

**NATIONAL  
GALLERY OF  
AUSTRALIA**

## TABLE OF CONTENTS

<b>NATIONAL GALLERY OF AUSTRALIA .....</b>	<b>300</b>
<b>SECTION 1: OVERVIEW, APPROPRIATIONS AND BUDGET MEASURES SUMMARY .....</b>	<b>300</b>
Overview .....	300
Appropriations .....	300
National Gallery of Australia — Appropriations 2001-02 .....	301
Table 1.1: Appropriations and Other Revenue .....	301
Budget Measures — National Gallery Summary .....	302
Table 1.2: Summary of Measures disclosed in the 2001-2002 Budget .....	302
Administered Capital and Departmental Equity Injections and Loans.....	303
<b>SECTION 2: OUTCOMES AND OUTPUTS INFORMATION.....</b>	<b>303</b>
Outcomes and Output Groups.....	303
Chart 1: Outcome Structure .....	304
Chart 2: Outcome 1 — Contributing Outputs .....	305
Changes to Outcomes and Outputs .....	306
Outcome 1 — Description .....	306
Outcome 1 — Resourcing.....	308
Table 2.1.1: Total Resources For Outcome 1 .....	308
Outcome 1 — Contribution of Outputs .....	309
Table 2.2.1 Performance Information for Outcome 1.....	311

<b>SECTION 3: BUDGETED FINANCIAL STATEMENTS .....</b>	<b>313</b>
Departmental Statements .....	313
Table 3.1: Budgeted Departmental Statement of Financial Performance (Operating Statement).....	314
Table 3.2: Budgeted Departmental Statement of Financial Position (Balance Sheet) .....	315
Table 3.3: Budgeted Departmental Statement of Cash Flows .....	316
Table 3.4: Departmental Capital Budget Statement .....	318
Table 3.5: Departmental Non-financial Assets — Summary of Movement ..	319
Notes to the Financial Statements .....	320
Appendix 1 Non-Appropriation Departmental and Administered Revenue ...	322

## 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, 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 appropriation for the Gallery in the 2001-02 Budget is \$161.638m which includes a Capital use charge appropriation of \$127.819m and an equity injection of \$4.000m. The equity injection is for the purchase of works of art. Further information on this equity injection can be found at end of this section. Table 1.1, on the following page, shows the total accrual based price for the National Gallery of Australia for 2001-02 for the Government outcome which represents the price of outputs appropriation and equity injections.

## National Gallery of Australia — Appropriations 2001-02

**Table 1.1: Appropriations and Other Revenue (\$'000)**

Outcome	Departmental (price of outputs)					Administered				
	Revenue from Government (appropriations)			Revenue from other sources <sup>(4)</sup>	Price of outputs <sup>(3)</sup>	Annual appropriations		Special approps <sup>(5)</sup>	Total administered appropriations	Total appropriations
	Bill No. 1	Special approps <sup>(5)</sup>	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)
1. Encourage understanding, knowledge and enjoyment of the visual arts by providing access to and information about works of art locally, nationally and internationally.	157,638	-	157,638 <sup>(1)</sup>	6,330	163,968 <sup>(1)</sup>	-	-	-	-	157,638
					96.1%					
<b>Total</b>			157,638 <sup>(1)</sup>	6,330	163,968 <sup>(1)</sup>	-	-	-	-	157,638
						Departmental capital (equity injections and loans)			(K3)	4,000
									(K4)	-
						Total appropriations				161,638

1. Refer to information provided in Table 2.1.1. Amount K3 refers to Capital Budget.
2. 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.
3. Refer to Budgeted Statement of Financial Performance (Operating Statement) for application of agency revenue.
4. Revenue from other sources includes interest, sale of goods and services and donations. Non-appropriated departmental and administrative revenues are shown in Appendix 1.
5. Estimated expenses from individual Special Appropriations are shown in Appendix 2.
6. Percentage figure indicates the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

