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National Gallery of Australia

GALLERY OVERVIEW, APPROPRIATIONS AND

BUDGET MEASURES SUMMARY

GALLERY OVERVIEW

The purpose of the National Gallery of Australia (the Gallery) is to serve the public by enhancing understanding and enjoyment of the visual arts, through the effective and efficient use of its collections, which will be developed, researched, preserved, displayed, interpreted, promoted and complemented with exhibitions and loans. The Gallery's aim is to provide access to works of art and information about them locally, nationally and internationally.

The Gallery's vision is to be the premier public art gallery in the country: by the standard of its collections and the use it makes of them in the service of the public, and through its activities.

The Gallery is mandated by the *National Gallery of Australia Act 1975* to:

- develop and maintain its collection of works of art
- exhibit, or provide for exhibition by others, works of art from the Gallery's collection, or works of art that are on loan to the Gallery, and to make available information about them.

Outcomes and outputs of the Gallery relate to the above purpose and the Gallery's legislated obligations.

APPROPRIATIONS

The total accrual appropriation for the Gallery in the 1999-2000 Budget, including a Capital use charge of \$136.9m, is \$160.9m. In addition the Gallery will receive, as an equity injection, an appropriation of \$4.0m. for the purchase of works of art, further information on this equity injection can be found on page 242.

Table 1.1, on the following page, shows the total accrual for the National Gallery of Australia for 1999-2000 for the Government outcome which represents the price of outputs appropriation and equity injections.

NATIONAL GALLERY OF AUSTRALIA - APPROPRIATIONS 1999-2000

Table 1.1 Appropriations (\$ 000)

OUTCOMES	ADMINISTERED EXPENSES			PRICE OF OUTPUTS					TOTAL APPROPS	TOTAL ESTIMATED EXPENSES
	Special Approps	Annual Approps	Total Admin Approps	Total Price of Outputs	Revenue from other sources	Revenue from Government (Approps)			R	
	Â•	Bill 1	Bill 2 (SPP s & NAO's) Â•		Â•	Special	Annual Bill 1	Total		
(A)	(B)	(C)	(D=A+B+C)	(E)	(F)	(G)	(H=E-F-G)	(I=G+H)	(J=D+I)	(K=J+F)

Outcome 1: Encourage understanding, knowledge and enjoyment of the visual arts by providing access to and information about works of art locally, nationally and internationally.	nil	nil	nil	nil	164,774 (E1)	3,920	nil	160,854	160,854 (1) y98.0%	160,854	27,280
Total	nil	nil	nil	(K1) nil	164,774	3,920	(K1) nil	(K1) 160,854	160,854	160,854	27,280
									Bill 2 Administered Capital	nil	
									Bill 2 Departmental Equity Injections and Loans	4,000	
										(K2) 4,000	
									TOTAL APPROPRIATIONS	164,854	
Amounts in shading are included in appropriation bills.											

RLinks from appropriations to budgeted financial statements include: Amount K1 and amount K3 to Budgeted Statement of Revenues and Expenses (see Table 3.1); and amount K2 to Capital Budget (Tables 3.4 & 3.5)

• Under the proposed Appropriation Structure, Bill 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans

? Refer to Budgeted Statement of Revenue and Expense for application of agency revenue (see Table 3.1)

• Other Revenue includes other revenue from other sources (e.g. sales of merchandise in the shop or entry fees to exhibitions)

• The difference between the price less revenue from other sources represents a surplus of \$630,000. This surplus arises from donations and gifts, which are used to acquire works of art and funds used to repay loans from Government

Note: Cell E1 and I1 refer to information provided in Table 2.2.1

y Percentage figure indicates the percentage contribution of Total Departmental Appropriations to the Total Output Price, by outcome. The overall percentage for Gallery is

98%

EQUITY INJECTIONS AND LOANS

The Gallery will receive an equity injection of \$4.0m in 1999-2000 to acquire new works of art to develop the collection. The injections are shown in Table 1.1, on page 241, and are accounted for in the Capital Budget (see Tables 3.4 and 3.5), and Appropriation Bill Number 2, 1999-2000.

