

# Portfolio Additional Estimates Statements 2018–19

Communications and the Arts portfolio

Explanations of Additional Estimates 2018–19

© Commonwealth of Australia 2019

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**MINISTER FOR COMMUNICATIONS AND THE ARTS  
MINISTER FOR REGIONAL SERVICES, SPORT, LOCAL  
GOVERNMENT AND DECENTRALISATION**

PARLIAMENT HOUSE  
CANBERRA 2600

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

We hereby submit the Portfolio Additional Estimates Statements in support of the 2018-19 Additional Estimates for the Communications and the Arts Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

We present these statements by virtue of our ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Fifield', written over the printed name.

MITCH FIFIELD

Senator the Hon Mitch Fifield  
Minister for Communications  
and the Arts

A handwritten signature in blue ink, appearing to read 'Bridget McKenzie', written over the printed name.

BRIDGET MCKENZIE

Senator the Hon Bridget McKenzie  
Minister for Regional Services,  
Sport, Local Government and  
Decentralisation

## Abbreviations and conventions

The following notations may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

### Enquiries

Should you have any enquiries regarding this publication please contact the Chief Financial Officer in the Department of Communications and the Arts on (02) 6271 1058.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at [www.budget.gov.au](http://www.budget.gov.au).

**User guide  
to the  
Portfolio Additional  
Estimate Statements**



## User guide

The purpose of the 2018–19 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2018–2019. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the Acts Interpretation Act 1901.

Whereas the Mid-Year Economic and Fiscal Outlook (MYEFO) 2018–19 is a mid-year budget report which provides updated information to allow the assessment of the Government’s fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

## Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

### User guide

Provides a brief introduction explaining the purpose of the PAES.

### Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

### Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

Section	Details
Section 1: Entity overview and resources	This section details the changes in total resources available to an entity, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.
Section 2: Revisions to outcomes and planned performance	This section details changes to Government outcomes and/or changes to the planned performance of entity programs.
Section 3: Special account flows and budgeted financial statements	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.

### Portfolio glossary

Explains key terms relevant to the Portfolio.

### Index (Optional)

Alphabetical guide to acronyms that may be used in the statements.



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# **Portfolio overview**



## Communications and the Arts Portfolio Overview

### Ministers and portfolio responsibilities

There are two Ministers with responsibility for the Communications and the Arts Portfolio. Senator the Hon Mitch Fifield is the Minister for Communications and the Arts, and Senator the Hon Bridget McKenzie is the Minister for Regional Services, Sport, Local Government and Decentralisation.

The Communications and the Arts Portfolio comprises the Department of Communications and the Arts (the Department) and 17 other entities as outlined below:

- Department of Communications and the Arts
- Australia Council
- Australian Broadcasting Corporation (ABC)
- Australian Communications and Media Authority (ACMA)
- Australian Film, Television and Radio School (AFTRS)
- Australian National Maritime Museum (ANMM)
- Australian Postal Corporation (Australia Post)
- Bundanon Trust
- Creative Partnerships Australia (legally constituted as the Australia Business Arts Foundation Ltd)
- National Film and Sound Archive of Australia (NFSA)
- National Gallery of Australia (NGA)
- National Library of Australia (NLA)
- National Museum of Australia (NMA)
- National Portrait Gallery of Australia (NPGA)
- NBN Co Limited (NBN Co)
- Old Parliament House (OPH)
- Screen Australia
- Special Broadcasting Service Corporation (SBS).

Australia Post, Bundanon Trust, Creative Partnerships Australia and NBN Co do not appear in the 2018–19 Portfolio Budget or Additional Estimates Statements. Australia Post and NBN Co are not included as they are not part of the General Government Sector (GGS). While Bundanon Trust and Creative Partnerships Australia are part of the GGS, they are not included as they do not receive direct appropriation funding.

A full outline of the Portfolio overview can be found in the 2018–19 Portfolio Budget Statements.

### *Portfolio overview*

A summary of the changes for 2018–19 arising through the 2018–19 Additional Estimates follows for the Portfolio, with details relating to additional funding being contained within the relevant agency chapter:

- The Department—a net increase in funding of \$14.7 million through Appropriation Bill (No.3).
- ACMA—a net increase in funding of \$1.3 million through Appropriation Bill (No.3).
- NGA—a net increase in funding of \$14.4 million through Appropriation Bill (No.3) and \$6.2 million through Appropriation Bill (No.4).

