

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 Australian 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 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 2004-05 Budget is \$135.973m.

Table 1.1 on the following page shows the total appropriations for the Australia Council for 2004-05 by the two Government outcomes. The table shows the output price within the appropriation.

The Australia Council does not have administered expenses.

MEASURES - SUMMARY

Table 1.2: Summary of measures disclosed in the 2004-05 Budget

Measure	Outcome	Output affected	Appropriations budget			Appropriations forward estimate 2005-06 (\$'000)			Appropriations forward estimate 2006-07 (\$'000)			Appropriations forward estimate 2007-08 (\$'000)						
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total				
Australia Council	1,2	1.1, 1.2, 2.1, 2.2, 2.3	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Australia Council - additional funding	1,2	1.1, 1.2, 2.1, 2.2, 2.3	Nil	2,000	2,000	Nil	2,000	2,000	Nil	2,000	2,000	Nil	2,000	2,000	Nil	2,000	2,000	2,000

REVENUE FROM INDEPENDENT SOURCES

Table 1.3: Revenue from independent sources

	Estimated revenue 2003-04 \$'000	Estimated revenue 2004-05 \$'000
Departmental revenues		
Interest	1,200	1,200
Other	5,758	4,958
Total estimated revenue	6,958	6,158

Included in other income is funding from the Australian Government as a result of the Contemporary Visual Arts & Craft Inquiry (\$3.000m in 2003-04 and \$4.300m in 2004-05) and funding for the Books Alive Initiative run by the Council on behalf of the Australian Government (\$2.000m in 2003-04).