The purchase of new works of art enables the Gallery to meet its requirements to develop and maintain a national collection of works of art under the *National Gallery of Australia Act 1975*. The works acquired will continue to enable the Gallery to:

- enhance the understanding and enjoyment of the visual arts
- tell the story of the development of indigenous and non-indigenous Australian art
- provide a representative collection of the major individuals and movements in Australian and International art.

The purchase of works of art from the capital injection is supplemented by other acquisitions through gift or bequest of works of art or donation of money, which is used to purchase works of art.

In addition the Gallery is replacing and upgrading its financial management information system, its collection management system, human resource management system and its point of sale systems during 1998-99 and 1999-2000 which it is funding out of its own resources. The estimated capital cost in 1999-2000 is \$0.4m. The new systems will support all outputs contributing to the Outcome.

The National Gallery of Australia has not been appropriated any administered capital or loans for 1999-2000.

SECTION 2

OUTCOMES AND OUTPUTS INFORMATION

OUTCOMES AND OUTPUT

The map on the following page shows the relationship between the Government outcome and the contributing outputs for the National Gallery of Australia. Financial detail for Outcome 1 by outputs appear in table 2.2.1 while non-financial information for Outcome 1 appears in table 2.3.1.

CONTRIBUTING OUTPUTS

Note: Revenue from Government through appropriations contributes 98% to the total output price for the outcome for 1999-2000

OUTCOME 1	
Table 2.1.1: Relationship between old Program structure and new Outcome structure for Outcome 1	
PROGRAM MANAGEMENT BUDGETING	ACCRUAL BUDGETING
PROGRAM 1 An Australian-cultural environment that continues to: <ul style="list-style-type: none"> • encourage participation in, and access to, diverse cultural experiences; • promote creativity and excellence; • foster vigorous and sustainable cultural industries; and • foster the protection and preservation of Australia's cultural heritage 	OUTCOME 1 Encourage understanding, knowledge and enjoyment of the visual arts by providing access to and information about works of art locally, nationally and internationally.
Sub-program	Output
Subprogram 1.6 National Gallery of Australia To lead the way in collecting and presenting visual arts in Australia.	Output 1.1, 1.2, 1.3, 2.1, 2.2
Appropriations for Program 1	Appropriations for Outcome 1
Subprogram 1.6 National Gallery of Australia <i>Appropriation Bills No. 1 & 3</i> Div 158 National Gallery of Australia 1: For expenditure under the <i>National Gallery of Australia Act 1975</i> (\$ 000) 20,038 TOTAL OUTLAYS (\$ 000) 20,038	<i>Appropriation Bill No. 1</i> • Agency outputs \$ 000 160,854 <i>Appropriation Bill No. 2</i> • Equity injection \$ 000 4,000

*NOTE: The funds appropriated for the development of the collection by acquiring additional works of art were included in Bill 1 for 1998-99 as part of other services. In 1999-2000 the appropriation for the purchase of works of art to develop the collection is included in Bill 2 as an equity injection.

There are no Special Appropriations for the National Gallery of Australia

OUTCOME 1**Encourage understanding, knowledge and enjoyment of the visual arts by providing access to and information about works of art locally, nationally and internationally.**

The enhancement of people's understanding and enjoyment of the visual arts is an aim of the Government as it confers social benefits on the Australian community and enhances the reputation of Australia in the international art world. The main focus is thus on developing and maintaining a quality collection and providing access to and information about both the collection and works of art on loan to the Gallery.

The Gallery leads the way in Australia in developing a premier collection and through the use it makes of the collection in service to the public. The Gallery develops, researches, preserves, displays, interprets and promotes the collection complemented with exhibitions, outward loans and access to works of art. In addition the Gallery enhances the understanding and enjoyment of the visual arts through an innovative public program, information in multi media and published forms and a diverse education program.

