

National Library of Australia

Entity resources and planned performance

NATIONAL LIBRARY OF AUSTRALIA

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NATIONAL LIBRARY OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The functions of the National Library of Australia (NLA), as defined in the *National Library Act 1960*, are to:

- maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people
- make library material in the national collection available
- make available such other services in relation to library matters and library material as determined by the National Library Council
- cooperate in library matters with authorities or persons, whether in Australia or elsewhere, concerned with library matters.

The NLA's objective is to ensure that all Australians can access, enjoy and learn from a national collection that documents Australian life and society. The NLA is committed to providing open access to the national collection and its online services.

Australians – whoever they are and wherever they live – should be able to easily discover and obtain the information they are seeking and to engage with rich digital content to support their lifelong learning.

The NLA actively supports creative and intellectual endeavour and the dissemination of knowledge, ideas and information. The NLA has a strong national focus in its outlook, services, products and activities and takes a leadership role in sharing expertise and coordinating key projects across the research, collecting and cultural sectors.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the NLA 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 NLA'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: NLA 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	45,830	42,226
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	50,078	51,836
Annual appropriations - other services ^(b)		
Equity injection	9,655	9,563
Total annual appropriations	59,733	61,399
Amounts received from related entities		
Amounts from portfolio department	490	490
Amounts from other entities	60	60
Total amounts received from related entities	550	550
Total funds from Government	60,283	61,949
Funds from other sources		
Interest	1,230	1,045
Royalties	126	41
Sale of goods and services	8,736	8,810
Other	901	1,127
Total funds from other sources	10,993	11,023
Total net resourcing for the NLA	117,106	115,198
	2016–17	2017–18
Average staffing level for the NLA	383	383

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

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

The NLA 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 NLA 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 new measures relating to the NLA 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.

The NLA'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 NLA can be found at:
www.nla.gov.au/corporate-documents/corporate-plans

The most recent annual performance statement can be found at:
www.nla.gov.au/corporate-documents/annual-report/2015-2016/annual-performance-statement

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Enhanced learning, knowledge creation, enjoyment and understanding of Australian life and society by providing access to a national collection of library material

Budgeted expenses for Outcome 1

This table shows how much the NLA 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: National Library of Australia					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	50,078	51,836	51,888	52,017	46,927
Payment from related entities	550	550	550	550	550
Expenses not requiring appropriation in the budget year ^(a)	11,730	11,830	11,930	12,030	12,130
Revenues from other independent sources	13,679	11,387	10,853	9,693	9,792
Total expenses for Program 1.1	76,037	75,603	75,221	74,290	69,399

	2016-17	2017-18
Average staffing level (number)	383	383

(a) Expenses not requiring appropriation in the Budget year comprise unfunded cultural and heritage depreciation and collection material received free of charge that are expensed.

Table 2.1.2: Performance criteria for Outcome 1

Table 2.1.2 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 – Enhanced learning, knowledge creation, enjoyment and understanding of Australian life and society by providing access to a national collection of library material		
Program 1.1 – National Library of Australia		
Delivery		
The NLA program is delivered in the following ways:		
<ul style="list-style-type: none"> • Through developing, describing, preserving and digitising a national collection of library material. • Through onsite and online information services, exhibitions, publications, education programs and public events that enrich knowledge and understanding of the Library's collections. • By leading, partnering and collaborating nationally and internationally to advance common aims, develop expertise and share the NLA's experience as a leader in many digital spheres. 		
Performance information		
Year	Performance criteria^(a)	Targets
2016–17	<p>Engage, educate and inspire – increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Collect, share and digitise – build and maintain a rich national collection for current and future generations of Australians to enjoy and learn from.</p>	<p>Expected to meet criterion. 1,153,203 visits to the organisation. 30 million visits to the organisation's website. 92% of visitors who were satisfied or very satisfied with their visit. 440 people participating in public programs. 47,550 students participating in school programs. 180 educational institutions participating in organised school learning programs.</p> <p>Expected to meet criterion. 80,000 acquisitions (in the reporting period). 43,000 objects accessioned (in the reporting period). 93.2% of the total collection available to the public. 3.95% of the total collection digitised. 85% of all Australian published materials collected, including digital. 30,000 Australian published materials collected, including digital.</p>
2017–18	<p><i>Rich, diverse national collection relevant to Australians.</i></p> <p><i>National reach</i></p> <p><i>Trusted as a leader and partner by relevant stakeholders</i></p>	<p><i>33,000 Australian published materials collected, including digital.</i></p> <p><i>16.3 million participants engaging with the Library.</i></p> <p><i>90% of stakeholders that identify NLA as a trusted leader</i></p>
2018–19 and beyond	As per 2017–18	As per 2017–18
Purposes		
<ul style="list-style-type: none"> • Builds the nation's memory by collecting, describing and preserving a comprehensive collection – in print and digital forms – relating to Australia and the Australian people. • Makes access happen by connecting communities to their national collection through vibrant onsite and online programs and services. • Leads, partners and collaborates across jurisdictions and sectors including by managing research infrastructure that underpins access to Australia's cultural and research collections. 		

