

National Film and Sound Archive of Australia

**Entity resources and planned
performance**

NATIONAL FILM AND SOUND ARCHIVE OF AUSTRALIA

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NATIONAL FILM AND SOUND ARCHIVE OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The legislative functions of the National Film and Sound Archive of Australia (NFSA) are outlined in the *National Film and Sound Archive of Australia Act 2008*. The NFSA is Australia's premier audiovisual archive and a place of engagement with Australian audiovisual production past and present.

The NFSA's mission is to develop and preserve a collection of significant Australian film, recorded sound and broadcast works, and to share the collection with audiences across Australia and overseas.

The NFSA exists to perform three vital functions:

- develop the collection: at the core of NFSA activity is developing the national audiovisual collection to the highest curatorial standards
- preserve the collection: preservation ensures permanent access to the national audiovisual collection and accessioning and cataloguing the collection facilitates its discoverability. We store the collection in accordance with recommended international standards (passive preservation), and actively preserve it through both analogue copying and digitisation
- share the collection: access to the collection is characterised by user expectations of being part of a two-way exchange. Audiences embrace the notion of collective ownership of their national estate. Instead of 'granting access' we wish to share the collection and engage users in its development.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NFSA for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1 NFSA resource statement – Budget estimates for 2016-17 as at Budget May 2016

	2015-16 estimated actual \$'000	2016-17 estimate \$'000
Opening balance/cash reserves at 1 July	1,247	683
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	25,508	24,316
Annual appropriations - other services ^(b)		
Equity injection	817	814
<i>Total annual appropriations</i>	<i>26,325</i>	<i>25,130</i>
Total funds from Government	26,325	25,130
Funds from other sources		
Interest	161	150
Royalties	834	850
Sale of goods and services	370	400
Other	203	300
Total funds from other sources	1,568	1,700
Total net resourcing for the NFSA	29,140	27,513
	2015-16	2016-17
Average staffing level (number)	176	164

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive. These may not match figures in the cash flow statement.

The NFSA is not directly appropriated as it is a corporate Commonwealth entity. Appropriations are made to the Department of Communications and the Arts which are then paid to the NFSA and are considered 'departmental' for all purposes.

(a) Appropriation Bill (No.1) 2016-17.

(b) Appropriation Bill (No.2) 2016-17.

1.3 BUDGET MEASURES

Measures announced in the 2015–16 Mid-Year Economic and Fiscal Outlook (MYEFO) and other measures not previously reported in a portfolio statement are summarised in Part 2 of Table 1.2.

Table 1.2: Entity 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

There are no new measures relating to the NFSA since the 2015-16 MYEFO.

Part 2: Other measures not previously reported in a portfolio statement

	Program	2015–16 \$'000	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000
Expenses measures						
Communications and the Arts Portfolio - efficiencies	1.1					
Departmental expenses		(387)	(890)	(897)	(905)	–
Total		(387)	(890)	(897)	(905)	–
Total expense measures						
Departmental expenses		(387)	(890)	(897)	(905)	–
Total		(387)	(890)	(897)	(905)	–

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

The NFSA's outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports from October 2016 – to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Increased engagement with Australia's audiovisual culture past and present through developing, preserving, maintaining and promoting the national audiovisual collection of historic and cultural significance

Budgeted expenses for Outcome 1

This table shows how much the NFSA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Collect, preserve and share the national audiovisual collection					
Revenue from Government					
Ordinary annual services (Appropriation Bill (No. 1))	25,508	24,316	24,519	24,737	24,976
Revenues from other independent sources	1,568	1,700	1,700	1,700	1,700
Expenses not requiring appropriation in the budget year ^(a)	4,620	4,750	4,892	5,033	5,172
Total expenses for Program 1.1	31,696	30,766	31,111	31,470	31,848
Total expenses for Outcome 1	31,696	30,766	31,111	31,470	31,848
	2015-16	2016-17			
Average staffing level (number)	176	164			