Section 2: Outcomes and outputs information

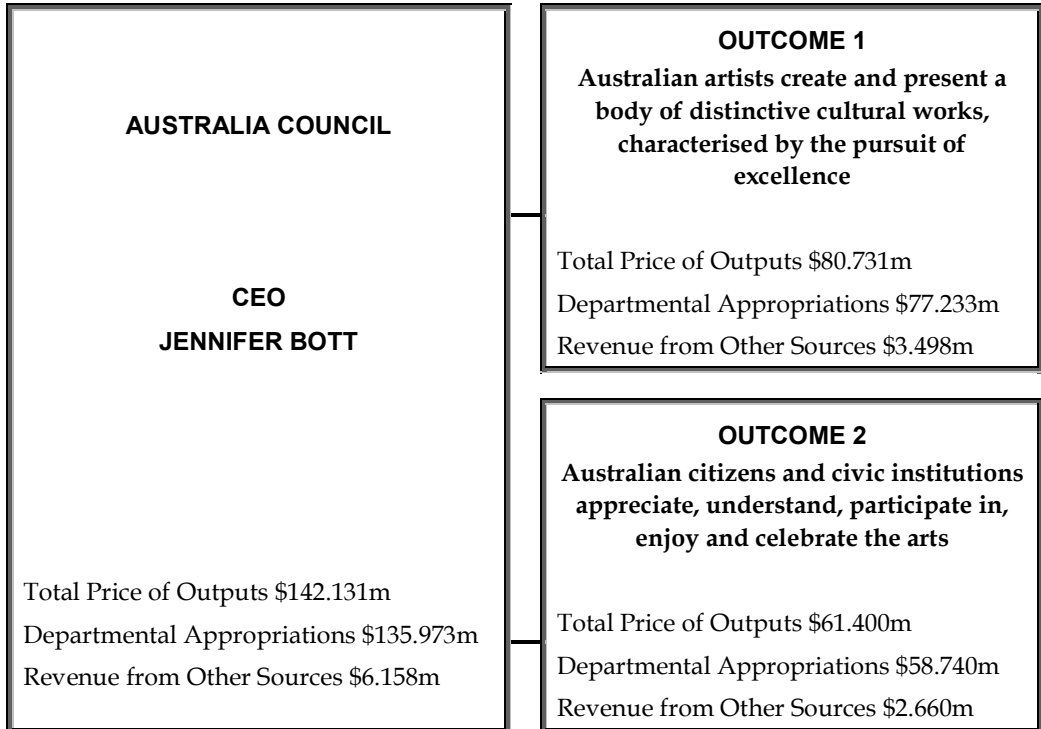
OUTCOMES AND OUTPUT GROUPS

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

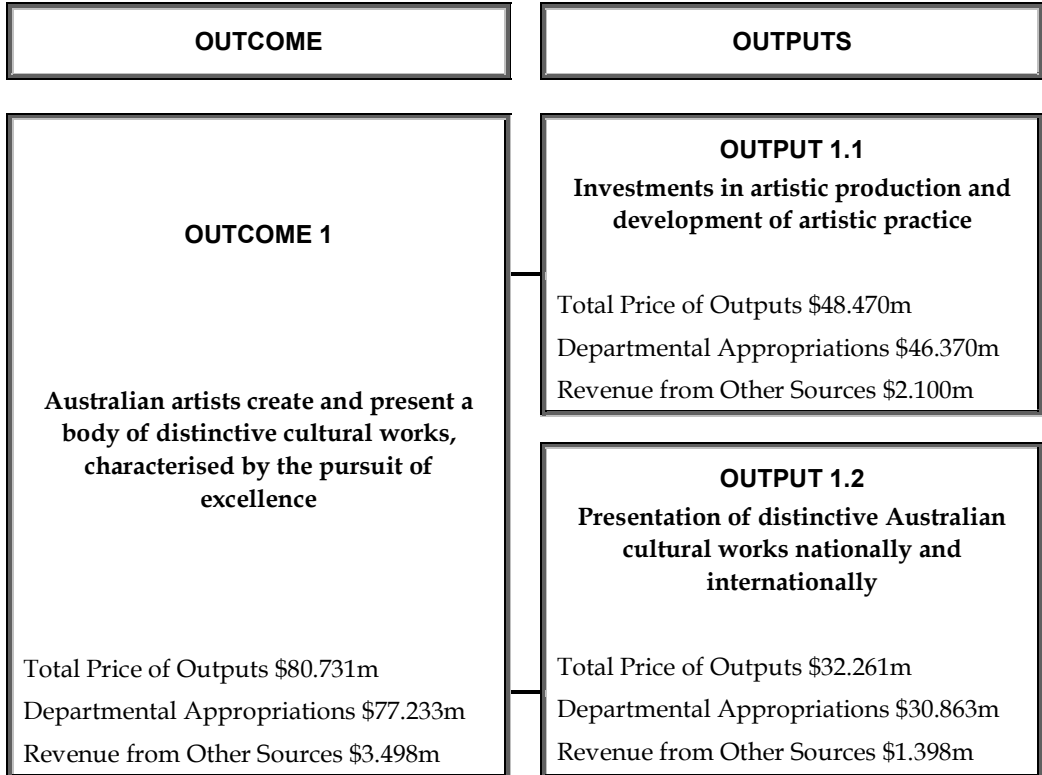
Output cost attribution

Costs are attributed to outputs based on ratios derived from analysis of grant categories and their contribution to individual outputs. This analysis reflects changes to the Australia Council's outputs structure which resulted from the 2003 review of Australia Council's Triennial Funding 2001-02 to 2003-04.

Map 1: Outcome structure



Map 2.1: Outcome 1 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 95.67% to the Total Price of Outputs for Outcome 1.

CHANGES TO OUTCOMES AND OUTPUTS

Outputs have been changed as a result of the review of the Australia Council's triennial funding for the years 2001-02 to 2003-04. This review highlighted the potential for improvement in the Australia Council's performance monitoring framework. The revised outputs will make a material improvement to the way the Australia Council will report on its activities and budget appropriation to the Australian Government.

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; and
- International recognition.

The outcome involves investments in artistic production and development of artistic practice 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; and
- Investments in the presentation and promotion of Australian work nationally and internationally.

