

National Portrait Gallery of Australia

Entity resources and planned performance

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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 (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 activities and align with broader government objectives. They are:

- **Advance the collection:** develop, maintain and provide access to a national collection of portraits, by seeking out, researching, acquiring and commissioning artworks which portray the richness of Australian identities and celebrate excellence in art.
- **Engage audiences:** present innovative and insightful creative projects and dynamic programs that attract and inspire audiences through portraiture
- **Increase support:** build public and private sector support to underpin all gallery activity, including through the NPGA Foundation, Circle of Friends, partners, government and individuals.
- **Invest in people and resources:** value, support and invest in our people and resources to create a highly-regarded and welcoming culture and ensure custodianship of the national collection of portraits.

In 2023-24, NPGA's work will be guided by the pillars and principles of the National Cultural Policy – *Revive: a place for every story, a story for every place*.

1.2 Entity resource statement

Table 1.1 shows the total funding from all sources available to 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 by 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 2023-24 as at Budget May 2023

	2022-23 Estimated actual \$'000	2023-24 Estimate \$'000
Opening balance/cash reserves at 1 July	32,955	33,218
Funds from Government		
Annual appropriations - ordinary annual services ^(a)		
Outcome 1	12,615	18,648
Annual appropriations - other services ^(b)		
Equity injection	194	205
Total annual appropriations	12,809	18,853
Total funds from Government	12,809	18,853
Funds from other sources		
Interest	439	446
Sale of goods and services	1,345	1,389
Other	1,113	1,139
Total funds from other sources	2,897	2,974
Total net resourcing for the NPGA	48,661	55,045
Average staffing level (number)	52	55

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

(a) Appropriation Bill (No. 1) 2023-24.

(b) Appropriation Bill (No. 2) 2023-24.

NPGA is not directly appropriated as it is a Corporate Commonwealth entity. Appropriations are made to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (a non-corporate Commonwealth entity), which are then paid to NPGA and are considered 'departmental' for all purposes.

1.3 Budget measures

Budget measures in Part 1 relating to NPGA are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: NPGA 2023-24 Budget measures

Part 1: Measures announced since the 2022-23 October Budget

	Program	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	2026-27 \$'000
Payment measure						
National Cultural Policy – National Collecting Institutions – Sustainability	1.1					
Departmental payments		-	6,361	6,581	6,827	7,225
Total		-	6,361	6,581	6,827	7,225
Total payment measure						
Departmental		-	6,361	6,581	6,827	7,225
Total		-	6,361	6,581	6,827	7,225

Prepared on a Government Finance Statistics (Underlying Cash) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

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/654>

The most recent annual performance statement can be found at:
<https://portrait.gov.au/document/665>

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 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)	12,615	18,648	19,181	19,559	20,082
Expenses not requiring appropriation in the budget year ^(a)	3,225	865	890	915	940
Revenues from other independent sources	2,647	2,724	2,803	2,879	2,958
Total expenses for Program 1.1	18,487	22,237	22,874	23,353	23,980
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services (Appropriation Bill No. 1)	12,615	18,648	19,181	19,559	20,082
Expenses not requiring appropriation in the budget year ^(a)	3,225	865	890	915	940
Revenues from other independent sources	2,647	2,724	2,803	2,879	2,958
Total expenses for Outcome 1	18,487	22,237	22,874	23,353	23,980
	2022-23	2023-24			
Average staffing level (number)	52	55			

(a) Expenses not requiring appropriation in the Budget year are made up of fair value gains on investments and resources received free of charge.

Table 2.1.2: Performance measures 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 2023-24 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 2022-23	Enliven the collection Works acquired in accordance with the Collection Development Policy	Target: 100% Target expected to be met.
	Commissioned works of art	Target: 2 Target expected to be met.
	Collection maintained and preserved with appropriate storage, display and air quality to minimise preventable deterioration or impairment	Target: 0% for preventable deterioration or impairment. Target expected to be met.
	Engage with audiences Reach 1.2 million people a year through exhibitions, education and public programs, and online	Target: 1,200,000 Target expected to be met.

Year	Performance measures	Expected Performance Results
Current year 2022-23 cont.	Stage at least six exhibitions each year	Target: 6+ Target achieved.
	Present a national travelling exhibition program at eight venues	Target: 8 venues Target achieved.
	Increase support for the NPGA Sponsorship goals	Target: \$500,000 Target expected to be partially met.
	Private giving goals including support for Collection development	Target: \$2,000,000 Target expected to be partially met.
	Number of engagements/initiatives with overseas institutions	Target: 5 Target expected to be met.
	Invest in people and resources Staffing budget to ongoing professional development of staff	Target: 1% Target expected to be met.
	Planned versus reactive maintenance undertaken	Target: 75% / 25% Target expected to be met
	Grow commercial revenue	Target: \$440,000 Target expected to be met
Year	Performance measures	Planned Performance Results
Budget year 2023-24	Advance the collection Commissioned works of art	2+
	Actively seek out and purchase appropriate high-merit portraiture	Full use of capital acquisitions funding.
	Collection digitised	> 90% (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 1.3 million people a year through exhibitions, education and public programs, and online	1,300,000
	Stage at least six exhibitions, including a minimum of two substantial collection rehangs, each year	6+
	Present a national travelling exhibition program at eight venues	8 venues
	Increase support for the NPGA Sponsorship goals	\$550,000