**BUDGET MEASURES — NATIONAL GALLERY SUMMARY**

**Table 1.2: Summary of Measures disclosed in the 2001-2002 Budget**

Measure	Outcome	Output groups affected	Appropriations budget			Appropriations estimate			Appropriations estimate			Appropriations estimate		
			2001-02 (\$'000)			2002-03 (\$'000)			2003-04 (\$'000)			2004-05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
National Gallery of Australia Building Refurbishment and Enhancement	1	1 and 2	Nil	4,800	4,800	Nil	30,000	30,000	Nil	7,900	7,900	Nil	200	200

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

The Gallery will receive an equity injection of \$4.0m in 2001-02 to acquire new works of art to develop the collection. The injections shown in Table 1.1 are accounted for in the Capital Budget Statement (Table 3.4) and Appropriation Bill (No. 2) 2001-02.

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 of works of art or donation of money, which is used to purchase works of art.

The Gallery building will be refurbished and enhanced with work to commence in 2001-02. The project cost will in part be funded by a loan from government of \$20.7m to be drawn down in 2002-03 and 2003-04. This loan will be repaid over an eight year period commencing 2004-05.

The National Gallery of Australia has not been appropriated any administered capital or loans in 2001-02.

## Section 2: Outcomes and outputs information

### **OUTCOMES AND OUTPUT GROUPS**

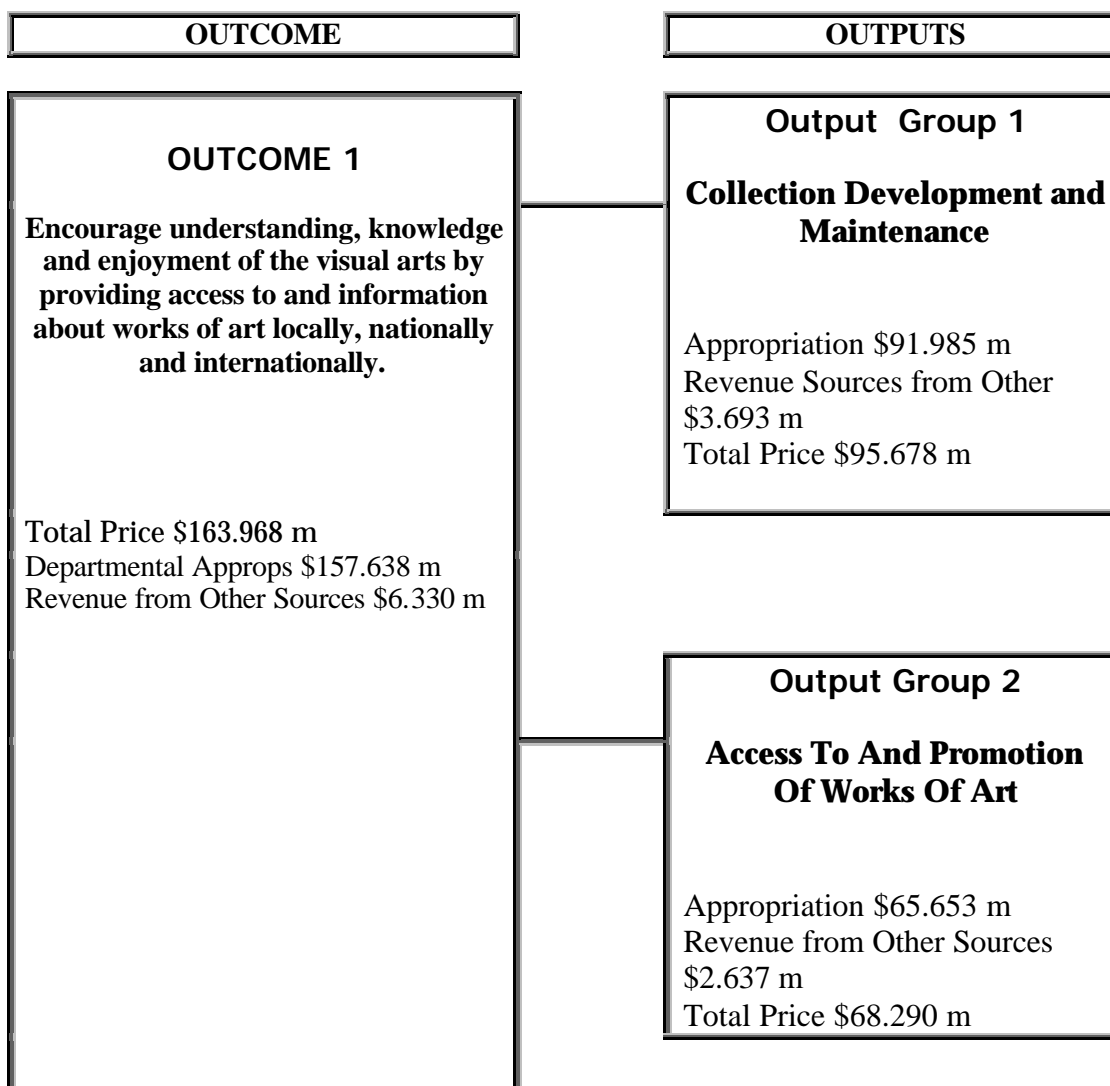
The map on the following page shows the relationship between outcomes and the contributing outputs for the National Gallery of Australia. Financial details for Outcome 1 by outputs and output groups appears in table 2.1.1. Non-financial information for Outcome 1 appears in table 2.2.1.

