

National Gallery of Australia

Entity resources and planned performance

NATIONAL GALLERY OF AUSTRALIA

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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 the region and to develop exciting and innovative ways to engage visitors with the collection both nationally and internationally.

The functions of the NGA, as expressed in the *National Gallery Act 1975*, are 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
- 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 exhibitions of significant art works from national and international collections
- showing leadership in promoting the rich cultures of the Asia-Pacific region
- utilising the extensive and engaging content of the collection to support educational outcomes described in the Australian Curriculum
- maximising opportunities further to develop and support indigenous engagement.

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The NGA's focus over the coming years is to continue:

- developing the collection across collecting areas including Australian art, international art including Asian, Global Contemporary art and Pacific 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, the temporary exhibitions and visual arts generally
- maximising opportunities to encourage and increase private sector support, in all areas of collecting and programming
- maintaining strategic relationships and fulfil the NGA's statutory and professional obligations to the highest museum and scholarly standards
- maximising opportunities to engage in cultural diplomacy.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NGA 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 classification (for the NGA's operations).

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' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: NGA 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	6,444	6,444
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	31,343	30,787
Annual appropriations - other services ^(b)		
Equity injection	16,769	16,628
Total annual appropriations	48,112	47,415
Amounts from portfolio department	-	400
Total funds from Government	48,112	47,815
Funds from other sources		
Interest	385	385
Sale of goods and services	9,361	9,401
Other	150	150
Total funds from other sources	9,896	9,936
Total net resourcing for the NGA	64,452	64,195
	2016–17	2017–18
Average staffing level for NGA	217	217

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

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

The NGA 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 NGA 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

There are no measures relating to the NGA for the 2017–18 Budget.

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.

NGA'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 the National Gallery of Australia can be found at nga.gov.au/AboutUs/DOWNLOAD/2016NGACorporatePlan.pdf

The most recent annual performance statement can be found at: nga.gov.au/AboutUs/Reports/NGA_AR_15-16.pdf

2.1 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 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: Collection development, management, access and promotion					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	31,343	30,787	30,545	30,496	30,666
Payment from related entity	-	400	665	822	-
Revenues from other independent sources	19,896	19,936	20,030	20,030	20,050
Total expenses for Program 1.1	51,239	51,123	51,240	51,348	50,716
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	31,343	30,787	30,545	30,496	30,666
Payment from related entity	-	400	665	822	-
Revenues from other independent sources	19,896	19,936	20,030	20,030	20,050
Total expenses for Outcome 1	51,239	51,123	51,240	51,348	50,716
	2016–17	2017–18			
Average staffing level (number)	217	217			

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 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^(a)	Targets
2016-17	<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>Collect, share and digitise – build and maintain a rich national collection for future generations of Australians to enjoy and learn from.</p>	<p>Expected to meet criterion</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% 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% of teachers reporting overall positive experience.</p> <p>90% of teachers reporting relevance to the classroom curriculum.</p> <p>Expected to meet criterion</p> <p>900 acquisitions (made in the reporting period).</p> <p>900 objects accessioned (in the reporting period).</p> <p>99% of the total collection available to the public online.</p> <p>62% 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>

Performance information		
Year	Performance criteria ^(a)	Targets
2017–18	<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>Collect, share and digitise – build and maintain a rich national collection for future generations of Australians to enjoy and learn from.</p>	<p>700,000 number of visits to the organisation.</p> <p>1,450,000 number of visits to the organisation’s website.</p> <p>90% of visitors who were satisfied or very satisfied with their visit.</p> <p>70,000 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% of teachers reporting overall positive experience.</p> <p>90% 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% of the total collection available to the public online.</p> <p>62% of the total collection digitised.</p> <p>3,000,000 number of visitors to exhibition that include works from the national collection.</p> <p>248,000 number of visitors to travelling exhibitions.</p> <p>1,300 works of art loaned.</p> <p>2,400 works of art subjected to conservation treatment.</p>
2018–19 and beyond	As per 2017–18	As per 2017–18
<p>Purposes The functions of the NGA are prescribed in its enabling legislation, the <i>National Gallery of Australia 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. 		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Section 3: Budgeted financial statements

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

The net cost of services for the NGA is expected to be \$44.5 million in 2017–18.

