

NATIONAL GALLERY OF AUSTRALIA

Entity Additional Estimates Statements

NATIONAL GALLERY OF AUSTRALIA

SECTION 1: ENTITY OVERVIEW AND RESOURCES	123
1.1 Strategic direction statement.....	123
1.2 Entity resource statement.....	125
1.3 Entity measures.....	126
1.4 Additional estimates and variations.....	126
1.5 Breakdown of additional estimates by Appropriation Bill	127
SECTION 2: REVISIONS TO OUTCOMES AND PLANNED PERFORMANCE	129
2.1 Changes to outcome and program structures.....	129
2.2 Budgeted expenses and performance for Outcome 1	129
SECTION 3: SPECIAL ACCOUNT FLOWS AND BUDGETED FINANCIAL STATEMENTS	133
3.1 Special account flows	133
3.2 Budgeted financial statements	133

NATIONAL GALLERY OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The role of the National Gallery of Australia (NGA) since its establishment in 1967 is to play a leadership role in shaping visual arts culture across Australia and its region and to develop exciting and innovative ways to engage visitors with our collection both nationally and internationally.

The purpose of the NGA, as expressed in the *National Gallery Act 1975*, is to:

- develop and maintain a national collection of works of art;
- exhibit, or make available for exhibition by others, works of art from the national collection or works of art that are otherwise in the possession of the NGA; and
- use every endeavour to make the most advantageous use of the national collection in the national interest.

The NGA demonstrates its commitment to fulfilling its national charter by:

- advancing learning about and enjoyment of the visual arts through the national collection;
- optimising access to the collection, programs and online services by capitalising on new technologies;
- championing pride and confidence in Australia's visual culture through inspiring and expanded displays of the nation's collection of Australian art;
- presenting internationally important blockbuster exhibitions of the world's finest art;
- showing leadership in promoting the rich cultures of our Asia-Pacific region;
- leveraging the Australian Curriculum to improve access to the extensive and engaging content of the collection; and
- maximising opportunities to further develop and support indigenous engagement.

National Gallery of Australia Additional Estimates Statements

The focus over the coming years is to continue:

- developing the collection across collecting areas including late 19th to 21st century European and American art; Asian art; Pacific arts and Australian art;
- caring for and promoting the collection;
- using the breadth and depth of the collection in innovative and creative ways to deliver lively and vibrant displays, exhibitions and associated programs that inform and engage;
- undertaking research and producing publications on the collection and visual arts generally;
- maximising opportunities to encourage public and corporate support;
- maintaining strategic relationships and fulfil our statutory and professional obligations to the highest museum and scholarly standards; and
- maximising opportunities to further engage in cultural diplomacy.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the NGA at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through Appropriation Bill No. 3.

Table 1.1: National Gallery of Australia resource statement — Budget estimates for 2016-17 as at Budget May 2016

	<i>Actual available appropriation 2016-16</i>	Estimate as at Budget 2016-17	Proposed Additional Estimates 2016-17	Total estimate at Additional Estimates 2016-17
	\$'000	\$'000	\$'000	\$'000
Opening balance/Reserves at bank	5,809	3,444	-	3,444
REVENUE FROM GOVERNMENT				
Ordinary annual services^(a)				
Outcome 1	32,589	31,286	57	31,343
Equity injection ^(b)	16,829	16,769	-	16,769
Total ordinary annual services	49,418	48,055	57	48,112
FUNDS FROM OTHER SOURCES				
Interest	720	385	-	385
Sale of goods and services	9,710	9,356	-	9,356
Other	11,435	10,150	-	10,150
Total	21,865	19,891	-	19,891
Total net resourcing for agency	77,092	71,390	57	71,447
			2015-16	2016-17
Average staffing level (number)			237	217

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

Note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

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

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

1.3 ENTITY MEASURES

There are no measures relating to the NGA since 2016-17 Budget.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the NLA at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in Appropriation Bill No. 3.

Table 1.3: Additional estimates and other variations to outcomes since 2016-17 Budget

	Program impacted	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Outcome 1					
Departmental					
Annual appropriations					
Smaller Government – collection agencies – consolidation of back office functions ^(a)	1.1	57	-	-	-
Changes in Parameters	1.1	-	(171)	(219)	(302)
Changes in Efficiency Dividend ^(b)	1.1	-	(476)	(792)	(952)
Net impact on appropriations for Outcome 1 (departmental)		57	(647)	(1,011)	(1,254)

(a) This is part of the "Smaller Government - collection agencies - consolidation back office functions" measure published in the 2014-15 Budget.