(a) Expenses not requiring appropriations in the budget year are made up of depreciation expenses, amortisation expenses, resources free of charge, non-cash adjustments and unfunded items.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Increased engagement with Australia’s audiovisual culture past and present through developing, preserving, maintaining and promoting the national audiovisual collection of historic and cultural significance		
Program 1.1 – Develop, preserve and share the national audiovisual collection		
Delivery	<p>The NFSA will continue to build and maintain a unique and comprehensive collection of Australian audiovisual material.</p> <p>The NFSA will store the collection in an environment that sustains long-term preservation and accessibility, and actively preserve material through both analogue copying and digitisation.</p> <p>The NFSA will facilitate access to the collection, nationally and internationally, online and through providing a variety of public programs that promote and enhance understanding, relevance, appreciation and interpretation of the collection.</p>	
Performance information		
Year	Performance criteria	Targets
2015-16	<p>Engage, educate and inspire – continue to increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Managing resources – continue managing resources and infrastructure effectively to support core cultural work.</p>	<p>Expected to meet criterion</p> <p>1,300,000 visits to the organisation’s website. 10,000 people participating in public programs. 1,000 program packages available online. 90% of teachers reporting overall positive experience.</p> <p>Not expected to meet criterion</p> <p>100,000 visits to the organisation. 30,000 onsite visits by students as part of an organised educational group. 33,500 students participating in school programs. 500 organised programs delivered onsite. 400 educational institutions participating in organised school learning programs. 90% of teachers reporting relevance to the classroom curriculum.</p> <p>Not expected to meet criterion</p> <p>Expenditure mix (as a percentage of total expenditure) comprised as follows:</p> <ul style="list-style-type: none"> • 45% on collection development • 25% on other capital items • 15% on other (i.e. non-collection development) labour costs • 15% on other expenses.

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Performance information		
Year	Performance criteria	Targets
2015-16 cont.	<p>Collect, share and digitise – continue building and maintaining a rich national collection for current and future generations of Australians to enjoy and learn from.</p>	<p>Expected to meet criterion</p> <p>50,000 acquisitions (in the reporting period). 50,000 objects accessioned (in the reporting period). Less than 1% of the total collection available to the public. Less than 1% of the total collection available to the public online. Less than 1% of the total collection available to the public on display. Less than 1% of the total collection available to the public on tour. 8,000 titles preserved and made accessible.</p> <p>Not expected to meet criterion.</p> <p>10% of the total collection digitised. 275 years of average collection lifespan.</p>
2016-17	<p>Engage, educate and inspire – increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Collect, share and digitise – build and maintain a rich national collection for current and future generations of Australians to enjoy and learn from.</p>	<p>75,000 visits to the organisation. 1,500,000 visits to the organisation's website. 90% of visitors who were satisfied or very satisfied with their visit. 13,500 people participating in public programs. 33,500 students participating in school programs. 400 educational institutions participating in organised school learning programs. 90% of teachers reporting overall positive experience. 90% of teachers reporting relevance to the classroom curriculum. 60,000 acquisitions (made in the reporting period). 100,000 objects accessioned (in the reporting period). Less than 1% of the total collection available to the public. Less than 1% of the total collection digitised. 230 years average collection lifespan. 8,000 titles preserved and made accessible.</p>

Performance information		
Year	Performance criteria	Targets
2017-18 and beyond	<p>Engage, educate and inspire – increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways</p> <p>Collect, share and digitise – build and maintain a rich national collection for current and future generations of Australians to enjoy and learn from.</p>	<p>75,000 visits to the organisation. 1,650,000 visits to the organisation's website. 90% of visitors who were satisfied or very satisfied with their visit. 13,500 people participating in public programs. 33,500 students participating in school programs. 400 educational institutions participating in organised school learning programs. 90% of teachers reporting overall positive experience. 90% of teachers reporting relevance to the classroom curriculum. 60,000 acquisitions (made in the reporting period). 100,000 objects accessioned (in the reporting period). Less than 1% of the total collection available to the public. Less than 1% of the total collection digitised. 230 years average collection lifespan. 8,000 titles preserved and made accessible</p>
Purposes	<p>Developing the collection – At the core of the NFSA activity is developing the national audiovisual collection to the highest curatorial standards.</p> <p>Preserving the collection - Preservation ensures permanent access to the national audiovisual collection and accessioning and cataloguing the collection facilitates its discoverability. We store the collection in accordance with recommended international standards (passive preservation), and actively preserve it through both analogue copying and digitisation.</p> <p>Sharing the collection – Access to the collection is characterised by user expectations of being part of a two-way exchange. Audiences embrace the notion of collective ownership of their national estate. Instead of 'granting access', we wish to share the collection and engage users with its development.</p>	

