

AUSTRALIA COUNCIL

AUSTRALIA COUNCIL

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The Australia Council is a statutory body of the Commonwealth of Australia. The Council is the Federal Government's principal arts funding and advisory body.

It aims to enrich our nation by supporting and promoting the practice and enjoyment of the arts. This is achieved through:

- enabling Australia's arts and its artists to pursue excellence;
- preserving, maintaining and developing the distinctive features of Australia's culture;
- ensuring all Australians have the opportunity to engage with the arts and to enjoy a rich cultural life; and to,
- shape a future Australia in which the arts play a meaningful and vital role in everyday life.

APPROPRIATIONS AND RESOURCING

The total appropriation for the Australia Council in the 2003-04 Budget is \$136.532 million.

Table 1.1 on the following page, shows the total appropriations for the Australia Council for 2003-04 by the two Government outcomes. The table also shows the output price within the appropriation.

The Australia Council does not have administered expenses.

Australia Council — appropriations 2003-04

Table 1.1: Appropriations and other revenue

Outcome	Departmental (price of outputs) (\$'000)					Administered (\$'000)				Total Total appropriations
	Revenue from Government (appropriations)		Revenue from other sources ⁽⁴⁾	Price of outputs ⁽³⁾	Annual appropriations (\$'000)	Special appropriations ⁽⁵⁾	Total administered appropriations	Total Total appropriations		
	Bill No. 1 (A)	Special approps ⁽⁵⁾ (B)	Total (C = A+B) (C1) ¹	(D)	(E = C+D) (E1) ¹	Bill No. 1 (F)	Bill No. 2 (SPPs & NAOs) ⁽²⁾ (G)	(H)	(I = F+G+H) (I1) ¹	(J=C+I)
1. Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence	125,184	-	125,184	3,629	128,813	-	-	-		125,184
					97.2%					
2. Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts	11,348	-	11,348	329	11,677	-	-	-		11,348
					97.2%					
Total	136,532	-	136,532 (K1) ¹	3,958	140,490	-	-	-		136,532
						Departmental capital (equity injections and loans)			(K3) ¹	-
						Administered capital			(K4) ¹	-
						Total appropriations				136,532

Footnotes to Table 1.1

1. Cells C1, E1 and I1 refer to information provided in Total Resources for Outcome tables. Amount K1 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 1.1.

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 2004-05			Appropriations forward estimate 2005-06			Appropriations forward estimate 2006-07		
			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	Nil	(16)	(16)	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
Interest	1,200	1,200
Other	2,880	2,758
Total estimated revenue	4,080	3,958

ADMINISTERED CAPITAL, DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The Australia Council does not have administered capital, departmental equity injections or loans in 2003-04.

