

NATIONAL LIBRARY OF AUSTRALIA

PART C: AGENCY ADDITIONAL ESTIMATES STATEMENTS

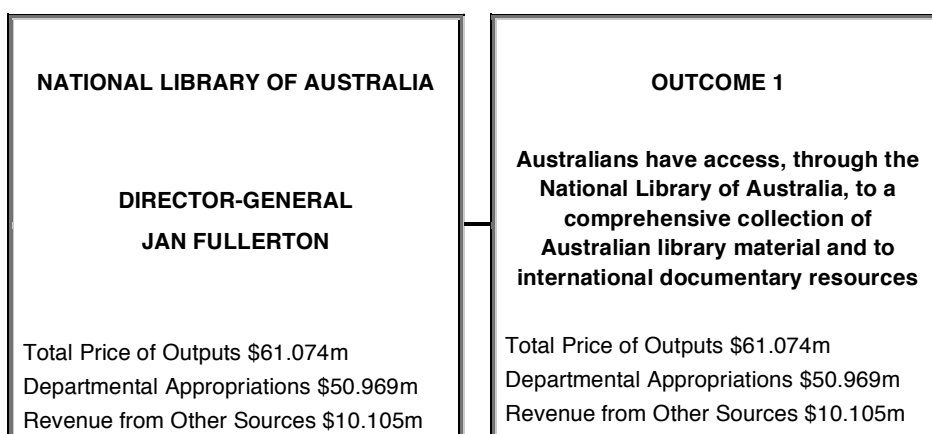
NATIONAL LIBRARY OF AUSTRALIA

Section 1: Overview, variations and measures

OVERVIEW

There have been no significant changes to the National Library of Australia's (Library) role/mission, outcomes and outputs and/or its evaluations, competitive tendering and contracting and purchaser provider practices as a result of Additional Estimates.

Map 2: Outcomes and output groups for the agency



ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The appropriations of the Library have increased as a result of additional building depreciation expenses (\$0.306m).

In addition, the Library's estimated depreciation expense for collections has been increased (\$6.963m) to reflect the revised collection depreciation policy. The increased expense will result in the Library incurring an operating loss of \$6.157m for 2004-05.

Variations – Measures

	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)
Outcome 1				
Australian overseas missions - improved security ¹	-	2	-	7
Australian overseas missions - improved security ²	-	-	48	191

1. This is an expense measure

2. This is a capital measure

Other variations to appropriations

	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)
Outcome 1				
Variations in departmental appropriations				
Depreciation of Library Building	306	306	306	306
Indexation adjustment	-	233	310	351

MEASURES – AGENCY SUMMARY

Table 1.1: Summary of measures since the 2004-05 Budget

Measure	Outcome	Output groups affected	Appropriations 2004-05 (\$'000)		Appropriations 2005-06 (\$'000)		Appropriations 2006-07 (\$'000)		Appropriations 2007-08 (\$'000)		
			Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items	Dept outputs	Admin items
Australian overseas missions - improved security ¹	1	1.1	-	-	-	2	-	-	-	-	7
Australian overseas missions - improved security ²	1	1.1	-	-	-	-	-	48	-	-	191
Total			-	-	-	2	-	48	-	-	198

1. This is an expense measure

2. This is a capital measure

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL**Table 1.2: Appropriation Bill (No. 3) 2004-05**

	2003-04 available \$'000	2004-05 budget \$'000	2004-05 revised \$'000	Additional estimates \$'000	Reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources	49,922	50,663	50,969	306	-
Total	49,922	50,663	50,969	306	-

Note 1: 2003-04 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Available appropriation is the amount available to be drawn down, and is equal to:

Budget Appropriation + Additional Estimates Appropriation + DIAB + AFM - Savings

- Rephasings - Other Reductions +/- Section 32

REVENUE FROM INDEPENDENT SOURCES

There has been no change to revenue from independent sources since the 2004-05 Budget.

