

NATIONAL ARCHIVES OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The primary functions of the National Archives of Australia (the Archives) are to:

- identify the archival resources of the Commonwealth
- preserve and make publicly available the archival resources of the Commonwealth
- oversee Commonwealth record-keeping, by determining standards and providing advice to Commonwealth institutions
- impose record-keeping obligations in respect of Commonwealth records.

The Archives' outcome is 'to promote the creation, management and preservation of authentic, reliable and usable Commonwealth records and to facilitate Australians' access to the archival resources of the Commonwealth'. To achieve its outcome, the Archives will:

- respond to changes in the information environment, including moving and guiding Commonwealth entities towards comprehensive digital information management
- continually build its capability to take custody of Australian Government information and to preserve and make records available for public access. The Archives will work with entities to improve business efficiency across government by enhancing the ability to retrieve and reuse information and reducing stockpiles of paper records
- foster effective relationships with entities and strategic stakeholders, including the information and communications technology and cultural sectors. The Archives will work closely with other key information and security entities across government to ensure that digital information management is improved through strategies, standards and policies
- promote and provide widespread access to the national archival collection through a national network of reading rooms, reference services, and education and public programs, taking advantage of the opportunities provided by known and emerging technology.

1.2 ENTITY RESOURCE STATEMENT

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

Table 1.1 is presented on a resourcing (that is, appropriations and cash available) basis, while the budgeted expenses by Outcome 1 table in section 2 and the financial statements in section 3 are presented on an accrual basis.

Table 1.1: Entity resource statement—Budget estimates for 2018–19 as at Budget May 2018

	2017–18 Estimated actual \$'000	2018–19 Estimate \$'000
DEPARTMENTAL		
Annual appropriations—ordinary annual services (a)		
Prior year appropriations available	22,312	22,903
Departmental appropriation (b)	63,108	61,492
s74 retained revenue receipts (c)	1,810	1,695
Departmental capital budget (d)	5,131	5,838
Total resourcing for entity	92,361	91,928
<hr/>		
	2017–18	2018–19
Average staffing level (number)	365	355

Prepared on a resourcing (that is, appropriations available) basis.

Note: All figures shown above are GST exclusive and may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2018–19.

(b) Excludes departmental capital budget.

(c) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) and form part of ordinary annual services items. See Table 3.5 for further details. For accounting purposes, this amount is designated as 'contributions by owners'.

1.3 BUDGET MEASURES

Budget measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO) relating to the Archives are detailed in Budget Paper No. 2 and summarised in Part 1 of Table 1.2.

Table 1.2: Entity 2018–19 Budget measures

Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
Expense measures						
Attorney-General's Portfolio— efficiencies	1.1					
Departmental expenses		(211)	(359)	(359)	(359)	(359)
Total expense measures		(211)	(359)	(359)	(359)	(359)

Prepared on a Government Finance Statistics (fiscal) basis.

Figures displayed as a negative represent a decrease in funds and figures displayed as a positive represent an increase in funds.

Part 2: Other measures not previously reported in a portfolio statement

The Archives has no other measures not previously reported in a portfolio statement.

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 Archives' outcome is described below together with its related programs.

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 Archives can be found at
<http://naa.gov.au/about-us/organisation/accountability/corporate-plan/2017-18-to-2020-21.aspx>

The most recent annual performance statement can be found at
<http://naa.gov.au/about-us/publications/annual-reports/2016-17/report-on-performance/statement-of-preparation/>

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: To promote the creation, management and preservation of authentic, reliable and usable Commonwealth records and to facilitate Australians' access to the archival resources of the Commonwealth

Budgeted expenses for Outcome 1

Table 2.1 shows how much the Archives intends to spend (on an accrual basis) on achieving Outcome 1, broken down by program and departmental funding sources.

Table 2.1: Budgeted expenses for Outcome 1

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
Program 1.1: National Archives of Australia					
Departmental expenses					
Departmental appropriation	63,108	61,492	65,926	67,272	68,060
s74 retained revenue receipts (a)	1,810	1,695	1,670	1,645	1,645
Expenses not requiring appropriation in the budget year (b)	20,412	19,546	17,965	16,706	15,865
Departmental total	85,330	82,733	85,561	85,623	85,570
Total expenses for Outcome 1	85,330	82,733	85,561	85,623	85,570

	2017–18	2018–19
Average staffing level (number)	365	355

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *Public Governance, Performance and Accountability Act 2013*.

(b) Expenses not requiring appropriation in the budget year are made up of depreciation and amortisation expenses, make good expenses, audit fees and straight-lining of rent.

