

AUSTRALIA COUNCIL

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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 Federal Government's principal arts funding and advisory body. It aims to enrich the life of the nation by supporting and promoting the arts.

The Australia Council's overall goal is to provide leadership in enriching Australians' cultural life. It does this by providing advice, by supporting excellence in artistic endeavour, by underpinning the artistic practice of individuals and companies and by increasing the engagement of all Australian people, their communities and their civic institutions in cultural studies.

APPROPRIATIONS

The total appropriation for the Australia Council in the 2001-02 Budget is \$133.722 m

Table 1.1 on the following page, shows the total appropriations for the Australia Council for 2001-02 by the two Government outcomes. The table also shows the output price within the appropriation.

The Agency does not have administered expenses, administered capital or equity injections and loans.

Australia Council— Appropriations 2001-02

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

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

Outcome	Departmental (price of outputs)					Administered				
	Revenue from Government (appropriations)			Revenue from other sources ⁽³⁾	Price of outputs ⁽²⁾	Annual appropriations		Special approps	Total administered appropriations	Total appropriations
	Bill No. 1	Special approps	Total			Bill No. 1	Bill No. 2 (SPPs & NAOs) ⁽¹⁾			
	(A)	(B)	(C = A+B)	(D)	(E = C+D)	(F)	(G)	(H)	(I = F+G+H)	(J=C+I)
1. Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence	122,610	-	122,610	3,805	126,415	-	-	-	-	122,610
					96.9% (4)					
2. Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts	11,112	-	11,112	345	11,457	-	-	-	-	11,112
Total	133,722	-	133,722	4,150	137,872	-	-	-	-	133,722
						Departmental capital (equity injections and loans)				-
						Administered capital				-

- 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 (Operating Statement) for application of agency revenue.
- Revenue from other sources includes other revenue from government (eg resources free of charge) and revenue from other sources. Non-appropriated departmental and administered revenues are shown in Appendix 1.
- Percentage figure indicates the percentage contribution of Revenue from Government (Departmental Appropriations) to the Total Price of Outputs, by outcome.

