

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 collect and preserve Australian film, recorded sound, broadcast, and their associated documents and artefacts, and to share and celebrate this collection with audiences worldwide.

The NFSA exists to perform three vital functions:

- collect audiovisual works and associated documentation that reflects all aspects of Australian life and our diverse communities
- preserve the collection in accordance with international standards and working within NFSA's resources, to ensure permanent access
- share the collection so its stories form an ongoing part of the evolution of our culture.

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 departmental (for the NFSA'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 (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses for Outcome 1' 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 2017–18 as at Budget May 2017

	2016–17 estimated actual \$'000	2017–18 estimate \$'000
Opening balance/cash reserves at 1 July		
Funds from Government	1,781	1,177
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	24,416	24,028
Annual appropriations - other services ^(b)		
Equity injection	814	1,802
Total annual appropriations	25,230	25,830
Amounts from portfolio department	-	280
Total funds from Government	25,230	26,110
Funds from other sources		
Interest	150	109
Royalties	344	344
Sale of goods and services	673	686
Other	432	441
Total funds from other sources	1,599	1,580
Total net resourcing for NFSA	28,610	28,867
	2016–17	2017–18
Average staffing level for NFSA	164	164

(a) Appropriation Bill (No. 1) 2017–18.

(b) Appropriation Bill (No. 2) 2017–18.

The NFSA is not directly appropriated as it is a Corporate Commonwealth Entity. Appropriations are made to the Department of Communications and the Arts (a Non-Corporate Commonwealth Entity), which are then paid to the NFSA and are considered "departmental" for all purposes.

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

Prepared on a resourcing (that is, appropriations available) basis.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the NFSA are detailed in *Budget Paper No. 2* and are summarised below.

Table 1.2: NFSA 2017–18 Budget measures

Part 1: Measures announced since the 2016–17 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2016–17 \$'000	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000
Capital measure						
Public Service Modernisation Fund – agency sustainability ^(a)	1.1					
Departmental capital		-	-	-	-	-
Total		-	-	-	-	-
Total capital measures						
Departmental capital		-	-	-	-	-
Total		-	-	-	-	-

(a) The NFSA will receive funding of \$0.996 million in 2017-18; \$2.708 million in 2018-19; and \$0.180 million in 2019-20. Provision for the Public Service Modernisation Fund was included in the Budget estimates as part of the 2016-17 Budget measure: Public Service Transformation and the Efficiency Dividend.

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 program. The following provides detailed information on expenses for the outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. 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 – to provide an entity's complete performance story.

The most recent corporate plan for NFSA can be found at:

www.nfsa.gov.au/about/corporate-information/publications/corporate-plan

The most recent annual performance statement can be found at:

www.nfsa.gov.au/about/corporate-information/publications/annual-reports

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 NPSA intends to spend (on an accrual basis) on achieving the outcome, broken down by Departmental funding sources.

Table 2.1.1: Budgeted expenses for Outcome 1

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
Program 1.1: Collect, preserve and share the national audiovisual collection					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	24,416	24,028	23,926	24,011	24,176
Payment from related entity	-	280	521	550	-
Revenues from other independent sources	1,599	1,580	1,602	1,625	1,635
Expenses not requiring appropriation in the budget year ^(a)	6,901	7,647	7,935	8,209	8,424
Total expenses for Program 1.1	32,916	33,535	33,984	34,395	34,235
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	24,416	24,028	23,926	24,011	24,176
Payment from related entity	-	280	521	550	-
Revenues from other independent sources	1,599	1,580	1,602	1,625	1,635
Expenses not requiring appropriation in the budget year ^(a)	6,901	7,647	7,935	8,209	8,424
Total expenses for Outcome 1	32,916	33,535	33,984	34,395	34,235