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

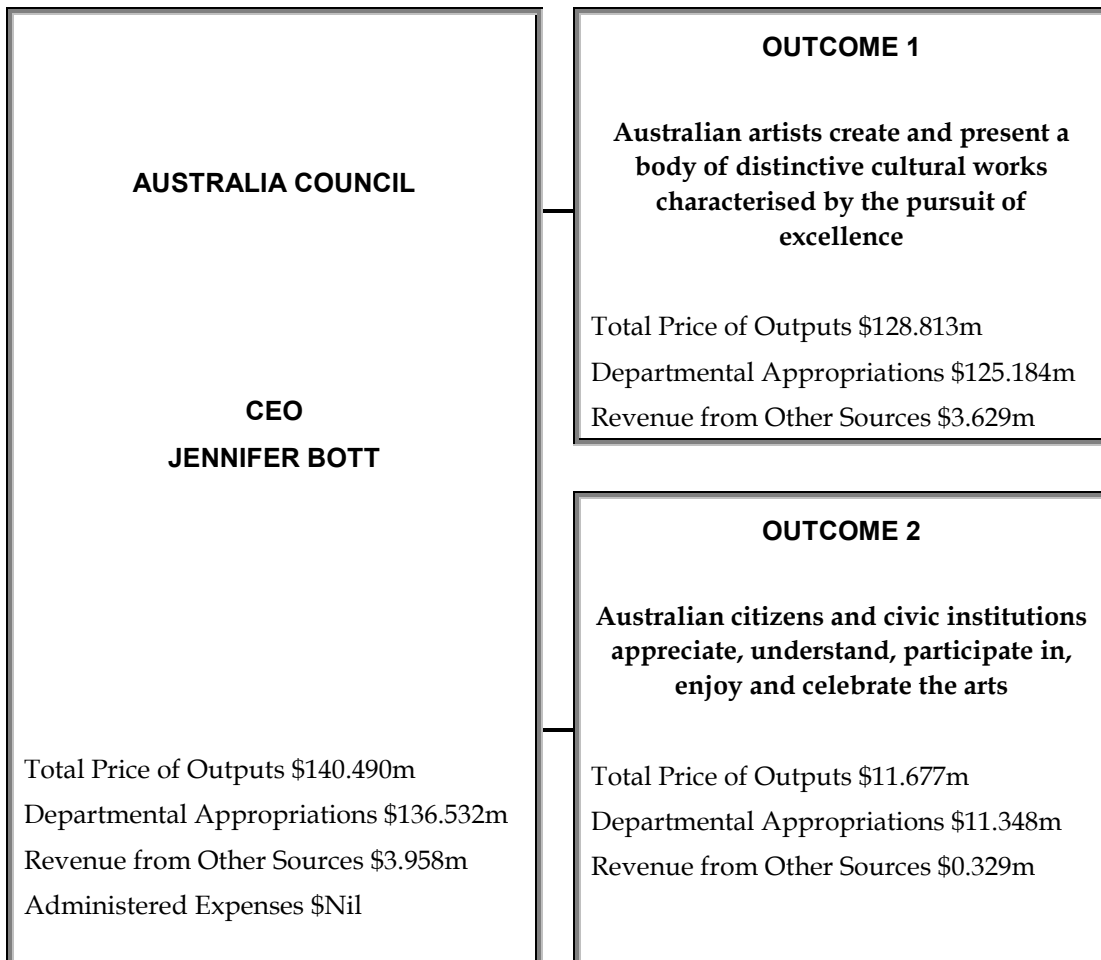
The Australia Council works to achieving two outcomes specified by Government. The following section provides a departmental overview, and then each outcome is discussed in turn. The map on the following page shows the relationship between the two outcomes.

The map 1, 2 and 3 on the following pages show the relationship between the two outcomes.

Output cost attribution

Costs are attributed to outputs based on ratios derived from an analysis of grant categories and their contribution to individual outputs.