Performance criteria for Outcome 1

Table 2.2 shows the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered.

Table 2.2: Performance criteria for Outcome 1

Outcome 1: To promote the creation, management and preservation of authentic, reliable and usable Commonwealth records and to facilitate Australians' access to the archival resources of the Commonwealth		
Program 1.1: National Archives of Australia		
The Archives provides stewardship of the records of the Australian Government to provide access to the evidence and memory of our nation, connecting Australians with their identity, history and place in the world.		
Delivery	<p>This program will be delivered by responding to the opportunities provided by known and emerging technology to:</p> <ul style="list-style-type: none"> • Establish frameworks for best practice management of Australian Government information by Australian Government agencies toward achievement of Digital Continuity 2020 Policy targets. • Secure and preserve Australian Government information and data of enduring national significance for the national archival collection. • Connect researchers and the community to the national archival collection and enhance understanding of the role of the Archives. 	
Performance information		
Year	Performance criteria	Targets
2017–18	<p>The archival resources of the Commonwealth are identified and secured for the future.</p> <p>Public engagement with the national archival collection grows and enhances understanding of individual and collective history.</p>	<p>Records authorities will cover all Commonwealth Government entities.</p> <p>Records are preserved and protected.</p> <p>Entities transition to digital information management in accordance with the Digital Continuity 2020 Policy.</p> <p>The collection is promoted and accessed through multiple channels.</p> <p>The Archives' interactions with the public increase year on year.</p>
2018–19	<p>Australian Government agencies are surveyed against DC2020 Policy targets and outcomes reported to the Prime Minister and the Minister.</p> <p>Records of enduring national significance are identified and transferred into the national archival collection for safe keeping.</p>	<p>96% of agencies complete survey.</p> <p>Qualitative evaluation of progress towards DC2020 outcomes using survey responses and case studies.</p> <p>75% of Australian Government entities have comprehensive records authority coverage by 30 June 2019.</p> <p>Qualitative evaluation of records of enduring national significance transferred for safe keeping; using case studies, and programs to preserve records at risk in the national archival collection.</p>

Table 2.2: Performance criteria for Outcome 1 (continued)

Program 1.1: National Archives of Australia		
The Archives provides stewardship of the records of the Australian Government to provide access to the evidence and memory of our nation, connecting Australians with their identity, history and place in the world.		
Performance information		
Year	Performance criteria	Targets
2018–19 (continued)	The national archival collection is accessible and promoted, made available through multiple channels regardless of original format.	3% annual increase in public engagement with the Archives. Qualitative evaluation of the accessibility and level of engagement with the national archival collection, the channels used and cooperation with other stakeholders; using case studies.
2019–20 and beyond	<p>The Archives leads Australian Government agencies in achieving digital transition through whole-of-government policy guidance.</p> <p>Australian Government agencies are surveyed against DC2020 Policy targets and outcomes reported to the Prime Minister and the Minister.</p> <p>Records of enduring national significance are identified and transferred into the national archival collection for safe keeping.</p> <p>The national archival collection is accessible and promoted, made available through multiple channels regardless of original format.</p>	<p>New approach to support Australian Government digital information management capability released by 30 September 2020.</p> <p>99% of agencies complete survey by 2020–21.</p> <p>Qualitative evaluation of progress towards DC2020 outcomes; using survey responses and case studies.</p> <p>80% of Australian Government entities have comprehensive record authority coverage by 30 June 2020.</p> <p>Qualitative evaluation of records of enduring national significance transferred for safe keeping; using case studies and of programs to preserve records at risk in the national archival collection.</p> <p>3% annual increase in public engagement with the Archives.</p> <p>Qualitative evaluation of the accessibility and engagement with the Archives collection, the channels used and cooperation with other stakeholders; using case studies.</p>
Purposes (a)	The Archives provides leadership in best practice management of the official record of the Commonwealth and ensures that Australian Government information of enduring significance is secured, preserved and available to government agencies, researchers and the community.	

(a) Refers to updated purposes that will be reflected in the Archives' 2018–19 corporate plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements that provide a comprehensive snapshot of entity finances for the 2018–19 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

In 2018–19, the estimated appropriation revenue is \$61.492m, which is a decrease in appropriation revenue compared to 2017–18. Revenue from government is estimated to increase by \$4.434m in 2019–20 due mainly to additional funding provided to cover additional rental and property operating expenses for the Mitchell storage facility refurbishment in the ACT. This project will provide 75 shelf kilometres of record storage and is scheduled for completion in June 2019.

