046	2,334	1,622
Other		1,870	1,870	1,870	1,870	1,870
Total non-financial assets		1,672,091	1,671,789	1,671,040	1,670,406	1,668,263
Total assets		1,682,350	1,682,813	1,684,892	1,686,993	1,688,924
LIABILITIES						
Interest bearing liabilities						
Loans		-	-	-	-	-
Leases		-	-	-	-	-
Deposits		-	-	-	-	-
Overdraft		-	-	-	-	-
Other		-	-	-	-	-
Total interest bearing liabilities		-	-	-	-	-
Provisions						
Employees		10,425	9,933	10,346	10,760	11,077
Other		-	-	-	-	-
Total provisions		10,425	9,933	10,346	10,760	11,077
Payables						
Suppliers		1,061	585	589	605	580
Grants		-	-	-	-	-
Dividends		-	-	-	-	-
Borrowing Costs		-	-	-	-	-
Other		1,097	622	625	637	617
Total payables		2,158	1,207	1,214	1,242	1,197
Total liabilities		12,583	11,140	11,560	12,002	12,274

Table 3.2: Budgeted departmental statement of financial position

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

	Notes	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
EQUITY						
Parent entity interest						
Contributed equity		4,120	5,150	6,180	7,210	8,240
Reserves		252,094	252,094	252,094	252,094	252,094
Statutory funds		-	-	-	-	-
Retained surpluses or accumulated deficits		1,413,553	1,414,429	1,415,058	1,415,687	1,416,316
Total parent entity interest		1,669,767	1,671,673	1,673,332	1,674,991	1,676,650
Outside equity interest						
Contributed equity		-	-	-	-	-
Reserves		-	-	-	-	-
Retained surpluses or accumulated deficits		-	-	-	-	-
Total outside equity interest		-	-	-	-	-
Total equity		1,669,767	1,671,673	1,673,332	1,674,991	1,676,650
Total assets and liabilities by maturity						
Current assets		12,542	13,307	16,135	18,870	22,944
Non-current assets		1,669,808	1,669,506	1,668,757	1,668,123	1,665,980
Current liabilities		6,119	4,982	5,145	5,331	5,406
Non-current liabilities		6,464	6,158	6,415	6,671	6,868

**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
OPERATING ACTIVITIES					
Cash received					
Goods and Services	8,811	8,332	8,230	8,230	8,230
Appropriations	231,220	42,883	47,860	48,579	48,316
Interest	350	50	50	50	50
Dividends	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	1,928	1,712	1,660	1,710	1,633
Total cash received	242,309	52,977	57,800	58,569	58,229
Cash used					
Employees	27,906	28,296	27,892	27,953	28,696
Suppliers	19,674	21,381	20,900	21,423	21,779
Grants	255	200	200	200	200
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	47,835	49,877	48,992	49,576	50,675
Net cash from/ (used by) operating activities	194,474	3,100	8,808	8,993	7,554
INVESTING ACTIVITIES					
Cash received					
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	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	13,073	9,629	9,252	9,437	7,998
Purchase of financial Instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	13,073	9,629	9,252	9,437	7,998
Net cash from/ (used by) investing activities	(13,073)	(9,629)	(9,252)	(9,437)	(7,998)

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
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,030	1,030	1,030	1,030	1,030
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	1,030	1,030	1,030	1,030	1,030
Cash used					
Repayments of debt	-	-	-	-	-
Capital use charge paid	183,520	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	183,520	-	-	-	-
Net cash from/ (used by) financing activities	(182,490)	1030	1030	1030	1030
Net increase/(decrease) in cash held	(1,089)	(5,499)	586	586	586
Cash at the beginning of the reporting period	9,103	8,014	2,515	3,101	3,687
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	8,014	2,515	3,101	3,687	4,273

Table 3.4: Departmental capital budget statement

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
CAPITAL APPROPRIATIONS						
Total equity injections	1,030	1,030	K3 ¹	1,030	1,030	1,030
Total loans	-	-	K3 ¹	-	-	-
Appropriation of previous year accrued revenue	-	312		-	-	-
Represented by						
Purchase of non-current assets	1,030	1,030		1,030	1,030	1,030
Other	-	312		-	-	-
Total	1,030	1,342		1,030	1,030	1,030
PURCHASE OF NON CURRENT ASSETS						
Funded by capital appropriation	1,030	1,030		1,030	1,030	1,030
Funded internally by Departmental resources	10,812	9,449		9,072	9,257	7,818
Total	11,842	10,479		10,102	10,287	8,848

