

**AUSTRALIA COUNCIL**



# AUSTRALIA COUNCIL

## Section 1: Agency 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's culture through support and promotion 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 art and culture;
- ensuring all Australians have the opportunity to engage with the arts and enjoy a rich cultural life; and
- shaping a future Australia in which the arts play a meaningful and vital role in everyday life.

### 1.1: SUMMARY OF AGENCY CONTRIBUTIONS TO OUTCOMES

The products and services delivered by the Australia Council (outputs, products and services) which contribute to the achievement of outcomes for the Australia Council are summarised in Table 1.1.

**Table 1.1: Agency outcomes and output groups**

Outcome	Output
<p><b>Outcome 1</b> Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence</p>	<p><b>Output 1.1</b> Investments in artistic production and development of artistic practice</p> <p><b>Output 1.2</b> Presentation of distinctive Australian cultural works nationally and internationally</p>
<p><b>Outcome 2</b> Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts</p>	<p><b>Output 2.1</b> Promoting the understanding, enjoyment, participation in and appreciation of the arts by Australians</p> <p><b>Output 2.2</b> Infrastructure development for Australia's creative arts</p> <p><b>Output 2.3</b> Provision of policy development, research, promotional and advisory services</p>

## Section 2: Agency resources for 2007-08

### 2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2007-08, including appropriations. The table summarises how revenue will be applied by outcome and departmental classification. The total appropriation for the Australia Council in the 2007-08 Budget is \$161.377 million.

**Table 2.1: Appropriations and other resources 2007-08 ('000)**

	Departmental			Revenue (a) \$'000	Total \$'000
	Appropriation Bill No. 1 \$'000	Appropriation Bill No. 2 \$'000	Special Appropriation \$'000		
<b>Outcome 1</b>					
Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence	91,661	-	-	2,376	<b>94,037</b>
<b>Outcome 2</b>					
Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts	69,716	-	-	1,807	<b>71,523</b>
Equity injections	-	-	-	-	-
Loans	-	-	-	-	-
Previous years' outputs	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-
Special capital appropriation	-	-	-	-	-
<b>TOTAL</b>	<b>161,377</b>	<b>-</b>	<b>-</b>	<b>4,183</b>	<b>165,560</b>

(a) Departmental revenues that are available to be used.

**Notes:**

1. Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), new agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
2. Refer to Budgeted Income Statement for application of agency revenue.

## 2.2: 2007-08 BUDGET MEASURES

Budget measures relating to Australia Council as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcomes, administered items and outputs associated with each measure.

**Table 2.2: Australia Council measures**

Measure	Outcome	Output affected	Appropriations Budget 2007-08 (\$'000)		Appropriations Forward Estimate 2008-09 (\$'000)		Appropriations Forward Estimate 2009-10 (\$'000)		Appropriations Forward Estimate 2010-11 (\$'000)	
			Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs	Admin expenses	Dept outputs
<b>Expense Measures</b>										
Australia Council - continuation of base funding	All	All	-	-	-	-	-	-	-	-
Major performing arts - additional funding	All	1.1, 1.2, 2.1,2.2	-	5,932	5,932	5,984	5,984	6,055	6,055	6,126
Small to medium performing arts companies - additional funding	All	1.1, 1.2, 2.1,2.2	-	4,800	4,800	-	4,852	-	4,909	4,967
<b>Total Expense Measures</b>			-	<b>10,732</b>	<b>10,732</b>	-	<b>10,836</b>	-	<b>10,964</b>	<b>11,093</b>

### 2.3: OTHER RESOURCES AVAILABLE TO BE USED

Table 2.3 provides details of other resources obtained by the Australia Council for provision of goods or services. These resources are approved for use by the Australia Council and are included in Table 2.1.