A summary of the Portfolio structure is at Figure 1. Further detail about the responsibilities of each agency appears in individual agency chapters of the 2018–19 Communications and the Arts Portfolio Budget Statements.

**Figure 1: Communications and the Arts portfolio structure and outcomes**

<b>Minister for Communications and the Arts</b>  Senator the Hon Mitch Fifield	<b>Minister for Regional Services, Sport, Local Government and Decentralisation</b>  Senator the Hon Bridget McKenzie
<b>Department of Communications and the Arts</b> Secretary: Mr Mike Mrdak AO	
<b>Outcome 1:</b> Promote an innovative and competitive communications sector, through policy development, advice and program delivery, so all Australians can realise the full potential of digital technologies and communications services	
<b>Outcome 2:</b> Participation in, and access to, Australia’s arts and culture through developing and supporting cultural expression	
<b>Australia Council</b> Chief Executive Officer: Mr Adrian Collette AM	
<b>Outcome 1:</b> Supporting Australian artists and arts organisations to create and present excellent art that is accessed by audiences across Australia and abroad	
<b>Australian Broadcasting Corporation</b> Acting Managing Director: Mr David Anderson	
<b>Outcome 1:</b> Informed, educated and entertained audiences—throughout Australia and overseas—through innovative and comprehensive media and related services	
<b>Australian Communications and Media Authority</b> Chair and Agency Head: Ms Nerida O’Loughlin	
<b>Outcome 1:</b> A communications and media environment that balances the needs of the industry and the Australian community through regulation, education and advice	
<b>Australian Film, Television and Radio School</b> Chief Executive Officer: Mr Neil Peplow	
<b>Outcome 1:</b> Support the development of a professional screen arts and broadcast culture in Australia including through the provision of specialist industry-focused education, training and research	
<b>Australian National Maritime Museum</b> Director and Chief Executive Officer: Mr Kevin Sumption PSM	
<b>Outcome 1:</b> Increased knowledge, appreciation and enjoyment of Australia’s maritime heritage by managing the National Maritime Collection and staging programs, exhibitions and events	

Portfolio overview

<p style="text-align: center;"><b>Australian Postal Corporation</b> Group Chief Executive Officer and Managing Director: Ms Christine Holgate</p>
<p><b>Mission:</b> Australia Post is required by law to provide a universal letter service which is reasonably accessible to all Australians and, in addition, to provide a standard letter service at a uniform price from anywhere to anywhere in the country</p>
<p style="text-align: center;"><b>Bundanon Trust</b> Chief Executive Officer: Ms Deborah Ely AM</p>
<p><b>Mission:</b> Bundanon Trust supports arts practice and engagement with the arts through its residency, education, exhibition and performance programs. In preserving the natural and cultural heritage of its site Bundanon promotes the value of landscape in all our lives</p>
<p style="text-align: center;"><b>Creative Partnerships Australia</b> Chief Executive Officer: Ms Fiona Menzies</p>
<p><b>Mission:</b> A cultural environment that enriches the lives of all Australians with an arts sector that has strong connections to business and donors</p>
<p style="text-align: center;"><b>National Film and Sound Archive of Australia</b> Chief Executive Officer: Mr Jan Müller</p>
<p><b>Outcome 1:</b> 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</p>
<p style="text-align: center;"><b>National Gallery of Australia</b> Director: Mr Nick Mitzevich</p>
<p><b>Outcome 1:</b> Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally</p>
<p style="text-align: center;"><b>National Library of Australia</b> Director-General: Dr Marie-Louise Ayres</p>
<p><b>Outcome 1:</b> Enhanced learning, knowledge creation, enjoyment and understanding of Australian life and society by providing access to a national collection of library material</p>
<p style="text-align: center;"><b>National Museum of Australia</b> Director: Dr Mathew Trinca</p>
<p><b>Outcome 1:</b> 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</p>