Measures affecting Outcome 1¹

Australia Council

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australia Council	-	-	-	-

The Government will provide triennial funding of \$398 million to the Australia Council for the period 2004-05 to 2006-07. The Australia Council is the Australian Government's arts funding and advisory body, and provides grants to Australian artists and arts organisations.

Provision for this funding has already been included in the forward estimates.

Australia Council – additional funding

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australia Council	2.0	2.0	2.0	2.0

The Government will provide additional funding of \$10 million over five years (including \$2 million in 2008-09) to the Australia Council to support small to medium arts organisations, assist in the expansion of international markets for Australian artists and for the production of high quality music recordings through support to the Melba Foundation.

¹ This relates to measures disclosed in the 2004-05 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 2004-05 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** and **E1** show the links back to Table 1.1 (the Appropriations and Other Revenue Table for the Australia Council).

Table 2.1.1: Total resources for Outcome 1 (\$'000)

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	
Departmental appropriations ⁽¹⁾			
Output 1.1 Investments in artistic production and development of artistic practice	46,597	46,370	
Output 1.2 Presentation of distinctive Australian cultural works nationally and internationally	30,996	30,863	
Total revenue from government (appropriations)	77,593	77,233	(C1)
<i>Contributing to price of departmental outputs</i>	95.15%	95.67%	
Revenue from other sources ⁽²⁾			
Output 1.1 Investments in artistic production and development of artistic practice	2,373	2,100	
Output 1.2 Presentation of distinctive Australian cultural works nationally and internationally	1,579	1,398	
Total revenue from other sources	3,952	3,498	
Total price from departmental outputs ⁽³⁾	81,545	80,731	(E1)
<i>(Total revenue from government and from other sources)</i>			
	2003-04	2004-05	
Average staffing level (number) ⁽⁴⁾	72	72	

Note 1. In 2003-04, Outcome 1 revenue from government was attributed to two Outputs priced in total at \$125.2m:

- Output 1.1 - Investment in artistic production and development of artistic practice, was priced at \$114.8m.
- Output 1.2 - Industry development of Australia's creative arts, was priced at \$10.4m.

Note 2. In 2003-04, Outcome 1 revenue from other sources was attributed to two Outputs priced in total at \$3.6m:

- Output 1.1 - Investment in artistic production and development of artistic practice, was priced at \$3.3m.
- Output 1.2 - Industry development of Australia's creative arts, was priced at \$0.3m.

Note 3. In 2003-04, the total price of Outcome 1 was \$128.8m.

Note 4. In 2003-04, the average staffing level for Outcome 1 was 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
- Presentation of distinctive Australian cultural works nationally and internationally.

