

AUSTRALIA COUNCIL

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Section 1: Agency overview and resources; variations and measures

OVERVIEW

There have been no significant changes to the Australia Council's role/mission, outcomes and outputs and/or its evaluation, competitive tendering and contacting and purchaser provider practices as a result of Additional Estimates.

Table 1.1: Agency outcomes and output groups

Outcome	Output
Outcome 1 Australian artists create and present a body of distinctive cultural works, characterised by the pursuit of excellence	Output 1.1 Investments in artistic production and development of artistic practice Output 1.2 Presentation of distinctive Australian cultural works nationally and internationally
Outcome 2 Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts	Output 2.1 Promoting the understanding, enjoyment, participation in and appreciation of the arts by Australians Output 2.2 Infrastructure development for Australia's creative arts Output 2.3 Provision of policy development, research, promotional and advisory services

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Other variations to appropriations

Table 1.3: Additional estimates and variations to outcomes – other variations

	2005-06 (\$'000)	2006-07 (\$'000)	2007-08 (\$'000)	2008-09 (\$'000)
Outcome 1				
Variations in departmental appropriations				
Indexation	983	1,995	1,556	1,358
Outcome 2				
Variations in departmental appropriations				
Indexation	747	1,517	1,183	1,033

MEASURES

There have been no measures taken since the 2005-06 Budget that affect Australia Council appropriations for 2005-06.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

	2004-05 available \$'000	2005-06 budget \$'000	2005-06 revised \$'000	additional estimates \$'000	reduced estimates \$'000
DEPARTMENTAL OUTPUTS					
Outcome 1					
Australian artists create and present a body of distinctive cultural works, characterised by the pursuit of excellence	78,511	84,773	85,756	983	-
Outcome 2					
Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts	59,712	64,475	65,222	747	-
Total	138,223	149,248	150,978	1,730	-

SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
Outcome 1			
Australian artists create and present a body of distinctive cultural works, characterised by the pursuit of excellence	77	82	5
Outcome 2			
Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts	58	61	3
Total	135	143	8

OTHER RESOURCES AVAILABLE TO BE USED

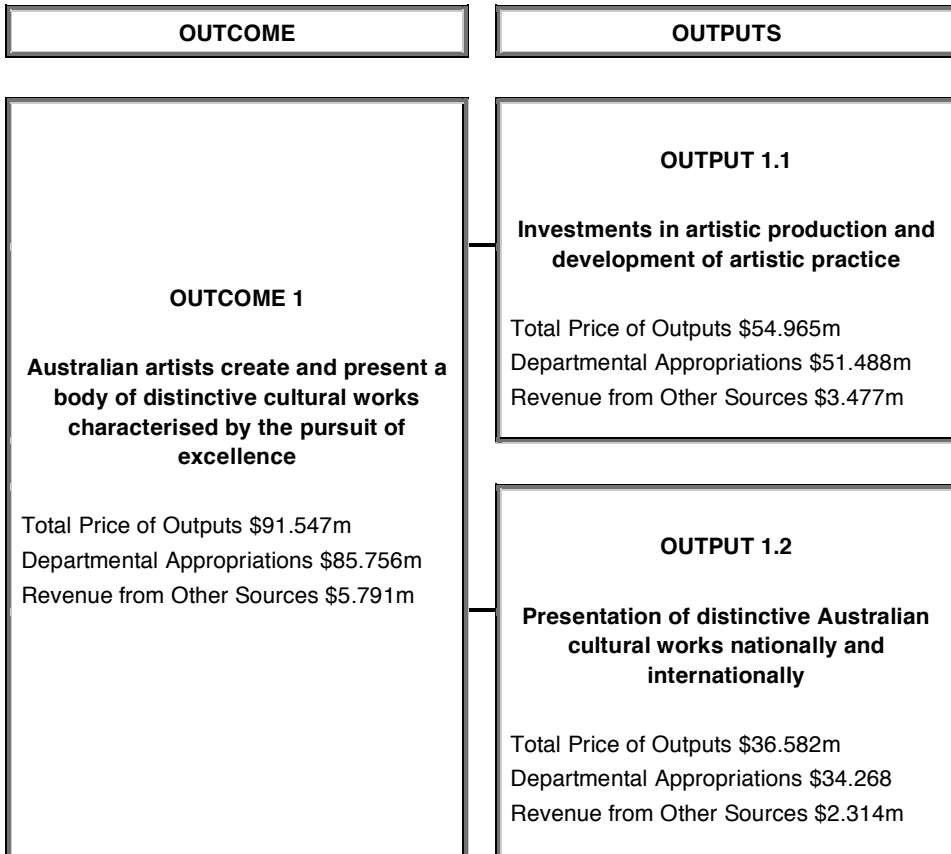
Table 1.9: Other resources available to be used

	Budget estimate 2005-06 \$'000	Revised estimate 2005-06 \$'000
Departmental other receipts		
Interest	1,200	2,000
Other	8,195	8,195
Total departmental other receipts available to be used	9,395	10,195

Section 2: Agency resources for 2005-06

OUTCOMES AND OUTPUTS

Figure 2.1: Outcome and output structure for Outcome 1



Note: Revenue from Government (Appropriations) contributes 93.7% to the Total Price of Outputs for Outcome 1.