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*. Refers to updated purposes that will be reflected in the 2017–18 Corporate Plan.

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

The NLA is budgeting for an operating surplus of \$0.4 million in 2017-18 after adjusting for unfunded depreciation. Total budgeted income for 2017-18 is estimated to be \$65.0 million, of which \$51.8 million is appropriation for operating expenses. Revenues from Government are budgeted to increase by \$1.7 million and this increase reflects additional funding received from the Public Sector Modernisation Fund – Agency Sustainability measure (\$2.6 million) to support innovation, productivity improvements and efficiency; the net impact of parameter and efficiency dividend (-\$0.7 million); and the effect of minor budget measures (-\$0.1 million). The additional funding to be received from the Public Sector Modernisation Fund – Agency Sustainability measure will be used for the digitisation of library collection material and the upgrade of critical infrastructure.

Own-source revenues are expected to decline in 2017-18 and over the forward years compared to the 2016-17 estimated actual. This is predominantly due to the Library receiving additional collection material under the Cultural Gifts Program during 2016-17, which is recognised as other revenue – resources received at no cost.

Total budgeted operating expenses for 2017-18 are estimated to be \$75.6 million, a minor decline of \$0.4 million from the 2016-17 estimated actual.

Budgeted departmental balance sheet

The NLA's total assets are estimated to be \$1.7 billion at 30 June 2018. The estimated decrease of \$1.0 million in total assets compared to 30 June 2017 largely reflects the \$9.6 million investment in collection assets funded through an equity injection, offset by unfunded collection depreciation expenses of \$11.0 million.

The NLA's financial assets at 30 June 2018 are estimated to be \$38.3 million, against liabilities estimated at \$16.5 million.

Departmental capital budget statement

The departmental capital budget statement shows total capital expenditure of \$26.1 million funded from internal resources of \$16.5 million including \$0.8 million of assets received at no cost and \$9.6 million funded by an equity injection for the acquisition 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	37,080	36,601	35,074	34,276	33,757
Suppliers	18,080	17,716	18,741	18,413	13,888
Grants	919	796	731	731	731
Depreciation and amortisation	19,798	20,350	20,555	20,760	20,913
Write-down and impairment of assets	160	140	120	110	110
Total expenses	76,037	75,603	75,221	74,290	69,399
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	8,736	8,810	7,931	7,781	7,781
Interest	1,230	1,045	1,015	805	730
Royalties	126	41	35	35	35
Other	5,355	3,272	3,652	2,852	2,687
Total own-source revenue	15,447	13,168	12,633	11,473	11,233
Net (cost of)/contribution by services	(60,590)	(62,435)	(62,588)	(62,817)	(58,166)
Revenue from Government	50,078	51,836	51,888	52,017	46,927
Surplus/(deficit) attributable to the Australian Government	(10,512)	(10,599)	(10,700)	(10,800)	(11,239)
Total comprehensive income/(loss)	(10,512)	(10,599)	(10,700)	(10,800)	(11,239)
Total comprehensive income/(loss) attributable to the Australian Government	(10,512)	(10,599)	(10,700)	(10,800)	(11,239)
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	388	401	400	400	61
less heritage and cultural depreciation expenses previously funded through revenue appropriations ^(a)	10,900	11,000	11,100	11,200	11,300
Total comprehensive income/(loss) as per the Statement of comprehensive income	(10,512)	(10,599)	(10,700)	(10,800)	(11,239)

(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	3,626	1,871	2,862	3,005	2,966
Trade and other receivables	1,996	1,996	1,996	1,996	1,996
Other investments	38,600	33,600	32,600	28,600	25,600
Other financial assets	827	827	827	827	827
Total financial assets	45,049	38,294	38,285	34,428	31,389
Non-financial assets					
Land and buildings	236,503	237,460	237,237	236,884	236,701
Property, plant and equipment	1,348,707	1,348,790	1,344,956	1,343,132	1,340,427
Intangibles	63,119	67,793	70,636	75,614	79,970
Inventories	1,044	1,044	1,044	1,044	1,044
Other non-financial assets	1,882	1,882	1,882	1,882	1,882
Total non-financial assets	1,651,255	1,656,969	1,655,755	1,658,556	1,660,024
Total assets	1,696,304	1,695,263	1,694,040	1,692,984	1,691,413
LIABILITIES					
Payables					
Suppliers	3,056	3,056	3,056	3,056	3,056
Grants	60	60	60	60	60
Other payables	277	277	277	277	277
Total payables	3,393	3,393	3,393	3,393	3,393
Provisions					
Employee provisions	12,983	12,978	12,950	13,182	13,292
Other provisions	74	74	74	74	74
Total provisions	13,057	13,052	13,024	13,256	13,366
Total liabilities	16,450	16,445	16,417	16,649	16,759
Net assets	1,679,854	1,678,818	1,677,623	1,676,335	1,674,654
EQUITY					
Parent entity interest					
Contributed equity	99,089	108,652	118,157	127,669	137,227
Reserves	217,149	217,149	217,149	217,149	217,149
Retained surplus	1,363,616	1,353,017	1,342,317	1,331,517	1,320,278
Total parent entity interest	1,679,854	1,678,818	1,677,623	1,676,335	1,674,654
Total Equity	1,679,854	1,678,818	1,677,623	1,676,335	1,674,654

