

National Museum of Australia

Entity resources and planned performance

NATIONAL MUSEUM OF AUSTRALIA

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NATIONAL MUSEUM OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The National Museum of Australia (NMA) brings to life the rich and diverse stories of the nation through compelling objects, ideas and programs. The Museum has stewardship of the National Historical Collection; creates exhibitions and other public programs on Australia's past, present and future; contributes to research on Australian history and undertakes commercial activities in support of these functions. All of this is mandated under the *National Museum of Australia Act 1980*.

The NMA's mission is to promote an understanding of Australia's history and an awareness of future possibilities by:

- developing, preserving, digitising and exhibiting a significant national collection
- taking a leadership role in research and scholarship
- engaging and providing access for audiences nationally and internationally
- delivering innovative programs.

The NMA's Strategic Plan establishes that the Museum will:

- Lead the research, documentation and expression of the nation's history through programs committed to organisational excellence and innovation
- Develop, manage and preserve the National Historical Collection and other Museum collections to promote public access and engagement
- Establish strong, enduring relationships with community interests and institutional partners that promote public attachment and involvement in the Museum's work
- Build on the strong visitor growth that the Museum has experienced by delivering creative, innovative exhibitions and related content programs that will attract national and international audiences to the Museum, onsite and online
- Maximise the potential of the NMA's people, assets and financial resources to deliver efficient and effective learning experiences for online audiences and physical visitors to its sites.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NMA 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 NMA'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: NMA 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	41,220	39,869
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	39,375	41,444
Annual appropriations - other services ^(b)		
Equity injection	1,937	1,921
Total funds from Government	41,312	43,365
Funds from other sources		
Interest	1,322	1,289
Grants	-	525
Sale of goods and services	5,002	4,450
Other	400	450
Total funds from other sources	6,724	6,714
Total net resourcing for the NMA	89,256	89,948
	2016–17	2017–18
Average staffing level for the NMA	223	226

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

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

The NMA 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 NMA 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 NMA are detailed in *Budget Paper No. 2* and are summarised below.

Table 1.2: NMA 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
Expense Measures						
Public Service Modernisation Fund – agency sustainability ^(a)	1.1					
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Departmental		-	-	-	-	-
Total		-	-	-	-	-

(a) The NMA will receive funding of \$2.667 million in 2017-18; \$3.078 million in 2018-19; and \$3.194 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 NMA'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 NMA can be found at:

www.nma.gov.au/about_us/ips/corporate_plan

The most recent annual performance statement can be found at:

www.nma.gov.au/about_us/nma_corporate_documents/annual_report/2015-2016/home

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Increased awareness and understanding of Australia's history and culture by managing the National Museum's collections and providing access through public programs and exhibitions

Budgeted expenses for Outcome 1

This table shows how much the NMA 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 Management, Research, Exhibitions and Programs					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	39,375	41,444	41,573	41,682	38,597
Grants received	-	525	800	965	-
Expenses not requiring appropriation in the budget year ^(a)	8,664	8,924	9,192	9,467	9,751
Revenues from other independent sources	6,724	6,189	6,323	6,448	6,585
Total expenses for Program 1.1	54,763	57,082	57,888	58,562	54,933
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	39,375	41,444	41,573	41,682	38,597
Grants received	-	525	800	965	-
Expenses not requiring appropriation in the budget year ^(a)	8,664	8,924	9,192	9,467	9,751
Revenues from other independent sources	6,724	6,189	6,323	6,448	6,585
Total expenses for Outcome 1	54,763	57,082	57,888	58,562	54,933
	2016–17	2017–18			
Average staffing level (number)	223	226			

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expenses for heritage and cultural assets.

