



NATIONAL LIBRARY OF AUSTRALIA

SECTION 1

AGENCY OVERVIEW

The National Library of Australia is a statutory authority established under the *National Library Act 1960* (the Act).

The functions of the National Library are defined in the *Act*:

- To maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people.
- To make library material in the national collection available.
- To make available such other services in relation to library matters and library material as the Council sees fit.
- To cooperate in library matters with authorities or persons, whether in Australia or elsewhere, concerned with library matters.

The Outcome for the National Library is related to Government cultural heritage and information access priorities.

ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

As part of the Library's Indonesian Acquisition Program the Library maintains an office located in the Australian Embassy in Jakarta. The Regional Officer manages the Library's acquisition office and undertakes a range of liaison and representative activities on behalf of the Library in the Asian region. The Library also provides the Regional Officer with a residence in Jakarta which, along with the Embassy office, is managed by the Property Group of the Department of Finance and Administration.

The Property Group has changed the method used to determine the property rental rate. The Property Group now uses a market rental directly related to the market value of the property. The effect of the change is that rent for the two properties in Jakarta will increase by \$38,953 per annum.

This amount is the only variation to the Library's estimates. For full details of the Library's 1999-2000 budget, readers should refer to the 1999-2000 Portfolio Budget Statements.

NATIONAL LIBRARY OF AUSTRALIA
RESOURCING FOR OUTCOME AND OUTPUT GROUPS
(Including changes since Budget)

	NATIONAL LIBRARY OF AUSTRALIA	
	Total Price \$226.913m	
	Outcome Approp. \$226.913m	
OUTCOME		OUTPUT GROUPS
OUTCOME 1		Output Group 1
Australian s have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources.		The Collection Total Price \$22.511m
Total Price \$226.913m		Output Group 2
Dept. Outputs Approp. \$226.913m		Information Services. Total Price \$194.016m

		<p style="text-align: center;">Output Group 3</p> <p style="text-align: center;">Australian Library Network Services.</p> <p style="text-align: center;">Total Price \$10.386m</p>

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL
Table 1.2 - Appropriation Bill (No 3) 1999 - 2000 National Library of Australia

	1998-99 Estimated Expenses	1999- 2000 Budget	1999- 2000 Revised	Additional Estimates	Reduced Estimate
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
ADMINISTERED EXPENSES					
The NLA has no administered expenses.	0	0	0	0	0
Total:	0	0	0	0	0
DEPARTMENTAL OUTPUTS					
Outcome 1	34,982	214,484	214,523	39	0
Total:	34,982	214,484	214,523	39	0
Appropriation Bill 3 (Administered & Departmental) TOTAL	34,982	214,484	214,523	39	0

SECTION 2

REVISIONS TO OUTCOMES AND OUTPUTS

OUTCOME 1: Australian s have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources.

Explanation of Variations

The Library maintains an office located in the Australian Embassy in Jakarta that is run by a Regional Officer. The library also provides the Regional Officer with a residence in Jakarta which, along with the Embassy office, is managed by the Property Group of the Department of Finance and Administration.

The Property Group has changed the method used to determine the property rental rate. The Property Group now uses a market rental directly related to the market value of the property. The effect of the change is that rent for the two properties in Jakarta will increase by \$38,953 per annum.

Output 1.1 Collection Development and description.

Table 2.1.1 Performance Information for Outputs affected by Additional Estimates Outcome 1

Performance Information 1999-2000 BUDGET	Performance Information 1999-2000 REVISED
<p>Quality</p> <ul style="list-style-type: none"> • 98% of new items received, equivalent to 90,000 items, are acquired in accordance with the Library s Collection Development Policy. • 95% of collection items, equivalent to 438 900 items, are checked in, catalogued or indexed within set standards and timeframes. <p>Quantity</p> <ul style="list-style-type: none"> • Total of 552,000 collection items acquired and/or processed, broken down as follows: • 90 000 new collection items acquired. • 360 000 serial issues checked in. • 102,000 collection items catalogued and journal articles indexed on national bibliographic databases. <p>Price</p> <ul style="list-style-type: none"> • \$33.88 per new collection item 	<p>No change as per budget.</p>

acquired and/or processed.

Price

- \$33.95 per new collection item acquired and/or processed.

SECTION 3

BUDGETED FINANCIAL STATEMENTS

The following budgeted financial statements for the National Library of Australia are presented in this section. The budgeted financial statements will form the basis of the financial statements that will appear in the Library'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)

This statement provides a picture of the expected financial results for the National Library by identifying full accrual expenses and revenues.

Budgeted Statement of Assets and Liabilities (Budgeted Balance Sheet)

Shows the expected financial position of the National Library.

Budgeted Cash Flow Statement

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.

Capital Budget

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 sources or as funds from other sources.

