

AUSTRALIA COUNCIL

Entity Additional Estimates Statements

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AUSTRALIA COUNCIL

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australia Council (the Council) is the Australian Government's principal arts funding and advisory body. The Council is the national advocate for the arts and its purpose is to champion and invest in Australian arts. This national leadership role is achieved by supporting and building Australia's arts ecology by fostering excellence in the arts and increasing national and international engagement with Australian arts.

The Council's overarching outcome is to support Australian artists and arts organisations to create and present excellent art that is accessed by audiences across Australia and abroad.

The Council achieves this by:

- delivering Australian Government's directed initiatives and frameworks that support the Government's broader priorities for Australian arts and culture
- providing grants to support artists and arts organisations across a range of art forms
- undertaking strategic research and analysis to build the evidence base for the arts
- delivering strategic investment to build audiences nationally and internationally and promote the strong international reputation of Australian arts and artists
- advocating for Australian arts and artists.

The Council will direct existing reserves to the small-to-medium sector and increase positive outcomes for the arts in Australia. The Council will apply a total of \$10.0 million of its reserves with \$5.0 million in each of the 2016-17 and 2017-18 financial years.

1.2 ENTITY RESOURCE STATEMENT

The Entity Resource Statement details the resourcing for the Council at Additional Estimates. Table 1.1 outlines the total resourcing available from all sources for the 2016-17 Budget year, including variations through Appropriation Bill No. 3.

Table 1.1: Australia Council resource statement — Additional Estimates for 2016-17 as at Additional Estimates February 2017

	<i>Actual available appropriation</i>	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2015-16 \$'000	2016-17 \$'000	2016-17 \$'000	2016-17 \$'000
Opening balance/Reserves at bank	21,376	17,933	-	17,933
REVENUE FROM GOVERNMENT				
Ordinary annual services^(a)				
Outcome 1	184,526	183,424	5,000	188,424
Total ordinary annual services	184,526	183,424	5,000	188,424
Total annual appropriations	184,526	183,424	5,000	188,424
Payments from related entities^(b)				
Amounts from the portfolio department	8,625	8,000	-	8,000
Total	8,625	8,000	-	8,000
Total funds from Government	193,151	191,424	5,000	196,424
FUNDS FROM OTHER SOURCES				
Interest	2,400	1,300	-	1,300
Other	2,152	1,387	-	1,387
Total	4,552	2,687	-	2,687
Total net resourcing for agency	219,079	212,044	5,000	217,044
			2015-16	2016-17
Average staffing level (number)			108	110

All figures are GST exclusive.

The Australia Council 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 Australia Council and are considered 'departmental' for all purposes.

(a) Appropriation Act (No. 1) 2016-17 and Appropriation Bill (No. 3) 2016-17.

(b) Funding provided by the portfolio department that is not specified within the annual Appropriation Bills as a payment to that corporate entity.

1.3 ENTITY MEASURES

Table 1.2 summarises new Government measures taken since the 2016-17 Budget.

Table 1.2: Australia Council 2016-17 measures since Budget

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Expense measures					
Increased support for the small-to-medium art sectors ^(a)	1.1				
Departmental expenses		5,000	5,000	-	-
Total		5,000	5,000	-	-
Total expense measures					
Departmental		5,000	5,000	-	-
Total		5,000	5,000	-	-

(a) This decision was made post 2016-17 Mid-Year Economic and Fiscal Outlook. Prepared on a Government Financial Statistics (fiscal) basis.

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the Australia Council through Appropriation Bill No. 3.

Table 1.4: Appropriation Bill (No. 3) 2016-17

	2015-16 Available \$'000	2016-17 Budget \$'000	2016-17 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
Departmental programs					
Outcome 1					
Supporting Australian artists and arts organisations to create and present excellent art that is accessed by audiences across Australia and abroad	184,526	183,424	188,424	5,000	-
Total departmental	184,526	183,424	188,424	5,000	-
Total administered and departmental	184,526	183,424	188,424	5,000	-

Note 1: 2015-16 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.

Section 2: Revisions to outcomes and planned performance

2.1 CHANGES TO OUTCOME AND PROGRAM STRUCTURES

There have been no revisions to the outcome and program structure of the Australia Council as a result of the Additional Estimates.

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Supporting Australian artists and arts organisations to create and present excellent art that is accessed by audiences across Australia and abroad.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving its outcome, broken down by program, noting that all funding sources are Departmental.