Note: The indicators for 2015-16 reported in Table 2.1.3: Performance Criteria for Outcome 1 have not been achieved in all instances due to the change in priorities for 2015-16. The measurement and achievement of targets have been revised in the context of the changed funding environment from 2016-17 onwards.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NFSA finances for the 2016-17 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There is no material difference between the entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Comprehensive income statement

The net cost of services is expected to be \$24.6 million in 2016-17. Total revenue is expected to be \$31.8 million, a decrease of \$1.1 million due to a decline in revenue from Government.

Total expenses for 2016-17 are estimated to be \$32.1 million, which is a decrease of \$0.8 million from the 2015-16 estimate. This includes a decrease of \$1.3 million in employee benefits.

Budgeted departmental balance sheet

The NFSA's net assets are budgeted to be \$279.9 million in 2016-17. This comprises mainly of the NFSA's heritage and cultural collection. This is independently valued on a regular basis. Depreciation is also incurred on the collection and is determined based on estimated useful lives.

An equity injection of \$0.8 million will be received in 2016-17 for investment in the collection.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	17,384	16,109	16,451	16,800	17,156
Suppliers	7,120	7,334	7,554	7,780	8,014
Depreciation and amortisation	8,368	8,642	8,949	9,261	9,587
Total expenses	32,872	32,085	32,954	33,841	34,757
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	370	400	400	400	400
Interest	161	150	150	150	150
Royalties	834	850	850	850	850
Other	203	300	300	300	300
Total own-source revenue	1,568	1,700	1,700	1,700	1,700
Gains					
Other	5,800	5,800	5,800	5,800	5,800
Total gains	5,800	5,800	5,800	5,800	5,800
Total own-source income	7,368	7,500	7,500	7,500	7,500
Net (cost of)/contribution by services	(25,504)	(24,585)	(25,454)	(26,341)	(27,257)
Revenue from Government	25,508	24,316	24,519	24,737	24,976
Surplus/(deficit) attributable to the Australian Government	4	(269)	(935)	(1,604)	(2,281)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss)	4	(269)	(935)	(1,604)	(2,281)
Total comprehensive income/(loss) attributable to the Australian Government	4	(269)	(935)	(1,604)	(2,281)

Note: Impact of net cash appropriation arrangements

	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations					
less heritage and cultural depreciation expenses previously funded through revenue appropriations	4,624	4,481	3,957	3,429	2,891
Total comprehensive income/(loss) - as per the statement of comprehensive income	4	(269)	(935)	(1,604)	(2,281)

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	683	686	805	926	747
Trade and other receivables	191	220	222	223	225
Other investments	5,500	5,500	5,500	5,500	5,500
Other financial assets	260	251	249	252	249
Total financial assets	6,634	6,657	6,776	6,901	6,721
Non-financial assets					
Land and buildings	36,804	35,823	34,817	33,689	32,433
Property, plant and equipment	5,142	4,141	2,930	1,511	227
Heritage and cultural	232,079	234,322	236,514	238,565	240,339
Intangibles	2,750	3,034	2,948	2,668	2,295
Total non-financial assets	276,775	277,320	277,209	276,433	275,294
Total assets	283,409	283,977	283,985	283,334	282,015
LIABILITIES					
Payables					
Suppliers	667	593	611	630	648
Total payables	667	593	611	630	648
Provisions					
Employee provisions	3,240	3,337	3,437	3,540	3,646
Other provisions	153	153	153	153	153
Total provisions	3,393	3,490	3,590	3,693	3,799
Total liabilities	4,060	4,083	4,201	4,323	4,447
Net assets	279,349	279,894	279,784	279,011	277,568
EQUITY					
Parent entity interest					
Contributed equity	216,756	217,570	218,395	219,226	220,064
Reserves	48,256	48,256	48,256	48,256	48,256
Retained surplus	14,337	14,068	13,133	11,529	9,248
Total parent entity interest	279,349	279,894	279,784	279,011	277,568
Total Equity	279,349	279,894	279,784	279,011	277,568

