

NATIONAL GALLERY OF  
AUSTRALIA

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## NATIONAL GALLERY OF AUSTRALIA

### Section 1: Overview, appropriations and budget measures summary

#### 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. It will serve the public 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.

This purposes is consistent with the *National Gallery of Australia Act 1975* which directs the Gallery to:

- Develop and maintain its collection of works of art;
- Exhibit, or make available for exhibition by others, works of art from the Gallery's collection, or works of art that are in the possession of the Gallery; and
- Use every endeavour to make most advantageous use of the national collection in the national interest.

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

#### APPROPRIATIONS

The total appropriation for the Gallery in the 2002-03 Budget is \$222.841m, which includes a Capital Use Charge appropriation of \$188.593m and an equity injection of \$4.000m. The equity injection is for the purchase of works of art.

Table 2.1.1 shows the total appropriations for the National Gallery of Australia for 2002-03 by the price of outputs.

## National Gallery of Australia — appropriations 2002-03

### Table 1.1: Appropriations and other revenue ('000)

Outcome	Departmental (price of outputs) ('\$000)					Administered (\$'000)				Total appropriations (\$'000)
	Revenue from Government (appropriations)			Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations (\$'000)		Special appropriations	Total administered appropriations	
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) <sup>(2)</sup>			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
			(C1) <sup>(1)</sup>		(E1) <sup>(1)</sup>				(I1) <sup>(1)</sup>	
1. Encourage understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally	218,841	-	218,841	9,454	228,295	-	-	-	-	218,841
<b>Total</b>	<b>218,841</b>	<b>-</b>	<b>218,841</b>	<b>9,454</b>	<b>228,295</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(K2)<sup>(1)</sup></b>	<b>218,841</b>
			(K1) <sup>(1)</sup>		95.9%					
						Departmental capital (equity injections and loans)			(K3) <sup>(1)</sup>	4,000
						Administered capital			(K4) <sup>(1)</sup>	-
						Total appropriations				222,841

- Cells C1, E1 and I1 refer to information provided in Table 2.1.1. Amounts K1, K2 to Budgeted Statement of Financial Performance, and amounts K3, K4 to Capital Budget Statements.
  - Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPP's), New Agency Outcomes (NAO's), administered capital and departmental capital via departmental injections and loans.
  - Refer to Budgeted Statement of Financial Performance for application of agency revenue.
  - Revenue from other sources includes interest, sale of goods and services and donations. Non-appropriated revenues are details in Appendix 1.
- Note: Percentage figures indicate the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs by outcome.

## **ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS**

The Gallery will receive an equity injection of \$4.0m in 2002-03 to acquire new works of art to develop the collection. The injection shown in Table 1.1 is accounted for in the Capital Budget Statement (Table 3.4) and Appropriation Bill (No. 2) 2002-03.

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 enable the Gallery to continue to:

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

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

In 2001-02 work began on refurbishing and enhancing the Gallery building. The project cost is in part funded by a loan from government of \$20.7m to be drawn down in 2003-04 and 2004-05. This loan will be repaid over an eight year period commencing 2005-06.