In 1999-2000 the Gallery will continue to develop and maintain the collection and to provide access to people locally through exhibitions, displays and public programs, nationally through these, travelling exhibitions and a loan program and internationally through travelling exhibitions and loans of important works from the collection for international exhibitions.

1999-2000 BUDGET MEASURES AFFECTING OUTCOME 1

There are no budget measures affecting Outcome 1.

MEASURES SINCE LAST BUDGET AFFECTING OUTCOME 1

A one-off payment of \$550,000 through Additional Estimates was appropriated in 1998-99 to meet infrastructure repairs and maintenance costs, pending the introduction of accrual budgeting in 1999-2000 in which ongoing costs of infrastructure repairs and maintenance will be considered.

A non-budget measure, agreed with the Portfolio Minister, which will impact the price of outputs for the Gallery, is detailed below. This non-budget measure will impact on the contribution that the Gallery can make to the achievement of Outcome 1.

The impact of the additional management and reporting requirements will be absorbed under the existing budgeted output price for 1999-2000.

RESOURCES FOR OUTCOME 1

Table 2.2.1. Shows how the 1998-99 appropriation and program structure translate to total resourcing for Outcome 1, including Total Administered Expenses, Revenue from Government (Appropriation) for Outputs, and the Total Price of Outputs. Cell references **E1** and **I1** show the links back to Table 1.1, the Appropriations Table. Table 2.3.1 also compares cash with accrual figures for 1998-99.

Table 2.2.1 Total Resources for Outcome 1 (\$ 000)

Outcome 1 Encourage understanding, knowledge and enjoyment of the visual arts by providing access to and information about works of art locally, nationally and internationally.

Administered Expenses (Including third party outputs)	Estimated Payments	Estimated Expenses	Estimated Expenses
	1998-99 CASH \$ 000	1998-99 ACCRUAL \$ 000	1999-00 \$ 000
The NGA has no administered expenses	nil	nil	nil
Total Administered Expenses	nil	nil	nil
Price of Agency Outputs		2,873	44,617
Output Group 1 Collection development and maintenance		1,635	2,446
Output		4,694	48,231
1. Collection development			
2. Collection documentation			
3. Collection maintenance			
Subtotal Output Group 1	Note 1	9,202	95,294

Output Group 2 - Access to and promotion of works of art		11,359	61,443
Output		5,564	7,407
1. Access to works of art			
2. Information about and promotion of works of art			
Subtotal Output Group 2	Note 1	16,923	68,850
Revenue from Government (Appropriation) for Agency Outputs	20,038	16,416	160,854
	68.3%	62.8%	98.0%
			(11)
Revenue from other Sources	9,489	9,489	3,920
Total Price of Outputs	29,527	26,125	164,144
			(E1)
TOTAL FOR OUTCOME 1	29,527	26,125	164,144
(Total Price of Outputs and Admin Expenses)			
STAFF YEARS (NUMBER)	1998-99	1999-00	
	210	210	

Note 1: Expenditure for 1998-99 has not been split into outputs as the output regime was not in place in that year.

The percentage figure in the Revenue from Government (Appropriation) for Departmental Outputs in Table 2.2.1, shows the percentage contribution Revenue from Government makes to the Total Price of Outputs for the Outcome. For 1999-2000 the Gallery budget shows a significant increase in the contribution from Government as it will be responsible for contributing to the Capital Use Charge of \$136.9m introduced as part of the 1999-2000 accrual-based budget.

For the outcome, revenue from other sources is expected to fall in actual terms from \$9.5m in 1998-99 to \$3.9m in 1999-2000 as donations or bequests are not expected to continue at the level achieved in 1998-99. In 1998-99 the Gallery received an unexpected bequest in excess of \$5.0m. Thus the total for the year far exceeded the budgeted donations and bequests for 1998-99 and prior years actual donations and bequests.