	2016–17	2017–18
Average staffing level (number)	164	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 2017–18 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 – Collect, preserve and share the national audiovisual collection		
Delivery The NFSA will continue to build and maintain a unique and comprehensive collection of Australian audiovisual material. 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. 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.		
Performance information		
Year	Performance criteria^(a)	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>Expected to meet criterion 75,000 visits to the organisation. 90% of visitors who were satisfied or very satisfied with their visit. 13,500 people participating in public programs. 90% of teachers reporting overall positive experience. 90% of teachers reporting relevance to the classroom curriculum.</p> <p>Not expected to meet criterion ^(b) 1,500,000 visits to the organisation’s website. 33,500 students participating in school programs. 400 educational institutions participating in organised school learning programs.</p> <p>Expected to meet criterion 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> <p>Not expected to meet criterion ^(c) 60,000 acquisitions (made in the reporting period).</p>

Performance information		
Year	Performance criteria ^(a)	Targets
2017–18	<p><i>Increase access to Australia's national audiovisual collection for enjoyment, study and cultural and creative re-use.</i></p> <p><i>Develop, manage and preserve the national audiovisual collection to the highest curatorial standards.</i></p> <p><i>Provide leadership to advance the digitisation and discoverability of Australia's digital audiovisual collections.</i></p> <p><i>Celebrate and showcase the stories of Australia's Indigenous Peoples through the media of recorded sound, film and digital.</i></p>	<p>75,000 visits to the organisation.</p> <p>13,500 people participating in public programs.</p> <p><i>20,000 students participating in school programs.</i></p> <p>90% of teachers reporting overall positive experience.</p> <p>90% of teachers reporting relevance to the classroom curriculum.</p> <p><i>1,500,000 visits to the organisation's website.</i></p> <p>60,000 acquisitions made in the reporting period.</p> <p>100,000 items accessioned in the reporting period.</p> <p>230 years average collection lifespan.</p> <p>8,000 titles preserved and made accessible.</p> <p><i>10% of total collection digitised.</i></p> <p><i>Four dedicated Indigenous program elements delivered in the reporting period.</i></p>
2018–19 and beyond	As per 2017–18	As per 2017–18
<p>Purposes</p> <p>A 'living archive' for everyone – Australia's national audiovisual collection is accessible to all for enjoyment, study and cultural and creative re-use.</p> <p>Collecting and preserving – The national audiovisual collection is developed and preserved to the highest curatorial standards.</p> <p>Developing leadership in the digital environment – The NFSA will be a leader in the stewardship of Australia's digital audiovisual collections, and collaborate across all tiers of government to advance the digitisation and discoverability of Australia's cultural collections.</p> <p>Indigenous connections – The NFSA will work with Indigenous communities and partners to showcase Indigenous Australian stories and works, provide training opportunities in audiovisual conservation and ensure the appropriate management of Indigenous audiovisual collection materials.</p> <p>Maximising resources – The NFSA will be sustainable, work within its means and conduct its activities smartly and in innovative ways reaching more people.</p>		

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.
- (b) Not expected to meet criterion due to: website redevelopment; school program availability; and the criteria not factoring in repeat visitation from educational institutions.
- (c) Not expected to meet criterion due to significant influx of acquisitions in 2015-16 period totaling 92,457 exceeding target by 42,457.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NFSA finances for the 2017–18 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

Total income in 2017–18 is expected to be \$30.4 million, which includes \$24.3 million of revenue from Government, \$1.6 million of own sourced revenue and \$4.5 million of collection gains. This is an overall increase of \$0.4 million from the 2016–17 estimate. This is a result of increased income from other sources, as revenue from Government decreased by \$0.1 million.

Total expenses for 2017–18 are estimated to be \$33.5 million, which is an increase of \$0.6 million from the 2016–17 estimate. Although employee benefits are budgeted to decrease, supplier expenses are budgeted to increase by \$1.1 million.

