

**NATIONAL ARCHIVES OF
AUSTRALIA**

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Section 1: Agency overview and resources; variations and measures

OVERVIEW

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

Table 1.1: Agency outcomes and output groups

Outcome	Output
Outcome 1	
A national archival collection, preserved and accessible for all Australians; the creation and management of Commonwealth records that support accountable government.	<p>Output 1.1 Enable and promote best practice in the management of government records from the point of creation for as long as required to support the needs of government and the people.</p> <p>Output 1.2 Develop, manage and promote a visible, known and accessible national collection that engages and informs the community; and foster appreciation of the role of archives in society.</p>

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

The annual appropriation for 2005-06 has been increased by \$324,000 representing the increased expenses relating to recognition of make good liability as a result of the adoption of Australian Equivalents to International Financial Reporting Standards (AEIFRS).

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				
AEIFRS adjustment for increase in make good expenses	324	330	336	342
Indexation adjustment	-	(48)	(192)	(243)

MEASURES

There are no new measures since the 2005-06 Budget affecting NAA.

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					
A national archival collection, preserved and accessible for all Australians; the creation and management of Commonwealth records that support accountable government	65,821	66,381	66,705	324	-
Total	65,821	66,381	66,705	324	-

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 resources		
Sales of Goods and Services	1,300	1,300
Other non-appropriation revenue	22,108	5,397
Total departmental other resources available to be used	23,408	6,697

ESTIMATES OF SPECIAL ACCOUNT FLOWS

Table 1.11: Estimates of special account flows

Special Account	Opening balance 2005-06 2004-05 Outcome \$'000	Receipts 2005-06 2004-05 \$'000	Payments 2005-06 2004-05 \$'000	Adjustments 2005-06 2004-05 \$'000	Closing balance 2005-06 2004-05 \$'000
Australian Archives Projects and Sponsored Archives Account - s20 FMA Act1 (D)	216 238	230 225	230 247	- -	216 216
Total Special Accounts	216 238	230 225	230 247	- -	216 216

