

NATIONAL PORTRAIT GALLERY OF AUSTRALIA

Entity Additional Estimates Statements

NATIONAL PORTRAIT GALLERY OF AUSTRALIA

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NATIONAL PORTRAIT GALLERY OF AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The National Portrait Gallery of Australia's (NPGA) role is to present the face of Australia, by using portraiture to increase the understanding and appreciation of the Australian people—their identity, history, culture, creativity and diversity. The functions of the NPGA are expressed in the *National Portrait Gallery of Australia Act 2012* (the Act), which requires the NPGA to develop, preserve, maintain, promote and provide access to a national collection of portraits; and develop and engage a national audience in relation to that collection and other portraits through exhibitions, education, research, publications, and public and online programs. The Act calls for the NPGA to use every endeavour to make the most advantageous use of the national collection in the national interest.

The NPGA has four strategic themes that underpin the fulfilment of its national charter and align with broader Government objectives. They are:

- To enliven the collection through acquisitions and commissions that tell important Australian stories, and enhanced digitisation of and remote access to the collection.
- To engage audiences through innovative exhibitions, learning programs and visitor experiences, and a creative exhibition touring program.
- To enlarge support for the NPGA through its Foundation, sponsorships, Government and individuals.
- To enhance resources, by strengthening the NPGA's financial resilience, empowering its staff, maintaining its iconic building and building relationships which further the aims of the NPGA.

1.2 ENTITY RESOURCE STATEMENT

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

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

	<i>Actual available appropriation</i> 2015-16	Estimate as at Budget 2016-17	Proposed Additional Estimates 2016-17	Total estimate at Additional Estimates 2016-17
	\$'000	\$'000	\$'000	\$'000
Opening balance/Reserves at bank	14,134	14,347	-	13,710
REVENUE FROM GOVERNMENT				
Ordinary annual services^(a)				
Outcome 1	11,332	10,958	79	11,037
Total ordinary annual services	11,332	10,958	79	11,037
Other services^(b)				
Non-operating	199	196	-	196
Total other services	199	196	-	196
Total annual appropriations	11,531	11,154	79	11,233
Total funds from Government	11,531	11,154	79	11,233
FUNDS FROM OTHER SOURCES				
Interest	472	484	-	484
Sale of goods and services	1,123	1,193	-	1,193
Other ^(c)	560	580	-	580
Total	2,155	2,257	-	2,257
Total net resourcing for agency	27,820	27,758	79	27,200
			2015-16	2016-17
Average staffing level (number)			53	48

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

Note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement. The NPGA 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 NPGA and are considered 'departmental' for all purposes.

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

(b) Appropriation Bill (No.2) 2016-17.

(c) Includes donations to the NPGA Foundation.

1.3 ENTITY MEASURES

There are no new measures relating to the NPGA since the 2016-17 Budget.

1.4 ADDITIONAL ESTIMATES AND VARIATIONS

The following tables detail the changes to the resourcing for the NPGA at Additional Estimates, by outcome. Table 1.3 details the Additional Estimates resulting from new measures and other variations since the 2016-17 Budget in Appropriation Bill No. 3.

Table 1.3: Additional estimates and other variations to outcomes since 2016-17 Budget

	Program impacted	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Outcome 1					
Departmental					
Annual appropriations					
Small Government – collection agencies – consolidation of back office functions ^(a)	1.1	79	-	-	-
Changes in Efficiency Dividend ^(b)	1.1	-	(170)	(308)	(370)
Changes in Parameters	1.1	-	(54)	(72)	(98)
Net impact on appropriations for Outcome 1 (departmental)		79	(224)	(380)	(468)
Total net impact on appropriations for Outcome 1		79	(224)	(380)	(468)

(a) This is part of the "Smaller Government - collection agencies - consolidation back office functions" measure published in the 2014-15 Budget.

(b) This adjustment relates to increases to the Efficiency Dividend announced in the 2016-17 Budget under the measure "Public Sector Transformation and the Efficiency Dividend".

1.5 BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for the NPGA 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:					
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	11,332	10,958	11,037	79	-
Total departmental	11,332	10,958	11,037	79	-

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 NPGA as a result of the Additional Estimates.

2.2 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: 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.

Budgeted expenses for Outcome 1

This table shows how much the NPGA intends to spend (on an accrual basis) on achieving the outcome, broken down by program.

