

National Portrait Gallery of Australia

Entity resources and planned performance

National Portrait Gallery of Australia

SECTION 1: ENTITY OVERVIEW AND RESOURCES	407
1.1 Strategic direction statement	407
1.2 Entity resource statement	408
1.3 Budget measures.....	408
SECTION 2: OUTCOMES AND PLANNED PERFORMANCE	409
2.1 Budgeted expenses and performance for Outcome 1.....	410
SECTION 3: BUDGETED FINANCIAL STATEMENTS.....	414
3.1 Budgeted financial statements.....	414
3.2 Budgeted financial statements tables	415

National Portrait Gallery of Australia

Section 1: Entity overview and resources

1.1 Strategic direction statement

The National Portrait Gallery of Australia (NPGA) aspires to reflect the face of Australia. The NPGA uses portraiture to tell their stories and 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 and promote a national collection of portraits and other works of art
- develop and engage a national audience for the collection, 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 priorities, which underpin the fulfilment of its national charter and align with broader government objectives. They are:

- To enliven the collection through acquisitions and commissions that reveal important Australian stories, and enhanced digital interaction 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 increase support for the NPGA through its Foundation, Circle of Friends, partners, government and individuals.
- To invest in people and resources, by strengthening the NPGA's financial resilience, supporting our staff, maintaining its iconic building and building relationships, which further the aims of the NPGA.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to the NPGA 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 Departmental (for the NPGA's operations) classification.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: NPGA resource statement — Budget estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated actual \$'000	2022-23 Estimate \$'000
Opening balance/cash reserves at 1 July	32,368	32,631
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	12,475	12,615
Annual appropriations - other services ^(b)		
Equity injection	193	194
Total annual appropriations	12,668	12,809
Total funds from Government	12,668	12,809
Funds from other sources		
Interest	323	139
Sale of goods and services	1,301	1,345
Other	652	1,113
Total funds from other sources	2,276	2,597
Total net resourcing for the NPGA	47,312	48,037
	2021-22	2022-23
Average staffing level (number)	52	52

All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (No. 1) 2022-23.

(b) Appropriation Bill (No. 2) 2022-23.

The NPGA 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 NPGA and considered 'departmental' for all purposes.

1.3 Budget measures

There are no new measures relating to the NPGA for the 2022-23 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.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measures 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 a complete picture of an entity's planned and actual performance.

The most recent Corporate Plan for the NPGA can be found at:
<https://portrait.gov.au/document/626>

The most recent annual performance statement can be found at:
<https://portrait.gov.au/document/631>

2.1 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 2.1.1: Budgeted expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1: Develop, maintain and provide access to Australia's national portrait collection					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	12,475	12,615	11,896	12,013	12,096
Expenses not requiring appropriation in the Budget year ^(a)	2,775	3,377	3,543	3,707	3,874
Revenues from other independent sources	2,026	2,347	2,424	2,503	2,579
Total expenses for Program 1.1	17,276	18,339	17,863	18,223	18,549
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Bill No. 1)	12,475	12,615	11,896	12,013	12,096
Expenses not requiring appropriation in the Budget year ^(a)	2,775	3,377	3,543	3,707	3,874
Revenues from other independent sources	2,026	2,347	2,424	2,503	2,579
Total expenses for Outcome 1	17,276	18,339	17,863	18,223	18,549
	2021-22	2022-23			
Average staffing level (number)	52	52			

(a) Expenses not requiring appropriation in the Budget year are made up of unfunded 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 2.1.2: Performance measure for Outcome 1

Table 2.1.2 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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		
Program 1.1 – Develop, maintain and provide access to Australia's national portrait collection		
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 part 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. The NPGA provides a forum for the free and respectful discussion of the national identity. We focus on both subject and artist.		
Key Activities	The NPGA program is delivered in the following ways: <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. 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	Enliven the collection Grow the portrait collection in accordance with the Collection Development Policy (target 100%). Commission at least 2 artworks. Increase the percentage of the collection, which is digitised to > 90% (50MB+ high resolution images) >98% (including low resolution images). Maintain and preserve the collection with appropriate storage, display and air quality to minimise preventable deterioration or impairment of the collection (target 0% preventable deterioration or impairment).	Target expected to be met
	Engage with audiences Reach a million people a year through exhibitions, education and public programs, and online. Mount greater than 6 exhibitions per year including travelling exhibitions. Visitor satisfaction target greater than >90%. Engage with 8 regional galleries through the travelling exhibition program.	Target expected to be partially met ^(a)