Table 2.2.1 Budgeted expenses for Outcome 1

	2015-16 Actual \$'000	2016-17 Revised Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1.1: To champion and invest in Australian arts					
Revenue from Government					
Ordinary annual services (Appropriation Act No. 1)	184,526	188,424	189,212	189,773	193,622
Payment from related entities	8,625	8,000	8,000	8,000	-
Revenues from other independent sources	4,552	2,687	2,101	2,715	1,858
Total expenses for Program 1.1	197,703	199,111	199,313	200,488	195,480
<hr/>					
	2015-16	2016-17			
Average staffing level (number)	108	110			

Table 2.2.2: Performance criteria for Outcome 1

Table 2.2.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Supporting Australian artists and arts organisations to create and present excellent art that is accessed by audiences across Australia and abroad.		
Program 1.1 – To champion and invest in Australian arts through grants and initiatives that foster and develop Australia’s arts sector and raise the profile of Australian arts nationally and internationally.		
Delivery	Administering the National Framework for Government’s Support of the Major Performing Arts Sector Administering Government programs including National Regional Touring Programs and the Visual Arts and Craft Strategy Undertaking research and knowledge management activity to inform policy and program analysis and awareness of Australia’s arts sector Delivering an integrated suite of programs that support artists and arts organisations across the arts sector, including: <ul style="list-style-type: none"> • peer-assessed grant funding for individual artists, groups and arts organisations • four-year core program funding for small-to-medium arts organisations • strategic national and international market, audience and artistic development activity • capacity building activity for arts leaders and organisations • Aboriginal and Torres Strait Islander Arts initiatives. 	
Performance information		
Year	Performance criteria	Targets
2016-17	<p>Engage, educate and inspire – continue to increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Lead and collaborate – continue being leaders in the sector and fostering long-term relationships through partnerships and collaborations with key stakeholders and similar organisations/institutions nationally and internationally.</p>	11 million attendances at Australia Council supported arts activities. 0.55 million visits to the Council website. 135 culturally diverse projects and events funded with total funding of \$9.3 million. 5,700 number of new Australian artwork projects supported with total funding of \$7.5 million provided. \$1 million total funding for research and development projects. 4,500 artistic works exhibited, performed, published. 30 initiatives that strengthen ties with other countries. 50 countries presented in.

Australia Council Additional Estimates Statements

Performance information		
Year	Performance criteria	Targets
2017-18 and beyond	<p>Engage, educate and inspire – continue to increase engagement with national and international visitors through innovative exhibitions and programs that are accessed in a variety of ways.</p> <p>Lead and collaborate – continue being leaders in the sector and fostering long-term relationships through partnerships and collaborations with key stakeholders and similar organisations/institutions nationally and internationally.</p>	<p>10 million attendances at Australia Council supported arts activities.</p> <p>0.55 million visits to the Council website.</p> <p>150 culturally diverse projects/ events funded with total funding of \$9 million.</p> <p>5,500 number of new Australian artwork projects supported with total funding of \$7.3 million provided.</p> <p>\$1 million total funding for research and development projects.</p> <p>4,500 artistic works exhibited, performed, published.</p> <p>30 initiatives that strengthen ties with other countries.</p> <p>50 countries presented in.</p>
Purpose	To champion and invest in Australian arts.	

Section 3: Special account flows and budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

The Council does not manage any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The Council will use \$10.0 million of its reserves to support the small-to-medium arts sector applying \$5.0 million in each of the 2016-17 and 2017-18 years. The money will be transferred to the Official Public Account (OPA) from the Council's retained surplus (reserves), with a corresponding increase to the appropriation income amounts in 2016-17 and 2017-18.

The transfer of money to the OPA will reduce the cash balance by \$5.0 million in each of 2016-17 and 2017-18, a cumulative reduction of \$10.0 million. The corresponding impact is on retained surplus, which will (a) reduce by \$5.0 million in 2016-17 from its present level of \$14.815 million to \$9.815 million and (b) reduce by a further \$5.0 million at the end of 2017-18 to \$4.815 million.

The entire \$10.0 million will be applied to increase grants and support to the arts sector over the two years.

As set out in Table 1.3, the Council's appropriation has been impacted by the application of an increased Efficiency Dividend (which was detailed in the 2016-17 Budget) and parameter variations.

3.2.2 Budgeted financial statements

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

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	13,177	12,905	12,943	13,067	13,195
Suppliers	9,811	10,651	10,078	10,679	9,457
Grants	173,750	174,725	175,462	175,912	171,998
Depreciation and amortisation	795	830	830	830	830
Losses from asset sales	25	-	-	-	-
Other expenses	75	-	-	-	-
Total expenses	197,633	199,111	199,313	200,488	195,480
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	2,400	1,300	1,300	1,300	1,300
Rental income	180	387	401	415	158
Other	1,972	1,000	400	1,000	400
Total own-source revenue	4,552	2,687	2,101	2,715	1,858
Total own-source income	4,552	2,687	2,101	2,715	1,858
Net cost of/contribution by) services	193,081	196,424	197,212	197,773	193,622
Revenue from Government	193,151	196,424	197,212	197,773	193,622
Surplus/(Deficit) attributable to the Australian Government	70	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	70	-	-	-	-

Prepared on Australian Accounting Standards basis.