**Table 2.3: Other resources to be used**

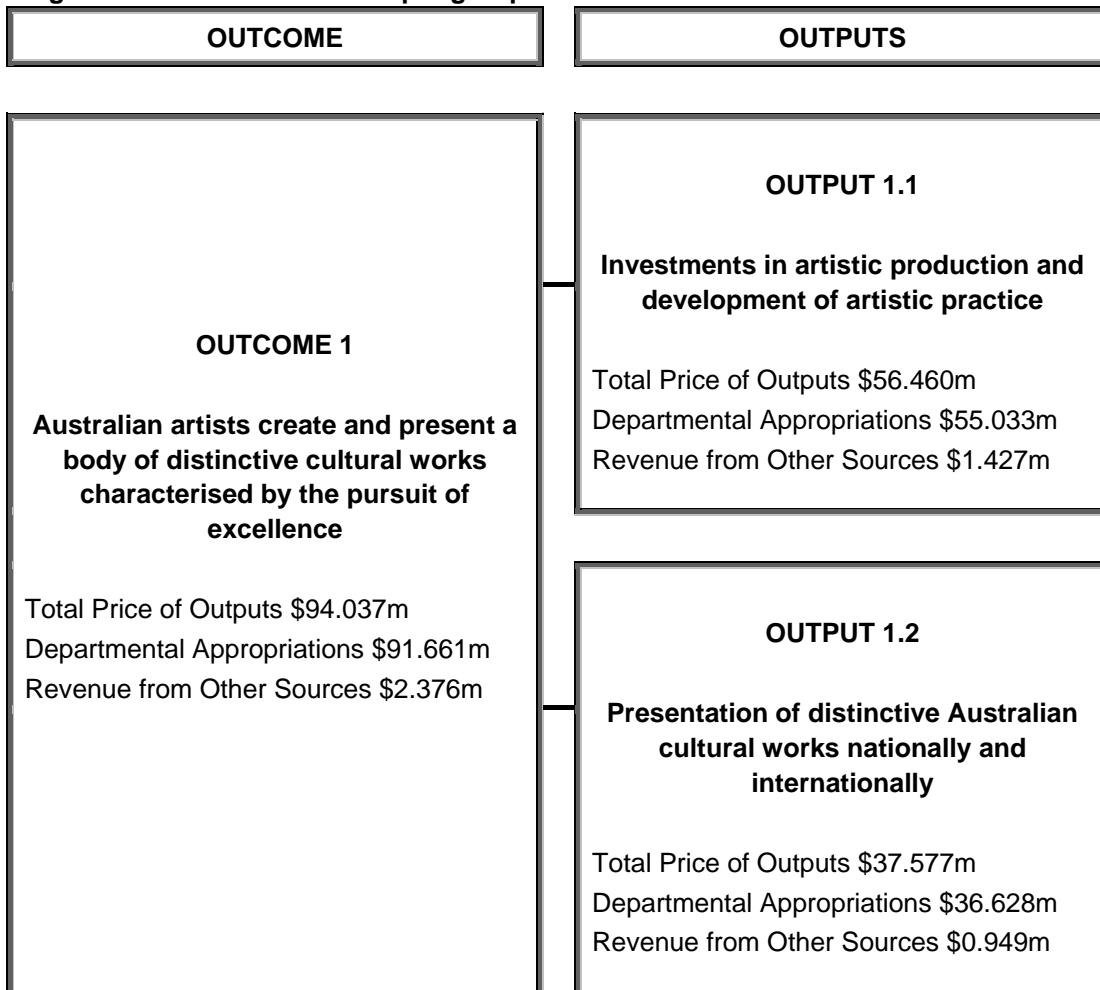
	Estimated resources 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental resources</b>		
Interest	1,500	1,500
Other	8,153	2,683
<b>Total departmental other resources available to be used</b>	<b>9,653</b>	<b>4,183</b>

## Section 3: Agency outcomes

General government sector (GGS) agencies are required to plan, budget and report under an outcomes structure. GGS agencies produce outputs (departmental items) and also administer activities and programs on behalf of the Government (administered items). This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcomes for the Australia Council.

### SUMMARY OF OUTCOME 1

Figure 4.1: Outcomes and output groups



Note: Revenue from Government (Appropriations) contributes 97.5% to the Total Price of Outputs for Outcome 1.

## **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;
- the development of creative arts practice;
- quality productions; and
- the presentation and promotion of Australian work nationally and internationally.