D = Departmental

A = Administered

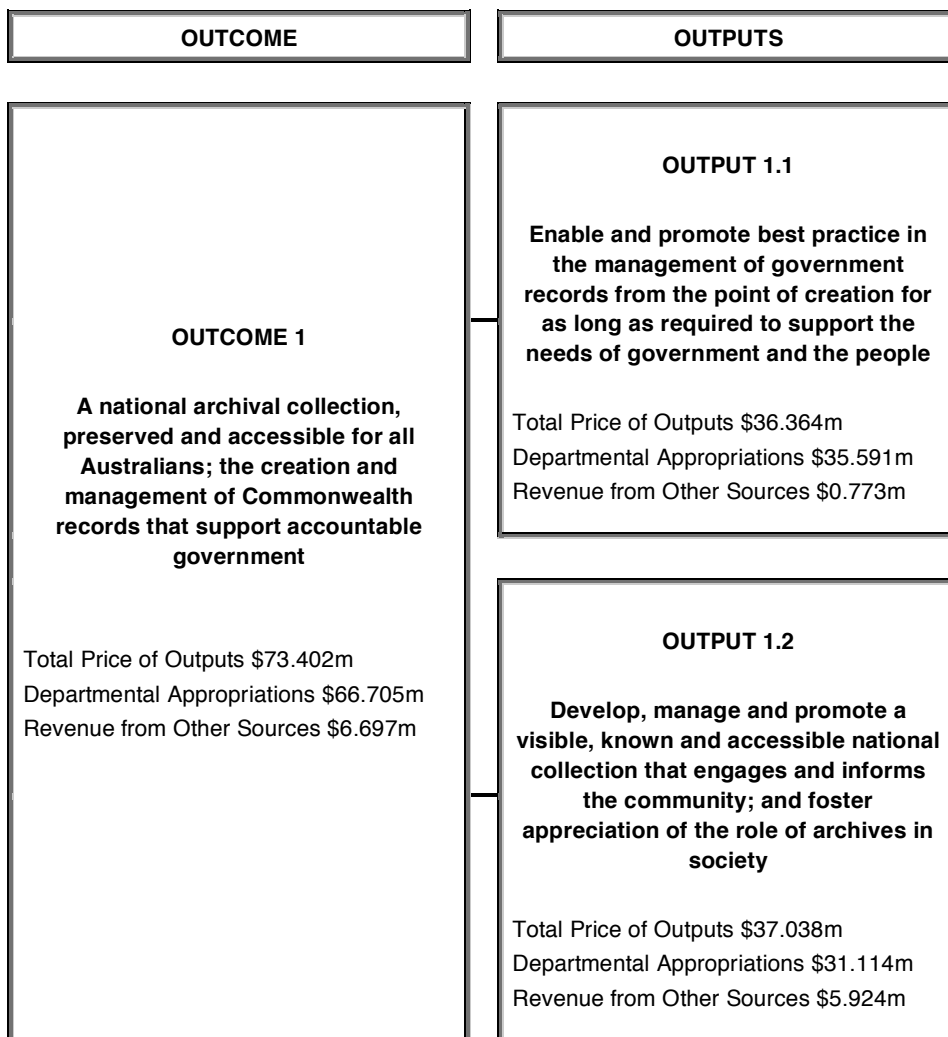
Acts Glossary

1 = FMA Act - Financial Management and Accountability Act, 1997

Section 2: Agency resources for 2005-06

OUTCOMES AND OUTPUTS

Figure 2: Outcome and output structure for Outcome 1



Note: Revenue from Government (Appropriations) contributes 90.9 % the Total Price of Outputs for Outcome 1.

Outcome 1

Explanation of variations

The annual appropriation for 2005-06 has been increased by \$324,000 representing increased expenses relating to recognition of make good liability as a result of the adoption of Australian Equivalents to International Financial Reporting Standards.

Revenue from non-appropriation sources relating to the annual collection intake was reduced to \$5.217m to more accurately reflect the expected intake for 2005-06.

Table 2.1: Performance information for Outcome 1

Output	Performance information 2005-06 Budget	Performance information 2005-06 revised
Performance Information for Departmental Output 1.1		
Enable and promote best practice in the management of government records from the point of creation for as long as required to support the needs of government and the people.	Quality Level of agency use of National Archives recordkeeping products and services.	Quality No change - as per Budget
	Quality and appropriateness of the storage of the National Archives collection.	No change - as per Budget
	Quantity Increase in the total proportion of government functions covered by National Archives records disposal authorities. Target : 100 per cent coverage by June 2011.	Quantity No change - as per Budget
	Number of items receiving preservation treatment in the year. Target : 1 million items.	No change - as per Budget
	Price \$36.192m	Price \$36.364m
Performance Information for Departmental Output 1.2		
Develop, maintain and promote a visible, known and accessible national collection that engages and informs the community; and foster appreciation of the role of archives in society.	Quality A well described National Archives collection.	Quality No change - as per Budget
	Enhanced experience for public users of National Archives products and services.	No change - as per Budget
	Quantity Number of additional archival items described in RecordSearch. Target: 600,000.	Quantity No change - as per Budget
	Level of public awareness and use of National Archives' products and services.	No change - as per Budget
	Price \$53.597m	Price \$37.038m

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

An analysis of the Archives' budgeted financial statements with a focus on expected changes in 2005-06 as a result of Additional Estimates compared to Budget is provided below:

Budgeted departmental income statement

The Archives is budgeting for an operating surplus of \$5.217m. Total revenue is estimated to be \$73.402m, a net decrease of \$16.387m from the 2005-06 Budget. The net decrease is a result of:

- Decreased collection intake (\$16.711m) to more accurately reflect expected intake for 2005-06.
- Increased appropriation funding (\$0.324m) for increased expenses relating to recognition of make good liability as a result of the adoption of Australian Equivalents to International Financial Reporting Standards.
- Total expenses are estimated to be \$68.185m, a net increase of \$0.324m from the 2005-06 Budget. The net increase is caused by the recognition of make good liability as a result of the adoption of Australian Equivalents to International Financial Reporting Standards.