CONTRIBUTION OF OUTPUTS TO OUTCOME 1

The National Gallery of Australia plans to deliver five outputs to achieve the outcome of encouraging understanding, knowledge and enjoyment of the visual arts. The outputs represent the key components delivered by the Gallery in collection development and maintenance and access to and information about the collection and works of art.

The links between the outputs and the outcome are set out below.

Output 1 Collection development and maintenance

Output 1.1 Collection development

Description: The National Gallery of Australia aims to build a collection of works of art of outstanding quality through acquisition, gift and bequest, and through disposal.

Output 1.2 Collection documentation

Description: The National Gallery of Australia's collection is accessioned and documented in order to account for each work of art in the collection. Works of art are catalogued to provide information about the collection and to enable access to that information.

Output 1.3 Collection maintenance

Description: The National Gallery of Australia stores, secures and conserves its collection in order to preserve it for the Australian people now and for the future.

A collection of outstanding aesthetic quality is important to the Australian community, and thus the Gallery will develop and maintain the collection accordingly. The collection provides the basis for enhancing understanding and enjoyment of the visual arts, and thus the Gallery seeks to maximise the productive use of the collection as a public asset.

Output 2 Access to and information about works of art**Output 2.1 Access to works of art**

Description: The National Gallery of Australia provides access to works of art by displaying, exhibiting and lending its collection, as well as borrowing works from other sources. Access to works from the collection which are not on display, is also provided. The National Gallery of Australia aims to maintain the highest museum standards of display and exhibition.

Output 2.2 Information about and promotion of works of art

Description: The National Gallery of Australia enhances the understanding, knowledge and enjoyment of art by providing information about and promoting the benefits of works of art through visitor services, education and public programs and through multimedia.

The Gallery seeks to achieve the widest audience possible both in attracting visitors to the Gallery and by sending works of art around Australia and overseas thereby improving access to works of art and providing information about them. It encourages enjoyment of the collection through innovative displays, exhibitions and public programs. It also fosters research and scholarship about works of art and promotes the artistic achievement of Australia.

Table 2.3.1, below, lists the performance information that the Gallery will use to assess the level of achievement of its outcome during 1999-2000. The table shows the efficiency of the outputs in contributing to the outcome. Information shown is both quantitative and qualitative. Targets for effectiveness have been included where they are applicable and appropriate for performance information for the outcome.

Achievement of planned performance will be reported in the National Gallery of Australia 1999-2000 annual report.

PERFORMANCE INFORMATION FOR OUTCOME 1**Table 2.3.1: Performance Information and Planned Level of Achievement, 1999-2000**

Effectiveness Overall Achievement of the Outcome - (Measures, indicators and targets used as appropriate)	
Improved understanding and knowledge of the visual arts	Visitors to the Gallery, or to works presented externally by the Gallery, believed their understanding and knowledge of the visual arts was improved through such visits
Enhanced enjoyment of the visual arts	Visitors to the Gallery, or to works presented externally by the Gallery, enjoyed their experience of the visual arts
Increased access to works of art	Percentage of the Gallery collection accessed in a year. Number of people who accessed the collection or information about it.
Performance Information for Administered Items (Including third party outputs)	
NGA has no administered items	
Performance Information for Agency Outputs	
Output Group 1 Collection development and maintenance	
Output 1.1 Collection development	Quality: <ul style="list-style-type: none"> • 100% of acquisitions consistent with acquisition policy Quantity: <ul style="list-style-type: none"> • 5% of the collection reviewed in the year Price: <ul style="list-style-type: none"> • Total price of outputs - \$2.94m (excluding CUC)