## OUTCOME 1 - RESOURCING

### Outcome 1 resourcing

Table 3.1.1 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 1, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

**Table 3.1.1 Total resources for Outcome 1 (\$'000)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental appropriations</b>		
<b>Output 1.1</b> Investments in artistic production and development of artistic practice	50,771	55,033
<b>Output 1.2</b> Presentation of distinctive Australian cultural works nationally and internationally	33,791	36,628
<b>Total revenue from government (appropriations)</b>	<b>84,562</b>	<b>91,661</b>
<i>Contributing to price of departmental outputs</i>	<i>93.91%</i>	<i>97.47%</i>
<b>Revenue from other sources</b>		
<b>Output 1.1</b> Investments in artistic production and development of artistic practice	3,292	1,427
<b>Output 1.2</b> Presentation of distinctive Australian cultural works nationally and internationally	2,191	949
<b>Total revenue from other sources</b>	<b>5,483</b>	<b>2,376</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>90,045</b>	<b>94,037</b>
	2006-07	2007-08
<b>Average staffing level (number)</b>	81	80

## **Contributions to achievement of Outcome 1**

The Australia Council outputs under Outcome 1 contribute to:

- 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.

### **Output 1.1 Investments in artistic production and development of artistic practice**

The Australia Council invests in artistic production and the development of artistic practice by providing grants and other forms of financial support for:

- the creation of new work;
- professional development opportunities for individual artists and arts workers in the form of residencies, mentoring relationships and other development programs; and
- awards for the recognition of outstanding achievement or artistic potential.

The Australia Council delivers programs that enable Aboriginal and Torres Strait Islander people to claim, control and enhance their cultural inheritance.

Support is provided to individual artists, arts workers and organisations through a range of support for the arts programs. The contribution to this outcome is measured by: the range of grant programs that support excellence in artistic practice, creation of new work and the development of skills; the number of opportunities and initiatives delivered; and client satisfaction with the Australia Council's services.

### **Output 1.2 Presentation of distinctive Australian cultural works nationally and internationally**

Programs run by the Australia Council aim to increase resources, opportunities and audiences for Australian art through funding for projects that present, exhibit, publish, distribute and/or promote Australia work in a range of art forms and practice areas including dance, hybrid and interdisciplinary arts, literature, music, theatre and visual arts and craft. Investments are made to increase national and international audiences and markets for Australian arts. The contribution to this outcome is measured by the quality, distinctiveness and number of artistic works presented nationally and internationally with support from the Australia Council.