<p style="text-align: center;"><b>National Portrait Gallery of Australia</b> Director: Ms Karen Quinlan</p>
<p><b>Outcome 1:</b> Enhanced understanding and appreciation of Australian identity, culture and diversity through portraiture by engaging the public in education programs and exhibitions, and by developing and preserving the national portrait collection</p>
<p style="text-align: center;"><b>NBN Co Limited</b> Chief Executive Officer: Mr Stephen Rue</p>
<p><b>Mission:</b> To complete the National Broadband Network ensuring all Australians have access to very fast broadband as soon as possible, at affordable prices, and at least cost to taxpayers</p>
<p style="text-align: center;"><b>Old Parliament House</b> Director: Ms Daryl Karp</p>
<p><b>Outcome 1:</b> An enhanced appreciation and understanding of the political and social heritage of Australia for members of the public, through activities including the conservation and upkeep of, and the provision of access to, Old Parliament House and the development of its collections, exhibitions and educational programs</p>
<p style="text-align: center;"><b>Screen Australia</b> Chief Executive Officer: Mr Graeme Mason</p>
<p><b>Outcome 1:</b> Promote engaged audiences and support a creative, innovative and commercially sustainable screen industry through the funding and promotion of diverse Australian screen product</p>
<p style="text-align: center;"><b>Special Broadcasting Service Corporation</b> Managing Director: Mr James Taylor</p>
<p><b>Outcome 1:</b> Provide multilingual and multicultural services that inform, educate and entertain all Australians and in so doing reflect Australia's multicultural society</p>



# **National Gallery of Australia**

## **Entity Additional Estimates Statements**

# National Gallery of Australia

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# National Gallery of Australia

## Section 1: Entity overview and resources

### 1.1 Strategic direction statement

The National Gallery of Australia (NGA) is Australia's flagship visual arts gallery. As Australia's leading visual arts institution, the NGA is recognised as the heart of the nation's visual culture, representing Australia's people, its ideas and aesthetic expression, its histories and broader relationship to the world, as expressed through its art. It is also distinct in two important ways: the role it plays in the service of all Australians through its extensive touring exhibition and collection loan programs and, secondly, its cultural diplomacy role in support of the Government's international priorities.

The *National Gallery of Australia Act 1975* expresses the functions of the NGA as being 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 possession of the NGA
- use every endeavour to make the most advantageous use of the national collection in the national interest.

The NGA continues to focus on:

- reinvigorating its position and role in South East Asia with a strategy to send for display some of the best art from Australia to Asia and bring some of the best contemporary art of that region to Australia
- presenting exhibitions of its own collections (and collecting history), exhibitions that throw light on the trajectory of Australian art and experience, and blockbuster exhibitions which bring global masterpieces to Australia
- expanding the range of content provided under its arts education strategy to match school curriculum studies and link it to the national collection
- supporting the national leadership role of the Gallery in respect of arts education and collection touring initiatives
- prioritising contemporary art in the NGA's acquisition, collection display and public programming strategies, ensuring that engaging with art and living artists activates the NGA building and programs.

### 1.2 Entity resource statement

Table 1.1 shows the funding from all sources available to the NGA for its operations and to deliver programs and services on behalf of the Government.

**Table 1.1: National Gallery of Australia resource statement—Additional Estimates for 2018–19 as at Additional Estimates February 2019**

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2017–18 \$'000	2018–19 \$'000	2018–19 \$'000	2018–19 \$'000
<b>Opening cash reserves at 1 July</b>	<b>9,723</b>	<b>9,723</b>	-	<b>19,652</b>
Annual appropriations—ordinary annual services (a)				
Outcome 1	30,787	30,610	14,400	45,010
Annual appropriations—other services (b)				
Equity injection	16,628	22,669	6,200	28,869
<i>Total annual appropriations</i>	<i>47,415</i>	<i>53,279</i>	<i>20,600</i>	<i>73,879</i>
Amounts from portfolio department	5,358	665	-	665
<i>Total amounts received from related entities</i>	<i>5,358</i>	<i>665</i>	<i>-</i>	<i>665</i>
<b>Total funds from Government</b>	<b>52,773</b>	<b>53,944</b>	<b>20,600</b>	<b>74,544</b>
<b>Funds from other sources</b>				
Sale of goods and services	10,435	9,495	3,605	13,100
Interest	739	385	415	800
Dividends and distributions	105	150	-	150
Industry contributions	1,022	10,000	(9,000)	1,000
Other	11,241	2,000	5,835	7,835
<b>Total funds from other sources</b>	<b>23,542</b>	<b>22,030</b>	<b>855</b>	<b>22,885</b>
<b>Total net resourcing for the NGA</b>	<b>76,315</b>	<b>75,974</b>	<b>21,455</b>	<b>97,429</b>
			<i>Actual</i>	
			<i>2017–18</i>	<i>2018–19</i>
<b>Average staffing level (number) (c)</b>			<b>222</b>	<b>217</b>

(a) *Appropriation Act (No. 1) 2018–19* and Bill (No. 3) 2018–19.