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 awareness and understanding of Australia’s history and culture by managing the National Museum’s collections and providing access through public programs and exhibitions		
Program 1.1 – Collection Management, Research, Exhibitions and Programs		
Delivery		
Over the course of the next four years, the NMA will:		
<ul style="list-style-type: none"> • Take a lead role in researching, documenting and expressing the nation’s history, and embrace innovative and contemporary approaches to draw public attention to the NMA’s work • Develop, manage and preserve the NMA’s collections, diversify the nation’s history and bring it to life through storytelling and custodianship. • Build audiences and communities of interest through strong education, public and membership programs • Continue the strong visitor growth that the Museum has experienced by delivering innovative exhibitions that drive visitation nationally and internationally • Undertake major redevelopment works of open spaces and permanent galleries. 		
Performance information		
Year	Performance criteria^(a)	Targets
2016–17	<ul style="list-style-type: none"> • Bring the stories of Australia to life through innovative exhibitions and programs. • Develop, manage and preserve the National Historical Collection and enable access through online engagement. • Establish meaningful and long-lived local, national and international partnerships. • Create participatory programs to build relationships and engage with audiences. • Deliver an active research and scholarship program that underpins the NMA’s programs. 	<p>Expected to meet criterion</p> <p>Annual visitation targets: 2,745,350</p> <ul style="list-style-type: none"> - permanent exhibitions 495,250 - temporary exhibitions 201,000 - travelling exhibitions 220,000 - education and public programs 129,100 - web page views 1,700,000. <p>80% of the total collection stored in accordance with appropriate Museum standards.</p> <p>1,000 collection objects accessioned in the reporting period.</p> <p>650 acquisitions made in the reporting period.</p> <p>51% of the total collection available to the public online.</p>

Performance information		
Year	Performance criteria ^(a)	Targets
2017–18	<ul style="list-style-type: none"> Bring the stories of Australia to life through innovative exhibitions and programs. Develop, manage and preserve the National Historical Collection and enable access through online engagement. Establish meaningful and long-lived local, national and international partnerships. Create participatory programs to build relationships and engage with audiences. Deliver an active research and scholarship program that underpins the NMA's programs. 	<p>Total visitor engagements: 3,028,250</p> <ul style="list-style-type: none"> permanent exhibitions 455,000 special exhibitions 233,000 travelling exhibitions 220,000 online experiences 1,900,000 education programs 92,000 public programs 112,000 events and functions 16,250 <p>80% of the total collection stored in accordance with appropriate Museum standards</p> <p>650 acquisitions made in the reporting period.</p> <p>51% of the total collection available to the public online.</p>
2018–19 and beyond	As per 2017–18	<p>Total visitor engagements: 3,278,650</p> <ul style="list-style-type: none"> permanent exhibitions 485,000 special exhibitions 238,900 travelling exhibitions 230,000 online experiences 2,100,000 education programs 93,500 public programs 115,000 events and functions 16,250 <p>80% of the total collection stored in accordance with appropriate Museum standards</p> <p>650 acquisitions made in the reporting period.</p> <p>55% of the total collection available to the public online.</p>
<p>Purposes</p> <p>The National Museum of Australia brings to life the rich and diverse stories of Australia through compelling objects, ideas and programs. The Museum's mission is to promote an understanding of Australia's history and an awareness of future possibilities by:</p> <ul style="list-style-type: none"> preserving, digitising and exhibiting a significant national collection taking a leadership role in research and scholarship engaging and providing access for audiences nationally and internationally delivering innovative programs. 		
<p>Material changes to Program 1.1 resulting from the following measures: Public Service Modernisation – agency sustainability</p>		

(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 revenue from Government in 2017-18 is increased by \$2.069 million compared to 2016-17. The increase is from funding for the Public Service Modernisation – Agency Sustainability measure that is partially offset by the increase to the efficiency dividend in the 2016-17 Budget.

The NMA is working to increase its own source. Revenue estimates in the Portfolio Budgets Statements are adjusted as the capacity to generate own source revenue increases. In the 2015-16 Portfolio Budget Statements, the forecast estimate for own-source revenue was \$4.256 million. The budget for 2017-18 is \$6.714 million, an increase of 58%. The NMA is forecasting continual growth of own-source revenue over the forward estimates.

