

National Library of Australia

Entity resources and planned performance

NATIONAL LIBRARY OF AUSTRALIA

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NATIONAL LIBRARY OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The functions of the National Library of Australia (NLA), as defined in the *National Library Act 1960*, are to:

- maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people
- make library material in the national collection available
- make available such other services in relation to library matters and library material as determined by the National Library Council
- cooperate in library matters with authorities or persons, whether in Australia or elsewhere, concerned with library matters.

The NLA's objective is to ensure that all Australians can access, enjoy and learn from a national collection that documents Australian life and society. The NLA is committed to providing open access to the national collection and its online services. Australians – whoever they are and wherever they live – should be able to easily discover and obtain the information they are seeking and to engage with rich digital content to support their lifelong learning.

The NLA actively supports creative and intellectual endeavour and the dissemination of knowledge, ideas and information. The NLA has a strong national focus in its outlook, services, products and activities and takes a leadership role in sharing expertise and coordinating key projects across the research, collecting and cultural sectors.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NLA 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 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: NLA 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	52,453	44,133
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	48,740	48,108
Annual appropriations - other services ^(b)		
Equity injection	9,679	9,655
<i>Total annual appropriations</i>	<i>58,419</i>	<i>57,763</i>
Amounts received from related entities		
Amounts from portfolio department ^(c)	490	490
Amounts from other entities ^(d)	488	60
<i>Total amounts received from related entities</i>	<i>978</i>	<i>550</i>
Total funds from Government	59,397	58,313
Funds from other sources		
Interest	1,450	1,145
Royalties	56	96
Sale of goods and services	11,328	8,913
Other	1,455	1,062
Total funds from other sources	14,289	11,216
Total net resourcing for NLA	126,139	113,662
	2015-16	2016-17
Average staffing level (number)	421	393

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

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

(c) Funding provided by the Department of Communications and the Arts that is not specified with the annual Appropriation Bills as a 'payment to the NLA'.

(d) Amounts received from other entities within the portfolio or from other portfolios.

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 NLA 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 NLA and are considered 'departmental' for all purposes.

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 NLA 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
Expense measures						
Communication and the Arts Portfolio - efficiencies	1.1					
Departmental expenses		(1,485)	(1,490)	(1,495)	(1,499)	-
Total		(1,485)	(1,490)	(1,495)	(1,499)	-
Total expense measures						
Departmental		(1,485)	(1,490)	(1,495)	(1,499)	-
Total		(1,485)	(1,490)	(1,495)	(1,499)	-

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 NLA's outcome is described below together with its related programme. The following provides detailed information on expenses for the NLA's 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: Enhanced learning, knowledge creation, enjoyment and understanding of Australian life and society by providing access to a national collection of library material

Budgeted expenses for Outcome 1

This table shows how much the NLA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

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: National Library of Australia					
Revenue from Government					
Ordinary annual services (Appropriation Bill (No. 1))	48,740	48,108	48,273	48,400	48,563
Payments from related entities	978	550	550	550	550
Expenses not requiring appropriation in the budget year ^(a)	12,085	12,175	12,275	12,375	12,475
Revenues from other independent sources	14,370	12,040	11,123	11,277	9,265
Total expenses for Program 1.1	76,173	72,873	72,221	72,602	70,853
	2015-16	2016-17			
Average staffing level (number)	421	393			

(a) Expenses not requiring appropriation in the Budget year comprise unfunded cultural and heritage depreciation and collection material received free of charge that are expensed.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 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.

<p>Outcome 1 – Enhanced learning, knowledge creation, enjoyment and understanding of Australian life and society by providing access to a national collection of library material</p>		
<p>Program 1.1 – National Library of Australia aspirations for 2016–2020 are grouped under three overarching strategic priorities.</p> <ul style="list-style-type: none"> • Build the nation's memory • Make access happen • Lead, partner, connect and excel 		
<p>Delivery</p>	<ul style="list-style-type: none"> • The NLA will implement strategies to ensure the national collection is developed by collecting and preserving Australian publications and unpublished collections – in print and digital forms – so that they can be enjoyed by current and future generations. • The NLA will provide access to the national collection through vibrant onsite and online programs and services. • The NLA will create value for library services and their patrons – across all jurisdictions, regions and sectors – by managing the research infrastructure that underpins access to the nation's library collections. • The NLA will engage with international leaders to advance common aims and share the library's experience as a leader in many digital library spheres. • The NLA will work to improve environmental performance associated with storing, maintaining and providing access to a major national asset. 	
<p>Performance information</p>		
<p>Year</p>	<p>Performance criteria</p>	<p>Targets</p>
<p>2015-16</p>	<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>Expected to meet criterion</p> <p>1,104,000 number of visits to the organisation. 30,000,000 visits to the organisation's website. 8,640 onsite visits by students as part of an organised educational group. 380 people participating in public programs. 44,690 students participating in school programs. 173 organised programs delivered onsite. 8 program packages available online. 133 educational institutions participating in organised school learning programs. 90% of visitors were satisfied or very satisfied with their visit.</p>