Part C: Agency Budget Statements — Australia Council

BUDGET MEASURES — AUSTRALIA COUNCIL SUMMARY

Table 1.2: Summary Of Measures Disclosed in the 2001-2002 Budget

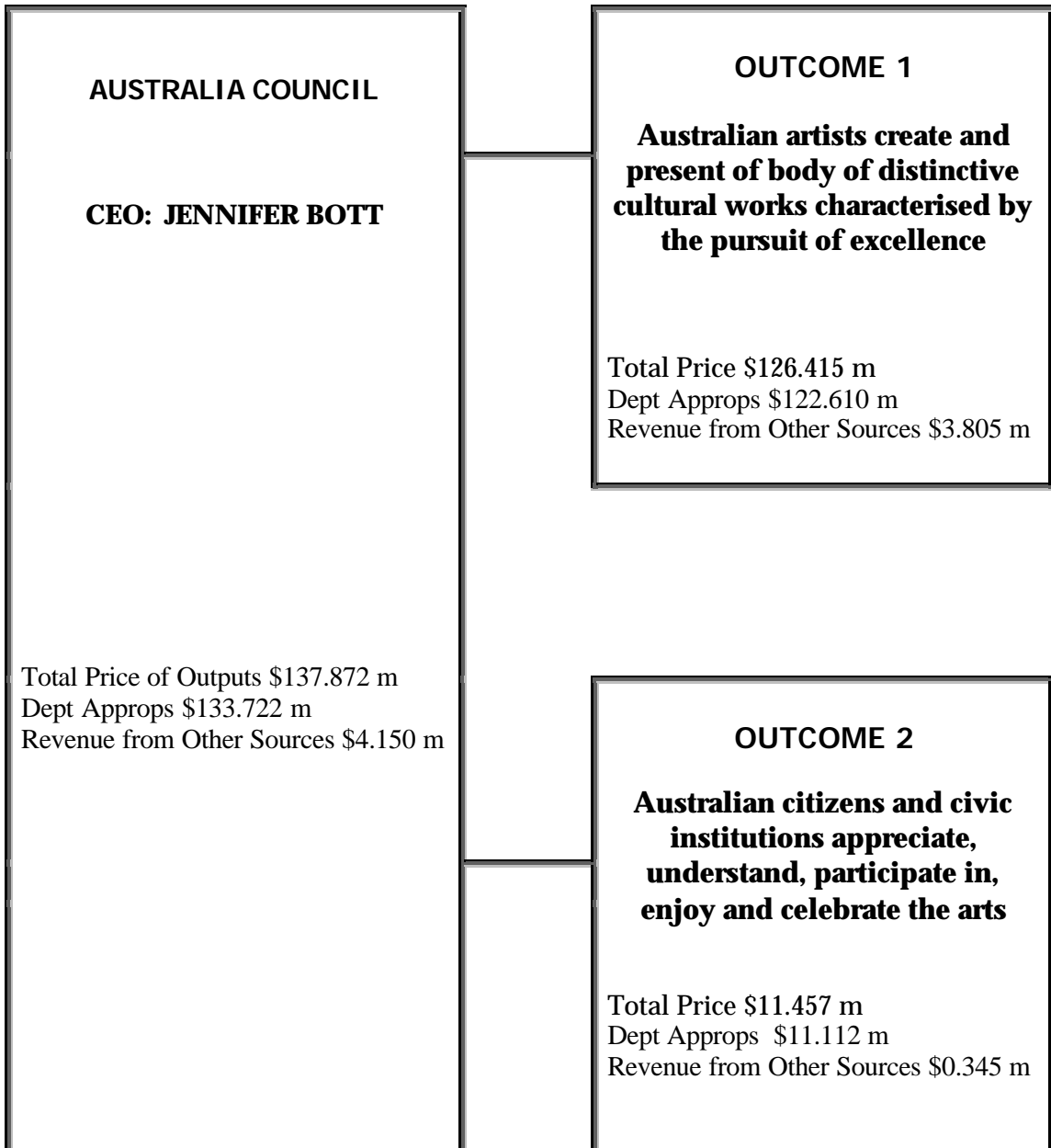
Measure	Outcome	Output groups affected	Appropriations budget			Appropriations estimate			Appropriations estimate			Appropriations estimate		
			2001-02 (\$'000)			2002-03 (\$'000)			2003-04 (\$'000)			2004-05 (\$'000)		
			Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total	Admin expenses	Dept outputs	Total
Renewed support to the Regional Art Fund, Young and Emerging Artists and Major Festivals Initiative	1	1.1	Nil	4,500	4,500	Nil	2,500	2,500	Nil	2,600	2,600	Nil	Nil	Nil
Repriortisation of expenditure	1	1.1	Nil	-1,500	-1,500	Nil	-1,500	1,500	Nil	-1,500	-1,500	Nil	-1,500	-1,500

Section 2: Outcomes and outputs information

OUTCOMES AND OUTPUT GROUPS

Charts 1, 2 and 3 show the Outcome and Output Structure of the agency.

Chart 1: Outcome Structure



CHANGES TO OUTCOMES AND OUTPUTS

The Australia Council has not changed its outcome and output structure since the 2000-01 budget.

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
- International recognition
- Economic visibility

The outcome involves investments in artistic production and development of artistic practice and industry development 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
- Investments in the presentation and promotion of Australian work
- Leadership and a national overview of arts development
- Initiatives to build the management and entrepreneurial capacity of artists and arts organisations
- Market development initiatives for the benefit of Australia's artists and arts organisations.

Measures affecting Outcome 1

Renewed support to the Regional Arts Fund, Young and Emerging Artists Initiative, and the Major Festivals Initiative

Expenses (\$m):

	2001-02	2002-03	2003-04	2004-05
Australia Council	4.5	2.5	2.6	0.0

Explanation

The Government will provide additional funding of \$9.6 million over three years to the Australia Council for:

- Regional Arts Fund, to make a significant and sustainable contribution to regional arts development;
- Young and Emerging Artists Initiative, to assist Australian artists (across all art forms) at the formative stages of their careers; and
- Major Festival Initiative, to provide support to Australia's major international festivals to enable them to develop and present large scale commissioned works.

This extends the commitment given in the Government's 1998 election policy statement *Arts for Australia's Sake*.