Year	Performance measures	Expected Performance Results
Current year 2021-22 cont.	Increase support for the NPGA Sponsorship, partnership and in kind revenue target greater than \$550,000. Grow private giving. Three collaborations/initiatives with overseas institutions.	Target expected to be partially met ^(a)
	Invest in people and resources Commit 1% of staffing budget to ongoing professional development of staff. Deliver the building preventative maintenance plan (target 75% planned versus 25% reactive maintenance). Grow commercial revenue by 5%.	Target expected to be partially met ^(a)
Year	Performance measures	Planned Performance Results
Budget year 2022-23	Enliven the collection Works acquired in accordance with the Collection Development Policy.	100%
	Commissioned works of art.	2+
	Collection digitised.	> 95% (50MB+ high resolution images) >98% (including low resolution images).
	Collection maintained and preserved with appropriate storage, display and air quality to minimise preventable deterioration or impairment.	0% for preventable deterioration or impairment
	Engage with audiences Reach over a million people a year through exhibitions, education and public programs, and online.	1,200,000
	Stage at least six exhibitions each year.	6+
	Visitors satisfied or very satisfied with their visit.	>90%
	Present a national travelling exhibition program at eight venues.	8 venues
	Increase support for the NPGA Sponsorship goals.	\$550,000
	Private giving goals including support for Collection development.	\$2,000,000
	Number of engagements/initiatives with overseas institutions.	5

Year	Performance measures	Planned Performance Results
Budget year 2022-23 cont.	Invest in people and resources Staffing budget to ongoing professional development of staff.	1%1%
	Planned versus reactive maintenance undertaken.	75% / 25%
	Grow commercial revenue.	>5%
Year	Performance measures	Planned Performance Results
Forward Estimates 2023-26	Enliven the collection Works acquired in accordance with the Collection Development Policy.	100%
	Commissioned works of art.	2+
	Collection digitised.	> 95% (50MB+ high resolution images) >98% (including low resolution images).
	Collection maintained and preserved with appropriate storage, display and air quality to minimise preventable deterioration or impairment.	0% for preventable deterioration or impairment
	Engage with audiences Reach over a million people a year through exhibitions, education and public programs, and online.	2023-24: 1,300,000 2024-25: 1,400,000 2025-26: 1,500,000
	Stage at least six exhibitions each year.	6+
	Visitors satisfied or very satisfied with their visit.	>90%
	Present a national travelling exhibition program at eight venues.	8 venues
	Increase support for the NPGA Sponsorship goals.	2023-24: \$550,000 2024-25: \$600,000 2025-26: \$650,000
	Private giving goals including support for Collection development.	2023-24: \$2,500,000 2024-25: \$3,000,000 2025-26: \$3,000,000
	Number of engagements/initiatives with overseas institutions.	5
	Invest in people and resources Staffing budget to ongoing professional development of staff.	1%
	Planned versus reactive maintenance undertaken.	75% / 25%
	Grow commercial revenue.	>5%

(a) Lower than target due to the impact of COVID-19 during 2021-22 upon visitation, commercial revenue and travelling exhibitions.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NPGA finances for the 2022-23 Budget year, including the impact of budget measures and resourcing on financial statements.

3.1 Budgeted financial statements

3.1.1 Explanatory notes and analysis of budgeted financial statements

The NPGA is budgeting for a net cash operating surplus of \$0.6 million in the Budget and forward years that reflects the donations expected to be received by the NPGA Foundation after adjusting for expenses not requiring appropriation in the year.

Expenses not requiring appropriation include:

- depreciation on long-lived assets which is funded in accordance with the NPGA's asset replacement plan
- depreciation related to heritage and cultural assets which is funded through an equity injection.

The NPGA has been significantly affected by the impacts of the COVID-19 pandemic. On 12 August 2021, the NPGA was forced to close its doors to the public and reopened on 29 October 2021 with limited admissions (in line with public health-related, social distancing restrictions). The COVID-19 travel restrictions have also impacted on the delivery of the NPGA's national travelling exhibition program.