Section 2: Revisions to outcomes and outputs

OUTCOMES AND OUTPUT GROUPS

There have been changes to the funding of Outcome 1 as a result of Additional Estimates, however the Outcome/Output structure is not affected.

Output cost attribution

The full cost of the price of individual outputs is determined through the identification of both direct and an appropriate amount of 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 attributed on the basis of the number of transactions processed for an individual output.

Outcome 1 – Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources

Explanation of variations

In accordance with the *Commonwealth Authorities and Companies (Financial Statements for Reporting Periods on or after 30 June 2004) Orders*, the Library was required to hold its non-current assets using the fair value basis. Specifically the Australian Accounting Standard AASB 1041 *Revaluation of Non-current Assets* requires reporting entities to ensure that asset carrying amounts for non-current assets are not materially different to fair value. Accordingly the Library was required to revalue the Library building. This task was completed after the preparation of the 2004-05 Portfolio Budget Statements and therefore the consequential increase in depreciation expenses (\$0.306m) were unable to be included in the 2004-05 Portfolio Budget Statements. The increased building depreciation has been fully offset by an increase in appropriations.

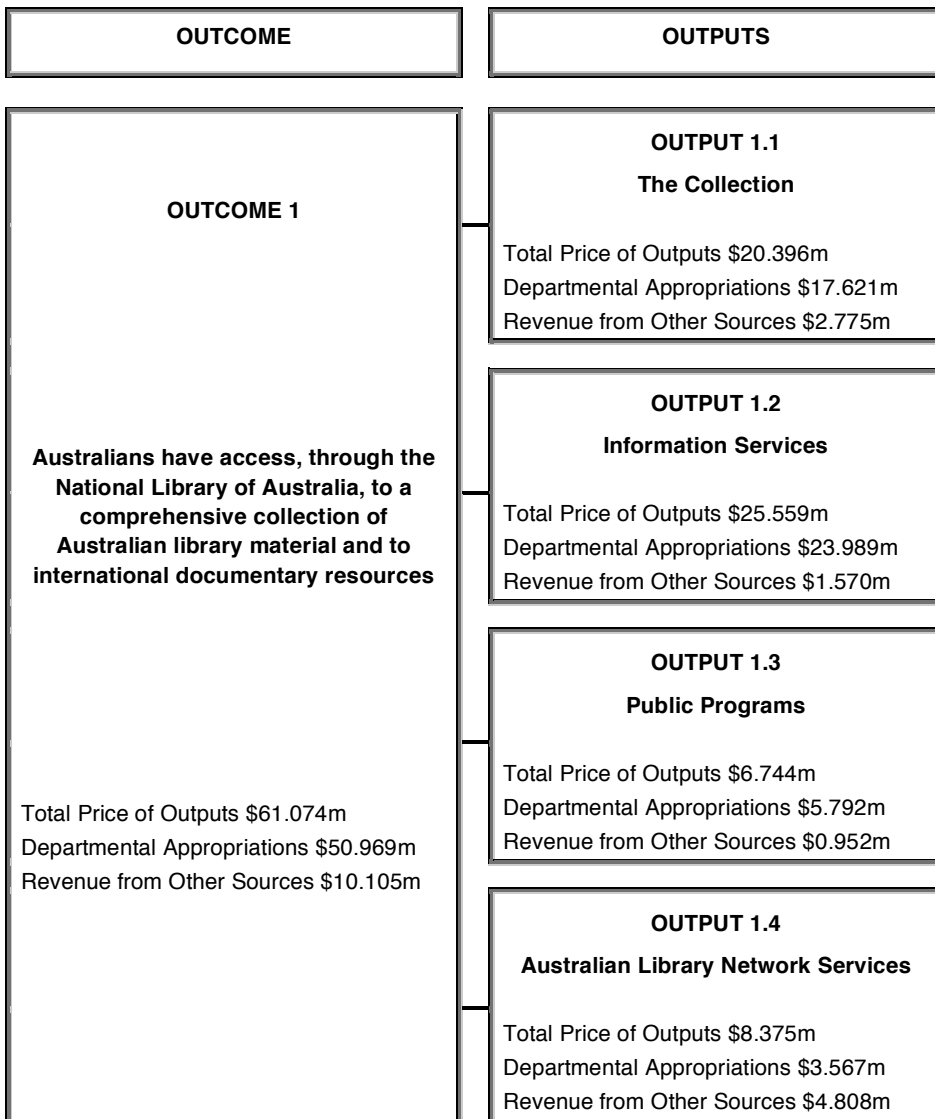
Revised performance information and level of achievement – 2004-05