**Chart 1: Outcome Structure**

**NATIONAL GALLERY  
OF AUSTRALIA**

**CEO: DR BRIAN KENNEDY**

**Total Price \$163.968 m**  
**Dept Output \$157.638 m**



Note: Revenue from Government (Appropriations) contributes 96.1 per cent to the Total Price of Output for Outcome 1 for 2001-02.



## **CHANGES TO OUTCOMES AND OUTPUTS**

There have been no change to outcomes or outputs for the National Gallery of Australia from the previous year.

### **OUTCOME 1 — DESCRIPTION**

#### **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 2001-02 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 works from the collection for international exhibitions.

**Measures affecting outcome 1**

**National Gallery of Australia Building Refurbishment and Enhancement**

**Loan(\$m):**

	2001-02	2002-03	2003-04	2004-05
National Gallery of Australia	4.8	30.0	7.9	0.2

**Explanation:**

The National Gallery of Australia will invest \$42.9 million on building refurbishment and enhancement. The Government will provide a loan of \$20.7 million over two years commencing in 2002-03 to assist the Gallery in financing this initiative.

The building works will improve the environment for the storage and display of the national collection of artworks and provide a safer more accessible environment to encourage understanding, knowledge and enjoyment of the visual arts.

**OUTCOME 1 — RESOURCING****Table 2.1.1: Total Resources For Outcome 1 (\$'000)**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
<b>Administered appropriations</b>		
The NGA has no administered appropriations	-	-
<b>Total administered appropriations</b>	-	-
<b>Departmental appropriations</b>		
Output Group 1 - Collection development and maintenance		
Output 1.1 - Collection Development	44,272	42,581
Output 1.2 - Collection Documentation	1,761	1,694
Output 1.3 - Collection Maintenance	49,605	47,710
<b>Subtotal output group 1</b>	<b>95,638</b>	<b>91,985</b>
<b>Departmental appropriations</b>		
Output Group 2 - Access to and promotion of works of art		
Output 2.1 - Access to works of Art	61,635	59,280
Output 2.2 - Information about and Promotion of Works of Art	6,626	6,373
<b>Subtotal output group 2</b>	<b>68,261</b>	<b>65,653</b>
<b>Total revenue from government (appropriations)</b>	<b>163,899</b>	<b>157,638</b>
<b>Contributing to price of departmental outputs</b>	<b>92.5%</b>	<b>96.1%</b>
<b>Revenue from other sources</b>		
Output 1	7,760	3,693
Output 2	5,540	2,637
<b>Total revenue from other sources</b>	<b>13,300</b>	<b>6,330</b>
Total price from departmental outputs (Total revenue from Government and from other sources)	177,199	163,968
<b>Total estimated resourcing for outcome 1</b> (Total price of outputs and admin expenses)	<b>177,199</b>	<b>163,968</b>
	2000-01	2001-02
<b>Average staffing level (number)</b>	233	230

The percentage figure in the Revenue from Government (Appropriation) of 96.1% for Gallery Outputs in Table 2.1.1, shows the percentage contribution Revenue from Government makes to the Total Price of Outputs for the Outcome.

