

NATIONAL GALLERY OF AUSTRALIA

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NATIONAL GALLERY OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

As Australia's leading visual arts institution, the National Gallery of Australia (the National Gallery) 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. The National Gallery plays an important role in the service of all Australians through its base in Canberra, in its touring exhibition program, its extensive collection loan programs, online education and outreach programs, and through its cultural diplomacy role in support of the Commonwealth Government's international priorities.

Vision

To inspire our nation through creativity, inclusivity, engagement and learning through art and artists.

Mission

To lead a progressive national cultural agenda by championing art and its value in our lives.

Functions

The National Gallery Act (1975) expresses the functions of the National Gallery 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 National Gallery
- use every endeavour to make the most advantageous use of the national collection in the national interest.

The National Gallery's priorities over the next four years are to:

- plan and implement responses to COVID-19, continuing to provide safe access to the Gallery, rebuilding visitation and managing financial impacts
- establish meaningful core initiatives to support Indigenous engagement across the organisation and through all programs and activities
- develop outstanding exhibitions and displays from the national collection to spark dialogue and leverage learning opportunities
- bring international perspectives to Australian audiences by facilitating access to outstanding art and exhibition from across the world

National Gallery of Australia

- elevate the profile and status of Australian art and artists through a diverse array of content driven initiatives
- leverage the national collection and artistic program to support and enhance the Commonwealth's international dialogue and advance Australian cultural engagement
- continue a critical capital works program to reduce infrastructure risks and address significant building challenges
- implement a new comprehensive customer relationship management system
- implement the Know My Name exhibition and program to elevate the voice of women artists
- build an online presence that prioritises education and that connects directly with the Gallery's off-site initiatives and the national curriculum
- increase accessibility to the national collection and activate programs through online growth and outreach, particularly in relation to touring exhibitions, education, and public program initiatives
- ensure financial sustainability and resilience through refocused commercial activity, entrepreneurship and increased engagement with private giving and corporate partnerships.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the National Gallery at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2020-21 Budget year, including variations through Appropriation Bill No. 4.

Table 1.1: National Gallery resource statement — Additional Estimates for 2020-21 as at February 2021

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2019-20 \$'000	2020-21 \$'000	2020-21 \$'000	2020-21 \$'000
Opening balance/cash reserves at 1 July	34,079	30,147	-	30,147
Funds from Government				
Annual appropriations - ordinary annual services				
Outcome 1 ^(a)	57,618	49,569	-	49,569
Annual appropriations - other services				
Equity injection ^(b)	21,900	22,135	6,015	28,150
Total annual appropriations	79,518	71,704	6,015	77,719
Amounts received from related entities				
Amounts from portfolio department	1,570	-	-	-
Total amounts received from related entities	1,570	-	-	-
Total funds from Government	81,088	71,704	6,015	77,719
Funds from other sources				
Interest	1,148	523	-	523
Sale of goods and services	9,158	3,927	-	3,927
Dividends	797	189	-	189
Other	1,691	739	-	739
Contributions ^(c)	13,799	6,201	-	6,201
Total funds from other sources	26,593	11,579	-	11,579
Total net resourcing for National Gallery	141,760	113,430	6,015	119,445
			Actual	
			2019-20	2020-21
Average staffing level (number)			238	217

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.

(a) Appropriation Act (No. 1) 2020-21 and Appropriation Bill (No. 3) 2020-21.

(b) Appropriation Act (No. 2) 2020-21 and Appropriation Bill (No. 4) 2020-21.

(c) Contributions includes non-cash revenue associated with sponsorship-in-kind arrangements.

The National Gallery is not directly appropriated as it is a Corporate Commonwealth Entity. Appropriations are made to the Department of Infrastructure, Transport, Regional Development and Communications (a Non-Corporate Commonwealth entity), which are then paid to the National Gallery and considered 'departmental' for all purposes.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2020-21 Budget. The table is split into payment and receipt measures, with the affected program identified.

Table 1.2: National Gallery 2020-21 measures since Budget (a)

	Program	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Payment measures					
Capital Works – National Gallery of Australia					
	1.1	6,015	13,986	-	-
Total		6,015	13,986	-	-
Total payment measures					
		6,015	13,986	-	-
Total		6,015	13,986	-	-

Prepared on a Government Financial Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds

(a) For details on measures, refer to the Mid-Year Economic and Fiscal Outlook 2020-21.

1.4 ADDITIONAL ESTIMATES, RESOURCING AND VARIATIONS TO OUTCOMES

The following tables detail the changes to the resourcing for the National Gallery at Additional Estimates, by outcome. Table 1.3 details the additional estimates resulting from new measures and other variations since the 2020–21 Budget.