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: Develop, maintain and provide access to Australia's national portrait collection					
Revenue from Government Ordinary annual services (Appropriation Act No. 1)	11,332	11,037	10,800	11,684	11,656
Expenses not requiring appropriation in the budget year ^(a)	2,486	2,441	2,815	2,166	2,454
Revenues from other independent sources	1,546	2,007	2,113	2,222	2,315
Total expenses for Program 1.1	15,364	15,485	15,728	16,072	16,425
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Act No. 1)	11,332	11,037	10,800	11,684	11,656
Expenses not requiring appropriation in the budget year ^(a)	2,486	2,441	2,815	2,166	2,454
Revenues from other independent sources	1,546	2,007	2,113	2,222	2,315
Total expenses for Outcome 1	15,364	15,485	15,728	16,072	16,425

(a) Expenses not requiring appropriation in the Budget year are made up of depreciation and amortisation expenses related to artwork, which are funded through an equity injection; depreciation and amortisation expenses related to long-lived assets such as the NPGA building; and resources received free of charge.

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 is used by entities to describe the results they plan to achieve with the resources provided for new programs, or materially changed existing programs resulting from decisions made since the 2016-17 Budget.

<p>Outcome 1 – 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>Program 1.1 – Develop, maintain and provide access to Australia’s national portrait collection</p> <p>The NPGA houses the national collection of portraits of Australians, reflecting the breadth and energy of Australian culture and endeavour. Subjects in the collection are individuals who have, and who will, continue to shape our nation and define our collective persona. As a member of a group of national collecting institutions, the NPGA is unique in its exclusive use of portraiture to explore Australian culture, history, individual achievement and identity. This unique nature is further enhanced by a dual focus on both subject and artist.</p> <p>From 2016-17 the NPGA has identified four strategic pillars, which underpin its aim to be an inspirational art museum of international standing. They are to:</p> <ul style="list-style-type: none"> • enliven the collection • engage with audiences • enlarge support • enhance resources. 	
<p>Delivery</p>	<p>The NPGA program is delivered in the following ways:</p> <ul style="list-style-type: none"> • Through collection development, conservation, management and digitisation. • Through on site and travelling exhibitions, education, public and online events, which create high, levels of engagement and satisfaction. • With an increasing level of engagement and collaboration. • With a focus on self-generated revenue and private giving, and a commitment to maintain and develop its iconic building.

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Performance information		
Year	Performance criteria	Targets
2016-17	<p>Enliven the collection - through acquisitions and commissions that tell important Australian stories, and enhanced digitisation of and remote access to the collection.</p> <p>Engage with audiences - through innovative exhibitions, learning programs and visitor experiences, and a creative exhibition touring program.</p> <p>Enlarge support for the NPGA through its Foundation, sponsorships, Government and individuals.</p> <p>Enhance resources - by strengthening the NPGA's financial resilience, empowering its staff, maintaining its iconic building and building relationships which further the aims of the NPGA.</p>	<p>Grow the portrait collection in accordance with the collection development policy (target 100 per cent).</p> <p>Commission 2 artworks.</p> <p>Increase the percentage of the collection which is digitised (target 80 per cent).</p> <p>Maintain and preserve the collection with appropriate storage, display and air quality to minimise preventable deterioration or impairment of the collection (target 0 per cent preventable deterioration or impairment).</p> <p>Reach a million people a year through exhibitions, education and public programs, and online.</p> <p>Mount greater than 6 exhibitions per year including travelling exhibitions.</p> <p>Visitor satisfaction target greater than 91 per cent.</p> <p>Engage with 8 regional galleries through the travelling exhibition program.</p> <p>Sponsorship, partnership and in kind revenue target greater than \$360,000.</p> <p>Grow private giving.</p> <p>Three collaborations/initiatives with overseas institutions.</p> <p>Deliver the building preventative maintenance plan (target 75 per cent planned versus 25 per cent reactive maintenance).</p> <p>Grow commercial revenue by 5 per cent.</p>

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Performance information		
Year	Performance criteria	Targets
2017-18 and beyond	<p>Enliven the collection - through acquisitions and commissions that tell important Australian stories, and enhanced digitisation of and remote access to the collection</p> <p>Engage with audiences - through innovative exhibitions, learning programs and visitor experiences, and a creative exhibition touring program</p> <p>Enlarge support for the NPGA - through its Foundation, sponsorships, Government and individuals</p> <p>Enhance resources - by strengthening the NPGA's financial resilience, empowering its staff, maintaining its iconic building and building relationships which further the aims of the NPGA</p>	<p>Grow the portrait collection in accordance with the collection development policy (target 100 per cent).</p> <p>Commission 2 artworks.</p> <p>Increase the percentage of the collection which is digitised (target 82 per cent).</p> <p>Maintain and preserve the collection with appropriate storage, display and air quality to minimise preventable deterioration or impairment of the collection (target 0 per cent preventable deterioration or impairment).</p> <p>Launch a portrait prize.</p> <p>Reach a million people a year through exhibitions, education and public programs, and online.</p> <p>Mount greater than 6 exhibitions per year including travelling exhibitions.</p> <p>Visitor satisfaction target greater than 91 per cent.</p> <p>Engage with 8 regional galleries through the travelling exhibition program.</p> <p>Sponsorship, partnership and in-kind revenue target greater than \$400,000.</p> <p>Grow private giving.</p> <p>Three collaborations/initiatives with overseas institutions.</p> <p>Deliver the building preventative maintenance plan (target 75 per cent planned versus 25 per cent reactive maintenance).</p> <p>Grow commercial revenue by 5 per cent.</p>