(b) *Appropriation Act (No. 2) 2018–19* and Bill (No. 4) 2018–19.

(c) The 2017–18 actual ASL figure includes five positions funded through donations.

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

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

### 1.3 Entity measures

Table 1.2 summarises new Government measures taken since the 2018–19 Budget. The table is split into expense and capital measures, with the affected program identified.

**Table 1.2: Measures announced since the 2018–19 Budget (a)**

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Expense measures</b>					
National Gallery of Australia— additional funding	1.1				
Departmental expenses		14,400	14,400	14,400	14,400
<b>Total</b>		<b>14,400</b>	<b>14,400</b>	<b>14,400</b>	<b>14,400</b>
<b>Total expense measures</b>					
Departmental		14,400	14,400	14,400	14,400
<b>Total</b>		<b>14,400</b>	<b>14,400</b>	<b>14,400</b>	<b>14,400</b>
<b>Capital measures</b>					
National Gallery of Australia— additional funding					
Departmental capital	1.1	6,200	—	—	—
<b>Total</b>		<b>6,200</b>	—	—	—
<b>Total capital measures</b>					
Departmental		6,200	—	—	—
<b>Total</b>		<b>6,200</b>	—	—	—

(a) For details on measures, refer to the 2018–19 Mid-Year Economic and Fiscal Outlook statement. Prepared on a Government Financial Statistics (fiscal) basis.

## 1.4 Additional estimates, resourcing and variations to outcomes

Table 1.3 summarises the change in resourcing arising from new measures and other variations since the 2018–19 Budget.

**Table 1.3: Additional estimates and other variations to outcomes since 2018–19 Budget**

	Program impacted	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Outcome 1</b>					
<b>Departmental</b>					
<b>Annual appropriations</b>					
National Gallery of Australia—additional funding	1.1	20,600	14,400	14,400	14,400
<b>Changes in parameters</b>					
Net decrease	1.1	—	—	—	(12)
<b>Net impact on appropriations for Outcome 1 (departmental)</b>		<b>20,600</b>	<b>14,400</b>	<b>14,400</b>	<b>14,388</b>
<b>Total net impact on appropriations for Outcome 1</b>		<b>20,600</b>	<b>14,400</b>	<b>14,400</b>	<b>14,388</b>



## 1.5 Breakdown of additional estimates by appropriation bill

The following tables detail the additional estimates sought for the NGA through Appropriation Bill Nos. 3 and 4 2018–19.

**Table 1.4: Appropriation Bill (No. 3) 2018–19**

	2017–18 Available \$'000	2018–19 Budget \$'000	2018–19 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Departmental programs</b>					
<b>Outcome 1</b>					
Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally	30,787	30,610	45,010	14,400	-
<b>Total departmental</b>	<b>30,787</b>	<b>30,610</b>	<b>45,010</b>	<b>14,400</b>	<b>-</b>

**Table 1.5: Appropriation Bill (No. 4) 2018–19**

	2017–18 Available \$'000	2018–19 Budget \$'000	2018–19 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>Departmental programs</b>					
<b>Outcome 1</b>					
Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally					
<b>Non-operating</b>					
Equity injections	16,628	22,669	28,869	6,200	-
<b>Total non-operating</b>	<b>16,628</b>	<b>22,669</b>	<b>28,869</b>	<b>6,200</b>	<b>-</b>

## Section 2: Revisions to outcomes and planned performance

### 2. Changes to outcome and program structures

There have been no revisions to the outcome or program structure of the NGA as a result of the additional estimates since the 2018–19 Portfolio Budget Statements.