The performance information that the Library will use to assess the level of its achievements against Outcome 1 – Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources during 2004-05 is provided in Table 2.1.

Table 2.1: Performance information for Outputs affected by Additional Estimates - Outcome 1

Output	Performance information 2004-05 budget	Performance information 2004-05 revised
Output 1.1 The Collection	<p>Quality 95% of collection checked in, catalogued or indexed within set standards and specified timeframes and 85% maintained within set standards.</p> <p>Quantity 5,720,000 collection items stored and maintained; and 381,000 collection items acquired and / or processed or digitised.</p> <p>Price \$0.43 per collection item maintained; and \$46.89 per collection item acquired and / or processed or digitised.</p>	<p>Quality No change - as per Budget.</p> <p>Quantity No change - as per Budget.</p> <p>Price \$0.44 per collection item maintained; and \$46.98 per collection item acquired and / or processed or digitised.</p>
Output 1.2 Information Services	<p>Quality 95% of users satisfied with the information services and 100% of service charter standards met.</p> <p>Quantity 5,207,000 information services transactions.</p> <p>Price \$4.87 per information service transaction.</p>	<p>Quality No change - as per Budget.</p> <p>Quantity No change - as per Budget.</p> <p>Price \$4.91 per information service transaction.</p>
Output 1.3 Public Programs	<p>Quality 95% of visitors and / or participants in Public Programs activities are satisfied.</p> <p>Quantity 1,146,000 visitors and participants in Public Programs activities.</p> <p>Price \$5.85 per visitor or participant in Public Programs.</p>	<p>Quality No change - as per Budget.</p> <p>Quantity No change - as per Budget.</p> <p>Price \$5.88 per visitor or participant in Public Programs.</p>
Output 1.4 Australian Library Network Services	<p>Quality 98% of resource sharing services delivered within set standards and specified timeframes.</p> <p>Quantity 7,928,000 searches on resource sharing databases.</p> <p>Price \$1.06 per search on resource sharing databases.</p>	<p>Quality No change - as per Budget.</p> <p>Quantity No change - as per Budget.</p> <p>Price No change - as per Budget.</p>

Map 3: Outcome 1 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 83.45% to the Total Price of Outputs for Outcome 1.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

An analysis of the Library's budgeted financial statements with a focus on expected changes in the 2004-05 as a result of Additional Estimates compared to Budget and the 2003-04 financial statements is provided below.

Budgeted departmental statement of financial performance

The Library is budgeting for an operating deficit of \$6.157m compared to a budgeted operating surplus of \$0.806m. This variation is the result of the Library's estimated depreciation expense for collections increasing (\$6.963m) to reflect the revised collection depreciation policy following the 2003 Government Review of Cultural Agencies

Total estimated revenue for 2004-05 is \$61.074m, which is a decrease of \$1.432m or 2.29% compared to the 2003-04 financial year. The variation is the result of several major factors including:

- The first time recognition of Library trust accounts (\$1.535m) within the Library's primary financial statements in 2003-04; an estimated reduction in collection material received at no cost to the Library (\$0.544m); and a reduction in revenue for grants, royalty payments and miscellaneous revenue (\$0.412m).
- Increased appropriation funding totalling \$1.047m with increases for additional depreciation expenses following the revaluation of the National Library building (\$0.306m); funding for the provision of additional storage (\$0.072m) and the net effect of parameter and other adjustments (\$0.669m).