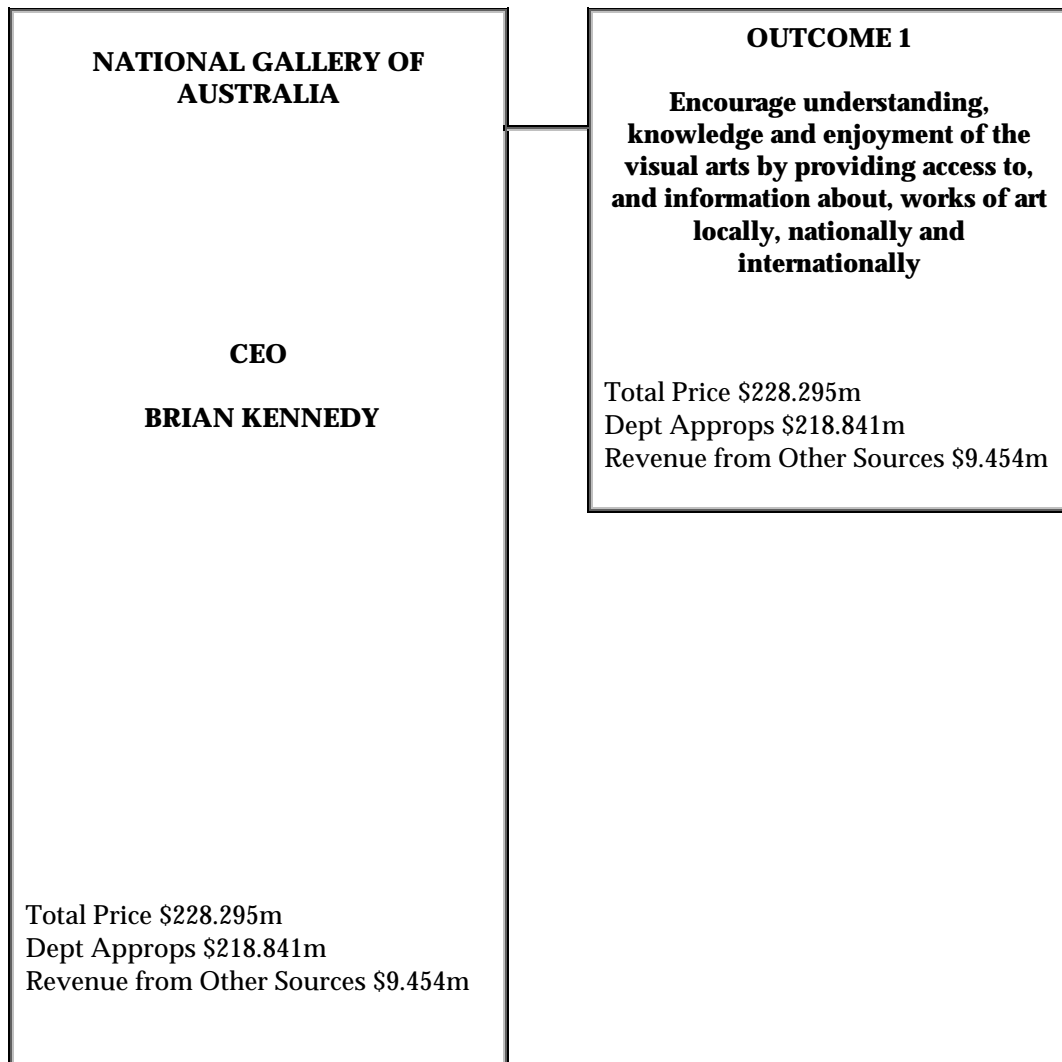
The National Gallery of Australia has not been appropriated any administered capital or loans in 2002-03.

## Section 2: Outcomes and outputs information

### OUTCOMES AND OUTPUTS

The maps on the following pages show the relationship between the outcome and the contributing outputs for the National Gallery of Australia. Financial details for Outcome 1 by outputs appears in Table 2.1.1 (Total Resources for Outcome 1) while non-financial information for Outcome 1 appears in Table 2.2.1 (Performance Information for Outcome 1).

Map 1: Outcome structure



**Map 2: Outcome 1 – contributing outputs**

<b>OUTCOME</b>	<b>OUTPUTS</b>
<p style="text-align: center;"><b>OUTCOME 1</b></p> <p style="text-align: center;">Encourage understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally</p> <p>Total Price \$228.295m Dept Approps \$218.841m Revenue from Other Sources \$9.454m</p>	<p style="text-align: center;"><b>OUTPUT 1.1</b></p> <p style="text-align: center;">Collection Development</p> <p>Total Price \$63.446m Dept Approps \$61.244m Revenue from Other Sources \$2.202m</p>
	<p style="text-align: center;"><b>OUTPUT 1.2</b></p> <p style="text-align: center;">Collection Management</p> <p>Total Price \$65.926m Dept Approps \$65.813m Revenue from Other Sources \$0.113m</p>
	<p style="text-align: center;"><b>OUTPUT 1.3</b></p> <p style="text-align: center;">Access to and Promotion of Works of Arts</p> <p>Total Price \$98.923m Dept Approps \$91.784m Revenue from Other Sources \$7.139m</p>