Budgeted departmental balance sheet

The NFSA's net assets are budgeted to be \$293.7 million at 30 June 2018. 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 \$1.8 million will be received in 2017–18 for investment in the collection and property, plant and equipment.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
EXPENSES					
Employee benefits	16,209	15,960	15,989	16,191	16,395
Suppliers	7,037	8,141	8,539	8,728	8,342
Depreciation and amortisation	9,420	9,434	9,456	9,476	9,498
Write-down and impairment of assets	250	-	-	-	-
Total expenses	32,916	33,535	33,984	34,395	34,235
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	673	686	700	714	728
Interest	150	109	109	109	95
Royalties	344	344	344	344	344
Other	432	441	449	458	468
Total own-source revenue	1,599	1,580	1,602	1,625	1,635
Gains					
Other	4,000	4,560	4,560	4,560	4,560
Total gains	4,000	4,560	4,560	4,560	4,560
Total own-source income	5,599	6,140	6,162	6,185	6,195
Net cost of services	(27,317)	(27,395)	(27,822)	(28,210)	(28,040)
Revenue from Government	24,416	24,308	24,447	24,561	24,176
Deficit attributable to the Australian Government	(2,901)	(3,087)	(3,375)	(3,649)	(3,864)
Total comprehensive loss attributable to the Australian Government	(2,901)	(3,087)	(3,375)	(3,649)	(3,864)
Total comprehensive income excluding depreciation/amortisation expenses previously funded through revenue appropriations	2,925	2,733	2,445	2,171	1,956
less heritage and cultural depreciation expenses previously funded through revenue appropriations ^(a)	5,826	5,820	5,820	5,820	5,820
Total comprehensive loss as per the Statement of comprehensive income	(2,901)	(3,087)	(3,375)	(3,649)	(3,864)

(a) From 2009–10, the Government replaced Appropriation Bill 1 revenue appropriations for the heritage and cultural depreciation expenses of designated Collection Institutions, with a separate capital budget (the Collection Development Acquisition Budget, or CDAB) provided through Appropriation Bill 2 equity appropriations. For information regarding CDABs, refer to Table 3.5 Departmental Capital Budget Statement.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
ASSETS					
Financial assets	1,177	1,373	1,294	961	935
Cash and cash equivalents					
Trade and other receivables	164	160	160	160	160
Other investments	4,000	4,000	4,000	4,000	3,500
Other financial assets	16	16	16	16	16
Total financial assets	5,357	5,549	5,470	5,137	4,611
Non-financial assets					
Land and buildings	34,096	32,879	34,370	33,153	31,936
Property, plant and equipment	8,286	8,737	8,176	7,780	7,188
Heritage and cultural assets	247,975	247,521	247,064	246,609	246,160
Intangibles	1,951	1,699	1,441	1,178	909
Inventories	574	574	574	574	574
Other non-financial assets	299	299	299	299	299
Total non-financial assets	293,181	290,709	288,924	289,593	287,066
Total assets	298,538	297,258	297,394	294,730	291,677
LIABILITIES					
Payables					
Suppliers	189	190	190	190	190
Other payables	57	60	60	60	60
Total payables	246	250	250	250	250
Provisions					
Employee provisions	3,044	3,044	3,044	3,044	3,044
Other provisions	249	250	250	250	250
Total provisions	3,293	3,294	3,294	3,294	3,294
Total liabilities	3,539	3,544	3,544	3,544	3,544
Net assets	294,999	293,714	293,850	291,186	288,133
EQUIT					
Parent entity interest					
Contributed equity	217,570	219,372	222,883	223,868	224,679
Reserves	66,458	66,458	66,458	66,458	66,458
Retained surplus (accumulated deficit)	10,971	7,884	4,509	860	(3,004)
Total parent entity interest	294,999	293,714	293,850	291,186	288,133
Total Equity	294,999	293,714	293,850	291,186	288,133

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017–18)

	Retained earnings	Asset revaluation reserve	Other reserves	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	10,971	66,458	217,570	294,999
Adjusted opening balance	10,971	66,458	217,570	294,999
Comprehensive income				
Surplus/(Deficit) for the period	(3,087)	-	-	(3,087)
Total comprehensive income	(3,087)	-	-	(3,087)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	1,802	1,802
Sub-total transactions with owners	-	-	1,802	1,802
Estimated closing balance as at 30 June 2018	7,884	66,458	219,372	293,714
Closing balance attributable to the Australian Government	7,884	66,458	219,372	293,714