PERFORMANCE INFORMATION FOR OUTCOME 1

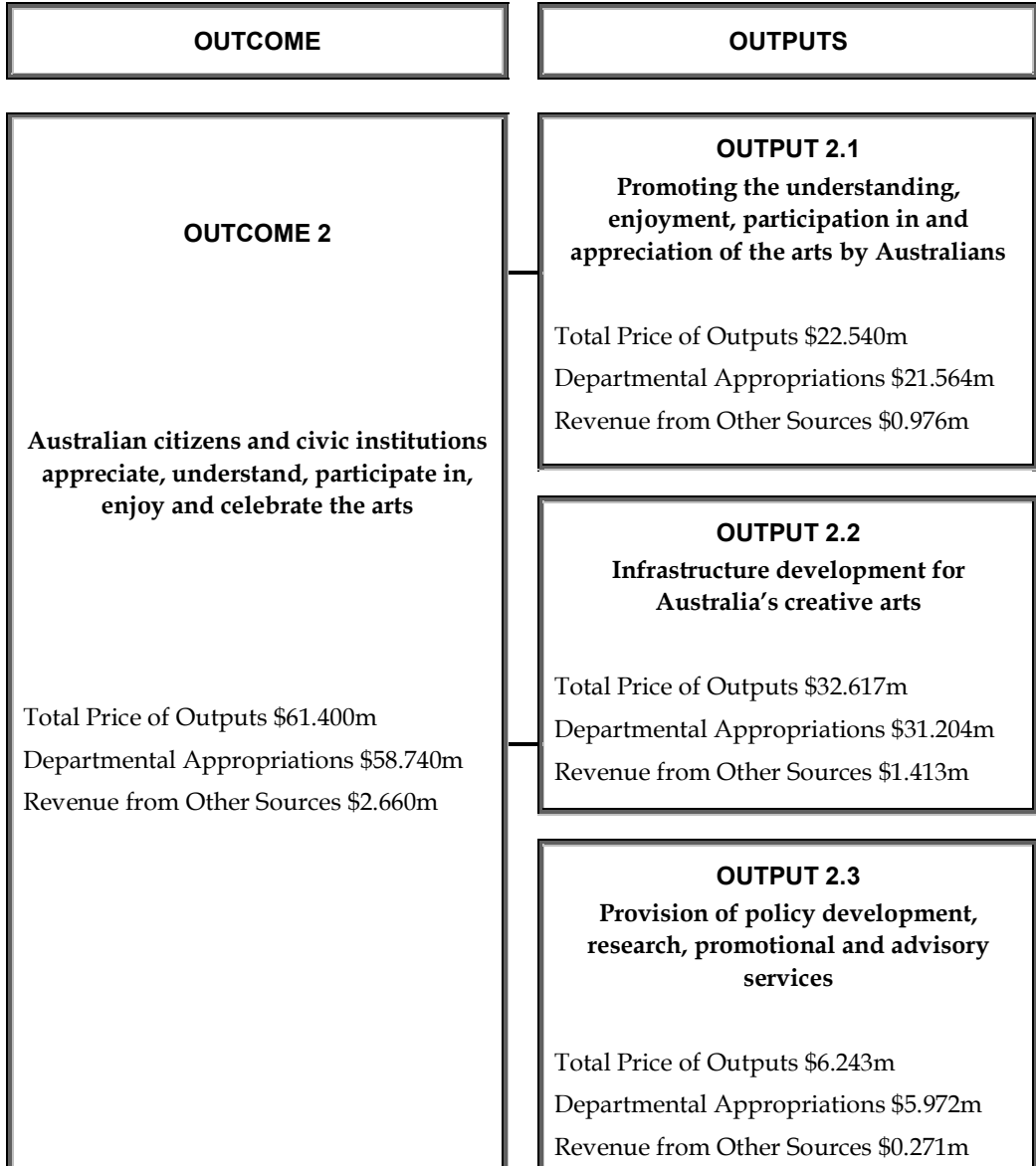
Table 2.2.1: Performance information for Outcome 1

Effectiveness - Overall achievement of the Outcome 1	
Australian artists create and present a body of distinctive cultural works, characterised by the pursuit of excellence	<p>Quality Strong representation of Australian artists and arts organisations, and recognition of the quality of their work, nationally and internationally.</p> <p>Quantity Maintain or increase the number of: a) artistic works developed with Australia Council support; b) new Australian works created with Australia Council support.</p> <p>Price \$80.731m</p>
Performance Information for Departmental Output 1.1	
Investments in artistic production and development of artistic practice	<p>Quality The range of grant programs support excellence in artistic practice, creation of new work and the development of the skills and potential of Australian artists. 90% of clients satisfied with interactions with the Australia Council and services provided.</p> <p>Quantity 1500 funded opportunities and initiatives.</p> <p>Price \$48.470m</p>
Performance Information for Departmental Output 1.2	
Presentation of distinctive Australian cultural works nationally and internationally	<p>Quality Distinctive Australian cultural works are presented nationally and internationally with support from the Australia Council.</p> <p>Quantity Number of artistic works exhibited, performed or written with Australia Council support. Number of Australian artistic works supported for international touring.</p> <p>Price \$32.261m</p>

EVALUATIONS

Information on planned evaluation activity for the coming year that relates to this outcome is included in Table 2.2.1 and the results will be shown in the annual report.