Note: Revenue from the Government (Appropriations) contributes 95.9% to the Total Price of Outputs for Outcome 1 for 2002-03.

## CHANGES TO OUTCOMES AND OUTPUTS

The National Gallery of Australia has adjusted the number of outputs from five to three. The adjustment to the number of outputs and the detail of the performance measures has been made to a more appropriate level for an authority of the Gallery's size.

2001-02	2002-03
<b>Output 1.1</b> Collection development	<b>Output 1.1</b> Collection development
<b>Output 1.2</b> Collection documentation	<b>Output 1.2</b> Collection management
<b>Output 1.3</b> Collection maintenance	
<b>Output 2.1</b> Provide access to and information about works of art	<b>Output 1.3</b> Access to and promotion of works of art
<b>Output 2.2</b> Information about and promotion of works of art	

## OUTCOME 1 — DESCRIPTION

### **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 2002-03 the Gallery will continue to develop and maintain the collection. It will continue to provide access to the collection through exhibitions, displays and public programs in the National Gallery building, which is based in Canberra. Access will also be provided nationally and internationally through travelling exhibitions and loans of works from the collection.

## Measures affecting Outcome 1

There are no Budget Measures affecting Outcome 1.

## OUTCOME 1 — RESOURCING

Table 2.1.1 shows how the 2002-03 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, E1 And I1** show the links back to Table 1.1, the Appropriations Table.

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

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	
<b>Administered appropriations</b>			
<i>The NGA has no administered appropriations</i>	-	-	
<b>Total administered expenses</b>	-	-	(I1)
<b>Departmental appropriations</b>			
Output 1.1 Collection development	44,123	61,244	
Output 1.2 Collection management	47,402	65,813	
Output 1.3 Access to and promotion of works of art	66,113	91,784	
<b>Total revenue from government (appropriations)</b>	<b>157,638</b>	<b>218,841</b>	(C1)
<b>Contributing to price of departmental outputs</b>	<b>93.2%</b>	<b>95.9%</b>	
<b>Revenue from other sources</b>			
Output 1.1 Collection development	2,693	2,202	
Output 1.2 Collection management	138	113	
Output 1.3 Access to and promotion of works of art	8,729	7,139	
<b>Total revenue from other sources</b>	<b>11,560</b>	<b>9,454</b>	
<b>Total price from departmental outputs</b>			
(Total revenue from government and from other sources)	<b>169,198</b>	<b>228,295</b>	(E1)
<b>Total estimated resourcing for Outcome 1</b>			
(Total price of outputs and administered appropriations)	<b>169,198</b>	<b>228,295</b>	
	2001-02	2002-03	
<b>Average staffing level (number)</b>	237	230	

## OUTCOME 1 — CONTRIBUTION OF OUTPUTS

The National Gallery of Australia plans to deliver three 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, collection management and access to and information about the collection and works of art.