For the outcome, revenue from other sources is expected to fall in actual terms from \$13.3m in 2000-01 to \$6.3m in 2001-02 as revenue from operations, interest and gifts and donations are not expected to continue at the level achieved in 2000-01.

## **OUTCOME 1 — CONTRIBUTION OF OUTPUTS**

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 Group 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 Group 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 2.2.1, below, lists the performance information that the Gallery will use to assess the level of achievement of its outcome during 2001-02. 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.

Part C: Agency Budget Statements – NGA

**Table 2.2.1 Performance Information for Outcome 1**

<b>Effectiveness - Overall achievement of the outcome - (Measures, indicators and targets used as appropriate)</b>	
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.
<b>Performance information for departmental outputs</b>	
<b>Output group 1</b>	
Output 1.1 - Collection development	<b>Quality:</b> 100% of acquisitions consistent with acquisition policy
	<b>Quantity:</b> 5% of the collection reviewed in the year
	<b>Price:</b> Total price of outputs - \$2.7m (excluding CUC)
Output 1.2 - Collection documentation	<b>Quality:</b> 100% of works documented to approved standard
	<b>Quantity:</b> 500 works fully catalogued in the year
	<b>Price:</b> Total price of outputs - \$1.0m (excluding CUC)
Output 1.3 - Collection maintenance	<b>Quality:</b> 98% of collection maintained in accordance with NGA environmental and security standards
	<b>Quantity:</b> 450 works of art treated
	<b>Price:</b> \$150 cost per square mtr of art storage (excluding CUC) \$2,500 per treatment (excluding CUC)

**Table 2.2.1 Performance information for outcome 1 (continued)**

<b>Output group 2</b>	
Output 2.1 - Provide access to and information about works of art	<b>Quality:</b> 80% of visitors satisfied with displays and exhibitions
	<b>Quantity:</b> 600,000 people saw works presented by the Gallery 1,200 items lent including travelling exhibitions 30 venues visited by travelling exhibitions
	<b>Price:</b> Total cost of exhibitions program \$12.6m (excluding CUC) \$560 per item lent (excluding travelling items and CUC)
Output 2.2 - Information about and promotion of works of art	<b>Quality:</b> 80% of attendees satisfied with Gallery events
	<b>Quantity:</b> 4,000 events 70,000 attendees at events 130,000 users accessing information via multimedia
	<b>Price:</b> \$22.00 per attendee at events (excluding CUC) \$3.00 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.

### Competitive tendering and contracting

The Gallery has contracted out, on a competitive basis, catering and cleaning services, internal audit, stationery purchasing, payroll systems and services, information technology hardware and maintenance services, some facilities management and maintenance functions. In 2001-02 these functions will continue to be competitively contracted out.

## Section 3: Budgeted Financial Statements

### **DEPARTMENTAL STATEMENTS**

#### **Budgeted Departmental Statement of Financial Performance (Operating Statement)**

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

#### **Budgeted Departmental Statement of Financial Position (Balance Sheet)**

This statement shows the financial position of the National Gallery. It helps decision-makers to track the management of the National Gallery'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 Statement**

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: Budgeted Departmental Statement of Financial Performance (Operating Statement) for the period ended 30 June**