#### 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.

**Table 2.2.1 Budgeted expenses for Outcome 1**

	<i>2017–18 Actual expenses \$'000</i>	2018–19 Revised budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>Program 1.1—Collection development, management, access and promotion</b>					
Revenue from Government					
Ordinary annual services	30,787	45,010	44,962	45,192	45,404
Expenses not requiring appropriation in the budget year (a)	18,825	19,000	19,000	19,000	19,000
Revenue from independent sources	27,042	21,050	20,550	20,550	20,550
<b>Total expenses for Program 1.1</b>	<b>76,654</b>	<b>85,060</b>	<b>84,512</b>	<b>84,742</b>	<b>84,954</b>
<b>Outcome 1 totals by resource type</b>					
Revenue from Government					
Ordinary annual services	30,787	45,010	44,962	45,192	45,404
Expenses not requiring appropriation in the budget year (a)	18,825	19,000	19,000	19,000	19,000
Revenue from independent sources	27,042	21,050	20,550	20,550	20,550
<b>Total expenses for Outcome 1</b>	<b>76,654</b>	<b>85,060</b>	<b>84,512</b>	<b>84,742</b>	<b>84,954</b>

	<i>2017–18</i>	2018–19
<b>Average staffing level (number) (b)</b>	222	217

(a) Reflects depreciation expense on the national collection which is funded through an equity injection rather than revenue.

(b) The 2017–18 actual ASL figure includes five positions funded through donations.

**Performance criteria for Outcome 1**

There has been no change to the performance criteria for Outcome 1 resulting from decisions made since the 2018–19 Budget. The NGA’s detailed performance criteria can be found in the 2018–19 Portfolio Budget Statements. Actual achievement against the 2017–18 targets is contained in the NGA’s 2017–18 Annual Report.

## Section 3: Special account flows and budgeted financial statements

### 3.1 Special account flows

#### Estimates of special account flows

The NGA does not have any special accounts therefore Table 3.1 has not been included.

### 3.2 Budgeted financial statements

#### 3.2.1 Analysis of budgeted financial statements

Since the 2018–19 Budget additional funding will be provided to the NGA including:

- a one-off capital injection of \$6.2 million in 2018–19 to contribute to capital maintenance of the NGA’s main building in Parkes, Australian Capital Territory; and
- an additional \$14.4 million per year on an ongoing basis from 2018–19 to allow the NGA to continue to safeguard and exhibit its important national collection of artworks.

More information is provided in the measure, *National Gallery of Australia—additional funding*, published in the *Mid-Year Economic and Fiscal Outlook 2018–19 December 2018* <https://www.budget.gov.au/2018–19/content/myefo/index.html>.

This measure builds on the 2018–19 Budget measure titled *National Gallery of Australia—additional capital funding*.

#### 3.2.2 Budgeted financial statements

**Table 3.2: Comprehensive income statement (for the period ended 30 June)**

	2017–18 Actual \$'000	2018–19 Revised budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits (a)	19,189	24,338	24,643	24,795	25,070
Suppliers	28,271	31,857	31,004	31,082	31,019
Depreciation and amortisation	28,529	28,800	28,800	28,800	28,800
Write-down and impairment of assets	665	65	65	65	65
<b>Total expenses</b>	<b>76,654</b>	<b>85,060</b>	<b>84,512</b>	<b>84,742</b>	<b>84,954</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	10,435	13,100	12,600	13,100	13,100
Interest	739	800	800	800	800
Dividends	105	150	150	150	150
Other	17,621	9,500	9,500	9,000	9,000
<b>Total own-source revenue</b>	<b>28,900</b>	<b>23,550</b>	<b>23,050</b>	<b>23,050</b>	<b>23,050</b>
<b>Gains</b>					
Gifts of art works	7,023	5,000	5,000	5,000	5,000
Other	308	-	-	-	-
<b>Total gains</b>	<b>7,331</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Total own-source income</b>	<b>36,231</b>	<b>28,550</b>	<b>28,050</b>	<b>28,050</b>	<b>28,050</b>

Additional Estimates Statement—National Gallery of Australia

	2017–18 Actual \$'000	2018–19 Revised budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>Net cost of services</b>	<b>(40,423)</b>	<b>(56,510)</b>	<b>(56,462)</b>	<b>(56,692)</b>	<b>(56,904)</b>
Revenue from Government	30,787	45,010	44,962	45,192	45,404
<b>Deficit attributable to the Australian Government</b>	<b>(9,636)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(11,500)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Changes in asset revaluation reserve	7,222	-	-	-	-
<b>Total other comprehensive income</b>	<b>7,222</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss</b>	<b>(2,414)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(11,500)</b>