(b) This adjustment relates to increases to the Efficiency Dividend announced in the 2016-17 Budget under the measure "Public Sector Transformation and the Efficiency Dividend".

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the NLA through Appropriation Bill No. 3.

Table 1.4: Appropriation Bill (No. 3) 2016-17

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programs					
Outcome 1					
Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally	32,589	31,286	31,343	57	-
Total departmental	32,589	31,286	31,343	57	-

Note: 2015-16 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Section 2: Revisions to outcomes and planned performance

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

There have been no revisions to the outcome and program structure of the NGA as a result of the Additional Estimates.

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally.

Budgeted expenses for Outcome 1

This table shows how much the NGA 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 2.2.1: Budgeted expenses for Outcome 1

	2015-16 Actual expenses \$'000	2016-17 Revised estimated expenses \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: Collection development, management, access and promotion					
Revenue from Government Ordinary annual services (Appropriation Act No. 1)	32,589	31,343	30,766	30,547	30,452
Expenses not requiring appropriation in the budget year ^(a)	(13,203)	(13,700)	(13,700)	(13,700)	(13,700)
Revenues from industry sources	2,556	3,361	3,401	3,495	3,495
Revenues from other independent sources	9,615	10,000	10,000	10,000	10,000
Total expenses for Program 1.1	31,557	31,004	30,467	30,342	30,247
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Act No. 1)	32,589	31,343	30,766	30,547	30,452
Expenses not requiring appropriation in the budget year ^(a)	(13,203)	(13,700)	(13,700)	(13,700)	(13,700)
Revenues from industry sources	2,556	3,361	3,401	3,495	3,495
Revenues from other independent sources	9,615	10,000	10,000	10,000	10,000
Total expenses for Outcome 1	31,557	31,004	30,467	30,342	30,247
	2015-16	2016-17			
Average staffing level (number)	237	217			

(a) Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses related to artwork, which are funded through an equity injection; depreciation and amortisation expenses related to long-lived assets such as the NGA building and resources received free of charge.

Table 2.2.2: Performance criteria for Outcome 1

Table 2.2.2 details the performance criteria for each program associated with Outcome 1. It is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

Outcome 1 – Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally		
Program 1.1 – Collection development, management, access and promotion.		
The NGA aims to build and maintain an outstanding national collection of works of art, providing access locally, nationally and internationally.		
Delivery	Program 1.1 will be achieved through the ongoing development of the national collection and delivery of inspirational exhibitions, supported by research, scholarship, education and public programs.	
Performance information		
Year	Performance criteria	Targets
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>600,000 number of visits to the organisation.</p> <p>1,600,000 number of visits to the organisation’s website.</p> <p>95 per cent of visitors who were satisfied or very satisfied with their visit.</p> <p>34,000 people participating in public programs.</p> <p>75,000 students participating in school programs.</p> <p>1,500 educational institutions participating in organised school learning programs.</p> <p>95 per cent of teachers reporting overall positive experience.</p> <p>90 per cent of teachers reporting relevance to the classroom curriculum.</p> <p>900 acquisitions (made in the reporting period).</p> <p>900 objects accessioned (in the reporting period).</p> <p>99 per cent of the total collection available to the public online.</p> <p>62 per cent of the total collection digitised.</p> <p>3,000,000 number of visitors to exhibition that include works from the national collection.</p> <p>198,000 number of visitors to travelling exhibitions.</p> <p>1,200 works of art loaned.</p> <p>3,000 works of art subjected to conservation treatment.</p>

National Gallery of Australia Additional Estimates Statements

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>600,000 number of visits to the organisation.</p> <p>1,600,000 number of visits to the organisation's website.</p> <p>95 per cent of visitors who were satisfied or very satisfied with their visit.</p> <p>34,000 people participating in public programs.</p> <p>75,000 students participating in school programs.</p> <p>1,500 educational institutions participating in organised school learning programs.</p> <p>95 per cent of teachers reporting overall positive experience.</p> <p>90 per cent of teachers reporting relevance to the classroom curriculum.</p> <p>900 acquisitions (made in the reporting period).</p> <p>900 objects accessioned (in the reporting period).</p> <p>99 per cent of the total collection available to the public.</p> <p>62 per cent of the total collection digitised.</p> <p>3,000,000 number of visitors to exhibition that include works from the national collection.</p> <p>198,000 number of visitors to travelling exhibitions.</p> <p>1,200 works of art loaned.</p> <p>3,000 works of art subjected to conservation treatment.</p>
Purposes	<p>The functions of the NGA are prescribed in its enabling legislation, the <i>National Gallery Act 1975</i>, which requires the NGA to:</p> <ul style="list-style-type: none"> • develop and maintain a national collection of works of art • exhibit, or make available for exhibition by others, works of art from the national collection or works of art that are in the possession of the Gallery • use every endeavour to make the most advantageous use of the national collection in the national interest. 	