Total estimated expenses for 2004-05 is \$67.231m, which is an increase of \$2.736m or 4.24% compared to the 2003-04 financial year. The increase is the result of several major factors including:

- Supplier expenses are estimated to increase by \$2.039m or 11.95% with the major variations including:
 - The acquisition of, and electronic access to magazines and newspapers (\$0.411m), with the library increasing electronic access to online resources and the variation also reflects annual price increases for subscriptions for both print and electronic resources.
 - Increased costs associated with running and maintaining the National Library building (\$0.284m). The variation reflects increased costs for contract cleaning and security services and building maintenance expenses.
 - Computer services and supplies (\$0.528m) with the majority of the variation relating to additional software maintenance fees as a consequence of the finalisation of the Integrated Library Management System, the commencement of the Kinetica System redevelopment project, costs associated with new software acquisitions and general price increases; and additional hardware maintenance expenses as a consequence of requiring more information technology infrastructure to support Library activities (e.g. growth of the digital collections and the Kinetica System redevelopment project).

- Increased activity in cooperative projects with other libraries (\$0.113m).
- Additional office stationery, printing and photocopying costs (\$0.195m).
- Depreciation expenses are estimated to increase by \$0.885m or 5.03% as the result of increased building depreciation (\$0.306m) relating to the revaluation of the National Library building in June 2004 and the estimated full year effect of prior year acquisitions and current year acquisitions (\$0.579m).
- Write-down of assets are estimated to decline (\$0.184m) or 90.20% as there is no expectation of major write-downs of inventories held for sale (\$0.159m 2003-04).

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted departmental statement of financial performance

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

Budgeted departmental statement of financial position

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

Budgeted departmental statement of cash flows

Budgeted cash flows, as reflected in the statement of cash flows, provide 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

**Table 3.1: Budgeted departmental statement of financial performance
for the period ended 30 June**

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
REVENUE					
Revenues from ordinary activities					
Revenue from government	49,922	50,969	51,992	52,299	52,652
Goods and services	7,028	7,268	7,280	7,280	7,280
Interest	648	420	546	606	700
Dividends	-	-	-	-	-
Revenue from sale of assets	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	332	285	285	285	285
Correction of fundamental error	-	-	-	-	-
Other revenues	4,576	2,132	2,132	2,132	2,132
Revenues from ordinary activities	62,506	61,074	62,235	62,602	63,049
EXPENSE					
Expenses from ordinary activities (Excluding borrowing costs expense)					
Employees	29,314	29,324	29,654	29,892	30,192
Suppliers	17,069	19,108	19,524	18,818	19,007
Grants	267	250	250	250	250
Subsidies	-	-	-	-	-
Depreciation and amortisation	17,597	18,482	18,647	18,940	19,024
Write-down of assets	204	20	20	20	20
Value of assets sold	6	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other expenses	19	47	47	47	47
Expenses from ordinary activities (Excluding borrowing costs expense)	64,476	67,231	68,142	67,967	68,540
Borrowing costs expense	19	-	-	-	-
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Operating surplus or (deficit) from ordinary activities	(1,989)	(6,157)	(5,907)	(5,365)	(5,491)
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or (deficit)	(1,989)	(6,157)	(5,907)	(5,365)	(5,491)
Outside equity interests in net surplus or (deficit)	-	-	-	-	-
Net surplus or (deficit) attributable to the Australian Government	(1,989)	(6,157)	(5,907)	(5,365)	(5,491)
Net credit (debit) to asset revaluation reserve	62,134	-	-	-	-
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 IIG consensus view recognised as direct debit (credit) to equity	-	-	-	-	-
Total changes in equity other than those resulting from transactions with owners as owners	60,145	(6,157)	(5,907)	(5,365)	(5,491)