**Impact of net cash appropriation arrangements**

	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Total comprehensive income excluding depreciation expense previously funded through revenue appropriations (b)</b>	<b>16,411</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>	<b>7,500</b>
less depreciation expense previously funded through revenue appropriations (c)	18,825	19,000	19,000	19,000	19,000
<b>Total comprehensive loss</b>	<b>(2,414)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(11,500)</b>	<b>(11,500)</b>

- (a) The movement in employee expenses from 2018–19 onwards reflects a change in accounting policy which will result in previously capitalised costs being expensed. There is no budgeted increase to staffing levels.
- (b) The budgeted result reflects the estimated value of gifts of art works and donations received through the National Gallery of Australia Foundation for the acquisition of art works.
- (c) From 2009–10, the Government replaced *Appropriation Act No. 1* and *No. 3* 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 Act No. 2* and *No. 4* equity appropriations. For information regarding CDABs, please refer to *Table 3.6 Departmental capital budget statement*.

Prepared on Australian Accounting Standards basis.

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

	2017–18 Actual \$'000	2018–19 Revised budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	19,652	26,478	23,628	22,663	21,566
Trade and other receivables	828	830	830	830	830
Other investments	1,677	1,677	1,677	1,677	1,677
Other financial assets	241	241	241	241	241
<b>Total financial assets (a)</b>	<b>22,398</b>	<b>29,226</b>	<b>26,376</b>	<b>25,411</b>	<b>24,314</b>
<b>Non-financial assets</b>					
Land and buildings	307,450	313,972	320,555	323,562	323,262
Property, plant and equipment	5,083	5,549	8,049	7,649	9,249
Heritage and cultural assets	5,988,807	5,993,912	5,998,595	6,008,205	6,013,512
Intangibles	396	296	246	196	196
Prepayments	334	334	334	334	334
Other non-financial assets	737	681	581	581	581
<b>Total non-financial assets</b>	<b>6,302,807</b>	<b>6,314,744</b>	<b>6,328,360</b>	<b>6,340,527</b>	<b>6,347,134</b>
<b>Total assets</b>	<b>6,325,205</b>	<b>6,343,970</b>	<b>6,354,736</b>	<b>6,365,938</b>	<b>6,371,448</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,656	3,948	3,800	4,000	4,000
Other payables	1,633	2,040	2,040	2,040	2,040
<b>Total payables</b>	<b>5,289</b>	<b>5,988</b>	<b>5,840</b>	<b>6,040</b>	<b>6,040</b>
<b>Provisions</b>					
Employee provisions	5,051	5,748	6,246	6,546	6,546
<b>Total provisions</b>	<b>5,051</b>	<b>5,748</b>	<b>6,246</b>	<b>6,546</b>	<b>6,546</b>
<b>Total liabilities</b>	<b>10,340</b>	<b>11,736</b>	<b>12,086</b>	<b>12,586</b>	<b>12,586</b>
<b>Net assets</b>	<b>6,314,865</b>	<b>6,332,234</b>	<b>6,342,650</b>	<b>6,353,352</b>	<b>6,358,862</b>
<b>EQUITY</b>					
Contributed equity	316,235	345,104	367,020	389,222	406,232
Asset revaluation reserve	5,391,355	5,391,355	5,391,355	5,391,355	5,391,355
Retained surplus	607,275	595,775	584,275	572,775	561,275
<b>Total equity</b>	<b>6,314,865</b>	<b>6,332,234</b>	<b>6,342,650</b>	<b>6,353,352</b>	<b>6,358,862</b>

(a) Includes cash and investments held in trust or by the National Gallery of Australia Foundation.  
Prepared on Australian Accounting Standards basis.

**Table 3.4: Departmental statement of changes in equity—summary of movement (Budget Year 2018–19)**

	Retained surplus	Asset revaluation reserve	Contributed equity	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2018</b>				
Balance carried forward from previous period	607,275	5,391,355	316,235	6,314,865
<b>Comprehensive income</b>				
Deficit for the period	(11,500)	-	-	(11,500)
<b>Total comprehensive income</b>	<b>(11,500)</b>	<b>-</b>	<b>-</b>	<b>(11,500)</b>
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Equity injection	-	-	28,869	28,869
<b>Estimated closing balance as at 30 June 2019</b>	<b>595,775</b>	<b>5,391,355</b>	<b>345,104</b>	<b>6,332,234</b>

Prepared on Australian Accounting Standards basis.