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

The NGA does not manage any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Comprehensive income statement

The NGA's revenue from Government has been updated to reflect an additional \$0.057m in 2016-17 to cover one off costs associated with the 2014-15 Budget measure *Smaller Government – collection agencies - consolidation of back office functions*.

3.2.2 Budgeted financial statements

Table 3.2: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	20,718	18,706	18,821	18,937	18,937
Suppliers	24,201	26,968	24,616	24,819	24,161
Depreciation and amortisation	19,993	19,210	20,910	20,466	21,029
Write-down and impairment of assets	2,816	55	55	55	55
Losses from asset sales	12	-	-	-	-
Total expenses	67,740	64,939	64,402	64,277	64,182
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	9,177	9,361	9,401	9,495	9,495
Interest	765	385	385	385	385
Dividends	107	150	150	150	150
Other	11,534	10,000	10,000	10,000	10,000
Total own-source revenue	21,583	19,896	19,936	20,030	20,030
Gains					
Sale of assets	293	-	-	-	-
Other	72	-	-	-	-
Total gains	365	-	-	-	-
Total own-source income	21,948	19,896	19,936	20,030	20,030
Net cost of/contribution by services	24,209	25,147	24,530	24,217	24,122
Revenue from Government	32,589	31,343	30,766	30,547	30,452
Surplus/(Deficit) attributable to the Australian Government	8,380	6,196	6,236	6,330	6,330
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	(13,203)	(13,700)	(13,700)	(13,700)	(13,700)
Total comprehensive income/(loss)	32,589	31,343	30,766	30,547	30,452
Total comprehensive income/(loss) attributable to the Australian Government	(13,203)	(13,700)	(13,700)	(13,700)	(13,700)

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	2,192	(1,490)	310	(134)	429
less heritage and cultural depreciation expenses previously funded through revenue appropriations	15,395	12,210	14,010	13,566	14,129
Total comprehensive income/(loss) as per the Statement of Comprehensive Income	(13,203)	(13,700)	(13,700)	(13,700)	(13,700)

Table 3.3: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,444	6,444	6,444	6,444	6,444
Trade and other receivables	531	531	531	531	531
Other investments	5,507	1,507	1,507	1,507	1,507
Other financial assets	84	84	84	84	84
Total financial assets	9,566	8,566	8,566	8,566	8,566
Non-financial assets					
Land and buildings	301,450	301,450	301,513	301,576	301,639
Property, plant and equipment	2,810	2,810	2,747	2,684	2,621
Heritage and cultural assets	5,949,805	5,954,364	5,957,828	5,962,051	5,966,084
Intangibles	261	261	261	261	261
Inventories	582	582	582	582	582
Other non-financial assets	99	99	99	99	99
Total non-financial assets	6,255,007	6,259,566	6,263,030	6,267,253	6,271,286
Total assets	6,264,573	6,268,132	6,271,596	6,275,819	6,279,852
LIABILITIES					
Payables					
Suppliers	3,220	4,710	4,400	4,534	4,105
Other payables	1,077	1,077	1,077	1,077	1,077
Total payables	4,297	5,787	5,477	5,611	5,182
Provisions					
Employee provisions	6,091	5,171	5,171	5,171	5,171
Total provisions	6,091	5,171	5,171	5,171	5,171
Total liabilities	10,388	10,958	10,648	10,782	10,353
Net assets	6,254,105	6,257,174	6,260,948	6,265,037	6,269,499
EQUITY					
Parent entity interest					
Contributed equity	282,838	299,607	317,081	334,870	353,032
Reserves Retained	5,337,108	5,337,108	5,337,108	5,337,108	5,337,108
Total parent entity interest	6,254,105	6,257,174	6,260,948	6,265,037	6,269,499
Total Equity	6,254,105	6,257,174	6,260,948	6,265,037	6,269,499

Prepared on Australian Accounting Standards basis.