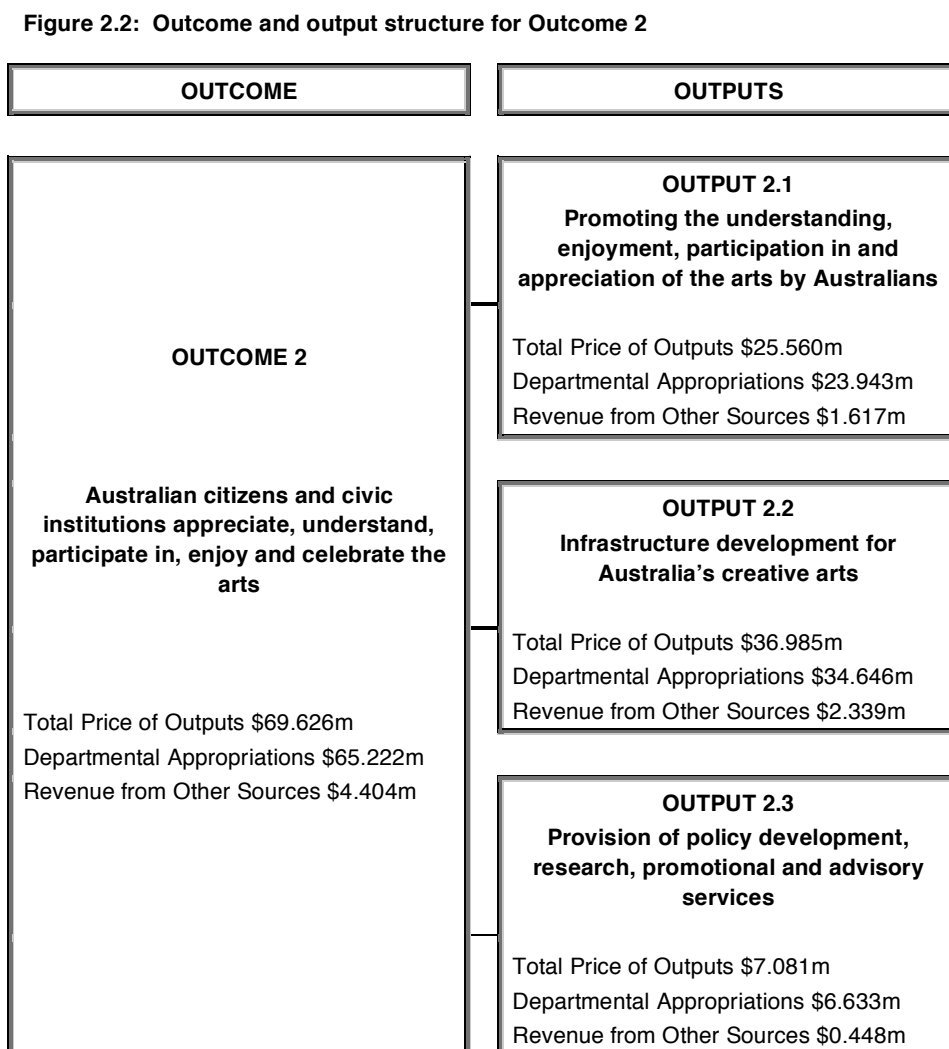
Outcome 1

Variations result from two sources:

- adjustments to indexation; and
- revision of interest revenue estimate.

Table 2.1.1: Performance information for Outcome 1

Outputs	Performance information 2005-06 Budget	Performance information 2005-06 revised
Performance Information for Departmental Output 1.1		
Investments in artistic production and development of artistic practice	Quality	Quality
	The range of grant programs support excellence in artistic practice, creation of new work and the development of the skills and 90% of clients satisfied with interactions with the Australia Council and services provided.	No change - as per Budget
	Quantity	Quantity
	1500 funded opportunities and	No change - as per Budget
	Price	Price
	\$52.102m	\$54.965m
Performance Information for Departmental Output 1.2		
Presentation of distinctive Australian cultural works nationally and internationally	Quality	Quality
	Distinctive Australian cultural works are presented nationally and internationally with support from the	No change - as per Budget
	Quantity	Quantity
	Number of artistic works exhibited, performed or written with Australia Council support.	No change - as per Budget
	Number of Australian artistic works supported for international touring.	
	Price	Price
	\$36.007m	\$36.582m



Note: Revenue from Government (Appropriations) contributes 93.7% to the Total Price of Outputs for Outcome 2.