Table 3.1 Budgeted Statement of Revenue and Expenses

		REVISED			
		BUDGET	ESTIMATED	ESTIMATED	ESTIMATED
Notes	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
REVENUE					
Appropriations	34,982	214,523	214,944	215,272	215,066
Resources received free of charge	1 23	0	0	0	0

Sales of goods and services		8,613	9,131	9,057	9,057	9,057
Gain on sale of assets		9	0	0	0	0
Interest		241	175	175	175	175
Other	2	3,376	3,084	2,975	2,975	2,975
Total Revenue		47,244	226,913	227,151	227,479	227,273
EXPENSES						
Employees		24,032	25,441	25,258	25,358	25,115
Suppliers		19,461	19,444	19,191	19,190	18,891
Grants		97	110	110	110	110
Interest		1	0	0	0	0
Write down of assets		309	101	50	50	50
Loss on sale of assets		0	0	0	0	0
Depreciation and amortisation		5,003	5,697	5,824	5,930	6,142
Total operating revenues		48,903	50,793	50,433	50,638	50,308
Operating Result before capital use charge		(1,659)	176,120	176,718	176,841	176,965
Capital Use Charge	3	0	176,120	176,718	176,841	176,965
Operating Surplus/(Deficit)		(1,659)	0	0	0	0

Table 3.2 Budgeted Statement of Assets and Liabilities

		REVISED			
	ACTUAL	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED
Notes	1998-99	1999-2000	2000-01	2001-02	2002-03
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
PROVISIONS AND PAYABLES					

Employees		7,218	7,601	7,801	8,001	8,201
Suppliers		586	793	793	793	793
Total Provisions and Payables		7,804	8,394	8,594	8,794	8,994
Total liabilities		7,804	8,394	8,594	8,794	8,994
EQUITY						
Accumulated surpluses/deficits		1,361,388	1,361,388	1,361,388	1,361,388	1,361,388
Equity - Injections	4	0	1,030	2,060	3,090	4,120
Reserves		110,228	110,228	110,228	110,228	110,228
Total equity		1,471,616	1,472,646	1,473,676	1,474,706	1,475,736
Total liabilities and equity		1,479,420	1,481,040	1,482,270	1,483,500	1,484,730
FINANCIAL ASSETS						
Cash		3,377	4,229	5,011	5,899	6,999
Receivables		971	1,036	1,036	1,036	1,036
Total financial assets		4,348	5,265	6,047	6,935	8,035
NON-FINANCIAL ASSETS						
Land and buildings		136,210	135,588	134,890	134,116	133,266
Infrastructure, plant and equipment		1,331,077	1,333,408	1,335,653	1,337,845	1,339,903
Intangibles		5,481	4,378	3,279	2,203	1,125
Inventories		672	690	690	690	690
Other		1,632	1,711	1,711	1,711	1,711
Total non-financial assets		1,475,072	1,475,775	1,476,223	1,476,565	1,476,695

Total assets		1,479,420	1,481,040	1,482,270	1,483,500	1,484,730

Table 3.3 Budgeted Cash Flow Statement

			REVISED			
		ACTUAL	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED
	Notes	1998-99	1999-2000	2000-01	2001-02	2002-03
		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
OPERATING ACTIVITIES						
Cash received						
Appropriations	2	34,982	214,523	214,944	215,272	215,066
Sales of goods and services		8,941	9,083	9,057	9,057	9,057
Interest		241	175	175	175	175
Other		658	575	575	575	575
Total cash received						
		44,822	224,356	224,751	225,079	224,873
Cash Used						
Employees		23,769	25,058	25,058	25,158	24,915
Suppliers		18,224	17,871	17,741	17,740	17,441
Interest and other financing costs		1	0	0	0	0
Grants		97	110	110	110	110
Total cash used						
		42,091	43,039	42,909	43,008	42,466
Net cash from operations						
		2,731	181,317	181,842	182,071	182,407
INVESTING ACTIVITIES						
Cash received						
Appropriation Equity injection	4	0	1,030	1,030	1,030	1,030

Proceeds from sale of assets		222	0	0	0	0
Total cash received		222	1,030	1,030	1,030	1,030
Cash used						
Purchase of intangibles & property, plant and equipment	5	10,316	5,375	5,372	5,372	5,372
Total cash used		10,316	5,375	5,372	5,372	5,372
Net cash from investing activities		(10,094)	(4,345)	(4,342)	(4,342)	(4,342)
FINANCING ACTIVITIES						
Cash Used						
Repayment of borrowings		7	0	0	0	0
Capital Use Charge Paid	3	0	176,120	176,718	176,841	176,965
Total cash used		7	176,120	176,718	176,841	176,965
Net cash from financing activities		(7)	(176,120)	(176,718)	(176,841)	(176,965)
Net increase / (decrease) in cash held		(7,370)	852	782	888	1,100
Cash at beginning of period	6	10,747	3,377	4,229	5,011	5,899
Cash at end of period		3,377	4,229	5,011	5,899	6,999