Output 1.2 Collection documentation	<p>Quality:</p> <ul style="list-style-type: none"> • 99% of works accessioned to approved standard <p>Quantity:</p> <ul style="list-style-type: none"> • 500 works fully catalogued in the year <p>Price:</p> <ul style="list-style-type: none"> • Total price of outputs - \$1.73m (excluding CUC)
Output 1.3 Collection maintenance	<p>Quality:</p> <ul style="list-style-type: none"> • 95 % of collection held in conditions consistent with NGA standards • Less than 25 incidents of damage to works of art <p>Quantity:</p> <ul style="list-style-type: none"> • 450 works of art treated <p>Price:</p> <ul style="list-style-type: none"> • \$105 cost per square metre of art storage (excluding CUC) • \$2,000 per treatment (excluding CUC)
Performance Information for Agency Outputs	
Output Group 2 : Access to and information about works of art	
Output 2.1 Access to works of art	<p>Quality:</p> <ul style="list-style-type: none"> • 80% of visitors satisfied with displays and exhibitions <p>Quantity:</p> <ul style="list-style-type: none"> • 700,000 people saw works presented by the Gallery • 1,500 items lent including travelling exhibitions • 25 venues visited by travelling exhibitions <p>Price:</p> <ul style="list-style-type: none"> • total cost of exhibitions program \$10.83m (excluding CUC) • \$550 per item lent (excluding travelling exhibition items and CUC)
Output 2.2 Information about and promotion of works of art	<p>Quality:</p> <ul style="list-style-type: none"> • 80% of attendees satisfied with Gallery events <p>Quantity:</p> <ul style="list-style-type: none"> • 6,000 events • 105,000 attendees at events • 130,00 users accessing information via multimedia <p>Price:</p> <ul style="list-style-type: none"> • \$11.80 per attendee at events (excluding CUC) • \$2.40 per multimedia access (excluding CUC)

EVALUATIONS

The outputs delivered by the Gallery will be monitored on an ongoing basis through actively seeking feedback through the Gallery's Service Charter, correspondence, visitor surveys and feedback from venues for the Gallery's shows and works of art. During 1999-2000 more extensive market research will be conducted in relation to Output Group 2: access to and information about works of art.

COMPETITIVE TENDERING AND CONTRACTING

The Gallery has, for a number of years, contracted out, on a competitive basis, catering and restaurant services, stationary purchasing, and some facilities management and maintenance functions. In 1999-2000 these functions will continue to be competitively contracted out. Other functions including information technology hardware and maintenance services, human resource and payroll systems and services and editorial and publishing services will be tested against the competitive market in 1999-2000.

The above services to be tested in 1999-2000 will support the Gallery in delivering all of its outputs.

SECTION 3

BUDGETED FINANCIAL STATEMENTS

The following budgeted financial statements for the National Gallery of Australia are presented in this section. The budgeted financial statements are set out in a format consistent with the financial statements that will appear in the National Gallery of Australia's 1999-2000 annual report, and form the basis for the input into the Whole of Government Accounts.

Budgeted Statement of Revenues and Expenses (Budgeted Operating Statement) (Table 3.1)

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

Budgeted Statement of Assets and Liabilities (Budgeted Balance Sheet) (Table 3.2)

This statement shows the financial position of the Gallery and whether the Gallery's financial strength is likely to improve or worsen. It enables decision-makers to track the management of the Gallery's assets and liabilities and, in conjunction with information on budgeted cash flows, whether the Gallery is financially viable in the long run.

Budgeted Statement of Cash Flows (Table 3.3)

This statement shows the budgeted cash flows and 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.

Capital Budget (Table 3.4)

This statement shows all proposed capital expenditure funded either through the Budget as appropriation by equity injections or as loans, and/or appropriations for administered capital, or as funds from internal or other sources.

Non-financial Assets - Summary of Movement (Table 3.5)

This statement shows the movements in Non-financial assets including acquisitions, and disposals and depreciation of assets during the Budget year 1999-2000.