¹ 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	6,500	126,753	-	9,927	1,521,822	-	4,530	1,669,532
Additions	-	2,327	-	1,958	5,754	-	440	10,479
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(2,472)	-	(2,016)	(5,081)	-	(1,212)	(10,781)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	6,500	126,608	-	9,869	1,522,495	-	3,758	1,669,230
Total additions								
Self funded	-	2,327	-	1,958	4,724	-	440	9,449
Appropriations	-	-	-	-	1,030	-	-	1,030
Total	-	2,327	-	1,958	5,754	-	440	10,479

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements and Notes

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 assets, liabilities, revenues and expenses in relation to an agency or authority are those, which 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, which 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 continue under the accrual appropriation framework, and fund the majority of payments from the Consolidated Revenue Fund.

Capital Use Charge

A Capital Use Charge was levied on agencies and authorities to reflect the cost of the Commonwealth's investment in those entities. It was levied on those agencies closing Departmental net assets (equity) at a rate of 11 per cent. The Capital Use Charge was discontinued with effect 1 July 2003.

Funding for the Capital Use Charge was included in agencies' and authorities Departmental price of outputs appropriations. The Capital Use Charge was accounted for as a 'below Operating Result line' dividend payment.

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. See guidance from the Department of Finance and Administration on how to calculate fair value.

Funding for Acquisitions

The following table indicates the resourcing for the acquisition of collection material. It has been estimated that collection material to the value of \$1.85m will be received at no cost to the Library primarily through legal deposit arrangements.

Type	Amount	Source of Funding
Subscriptions (e.g. journals, magazines and newspapers)	\$2.49m	Appropriations
Subscriptions (e.g. journals, magazines and newspapers)	\$1.0m	Legal deposit / gratis
Book collections, manuscripts and pictorial materials.	\$0.85m	Legal deposit and Cultural Gifts Program
Special collections (e.g. manuscripts, film & video, pictorial, oral history, map and music collections)	\$1.03m	Appropriations - Equity Injections
Book collections and Special Collections	\$3.874m	Appropriations
Total Funding	\$9.244m	

Significant Variations

Significant variations within the budgeted financial statements are identified below and the following explanatory information is provided:

Budgeted Departmental Statements of Financial Performance

Note 1 - Revenues from Government

The reduction (\$182.287m) in appropriation reflects the removal of funding (\$183.462m) for the Capital Use Charge, which has been discontinued from the commencement of the 2003-04 financial year.

Note 2 - Interest

The reduction (\$0.3m) in estimated interest revenue is the result of the planned introduction of a just in time draw-down model whereby cash is released from the Official Public Account to agencies for departmental expenses as needed. Consequentially the amount of funds held by the Library and invested will be reduced.

Note 3 - Grants

The reduction (\$0.048m) in grants made is the result of a one-off grants project undertaken during 2002-03 to assist several libraries to digitise targeted elements of their collections.

Note 4 - Capital Use Charge

The Capital Use Charge has been discontinued with effect 1 July 2003.

Budgeted Statement of Financial Position

Note 5 - Financial Assets - Cash

The planned introduction of a just in time draw-down model whereby cash is released from the Official Public Account to agencies for departmental expenses as needed requires the Library to only hold sufficient working capital to meet its short term requirements. Consequently the amount of cash held by the Library is reduced compared to the 2002-03 financial year.

Note 6 - Financial Assets - Receivables

Commencing 2003-04 receivables will increase reflecting the planned requirement not to draw down cash from the Official Public Account until required. As a result accrued appropriations will increase whereas previously these funds would have been held in the Library's own bank accounts.

Section 4: Purchaser/Provider and Cost Recovery arrangements

PURCHASER/PROVIDER ARRANGEMENTS

The National Library has no purchaser/provider arrangements.

COST RECOVERY ARRANGEMENTS

SUMMARY OF COST RECOVERY IMPACT STATEMENT

The National Library is subject to the Commonwealth Cost Recovery Policy and as part of the Government's five-year review schedule will be reviewed during the 2004-05 financial for existing cost recovery arrangements. A Cost Recovery Impact Statement is planned to be prepared during the 2003-04 financial year. Table 1.3 Receipts from Independent Sources discloses the value of receipts subject to cost recovery arrangements.