Table 3.4 Capital Budget

CAPITAL APPROPRIATION			REVISED			
		ACTUAL	BUDGET	ESTIMATED	ESTIMATED	ESTIMATED
	Notes	1998-99	1999-2000	2000-01	2001-02	2002-03

		\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
TOTAL EQUITY INJECTIONS	4	0	1,030	1,030	1,030	1,030
Total capital appropriations		0	1,030	1,030	1,030	1,030
Represented by:						
Purchase of non-current assets		0	1,030	1,030	1,030	1,030
Other		0	0	0	0	0
Total		0	1,030	1,030	1,030	1,030
PURCHASE OF NON-CURRENT ASSETS						
Funded by Capital Appropriation		0	1,030	1,030	1,030	1,030
Funded internally	5	10,902	5,273	5,242	5,242	5,242
Total		10,902	6,303	6,272	6,272	6,272

NOTES TO THE FINANCIAL STATEMENTS

The purpose of this section is to provide additional information on significant variances or other significant accounting policies may be found in the National Library's Annual Report. The National Library's estimates have been prepared in accordance with relevant Australian Accounting Standards and Accounting Guidance Releases issued by the Australian Accounting Research Foundation and having regard to the Statement of Accounting Concepts and the consensus views of the Urgent Issues Group.

Change to Accounting Policy

Accounting policies have not been changed in the 1999-2000 financial year but a major change to accounting policy in 1998-99 which is incorporated into the budgeted financial statements is the depreciation of the National Library's collection. The collection was recognised and brought to account in the 1997-98 financial statements. The depreciation policy adopted for the National Library's collection was to depreciate the collection over its useful life, which was

estimated to be 100 years.

During 1998-99 the National Library sought advice from the Australian Valuation Office (AVO) on an appropriate depreciation policy having regard to the policies and practices employed in other Australian jurisdictions, the Australian Accounting Standards, the characteristics of the collections, and any other relevant matters. The AVO advised that the majority of the collections by value have very long and indeterminate useful lives and their service potential would not in any material sense be consumed during a single reporting period. The AVO recommended and the National Library accepted the advice that only the printed collection be depreciated using a useful life of 50 years. The balance would not be depreciated. The existing policy of expensing subscriptions (e.g. journals, magazines and newspapers) in the year of acquisition remains unaltered.

The change to the depreciation policy has the effect of reducing the depreciation expense associated with the collection from approximately \$13.3m to \$1.5m for the 1998-99 financial year. The change to the Library's depreciation policy is consistent with applicable Australian Accounting Standards and the Department of Finance and Administration advice as published in the document Commonwealth Accrual Budgeting Guidelines.

Identified Variations

Significant variations within the budgeted financial statements are identified with a note and the following explanatory information is provided:

Note 1 Revenues from Government - Appropriations

Under the accrual budgeting framework, agencies are funded for the Capital Use Charge. This charge is levied on an entity's net departmental assets (i.e. assets controlled by the entity). It is designed to mirror the private sector concept of return on investment. The current rate is 12% which comprises the long-term bond rate (6%) plus a margin for risk (6%). Consequently, in the 1999-2000 financial year the National Library will receive additional funding of \$176.12m in order to fund the Capital Use Charge.

Note 2 Other Revenue

Other revenue includes the estimated value of resources received free of charge. The majority of resources received free of charge are represented by publications received at no cost to the National Library primarily through legal deposit arrangements (\$2.509m).

Note 3 Capital Use Charge

As described in Note 1, the National Library is required under the accrual budgeting framework, to pay the Commonwealth a Capital Use Charge. This charge is fully funded for an entity's net departmental assets as at 1 July and is levied on the entity's net departmental assets as at 30 June. The charge is funded through appropriations and is treated as a dividend to the Commonwealth.

Note 4 Equity Injections

Under the accrual budgeting framework, entities are funded for the replacement of assets through a process of depreciation. The depreciation expense forms part of the cost to provide services and the Commonwealth funds the entity for the net cost of services. As disclosed in the section Change to Accounting Policy, only a part of the National Library's collections is depreciated. The mechanism to receive funding under the accrual budgeting framework for collections that are not depreciated is through an Equity Injection.

Note 5 Purchase of Intangibles and Property, Plant & Equipment

The reduction in the purchase of intangibles and property, plant and equipment reflects the completion of the Kinetica Project and a reduction in building works. The Kinetica Project is a major project to replace the Australian Bibliographic Network. Further details of this project may be found in the National Library's 1997-98 annual report.

Note 6 Movement in Cash Held

The estimated reduction in cash held during the 1998-99 financial year is largely due to the National Library undertaking substantial capital projects as described in Note 5. It is projected cash holdings will increase during the period 1999-2000 to 2002-03. This projection reflects the requirement to fund increasing employee liabilities and to provide the Library with the ability to fund major capital projects in the future.

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Document ID: 14678, Hits: 83, Last Updated: 09 Dec 1999
02:37PM