## PERFORMANCE INFORMATION AND INDICATORS

### Performance information for Outcome 1

**Table 3.2.1: Performance information for Outcome 1**

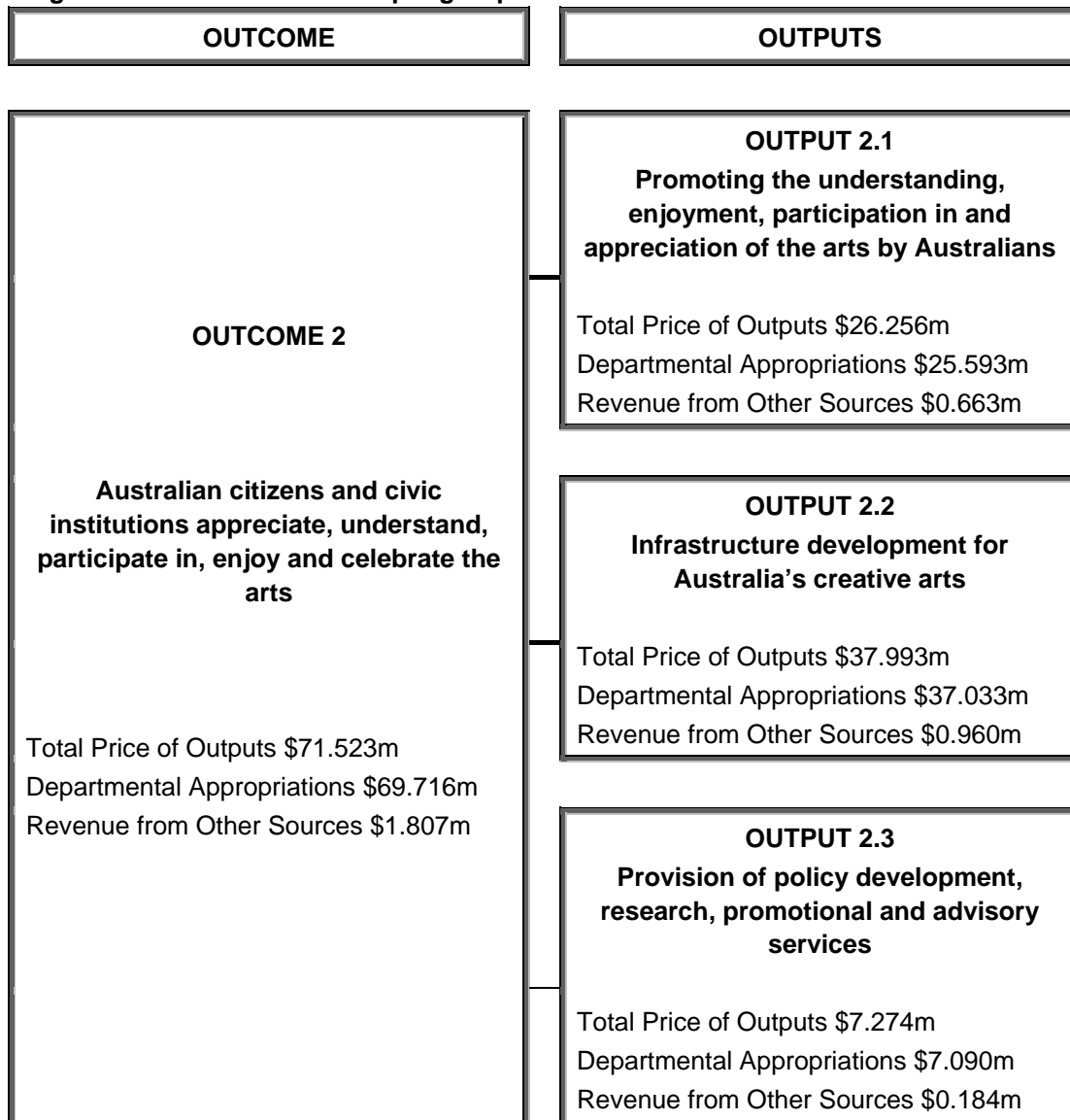
Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Effectiveness - Overall achievement of the Outcome 1</b>	
Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence	<p><b>Quality</b> Strong representation of Australian artists and arts organisations, and recognition of the quality of their work, nationally and internationally.</p> <p><b>Quantity</b> 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><b>Price</b> \$94.037m</p>
<b>Performance Information for Departmental Output 1.1</b>	
Investments in artistic production and development of artistic practice	<p><b>Quality</b> 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><b>Quantity</b> 1,500 funded opportunities and initiatives.</p> <p><b>Price</b> \$56.460m</p>
<b>Performance Information for Departmental Output 1.2</b>	
Presentation of distinctive Australian cultural works nationally and internationally	<p><b>Quality</b> Distinctive Australian cultural works are presented nationally and internationally with support from the Australia Council.</p> <p><b>Quantity</b> Number of artistic works exhibited, performed or written with Australia Council support. Number of Australian artistic works supported for international touring.</p> <p><b>Price</b> \$37.577m</p>

### EVALUATIONS FOR OUTCOME 1

There are no evaluations planned under Outcome 1.

## SUMMARY OF OUTCOME 2

Figure 4.2: Outcomes and output groups for Outcome 2



Note: Revenue from Government (Appropriations) contributes 97.5% to the Total Price of Outputs for Outcome 2.

## **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.

## OUTCOME 2 – RESOURCING

### Outcome 2 resourcing

Table 3.1.2 shows how the 2007-08 Budget appropriations translate to total resourcing for Outcome 2, including revenue from government (appropriation), other resources available to be used and the total price of outputs.

**Table 3.1.2: Total resources for Outcome 2 (\$'000)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000
<b>Departmental appropriations</b>		
<b>Output 2.1</b> Promoting the understanding, enjoyment, participation and appreciation of the arts by Australians	23,610	25,593
<b>Output 2.2</b> Infrastructure development for Australia's creative arts	34,164	37,033
<b>Output 2.3</b> Provision of policy development, research, promotional and advisory services	6,540	7,090
<b>Total revenue from government (appropriations)</b>	<b>64,314</b>	<b>69,716</b>
<i>Contributing to price of departmental outputs</i>	93.91%	97.47%
<b>Revenue from other sources</b>		
<b>Output 2.1</b> Promoting the understanding, enjoyment, participation and appreciation of the arts by Australians	1,531	663
<b>Output 2.2</b> Infrastructure development for Australia's creative arts	2,215	960
<b>Output 2.3</b> Provision of policy development, research, promotional and advisory services	424	184
<b>Total revenue from other sources</b>	<b>4,170</b>	<b>1,807</b>
<b>Total price from departmental outputs</b> (Total revenue from government and from other sources)	<b>68,484</b>	<b>71,523</b>
	2006-07	2007-08
<b>Average staffing level (number)</b>	61	60

## **Contributions to achievement of Outcome 2**

The Australia Council outputs under Outcome 2 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.