Australia Council - reprioritisation of expenditure

Expenses (\$m)

	2001-02	2002-03	2003-04	2004-05
Australia Council	-1.5	-1.5	-1.5	-1.5

Explanation

Reprioritising expenditure for the Australia Council will allow support for the Regional Arts Fund, the Young and Emerging Artists Initiative, and the Major Festivals Initiative without affecting existing grant programmes.

OUTCOME 1 — RESOURCING

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

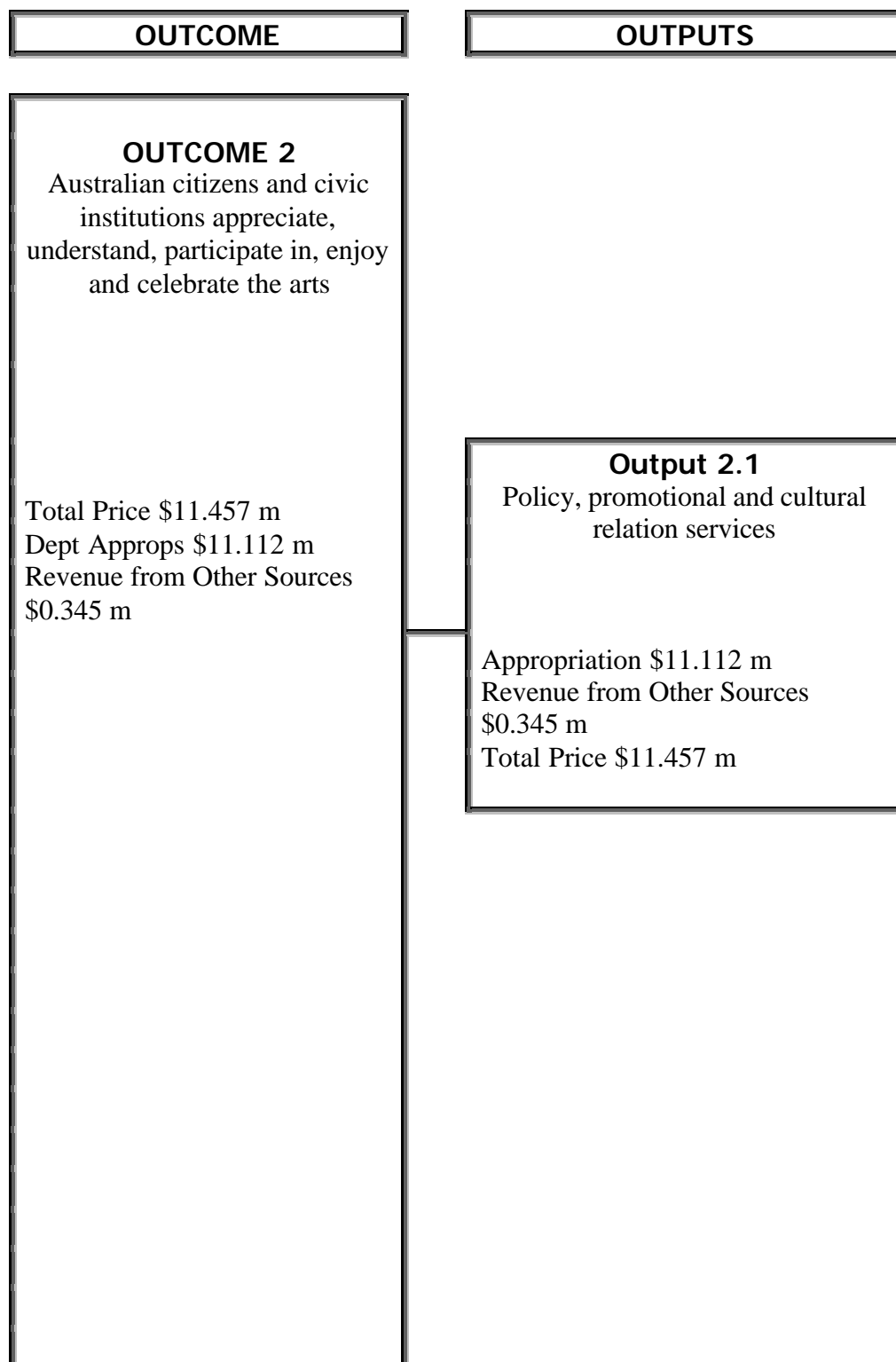
	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Administered appropriations		
The Australia Council has no administered expenses	-	-
Total administered appropriations	-	-
Departmental appropriations		
Output 1.1- Investment in artistic production and development of artistic practice	62,991	112,409
Output 1.2 - Industry development of Australia's creative arts	5,716	10,201
Total revenue from government (appropriations) contributing to price of departmental outputs	68,707 78.8%	122,610 96.9%
Revenue from other sources		
Output 1.1 - Investments in artistic production and development of artistic practice	16,926	3,488
Output 1.2 - Industry development of Australia's creative arts	1,536	317
Total revenue from other sources	18,462	3,805
Total price from departmental outputs <i>(Total revenue from Government and from other sources)</i>	87,169	126,415
Total estimated resourcing for outcome 1 <i>(Total price of outputs and admin expenses)</i>	87,169	126,415
	2000-01	2001-02
Average staffing level (number)	95	95