Total revenue is expected to be \$50.7 million, an increase of \$3.4 million from the estimate in 2016–17. The increase is due to anticipated higher revenue from private sources and self-generating revenue activities, such as exhibitions.

Total expenditure for 2017–18 is estimated to be \$64.4 million, which is an increase of \$7.3 million from the estimate in 2016–17. This is due to higher expenditure for the investment in commercial and revenue generating activities, such as exhibitions.

Budgeted departmental balance sheet

The NGA's total assets are budgeted to be \$6.3 billion in 2017–18. This value mainly comprises the NGA's collection of heritage and cultural assets. The NGA will receive an equity injection of \$16.6 million in 2017–18 for the collection, development and acquisition functions with regards to the NGA permanent collection (see Table 3.5 Department Capital Budget Statement).

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	18,706	18,821	18,937	18,937	18,781
Suppliers	26,968	25,037	25,482	25,027	24,170
Depreciation and amortisation	19,210	20,910	20,466	21,029	21,465
Write-down and impairment of assets	50	50	50	50	-
Other expenses	5	5	5	5	-
Total expenses	64,939	64,823	64,940	65,048	64,416
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	9,361	9,401	9,495	9,495	9,500
Interest	385	385	385	385	400
Dividends	150	150	150	150	150
Total own-source revenue	9,896	9,936	10,030	10,030	10,050
Gains					
Other	10,000	10,000	10,000	10,000	10,000
Total gains	10,000	10,000	10,000	10,000	10,000
Total own-source income	19,896	19,936	20,030	20,030	20,050
Net (cost of)/contribution by services	(45,043)	(44,487)	(44,245)	(44,196)	(44,366)
Revenue from Government	31,343	31,187	31,210	31,318	30,666
Surplus/(deficit) attributable to the Australian Government	(13,700)	(13,700)	(13,700)	(13,700)	(13,700)
OTHER COMPREHENSIVE INCOME					
Total other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	(13,700)	(13,700)	(13,700)	(13,700)	(13,700)
Total comprehensive income/(loss) attributable to the Australian Government	(13,700)	(13,700)	(13,700)	(13,700)	(13,700)
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	(1,490)	310	(134)	429	800
less heritage and cultural depreciation expenses previously funded through revenue appropriations ^(a)	12,210	14,010	13,566	14,129	14,500
Total comprehensive income/(loss) as per the Statement of comprehensive income	(13,700)	(13,700)	(13,700)	(13,700)	(13,700)

(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, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

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					
Cash and cash equivalents	6,444	6,444	6,444	5,444	5,444
Trade and other receivables	531	531	531	531	531
Other investments	1,507	1,507	1,507	1,507	1,507
Other financial assets	84	84	84	84	84
Total financial assets	8,566	8,566	8,566	7,566	7,566
Non-financial assets					
Land and buildings	301,450	301,513	301,576	301,639	295,639
Property, plant and equipment	2,810	2,747	2,684	2,621	1,721
Heritage and cultural assets	5,954,364	5,956,982	5,959,988	5,962,559	5,948,205
Intangibles	261	261	261	261	196
Inventories	582	582	582	582	582
Other non-financial assets	99	99	99	99	99
Total non-financial assets	6,259,566	6,262,184	6,265,190	6,267,761	6,246,442
Total assets	6,268,132	6,270,750	6,273,756	6,275,327	6,254,008
LIABILITIES					
Payables					
Suppliers	4,710	4,400	4,534	4,105	4,105
Other payables	1,077	1,077	1,077	1,077	1,077
Total payables	5,787	5,477	5,611	5,182	5,182
Provisions					
Employee provisions	5,171	5,171	5,171	5,171	5,171
Total provisions	5,171	5,171	5,171	5,171	5,171
Total liabilities	10,958	10,648	10,782	10,353	10,353
Net assets	6,257,174	6,260,102	6,262,974	6,264,974	6,243,655
EQUITY					
Parent entity interest					
Contributed equity	299,607	316,235	349,379	366,174	366,465
Reserves	5,337,108	5,347,424	5,329,136	5,326,341	5,326,196
Retained surplus (accumulated deficit)	620,459	596,459	584,459	572,459	550,994
Total Equity	6,257,174	6,260,102	6,262,974	6,264,974	6,243,655