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	1,363,616	217,149	99,089	1,679,854
Adjusted opening balance	1,363,616	217,149	99,089	1,679,854
Comprehensive income				
Surplus/(deficit) for the period	(10,599)	-	-	(10,599)
Total comprehensive income	(10,599)	-	-	(10,599)
Transactions with owners				
Distributions to owners				
Contributions by owners				
Equity Injection - Appropriation	-	-	9,563	9,563
Sub-total transactions with owners	-	-	9,563	9,563
Estimated closing balance as at 30 June 2018	1,353,017	217,149	108,652	1,678,818
Closing balance attributable to the Australian Government	1,353,017	217,149	108,652	1,678,818

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	50,078	51,836	51,888	52,017	46,927
Sale of goods and rendering of services	9,678	9,763	8,787	8,608	8,592
Interest	1,230	1,045	1,015	805	730
Net GST received	1,646	2,010	1,706	2,007	1,624
Other	1,577	1,718	2,092	1,292	1,127
Total cash received	64,209	66,372	65,488	64,729	59,000
Cash used					
Employees	36,995	36,606	35,102	34,044	33,647
Suppliers	19,998	19,989	20,593	20,527	15,603
Other	919	796	731	731	731
Total cash used	57,912	57,391	56,426	55,302	49,981
Net cash from/(used by) operating activities	6,297	8,981	9,062	9,427	9,019
INVESTING ACTIVITIES					
Cash received					
Investments	3,000	5,000	1,000	4,000	3,000
Total cash received	3,000	5,000	1,000	4,000	3,000
Cash used					
Purchase of property, plant and equipment and intangibles	19,556	25,299	18,576	22,796	21,616
Total cash used	19,556	25,299	18,576	22,796	21,616
Net cash from/(used by) investing activities	(16,556)	(20,299)	(17,576)	(18,796)	(18,616)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	9,655	9,563	9,505	9,512	9,558
Total cash received	9,655	9,563	9,505	9,512	9,558
Net cash from/(used by) financing activities	9,655	9,563	9,505	9,512	9,558
Net increase/(decrease) in cash held	(604)	(1,755)	991	143	(39)
Cash and cash equivalents at the beginning of the reporting period	4,230	3,626	1,871	2,862	3,005
Cash and cash equivalents at the end of the reporting period	3,626	1,871	2,862	3,005	2,966

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	9,655	9,563	9,505	9,512	9,558
Total new capital appropriations	9,655	9,563	9,505	9,512	9,558
Provided for:					
Purchase of non-financial assets	9,655	9,563	9,505	9,512	9,558
Total Items	9,655	9,563	9,505	9,512	9,558
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	9,655	9,563	9,505	9,512	9,558
Funded internally from departmental Resources ^(c)	12,975	16,501	9,836	14,049	12,823
TOTAL	22,630	26,064	19,341	23,561	22,381
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	22,630	26,064	19,341	23,561	22,381
less additions by finance lease less gifted assets	(3,074)	(765)	(765)	(765)	(765)
Total cash used to acquire assets	19,556	25,299	18,576	22,796	21,616

(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	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2017						
Gross book value	15,350	225,555	26,819	1,343,095	77,553	1,688,372
Accumulated depreciation/ amortisation and impairment	-	(4,402)	(10,271)	(10,936)	(14,434)	(40,043)
Opening net book balance	15,350	221,153	16,548	1,332,159	63,119	1,648,329
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	-	-	6,800	2,763	9,563
By purchase - appropriation ordinary annual services ^(b)	-	5,355	6,398	-	3,983	15,736
Assets received as gifts/ donations	-	-	-	765	-	765
Total additions	-	5,355	6,398	7,565	6,746	26,064
Other movements						
Depreciation/amortisation expense	-	(4,398)	(2,880)	(11,000)	(2,072)	(20,350)
Total other movements	-	(4,398)	(2,880)	(11,000)	(2,072)	(20,350)
As at 30 June 2018						
Gross book value	15,350	230,910	33,217	1,350,660	84,299	1,714,436
Accumulated depreciation/amortisation and impairment	-	(8,800)	(13,151)	(21,936)	(16,506)	(60,393)
Closing net book balance	15,350	222,110	20,066	1,328,724	67,793	1,654,043

(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.

Prepared on Australian Accounting Standards basis.