### **Output 2.1 Promoting the understanding, enjoyment, participation in and appreciation of the arts by Australians**

Programs run by the Australia Council invest in increasing national and international audiences and markets for Australian arts, a diverse range of arts and cultural activities in communities and utilising the arts to build stronger communities. The contribution to this outcome is measured by: the geographic spread of activities funded by the Australia Council; the number of audience members and participants for funded works; the value of investments from non-Australia Council sources for audience development initiatives; and the number of audience development initiatives.

### **Output 2.2 Infrastructure development for Australia's creative arts**

The Australia Council provides triennial grants and other forms of support in terms of capacity building and advice to key arts organisations to develop and maintain a viable strategic arts infrastructure. The contribution to this outcome is measured by: the number of organisations funded; and the reliability, and diversity of arts activities available to Australians.

### **Output 2.3 Provision of policy development, research, promotional and advisory services**

The Australia Council provides research, analysis and advice on contemporary arts issues to the Government and the arts industry. The contribution to this outcome is measured by the access to Australia Council information, grants programs and research including via the website, publications and advocacy sessions.

## Performance information for Outcome 2

**Table 3.2.2: Performance information for Outcome 2**

Measures / Indicators / Target	Performance information 2007-08 Budget
<b>Effectiveness - Overall achievement of the Outcome 2</b>	
Australian citizens and civic institutions appreciate, understand, participate, enjoy and celebrate the arts	<p><b>Quality</b> Broad geographic access to arts activities funded by the Australia Council.</p> <p><b>Quantity</b> Total readers, audiences, participants and attendances of Australia Council supported arts programs.</p> <p><b>Price</b> \$71.523m</p>
<b>Performance Information for Departmental Output 2.1</b>	
Promoting the understanding, enjoyment, participation and appreciation of the arts by Australians	<p><b>Quality</b> Investments leveraged (multiplier effect) from other sources from Australia Council support for initiatives to develop audiences for the arts.</p> <p><b>Quantity</b> Number of audience development initiatives.</p> <p><b>Price</b> \$26.256m</p>
<b>Performance Information for Departmental Output 2.2</b>	
Infrastructure development for Australia's creative arts	<p><b>Quality</b> Australia Council triennial funding support for arts organisations increases the reliability and diversity of arts activities available to Australians.</p> <p><b>Quantity</b> Number of triennially funded arts organisations.</p> <p><b>Price</b> \$37.993m</p>
<b>Performance Information for Departmental Output 2.3</b>	
Provision of policy development, research, promotional and advisory services	<p><b>Quality</b> The variety of delivery platforms provided to ensure broad access to Australia Council information, grants programs and research.</p> <p><b>Quantity</b> 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><b>Price</b> \$7.274m</p>

## EVALUATIONS FOR OUTCOME 2

There are no evaluations planned under Outcome 2.

## Section 4: Other reporting requirements

### **4.1: PURCHASER-PROVIDER ARRANGEMENTS**

The Australia Council has no purchaser-provider arrangements.

### **4.2: COST RECOVERY ARRANGEMENTS**

The Australia Council has no cost recovery arrangements.

## Section 5: Budgeted financial statements

### 5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

#### Departmental

##### Revenues

Total Revenues as reported in the Budgeted Income Statement for 2007-08 are \$165.560m. This includes:

- Revenue from Government (\$161.377); and
- Other revenue sources (\$4,183).

##### Revenues from government

Included in Revenues from Government as reported in the Income Statement for 2007-08, are the following Government initiatives:

- Young and Emerging Artists (\$1.250m)
- NOISE - a media based youth arts festival (\$1.250m)
- Melba Foundation - production of high quality music recording (\$1.000m)
- Major Festivals Initiative (\$0.750m)

##### Other revenue sources

Other revenue sources as reported in the Budgeted Income Statement for 2007-08 include:

- Interest revenue (\$1.500m); and
- Other revenue (\$2.683m).