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	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2017				
Balance carried forward from previous period	620,459	5,337,108	299,607	6,257,174
Adjustment for changes in accounting policies	(10,300)	10,316	-	-
Adjusted opening balance	610,159	5,347,424	299,607	6,257,190
Comprehensive income				
Surplus/(deficit) for the period	(13,700)	-	-	(13,700)
Total comprehensive income	(13,700)	-	-	(13,700)
Contributions by owners				
Equity Injection - Appropriation	-	-	16,661	16,612
Sub-total transactions with owners	-	-	16,661	16,612
Estimated closing balance as at 30 June 2018	596,459	5,347,424	316,219	6,260,102
Closing balance attributable to the Australian Government	596,459	5,347,424	316,219	6,260,102

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cashflows (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	31,343	30,787	30,545	30,496	30,666
Sale of goods and rendering of services	9,356	9,396	9,490	9,490	9,500
Interest	385	385	385	385	400
Dividends	150	150	150	150	150
Other	10,000	10,000	10,000	10,000	10,000
Total cash received	51,234	50,718	50,570	50,521	50,716
Cash used					
Employees	19,706	18,821	18,937	18,937	16,625
Suppliers	25,528	24,974	24,733	24,638	24,170
Other	-	39	-	79	-
Total cash used	45,234	43,834	43,670	43,654	40,795
Net cash from/(used by) operating activities	6,000	6,884	6,900	6,867	9,921
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	23,819	23,190	22,928	22,899	24,577
Investments	(4,000)	-	-	-	-
Total cash used	19,819	23,190	22,928	22,899	24,577
Net cash from/(used by) investing activities	(19,819)	(23,190)	(22,928)	(22,899)	(24,577)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	16,819	16,661	16,589	16,734	16,812
Total cash received	16,819	16,661	16,589	16,734	16,812
Net cash from/(used by) financing activities	16,819	16,661	16,589	16,734	16,812
Net increase/(decrease) in cash held	3,000	355	561	702	2,156
Cash and cash equivalents at the beginning of the reporting period	3,444	6,444	6,799	7,360	8,062
Cash and cash equivalents at the end of the reporting period	6,444	6,799	7,360	8,062	10,218

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	16,769	16,628	16,572	16,700	16,812
Total new capital appropriations	16,769	16,628	16,572	16,700	16,812
Provided for:					
Purchase of non-financial assets	16,769	16,628	16,572	16,700	16,812
Total Items	16,769	16,628	16,572	16,700	16,812
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	16,769	16,628	16,572	16,700	16,812
Funded internally from departmental resources ^(b)	7,000	6,900	6,900	6,900	6,900
TOTAL	23,769	23,528	23,472	23,600	23,712
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	23,769	23,528	23,472	23,600	23,712
Total cash used to acquire assets	23,769	23,528	23,472	23,600	23,712

(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, 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 2017–18)

	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017							
Gross book value	19,275	276,138	1,910	5,942,154	261	681	6,240,419
Opening net book balance	19,275	282,238	2,747	5,956,982	261	681	6,240,419
Capital asset additions							
Estimated expenditure on new or replacement assets							
By purchase - appropriation equity ^(a)	-	-	-	14,828	-	-	14,828
By purchase - appropriation ordinary annual services ^(b)	-	6,100	837	-	63	-	6,937
Total additions	-	6,100	837	14,828	63	-	21,765
Other movements							
Depreciation/amortisation expense							
Disposals ^(c)	-	5,937	900	14,010	63	-	20,910
Total other movements	-	5,937	900	14,010	63	-	20,910
As at 30 June 2018							
Gross book value	19,275	282,238	2,747	5,956,982	261	681	6,261,503
Accumulated depreciation/amortisation and impairment	-	5,937	900	14,010	63	-	20,910
Closing net book balance	19,275	282,238	2,747	5,956,982	261	681	6,261,503

(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 or other operational expenses.

(c) Net proceeds may be returned to the Official Public Account.

Prepared on Australian Accounting Standards

Estimated operating expenditure in income statement for heritage and cultural assets	\$'000
Operations and Maintenance	14,010
Preservation and Conservation	10,841
Total operating expenditure on heritage and cultural assets	24,851