Table 3.2: Budgeted departmental statement of financial position

Table 3.2: Budgeted departmental statement of financial position as at 30 June

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
ASSETS					
Financial assets					
Cash	15,519	15,586	17,050	19,389	21,659
Receivables	2,143	864	806	785	764
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Accrued revenues	-	484	449	449	449
Other financial assets	-	-	-	-	-
Total financial assets	17,662	16,934	18,305	20,623	22,872
Non-financial assets					
Land and buildings	150,582	154,175	160,556	160,309	160,205
Infrastructure, plant and equipment	5,247	4,629	4,629	4,629	4,629
Heritage and cultural assets	1,566,957	1,560,945	1,554,982	1,549,019	1,543,056
Inventories	1,133	1,113	1,093	1,073	1,053
Intangibles	3,847	4,110	4,110	4,110	4,110
Other non-financial assets	1,477	1,477	1,477	1,477	1,477
Total non-financial assets	1,729,243	1,726,449	1,726,847	1,720,617	1,714,530
Total assets	1,746,905	1,743,383	1,745,152	1,741,240	1,737,402
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	383	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other interest bearing liabilities	-	-	-	-	-
Total interest bearing liabilities	383	-	-	-	-
Provisions					
Employees	9,576	9,792	10,213	10,573	11,001
Capital use charge	-	-	-	-	-
Other provisions	-	-	-	-	-
Total provisions	9,576	9,792	10,213	10,573	11,001
Payables					
Suppliers	3,066	615	530	533	526
Grants	12	-	-	-	-
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other payables	125	1,462	1,317	1,329	1,340
Total payables	3,203	2,077	1,847	1,862	1,866
Total liabilities	13,162	11,869	12,060	12,435	12,867
EQUITY					
Parent entity interest					
Contributed equity	5,150	9,078	16,563	17,641	18,862
Reserves	315,490	315,490	315,490	315,490	315,490
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	1,413,103	1,406,946	1,401,039	1,395,674	1,390,183
Total parent entity interest	1,733,743	1,731,514	1,733,092	1,728,805	1,724,535
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	1,733,743	1,731,514	1,733,092	1,728,805	1,724,535
Current assets	19,647	19,525	20,877	23,175	25,405
Non-current assets	1,727,258	1,723,858	1,724,275	1,718,065	1,711,997
Current liabilities	7,268	6,063	6,053	6,226	6,457
Non-current liabilities	5,894	5,806	6,007	6,209	6,410

**Table 3.3: Budgeted departmental statement of cash flows
for the period ended 30 June**

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	7,797	8,729	8,319	8,268	8,268
Appropriations	50,234	50,969	51,992	52,299	52,652
Interest	621	483	546	606	700
Dividends	-	-	-	-	-
Other	2,258	1,105	923	847	860
Extraordinary items	-	-	-	-	-
Total cash received	60,910	61,286	61,780	62,020	62,480
Cash used					
Employees	30,715	29,108	29,233	29,532	29,764
Suppliers	18,822	20,640	20,206	19,200	19,413
Grants	261	261	250	250	250
Borrowing costs	17	-	-	-	-
Other	-	47	47	47	47
Extraordinary items	-	-	-	-	-
Total cash used	49,815	50,056	49,736	49,029	49,474
Net cash from/ (used by)	11,095	11,230	12,044	12,991	13,006
Operating activities					
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	1,373	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	1,373	-	-	-	-
Cash used					
Purchase of property, plant and equipment	9,721	14,708	18,065	11,730	11,957
Purchase of financial Instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	9,721	14,708	18,065	11,730	11,957
Net cash from/ (used by)	(8,348)	(14,708)	(18,065)	(11,730)	(11,957)
investing activities					

Table 3.3: Budgeted departmental statement of cash flows (continued)