The NPGA is uncertain when all COVID-19 restrictions will be lifted and what the long-term implications of COVID-19 will have on visitors and audiences. This makes it difficult to quantify the impact on own-source revenue and performance targets which have not been modified as a result.

Budgeted Departmental balance sheet

Budgeted investments include donations to the NPGA of approximately \$24 million, which have been accumulated over a number of years. The NPGA's Board is charged with setting the guidelines for the use of these funds.

The remainder of budgeted investments is available to meet liabilities for employee entitlements and to assist in funding future asset purchases.

3.2 Budgeted financial statements tables

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
EXPENSES					
Employee benefits	6,223	6,257	6,076	6,197	6,321
Suppliers	6,461	7,466	7,149	7,366	7,546
Depreciation and amortisation	4,592	4,616	4,638	4,660	4,682
Total expenses	17,276	18,339	17,863	18,223	18,549
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,301	1,345	1,389	1,435	1,481
Interest	323	139	146	153	157
Dividends	-	440	445	450	455
Other	652	673	694	715	736
Total own-source revenue	2,276	2,597	2,674	2,753	2,829
Gains					
Other	680	1,140	1,165	1,190	1,215
Total gains	680	1,140	1,165	1,190	1,215
Total own-source income	2,956	3,737	3,839	3,943	4,044
Net (cost of)/contribution by services	(14,320)	(14,602)	(14,024)	(14,280)	(14,505)
Revenue from Government	12,475	12,615	11,896	12,013	12,096
Surplus/(deficit) attributable to the Australian Government	(1,845)	(1,987)	(2,128)	(2,267)	(2,409)
Total comprehensive income/(loss) attributable to the Australian Government	(1,845)	(1,987)	(2,128)	(2,267)	(2,409)
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) - as per statement of comprehensive income	(1,845)	(1,987)	(2,128)	(2,267)	(2,409)
plus: depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	2,395	2,537	2,678	2,817	2,959
Net cash operating surplus/ (deficit)	550	550	550	550	550

Prepared on Australian Accounting Standards basis.

(a) 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) provided through Appropriation Bill 2 equity appropriations. For information regarding CDABs, please refer to Table 3.5 Departmental capital budget statement. The adjusted result in the budget and forward years reflects donated cash and artworks to the NPGA Foundation.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,360	2,373	2,386	2,399	2,412
Trade and other receivables	246	246	246	246	246
Other investments	30,271	30,521	30,771	31,021	31,271
Other financial assets	36	36	36	36	36
Total financial assets	32,913	33,176	33,439	33,702	33,965
Non-financial assets					
Land and buildings	72,980	71,470	69,816	68,137	66,316
Property, plant and equipment	3,956	3,134	2,322	1,403	491
Heritage and Cultural	38,043	38,391	38,741	39,091	39,441
Intangibles	360	301	237	168	94
Inventories	77	77	77	77	77
Other non-financial assets	157	157	157	157	157
Total non-financial assets	115,573	113,530	111,350	109,033	106,576
Total assets	148,486	146,706	144,789	142,735	140,541
LIABILITIES					
Payables					
Suppliers	1,449	1,449	1,449	1,449	1,449
Other payables	197	197	197	197	197
Total payables	1,646	1,646	1,646	1,646	1,646
Provisions					
Employee provisions	1,725	1,738	1,751	1,764	1,777
Total provisions	1,725	1,738	1,751	1,764	1,777
Total liabilities	3,371	3,384	3,397	3,410	3,423
Net assets	145,115	143,322	141,392	139,325	137,118
EQUITY					
Parent entity interest					
Contributed equity	130,155	130,349	130,547	130,747	130,949
Reserves	9,150	9,150	9,150	9,150	9,150
Retained surplus (accumulated deficit)	5,810	3,823	1,695	(572)	(2,981)
Total parent entity interest	145,115	143,322	141,392	139,325	137,118
Total equity	145,115	143,322	141,392	139,325	137,118

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2022-23)