Budgeted departmental balance sheet

The significant changes to the balance sheet are:

- Decrease in the expected value of the collection (\$47.643m) representing the significantly lower than budgeted actual collection intake in 2004-05 and the decrease in the budgeted estimate for 2005-06.
- Increase in provision other (\$2.129m) representing the recognition of make good provision resulting from the formal revaluation in compliance with the Australian Equivalents to International Financial Reporting Standards.

BUDGETED FINANCIAL STATEMENTS TABLES

For an explanation of the Budgeted Financial Statements tables, please see the User Guide.

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	65,821	66,705	66,043	66,069	66,281
Goods and services	1,864	1,300	1,350	1,404	1,415
Interest	7	-	-	-	-
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	4,068	5,397	22,108	22,108	22,108
Total Revenue	71,760	73,402	89,501	89,581	89,804
Gains					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	48	-	-	-	-
Other	-	-	-	-	-
Total Gains	48	-	-	-	-
Total Income	71,808	73,402	89,501	89,581	89,804
EXPENSE					
Employees	32,969	31,264	31,399	31,589	31,840
Suppliers	18,251	20,213	19,972	19,510	19,774
Grants	-	-	-	-	-
Subsidies	-	-	-	-	-
Depreciation and amortisation	15,158	16,372	15,860	16,206	15,906
Finance costs	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from assets sold	2,186	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	247	336	342	347	356
Total expenses	68,811	68,185	67,573	67,652	67,876
Borrowing costs expense	9	-	-	-	-
Share of net profits or (losses) of associates and joint ventures accounted for using the equity method	-	-	-	-	-
Operating result from continuing operations	2,988	5,217	21,928	21,929	21,928
Operating result from discontinued operations	-	-	-	-	-
Gain (loss) on remeasuring discounted operations	-	-	-	-	-
Operating result	2,988	5,217	21,928	21,929	21,928
Monitory interest in net surplus (or deficit)	-	-	-	-	-
Net surplus (or deficit) attributable to the Australian Government	2,988	5,217	21,928	21,929	21,928

Table 3.2: Budgeted departmental balance sheet

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	1,301	1,727	2,147	2,573	3,666
Receivables	49,321	55,862	62,810	69,323	69,323
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	50,622	57,589	64,957	71,896	72,989
Non-financial assets					
Land and buildings	-	-	-	-	-
Infrastructure, plant and equipment	43,860	43,879	40,211	36,830	33,627
Investment properties	-	-	-	-	-
Heritage and cultural assets	1,092,432	1,104,648	1,135,178	1,165,708	1,195,403
Inventories	253	271	313	356	356
Intangibles	12,561	12,951	13,161	13,364	13,567
Biological assets	-	-	-	-	-
Assets held for sale	-	-	-	-	-
Other	948	855	663	627	627
Total non-financial assets	1,150,054	1,162,604	1,189,526	1,216,885	1,243,580
Total assets	1,200,676	1,220,193	1,254,483	1,288,781	1,316,569
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	23	1	1	1	1
Total interest bearing liabilities	23	1	1	1	1
Provisions					
Employees	9,284	9,568	9,729	9,956	10,028
Other	1,004	3,143	3,344	3,486	3,534
Total provisions	10,288	12,711	13,073	13,442	13,562
Payables					
Suppliers	-	-	-	-	-
Grants	-	-	-	-	-
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Other	801	801	801	801	805
Total payables	801	801	801	801	805
Total liabilities	11,112	13,513	13,875	14,244	14,368
EQUITY					
Parent entity interest					
Contributed equity	272	12,272	24,272	36,272	48,272
Reserves	300	300	300	300	300
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	1,188,992	1,194,108	1,216,036	1,237,965	1,253,629
Total parent entity interest	1,189,564	1,206,680	1,240,608	1,274,537	1,302,201
Minority interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total minority interest	-	-	-	-	-
Total equity	1,189,564	1,206,680	1,240,608	1,274,537	1,302,201
Current assets	51,823	58,715	65,933	72,879	73,972
Non-current assets	1,148,853	1,161,478	1,188,550	1,215,902	1,242,597
Current liabilities	8,761	8,992	9,203	9,397	9,380
Non-current liabilities	2,351	4,521	4,672	4,847	4,988