Performance information		
Year	Performance criteria	Targets
2015-16 cont.	<p>Managing resources – continue managing resources and infrastructure effectively to support core cultural work.</p> <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>Expenditure mix (as a percentage of total expenditure) comprised as follows:</p> <ul style="list-style-type: none"> • 27.2% expenditure on collection development • 13.9% of total expenditure on other capital items • 24.5% of total expenditure on other (i.e. non-collection development) labour costs • 34.4% of total expenditure on other expenses <p>92% of collection processing standards met 95% of priority collections storage standards met. 100% of specified service charter standards met 97% of collaborative service standards met. 51,000 acquisitions (made in the reporting period). 43,000 objects accessioned (in the reporting period). 93% of the total collection available to the public. 4.2% of the total collection available to the public online. 3.85% of the total collection digitised.</p> <p>Expected to meet criterion</p> <p>6,700,000 collection items stored and maintained. 49,000 collection items catalogued 133,800 physical collection items delivered to users. 1,441 agencies subscribed to key collaborative services. 3,651,000 records/items contributed by subscribing agencies to Libraries Australia and Trove.</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>904,000 visits to the organisation. 27 million visits to the organisation's website. 90% of visitors who were satisfied or very satisfied with their visit. 400 people participating in public programs. 50,640 students participating in school programs. 173 educational institutions participating in organised school learning programs.</p>

National Library of Australia

Performance information		
Year	Performance criteria	Targets
2016-17 cont.	Collect, share and digitise – build and maintain a rich national collection for current and future generations of Australians to enjoy and learn from.	90,000 acquisitions (made in the reporting period). 43,000 objects accessioned (in the reporting period). 93% of the total collection available to the public. 3.75% of the total collection digitised. 85% of all Australian published materials collected, including digital. 26,800 Australian published materials collected, including digital.
2017-18 and beyond	Engage, educate and inspire – increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways. Collect, share and digitise – build and maintain a rich national collection for current and future generations of Australians to enjoy and learn from.	854,000 visits to the organisation. 27 million visits to the organisation's website. 90% of visitors were satisfied or very satisfied with their visit. 390 people participating in public programs. 53,640 students participating in school programs. 173 educational institutions participating in organised school learning programs. 90,000 acquisitions (made in the reporting period). 43,000 objects accessioned (in the reporting period). 93% of the total collection available to the public. 3.75% of the total collection digitised.
Purposes	The library enables and is a participant in the creation of knowledge. It develops, curates and preserves an astounding and diverse collection that inspires, delights and educates Australians. The library's collections and services extend understanding of issues of contemporary significance, build strong community connections and underpin its leadership activities.	

3: Budgeted financial statements

Section 3 presents budgeted financial statements, which provide a comprehensive snapshot of entity 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

After adjusting for heritage and cultural depreciation previously funded through revenue appropriation, the NLA is budgeting for an operating surplus of \$0.1 million in 2016-17. Total budgeted income for 2016-17 is estimated to be \$61.8 million, of which \$48.1 million is appropriation for operating expenses. Revenues from Government are budgeted to decrease by \$0.6 million and reflects parameter adjustments and budget measures.

Own-source revenues are expected to decline in 2016-17 and over the forward period compared with the 2015-16 estimated actual. This is predominantly due to the NLA holding a major international exhibition in 2015-16, an expectation that the demand for some sales of goods and services will decline and, a reduction in interest revenue due to asset replacement requirements. In 2018-19 the NLA is planning to hold a major exhibition and has consequently budgeted for an increase in sponsorship and grants.