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

	2017–18 Actual \$'000	2018–19 Revised budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from Government	30,787	45,010	44,962	45,192	45,404
Sale of goods and rendering of services	11,829	13,185	12,585	13,085	13,085
Interest	739	800	800	800	800
Dividends	105	150	150	150	150
Net GST received	1,458	-	-	-	-
Other	12,421	7,900	7,534	7,000	7,000
<b>Total cash received</b>	<b>57,339</b>	<b>67,045</b>	<b>66,031</b>	<b>66,227</b>	<b>66,439</b>
<b>Cash used</b>					
Employees	18,657	23,642	24,145	24,495	25,070
Suppliers	30,282	29,653	31,336	32,297	33,069
<b>Total cash used</b>	<b>48,939</b>	<b>53,295</b>	<b>55,481</b>	<b>56,792</b>	<b>58,139</b>
<b>Net cash from operating activities</b>	<b>8,400</b>	<b>13,750</b>	<b>10,550</b>	<b>9,435</b>	<b>8,300</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of non-financial assets	21,059	35,793	35,316	32,602	26,407
Other	(1,001)	-	-	-	-
<b>Total cash used</b>	<b>20,058</b>	<b>35,793</b>	<b>35,316</b>	<b>32,602</b>	<b>26,407</b>
<b>Net cash used by investing activities</b>	<b>(20,058)</b>	<b>(35,793)</b>	<b>(35,316)</b>	<b>(32,602)</b>	<b>(26,407)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	16,628	28,869	21,916	22,202	17,010
Other	4,958	-	-	-	-
<b>Total cash received</b>	<b>21,586</b>	<b>28,869</b>	<b>21,916</b>	<b>22,202</b>	<b>17,010</b>
<b>Net cash from financing activities</b>	<b>21,586</b>	<b>28,869</b>	<b>21,916</b>	<b>22,202</b>	<b>17,010</b>
<b>Net increase/(decrease) in cash held</b>	<b>9,928</b>	<b>6,826</b>	<b>(2,850)</b>	<b>(965)</b>	<b>(1,097)</b>
Cash at the beginning of the reporting period	9,723	19,652	26,478	23,628	22,663
<b>Cash at the end of the reporting period</b>	<b>19,652</b>	<b>26,478</b>	<b>23,628</b>	<b>22,663</b>	<b>21,566</b>

Prepared on Australian Accounting Standards basis.



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

	2017–18 Actual \$'000	2018–19 Revised budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Equity injections	16,628	28,869	21,916	22,202	17,010
<b>Total capital appropriations</b>	<b>16,628</b>	<b>28,869</b>	<b>21,916</b>	<b>22,202</b>	<b>17,010</b>
<i>Provided for:</i>					
Purchase of non-financial assets	16,628	22,669	21,916	22,202	17,010
Other items	-	6,200	-	-	-
<b>Total items</b>	<b>16,628</b>	<b>28,869</b>	<b>21,916</b>	<b>22,202</b>	<b>17,010</b>
<b>AQUISITION OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	16,628	22,669	21,916	22,202	17,010
Funded internally from departmental resources (a)	11,499	18,124	18,400	15,400	14,397
<b>TOTAL</b>	<b>28,127</b>	<b>40,793</b>	<b>40,316</b>	<b>37,602</b>	<b>31,407</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	28,127	40,793	40,316	37,602	31,407
less gifted assets	(7,068)	(5,000)	(5,000)	(5,000)	(5,000)
<b>Total cash used to acquire assets</b>	<b>21,059</b>	<b>35,793</b>	<b>35,316</b>	<b>32,602</b>	<b>26,407</b>

(a) Includes acquisitions funded through cash reserves, donations and contributions, gifts of art works, and grants.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Statement of asset movements (2018–19 Budget year)**