Table 3.1 Budgeted Statement of Revenue and Expenses						
Note	1998-99	1999-2000	Estimated	Estimated	Estimated	Estimated
			Actual	2000-01	2001-02	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING REVENUES						
Revenue from Government						
Ordinary annual appropriations	1	16,416	160,854	161,973	163,075	164,213
Operating revenues from independent sources						
Commercial activities		2,757	2,810	2,881	2,949	3,023
Other operating income	2	1,182	630	645	662	678
Interest	3	150	50	100	140	190
Art acquisitions - gifts and donations	4	5,400	430	441	451	463
Total operating revenue		25,905	164,774	166,040	167,277	168,567

EQUITY						
Capital	13	68,712	72,712	76,712	80,712	84,712
Reserves	14	491,860	491,860	491,860	491,860	491,860
Accumulated results of operations	15	579,962	580,592	581,233	581,884	582,547
Total equity		1,140,534	1,145,164	1,149,805	1,154,456	1,159,119
Total liabilities and equity		1,146,948	1,149,378	1,153,905	1,158,444	1,162,998
FINANCIAL ASSETS						
Cash	16	610	1,817	3,003	4,190	5,381
Receivables		176	176	176	176	176
Other		20	20	20	20	20
Total financial assets		806	2,013	3,199	4,386	5,577
NON-FINANCIAL ASSETS						
Land and buildings	17	115,835	114,525	113,395	112,265	111,135
Infrastructure, plant and equipment	18	1,432	1,407	1,562	1,717	1,872
Works of art	19	1,027,409	1,029,756	1,034,197	1,038,649	1,043,112
Intangibles	20	675	910	785	660	535
Inventories	21	624	600	600	600	600
Other		167	167	167	167	167
Total non-financial assets		1,146,142	1,147,365	1,150,706	1,154,058	1,157,420
Total assets		1,146,948	1,149,378	1,153,905	1,158,444	1,162,998

Table 3.3 Budgeted Statement of Cash Flows

	Note	Estimated				
		Actual	Estimated	Estimated	Estimated	
		1998-99	1999-2000	2000-01	2001-02	2002-03
		\$'000	\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received						
Parliamentary appropriations received	22	16,416	160,855	161,973	163,075	164,213
Receipts from customers and donations	23	9,339	3,870	3,967	4,062	4,164
Interest		150	50	100	140	190
Total cash received		25,905	164,775	166,040	167,277	168,567
Cash used						
Employees		11,827	11,676	11,968	12,255	12,561
Suppliers	5	7,038	8,182	8,552	8,885	9,247
Interest		78	70	70	70	70
Total cash used		18,943	19,928	20,590	21,210	21,878
Net cash flow from operating activities		6,962	144,847	145,450	146,067	146,689
CASH FLOWS FROM INVESTING ACTIVITIES						

Cash used						
Payments for property, plant and equipment	24	3,783	1,000	1,000	1,000	1,000
Payments for works of art	25	12,769	9,576	9,644	9,703	9,763
Total cash used		16,552	10,576	10,644	10,703	10,763
			*			
Net cash flow from investing activities		(16,552)	(10,576)	(10,644)	(10,703)	(10,763)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash received						
Equity injections	13	4,000	4,000	4,000	4,000	4,000
Total cash received		4,000	4,000	4,000	4,000	4,000
Cash used						
Capital use charge		0	136,864	137,420	137,977	138,535
Repayment of borrowings	10	300	200	200	200	200
Total cash used		300	137,064	137,620	138,177	138,735
Net cash flow from financing activities		3,700	(133,064)	(133,620)	(134,177)	(134,735)
Net Increase / Decrease in cash held		(5,890)	1,207	1,186	1,187	1,191
Add: Cash at the beginning of the reporting period		6,500	610	1,817	3,003	4,190
Cash at the end of the reporting period		610	1,817	3,003	4,190	5,381
* Difference between purchase and cash outflows is a creditor at 30 June 1999 of \$2.083m						
Refer to Table 1.1 Appropriations						