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2016-17)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	14,337	48,256	216,756	279,349
Adjusted opening balance	14,337	48,256	216,756	279,349
Comprehensive income				
Surplus/(deficit) for the period	(269)	-	-	(269)
Total comprehensive income	(269)	-	-	(269)
Transactions with owners				
Contributions by owners				
Equity Injection	-	-	814	814
Sub-total transactions with owners	-	-	814	814
Estimated closing balance as at 30 June 2017	14,068	48,256	217,570	279,894
Closing balance attributable to the Australian Government	14,068	48,256	217,570	279,894

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	25,508	24,316	24,519	24,737	24,976
Sale of goods and rendering of services	313	369	400	400	400
Interest	145	150	150	150	150
Royalties	834	850	850	850	850
Net GST received	663	740	754	776	800
Other	203	300	300	300	300
Total cash received	27,666	26,725	26,973	27,213	27,476
Cash used					
Employees	18,662	16,012	16,351	16,697	17,050
Suppliers	7,289	8,137	8,292	8,540	8,796
Total cash used	25,951	24,149	24,643	25,237	25,846
Net cash from/(used by) operating activities	1,715	2,576	2,330	1,976	1,630
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment, intangibles	3,096	3,387	3,036	2,686	2,647
Total cash used	3,096	3,387	3,036	2,686	2,647
Net cash from/(used by) investing activities	(3,096)	(3,387)	(3,036)	(2,686)	(2,647)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	817	814	825	831	838
Total cash received	817	814	825	831	838
Net cash from/(used by) financing activities	817	814	825	831	838
Net increase/(decrease) in cash held	(564)	3	119	121	(179)
Cash and cash equivalents at the beginning of the reporting period	1,247	683	686	805	926
Cash and cash equivalents at the end of the reporting period	683	686	805	926	747

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections – Appropriation Bill (No. 2)	817	814	825	831	838
Total new capital appropriations	817	814	825	831	838
Provided for:					
Purchase of non-financial assets	817	814	825	831	838
Total Items	817	814	825	831	838
PURCHASE OF NON-FINANCIAL ASSETS					
ASSETS					
Funded by capital appropriations	817	814	825	831	838
Funded internally from departmental resources ^(a)	8,079	8,373	8,011	7,655	7,609
TOTAL	8,896	9,187	8,836	8,486	8,447
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	8,896	9,187	8,836	8,486	8,447
less gifted assets	(5,800)	(5,800)	(5,800)	(5,800)	(5,800)
Total cash used to acquire assets	3,096	3,387	3,036	2,686	2,647

(a) Funded from annual appropriations and may include donations and contributions, gifts, internally developed assets, and proceeds from the sale of assets.
Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016						
Gross book value	6,050	34,610	10,219	245,904	5,440	302,223
Accumulated depreciation/ amortisation and impairment		(3,856)	(5,077)	(13,825)	(2,690)	(25,448)
Opening net book balance	6,050	30,754	5,142	232,079	2,750	276,775
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation ordinary annual services ^(a)	-	514	828	1,193	852	3,387
By purchase - donated funds	-	-	-	5,800	-	5,800
Total additions	-	514	828	6,993	852	9,187
Other movements						
Depreciation/amortisation expense		(1,495)	(1,829)	(4,750)	(568)	(8,642)
Total other movements	-	(1,495)	(1,829)	(4,750)	(568)	(8,642)
As at 30 June 2017						
Gross book value	6,050	35,124	11,047	252,897	6,292	311,410
Accumulated depreciation/amortisation and impairment	-	(5,351)	(6,906)	(18,575)	(3,258)	(34,090)
Closing net book balance	6,050	29,773	4,141	234,322	3,034	277,320

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2015-16 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Estimated operating expenditure in income statement for heritage and cultural assets	\$'000
Operations and Maintenance	4,889
Preservation and Conservation	6,035
Total operating expenditure on heritage and cultural assets	10,924