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

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	17,933	11,712	6,842	6,972	7,102
Trade and other receivables	5,297	5,297	5,297	5,297	5,297
Total financial assets	23,230	17,009	12,139	12,269	12,399
Non-financial assets					
Land and buildings	8,472	8,928	8,768	8,609	8,464
Property, plant and equipment	602	1,282	1,315	1,495	1,465
Intangibles	1,237	1,322	1,319	1,168	1,213
Other non-financial assets	455	455	455	455	455
Total non-financial assets	10,766	11,987	11,857	11,727	11,597
Assets held for sale	384	384	384	384	384
Total assets	34,380	29,380	24,380	24,380	24,380
LIABILITIES					
Payables					
Suppliers	1,569	1,569	1,569	1,569	1,569
Grants	3,691	3,691	3,691	3,691	3,691
Other payables	417	417	417	417	417
Total payables	5,677	5,677	5,677	5,677	5,677
Provisions					
Employee provisions	1,949	1,949	1,949	1,949	1,949
Other provisions	3,437	3,437	3,437	3,437	3,437
Total provisions	5,386	5,386	5,386	5,386	5,386
Total liabilities	11,063	11,063	11,063	11,063	11,063
Net assets	23,317	18,317	13,317	13,317	13,317
EQUITY					
Parent entity interest					
Reserves	8,502	8,502	8,502	8,502	8,502
Retained surplus/(accumulated deficit)	14,815	9,815	4,815	4,815	4,815
Total parent entity interest	23,317	18,317	13,317	13,317	13,317
Total Equity	23,317	18,317	13,317	13,317	13,317

Prepared on Australian Accounting Standards basis.

Table 3.4: Departmental statement of changes in equity — summary of movement (Budget Year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Total equity \$'000
Opening balance as at 1 July 2016				
Balance carried forward from previous period	14,815	1,625	6,877	23,317
Adjusted opening balance	14,815	1,625	6,877	23,317
Distributions to owners				
Return of capital:				
Distribution of equity	(5,000)	-	-	(5,000)
Sub-total transactions with owners	(5,000)	-	-	(5,000)
Closing balance attributable to the Australian Government	9,815	1,625	6,877	18,317

Prepared on Australian Accounting Standards basis.

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

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	184,526	188,424	189,212	189,773	193,622
Receipts from Government	8,650	8,000	8,000	8,000	-
Interest	2,406	1,300	1,300	1,300	1,300
Net GST received	15,968	-	-	-	-
Other	2,335	1,387	801	1,415	558
Total cash received	213,885	199,111	199,313	200,488	195,480
Cash used					
Employees	13,768	12,905	12,943	13,067	13,195
Suppliers	12,189	10,651	10,078	10,679	9,457
Other	191,015	179,725	180,462	175,912	171,998
Total cash used	216,972	203,281	203,483	199,658	194,650
Net cash from/(used by) operating activities	(3,087)	(4,170)	(4,170)	830	830
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	356	2,051	700	700	700
Total cash used	356	2,051	700	700	700
Net cash from/(used by) investing activities	(356)	(2,051)	(700)	(700)	(700)
Net increase/(decrease) in cash held	(3,443)	(6,221)	(4,870)	130	130
Cash and cash equivalents at the beginning of the reporting period	21,376	17,933	11,712	6,842	6,972
Cash and cash equivalents at the end of the reporting period	17,933	11,712	6,842	6,972	7,102

Prepared on Australian Accounting Standards basis.

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

	2015-16 Actual \$'000	2016-17 Revised budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	356	2,051	700	700	700
TOTAL AMOUNT SPENT	356	2,051	700	700	700
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	356	2,051	700	700	700
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	356	2,051	700	700	700

(a) Includes the following sources of funding: annual and prior year appropriations; donations and contributions; gifts; internally developed assets; and proceeds from the sale of assets.
Prepared on Australian Accounting Standards basis.

Table 3.7: Statement of asset movements (2016-17 Budget year)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016						
Gross book value	149	12,264	1,219	5,202	396	19,230
Accumulated depreciation/amortisation and impairment	-	(3,941)	(617)	(3,965)	(12)	(8,535)
Opening net book balance	149	8,323	602	1,237	384	10,695
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation ordinary annual services	-	661	805	585	-	2,051
Total additions	-	661	805	585	-	2,051
Other movements						
Depreciation/amortisation expense		(205)	(125)	(500)		(830)
Total other movements	-	(205)	(125)	(500)	-	(830)
As at 30 June 2017						
Gross book value	149	12,925	2,024	5,787	396	21,281
Accumulated depreciation/amortisation and impairment	-	(4,146)	(742)	(4,465)	(12)	(9,365)
Closing net book balance	149	8,779	1,282	1,322	384	11,916

Prepared on Australian Accounting Standards basis.