Table 1.3: Additional estimates and other variations to outcomes since 2020-21 Budget

	Program impacted	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Appropriation Bill No. 3					
Departmental Measures					
	1.1	6,015	13,986	-	-
Changes in Parameters					
	1.1	-	-	-	50
	1.1	-	-	-	102
Net impact on appropriations for Outcome 1 (departmental)		6,015	13,986	-	152
Total net impact on appropriations for Outcome 1		6,015	13,986	-	152

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

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following table details the Additional Estimates sought for the National Gallery through Appropriation Bills No. 4.

Table 1.4: Appropriation Bill (No. 3) 2020-21

The National Gallery is not seeking additional appropriation through Appropriation Bill (No. 3).

Table 1.5: Appropriation Bill (No. 4) 2020-21

	2019-20 Available \$'000	2020-21 Budget \$'000	2020-21 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programs					
Outcome 1					
Increased understanding, knowledge and enjoyment of the visual arts by providing access to, and information about, works of art locally, nationally and internationally					
Non-operating					
Equity injection	21,900	22,135	28,150	6,015	-
Total non-operating	21,900	22,135	28,150	6,015	-

Section 2: Revisions to outcomes and planned performance

2.1 CHANGES TO OUTCOME AND PROGRAM STRUCTURES

There have been no revisions to the outcome or program structure of the National Gallery as a result of the additional estimates since the publication of the Infrastructure, Transport, Regional Development and Communications 2020–21 PB 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 National Gallery intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

Table 2.2.1 Budgeted expenses for Outcome 1

	2019-20 Actual \$'000	2020-21 Revised Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: Collection development, management, access and promotion					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	46,498	49,569	44,844	44,370	44,485
Ordinary annual services (Appropriation Act No. 5) ^(a)	5,690	7,000	-	-	-
Expenses not requiring appropriation in the budget year ^(b)	19,173	18,700	18,679	18,646	18,706
Revenues from other independent sources ^(c)	24,542	9,078	15,258	16,996	18,734
Total expenses for Program 1.1	95,903	84,347	78,781	80,012	81,925

Table 2.2.1 Budgeted expenses for Outcome 1 (continued)

	2019-20 Actual \$'000	2020-21 Revised Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Outcome 1 Totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	46,498	49,569	44,844	44,370	44,485
Ordinary annual services (Appropriation Act No. 5) ^(a)	5,690	7,000	-	-	-
Expenses not requiring appropriation in the budget year ^(b)	19,173	18,700	18,679	18,646	18,706
Revenues from other independent sources ^(c)	24,542	9,078	15,258	16,996	18,734
Total expenses for Outcome 1	95,903	84,347	78,781	80,012	81,925

	2019-20	2020-21
Average staffing level (number)	238	217

(a) Appropriation Act (No. 5) 2019-20 is funding expenses in both 2019-20 and 2020-21.

(b) Expenses not requiring appropriation in the Budget year reflects depreciation expenses on the national collection.

(c) Revenue from independent sources includes non-cash revenue associated with sponsorship-in-kind arrangements.

Performance criteria for Outcome 1

There has been no change to the performance criteria for Outcome 1 resulting from decisions made since the 2020-21 Budget. The National Gallery's detailed performance criteria can be found in the Infrastructure, Transport, Regional Development and Communications 2020-21 PB Statements.

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

Estimates of special account flows

The National Gallery does not have any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Since the 2020-21 Budget additional funding will be provided to the National Gallery through a one-off capital injection of \$20.0 million (\$6.0 million in 2020-21 and \$14.0 million in 2021-22) for the replacement of obsolete lighting that is no longer commercially supported at the National Gallery's main building in Parkes, Australian Capital Territory.

More information is provided in the measure, Capital Works – National Gallery of Australia, published in the Mid-Year Economic and Fiscal Outlook 2020-21.