OUTCOME 1 — CONTRIBUTION OF OUTPUTS

Table 2.2.1 Performance Information for Outcome 1

Effectiveness - Overall achievement of the outcome	
	85% of projects completed within timeframe
	90% satisfaction rating by clients
	1500 funded opportunities and initiatives
Performance information for departmental outputs	
Output 1.1 - Investments in artistic production and development of artistic practice	<p>Quality: The percentage of completed projects and the satisfaction rating by clients of Council initiatives.</p> <p>Quantity: The number of funded opportunities and client audience development and industry development initiatives.</p> <p>Price: \$115.897 m</p>
Output 1.2 - Industry development of Australia's creative arts.	<p>Quality: The percentage of completed projects and the satisfaction rating by clients of Council initiatives.</p> <p>Quantity: The number of funded opportunities and client audience development and industry development initiatives.</p> <p>Price: \$10.518 m</p>

Chart 3: Outcome 2 – Contributing Outputs



Note: Revenue from Government (Appropriations) contributes 96.9 per cent to the Total Price of Output for Outcome 2 for 2001-02.

OUTCOME 2 - DESCRIPTION

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

The outcome involves policy, promotional and cultural relation services, which deliver:

- Promotion of an understanding, enjoyment and appreciation of the arts by Australian citizens and civic institutions.
- Promotion of an appreciation, understanding and respect for Australia's culture internationally.
- Policy analysis and policy advice.
- Understanding of key issues and challenges facing artists and arts organisations that can fundamentally affect the ongoing development of the sector.

Measures affecting Outcome 2

There are no Budget measures affecting Outcome 2.

OUTCOME 2 — RESOURCING**Table 2.1.1: Total Resources for Outcome 2 (\$'000)**

	Estimated actual 2000-01 \$'000	Budget estimate 2001-2002 \$'000
Administered appropriations	-	-
Total administered appropriations	-	-
Departmental appropriations		
Output 2.1 Policy promotional and cultural relations services	6,227	11,112
Total revenue from government (appropriations) contributing to price of departmental outputs	6,227 75.8%	11,112 96.9%
Revenue from other sources		
Output 2.1 Policy promotional and cultural relations services	1,983	345
Total revenue from other sources	1,983	345
Total price from departmental outputs <i>(Total revenue from Government and from other sources)</i>	8,210	11,457
Total estimated resourcing for outcome 2 <i>(Total price of outputs and admin expenses)</i>	8,210	11,457
	2000-01	2001-02
Average staffing level (number)	29	29

OUTCOME 2 — CONTRIBUTION OF OUTPUTS

Table 2.2.2 Performance Information for Outcome 2

Effectiveness - Overall achievement of the outcome	
	85% of projects completed within timeframe 90% satisfaction rating by clients An increase of 3% annually in Council's impact
Performance information for departmental outputs	
Output 2.1 - Policy, promotional and cultural relation services	<p>Quality: The satisfaction ratings by the clients of Council's policy, promotional and cultural relations service.</p> <p>Quantity: The participation of Australians in the arts from attendances at art galleries/museums and the performing arts to participation in community development projects and reading Australian literature.</p> <p>Price: \$11.457 m</p>

Evaluations

A range of policy, promotional and cultural relation services will be evaluated over the 2001-2002 financial year.