	Notes	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>Revenues from ordinary activities</b>						
Revenue from government (K1)	1.	163,899	157,638	159,766	161,550	163,118
Sales of goods and services	2.	7,500	5,130	7,045	7,314	7,877
Interest	3.	5,000	400	400	400	400
Other		800	800	800	800	800
<b>Total revenues from ordinary activities</b>		<b>177,199</b>	<b>163,968</b>	<b>168,011</b>	<b>170,064</b>	<b>172,195</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>						
Employees	4.	13,500	13,851	14,142	14,467	14,800
Suppliers	5.	12,500	9,747	11,486	11,750	12,020
Depreciation and amortisation	6.	7,241	7,554	8,539	8,966	9,059
<b>Total expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>33,241</b>	<b>31,152</b>	<b>34,167</b>	<b>35,183</b>	<b>35,879</b>
Borrowing cost expense	7.	109	-	-	-	613
<b>Net surplus or deficit from ordinary activities</b>		<b>143,849</b>	<b>132,816</b>	<b>133,844</b>	<b>134,881</b>	<b>135,703</b>
Gain or loss on extraordinary items						
<b>Net surplus or deficit</b>		<b>143,849</b>	<b>132,816</b>	<b>133,844</b>	<b>134,881</b>	<b>135,703</b>
Capital use charge	8.	(138,920)	(128,280)	(129,229)	(130,186)	(131,128)
<b>Net surplus or deficit after capital use charge</b>	9.	<b>4,929</b>	<b>4,536</b>	<b>4,615</b>	<b>4,695</b>	<b>4,575</b>

**Table 3.2: Budgeted Departmental Statement of Financial Position  
(Balance Sheet) as at 30 June**

	Notes	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash	10.	20,618	17,043	8,176	8,985	11,226
Receivables		287	287	287	287	287
Accrued revenues		351	351	351	351	351
<b>Total financial assets</b>		<b>21,256</b>	<b>17,681</b>	<b>8,814</b>	<b>9,623</b>	<b>11,864</b>
<b>Non-financial assets</b>						
Works of Art	11.	1,036,344	1,044,885	1,045,856	1,046,797	1,047,705
Property, plant and equipment	12.	113,637	119,810	150,437	157,961	157,801
Inventories		670	670	670	670	670
Intangibles		447	339	220	142	44
Other		337	337	337	337	337
<b>Total non-financial assets</b>		<b>1,151,435</b>	<b>1,166,041</b>	<b>1,197,520</b>	<b>1,205,907</b>	<b>1,206,557</b>
<b>Total assets</b>		<b>1,172,691</b>	<b>1,183,722</b>	<b>1,206,334</b>	<b>1,215,530</b>	<b>1,218,421</b>
<b>LIABILITIES</b>						
<b>Debt</b>						
Loans from Government				17,100	20,700	18,113
<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	13.	3,159	3,255	3,352	3,453	3,556
Suppliers	14.	7,545	9,945	6,745	3,545	345
<b>Total provisions and payables</b>		<b>10,704</b>	<b>13,200</b>	<b>10,097</b>	<b>6,998</b>	<b>3,901</b>
<b>Total liabilities</b>		<b>10,704</b>	<b>13,200</b>	<b>27,197</b>	<b>27,698</b>	<b>22,014</b>
<b>EQUITY</b>						
Capital	15.	72,712	76,712	80,712	84,712	88,712
Reserves	16.	488,890	488,890	488,890	488,890	488,890
Accumulated surpluses or deficits	17.	600,385	604,920	609,535	614,230	618,805
<b>Total equity</b>		<b>1,161,987</b>	<b>1,170,522</b>	<b>1,179,137</b>	<b>1,187,832</b>	<b>1,196,407</b>
Current liabilities		9,142	11,636	8,534	5,434	2,338
Non-current liabilities		1,563	1,563	18,663	22,263	19,063
Current assets		22,263	18,688	9,821	10,630	12,258
Non-current assets		1,150,428	1,165,034	1,196,514	1,204,900	1,205,550