Total expenses for 2016-17 are estimated to be \$72.9 million, a decline of \$3.3 million from the 2015-16 estimated actuals. The reduction in expenses mostly reflects the major exhibition in 2015-16 and the cessation of some one-off projects in 2015-16.

Budgeted departmental balance sheet

The NLA's total assets are estimated to be \$1.7 billion at 30 June 2017. The estimated decrease of \$1.3 million in total assets compared to 30 June 2016 largely reflects the \$9.7 million investment in collection assets funded through an equity injection, offset by collection depreciation expenses of \$11.2 million.

The NLA's financial assets at 30 June 2017 are estimated to be \$42.8 million, against liabilities estimated at \$16.6 million.

Departmental capital budget statement

The departmental capital budget statement shows total capital expenditure of \$22.6 million funded from internal resources of \$12.9 million including \$1.0 million of assets received at no cost and \$9.7 million funded by an equity injection for the acquisition of heritage and cultural assets.

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	37,605	35,980	34,963	34,194	33,837
Suppliers	18,029	15,857	16,174	17,244	15,762
Grants	734	763	731	731	731
Depreciation and amortisation	19,593	20,113	20,213	20,313	20,413
Write-down and impairment of assets	212	160	140	120	110
Total expenses	76,173	72,873	72,221	72,602	70,853
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	11,328	8,913	9,036	7,540	7,390
Interest	1,450	1,145	1,045	1,015	1,000
Royalties	56	96	65	60	60
Other	5,235	3,492	3,317	4,188	3,172
Total own-source revenue	18,069	13,646	13,463	12,803	11,622
Total own-source income	18,069	13,646	13,463	12,803	11,622
Net (cost of)/contribution by services	(58,104)	(59,227)	(58,758)	(59,799)	(59,231)
Revenue from Government	48,740	48,108	48,273	48,400	48,563
Surplus/(deficit) attributable to the Australian Government	(9,364)	(11,119)	(10,485)	(11,399)	(10,668)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss) attributable to the Australian Government	(9,364)	(11,119)	(10,485)	(11,399)	(10,668)
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	1,761	96	830	16	847
less heritage and cultural depreciation	11,125	11,215	11,315	11,415	11,515
Total comprehensive income/(loss) - as per the statement of comprehensive income	(9,364)	(11,119)	(10,485)	(11,399)	(10,668)

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	3,249	2,449	820	1,885	1,936
Trade and other receivables	1,895	1,895	1,895	1,895	1,895
Other investments	40,884	37,884	35,884	35,884	35,884
Other financial assets	586	586	586	586	586
Total financial assets	46,614	42,814	39,185	40,250	40,301
Non-financial assets					
Land and buildings	233,167	233,723	233,480	233,207	232,804
Property, plant and equipment	1,348,973	1,344,410	1,343,215	1,336,816	1,332,775
Intangibles	59,187	65,660	69,960	73,969	77,797
Inventories	1,153	1,153	1,153	1,153	1,153
Other non-financial assets	1,740	1,740	1,740	1,740	1,740
Total non-financial assets	1,644,220	1,646,686	1,649,548	1,646,885	1,646,269
Total assets	1,690,834	1,689,500	1,688,733	1,687,135	1,686,570
LIABILITIES					
Payables					
Suppliers	3,757	3,757	3,757	3,757	3,757
Grants	8	8	8	8	8
Other payables	419	419	419	419	419
Total payables	4,184	4,184	4,184	4,184	4,184
Provisions					
Employee provisions	12,220	12,350	12,319	12,313	12,543
Other provisions	60	60	60	60	60
Total provisions	12,280	12,410	12,379	12,373	12,603
Total liabilities	16,464	16,594	16,563	16,557	16,787
Net assets	1,674,370	1,672,906	1,672,170	1,670,578	1,669,783
EQUITY					
Parent entity interest					
Contributed equity	89,434	99,089	108,838	118,645	128,518
Reserves	211,129	211,129	211,129	211,129	211,129
Retained surplus	1,373,807	1,362,688	1,352,203	1,340,804	1,330,136
Total parent entity interest	1,674,370	1,672,906	1,672,170	1,670,578	1,669,783
Total Equity	1,674,370	1,672,906	1,672,170	1,670,578	1,669,783

Prepared on Australian Accounting Standards basis.