3.2.2 Budgeted financial statements

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

	2019-20 Actual \$'000	2020-21 Revised Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
EXPENSES					
Employee benefits	28,393	25,713	25,615	26,127	26,751
Suppliers	36,381	30,003	24,576	25,295	26,584
Depreciation and amortisation	29,851	28,525	28,525	28,525	28,525
Write-down and impairment of assets	1,278	106	65	65	65
Total expenses	95,903	84,347	78,781	80,012	81,925
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	9,158	3,927	8,677	9,762	10,846
Contributions	13,799	6,201	7,214	7,780	8,347
Interest	1,148	523	550	550	550
Dividends	797	189	189	189	189
Other	1,691	739	1,128	1,215	1,302
Total own-source revenue	26,593	11,579	17,758	19,496	21,234
Gains					
Other	7,525	5,000	5,000	5,000	5,000
Total gains	7,525	5,000	5,000	5,000	5,000
Total own-source income	34,118	16,579	22,758	24,496	26,234
Net (cost of)/contribution by services	(61,785)	(67,768)	(56,023)	(55,516)	(55,691)
Revenue from Government	59,188	49,569	44,844	44,370	44,485
Surplus/(deficit) attributable to the Australian Government	(2,597)	(18,199)	(11,179)	(11,146)	(11,206)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	299,319	-	-	-	-
Total other comprehensive income	299,319	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	296,722	(18,199)	(11,179)	(11,146)	(11,206)
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/ (loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriations, depreciation on ROU, principal repayments on leased assets	315,683	501	7,500	7,500	7,500
less: Heritage and cultural depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	18,936	18,706	18,706	18,706	18,706
less: Depreciation/amortisation expenses on ROU assets ^(b)	263	269	238	213	23
plus: Principal repayments on leased assets ^(b)	238	275	265	273	23
Total comprehensive income/(loss) - as per the Statement of comprehensive income	296,722	(18,199)	(11,179)	(11,146)	(11,206)

(a) From 2009-10, the Government replaced 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 Bill 2 equity appropriations. For information regarding CDABs, please refer to Table 3.6 Departmental Capital Budget Statement.

(b) Right of use (ROU) assets under AASB 16 Leases.

Prepared on Australian Accounting Standards basis.

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

	2019-20 Actual \$'000	2020-21 Revised Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash	30,147	30,000	30,000	30,000	30,000
Investments	46,416	28,093	27,615	27,788	28,053
Trade and other receivables	566	581	580	580	581
Other financial assets	473	384	384	384	384
Total financial assets	77,602	59,058	58,579	58,752	59,018
Non-financial assets					
Heritage and Cultural	6,159,340	6,164,962	6,170,500	6,176,020	6,181,637
Land and buildings	421,962	443,030	457,693	457,693	457,693
Property, plant and equipment	4,609	4,609	4,609	4,609	4,609
Intangibles	654	654	654	654	654
Inventories	415	350	350	350	350
Other non-financial assets	528	425	425	425	425
Total non-financial assets	6,587,508	6,614,030	6,634,231	6,639,751	6,645,368
Total assets	6,665,110	6,673,088	6,692,810	6,698,503	6,704,386
LIABILITIES					
Payables					
Suppliers	1,609	2,975	2,438	2,509	2,638
Other payables	1,885	1,819	1,891	1,979	2,147
Total payables	3,494	4,794	4,329	4,488	4,785
Interest bearing liabilities					
Leases	397	122	535	262	-
Total interest bearing liabilities	397	122	535	262	-
Provisions					
Employee provisions	8,884	6,573	6,795	7,022	7,253
Other provisions	687	-	-	-	-
Total provisions	9,571	6,573	6,795	7,022	7,253
Total liabilities	13,462	11,489	11,659	11,772	12,038
Net assets	6,651,648	6,661,599	6,681,151	6,686,731	6,692,348
EQUITY					
Contributed equity	367,004	395,154	425,884	442,610	459,433
Reserves	5,690,675	5,690,675	5,690,675	5,690,675	5,690,675
Retained surplus	593,969	575,770	564,592	553,446	542,240
Total equity	6,651,648	6,661,599	6,681,151	6,686,731	6,692,348

Prepared on Australian Accounting Standards basis.

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2020-21)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	593,969	5,690,675	367,004	6,651,648
Adjusted opening balance	593,969	5,690,675	367,004	6,651,648
Comprehensive income				
Surplus/(deficit) for the period	(18,199)	-	-	(18,199)
Total comprehensive income	(18,199)	-	-	(18,199)
Contributions by owners				
Equity injection - Appropriation	-	-	28,150	28,150
Sub-total transactions with owners	-	-	28,150	28,150
Estimated closing balance as at 30 June 2021	575,770	5,690,675	395,154	6,661,599

Prepared on Australian Accounting Standards basis.