Other revenue is estimated to remain steady in the budget and forward years and is directly related to the estimated intake of collection items from Commonwealth Government agencies. Revenue from the sale of goods and rendering of services is also estimated to remain steady in the budget and forward years.

Budgeted Departmental Balance Sheet

Heritage and cultural assets are expected to increase in value over the forward years, primarily as a result of the intake of new collection items each year. At 30 June 2019, total assets are estimated at \$1.513b, of which 97% are heritage and cultural assets.

Other payables increase in the budget and forward years primarily as a result of the accounting treatment for the straight lining of rent for the new National Archives Preservation Facility and the refurbished storage facility in Mitchell, ACT.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
EXPENSES					
Employee benefits	34,404	33,744	32,536	33,413	33,605
Suppliers	35,142	34,251	39,333	39,564	40,365
Depreciation and amortisation	15,224	14,178	13,132	12,086	11,040
Finance costs	60	60	60	60	60
Losses from asset sales	500	500	500	500	500
Total expenses	85,330	82,733	85,561	85,623	85,570
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,720	1,695	1,670	1,645	1,645
Rental income	90	–	–	–	–
Other	10,000	10,000	10,000	10,000	10,000
Total own-source revenue	11,810	11,695	11,670	11,645	11,645
Gains					
Other	75	75	75	75	75
Total gains	75	75	75	75	75
Total own-source income	11,885	11,770	11,745	11,720	11,720
Net (cost of)/contribution by services	(73,445)	(70,963)	(73,816)	(73,903)	(73,850)
Revenue from government	63,108	61,492	65,926	67,272	68,059
Surplus/(deficit) attributable to the Australian Government	(10,337)	(9,471)	(7,890)	(6,631)	(5,791)
Total comprehensive income/(loss) attributable to the Australian Government	(10,337)	(9,471)	(7,890)	(6,631)	(5,791)

Note: Impact of net cash appropriation arrangements

	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations	4,887	4,707	5,242	5,455	5,249
Less depreciation/amortisation expenses previously funded through revenue appropriations (a)	15,224	14,178	13,132	12,086	11,040
Total comprehensive income/(loss) as per the statement of comprehensive income	(10,337)	(9,471)	(7,890)	(6,631)	(5,791)

Prepared on Australian Accounting Standards basis.

(a) From 2010–11, the government introduced net cash appropriation arrangements. This involved Bill 1 revenue appropriations for the depreciation and amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) being replaced with a separate capital budget (the departmental capital budget, or DCB) provided through Bill 1 equity appropriations. For information regarding departmental capital budgets, see Table 3.5 Departmental capital budget statement.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	166	166	166	166	166
Trade and other receivables	23,419	23,419	23,419	23,419	23,419
Other financial assets	1	1	1	1	1
Total financial assets	23,586	23,586	23,586	23,586	23,586
Non-financial assets					
Property, plant and equipment	11,276	8,905	7,107	6,408	6,801
Heritage and cultural assets	1,458,301	1,461,646	1,464,991	1,468,336	1,471,681
Intangibles	16,443	16,629	17,299	17,969	18,639
Inventories	92	92	92	92	92
Other non-financial assets	2,296	2,296	2,296	2,296	2,296
Total non-financial assets	1,488,408	1,489,568	1,491,785	1,495,101	1,499,509
Total assets	1,511,994	1,513,154	1,515,371	1,518,687	1,523,095
LIABILITIES					
Payables					
Other payables	10,700	15,433	19,631	23,616	27,807
Total payables	10,700	15,433	19,631	23,616	27,807
Provisions					
Employee provisions	11,146	11,146	11,146	11,146	11,146
Other provisions	7,592	7,652	7,712	7,772	7,832
Total provisions	18,738	18,798	18,858	18,918	18,978
Total liabilities	29,438	34,231	38,489	42,534	46,785
Net assets	1,482,556	1,478,923	1,476,882	1,476,153	1,476,310
EQUITY*					
Parent entity interest					
Contributed equity	47,201	53,039	58,888	64,790	70,738
Reserves	338,168	338,168	338,168	338,168	338,168
Retained surplus/ (accumulated deficit)	1,097,187	1,087,716	1,079,826	1,073,195	1,067,404
Total parent entity interest	1,482,556	1,478,923	1,476,882	1,476,153	1,476,310
Total equity	1,482,556	1,478,923	1,476,882	1,476,153	1,476,310

Prepared on Australian Accounting Standards basis.