	Land	Buildings	Property, plant and equipment	Heritage and cultural	Computer software	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>						
Gross book value	19,275	288,175	5,989	6,007,632	1,475	6,322,546
Accumulated depreciation/ amortisation and impairment	-	-	(906)	(18,825)	(1,079)	(20,810)
<b>Opening net book balance</b>	<b>19,275</b>	<b>288,175</b>	<b>5,083</b>	<b>5,988,807</b>	<b>396</b>	<b>6,301,736</b>
<b>Capital asset additions</b>						
By purchase—appropriation equity	-	6,064	-	16,605	-	22,669
By purchase—appropriation ordinary annual services	-	4,000	1,666	-	-	5,666
By purchase—other fund sources	-	4,958	-	-	-	4,958
By purchase—donated funds	-	-	-	2,500	-	2,500
Gifts of art works	-	-	-	5,000	-	5,000
<b>Total additions</b>	<b>-</b>	<b>15,022</b>	<b>1,666</b>	<b>24,105</b>	<b>-</b>	<b>40,793</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(8,500)	(1,200)	(19,000)	(100)	(28,800)
<b>Total other movements</b>	<b>-</b>	<b>(8,500)</b>	<b>(1,200)</b>	<b>(19,000)</b>	<b>(100)</b>	<b>(28,800)</b>
<b>As at 30 June 2019</b>						
Gross book value	19,275	303,197	7,655	6,031,737	1,475	6,363,339
Accumulated depreciation/ amortisation and impairment	-	(8,500)	(2,106)	(37,825)	(1,179)	(49,610)
<b>Closing net book balance</b>	<b>19,275</b>	<b>294,697</b>	<b>5,549</b>	<b>5,993,912</b>	<b>296</b>	<b>6,313,729</b>

Prepared on Australian Accounting Standards basis.

## Portfolio glossary

Term	Meaning
Accrual Accounting	The system of accounting where items are brought to account and included in the financial statements as they are earned or incurred, rather than as they are received or paid.
Accumulated Depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Administered Items	The expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Additional Estimates	Where amounts appropriated at Budget time are insufficient, Parliament may appropriate more funds to portfolios through the Additional Estimates Acts.
Appropriation	An authorisation by Parliament to spend moneys from the Consolidated Revenue Fund for a particular purpose.
Annual Appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the additional estimates process. The parliamentary departments have their own appropriations.
Capital Expenditure	Expenditure by an agency on capital projects, for example, purchasing a building.
Consolidated Revenue Fund	Section 81 of the <i>Constitution</i> stipulates that all revenue raised or money received by the Commonwealth forms the one Consolidated Revenue Fund (CRF). The CRF is not a bank account. The Official Public Account reflects most of the operations of the CRF.

Term	Meaning
Departmental Items	Assets, liabilities, revenues and expenses which are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or Net Assets	Residual interest in the assets of an entity after deduction of its liabilities.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair Value	Valuation methodology: The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Commonwealth. Actual outcomes are assessments of the results or impacts actually achieved.
Parameters	Agency funding is routinely adjusted for changes in parameters to ensure agency funding keeps pace with forecast changes in the economy. The Treasury calculates parameter rates, which factor in various economic indicators including inflation, production levels and exchange rates.
Revenue	Total value of resources earned or received to cover the production of goods and services.

Term	Meaning
Special Account	Balances existing within the CRF that are supported by standing appropriations under section 78 and 80 of the <i>Public Governance, Performance and Accountability Act 2013</i> (PGPA Act). Special accounts allow money in the CRF to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s78 PGPA Act) or through an Act of Parliament (referred to in s80 of the PGPA Act).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the CRF does not generally cease at the end of the financial year.  Standing appropriations are a sub-category consisting of ongoing special appropriations—the amount appropriated will depend on circumstances specified in the legislation.



## Acronyms

Acronym	Meaning
5G	5 <sup>th</sup> Generation wireless systems
ABC	Australian Broadcasting Corporation
ACB	Administered Capital Budget
ACMA	Australian Communications and Media Authority
AFTRS	Australian Film, Television and Radio School
ANMM	Australian National Maritime Museum
CDAB	Collection Development Acquisition Budget
CRF	Consolidated Revenue Fund
DCB	Departmental Capital Budget
GGS	General Government Sector
GHz	Gigahertz
GST	Goods and Services Tax
ISSN	International Standard Serial Number
MYEFO	Mid-Year Economic and Fiscal Outlook
NFSA	National Film and Sound Archive of Australia
NGA	National Gallery of Australia
NLA	National Library of Australia
NMA	National Museum of Australia
NPGA	National Portrait Gallery of Australia
NBN	National Broadband Network
NBN Co	NBN Co Limited
OPA	Official Public Account
OPH	Old Parliament House
PB Statements	Portfolio Budget Statements
PGPA Act	Public Governance, Performance and Accountability Act 2013
SBS	Special Broadcasting Service Corporation