Table 3.4 Capital Budget

Capital Appropriation	1999-2000	Estimated	Estimated	Estimated
		2000-01	2001-02	2002-03
		\$'000	\$'000	\$'000
Total equity injections	4,000	4,000	4,000	4,000
Total loans	0	0	0	0
Total capital appropriation	4,000	4,000	4,000	4,000
Represented by:				
Purchase of non-current assets	0	0	0	0
Purchase of works of art	4,000	4,000	4,000	4,000
Total	4,000	4,000	4,000	4,000
Purchase of Non-current Assets				
	1999-2000	Estimated	Estimated	Estimated
		2000-01	2001-02	2002-03
		\$'000	\$'000	\$'000

Funded by capital appropriation	4,000	4,000	4,000	4,000
Funded from donations	430	441	451	463
Funded internally by Gallery resources	4,063	6,203	6,252	6,300
Total	* 8,493	10,644	10,703	10,763

* Difference between purchases and cash outflows is a creditor at 30 June 1999 of \$2.083m

Refer to Table 1.1 Appropriations

Table 3.5 Non-Financial Assets - Summary of movements

Budget Year - 1999-2000

	Works of art \$'000	Land \$'000	Buildings \$'000	Total Land and Buildings \$'000	Infrastructure Plant and Equipment \$'000	Intangibles \$'000	Total \$'000
				Buildings \$'000	Equipment \$'000		
Gross Value							
Opening balance as at 1 July 1999	1,032,534	5,175	113,593	118,768	4,892	926	1,157,120
Additions	7,493	0	100	100	500	400	8,493
Disposals	0	0	0	0	0	0	0
Other movements	0	0	0	0	0	0	0
As at 30 June 2000	1,040,027	5,175	113,693	118,868	5,392	1,326	1,165,613
Accumulated Depreciation							
Opening balance as at 1 July 1999	5,125	0	2,933	2,933	3,460	251	11,769
Disposals	0	0	0	0	0	0	0
Charge for the reporting period	5,146	0	1,410	1,410	525	165	7,246
Other movements	0	0	0	0	0	0	0
As at 30 June 2000	10,271	0	4,343	4,343	3,985	416	19,015
Net book value as at 30 June 2000 (closing book value)	1,029,756	5,175	109,360	114,525	1,407	910	1,146,598
Net book value as at 1 July 1999 (opening book value)	1,027,409	5,175	110,660	115,835	1,432	675	1,145,351

TOTAL ADDITIONS

	Works of art \$'000	Land \$'000	Buildings \$'000	Total Land and Buildings \$'000	Infrastructure Plant and Equipment \$'000	Intangibles \$'000	Total \$'000
				Buildings \$'000	Equipment \$'000		
Internal resources	3,063	0	100	100	500	400	4,063
Donations	430	0	0	0	0	0	430
Appropriations	4,000	0	0	0	0	0	4,000
Total	7,493	0	100	100	500	400	8,493

* Difference between purchases and cash outflows is a creditor at 30 June 1999 of \$2.083m

Refer to Table 1.1 Appropriations

NOTES TO THE BUDGETED FINANCIAL STATEMENTS

The budgeted financial statements are prepared on an accrual basis for the first time for the 1999-2000 Budget. Below are notes, which explain major variations between the projected 1998-99 financial statements and the budgeted financial statements for 1999-2000 and forward estimates to 2002-03.