*‘Equity’ is the residual interest in assets after deduction of liabilities.

Table 3.3: Departmental statement of changes in equity—summary of movement (budget year 2018–19)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2018				
Balance carried forward from previous period	1,097,187	338,168	47,201	1,482,556
Adjustment for changes in accounting policies	–	–	–	–
Adjusted opening balance	1,097,187	338,168	47,201	1,482,556
Comprehensive income				
Surplus/(deficit) for the period	(9,471)	–	–	(9,471)
Total comprehensive income	(9,471)	–	–	(9,471)
Of which:				
Attributable to the Australian Government	(9,471)	–	–	(9,471)
Transactions with owners				
Contributions by owners				
Departmental capital budget	–	–	5,838	5,838
Sub-total transactions with owners	–	–	5,838	5,838
Estimated closing balance as at 30 June 2019	1,087,716	338,168	53,039	1,478,923
Closing balance attributable to the Australian Government	1,087,716	338,168	53,039	1,478,923

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	62,517	61,492	65,926	67,272	68,059
Sale of goods and rendering of services	1,810	1,695	1,670	1,645	1,645
Net GST received	3,046	3,268	3,301	3,265	3,265
Total cash received	67,373	66,455	70,897	72,182	72,969
Cash used					
Employees	34,404	33,744	32,536	33,413	33,605
Suppliers	32,969	32,711	38,361	38,769	39,364
Total cash used	67,373	66,455	70,897	72,182	72,969
Net cash from/(used by) operating activities	–	–	–	–	–
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	5,131	5,838	5,849	5,902	5,948
Total cash used	5,131	5,838	5,849	5,902	5,948
Net cash from/(used by) investing activities	(5,131)	(5,838)	(5,849)	(5,902)	(5,948)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	5,131	5,838	5,849	5,902	5,948
Total cash received	5,131	5,838	5,849	5,902	5,948
Net cash from/(used by) financing activities	5,131	5,838	5,849	5,902	5,948
Net increase/(decrease) in cash held	–	–	–	–	–
Cash and cash equivalents at the beginning of the reporting period	166	166	166	166	166
Cash and cash equivalents at the end of the reporting period	166	166	166	166	166

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget—Bill 1 (DCB)	5,131	5,838	5,849	5,902	5,948
Total new capital appropriations	5,131	5,838	5,849	5,902	5,948
Provided for:					
Purchase of non-financial assets	5,131	5,838	5,849	5,902	5,948
Total items	5,131	5,838	5,849	5,902	5,948
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation— DCB (a)	5,131	5,838	5,849	5,902	5,948
Funded internally from departmental resources (b)	10,000	10,000	10,000	10,000	10,000
Total purchases of non-financial assets	15,131	15,838	15,849	15,902	15,948
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	15,131	15,838	15,849	15,902	15,948
Less gifted assets	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Total cash used to acquire assets	5,131	5,838	5,849	5,902	5,948

Prepared on Australian Accounting Standards basis.

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' departmental capital budgets (DCBs).

(b) Includes funding from donations and contributions.

Table 3.6: Statement of asset movements (budget year 2018–19)

	Other property, plant & equipment \$'000	Heritage & cultural \$'000	Computer software & intangibles \$'000	Total \$'000
As at 1 July 2018				
Gross book value	28,773	1,489,346	37,936	1,556,055
Accumulated depreciation/amortisation and impairment	(17,497)	(31,045)	(21,493)	(70,035)
Opening net book balance	11,276	1,458,301	16,443	1,486,020
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase—appropriation ordinary annual services (a)	4,382	–	1,456	5,838
Assets received as gifts/donations	–	10,000	–	10,000
Total additions	4,382	10,000	1,456	15,838
Other movements				
Depreciation/amortisation expense	(6,753)	(6,155)	(1,270)	(14,178)
Other	–	(500)	–	(500)
Total other movements	(6,753)	(6,655)	(1,270)	(14,678)
As at 30 June 2019				
Gross book value	33,155	1,498,846	39,392	1,571,393
Accumulated depreciation/amortisation and impairment	(24,250)	(37,200)	(22,763)	(84,213)
Closing net book balance	8,905	1,461,646	16,629	1,487,180
Estimated operating expenditure in income statement for heritage and cultural assets				
				\$'000
Operations and maintenance				25,361
Preservation and conservation				4,581
Total operating expenditure on heritage and cultural assets				29,942

Prepared on Australian Accounting Standards basis.

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018–19 for depreciation and amortisation expenses, departmental capital budgets or other operational expenses.