Map 2.2: Outcome 2 – contributing outputs



Note: Revenue from Government (Appropriations) contributes 95.67% to the Total Price of Outputs for Outcome 2.

CHANGES TO OUTCOMES AND OUTPUTS

Outputs have been changed as a result of the review of the Australia Council's triennial funding for the years 2001-02 to 2003-04. This review highlighted the potential for improvement in the Australia Council's performance monitoring framework. The revised outputs will make a material improvement to the way the Australia Council will report on its activities and budget appropriation to the Australian Government.

OUTCOME 2 — DESCRIPTION

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

The outcome achieves the above through:

- Promotion of an understanding, enjoyment and appreciation of the arts by Australian people and civic institutions;
- Understanding of key issues and challenges facing artists and arts organisations that can fundamentally affect the ongoing development of the sector;
- Leadership and a national overview of arts development;
- Policy analysis and advice; and
- Research, cultural relations and advisory services.

The outcome involves investments in building audiences and improving understanding of Australian arts. Council programs support artists, arts organisations and communities through:

- Investments in market development and capacity building initiatives to benefit Australia's artists and arts organisations, and the Australian community; and
- Investments in research and publication programs to build understanding and appreciation of Australian arts and provide sound advice to government.

Measures affecting Outcome 2²

Australia Council

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australia Council	-	-	-	-

The Government will provide \$398.0 million to the Australia Council for the period 2004-05 to 2006-07.

The Australia Council is the Australian Government's arts funding and advisory body providing grants to Australian artists and arts organisations.

Provision for this funding has already been included in the forward estimates.

Australia Council – additional funding

Expense (\$m)	2004-05	2005-06	2006-07	2007-08
Australia Council	2.0	2.0	2.0	2.0

The Government will provide additional funding of \$10.0 million over five years (including \$2.0 million in 2008-09) to the Australia Council to support small to medium arts organisations, assist in the expansion of international markets for Australian artists and for the production of high quality music recordings through support to the Melba Foundation.

² This relates to measures disclosed in the 2004-05 Budget context (that is, measures agreed since the *Mid-Year Economic and Fiscal Outlook (MYEFO)*).

OUTCOME 2 — RESOURCING

Table 2.1.2 shows how the 2004-05 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** and **E1** show the links back to Table 1.1 (the Appropriations and Other Revenue Table for the Australia Council).

Table 2.1.2: Total resources for Outcome 2 (\$'000)

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	
Departmental appropriations ⁽¹⁾			
Output 2.1 Promoting the understanding, enjoyment, participation and appreciation of the arts by Australians	21,655	21,564	
Output 2.2 Infrastructure development for Australia's creative arts	31,334	31,204	
Output 2.3 Provision of policy development, research, promotional and advisory services	5,997	5,972	
Total revenue from government (appropriations)	58,986	58,740	(C1)
<i>Contributing to price of departmental outputs</i>	95.15%	95.67%	
Revenue from other sources ⁽²⁾			
Output 2.1 Promoting the understanding, enjoyment, participation and appreciation of the arts by Australians	1,104	976	
Output 2.2 Infrastructure development for Australia's creative arts	1,597	1,413	
Output 2.3 Provision of policy development, research, promotional and advisory services	305	271	
Total revenue from other sources	3,006	2,660	
Total price from departmental outputs ⁽³⁾	61,992	61,400	(E1)
<i>(Total revenue from government and from other sources)</i>			
	2003-04	2004-05	
Average staffing level (number) ⁽⁴⁾	54	54	

Note 1. In 2003-04, Outcome 2 revenue from government was attributed to one Output:
- Output 2.1 - Policy, promotional and cultural relation services, was priced at \$11.3m.

Note 2. In 2003-04, Outcome 2 revenue from outer sources was attributed to one Output:
- Output 2.1 - Policy, promotional and cultural relation services, was priced at \$0.3m.

Note 3. In 2003-04, the total price of Outcome 2 was \$11.6m.

Note 4. In 2003-04, the average staffing level for Outcome 2 was 10.