**Table 3.3: Budgeted departmental statement of cash flows
for the period ended 30 June (continued)**

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	1,030	3,928	7,485	1,078	1,221
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	1,030	3,928	7,485	1,078	1,221
Cash used					
Repayments of debt	35	383	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	35	383	-	-	-
Net cash from/ (used by) financing activities	995	3,545	7,485	1,078	1,221
Net increase or (decrease) in cash held	3,742	67	1,464	2,339	2,270
Cash at the beginning of the reporting period	11,777	15,519	15,586	17,050	19,389
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	15,519	15,586	17,050	19,389	21,659

Table 3.4: Departmental capital budget statement

Table 3.4: Departmental capital budget statement

	Actual	Revised	Forward	Forward	Forward
	2003-04	Budget	estimate	estimate	estimate
	\$'000	2004-05	2005-06	2006-07	2007-08
		\$'000	\$'000	\$'000	\$'000
CAPITAL APPROPRIATIONS					
Total equity injections	1,030	3,928	7,485	1,078	1,221
Total loans	-	-	-	-	-
Total	1,030	3,928	7,485	1,078	1,221
Represented by					
Purchase of non-current assets	1,030	3,928	7,485	1,078	1,221
Other	-	-	-	-	-
Total	1,030	3,928	7,485	1,078	1,221
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	1,030	3,928	7,485	1,078	1,221
Funded internally by	10,296	11,780	11,580	11,652	11,736
Departmental resources					
Total	11,326	15,708	19,065	12,730	12,957

Table 3.5: Departmental non-financial assets - summary of movement (Budget year 2004-05)

	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	8,750	141,832	-	5,247	1,566,957	3,847	-	1,726,633
Additions	1,020	5,544	-	1,580	6,089	1,475	-	15,708
Disposals	-	-	-	-	-	-	-	-
Net Revaluation increment / decrement	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(2,971)	-	(2,198)	(12,101)	(1,212)	-	(18,482)
Write-off of assets	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Carrying amount at the end of year	9,770	144,405	-	4,629	1,560,945	4,110	-	1,723,859
Total additions								
Self funded	1,020	1,878	-	-	1,030	-	-	3,928
Appropriations	-	3,666	-	1,580	5,059	1,475	-	11,780
Total	1,020	5,544	-	1,580	6,089	1,475	-	15,708

NOTES TO THE FINANCIAL STATEMENTS

Basis of accounting

The Library's budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

Significant Variations

Note 1 – Revenue

Total estimated revenue is \$61.074m, a decrease of \$1.432m or 2.29% compared to the 2003-04 financial year. The variation is the result of several major factors including:

- The first time recognition of Library trust accounts (\$1.535m) within the Library's primary financial statements in 2003-04; an estimated reduction in collection material received at no cost to the Library (\$0.544m); and a reduction in revenue for grants, royalty payments and miscellaneous revenue (\$0.412m).
- Increased appropriation funding totalling \$1.047m with adjustments for additional depreciation expenses following the revaluation of the National Library building (\$0.306m) in June 2004; funding for the provision of additional storage (\$0.072m) and the net effect of the efficiency dividend, parameter and other adjustments (\$0.669m).

Note 2 – Supplier Expenses

Total estimated supplier expenses are \$19.108m, an increase of \$2.039m or 11.95% compared to 2003-04 financial year. The increase is the result of several major variations including: the acquisition of, and electronic access to magazines and newspapers (\$0.411m); costs associated with running and maintaining the National Library building (\$0.284); computer services and supplies (\$0.528); cooperative projects with other libraries (\$0.113); and office stationery, printing and photocopying costs (\$0.195).

Note 3 – Depreciation Expenses

Total depreciation expenses are estimated to be \$18.482m, an increase of \$0.885m or 5.03% compared to 2003-04 financial year. The increase is the result of several factors including:

- The revaluation of the National Library building in June 2004, which resulted in additional depreciation expenses of \$0.306m.
- The estimated full year effect of prior year acquisitions and current year acquisitions (\$0.579m).

Note 4 – Write-down of Assets

Write-down of assets are estimated to decline (\$0.184m) or 90.20% as there is no expectation of major write-downs of inventories held for sale (\$0.159m 2003-04).