Section 3: Budgeted financial statements

3.1 SPECIAL ACCOUNT FLOWS

The NPGA does not manage any special accounts.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

The changes to the comprehensive income statement reflect the variations listed in Table 1.3.

The changes to the balance sheet reflect the update of the 2015-16 actual, which resulted in a revised opening position for 2016-17.

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	2016-17 Revised Budget	2017-18 Forward estimate	2018-19 Forward estimate	2019-20 Forward estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	5,949	5,404	5,461	5,519	5,606
Suppliers	5,402	5,914	5,934	6,047	6,134
Depreciation and amortisation	4,007	4,167	4,333	4,506	4,685
Write-down and impairment of assets	6	-	-	-	-
Total expenses	15,364	15,485	15,728	16,072	16,425
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	850	1,193	1,267	1,344	1,404
Interest	448	484	496	508	521
Other	498	580	600	620	640
Total own-source revenue	1,796	2,257	2,363	2,472	2,565
Gains					
Other	484	440	460	480	500
Total gains	484	440	460	480	500
Total own-source income	2,280	2,697	2,823	2,952	3,065
Net cost of/contribution by) services	(13,084)	(12,788)	(12,905)	(13,120)	(13,360)
Revenue from Government	11,332	11,037	10,800	11,684	11,656
Surplus/(Deficit) attributable to the Australian Government	(1,752)	(1,751)	(2,105)	(1,436)	(1,704)
OTHER COMPREHENSIVE INCOME					
Total comprehensive income/(loss) attributable to the Australian Government	(1,752)	(1,751)	(2,105)	(1,436)	(1,704)

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

Note: Impact of Net Cash Appropriation Arrangements

	2015-16	2016-17	2017-18	2018-19	2019-20
	\$'000	\$'000	\$'000	\$'000	\$'000
Total comprehensive income/(loss)excluding depreciation/amortisation expenses previously funded through revenue appropriations^(a)	396	550	550	550	550
less heritage and cultural depreciation expenses previously funded through revenue appropriations ^(b)	2,148	2,301	2,655	1,986	2,254
Total comprehensive income/(loss) as per the Statement of Comprehensive Income	(1,752)	(1,751)	(2,105)	(1,436)	(1,704)

(a) The adjusted result in the budget and forward years reflects donated cash and artworks to the NPGA Foundation.

(b) The NPGA does not receive funding for its total depreciation expenses on long-lived assets; rather, funding is appropriated based on capital requirements. Also, from 2009-10 the Government replaced Appropriation Bill no.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), refer to Table 3.5 Departmental Capital Budget Statement Prepared on Australian Accounting Standards basis.

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

	2016-17 Actual \$'000	2016-17 Revised Budget \$'000	2016-17 Forward estimate \$'000	2016-17 Forward estimate \$'000	2016-17 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,710	13,173	13,436	13,699	13,962
Trade and other receivables	383	383	383	383	383
Other financial assets	29	29	29	29	29
Total financial assets	14,122	13,585	13,848	14,111	14,374
Non-financial assets					
Land and buildings	74,176	73,976	72,694	72,156	71,428
Property, plant and equipment	9,948	8,788	7,562	6,267	4,900
Heritage and cultural assets	31,786	32,172	32,551	32,924	33,294
Intangibles	326	295	262	227	190
Inventories	113	113	113	113	113
Other non-financial assets	52	52	52	52	52
Total non-financial assets	116,401	115,396	113,234	111,739	109,977
Total assets	130,523	128,981	127,082	125,850	124,351
LIABILITIES					
Payables					
Suppliers	590	590	590	590	590
Other payables	322	322	322	322	322
Total payables	912	912	912	912	912
Provisions					
Employee provisions	1,498	1,511	1,524	1,537	1,550
Total provisions	1,498	1,511	1,524	1,537	1,550
Total liabilities	2,410	2,423	2,436	2,449	2,462
Net assets	128,113	126,558	124,646	123,401	121,889
EQUITY					
Parent entity interest					
Contributed equity	128,997	129,193	129,386	129,577	129,769
Retained surplus/(accumulated deficit)	(884)	(2,635)	(4,740)	(6,176)	(7,880)
Total parent entity interest	128,113	126,558	124,646	123,401	121,889
Total Equity	128,113	126,558	124,646	123,401	121,889