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	24,416	24,028	23,926	24,011	24,176
Receipts from Government	-	280	521	550	-
Sale of goods and rendering of services	711	759	770	785	801
Interest	176	109	109	109	95
Royalties	378	378	378	378	378
Net GST received	667	711	750	767	727
Other	456	441	449	458	468
Total cash received	26,804	26,706	26,903	27,058	26,645
Cash used					
Employees	16,290	15,960	15,989	16,191	16,395
Suppliers	8,796	8,950	9,393	9,600	9,176
Total cash used	25,086	24,910	25,382	25,791	25,571
Net cash from operating activities	1,718	1,796	1,521	1,267	1,074
INVESTING ACTIVITIES					
Cash received					
Investments	1,500	-	-	-	500
Total cash received	1,500	-	-	-	500
Cash used					
Purchase of property, plant and equipment and intangibles	4,636	3,402	5,111	2,585	2,411
Total cash used	4,636	3,402	5,111	2,585	2,411
Net cash used by investing activities	(3,136)	(3,402)	(5,111)	(2,585)	(1,911)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	814	1,802	3,511	985	811
Total cash received	814	1,802	3,511	985	811
Net cash from financing activities	814	1,802	3,511	985	811
Net increase/(decrease) in cash held	(604)	196	(79)	(333)	(26)
Cash and cash equivalents at the beginning of the reporting period	1,781	1,177	1,373	1,294	961
Cash and cash equivalents at the end of the reporting period	1,177	1,373	1,294	961	935

Prepared on Australian Accounting Standards basis.

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

	2016–17 Estimated actual \$'000	2017–18 Budget \$'000	2018–19 Forward estimate \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	814	1,802	3,511	985	811
Total new capital appropriations	814	1,802	3,511	985	811
Provided for:					
Purchase of non-financial assets	814	1,802	3,511	985	811
Total Items	814	1,802	3,511	985	811
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	814	1,802	3,511	985	811
Funded internally from departmental resources ^(b)	7,824	6,160	6,160	6,160	6,160
TOTAL	8,638	7,962	9,671	7,145	6,971
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	8,638	7,962	9,671	7,145	6,971
less gifted assets	(4,000)	(4,560)	(4,560)	(4,560)	(4,560)
Total cash used to acquire assets	4,638	3,402	5,111	2,585	2,411

(a) Includes both current Bill 2 and prior Act 2/4/6 appropriations and special capital appropriations.

(b) Includes sources of funding from current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB), donations and contributions, gifts, internally developed assets, s74 Retained revenue receipts and proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2017–18)

	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 2017						
Gross book value	6,050	29,563	9,816	253,795	5,187	304,411
Accumulated depreciation/amortisation and impairment	-	(1,517)	(1,530)	(5,820)	(3,236)	(12,103)
Opening net book balance	6,050	28,046	8,286	247,975	1,951	292,308
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	-	996	806	-	1,802
By purchase - appropriation ordinary annual services ^(b)	-	300	1,000	-	300	1,600
Assets received as gifts/donations	-	-	-	4,560	-	4,560
Total additions	-	300	1,996	5,366	300	7,962
Other movements						
Depreciation/amortisation expense	-	(1,517)	(1,545)	(5,820)	(552)	(9,434)
Total other movements	-	(1,517)	(1,545)	(5,820)	(552)	(9,434)
As at 30 June 2018						
Gross book value	6,050	29,863	11,812	259,161	5,487	312,373
Accumulated depreciation/amortisation and impairment	-	(3,034)	(3,075)	(11,640)	(3,788)	(21,537)
Closing net book balance	6,050	26,829	8,737	247,521	1,699	290,836

(a) "Appropriation equity" refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2017-18, including CDABs.

(b) "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No.1) 2017–18 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	3,355
Preservation and Conservation	6,707
Total operating expenditure on heritage and cultural assets	10,062