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

	2019-20 Actual \$'000	2020-21 Revised Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	59,188	49,569	44,844	44,370	44,485
Sale of goods and rendering of services	11,626	5,172	9,976	11,074	12,172
Interest	909	612	550	550	550
Dividends	796	188	189	189	189
Net GST received	2,543	1,483	1,102	1,145	1,254
Other	5,991	6,791	8,342	8,995	9,650
Total cash received	81,053	63,815	65,003	66,323	68,300
Cash used					
Employees	25,439	27,941	25,321	25,813	26,352
Suppliers	33,559	31,317	27,126	27,746	29,338
Other	30	687	-	-	-
Total cash used	59,028	59,945	52,447	53,559	55,690
Net cash from operating activities	22,025	3,870	12,556	12,764	12,610
INVESTING ACTIVITIES					
Cash received					
Investments	91,773	80,000	80,000	80,000	80,000
Total cash received	91,773	80,000	80,000	80,000	80,000
Cash used					
Purchase of property, plant and equipment, intangibles and works of art	21,749	50,215	43,049	29,045	29,142
Investments	117,643	61,677	79,972	80,172	80,267
Total cash used	139,392	111,892	123,021	109,217	109,409
Net cash used by investing activities	(47,619)	(31,892)	(43,021)	(29,217)	(29,409)
FINANCING ACTIVITIES					
Cash received					
Collection Development Acquisition Budget	16,733	16,828	16,744	16,726	16,823
Capital injection	5,167	11,322	13,986	-	-
Total cash received	21,900	28,150	30,730	16,726	16,823
Cash used					
Principal payments on lease liability	238	275	263	273	23
Total cash used	238	275	263	273	23
Net cash from financing activities	21,662	27,875	30,467	16,453	16,800
Net decrease in cash held	(3,932)	(147)	-	-	-
Cash at the beginning of the reporting period	34,079	30,147	30,000	30,000	30,000
Cash at the end of the reporting period	30,147	30,000	30,000	30,000	30,000

Prepared on Australian Accounting Standards basis.

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

	2019-20 Actual \$'000	2020-21 Revised Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections	21,900	28,150	30,730	16,726	16,823
Total new capital appropriations	21,900	28,150	30,730	16,726	16,823
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	<i>21,900</i>	<i>28,150</i>	<i>30,730</i>	<i>16,726</i>	<i>16,823</i>
Total items	21,900	28,150	30,730	16,726	16,823
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	15,687	34,363	30,730	16,726	16,823
Funded internally from departmental resources ^(b)	13,587	20,852	17,319	17,319	17,319
TOTAL	29,274	55,215	48,049	34,045	34,142
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	29,274	55,215	48,049	34,045	34,142
less gifted assets	(7,525)	(5,000)	(5,000)	(5,000)	(5,000)
Total cash used to acquire assets	21,749	50,215	43,049	29,045	29,142

(a) Budget includes movement of capital expenditure from 2019-20 to 2020-21.

(b) Includes acquisitions funded through appropriation ordinary annual services, cash reserves, donations and contributions, gifts of works of art and grants.

Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (Budget year 2020-21)

	Asset Category					Total
	Land	Buildings	Other property, plant and equipment	Heritage and cultural	Computer software and intangibles	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020						
Gross book value	20,810	400,783	7,794	6,159,340	1,901	6,590,628
Gross book value - ROU assets	-	604	31	-	-	635
Accumulated depreciation/amortisation and impairment	-	(2)	(3,204)	-	(1,247)	(4,453)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(233)	(12)	-	-	(245)
Opening net book balance	20,810	401,152	4,609	6,159,340	654	6,586,565
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	17,535	-	16,828	-	34,363
By purchase - internally funded ^(b)	-	11,938	1,314	-	100	13,352
By purchase - donated funds	-	-	-	2,500	-	2,500
Assets received as gifts/donations	-	-	-	5,000	-	5,000
Total additions	-	29,473	1,314	24,328	100	55,215
Other movements						
Depreciation/amortisation expense	-	(8,150)	(1,300)	(18,706)	(100)	(28,256)
Depreciation/amortisation on ROU assets	-	(255)	(14)	-	-	(269)
Total other movements	-	(8,405)	(1,314)	(18,706)	(100)	(28,525)
As at 30 June 2021						
Gross book value	20,810	430,256	9,108	6,183,668	2,001	6,645,843
Gross book value - ROU assets	-	604	31	-	-	635
Accumulated depreciation/amortisation and impairment	-	(8,152)	(4,504)	(18,706)	(1,347)	(32,709)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(488)	(26)	-	-	(514)
Closing net book balance	20,810	422,220	4,609	6,164,962	654	6,613,255
Estimated operating expenditure in income statement for heritage and cultural assets						\$'000
Operations and maintenance						5,125
Preservation and conservation						2,341
Total operating expenditure on heritage and cultural assets						7,466

(a) 'Appropriation equity' refers to equity injections provided through Appropriation Act (No. 2) 2020-21 and Appropriation Bill (No. 4) 2020-21.

(b) Includes acquisitions funded through appropriation ordinary annual services, cash reserves, contributions, and grants.

Prepared on Australian Accounting Standards basis.