Other revenue is predominantly funding provided by the Australian Government through the Department of Communication, Information Technology and the Arts for the Books Alive initiative (\$2.000m).

### 5.2: BUDGETED FINANCIAL STATEMENTS TABLES

For an explanation of the Budgeted Financial Statements tables, please see the User Guide.

**Table 5.1: Budgeted departmental income statement for the period ended 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>INCOME</b>					
<b>Revenues</b>					
Revenues from Government	148,876	161,377	161,336	161,406	162,196
Goods and services	-	-	-	-	-
Fees and fines	-	-	-	-	-
Interest	1,500	1,500	1,500	1,500	1,500
Dividends	-	-	-	-	-
Rents	-	-	-	-	-
Royalties	-	-	-	-	-
Other	8,153	2,683	2,650	658	300
<b>Total Revenue</b>	<b>158,529</b>	<b>165,560</b>	<b>165,486</b>	<b>163,564</b>	<b>163,996</b>
<b>Gains</b>					
Net foreign exchange gains	-	-	-	-	-
Reversals of previous asset write-downs	-	-	-	-	-
Revenue from sales of assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total Gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Income</b>	<b>158,529</b>	<b>165,560</b>	<b>165,486</b>	<b>163,564</b>	<b>163,996</b>
<b>EXPENSE</b>					
Employees	10,570	11,020	11,224	11,644	11,861
Suppliers	4,099	4,097	4,196	4,212	4,144
Grants	153,049	149,863	149,595	147,539	147,862
Subsidies	-	-	-	-	-
Depreciation and amortisation	775	541	426	169	129
Finance costs	36	39	45	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Net foreign exchange losses	-	-	-	-	-
Other	-	-	-	-	-
<b>Total expenses</b>	<b>168,529</b>	<b>165,560</b>	<b>165,486</b>	<b>163,564</b>	<b>163,996</b>
Share of operating results of associates and joint ventures accounted for using the equity method	-	-	-	-	-
<b>Surplus (Deficit) before Income Tax</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Income Tax expense	-	-	-	-	-
<b>Surplus (Deficit)</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Monitory interest in net surplus (or deficit)	-	-	-	-	-
<b>Net surplus (or deficit) attributable to the Australian Government</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.2: Budgeted departmental balance sheet as at 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and equivalents	27,290	28,216	28,823	29,061	29,410
Trade and other receivables	2,144	1,780	1,667	1,585	1,222
Investments accounted for under the equity method	-	-	-	-	-
Investments	-	-	-	-	-
Other investments	-	-	-	-	-
Tax assets	-	-	-	-	-
Accrued revenues	-	-	-	-	-
Other	-	-	-	-	-
<b>Total financial assets</b>	<b>29,434</b>	<b>29,996</b>	<b>30,490</b>	<b>30,646</b>	<b>30,632</b>
<b>Non-financial assets</b>					
Land and buildings	2,641	2,316	1,991	1,923	1,895
Infrastructure, plant and equipment	1,575	1,453	1,352	1,251	1,150
Investment properties	-	-	-	-	-
Heritage and cultural assets	-	-	-	-	-
Inventories	-	-	-	-	-
Intangibles	248	154	154	154	154
Deferred tax asset	-	-	-	-	-
Biological assets	-	-	-	-	-
Other	153	153	146	165	308
<b>Total non-financial assets</b>	<b>4,617</b>	<b>4,076</b>	<b>3,643</b>	<b>3,493</b>	<b>3,507</b>
Assets held for sale	-	-	-	-	-
<b>Total assets</b>	<b>34,051</b>	<b>34,072</b>	<b>34,133</b>	<b>34,139</b>	<b>34,139</b>
<b>LIABILITIES</b>					
<b>Interest bearing liabilities</b>					
Loans	-	-	-	-	-
Leases	-	-	-	-	-
Deposits	-	-	-	-	-
Overdraft	-	-	-	-	-
Other	-	-	-	-	-
<b>Total interest bearing liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Provisions</b>					
Employees	1,917	1,933	1,949	1,965	1,965
Other	-	-	-	-	-
<b>Total provisions</b>	<b>1,917</b>	<b>1,933</b>	<b>1,949</b>	<b>1,965</b>	<b>1,965</b>
<b>Payables</b>					
Suppliers	349	334	366	391	391
Grants	1,696	1,677	1,645	1,610	1,610
Dividends	-	-	-	-	-
Finance costs	-	-	-	-	-
Tax liabilities	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-
Other	598	637	682	682	682
<b>Total payables</b>	<b>2,643</b>	<b>2,648</b>	<b>2,693</b>	<b>2,683</b>	<b>2,683</b>
Liabilities included in disposal groups held for sale	-	-	-	-	-
<b>Total liabilities</b>	<b>4,560</b>	<b>4,581</b>	<b>4,642</b>	<b>4,648</b>	<b>4,648</b>
<b>Net Assets</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>