Table 3.4: 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	634,159	5,337,108	282,838	6,254,105
Adjusted opening balance	634,159	5,337,108	282,838	6,254,105
Comprehensive income				
Surplus/(deficit) for the period	(13,700)	-	-	(13,700)
Total comprehensive income	(13,700)	-	-	(13,700)
Contributions by owners				
Equity Injection - Appropriation	-	-	16,819	16,819
Sub-total transactions with owners	620,459	5,337,108	282,838	6,240,405
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2017	620,459	5,337,108	282,838	6,240,405
Closing balance attributable to the Australian Government	620,459	5,337,108	282,838	6,240,405

Prepared on Australian Accounting Standards basis.

Table 3.5: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	33,050	31,343	30,766	30,547	30,452
Sale of goods and rendering of services	9,710	9,356	9,396	9,490	9,490
Interest	720	385	385	385	385
Dividends	107	150	150	150	150
Net GST received	(29)	-	-	-	-
Other	11,357	10,000	10,000	10,000	10,000
Total cash received	54,915	51,234	50,697	50,572	50,477
Cash used					
Employees	21,321	19,706	18,821	18,937	18,937
Suppliers	25,373	25,528	24,976	24,735	24,640
Total cash used	46,694	45,234	43,797	43,672	43,577
Net cash from/(used by) operating activities	8,221	6,000	6,900	6,900	6,900
INVESTING ACTIVITIES					
Proceeds from sales of property, plant	440	-	-	-	-
Total cash received	440	-	-	-	-
Cash used					
Purchase of property, plant, equipment and intangibles	23,261	23,819	23,900	24,050	24,303
Purchase of financial instruments	4,600	(4,000)			
Total cash used	27,861	19,819	23,900	24,050	24,303
Net cash from/(used by) investing activities	(27,421)	(19,819)	(23,900)	(24,050)	(24,303)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	16,829	16,819	17,507	17,806	18,196
Total cash received	16,829	16,819	17,507	17,806	18,196
Net cash used by financing activities	16,829	16,819	17,507	17,806	18,196
Net increase/(decrease) in cash held	(2,371)	3,000	507	656	793
Cash and cash equivalents at the beginning of the reporting period	5,809	3,444	6,444	6,951	7,607
Effect on exchange rate movements on cash and cash equivalents at the beginning of reporting period	6	-	-	-	-
Cash and cash equivalents at the end of the reporting period	3,444	6,444	6,951	7,607	8,400

Prepared on Australian Accounting Standards basis.

Table 3.6: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity Injection - Act No. 2	16,829	16,819	17,507	17,806	18,196
Total new capital appropriations	16,829	16,819	17,507	17,806	18,196
Provided for:					
<i>Purchase of non-financial assets</i>	16,829	16,819	17,507	17,806	18,196
Total Items	16,829	16,819	17,507	17,806	18,196
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	16,829	16,819	17,507	17,806	18,196
Funded internally from departmental resources ^(b)	6,621	6,000	6,000	6,000	6,000
TOTAL AMOUNT SPENT	23,450	22,819	23,507	23,806	24,196
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	23,450	22,819	23,507	23,806	24,196
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	23,450	22,819	23,507	23,806	24,196

(a) Includes both current Bill 2 and prior Act 2 and 4 appropriations and special capital appropriations.

(b) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental capital budgets (DCBs).

Prepared on Australian Accounting Standards basis.

National Gallery of Australia Additional Estimates Statements

Table 3.7: 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	19,275	285,775	7,743	5,949,969	2,890	6,265,652
Accumulated depreciation/amortisation and impairment	-	(3,600)	(4,933)	(164)	(2,629)	(11,326)
Opening net book balance	19,275	282,175	2,810	5,949,805	261	6,254,326
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	-	-	4,559	-	4,559
Total additions	-	-	-	4,559	-	4,559
Other movements						
Depreciation/amortisation expense	-	(6,037)	(900)	(12,210)	(63)	(19,210)
Total other movements	-	(6,037)	(900)	(12,210)	(63)	(19,210)
As at 30 June 2017						
Gross book value	19,275	285,775	7,743	5,954,528	2,890	6,270,211
Accumulated depreciation/amortisation and impairment	-	(9,637)	(5,833)	(12,374)	(2,692)	(30,536)
Closing net book balance	19,275	276,138	1,910	5,942,154	198	6,239,675
Estimated operating expenditure in income statement for heritage and cultural assets						
Operations and Maintenance						14454
Preservation and Conservation						10,841
Total operating expenditure on heritage and cultural assets						25,295

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2016-17, including CDABs.

Prepared on Australian Accounting Standards basis.