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

The Australia Council outputs contribute to:

- Increasing community engagement with the arts and promotion of individual participation in them;
- Infrastructure development to nurture the ecosystem for Australia’s creative arts, which both improves the viability of arts organisations and provides Australians with access to diverse cultural activities; and
- Provision of a wide range of policy, promotional and cultural relations services to assist Australian people and civic institutions to appreciate, understand, participate in, enjoy and celebrate the arts.

PERFORMANCE INFORMATION FOR OUTCOME 2

Table 2.2.2: Performance information for Outcome 2

Effectiveness - Overall achievement of the Outcome 2	
Australian citizens and civic institutions appreciate, understand, participate, enjoy and celebrate the arts	<p>Quality Broad geographic access to arts activities funded by the Australia Council.</p> <p>Quantity Total readers, audiences, participants and attendances of Australia Council supported arts programs.</p> <p>Price \$61.400m</p>
Performance Information for Departmental Output 2.1	
Promoting the understanding, enjoyment, participation and appreciation of the arts by Australians	<p>Quality Investments leveraged (multiplier effect) from other sources from Australia Council support for initiatives to develop audiences for the arts.</p> <p>Quantity Number of audience development initiatives.</p> <p>Price \$22.540m</p>
Performance Information for Departmental Output 2.2	
Infrastructure development for Australia's creative arts	<p>Quality Australia Council triennial funding support for arts organisations increases the reliability and diversity of arts activities available to Australians.</p> <p>Quantity Number of triennially funded arts organisations.</p> <p>Price \$32.617m</p>
Performance Information for Departmental Output 2.3	
Provision of policy development, research, promotional and advisory services	<p>Quality The variety of delivery platforms provided to ensure broad access to Australia Council information, grants programs and research.</p> <p>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.</p> <p>Price \$6.243m</p>

EVALUATIONS

Information on planned evaluation activity for the coming year that relates to this outcome is included in Table 2.2.2 and the results will be shown in the annual report.

Section 3: Budgeted financial statements

ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Departmental

The budgeted financial statements comprise a full set of financial statements for the Australia Council. These show estimated financial performance for 2003-04, the budget year 2004-05, and the forward years from 2005-06 to 2007-08.

The budgeted statements contain estimates prepared in accordance with the requirements of the Australian Government's financial budgeting and reporting framework.

With a focus on the 2004-05 budget year, a brief analysis of revenue items contained in the statements is provided below.

Following a review of triennial funding to the Australia Council that commenced in October 2003, the Australia Government has confirmed maintenance of Australia Council's base funding appropriation. This arrangement will next be reviewed in October 2006.

Total Revenues in 2004-05 are estimated at \$142.131m including \$135.973m from Government and \$6.158m revenue from other sources.

Included in Revenue from Government as reported in the Budgeted Statement of Financial Performance for 2004-05 are the following:

- \$0.750m continuing funding for the Major Festivals Initiative;
- \$1.250m continuing funding for the Young and Emerging Artists;
- \$0.016 supplementation for increased Comcover insurance premiums; and
- \$2.000m additional funding.

Other revenue in 2004-05 includes:

- \$4.300m funding from the Australian Government as a result of the Contemporary Visual Arts & Crafts Inquiry

BUDGETED FINANCIAL STATEMENTS

Departmental financial statements

Budgeted Departmental Statement of Financial Performance (Operating Statement)

This statement provides a picture of the expected financial results for the Australia Council by identifying full accrual expenses and accrual revenues which highlights whether the Australia Council is operating at a sustainable level.