	Retained earnings	Asset revaluation reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	5,810	9,150	130,155	145,115
Adjusted opening balance	5,810	9,150	130,155	145,115
Comprehensive income				
Surplus/(deficit) for the period	(1,987)	-	-	(1,987)
Total comprehensive income	(1,987)	-	-	(1,987)
Contributions by owners				
Equity injection - Appropriation	-	-	194	194
Sub-total transactions with owners	-	-	194	194
Estimated closing balance as at 30 June 2023	3,823	9,150	130,349	143,322
Closing balance attributable to the Australian Government	3,823	9,150	130,349	143,322

Prepared on Australian Accounting Standards basis

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,475	12,615	11,896	12,013	12,096
Sale of goods and rendering of services	1,418	1,466	1,514	1,564	1,614
Interest	323	139	146	153	157
Dividends	-	440	445	450	455
Net GST received	430	475	441	454	464
Other	652	673	694	715	736
Total cash received	15,298	15,808	15,136	15,349	15,522
Cash used					
Employees	6,210	6,244	6,063	6,184	6,308
Suppliers	6,628	7,222	6,850	7,059	7,228
Total cash used	12,838	13,466	12,913	13,243	13,536
Net cash from/(used by) operating activities	2,460	2,342	2,223	2,106	1,986
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,197	2,079	1,960	1,843	1,723
Purchase of works of art	193	194	198	200	202
Investments	250	250	250	250	250
Total cash used	2,640	2,523	2,408	2,293	2,175
Net cash from/(used by) investing activities	(2,640)	(2,523)	(2,408)	(2,293)	(2,175)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	193	194	198	200	202
Total cash received	193	194	198	200	202
Net cash from/(used by) financing activities	193	194	198	200	202
Net increase/(decrease) in cash held	13	13	13	13	13
Cash and cash equivalents at the beginning of the reporting period	2,347	2,360	2,373	2,386	2,399
Cash and cash equivalents at the end of the reporting period	2,360	2,373	2,386	2,399	2,412

Prepared on Australian Accounting Standards basis.

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

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	193	194	198	200	202
Total new capital appropriations	193	194	198	200	202
Provided for:					
Purchase of non-financial assets	193	194	198	200	202
Total items	193	194	198	200	202
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	193	194	198	200	202
Funded internally from Departmental resources ^(b)	2,497	2,379	2,260	2,143	2,023
TOTAL	2,690	2,573	2,458	2,343	2,225
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,690	2,573	2,458	2,343	2,225
less: gifted assets	(300)	(300)	(300)	(300)	(300)
Total cash used to acquire assets	2,390	2,273	2,158	2,043	1,925

Prepared on Australian Accounting Standards basis.

(a) Includes current Appropriation Bill 2.

(b) Includes the following sources of funding: prior year Act 1 appropriations, donations and contributions, gifts, internally developed assets and proceeds from the sale of assets.

Table 3.6: Statement of Departmental asset movements (Budget year 2022-23)

	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 2022						
Gross book value	10,910	75,791	10,784	38,701	961	137,147
Accumulated depreciation/ amortisation and impairment	-	(13,721)	(6,828)	(658)	(601)	(21,808)
Opening net book balance	10,910	62,070	3,956	38,043	360	115,339
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	-	-	194	-	194
By purchase - appropriation ordinary annual services ^(b)	-	1,529	500	-	50	2,079
Assets received as gifts/donations	-	-	-	300	-	300
Total additions	-	1,529	500	494	50	2,573
Other movements						
Depreciation/ amortisation expense	-	(3,039)	(1,322)	(146)	(109)	(4,616)
Total other movements	-	(3,039)	(1,322)	(146)	(109)	(4,616)
As at 30 June 2023						
Gross book value	10,910	77,320	11,284	39,195	1,011	139,720
Accumulated depreciation/ amortisation and impairment	-	(16,760)	(8,150)	(804)	(710)	(26,424)
Closing net book balance	10,910	60,560	3,134	38,391	301	113,296
Estimated operating expenditure in income statement for heritage and cultural assets						\$'000
Operations and Maintenance						1,148
Preservation and Conservation						91
Total operating expenditure on heritage and cultural assets						1,238

Prepared on Australian Accounting Standards basis

(a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23, including CDABs.

(b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2022-23 for depreciation/amortisation expenses.