## PERFORMANCE INFORMATION FOR OUTCOME 1

Table 2.2.1: Performance information for Outcome 1

<b>Effectiveness - Overall achievement of the outcome</b>	
Improved understanding and knowledge of the visual arts	85% of the visitors to the Gallery, or to works displayed by the Gallery, believed their understanding and knowledge of the visual arts was improved through such visits.
Enhanced enjoyment of the visual arts	90% of visitors to the Gallery, or to works displayed by the Gallery, enjoyed their experience of the visual arts.
Increased access to works of art	1,900,000 people saw works from the National Gallery's collection or exhibitions. 500,000 users accessed information via the research library, collection study room or multimedia.
<b>Performance information for departmental outputs</b>	
Output 1.1 - Collection development	<p><b>Quality</b> 100% of acquisitions consistent with acquisition policy.</p> <p><b>Quantity</b> 500 works acquired during the year.</p> <p><b>Price</b> Costs associated with acquiring works of art - \$63.446m (\$5.483m excluding CUC).</p>
Output 1.2 - Collection management	<p><b>Quality</b> 100% of new works documented to approved standard. 98% of collection maintained in accordance with NGA environmental and security standards.</p> <p><b>Quantity</b> Gallery's collection of 93,000 works of art maintained.</p> <p><b>Price</b> \$708.88 per work of art maintained (\$65 excluding CUC). Total price of output - \$65.926m</p>
Output 1.3 - Access to and promotion of works of art	<p><b>Quality</b> 85% of visitors satisfied with displays and exhibitions. 75% of attendees satisfied with Gallery events.</p> <p><b>Quantity</b> 1,900,000 people saw works from the National Gallery's collection or exhibitions. 110,000 attendees at events. 500,000 users accessed information via the research library, collection study room or multimedia.</p> <p><b>Price</b> \$31.26 per visitor (\$11.10 excluding CUC). \$330 per attendee at events (\$59 excluding CUC). \$6.45 per user access (\$1.12 excluding CUC). Total price of output - \$98.923m</p>

## 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.

## Section 3: Budgeted financial statements

### **DEPARTMENTAL FINANCIAL STATEMENTS**

- Budgeted Departmental Statement of Financial Performance
- Budgeted Departmental Statement of Financial Position
- Budgeted Departmental Statement of Cash Flows
- Departmental Capital Budget Statements
- Departmental Non Financial Assets — Summary of Movement

**Table 3.1: Budgeted Departmental Statement of Financial Performance  
for the period ended 30 June**

	Notes	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
<b>Revenues from ordinary activities</b>						
Revenues from government	1.	157,638	218,841	220,822	222,928	224,485
Sales of goods and services	2.	7,810	6,154	6,126	7,877	7,673
Interest		450	500	500	500	500
Dividends		-	-	-	-	-
Proceeds from sales of assets		-	-	-	-	-
Other		3,300	2,800	1,800	1,800	1,800
<b>Total revenues from ordinary activities</b>		<b>169,198</b>	<b>228,295</b>	<b>229,248</b>	<b>233,105</b>	<b>234,458</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>						
Employees	3.	14,127	14,537	14,843	15,183	15,533
Suppliers	4.	15,314	11,576	11,727	12,021	12,327
Grants		-	-	-	-	-
Depreciation and amortisation		7,539	7,654	7,959	8,479	8,668
Write-down of assets		186	-	-	-	-
Value of assets sold		-	-	-	-	-
Other		-	-	-	-	-
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>37,166</b>	<b>33,767</b>	<b>34,529</b>	<b>35,683</b>	<b>36,528</b>
Borrowing costs expense	5.	-	-	-	-	613
<b>Net surplus or deficit from ordinary activities</b>		<b>132,032</b>	<b>194,528</b>	<b>194,719</b>	<b>197,422</b>	<b>197,317</b>
Gain or loss on extraordinary items		-	-	-	-	-
<b>Net surplus or deficit</b>		<b>132,032</b>	<b>194,528</b>	<b>194,719</b>	<b>197,422</b>	<b>197,317</b>
Capital use charge		127,919	188,593	189,696	190,877	191,898
<b>Net surplus or deficit after capital use charge</b>	6.	<b>4,113</b>	<b>5,935</b>	<b>5,023</b>	<b>6,545</b>	<b>5,419</b>