**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	1,979	1,648	1,723	1,777	1,838
Appropriations	65,821	66,381	65,761	65,925	66,182
Interest	7	-	-	-	-
Dividends	-	-	-	-	-
Other	2,956	2,943	2,964	2,982	2,998
Total cash received	70,763	70,972	70,448	70,684	71,018
Cash used					
Employees	31,783	32,264	32,399	32,589	32,840
Suppliers	21,167	23,010	22,663	22,136	22,418
Grants	-	-	-	-	-
Financing costs	9	-	-	-	-
Other	9,478	5,506	7,062	7,003	5,959
Total cash used	62,437	60,780	62,124	61,728	61,217
Net cash from or (used by) operating activities	8,326	10,192	8,324	8,956	9,801
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	48	-	-	-	-
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	48	-	-	-	-
Cash used					
Purchase of property, plant and equipment	8,436	9,766	7,904	8,530	8,708
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	8,436	9,766	7,904	8,530	8,708
Net cash from or (used by) investing activities	(8,388)	(9,766)	(7,904)	(8,530)	(8,708)
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Repayments of debt	329	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
Total cash used	329	-	-	-	-
Net cash from/(used by) financing activities	(329)	-	-	-	-
Net increase or (decrease) in cash held	(391)	426	420	426	1,093
Cash at the beginning of the reporting period	1,692	1,301	1,727	2,147	2,573
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
Cash at the end of the reporting period	1,301	1,727	2,147	2,573	3,666

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	1,188,992	300	-	272	1,189,564
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balances	1,188,992	300	-	272	1,189,564
Income and expenses					
Income and expenses recognised directly in equity					
Gain/loss on revaluation of property	-	-	-	-	-
Sub-total income and expenses	-	-	-	-	-
Net operating result	5,217	-	-	-	5,217
Total income and expenses recognised directly in equity	5,217	-	-	-	5,217
Transactions with owners					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
Contribution by owners					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	(101)	-	-	12,000	11,899
Sub-total transactions with owners	(101)	-	-	12,000	11,899
Transfers between equity components	-	-	-	-	-
Closing balance as at 30 June 2006	1,194,108	300	-	12,272	1,206,680

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	8,436	21,939	21,004	21,630	20,673
Departmental resources					
Total	8,436	21,939	21,004	21,630	20,673

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

	Land	Investment property	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	\$'000
As at 1 July 2005									
Gross book value	-	-	-	-	61,475	1,097,194	11,338	5,151	1,175,158
Accumulated depreciation	-	-	-	-	17,615	4,762	3,693	235	26,305
Opening net book value	-	-	-	-	43,860	1,092,432	7,645	4,916	1,148,853
Additions:									
by purchase	-	-	-	-	8,276	-	1,490	-	9,766
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	-	-	10,179	5,093	1,100	-	16,372
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	1,922	17,309	-	-	19,231
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
As at 30 June 2006									
Gross book value	-	-	-	-	71,673	1,114,503	12,828	5,151	1,204,155
Accumulated depreciation	-	-	-	-	27,794	9,855	4,793	235	42,677
Closing net book value	-	-	-	-	43,879	1,104,648	8,035	4,916	1,161,478

NOTES TO THE FINANCIAL STATEMENTS

Departmental

The agency budget statements are prepared in accordance with the Australian Accounting Standards.

Note 1 – Revenue

Appropriation revenue has increased as a result of recognising make good liability and the increased expenses related to this recognition (refer to table 1.3). Other revenue, relating to the collection intake has significantly decreased (\$16.711m) to more accurately reflect the expected intake for 2005-06.

Note 2 – Expenses

Depreciation and amortisation expense and other goods and services expense have increased as a result of the recognition of make good liability. The increases in expenses were as a result of the formal valuation of make good liability.

Note 3 – Heritage and cultural assets

The value of heritage and cultural assets has been significantly decreased as a result of the actual collection intake for 2004-05 being lower than the budgeted estimate and the decrease in the budget estimate for 2005-06.

Note 4 – Provisions other

Provisions other has increased in recognition of the make good liability which was a result of the adopting the Australian Equivalents to International Financial Reporting Standards. The value of the liability is calculated at net present value.