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

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	1,373,807	211,129	89,434	1,674,370
Adjusted opening balance	1,373,807	211,129	89,434	1,674,370
Comprehensive income				
Surplus/(deficit) for the period	(11,119)	-	-	(11,119)
Total comprehensive income	(11,119)	-	-	(11,119)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	9,655	9,655
Sub-total transactions with owners	-	-	9,655	9,655
Estimated closing balance as at 30 June 2017	1,362,688	211,129	99,089	1,672,906
Closing balance attributable to the Australian Government	1,362,688	211,129	99,089	1,672,906

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	48,740	48,108	48,273	48,400	48,563
Sale of goods and rendering of Services	12,502	9,871	10,010	8,358	8,193
Interest	1,450	1,145	1,045	1,015	1,000
Net GST received	1,760	1,608	1,658	1,508	1,569
Other	2,001	1,648	1,592	2,458	1,442
Total cash received	66,453	62,380	62,578	61,739	60,767
Cash used					
Employees	38,870	35,850	34,994	34,200	33,607
Suppliers	20,215	17,623	17,986	18,730	17,284
Other	734	763	731	731	731
Total cash used	59,819	54,236	53,711	53,661	51,622
Net cash from/(used by) operating activities	6,634	8,144	8,867	8,078	9,145
INVESTING ACTIVITIES					
Cash received					
Investments	8,600	3,000	2,000	-	-
Total cash received	8,600	3,000	2,000	-	-
Cash used					
Purchase of property, plant and equipment and intangibles	24,633	21,599	22,245	16,820	18,967
Investments	2,000	-	-	-	-
Total cash used	26,633	21,599	22,245	16,820	18,967
Net cash from/(used by) investing activities	(18,033)	(18,599)	(20,245)	(16,820)	(18,967)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,679	9,655	9,749	9,807	9,873
Total cash received	9,679	9,655	9,749	9,807	9,873
Net cash from/(used by) financing activities	9,679	9,655	9,749	9,807	9,873
Net increase/(decrease) in cash held	(1,720)	(800)	(1,629)	1,065	51
Cash and cash equivalents at the beginning of the reporting period	4,969	3,249	2,449	820	1,885
Cash and cash equivalents at the end of the reporting period	3,249	2,449	820	1,885	1,936

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)	9,679	9,655	9,749	9,807	9,873
Total new capital appropriations	9,679	9,655	9,749	9,807	9,873
Provided for:					
Purchase of non-financial assets	9,679	9,655	9,749	9,807	9,873
Total Items	9,679	9,655	9,749	9,807	9,873
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	9,679	9,655	9,749	9,807	9,873
Funded internally from departmental resources ^(a)	17,284	12,924	13,326	7,843	9,924
TOTAL	26,963	22,579	23,075	17,650	19,797
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	26,963	22,579	23,075	17,650	19,797
less gifted assets	(2,330)	(980)	(830)	(830)	(830)
Total cash used to acquire assets	24,633	21,599	22,245	16,820	18,967

(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	15,100	222,305	23,114	1,344,635	72,220	1,677,374
Accumulated depreciation/ amortisation and impairment	-	(4,238)	(7,651)	(11,125)	(13,033)	(36,047)
Opening net book balance	15,100	218,067	15,463	1,333,510	59,187	1,641,327
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation Equity ^(a)	-	-	-	4,570	5,085	9,655
By purchase - appropriation ordinary annual services ^(b)	-	4,954	3,952	-	3,038	11,944
Assets received as gifts/donations	-	-	-	980	-	980
Total additions	-	4,954	3,952	5,550	8,123	22,579
Other movements						
Depreciation/amortisation expense	-	(4,398)	(2,850)	(11,215)	(1,650)	(20,113)
Total other movements	-	(4,398)	(2,850)	(11,215)	(1,650)	(20,113)
As at 30 June 2017						
Gross book value	15,100	227,259	27,066	1,350,185	80,343	1,699,953
Accumulated depreciation/amortisation and impairment	-	(8,636)	(10,501)	(22,340)	(14,683)	(56,160)
Closing net book balance	15,100	218,623	16,565	1,327,845	65,660	1,643,793

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2015-16, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2015-16 for depreciation/amortisation expenses 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	12,482
Non-capital collection acquisitions	2,590
Preservation and Conservation	1,349
Total operating expenditure on heritage and cultural assets	16,421