Table 3.2: Budgeted Departmental Statement of Financial Position

**Table 3.2: Budgeted Departmental Statement of Financial Position  
as at 30 June**

	Notes	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash	7.	2,108	1,695	2,091	2,934	4,976
Receivables		680	680	680	680	680
Investments	7.	15,000	10,000	4,000	6,000	4,000
Accrued revenues		-	-	-	-	-
Other		122	122	122	122	122
<b>Total financial assets</b>		<b>17,910</b>	<b>12,497</b>	<b>6,893</b>	<b>9,736</b>	<b>9,778</b>
<b>Non-financial assets</b>						
Land and buildings	8.	114,733	119,802	142,276	143,988	142,302
Collection assets	9.	1,591,827	1,597,577	1,603,387	1,610,057	1,615,685
Infrastructure, plant and equipment		3,251	4,670	5,036	4,929	4,785
Inventories		841	841	841	841	841
Intangibles		532	541	521	454	355
Other		116	116	116	116	116
<b>Total non-financial assets</b>		<b>1,711,300</b>	<b>1,723,547</b>	<b>1,752,177</b>	<b>1,760,385</b>	<b>1,764,084</b>
<b>Total assets</b>		<b>1,729,210</b>	<b>1,736,044</b>	<b>1,759,070</b>	<b>1,770,121</b>	<b>1,773,862</b>
<b>LIABILITIES</b>						
<b>Debt</b>						
Loans	10.	-	-	17,100	20,700	18,113
Leases		-	-	-	-	-
Deposits		-	-	-	-	-
Overdrafts		-	-	-	-	-
Other		-	-	-	-	-
<b>Total debt</b>		<b>-</b>	<b>-</b>	<b>17,100</b>	<b>20,700</b>	<b>18,113</b>
<b>Provisions and payables</b>						
Employees	11.	3,316	3,415	3,517	3,623	3,732
Suppliers	12.	18,939	15,739	12,539	9,339	6,139
Grants		-	-	-	-	-
Other		-	-	-	-	-
<b>Total provisions and payables</b>		<b>22,255</b>	<b>19,154</b>	<b>16,056</b>	<b>12,962</b>	<b>9,871</b>
<b>Total liabilities</b>		<b>22,255</b>	<b>19,154</b>	<b>33,156</b>	<b>33,662</b>	<b>27,984</b>
<b>EQUITY</b>						
Capital	13.	76,712	80,712	84,712	88,712	92,712
Reserves	14.	1,008,812	1,008,812	1,008,812	1,008,812	1,008,812
Accumulated surpluses or deficits		621,431	627,366	632,390	638,935	644,354
<b>Total equity</b>		<b>1,706,955</b>	<b>1,716,890</b>	<b>1,725,914</b>	<b>1,736,459</b>	<b>1,745,878</b>
Current liabilities		14,271	14,399	14,532	14,025	10,934
Non-current liabilities		7,984	4,755	18,624	19,637	17,050
Current assets		18,867	13,454	7,850	10,693	10,735
Non-current assets		1,710,343	1,722,590	1,751,220	1,759,428	1,763,127