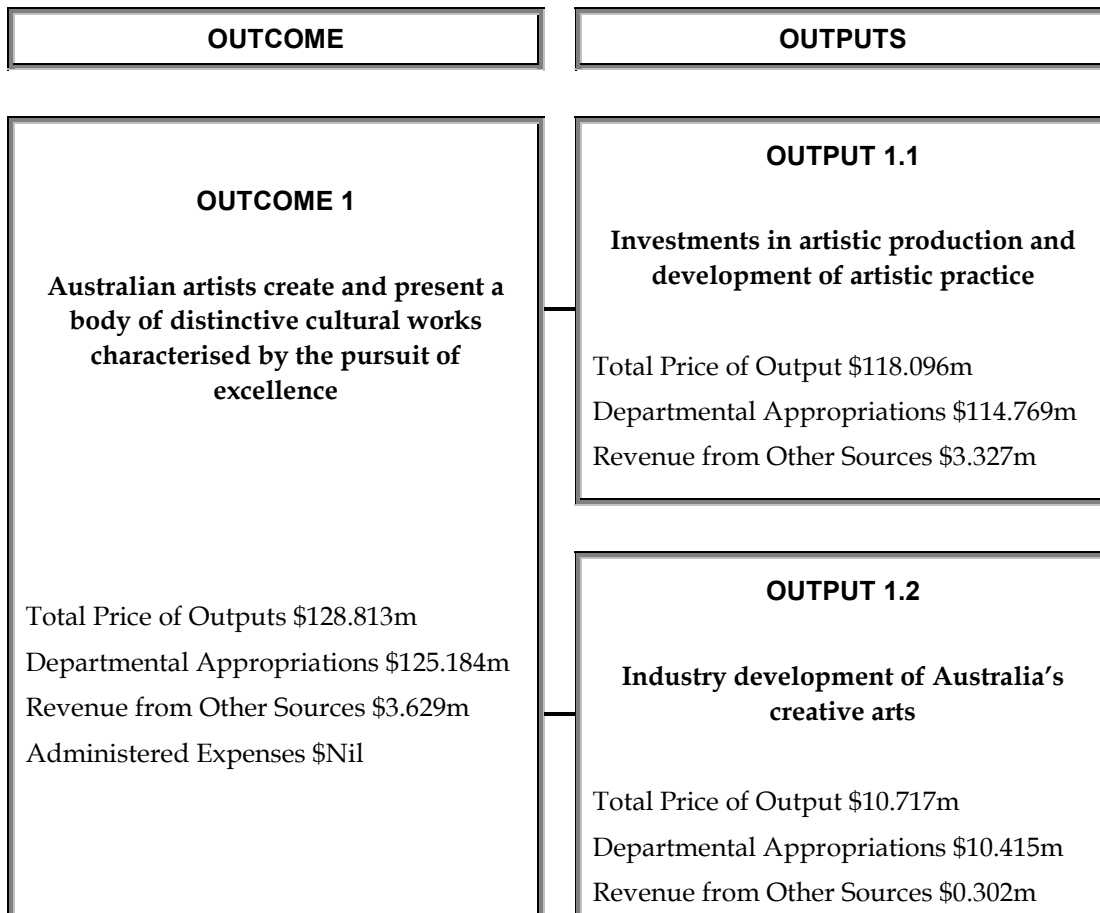
Map 1: Outcome structure



CHANGES TO OUTCOMES AND OUTPUTS

The Australia Council has not changed its outcome and output structure since the 2002-03 budget.

Map 2: Outcome 1 — contributing outputs



Note: Revenue from Government (Appropriations) contributes 97.2% to the Total Price of Outputs for Outcome 1 for 2003-04.

OUTCOME 1 — DESCRIPTION

Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence

The outcome achieves the above through:

- Artistic integrity;
- Engagement with audiences and communities;
- Innovation;
- Diversity;
- Critical engagement;
- International recognition; and
- Economic viability.

The outcome involves investments in artistic production and development of artistic practice and industry development for Australia's creative arts. Council programs support both artists and arts companies through:

- Investments in the creation of new work;
- Investments in the development of creative arts practice;
- Investments in quality productions;
- Investments in the presentation and promotion of Australian work;
- Leadership and a national overview of arts development;
- Initiatives to build the management and entrepreneurial capacity of artists and arts organisations; and
- Market development initiatives for the benefit of Australia's artists and arts organisations.

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
Australia Council	-0.016	-	-	-

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 - Investments in artistic production and development of artistic practice	114,264	114,769
Output 1.2 - Industry development of Australia's creative arts	10,369	10,415
Total revenue from government (appropriations)	124,633	125,184 (C1)
Contributing to price of departmental outputs	97.1%	97.2%
Revenue from other sources		
Output 1.1 - Investments in artistic production and development of artistic practice	3,430	3,327
Output 1.2 - Industry development of Australia's creative arts	311	302
Total revenue from other sources	3,741	3,629
Total price from departmental outputs (Total revenue from government and from other sources)	128,374	128,813 (E1)
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	128,374	128,813
	2002-03	2003-04
Average staffing level (number)	116	116

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The Australia Council outputs contribute:

- investments in artistic production and development of artistic practice which forms direct support to both Australian artists and arts companies to create and present a body of distinctive cultural works; and
- industry development of Australia’s creative arts to nurture the ecosystem for the creative arts which forms the Council’s indirect support of Australian artistic endeavours.