Outcome 2

Variations result from two sources:

- adjustments to indexation; and
- revision of interest revenue estimate.

Table 2.1.2: Performance information for Outcome 2

Output	Performance information 2005-06 Budget	Performance information 2005-06 revised
Performance Information for Departmental Output 2.1		
Promoting the understanding, enjoyment, participation and appreciation of the arts by Australians	Quality Investments leveraged (multiplier effect) from other sources from Australia Council support for initiatives to develop audiences for the arts.	Quality No change - as per Budget
	Quantity Number of audience development initiatives.	Quantity No change - as per Budget
	Price \$25.159m	Price \$25.56m
Performance Information for Departmental Output 2.2		
Infrastructure development for Australia's creative arts	Quality Australia Council triennial funding support for arts organisations increases the reliability and diversity of arts activities available to Australians.	Quality No change - as per Budget
	Quantity Number of triennially funded arts organisations.	Quantity No change - as per Budget
	Price \$36.405m	Price \$36.985m
Performance Information for Departmental Output 2.3		
Provision of policy development, research, promotional and advisory services	Quality The variety of delivery platforms provided to ensure broad access to Australia Council information, grants programs and research.	Quality No change - as per Budget
	Quantity Number of hits and downloaded pages and documents from the Australia Council website, number of publications distributed by mail and number of people with access to advocacy services.	Quantity No change - as per Budget
	Price \$6.970m	Price \$7.081m

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

The budgeted financial statements for 2005-06 reflect the Australia Council's revisions to reflect 2004-05 financial results, indexation adjustments, revised estimates of interest revenue and adjustments for capital expenditure and depreciation based on budgetary decisions made by the Australia Council. No new measures were announced by the Australian Government for the Australia Council in the Portfolio Additional Estimates.

Budgeted departmental income statement

Total Income in this statement is \$161.173m, including: Revenues from Government of \$150.978m; Interest of \$2.000m; other revenues of \$8.195m.

Total Expenses in this statement are \$159.422m, including: Salaries \$10.300m; Suppliers \$3.939m; Grants \$144.443m; Depreciation \$0.740m.

Budgeted departmental balance sheet

Financial assets reflect higher cash balances stemming from the Council's 2004-05 financial results. It is expected that this level of cash will most likely continue until 2006-07. Delays are expected in the payment of grant expenses associated with the implementation of Orchestras Review funding, the financial impact of which will be reflected in the 2006-07 PBS.

The revaluation of assets to fair value, which was undertaken in 2004-05, is reflected in the balances.

Departmental capital budget statement

This statement, and the Departmental property, plant, equipment and intangibles — summary of movement reflect decisions made by the Australia Council on capital expenditure since the 2005-06 Budget.

Table 3.1: Budgeted departmental income statement (for the period ended 30 June)

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
INCOME					
Revenues					
Revenues from Government	138,223	150,978	145,255	146,428	146,378
Goods and services	-	-	-	-	-
Interest	2,442	2,000	1,500	1,500	1,500
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	6,816	8,195	8,158	2,658	2,658
Total Revenue	147,481	161,173	154,913	150,586	150,536
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	46	-	-	-	-
Other	-	-	-	-	-
Total Gains	46	-	-	-	-
Total Income	147,527	161,173	154,913	150,586	150,536
EXPENSE					
Employees	9,529	10,300	10,300	10,300	10,300
Suppliers	4,322	3,939	3,939	3,939	3,939
Grants	127,745	144,443	139,899	135,806	135,871
Subsidies	-	-	-	-	-
Depreciation and amortisation	650	740	775	541	426
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from assets sold	56	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Total expenses	142,302	159,422	154,913	150,586	150,536
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	2,289	(1,751)	-	-	-
Operating result from continuing operations	7,514	-	-	-	-
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discounted operations	-	-	-	-	-
Operating result	7,514	-	-	-	-
Monitory interest in net surplus (or deficit)	-	-	-	-	-
Net surplus (or deficit) attributable to the Australian Government	7,514	-	-	-	-