The NMA constantly reviews operations to identify savings from efficiencies in operating activities. These savings help achieve a reduction in expenses. The increase in expenses of \$2.094 million from \$47.263 million in 2016-17 to \$49.357 million in 2017-18, is to implement the initiatives funded by the Public Service Modernisation – Agency Sustainability measure.

Budgeted departmental balance sheet

The NMA's net assets are budgeted to increase by \$0.722 million. Investment balances decrease by \$1.351 million to support the major capital replacement program, including redevelopment of permanent exhibition spaces, which will increase non-financial assets by \$2.074 million.

Departmental capital budget statement

The Departmental Capital Budget Statement shows total capital expenditure of \$10.998 million funded from departmental resources of \$9.077 million for the asset replacement program and an equity injection of \$1.921 million from the Government for the acquisition and development 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

	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	21,251	20,481	20,274	20,206	20,207
Suppliers	17,348	19,952	20,465	20,694	16,534
Depreciation and amortisation	8,664	8,924	9,192	9,467	9,751
Total expenses	47,263	49,357	49,931	50,367	46,492
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	5,002	4,450	4,589	4,732	4,881
Interest	1,322	1,289	1,234	1,166	1,104
Other	400	975	1,300	1,515	600
Total own-source revenue	6,724	6,714	7,123	7,413	6,585
Net (cost of)/contribution by services	(40,539)	(42,643)	(42,808)	(42,954)	(39,907)
Revenue from Government	39,375	41,444	41,573	41,682	38,597
Surplus/(deficit) attributable to the Australian Government	(1,164)	(1,199)	(1,235)	(1,272)	(1,310)
Total comprehensive income/(loss)	(1,164)	(1,199)	(1,235)	(1,272)	(1,310)
Total comprehensive income/(loss) attributable to the Australian Government	(1,164)	(1,199)	(1,235)	(1,272)	(1,310)
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	-	-	-	-	-
less heritage and cultural depreciation expenses previously funded through revenue appropriations ^(a)	(1,164)	(1,199)	(1,235)	(1,272)	(1,310)
Total comprehensive income/(loss) as per the Statement of comprehensive income	(1,164)	(1,199)	(1,235)	(1,272)	(1,310)

(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	1,770	1,770	1,770	1,770	1,770
Trade and other receivables	1,048	1,048	1,048	1,048	1,048
Other investments	39,450	38,099	35,971	33,761	31,832
Total financial assets	42,268	40,917	38,789	36,579	34,650
Non-financial assets					
Land and buildings	106,189	104,623	103,010	101,349	99,638
Property, plant and equipment	326,564	330,061	334,671	338,980	343,196
Intangibles	2,948	3,091	3,096	3,303	3,347
Inventories	510	510	510	510	510
Other non-financial assets	442	442	442	442	442
Total non-financial assets	436,653	438,727	441,729	444,584	447,133
Total assets	478,921	479,644	480,518	481,163	481,783
LIABILITIES					
Payables					
Suppliers	809	809	809	809	809
Other payables	228	228	228	228	228
Total payables	1,037	1,037	1,037	1,037	1,037
Provisions					
Employee provisions	6,506	6,507	6,704	6,704	6,704
Total provisions	6,506	6,507	6,704	6,704	6,704
Total liabilities	7,543	7,544	7,741	7,741	7,741
Net assets	471,378	472,100	472,777	473,422	474,042
EQUITY					
Parent entity interest					
Contributed equity	29,289	31,210	33,122	35,039	36,969
Reserves	183,662	183,662	183,662	183,662	183,662
Retained surplus (accumulated deficit)	258,427	257,228	255,993	254,721	253,411
Total parent entity interest	471,378	472,100	472,777	473,422	474,042
Total Equity	471,378	472,100	472,777	473,422	474,042