Year	Performance measures	Planned Performance Results
Budget year 2023-24 cont.	Private giving goals including support for Collection development	\$2,000,000
	Number of engagements/initiatives with overseas institutions	3
	Invest in people and resources Staffing budget to ongoing professional development of staff	1%
	Planned versus reactive maintenance undertaken	75% / 25%
	Grow commercial revenue	\$460,000
Forward Estimates 2024-27	Advance the collection Actively seek out and purchase appropriate high-merit portraiture	Full use of capital acquisitions funding.
	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 a million people a year through exhibitions, education and public programs, and online	2024-25: 1,400,000 2025-26: 1,500,000 2026-27: 1,600,000
	Stage at least six exhibitions, including 2 substantial collection rehangs, each year	6+
	Present a national travelling exhibition program at eight venues	8 venues.
	Increase support for the NPGA Sponsorship goals	2024-25: \$600,000 2025-26: \$650,000 2027-27: \$700,000
	Private giving goals including support for Collection development	2024-25: \$2,250,000 2025-26: \$2,500,000 2026-27: \$2,750,000
	Number of engagements/initiatives with overseas institutions	3
	Invest in people and resources Staffing budget to ongoing professional development of staff	1%
	Planned versus reactive maintenance undertaken	75% / 25%
	Grow commercial revenue.	2024-25: \$480,000 2025-26: \$500,000 2026-27: \$520,000

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of NPGA's finances for the 2023-24 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 an operating surplus of \$0.6 million in the Budget and forward years that reflects the donations expected to be received by the NPGA Foundation.

The 2023-24 Budget measure, National Collecting Institutions - Financial Sustainability, has provided the NPGA with funding for its total depreciation expenses on long-lived assets in the Budget and forward years.

Budgeted departmental balance sheet

Budgeted investments include donations to the NPGA of approximately \$23 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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
EXPENSES					
Employee benefits	6,257	6,676	6,997	7,321	7,648
Suppliers	7,766	11,077	11,373	11,508	11,788
Depreciation and amortisation	4,464	4,484	4,504	4,524	4,544
Total expenses	18,487	22,237	22,874	23,353	23,980
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	1,345	1,389	1,435	1,481	1,530
Interest	439	446	453	457	461
Dividends	440	445	450	455	460
Other	673	694	715	736	757
Total own-source revenue	2,897	2,974	3,053	3,129	3,208
Gains					
Other	1,140	1,165	1,190	1,215	1,240
Total gains	1,140	1,165	1,190	1,215	1,240
Total own-source income	4,037	4,139	4,243	4,344	4,448
Net (cost of)/contribution by services	(14,450)	(18,098)	(18,631)	(19,009)	(19,532)
Revenue from Government	12,615	18,648	19,181	19,559	20,082
Surplus/(deficit) attributable to the Australian Government	(1,835)	550	550	550	550
Total comprehensive income/(loss) attributable to the Australian Government	(1,835)	550	550	550	550
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) - as per statement of comprehensive income	(1,835)	550	550	550	550
plus: depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	2,385	-	-	-	-
Net cash operating surplus/ (deficit)	550	550	550	550	550

Prepared on Australian Accounting Standards basis.

- (a) Prior to 2023-24, the NPGA did not receive funding for its total depreciation expenses on long-lived assets; rather, funding was 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 operating 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)

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	3,054	3,067	3,080	3,093	3,106
Trade and other receivables	275	275	275	275	275
Other investments	30,164	30,414	30,664	30,914	31,164
Other financial assets	608	608	608	608	608
Total financial assets	34,101	34,364	34,627	34,890	35,153
Non-financial assets					
Land and buildings	75,568	76,238	76,903	77,563	78,218
Property, plant and equipment	3,108	2,496	1,894	1,302	720
Heritage and Cultural	43,370	43,875	44,384	44,895	45,409
Intangibles	346	288	225	157	84
Other non-financial assets	213	213	213	213	213
Total non-financial assets	122,605	123,110	123,619	124,130	124,644
Total assets	156,706	157,474	158,246	159,020	159,797
LIABILITIES					
Payables					
Suppliers	927	927	927	927	927
Other payables	169	169	169	169	169
Total payables	1,096	1,096	1,096	1,096	1,096
Provisions					
Employee provisions	1,816	1,829	1,842	1,855	1,868
Total provisions	1,816	1,829	1,842	1,855	1,868
Total liabilities	2,912	2,925	2,938	2,951	2,964
Net assets	153,794	154,549	155,308	156,069	156,833
EQUITY					
Parent entity interest					
Contributed equity	130,349	130,554	130,763	130,974	131,188
Reserves	19,879	19,879	19,879	19,879	19,879
Retained surplus (accumulated deficit)	3,566	4,116	4,666	5,216	5,766
Total parent entity interest	153,794	154,549	155,308	156,069	156,833
Total equity	153,794	154,549	155,308	156,069	156,833