PERFORMANCE INFORMATION FOR OUTCOME 1

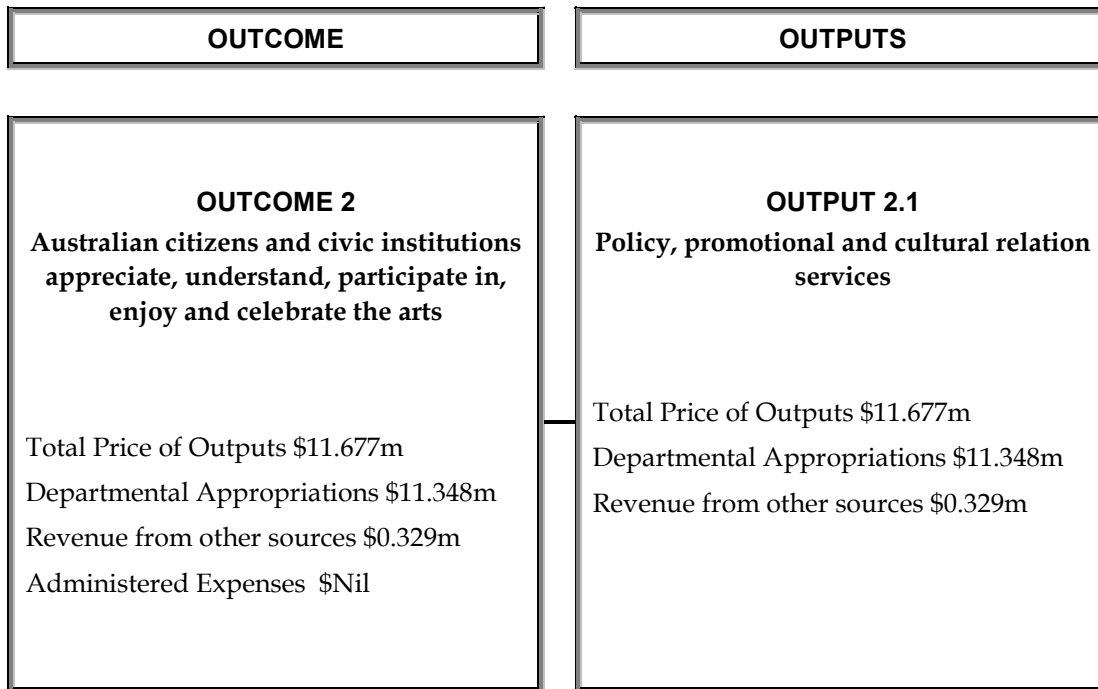
Table 2.2.1: Performance information for Outcome 1

Effectiveness - Overall achievement of the Outcome	
	85% of projects are completed within timeframe
	90% satisfaction rating by clients
	1500 funded opportunities and initiatives
Performance information for departmental outputs	
Output 1.1 — Investments in artistic production and development of artistic practice	<p>Quality The percentage of completed projects and the satisfaction rating by clients of Council initiatives.</p> <p>Quantity The number of funded opportunities and client audience development and industry development initiatives.</p> <p>Price \$118.096m</p>
Output 1.2 — Industry development of Australia’s creative arts	<p>Quality The percentage of completed projects and the satisfaction rating by clients of Council initiatives.</p> <p>Quantity The number of funded opportunities and client audience development and industry development initiatives.</p> <p>Price \$10.717m</p>

EVALUATIONS

A range of policy, promotional and cultural relation services will be evaluated over the 2003-2004 financial year.

Map 3: Outcome 2 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 97.2% to the Total Price of Outputs for Outcome 1 for 2003-04.

OUTCOME 2 — DESCRIPTION

Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts

The outcome involves policy, promotional and cultural relation services which deliver:

- Promotion of an understanding, enjoyment and appreciation of the arts by Australian people and civic institutions;
- Promotion of an appreciation, understanding and respect for Australia’s culture internationally;
- Policy analysis and policy advice; and
- Understanding of key issues and challenges facing artists and arts organisations that can fundamentally affect the ongoing development of the sector.

Measures affecting Outcome 2²

There are no Budget measures affecting Outcome 2.