Part C: Agency Budget Statements — NGA

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

	Notes	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>OPERATING ACTIVITIES</b>						
<b>Cash received</b>						
Appropriations for outputs		163,899	157,638	159,766	161,550	163,118
Sales of goods and services	2.	8,300	5,930	7,845	8,115	8,677
Interest		5,000	400	400	400	400
<b>Total cash received</b>		<b>177,199</b>	<b>163,968</b>	<b>168,011</b>	<b>170,065</b>	<b>172,195</b>
<b>Cash used</b>						
Employees		13,500	13,851	14,141	14,467	14,799
Suppliers	5.	12,817	9,953	11,689	11,951	12,830
<b>Total cash used</b>		<b>26,317</b>	<b>23,804</b>	<b>25,830</b>	<b>26,418</b>	<b>27,629</b>
<b>Net cash from operating activities</b>		<b>150,882</b>	<b>140,164</b>	<b>142,181</b>	<b>143,647</b>	<b>144,566</b>
<b>INVESTING ACTIVITIES</b>						
<b>Cash used</b>						
Purchase of property, plant and equipment	18.	3,420	8,359	33,719	11,052	3,410
Purchase of works of Art	19.	8,600	11,100	9,200	9,200	9,200
<b>Total cash used</b>		<b>12,020</b>	<b>19,459</b>	<b>42,919</b>	<b>20,252</b>	<b>12,610</b>
<b>Net cash from investing activities</b>		<b>(12,020)</b>	<b>(19,459)</b>	<b>(42,919)</b>	<b>(20,252)</b>	<b>(12,610)</b>
<b>FINANCIAL ACTIVITIES</b>						
<b>Cash received</b>						
Equity Injection	15.	4,000	4,000	4,000	4,000	4,000
Borrowing from Government	20.	-	-	17,100	3,600	-

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

	Notes	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<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	7.	800	-	-	-	2,587
Capital use and dividends paid		138,920	128,280	129,229	130,186	131,128
<b>Total cash used</b>		<b>139,720</b>	<b>128,280</b>	<b>129,229</b>	<b>130,186</b>	<b>133,715</b>
<b>Net cash from financing activities</b>		<b>(135,720)</b>	<b>(124,280)</b>	<b>(108,129)</b>	<b>(122,586)</b>	<b>(129,715)</b>
<b>Net increase in cash held</b>		<b>3,142</b>	<b>(3,575)</b>	<b>(8,867)</b>	<b>809</b>	<b>2,241</b>
Cash at the beginning of the reporting period		17,476	20,618	17,043	8,176	8,985
<b>Cash at the end of the reporting period</b>		<b>20,618</b>	<b>17,043</b>	<b>8,176</b>	<b>8,985</b>	<b>11,226</b>

Part C: Agency Budget Statements — NGA

**Table 3.4: Departmental Capital Budget Statement**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-02 \$'000	Forward estimate 2002-03 \$'000	Forward estimate 2003-04 \$'000	Forward estimate 2004-05 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	4,000	(K3) 4,000	4,000	4,000	4,000
Total loans	-	(K3)1	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 appropriations	4,000	4,000	21,100	7,600	4,000
Funded internally by	3,333	800	800	800	800
Departmental resources	8,187	17,359	17,919	8,952	4,910

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2001-02)**

	Works of Art	Land	Buildings	Total Land and Buildings	Infrastructure Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>GROSS VALUE</b>							
<i>As at 1 July 2001 (opening)</i>	1,051,870	4,450	107,800	112,250	5,586	798	1,170,504
Additions	13,800	-	6,974	6,974	1,334	51	22,159
Disposals	-	-	-	-	(200)	-	(200)
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	1,065,670	4,450	114,774	119,224	6,720	849	1,192,463
<b>ACCUMULATED DEPRECIATION</b>							
<i>As at 1 July 2001 (opening)</i>	15,526	-	1,587	1,587	2,612	351	20,076
Disposals	-	-	-	-	(200)	-	(200)
Charge for the reporting period	5,259	-	1,737	1,737	398	160	7,554
Other movements	-	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	20,785	-	3,324	3,324	2,809	511	27,429
<b>Net book value</b>							
<b>As at 30 June 2002 (closing book value)</b>	<b>1,044,885</b>	<b>4,450</b>	<b>111,450</b>	<b>115,900</b>	<b>3,911</b>	<b>338</b>	<b>1,165,034</b>
<b>Net book value as at 1 July 2001 opening book value)</b>							
	<b>1,036,344</b>	<b>4,450</b>	<b>106,213</b>	<b>110,663</b>	<b>2,974</b>	<b>447</b>	<b>1,150,428</b>
<b>TOTAL ADDITIONS</b>							
Self funded	9,000	-	6,974	6,974	1,334	51	17,359
Donations	800	-	-	-	-	-	800
Appropriations	4,000	-	-	-	-	-	4,000
<b>Total</b>	<b>13,800</b>	<b>-</b>	<b>6,974</b>	<b>6,974</b>	<b>1,334</b>	<b>51</b>	<b>22,159</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 2000-01 financial statements and the budgeted financial statements for 2001-02 and forward estimates to 2004-05.