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

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	26,510	27,456	28,338	29,096	29,547
Receivables	2,276	3,313	3,089	2,782	2,769
Investments accounted for under the equity method	-	-	-	-	-
Investments (s.39 FMA Act; s.18 CAC Act; s.19 CAC Act)	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	28,786	30,769	31,427	31,878	32,316
Non-financial assets					
Land and buildings	2,867	2,581	2,256	1,931	1,606
Infrastructure, plant and equipment	1,664	1,735	1,507	1,385	1,284
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	309	316	94	-	-
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	204	204	204	204	204
Total non-financial assets	5,044	4,836	4,061	3,520	3,094
Total assets	33,830	35,605	35,488	35,398	35,410
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,734	1,750	1,766	1,782	1,798
Other	-	-	-	-	-
Total provisions	1,734	1,750	1,766	1,782	1,798
Payables					
Suppliers	928	685	673	663	663
Grants	7,134	9,136	9,015	8,919	8,915
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	-	-	-	-	-
Total payables	8,062	9,821	9,688	9,582	9,578
Total liabilities	9,796	11,571	11,454	11,364	11,376
EQUITY					
Parent entity interest					
Contributed equity	-	-	-	-	-
Reserves	3,777	2,026	2,026	2,026	2,026
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	20,257	22,008	22,008	22,008	22,008
Total parent entity interest	24,034	24,034	24,034	24,034	24,034
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	24,034	24,034	24,034	24,034	24,034
Current assets	28,990	30,973	31,631	32,082	32,520
Non-current assets	4,840	4,632	3,854	3,316	3,557
Current liabilities	8,846	10,611	10,484	10,384	10,336
Non-current liabilities	950	960	970	980	990

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

	Actual 2004-05 \$'000	Revised budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Goods and services	-	-	-	-	-
Appropriations	141,223	150,978	145,255	146,428	146,378
Interest	2,477	2,000	1,500	1,500	1,500
Dividends	-	-	-	-	-
Other	18,745	21,355	22,243	16,470	16,163
Total cash received	162,445	174,333	168,998	164,398	164,041
Cash used					
Employees	9,394	10,284	10,284	10,284	10,284
Suppliers	4,625	4,030	4,030	4,031	4,031
Grants	127,148	158,541	153,802	149,325	149,275
Financing costs	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	141,167	172,855	168,116	163,640	163,590
Net cash from or (used by) operating activities	21,278	1,478	882	758	451
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	46	-	-	-	-
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	-	-	-	-	-
Total cash received	46	-	-	-	-
Cash used					
Purchase of property, plant and equipment	802	532	-	-	-
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	-	-	-	-	-
Total cash used	802	532	-	-	-
Net cash from or (used by) investing activities	(756)	(532)	-	-	-
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase or (decrease) in cash held	20,522	946	882	758	451
Cash at the beginning of the reporting period	5,988	26,510	27,456	28,338	29,096
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	26,510	27,456	28,338	29,096	29,547

Table 3.4: Departmental statement of changes in equity – summary of movement

**Table 3.4: Departmental statement of changes in equity – summary of movement
(Budget year 2005-06)**

	Accumulated results \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balances as at 1 July 2005					
Balance carried forward from previous period	20,257	2,026	1,751	-	24,034
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balances	20,257	2,026	1,751	-	24,034
Income and expenses					
Income and expenses recognised directly in equity					
Gain/loss on revaluation of property	1,751	-	(1,751)	-	-
Sub-total income and expenses	1,751	-	(1,751)	-	-
Net operating result	-	-	-	-	-
Total income and expenses recognised directly in equity	1,751	-	(1,751)	-	-
Transactions with owners					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
Contribution by owners					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-
Transfers between equity components	-	-	-	-	-
Closing balance as at 30 June 2006	22,008	2,026	-	-	24,034

Table 3.5: Departmental capital budget statement

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	-	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total represented by	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by	802	832	-	-	-
Departmental resources					
Total	802	832	-	-	-

Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement (Budget year 2005-06)

	Land \$'000	Investment property \$'000	Buildings \$'000	Specialist military equipment \$'000	Other infrastructure plant and equipment \$'000	Heritage and cultural assets \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
As at 1 July 2005									
Gross book value	149	-	4,589	-	3,252	-	2,388	-	10,378
Accumulated depreciation	-	-	1,871	-	1,588	-	2,079	-	5,538
Opening net book value	149	-	2,718	-	1,664	-	309	-	4,840
Additions:									
by purchase	-	-	40	-	312	-	180	-	532
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	326	-	241	-	173	-	740
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2006									
Gross book value	149	-	4,629	-	3,564	-	2,568	-	10,910
Accumulated depreciation	-	-	2,197	-	1,829	-	2,252	-	6,278
Closing net book value	149	-	2,432	-	1,735	-	316	-	4,632

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Basis of accounting

The budgeted financial statements have been prepared in accordance with: The Finance Minister's Orders (Commonwealth Authorities and Companies Orders); Australian Equivalents to International Financial Reporting Standards; Accounting Interpretations issued by the Australian Accounting Standards Board; and Consensus Views of the Urgent Issues Group. The minimal impact of transition to Australian Equivalents to International Financial Reporting Standards (AEIFRS) is reported in note 2 to the Australia Council's audited financial statements for the year ended 30 June 2005.