Competitive tendering and contracting

The Australia Council undertakes a range of audience development, research and arts development projects on a competitive tendering basis. This will continue in 2001-2002.

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 Agency by identifying full accrual expenses, accrual revenues and capital use charge, which highlights whether the Agency is operating at a sustainable level.

Budgeted Departmental Statement of Financial Position (Balance Sheet)

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

	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
Revenues from ordinary activities					
Revenue from government	74,934	133,722	133,958	134,159	130,217
Sales of goods and services	-	-	-	-	-
Interest	1,000	1,200	1,200	1,200	1,200
Dividends	-	-	-	-	-
Net gains from sales of assets	-	-	-	-	-
Other	19,445	2,950	2,900	2,900	900
Total revenues from ordinary activities	95,379	137,872	138,058	138,259	132,317
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	7,410	7,812	8,188	8,579	8,985
Suppliers	3,268	3,484	3,709	3,943	4,187
Grants	82,638	124,102	123,589	123,102	116,265
Depreciation and amortisation	671	731	740	756	814
Write down of assets	-	-	-	-	-
Net losses from sales of assets	20	-	-	-	-
Other	-	-	-	-	-
Total expenses from ordinary activities (excluding borrowing costs expense)	94,007	136,129	136,226	136,380	130,251
Borrowing cost expense (Interest expense)					
Net surplus or deficit from ordinary activities	1,372	1,743	1,832	1,879	2,066
Gain or loss on extraordinary items					
Net surplus or deficit					
Capital use charge	(1,217)	(1,154)	(1,219)	(1,287)	(1,352)
Net surplus or deficit after capital use charge	155	589	613	592	714

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

	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
ASSETS					
Financial assets					
Cash	10,751	11,497	12,700	14,046	15,033
Receivables	560	560	560	560	560
Investments	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
Total financial assets	11,311	12,057	13,260	14,606	15,593
Non-financial assets					
Land and buildings	1,948	1,750	1,552	1,354	1,156
Infrastructure, plant and equipment	2,122	2,143	2,228	2,129	2,130
Inventories	-	-	-	-	-
Intangibles	959	823	610	373	95
Other	180	180	180	180	180
Total non-financial assets	5,209	4,896	4,570	4,036	3,561
Total assets	16,520	16,953	17,830	18,642	19,154
LIABILITIES					
Debt					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdrafts	-	-	-	-	-
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Employees	1,814	2,090	2,402	2,754	3,152
Suppliers	702	630	622	600	500
Grants	3,510	3,150	3,110	3,000	2,500
Other	-	-	-	-	-
Total provisions and payables	6,026	5,870	6,134	6,354	6,152
Total liabilities	6,026	5,870	6,134	6,354	6,152
EQUITY					
Capital	-	-	-	-	-
Reserves	1,386	1,386	1,386	1,386	1,386
Accumulated surpluses or deficits	9,108	9,697	10,310	10,902	11,616
Total equity	10,494	11,083	11,696	12,288	13,002
Current liabilities	5,423	5,283	5,521	5,719	5,537
Non-current liabilities	603	587	613	635	615
Current assets	12,886	13,223	13,907	14,541	14,940
Non-current assets	3,634	3,730	3,923	4,101	4,214

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

	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
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	74,934	133,722	133,958	134,159	130,217
Sales of goods and services	-	-	-	-	-
Interest	1,000	1,200	1,200	1,200	1,200
Other	19,445	2,950	2,900	2,900	900
Total cash received	95,379	137,872	138,058	138,259	132,317
Cash used					
Employees	7,166	7,536	7,876	7,836	8,181
Suppliers	3,064	3,376	3,537	3,785	4,107
Grants	82,488	124,462	123,629	123,212	116,765
Interest	-	-	-	-	-
Other	1,307	1,362	1,385	1,906	1,996
Total cash used	94,025	136,736	136,427	136,739	131,049
Net cash from operating activities	1,354	1,136	1,631	1,520	1,268
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	43	70	20	80	80
Repayments of loans made	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	43	70	20	80	80
Cash used					
Purchase of property, plant and equipment	408	350	398	204	301
Loans made	-	-	-	-	-
Other	232	110	50	50	60
Total cash used	640	460	448	254	361
Net cash from investing activities	(597)	(390)	(428)	(174)	(281)
FINANCIAL ACTIVITIES					
Cash received					
Proceeds from issuing equity instruments	-	-	-	-	-
Proceeds from debt	-	-	-	-	-
Other	-	-	-	-	-
Total cash received	-	-	-	-	-