Statement of Revenues and Expenses

1. Revenue from government increases in 1999-2000 with the introduction of a Capital Use Charge on the net assets of the Gallery and the introduction of accrual budgeting. The capital use charge is set at 12% and amounts to \$136.86m in 1999-2000. The ordinary annual appropriation in 1999-2000 also includes funding for depreciation of the collection of works of art of \$5.15m and buildings and other assets of \$2.1m.
2. Other operating income is projected to fall in 1999-2000 from levels projected in 1998-99 due to a reductions in grants for specific projects, revenue from sponsorship and other revenue from other sources which are outside the control of the Gallery.
3. Revenue from interest earnings will decrease in 1999-2000 due to an average lower level of funds held in the Gallery accounts as funds are being used on new financial, commercial, human resource and collection management systems.
4. Revenue from gifts and donations is expected to vary significantly from 1998-99 to 1999-2000 due to an unexpected bequest in 1998-99 of approximately \$5.0m.
5. Operating expenses for suppliers are projected to increase mainly due to the introduction of an insurance charge from 1 July 1999 by Comcover amounting to \$621,000 in 1999-2000.
6. Operating expenses for employees and suppliers are projected to increase slightly from 1998-99 to 1999-2000 in line with agency workplace agreements and cost of living adjustments.
7. Depreciation and amortisation expenses increase between 1998-99 and 1999-2000 as a result of increases in assets of both works of art and new systems.
8. The interest expense relates to a loan taken out from Government to purchase the art store and warehouse at Hume.
9. The budgeted net operating result for 1999-2000 and forward estimate years are estimated to be zero except for gifts and donations of works of art or money for works of art which result in net operating surpluses.

Budgeted Statement of Assets and Liabilities

10. The loan was taken out from Government to purchase an art store and warehouse at Hume and will be fully repaid by 2002/03.
8. Employee provisions and payables include all leave and remuneration entitlements owing and are projected to increase in line with expected pay increases in the Agency Agreement.
9. Supplier provisions and payables at 30 June 1999 (1998-99) are projected to include \$2.083m owing on the purchase of works of art under current purchase agreements. At 30 June 2000 and subsequent year ends supplier provisions and payables represent amounts owing for the ongoing supply of goods and services and are projected at \$0.757m.
10. Capital equity is budgeted to increase by \$4.0m per annum for 1998-99, the budget year 1999-2000 and the forward estimate years and represents funds provided to purchase works of art as part of the ongoing development of the national collection.
11. The Reserves are an asset revaluation reserve and represents asset revaluation increments including works of art revalued at 30 June 1998 of \$450.63m. The outcome of future revaluations can not be assessed and have thus not been included in the 1999-2000 budget or forward estimates.
12. Accumulated results of operations represent the operating results since the Gallery commenced in 1975. They include an adjustment to opening accumulated results on 1 July 1997 of \$449.32m to recognise works of art gifted to the Gallery prior to that date and works purchased prior to 1 July 1976, previously not brought to account.
13. Cash balances are expected to increase during 1999-2000 and the forward estimate years as the cash requirements in those years are less than the full accrual cost.
14. Land and buildings non-financial assets are projected to decline due to the impact of depreciation. Capital expenditure plans for the building are currently under review.
15. Infrastructure, plant and equipment non-financial assets are projected to increase each year due to the need to update aging plant and equipment.
16. Works of art non-financial assets are projected to increase each year due to appropriations for acquisitions (see note 13 above) of approximately \$4.0m and gifts and donations.
17. Intangible non-financial assets represent computer software and include major enhancements during 1998-99 and 1999-2000.
18. Inventory non-financial assets represent inventory in the gallery shop and the balance will be reduced as action is taken to sell or remove old and slow moving lines.

Budgeted Statement of Cash Flows

22. Parliamentary appropriations received are dramatically different between 1998-99 to 1999-2000 due to the introduction of the capital use charge and funding for the full cost of services, not just the current year cash requirement (refer Note 1).
20. Receipts from customers and donations is down from 1999-99 to 1999-2000 in line with reductions in revenues estimates (refer Note 2).
21. Cash used in investing activities for acquiring property plant and equipment in 1998-99 of \$3.78m includes projects agreed or required by government including the cost of new information systems and improvements to buildings to assist in protecting the national collection. The projected expenditure in 1999-2000 and forward estimates represent only minor replacement items. A review of all building requirements is currently in progress.
22. Payments for works of art can vary significantly from year to year depending on the availability of works appropriate to the collection, settlement terms and the extent of gifts, donations and bequests in any year. The decrease between 1998-99 and 1999-2000 relates primarily to a bequest in 1998-99 which is not expected at the same levels for 1999-2000.