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	258,427	183,662	29,289	471,378
Adjusted opening balance	258,427	183,662	29,289	471,378
Comprehensive income				
Surplus/(deficit) for the period	(1,199)	-	-	(1,199)
Total comprehensive income	(1,199)	-	-	(1,199)
Transactions with owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	1,921	1,921
Sub-total transactions with owners	-	-	1,921	1,921
Estimated closing balance as at 30 June 2018	257,228	183,662	31,210	472,100
Closing balance attributable to the Australian Government	257,228	183,662	31,210	472,100

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	39,375	41,444	41,573	41,682	38,597
Sale of goods and rendering of services	5,019	4,299	4,423	4,732	4,881
Interest	1,234	1,289	1,234	1,166	1,104
Net GST received	2,971	2,913	2,920	2,929	2,553
Other	500	1,075	1,400	1,515	600
Total cash received	49,099	51,020	51,550	52,024	47,735
Cash used					
Employees	20,929	20,468	20,082	20,739	20,209
Suppliers	18,399	20,540	20,396	20,163	16,534
Net GST paid	2,967	2,913	2,920	2,929	2,560
Total cash used	42,295	43,921	43,398	43,831	39,303
Net cash from/(used by) operating activities	6,804	7,624	8,152	8,193	8,432
INVESTING ACTIVITIES					
Cash received					
Investments	47,000	45,300	44,300	45,000	44,000
Total cash received	47,000	45,300	44,300	45,000	44,000
Cash used					
Purchase of property, plant and equipment and intangibles	10,287	10,998	12,192	12,323	12,301
Investments	45,450	43,949	42,172	42,790	40,142
Total cash used	55,737	54,947	54,364	55,113	52,443
Net cash from/(used by) investing activities	(8,737)	(9,647)	(10,064)	(10,113)	(8,443)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	1,937	1,921	1,912	1,917	1,930
Total cash received	1,937	1,921	1,912	1,917	1,930
Net cash from/(used by) financing activities	1,937	1,921	1,912	1,917	1,930
Net increase/(decrease) in cash held	4	(102)	-	(3)	1,919
Cash and cash equivalents at the beginning of the reporting period	5,019	4,299	4,423	4,732	4,881
Cash and cash equivalents at the end of the reporting period	5,023	4,197	4,423	4,729	6,800

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	1,937	1,921	1,912	1,917	1,930
Total new capital appropriations	1,937	1,921	1,912	1,917	1,930
Provided for:					
Purchase of non-financial assets	1,937	1,921	1,912	1,917	1,930
Total Items	1,937	1,921	1,912	1,917	1,930
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	1,937	1,921	1,912	1,917	1,930
Funded internally from departmental resources ^(b)	8,350	9,077	10,280	10,406	10,371
TOTAL	10,287	10,998	12,192	12,323	12,301
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	10,287	10,998	12,192	12,323	12,301
Total cash used to acquire assets	10,287	10,998	12,192	12,323	12,301

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

(b) May include annual and prior year 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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017						
Gross book value	6,306	102,094	71,453	272,225	5,872	457,950
Accumulated depreciation/amortisation and impairment	-	(2,211)	(15,950)	(1,164)	(2,924)	(22,249)
Opening net book balance	6,306	99,883	55,503	271,061	2,948	435,701
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	-	-	1,721	200	1,921
By purchase - other	-	-	8,542	-	535	9,077
Total additions	-	-	8,542	1,721	735	10,998
Other movements						
Depreciation/amortisation expense	-	(1,566)	(5,567)	(1,199)	(592)	(8,924)
Total other movements	-	(1,566)	(5,567)	(1,199)	(592)	(8,924)
As at 30 June 2018						
Gross book value	6,306	102,094	79,995	273,946	6,607	468,948
Accumulated depreciation/amortisation and impairment	-	(3,777)	(21,517)	(2,363)	(3,516)	(31,173)
Closing net book balance	6,306	98,317	58,478	271,583	3,091	437,775

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

Prepared on Australian Accounting Standards.

Estimated operating expenditure in income statement for heritage and cultural assets	\$'000
Operations and Maintenance	3,104
Preservation and Conservation	2,891
Total operating expenditure on heritage and cultural assets	5,995