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2023-24)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/capital \$'000	Total equity \$'000
Opening balance as at 1 July 2023				
Balance carried forward from previous period	3,566	19,879	130,349	153,794
Adjusted opening balance	3,566	19,879	130,349	153,794
Comprehensive income				
Surplus/(deficit) for the period	550	-	-	550
Total comprehensive income	550	-	-	550
Contributions by owners				
Equity injection - Appropriation	-	-	205	205
Sub-total transactions with owners	-	-	205	205
Estimated closing balance as at 30 June 2024	4,116	19,879	130,554	154,549
Closing balance attributable to the Australian Government	4,116	19,879	130,554	154,549

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	12,615	18,648	19,181	19,559	20,082
Sale of goods and rendering of services	1,466	1,514	1,564	1,614	1,668
Interest	439	446	453	457	461
Dividends	440	445	450	455	460
Net GST received	502	794	814	820	838
Other	673	694	715	736	757
Total cash received	16,135	22,541	23,177	23,641	24,266
Cash used					
Employees	6,244	6,663	6,984	7,308	7,635
Suppliers	7,549	11,131	11,426	11,546	11,824
Total cash used	13,793	17,794	18,410	18,854	19,459
Net cash from/(used by) operating activities	2,342	4,747	4,767	4,787	4,807
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,079	4,484	4,504	4,524	4,544
Purchase of works of art	194	205	209	211	214
Investments	250	250	250	250	250
Total cash used	2,523	4,939	4,963	4,985	5,008
Net cash from/(used by) investing activities	(2,523)	(4,939)	(4,963)	(4,985)	(5,008)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	194	205	209	211	214
Total cash received	194	205	209	211	214
Net cash from/(used by) financing activities	194	205	209	211	214
Net increase/(decrease) in cash held	13	13	13	13	13
Cash and cash equivalents at the beginning of the reporting period	3,041	3,054	3,067	3,080	3,093
Cash and cash equivalents at the end of the reporting period	3,054	3,067	3,080	3,093	3,106

Prepared on Australian Accounting Standards basis.

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

	2022-23 Estimated actual \$'000	2023-24 Budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	194	205	209	211	214
Total new capital appropriations	194	205	209	211	214
<i>Provided for:</i>					
Purchase of non-financial assets	194	205	209	211	214
Total items	194	205	209	211	214
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	194	205	209	211	214
Funded internally from departmental resources ^(b)	2,379	4,784	4,804	4,824	4,844
TOTAL	2,573	4,989	5,013	5,035	5,058
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,573	4,989	5,013	5,035	5,058
less: gifted assets	(300)	(300)	(300)	(300)	(300)
Total cash used to acquire assets	2,273	4,689	4,713	4,735	4,758

Prepared on Australian Accounting Standards basis.

- (a) Appropriation equity refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2023-24, including CDABs.
- (b) Appropriation ordinary annual services refers to funding provided through Appropriation Bill (No. 1) 2023-24 for depreciation/amortisation expenses.

Table 3.6: Statement of departmental asset movements (Budget year 2023-24)

	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 2023						
Gross book value	13,495	65,139	4,435	43,371	1,002	127,442
Accumulated depreciation/amortisation and impairment	-	(3,066)	(1,327)	(1)	(656)	(5,050)
Opening net book balance	13,495	62,073	3,108	43,370	346	122,392
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - appropriation equity ^(a)	-	-	-	205	-	205
By purchase - appropriation ordinary annual services ^(b)	-	3,734	700	-	50	4,484
Assets received as gifts/donations	-	-	-	300	-	300
Total additions	-	3,734	700	505	50	4,989
Other movements						
Depreciation/amortisation expense	-	(3,064)	(1,312)	-	(108)	(4,484)
Total other movements	-	(3,064)	(1,312)	-	(108)	(4,484)
As at 30 June 2024						
Gross book value	13,495	68,873	5,135	43,876	1,052	132,431
Accumulated depreciation/amortisation and impairment	-	(6,130)	(2,639)	(1)	(764)	(9,534)
Closing net book balance	13,495	62,743	2,496	43,875	288	122,897
Estimated operating expenditure in income statement for heritage and cultural assets						\$'000
Operations and Maintenance						1,205
Preservation and Conservation						96
Total operating expenditure on heritage and cultural assets						1,301

Prepared on Australian Accounting Standards basis.

- (a) 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No.2) 2022-23, including CDAB.
- (b) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2023-24 for depreciation/amortisation expenses.