**Table 5.2: Budgeted departmental balance sheet as at 30 June (continued)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	-	-	-	-	-
Reserves	2,044	2,044	2,044	2,044	2,044
Retained surpluses or accumulated deficits	27,447	27,447	27,447	27,447	27,447
<b>Total parent entity interest</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>
<b>Minority interest</b>					
Contributed equity	-	-	-	-	-
Reserves	-	-	-	-	-
Retained surpluses or accumulated deficits	-	-	-	-	-
<b>Total minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>	<b>29,491</b>
<b>Current assets</b>	29,587	30,149	30,636	30,811	30,940
<b>Non-current assets</b>	4,464	3,923	3,497	3,328	3,199
<b>Current liabilities</b>	3,600	3,611	3,662	3,658	3,648
<b>Non-current liabilities</b>	960	970	980	990	1,000

\*Note: 'equity' is the residual interest in assets after deduction of liabilities.

**Table 5.3: Budgeted departmental statement of cash flows  
for the period ended 30 June**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Goods and services	-	-	-	-	-
Appropriations	148,876	161,377	161,336	161,406	162,196
Interest	1,500	1,500	1,500	1,500	1,500
Dividends	-	-	-	-	-
Net GST received	321	389	105	82	313
Other	8,158	2,658	2,658	658	350
<b>Total cash received</b>	<b>158,855</b>	<b>165,924</b>	<b>165,599</b>	<b>163,646</b>	<b>164,359</b>
<b>Cash used</b>					
Employees	10,554	11,004	11,208	11,628	11,861
Suppliers	4,069	4,112	4,157	4,206	4,287
Grants	149,239	149,882	149,627	147,574	147,862
Borrowing costs	-	-	-	-	-
Net GST paid	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>163,862</b>	<b>164,998</b>	<b>164,992</b>	<b>163,408</b>	<b>164,010</b>
<b>Net cash from or (used by) operating activities</b>	<b>(5,007)</b>	<b>926</b>	<b>607</b>	<b>238</b>	<b>349</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of financial instruments	-	-	-	-	-
Repayments of loans made	-	-	-	-	-
Investments	-	-	-	-	-
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	439	-	-	-	-
Purchase of financial instruments	-	-	-	-	-
Loans made	-	-	-	-	-
Investments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>(439)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.3: Budgeted departmental statement of cash flows  
for the period ended 30 June (continued)**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	-	-	-	-	-
Proceeds from issuing financial instruments	-	-	-	-	-
Proceeds from loans	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Repayments of debt	-	-	-	-	-
Dividends paid	-	-	-	-	-
Other	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>(5,446)</b>	<b>926</b>	<b>607</b>	<b>238</b>	<b>349</b>
Cash at the beginning of the reporting period	32,736	27,290	28,216	28,823	29,061
Effect of exchange rate movements on cash at the beginning of reporting period	-	-	-	-	-
<b>Cash at the end of the reporting period</b>	<b>27,290</b>	<b>28,216</b>	<b>28,823</b>	<b>29,061</b>	<b>29,410</b>

**Table 5.4: Departmental statement of changes in equity – summary of movement  
(Budget 2007-08)**

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balances as at 1 July 2007</b>					
Balance carried forward from previous period	27,447	-	2,044	-	29,491
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balances</b>	<b>27,447</b>	<b>-</b>	<b>2,044</b>	<b>-</b>	<b>29,491</b>
<b>Income and expenses</b>					
Income and expenses recognised directly in equity:					
Gain/loss on revaluation of property	-	-	-	-	-
<b>Sub-total income and expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (Deficit) for the period	-	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners</b>					
Distribution to owners					
Returns on capital					
Dividends	-	-	-	-	-
Returns of capital					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
Contribution by owners					
Appropriation (equity injection)	-	-	-	-	-
Other:					
Restructuring	-	-	-	-	-
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2008</b>	<b>27,447</b>	<b>-</b>	<b>2,044</b>	<b>-</b>	<b>29,491</b>