Budgeted Departmental Statement of Financial Position (Balance Sheet)

This statement shows the financial position of the Australia Council. It helps decision-makers to track the management of the Australia Council'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 either 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: Departmental statement of financial performance

**Table 3.1: Budgeted departmental statement of financial performance
for the period ended 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
Revenues from ordinary activities					
Revenue from Government	136,579	135,973	135,085	132,940	135,263
Goods and Services	-	-	-	-	-
Interest	1,200	1,200	1,200	1,200	1,200
Dividends	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Other	5,758	4,958	6,158	6,158	658
Revenues from ordinary activities	143,537	142,131	142,443	140,298	137,121
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	8,744	9,242	9,242	9,242	9,242
Suppliers	4,097	4,166	4,204	4,259	4,313
Grants	129,347	129,245	128,027	125,827	122,513
Subsidies	-	-	-	-	-
Depreciation and amortisation	1,349	1,478	970	970	1,053
Write-down of assets	-	-	-	-	-
Value of assets sold	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
Expenses from ordinary activities (excluding borrowing costs expense)	143,537	144,131	142,443	140,298	137,121
Borrowing cost 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	-	(2,000)	-	-	-
Gain or loss on extraordinary items	-	2,000	-	-	-
Correction of fundamental error	-	-	-	-	-
Net surplus or deficit attributable to Commonwealth	-	-	-	-	-

**Table 3.2: Budget departmental statement of financial position
 as at 30 June**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
ASSETS					
Financial assets					
Cash	9,602	8,129	8,657	8,818	8,974
Receivables	2,508	2,484	2,484	2,484	2,484
Investments accounted for under the equity method	-	-	-	-	-
Other investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	12,110	10,613	11,141	11,302	11,458
Non-financial assets					
Land and buildings	2,591	2,306	2,010	1,714	1,409
Infrastructure, plant and equipment	2,009	2,119	1,868	1,984	2,187
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	476	198	267	336	333
Other	7,670	7,670	7,670	7,670	7,670
Total non-financial assets	12,746	12,293	11,815	11,704	11,599
Total assets	24,856	22,906	22,956	23,006	23,057
LIABILITIES					
Interest bearing liabilities					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total interest bearing liabilities	-	-	-	-	-
Provisions					
Employees	1,809	1,859	1,909	1,959	2,009
Capital Use Charge	-	-	-	-	-
Other	-	-	-	-	-
Total provisions	1,809	1,859	1,909	1,959	2,009
Payables					
Suppliers	880	880	880	880	880
Grants	4,500	4,500	4,500	4,500	4,500
Dividends	-	-	-	-	-
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Total payables	5,380	5,380	5,380	5,380	5,380
Total liabilities	7,189	7,239	7,289	7,339	7,389

Table 3.2: Departments statement of financial position (continued)

**Table 3.2: Budget departmental statement of financial position
as at 30 June (continued)**

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
EQUITY					
Parent equity interest					
Contributed equity	-	-	-	-	-
Reserves	3,802	1,802	1,802	1,802	1,802
Statutory funds	-	-	-	-	-
Retained surpluses or accumulated deficits	13,865	13,865	13,865	13,865	13,865
Total parent equity interest	17,667	15,667	15,667	15,667	15,667
Outside equity interest					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
Total outside equity interest	-	-	-	-	-
Total equity	17,667	15,667	15,667	15,667	15,667
Current liabilities	6,938	6,986	7,034	7,082	7,131
Non-current liabilities	251	253	255	257	256
Current assets	18,827	17,350	17,388	17,845	17,464
Non-current assets	6,029	5,556	5,556	5,681	5,592

AUSTRALIA COUNCIL – Section 3
Table 3.3: Departmental statement of cash flows

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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	136,579	135,973	135,085	132,940	135,263
Goods and services	-	-	-	-	-
Interest	1,200	1,200	1,200	1,200	1,200
Dividends	-	-	-	-	-
Other	19,102	18,299	19,381	19,167	13,341
Extraordinary Items	-	-	-	-	-
Total cash received	156,881	155,472	155,666	153,307	149,804
Cash used					
Employees	8,986	9,119	9,094	9,069	9,019
Suppliers	5,111	5,181	5,226	5,289	5,351
Grants and subsidies	141,989	141,620	140,326	137,930	134,330
Borrowing costs	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	156,086	155,920	154,646	152,288	148,700
Net cash from/(used by) operating activities	795	(448)	1,020	1,019	1,104
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
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 and equipment	833	1,025	492	859	948
Purchase of financial instruments	-	-	-	-	-
Bills of exchange and promissory notes	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	833	1,025	492	859	948
Net cash from/(used by) investing activities	(833)	(1,025)	(492)	(859)	(948)