OUTCOME 2 — RESOURCING

Table 2.1.2 shows how the 2003-04 appropriations translate to total resourcing for Outcome 2, 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 2.1.2: Total resources for Outcome 2

	Estimated actual 2002-03 \$'000	Budget estimate 2003-04 \$'000	
Administered appropriations	-	-	
Total administered expenses	-	-	(I1)
Departmental appropriations			
Output 2.1 - Policy, promotional and cultural relation services	11,295	11,348	
Total revenue from government (appropriations)	11,295	11,348	(C1)
Contributing to price of departmental outputs	97.1%	97.2%	
Revenue from other sources			
Output 2.1 - Policy, promotional and cultural relation services	339	329	
Total revenue from other sources	339	329	
Total price from departmental outputs (Total revenue from government and from other sources)	11,634	11,677	(E1)
Total estimated resourcing for Outcome 2 (Total price of outputs and administered appropriations)	11,634	11,677	
	2002-03	2003-04	
Average staffing level (number)	10	10	

² 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 2 — CONTRIBUTION OF OUTPUTS

The Australia Council outputs contribute to the provision of a wide range of policy, promotional and cultural relations services as initiatives to support Australian people and civic institutions to appreciate, understand, participate in, enjoy and celebrate the arts.

These policies, promotional and cultural relation services deliver:

- Promotion of an understanding, enjoyment and appreciation of the arts by Australian people and civic institutions;
- Promotion of an appreciation, understanding and respect for Australia’s culture internationally;
- Policy analysis and policy advice; and
- Understanding of key issues and challenges facing artists and arts organisations that can fundamentally affect the ongoing development of the sector.

PERFORMANCE INFORMATION FOR OUTCOME 2

Table 2.2.2: Performance information for Outcome 2

Effectiveness - Overall achievement of the Outcome	
	85% of projects are completed within timeframe
	90% satisfaction rating by clients
	An increase of 3% annually in Council's impact
Performance information for departmental outputs	
Output 2.1	Quality
Policy, promotional and cultural relation services	The satisfaction ratings by the clients of Council's policy, promotional and cultural relations services.
	Quantity
	The participation of Australians in the arts from attendances at art galleries/museums and the performing arts to participation in community development projects and reading Australian Literature.
	Price
	\$11.677m

EVALUATIONS

A range of policy, promotional and cultural relation services will be evaluated over the 2003-2004 financial year.

Section 3: Budgeted financial statements

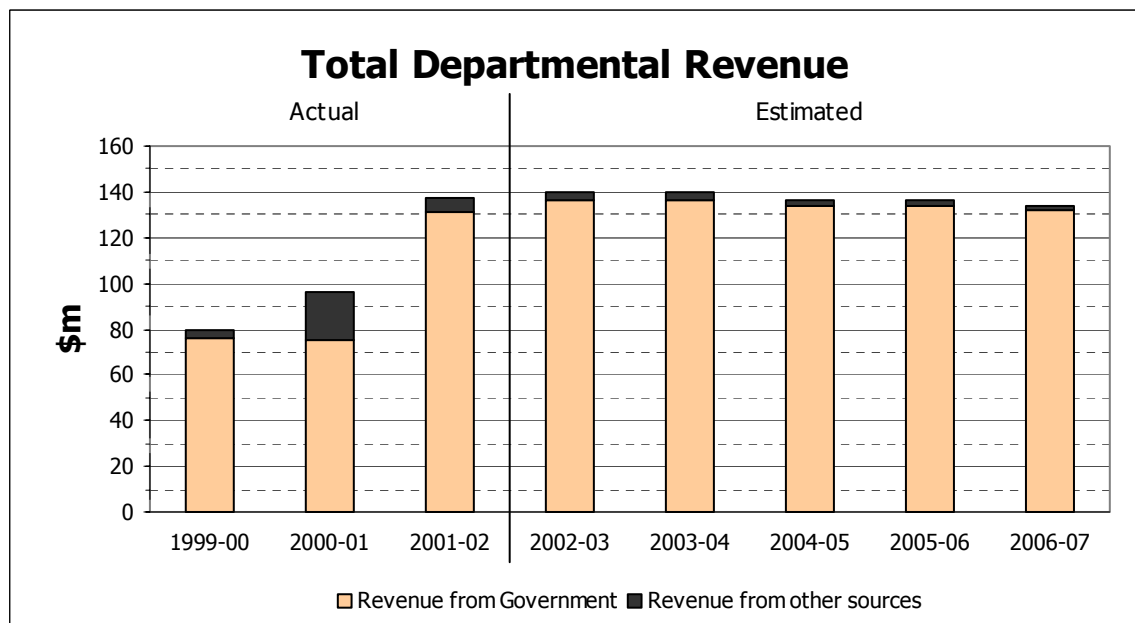
ANALYSIS OF BUDGETED DEPARTMENTAL FINANCIAL STATEMENTS

Budgeted Departmental Statement of Financial Performance (Operating Statement)