**Table 5.5: Departmental capital budget statement**

	Estimated actual 2006-07 \$'000	Budget estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000	Forward estimate 2009-10 \$'000	Forward estimate 2010-11 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	-	-	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	-	-	-	-	-
<b>Represented by:</b>					
Purchase of non-financial assets	-	-	-	-	-
Other	-	-	-	-	-
<b>Total represented by</b>	-	-	-	-	-
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	-	-	-	-
Funded internally by Departmental resources	439	-	-	-	-
<b>Total</b>	<b>439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 5.6: Departmental property, plant, equipment and intangibles - summary of movement (Budget year 2007-08)**

	Land	Investment property	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	\$'000
<b>As at 1 July 2007</b>									
Gross book value	149	-	5,319	-	2,058	-	789	-	8,315
Accumulated depreciation	-	-	2,827	-	483	-	541	-	3,851
<b>Opening net book value</b>	<b>149</b>	<b>-</b>	<b>2,492</b>	<b>-</b>	<b>1,575</b>	<b>-</b>	<b>248</b>	<b>-</b>	<b>4,464</b>
Additions:									
by purchase	-	-	-	-	-	-	-	-	-
by finance lease	-	-	-	-	-	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
Revaluations and impairment through equity	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	-	325	-	122	-	94	-	541
Impairments recognised in operating result	-	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-	-
Disposals:									
from disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	-	-
other disposals	-	-	-	-	-	-	-	-	-
<b>As at 30 June 2008</b>									
Gross book value	149	-	5,319	-	2,058	-	789	-	8,315
Accumulated depreciation	-	-	3,152	-	605	-	635	-	4,392
<b>Closing net book value</b>	<b>149</b>	<b>-</b>	<b>2,167</b>	<b>-</b>	<b>1,453</b>	<b>-</b>	<b>154</b>	<b>-</b>	<b>3,923</b>

## **5.3: NOTES TO THE FINANCIAL STATEMENTS**

### **Departmental**

#### **Basis of accounting**

The Australia Council's budgeted financial statements have been prepared in accordance with the Australian Equivalents of International Financial Reporting Standards (AEIFRS).

#### **Departmental Revenues**

Revenues from Government represent the purchase of outputs from the Australia Council by the Government. Measures announced by the Government in the Estimates for 2007-08 are reflected in Revenues from Government.

Revenues from other sources includes revenue from related entities for funding of arts support activities and estimates of return of grant on acquittal. Interest revenue is calculated taking into account estimated cash inflows and outflows and estimated term deposit interest rates.

#### **Departmental Expenses - Employees**

Employee expense includes estimated payments and net increases in employee entitlements in each financial year.

#### **Departmental Expenses - Suppliers**

Supplier expenses include estimated payments to suppliers for goods and services used in providing Australia Council outputs in each financial year.

#### **Departmental Expenses - Grants**

Grants and project expenditure for grant programs outlined in the Australia Council's *Grant Seekers Guides* are estimated in each financial year. This includes expenditure on Government and Council initiatives, grants to major performing arts companies and key arts organisations, grants to individual artists, and expenditure on national and international market and audience development.

#### **Departmental Expenses – Depreciation and amortisation**

Property, plant and equipment, land and building, and computer software are depreciated or amortised over their estimated useful life to the Australia Council.

#### **Departmental Assets – Financial assets**

The primary financial asset relates to the Australia Council's cash deposits. Financial assets are used to fund the Australia Council's capital program, employee entitlements, supplier and grants payable, to provide working capital, and meet uncontracted commitments.

#### **Departmental Assets – Non-financial assets**

These items represent future economic benefits that the Council will consume in producing outputs for the Government. The reported value represents non-financial assets at fair value, or at cost, less estimated depreciation or amortisation at the end of each financial year.

#### **Departmental Liabilities – Provisions and Payables**

Estimated employee entitlements are provided for together with estimated supplier and grants payable at the end of each financial year.