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June**

	Notes	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
<b>OPERATING ACTIVITIES</b>						
<b>Cash received</b>						
Appropriations for outputs		157,638	218,841	220,822	222,928	224,485
Sales of goods and services		11,110	8,953	7,926	9,677	9,473
Interest		450	500	500	500	500
Other		-	-	-	-	-
<b>Total cash received</b>		<b>169,198</b>	<b>228,294</b>	<b>229,248</b>	<b>233,105</b>	<b>234,458</b>
<b>Cash used</b>						
Employees		14,127	14,537	14,842	15,183	15,533
Suppliers		15,704	11,775	11,925	12,215	12,518
Interest		-	-	-	-	613
Other		-	-	-	-	-
<b>Total cash used</b>		<b>29,831</b>	<b>26,312</b>	<b>26,767</b>	<b>27,398</b>	<b>28,664</b>
<b>Net cash from operating activities</b>		<b>139,367</b>	<b>201,982</b>	<b>202,481</b>	<b>205,707</b>	<b>205,794</b>
<b>INVESTING ACTIVITIES</b>						
<b>Cash received</b>						
Proceeds from sales of property, plant and equipment		-	-	-	-	-
Other		-	-	-	-	-
<b>Total cash received</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>						
Purchase of property, plant and equipment	15.	6,665	8,602	25,189	4,387	1,067
Purchase of collection assets	16.	11,100	14,200	14,300	15,200	14,200
<b>Total cash used</b>		<b>17,765</b>	<b>22,802</b>	<b>39,489</b>	<b>19,587</b>	<b>15,267</b>
<b>Net cash from investing activities</b>		<b>(17,765)</b>	<b>(22,802)</b>	<b>(39,489)</b>	<b>(19,587)</b>	<b>(15,267)</b>
<b>FINANCING ACTIVITIES</b>						
<b>Cash received</b>						
Proceeds from issuing equity instruments		4,000	4,000	4,000	4,000	4,000
Proceeds from debt	10.	-	-	17,100	3,600	-
Other		-	-	-	-	-
<b>Total cash received</b>		<b>4,000</b>	<b>4,000</b>	<b>21,100</b>	<b>7,600</b>	<b>4,000</b>
<b>Cash used</b>						
Repayments of debt		-	-	-	-	2,587
Capital use and dividends paid		127,919	188,593	189,696	190,877	191,898
Other		-	-	-	-	-
<b>Total cash used</b>		<b>127,919</b>	<b>188,593</b>	<b>189,696</b>	<b>190,877</b>	<b>194,485</b>
<b>Net cash from financing activities</b>		<b>(123,919)</b>	<b>(184,593)</b>	<b>(168,596)</b>	<b>(183,277)</b>	<b>(190,485)</b>

Table 3.3: Budgeted Departmental Statement of Cash Flows (cont.)

**Table 3.3: Budgeted Departmental Statement of Cash Flows  
for the period ended 30 June**

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
<b>Net increase (decrease) in cash held</b>	<b>(2,317)</b>	<b>(5,413)</b>	<b>(5,604)</b>	<b>2,843</b>	<b>42</b>
Cash at the beginning of the reporting period	19,425	17,108	11,695	6,091	8,934
Cash at the end of the reporting period	17,108	11,695	6,091	8,934	8,976

**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2001-02 \$'000	Budget estimate 2002-03 \$'000	Forw ard estimate 2003-04 \$'000	Forw ard estimate 2004-05 \$'000	Forw ard estimate 2005-06 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	4,000 (K3)	4,000	4,000	4,000	4,000
Total loans	- (K3) <sup>(1)</sup>	-	17,100	3,600	-
<b>Represented by</b>					
Purchase of works of art	4,000	4,000	4,000	4,000	4,000
Building Refurbishment & Enhancement	-	-	17,100	3,600	-
<b>Total</b>	<b>4,000</b>	<b>4,000</b>	<b>21,100</b>	<b>7,600</b>	<b>4,000</b>
<b>PURCHASE OF NON CURRENT ASSETS</b>					
Funded by capital appropriation	4,000	4,000	21,100	7,600	4,000
Funded internally by					
Departmental resources	16,465	15,902	15,489	9,087	8,367
<b>Total purchase of non-current assets</b>	<b>20,465</b>	<b>19,902</b>	<b>36,589</b>	<b>16,687</b>	<b>12,367</b>

1 This line link to (K3) in Table 1.1

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2002-03)**

	Land	Buildings	Total land and buildings	Works of Art	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of year	4,450	110,283	114,733	1,591,827	3,251	1,595,078	532	1,710,343
Additions	-	6,500	6,500	11,300	1,852	13,152	250	19,902
Disposals	-	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-	-
Recoverable amount w rite-dow ns	-	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	1,431	1,431	5,550	433	5,983	240	7,654
Write-off of assets	-	-	-	-	-	-	-	-
Carrying amount at the end of year	4,450	115,352	119,802	1,597,577	4,670	1,602,247	542	1,722,591
<b>Total additions</b>								
Self funded	-	6,500	6,500	7,000	1,852	8,852	250	15,602
Gifts	-	-	-	300	-	300	-	300
Appropriations	-	-	-	4,000	-	4,000	-	4,000
<b>Total</b>	<b>-</b>	<b>6,500</b>	<b>6,500</b>	<b>11,300</b>	<b>1,852</b>	<b>13,152</b>	<b>250</b>	<b>19,902</b>