Budgeted Departmental Statement of Financial Performance (Operating Statement)
 Revenues from Government reflect a minor reduction in resourcing for 2003-04 (as outlined in Table 1.2, Summary of measures disclosed in 2003-04 Budget), and continuing support to the:

- Youth Arts Festival (\$1.0 million for 2003-04),
- Major Festivals Initiative (\$2.25 million over 3 years 2003-04 to 2005-06), and
- Young and Emerging Artists Initiative (\$3.75 million over 3 years 2003-04 to 2005-06).

Revenue from other sources in 2003-04 includes funding of \$2.0 million for the Books Alive programme run by the Council on behalf of the Government.

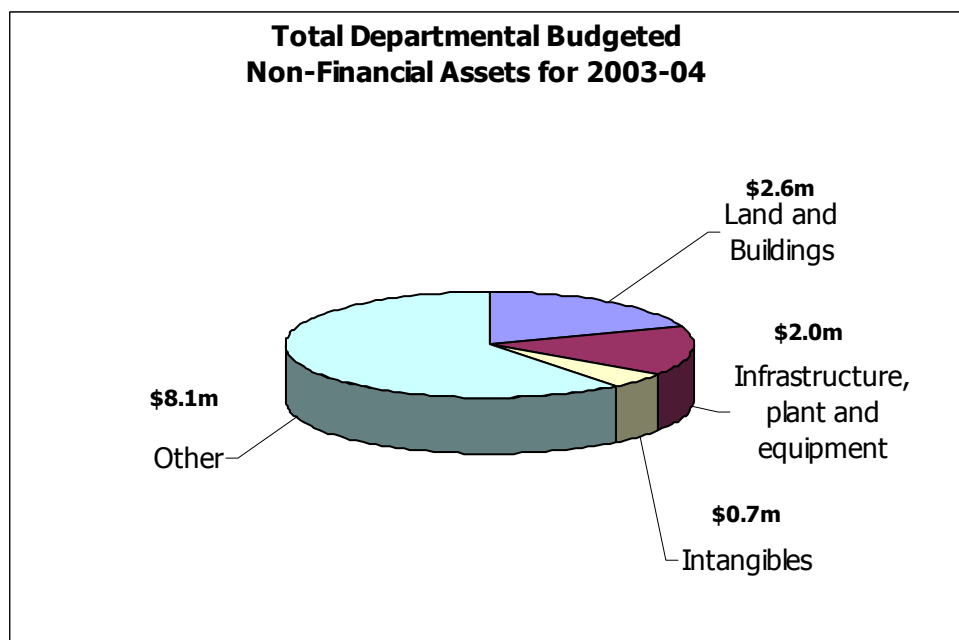


Budgeted Departmental Statement of Financial Position (Balance Sheet)

In 2003-04, Non-Financial Assets include an estimate for prepayments of approximately \$7.9 million to Major Performing Arts companies under tripartite agreements.

The revaluation of assets which took place in 2001-02, is reflected in the Statement.

Payables include an estimate for grants payable in 2003-04 of \$7.3 million.



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

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	Forward estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	135,928	136,532	134,145	133,637	131,612
Goods and services	-	-	-	-	-
Interest	1,200	1,200	1,200	1,200	1,200
Dividends	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	2,880	2,758	658	658	658
Revenues from ordinary activities	140,008	140,490	136,003	135,495	133,470
EXPENSE					
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	8,028	8,419	8,919	8,919	8,919
Suppliers	3,814	3,864	3,914	3,965	4,017
Grants	125,444	126,644	121,496	121,460	119,391
Subsidies	-	-	-	-	-
Depreciation and amortisation	1,121	1,349	1,478	970	970
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Other	-	-	-	-	-
Expenses from ordinary activities (excluding borrowing costs expense)	138,407	140,276	135,807	135,314	133,297
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	1,601	214	196	181	173
Gain or loss on extraordinary items	-	-	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or deficit	1,601	214	196	181	173
Capital Use Charge Paid *	1,378				
Net surplus or deficit after CUC	223	214	196	181	173