Part C: Agency Budget Statements — Australia Council

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

	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
Cash used					
Repayments of debt	-	-	-	-	-
Capital use and dividends paid					
Other	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from financing activities	-	-	-	-	-
Net increase in cash held	757	746	1,203	1,346	987
Cash at the beginning of the reporting period	9,994	10,751	11,497	12,700	14,046
Cash at the end of the reporting period	10,751	11,497	12,700	14,046	15,033

Part C: Agency Budget Statements — Australia Council

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
CAPITAL APPROPRIATIONS					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
Represented by:					
Purchase of non-current assets	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-
PURCHASE OF NON-CURRENT ASSETS					
Funded by capital appropriations	-	-	-	-	-
Funded internally by	-	-	-	-	-
Departmental resources	-	460	-	-	-
Total	-	460	-	-	-

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

	Land	Buildings	Total Land and Buildings	Infrastructure Plant and Equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROSS VALUE						
<i>As at 1 July 2001 (opening)</i>	68	2,201	2,269	2,921	1,152	6,342
Additions	-	-	-	350	110	460
Disposals	-	-	-	(350)	-	(350)
Other movements	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	68	2,201	2,269	2,921	1,262	6,452
ACCUMULATED DEPRECIATION						
<i>As at 1 July 2001 (opening)</i>	-	321	321	799	193	1,313
Disposals	-	-	-	(308)	-	(308)
Charge for the reporting period	-	198	198	287	246	731
Other movements	-	-	-	-	-	-
<i>As at 30 June 2002 (closing)</i>	-	-	-	-	-	-
Net book value						
As at 30 June 2002 (closing book value)	68	1,682	1,750	2,143	823	4,716
Net book value as at 1 July 2001 opening book value)	68	1,880	1,948	2,122	959	5,029
TOTAL ADDITIONS						
Self funded	-	-	-	350	110	460
Appropriations	-	-	-	-	-	-
Total	-	-	-	350	110	460

NOTES TO THE FINANCIAL STATEMENTS

Departmental

Operating Statement

Revenue from government in 2001-02 reflects the continuation of the Regional Arts Fund, Young and Emerging Artists Initiative and Major Festivals Initiative. It includes for the first time, additional funding following the Major Performing Arts Inquiry and the transfer of the orchestras and Opera Australia base funding from the Department of Communications Information Technology and the Arts.

Revenue from other sources from 2001-02 through to 2003-04 reflects additional funding of \$2.0 million per year for the Book Industry Assistance Plan programme run by the Council on behalf of the Government.

Revenue from other sources in 2000-01 includes transfer of the orchestra funding and Opera Australia base funding from the Department of Communications Information Technology and the Arts, in accordance with the Memorandum of Understanding between the Department and the Council.

Expenditure of grants from 2001-02 assumes the continuation of programmes mentioned above and the inclusion of funding to major performing arts companies transferred to the Council.

Balance Sheet

The Australia Council's triennial funding agreement with the Department of Communications Information Technology and the Arts, and the Department of Finance and Administration, permits the Council to carry over unspent cash balances at the end of one financial year to another. The forward estimates assume principles contained in this agreement.

Statement of Cash Flows

The increase in cash received and cash used in 2000-01 and forward years is due increased funding resulting from the Major Performing Arts Inquiry.

Non-Financial Assets – Summary

The Council does not expect to purchase significant non-financial assets in 2001-02. This statement has been prepared on this basis.

Part C: Agency Budget Statements — Australia Council

Appendix 1

Non-Appropriation Departmental Revenue

	Estimated Revenue 2000-01 \$'000	Estimated Revenue 2001-02 \$'000
Departmental Revenue		
Sales of goods and services	-	-
Interest	1,000	1,200
Other non-appropriation revenue	19,445	2,950
Total Non-Appropriation departmental revenue	20,445	4,150