Table 3.3: Departmental statement of cash flows (continued)

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

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
FINANCIAL 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	-	-	-	-	-
Other	-	-	-	-	-
Extraordinary items	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from/(used by) financing activities	-	-	-	-	-
Net increase in cash held	(38)	(1,473)	528	160	156
Cash at the beginning of the reporting period	9,640	9,602	8,129	8,657	8,817
Effect of exchange rate movements on cash at the beginning of the reporting period	-	-	-	-	-
Cash at the end of the reporting period	9,602	8,129	8,657	8,817	8,973

Table 3.4: Departmental capital budget statement

	Estimated actual 2003-04 \$'000	Budget estimate 2004-05 \$'000	Forward estimate 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Total	-	-	-	-	-
Represented by					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by departmental resources	833	1,025	492	859	948
Total	833	1,025	492	859	948

Table 3.5: Departmental non-financial assets — summary of movement (Budget year 2004-05)

	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	2,501	-	2,009	-	476	-	5,076
Additions	-	20	-	580	-	425	-	1,025
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(305)	-	(470)	-	(703)	-	(1,478)
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	90	2,216	-	2,119	-	198	-	4,623
Total additions								
Self funded	-	20	-	580	-	425	-	1,025
Appropriations	-	-	-	-	-	-	-	-
Total	-	20	-	580	-	425	-	1,025

NOTES TO THE FINANCIAL STATEMENTS

Budget Departmental Statement of Financial Performance

Revenue from Government reflects indexation and the application of a one percent efficiency dividend.

In 2003-04, funding of \$1.0m for the National Based Youth Arts Festival terminates.

In 2004-05, additional funding of \$2.0m has been provided to the Council by the Australian Government (in total, \$10.0m over five years, 2004-05 to 2008-09).

In 2004-05, funding of for the Major Festivals Initiative and Young and Emerging Artists Initiative terminates leading to a decrease totalling \$2.0m.

Other revenues include estimates for funding from the Australian Government as a result of the Contemporary Visual Arts & Crafts Inquiry (\$4.3m in 2004-05, \$5.5m in 2005-06, and \$5.5m in 2006-07). Estimates are included in 2004-05 and the out years for returned grant funds and co-funding for initiatives.

The Council is estimating a zero net surplus. Expenses for employees estimates the impact of increases agreed in the Council's workplace agreement. Variations in grant expenses reflect the impact of terminating measures.

The \$2.0m below the line entry in 2004-05 reflects a transfer from reserves to cover Books Alive Initiative expenditure.

Budget Departmental Statement of Financial Position

Estimated financial assets, including cash and receivables, are sufficient to meet estimated provisions and payables in all years.

Receivables are mainly comprised of refundable input tax credits and bank interest receivable.

Other non-financial assets include prepayments of approximately \$7.5m to Major Performing Arts companies under current arrangements. The remainder is prepayments to suppliers for goods and services.

Provisions for employee expenses include provisions for employee salaries and employer superannuation contributions payable, and estimated liability for employee long service leave and recreation leave entitlements.

Supplier payables are comprised of trade and other creditors, and GST payable on grant and supplier liabilities.

Grants payable are estimates of grants for which there is a contractual obligation to make payment, but for which, payment has yet to be made.

In 2004-05 and subsequent years, equity includes asset revaluation reserves of \$1.8m.

Budget Departmental Statement of Cash Flows

Other cash received is comprised of input tax credits, and other income outlined in the notes to the budgeted departmental statement of financial.

Cash used for suppliers and grants and subsidies includes goods and services tax paid to: suppliers for the supply of goods and services; grant recipients under conditional grant contracts, which are considered under taxation legislation to be a supply.

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.