* 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	223	214	196	181	173
Net credit (debit) to asset revaluation reserve	-	-	-	-	-
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	223	214	196	181	173

**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
ASSETS					
Financial assets					
Cash	8,192	8,973	9,670	10,379	10,713
Receivables	4,079	4,078	4,080	4,080	4,080
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	12,271	13,051	13,750	14,459	14,793
Non-financial assets					
Land and buildings	2,835	2,565	2,280	1,984	1,688
Infrastructure, plant and equipment	1,964	2,061	2,171	1,920	2,036
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	1,033	690	412	481	550
Other	8,100	8,100	8,100	8,100	8,100
Total non-financial assets	13,932	13,416	12,963	12,485	12,374
Total assets	26,203	26,467	26,713	26,944	27,167
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total Interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	2,155	2,205	2,255	2,305	2,355
Other	-	-	-	-	-
Total Provisions	2,155	2,205	2,255	2,305	2,355
Payables					
Suppliers	1,000	1,000	1,000	1,000	1,000
Grants	7,300	7,300	7,300	7,300	7,300
Dividends	-	-	-	-	-
Borrowing Costs	-	-	-	-	-
Other	-	-	-	-	-
Total Payables	8,300	8,300	8,300	8,300	8,300
Total liabilities	10,455	10,505	10,555	10,605	10,655

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
EQUITY					
Parent entity interest					
Contributed equity	-	-	-	-	-
Reserves	1,802	1,802	1,802	1,802	1,802
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	13,946	14,160	14,356	14,537	14,710
Total parent entity interest	15,748	15,962	16,158	16,339	16,512
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	15,748	15,962	16,158	16,339	16,512
Total assets and liabilities by maturity					
Current assets	19,847	20,047	20,233	20,408	20,577
Non-current assets	6,356	6,420	6,480	6,536	6,590
Current liabilities	10,089	10,138	10,186	10,234	10,282
Non-current liabilities	366	367	369	371	373

**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	135,928	136,532	134,145	133,637	131,612
Appropriations	-	-	-	-	-
Interest	1,200	1,200	1,200	1,200	1,200
Dividends	-	-	-	-	-
Other	2,880	2,758	658	658	658
Extraordinary items	-	-	-	-	-
Total cash received	140,008	140,490	136,003	135,495	133,470
Cash used					
Employees	7,745	8,369	8,869	8,869	8,869
Suppliers	3,666	3,761	3,817	3,871	3,927
Grants	125,893	126,746	121,595	121,554	119,481
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	137,304	138,876	134,281	134,294	132,277
Net cash from/ (used by) operating activities	2,704	1,614	1,722	1,201	1,193
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	593	833	1,025	492	859
Purchase of financial Instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	593	833	1,025	492	859
Net cash from/ (used by) investing activities	(593)	(833)	(1,025)	(492)	(859)

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	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Capital use charge paid	-	-	-	-	-
Dividends paid	1,378	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	1,378	-	-	-	-
Net cash from/ (used by) financing activities	(1,378)	-	-	-	-
Net increase/(decrease) in cash held	733	781	697	709	334
Cash at the beginning of the reporting period	7,459	8,192	8,973	9,670	10,379
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	8,192	8,973	9,670	10,379	10,713

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	-	- (K3) ¹	-	-	-
Total loans	-	- (K3) ¹	-	-	-
Represented by					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON CURRENT ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by					
Departmental resources	593	833	1,025	492	859
Total purchase of non-current	593	833	1,025	492	859

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	90	2,745	-	1,964	-	1,033	-	5,832
Additions	-	31	-	552	-	250	-	833
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(301)	-	(455)	-	(593)	-	(1,349)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	90	3,077	-	2,971	-	1,876	-	8,014
Total additions								
Self funded	-	31	-	552	-	250	-	833
Appropriations	-	-	-	-	-	-	-	-
Total	-	31	-	552	-	250	-	833

NOTES TO THE FINANCIAL STATEMENTS

Departmental Financial Statements

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

Australia Council does not have any purchaser/provider arrangements.

COST RECOVERY ARRANGEMENTS

Australia Council does not have any cost recovery arrangements.