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	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016			
Balance carried forward from previous period	(884)	128,997	128,113
Adjusted opening balance	(884)	128,997	128,113
Comprehensive income			
Surplus/(deficit) for the period	(1,751)	-	(1,751)
Total comprehensive income	(1,751)	-	(1,751)
of which:			
Attributable to the Australian Government	(1,751)	-	(1,751)
Transactions with owners Contributions by owners			
Equity Injection - Appropriation	-	196	196
Sub-total transactions with owners	-	196	196
Estimated closing balance as at 30 June 2017	(2,635)	129,193	126,558
Closing balance attributable to the Australian Government	(2,635)	129,193	126,558

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	11,332	11,037	10,800	11,684	11,656
Sale of goods and rendering of services	821	1,300	1,381	1,465	1,530
Interest	372	484	496	508	521
Contributions	256	480	500	520	540
Net GST received	79	413	406	407	408
Other	181	100	100	100	100
Total cash received	13,041	13,814	13,683	14,684	14,755
Cash used					
Employees	5,897	5,391	5,448	5,506	5,593
Suppliers	5,498	6,294	6,294	6,395	6,468
Total cash used	11,395	11,685	11,742	11,901	12,061
Net cash from/(used by) operating activities	1,646	2,129	1,941	2,783	2,694
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	1,662	2,666	1,678	2,520	2,431
Purchase of artwork	607	196	193	191	192
Total cash used	2,269	2,862	1,871	2,711	2,623
Net cash from/(used by) investing activities	(2,269)	(2,862)	(1,871)	(2,711)	(2,623)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	199	196	193	191	192
Total cash received	199	196	193	191	192
Net cash used by financing activities	199	196	193	191	192
Net increase/(decrease) in cash held	(424)	(537)	263	263	263
Cash and cash equivalents at the beginning of the reporting period	14,134	13,710	13,173	13,436	13,699
Cash and cash equivalents at the end of the reporting period	13,710	13,173	13,436	13,699	13,962

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
NEW CAPITAL APPROPRIATIONS					
Equity injections - Act No. 2	199	196	193	191	192
Total new capital appropriations	199	196	193	191	192
Provided for:					
Purchase of non-financial assets	199	196	193	191	192
Total Items	199	196	193	191	192
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	199	196	193	191	192
Funded internally from departmental resources ^(b)	2,209	2,966	1,978	2,820	2,731
TOTAL AMOUNT SPENT	2,408	3,162	2,171	3,011	2,923
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,408	3,162	2,171	3,011	2,923
less gifted assets	(300)	(300)	(300)	(300)	(300)
TOTAL CASH REQUIRED TO ACQUIRE ASSETS	2,108	2,862	1,871	2,711	2,623

(a) Includes both current and prior Bill No. 4 and prior Act Nos. 2 and 4 appropriations and special capital appropriations.

(b) May include assets funded from: annual and prior year appropriation, donations and contributions, gifts, internally developed assets and proceeds from 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	Heritage and cultural	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2016						
Gross book value	10,256	70,461	14,688	32,093	449	127,947
Accumulated depreciation/amortisation and impairment	-	(6,541)	(4,740)	(307)	(123)	(11,711)
Opening net book balance	10,256	63,920	9,948	31,786	326	116,236
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	-	-	196	-	196
By purchase - appropriation ordinary annual services ^(b)	-	2,146	500	-	20	2,666
Assets received as gifts/donations	-	-	-	300	-	300
Total additions	-	2,146	500	496	20	3,162
Other movements						
Depreciation/amortisation expense	-	(2,346)	(1,660)	(51)	(110)	(4,167)
Total other movements	-	(2,346)	(1,660)	(51)	(110)	(4,167)
As at 30 June 2017						
Gross book value	10,256	72,607	15,188	32,589	469	131,109
Accumulated depreciation/amortisation and impairment	-	(8,887)	(6,400)	(358)	(233)	(15,878)
Closing net book balance	10,256	63,720	8,788	32,231	236	115,231

(a) "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through Appropriation Act (No. 2) and Bill (No. 4) 2016-17, including CDABs.

(b) "Appropriation ordinary annual services" refers to funding provided through Appropriation Act (No. 1) 2016-17 and Bill (No. 3) 2016-17 for depreciation/amortisation expenses, DCBs or other operational expenses. Prepared on Australian Accounting Standards basis.