### Budgeted Operating Statement

1. Revenue from government will fall in 2001-02 due to a 1% reduction to the Capital Use Charge. (12% to 11%).
2. Sales of goods and services revenue is projected to fall in 2001-02 from levels projected in 2000-01 due to lower levels of visitors to the Gallery during planned building refurbishment.
3. Revenue from interest in future years will be less as a portion of the interest revenue previously received has been rolled into the Gallery's general appropriation.
4. Operating expenses for employees are projected to increase slightly from 2000-01 to 2001-02 in line with agency workplace agreements and cost of living adjustments.
5. Operating expenses for suppliers are projected to decrease mainly due to the estimated reduction in major exhibition expenses in 2001-02.
6. Depreciation and amortisation expenses increase in 2001-02 as a result of increases in works of art and other property, plant and equipment.
7. The interest expense in 2000-01 relates to a loan taken out from Government to purchase an art store and warehouse at Hume. In 2000-01 the loan was extinguished. The interest charge in 2004-05 relates to a Government loan for refurbishment of the Gallery building.
8. The Capital Use Charge payable has fallen in 2001-02 due to the 1% reduction in the CUC calculation. The rate reduced from 12% to 11% from the 1<sup>st</sup> of July 2001.
9. The budgeted net operating result for 2001-02 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 Balance Sheet

10. The cash balance for 2001-02 is projected to be lower than 2000-01 due to the expected reduction in goods and services and interest revenue and expenditure on refurbishment of the building.
11. Works of art non-financial assets are projected to increase each year due to appropriations for acquisitions of approximately \$4.0m and gifts and donations.
12. Property, plant and equipment assets are projected to increase due to the impact of capital expenditure plans to refurbish the building.

#### Part C: Agency Budget Statements — NGA

13. 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 workplace agreements.
14. Supplier provisions and payables at 30 June 2001 (2000-01) are projected to include \$9.6m owing on the purchase of works of art under current purchase agreements. At 30 June 2002 and in subsequent years supplier provisions and payables represent amounts owing for the ongoing supply of goods and services.
15. Capital equity is budgeted to increase by \$4.0m per annum and represents funds provided to purchase works of art as part of the ongoing development of the national collection.
16. Reserves represent an asset revaluation reserve. The outcome of future revaluations can not be assessed and have thus not been included in the 2001-02 budget or forward estimates.
17. Accumulated results of operations represent the operating results since the Gallery commenced in 1975.

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

18. Cash used in investing activities for acquiring property plant and equipment in 2001-02 of \$8.359m includes projects agreed or required by government including the cost of improvements to buildings to assist in protecting the national collection.
19. 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.
20. In 2002-03 and 2003-04 the Government will lend the Gallery funds to be applied to refurbishment and enhancement of the Gallery building.

Part C: Agency Budget Statements — NGA

**Appendix 1**

**Non-Appropriation Departmental and Administered Revenue**

	Estimated Revenue 2000-01 \$'000	Estimated Revenue 2001-02 \$'000
<b>Departmental Revenue</b>		
Sales of goods and services	7,500	5,130
Interest	5,000	400
Donations	800	800
<b>Total Non-Appropriation departmental revenue</b>	<b>13,300</b>	<b>6,330</b>