## NOTES TO THE FINANCIAL STATEMENTS

The budgeted financial statements are prepared on an accrual basis. Below are notes, which explain major variations between the projected 2001-02 financial statements and the budgeted financial statements for 2002-03 and forward estimates to 2005-06.

### **Budgeted Departmental Statement of Financial Performance**

1. Revenue from government will increase in 2002-03 due to an increased output price resulting from an increase in the capital use charge.

A capital use charge is levied on authorities to reflect the cost of the Commonwealth's investment in those entities. It is levied on the agencies closing departmental net assets balance (equity) at a rate of 11%. Funding for the capital use charge is included in authorities departmental price of output appropriations. The Gallery's net asset position increased significantly upon revaluation of the collection assets in June 2001.

2. Sales of goods and services revenue is forecast to be lower in 2002-03 than levels projected in 2001-02 due to lower levels of visitor attendance to the Gallery during planned building refurbishment.
3. Operating expenses for employees are projected to increase slightly from 2001-02 to 2002-03 in line with agency workplace agreements and cost of living adjustments.
4. Operating expenses for suppliers are projected to decrease mainly due to a reduced exhibition program in 2002-03 whilst building refurbishment work is undertaken.
5. Borrowing costs in 2005-06 relates to Government loan for refurbishment of the Gallery building.
6. The budgeted net operating result for 2002-03 and forward estimate years are estimated to be zero except for gifts and donations of works of art or money for works of art and the capital contribution required to meet the cost of building refurbishment and enhancement.

### **Budgeted Departmental Statement of Financial Position**

7. The cash balance for 2002-03 is projected to be lower than 2001-02 due to the expected expenditure on refurbishment of the building.
8. Land and buildings assets are projected to increase due to the impact of planned refurbishment of the building.
9. Collection assets are projected to increase each year due to government equity injections for acquisitions of \$4.0m and gifts and donations.

10. In 2003-04 and 2004-05 the Government will lend the Gallery funds to be applied to refurbishment and enhancement of the Gallery building.
11. Employee provisions and payables include all remuneration entitlements owing and are projected to increase in line with expected pay increases in the agency workplace agreement.
12. Supplier provisions and payables at 30 June 2002 (2001-02) are projected to include \$14.6m owing on the purchase of works of art under current purchase agreements. The supplier provisions and payables decreases in future years reflecting the payments made against agreed settlement terms.
13. Capital equity is budgeted to increase by \$4.0m per annum and represents appropriation funds provided to purchase works of art as part of the ongoing development of the national collection.
14. Reserves represent an asset revaluation reserve. The outcome of future revaluations can not be assessed and have thus not been included in the 2002-03 budget or forward estimates.

#### **Budgeted Departmental Statement of Cash Flows**

15. Cash used in investing activities for acquiring property, plant and equipment in 2002-03 includes projects agreed or required by government including the cost of improvements to buildings to assist in protecting the national collection.
16. 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 donations and bequests in any year.

## APPENDIX 1: REVENUES FROM INDEPENDENT SOURCES

### Revenues from independent sources

	Estimated revenue 2001-02 \$'000	Estimated revenue 2002-03 \$'000
<b>Departmental revenue</b>		
Sale of Goods and Services	7,810	6,154
Interest	450	500
Gifts of works of art and Donations	3,300	2,800
<b>Total estimated revenue</b>	<b>11,560</b>	<b>9,454</b>