

Australia Council



Agency resources and planned performance

AUSTRALIA COUNCIL

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AUSTRALIA COUNCIL

Section 1: Agency 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's vision is to enrich the nation by supporting the practice and enjoyment of the arts through:

- funding and supporting Australian artists and arts organisations to create excellent art
- preserving, maintaining and developing the distinctive features of Australian culture
- ensuring that all Australians have the opportunity to engage with the arts and enjoy a rich cultural life
- shaping a future in which the arts play a meaningful and vital role in the everyday lives of Australians and their communities.

The Council focuses on one outcome in pursuing this vision - the creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their works accessible to the public.

The Council achieves this outcome by:

- investing in artistic production and the development of artistic practice
- supporting the presentation of distinctive Australian cultural work, nationally and internationally
- promoting understanding, enjoyment, participation and appreciation of the arts
- developing the capacity of Australia's creative arts sector
- providing research, promotional and advisory services.

Guided by peers, committees, boards, research and the executive team, the Council develops an annual plan and strategic priorities that focus on gaps and issues common across the sector.

Australia Council Budget Statements

The Council's current priorities are:

- Artist careers - since 2008, the Council has increased grants to individual artists and introduced programs to support young and emerging artists. The current focus is on building programs that support artists through all stages of their careers.
- Artistic innovation - encourages artists and arts organisations to innovate, take risks and stretch the boundaries of their arts practice.
- Giving to the Arts - aims to increase support for the arts from the business and general community through cultural philanthropy, including setting new targets for the Artsupport Australia initiative which has directly facilitated over \$47 million in new partnerships since 2003.
- Arts leadership - the strength and sustainability of each artform depends on creative leadership. The Council seeks to explore the characteristics of successful sector leadership and develop programs for future leaders.
- Arts content in the digital era - the Council has an ongoing priority to support the creation, promotion, distribution, enjoyment, access and preservation of Australian arts through digital platforms. This includes exploring new arts practices and content, building new audiences and creating new digital opportunities for artists.

1.2 AGENCY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Australia Council Resource Statement —
Budget Estimates for 2011-12 as at Budget May 2011**

Source	Estimate of prior + year amounts available in 2011-12 \$'000	Proposed at Budget = 2011-12 \$'000	Total estimate 2011-12 \$'000	Actual available appropriation 2010-11 \$'000
Opening balance/Reserves at bank	15,507	-	15,507	18,381
REVENUE FROM GOVERNMENT				
Ordinary annual services¹				
Outcome 1 ²	-	176,681	176,681	172,264
Total ordinary annual services	-	176,681	176,681	172,264
Total annual appropriations	-	176,681	176,681	172,264
Payments from related entities³				
Amounts from the portfolio department	-	7,706	7,706	7,548
Total	-	7,706	7,706	7,548
Total funds from Government		184,387	184,387	179,812
FUNDS FROM OTHER SOURCES				
Interest	-	2,400	2,400	2,700
Other	-	777	777	2,554
Total	-	3,177	3,177	5,254
Total net resourcing for agency	15,507	187,564	203,071	203,447

1 Appropriation Bill (No.1) 2011-12.

2 \$1.671m relates to prior year funding for the Opportunities for Young & Emerging Artists government initiative.

3 Funding provided by a government body that is not specified within the annual appropriation bills as a payment to the CAC Act body.

Reader note: The Australia Council is not directly appropriated as it is a CAC Act body. Appropriations are made to the Department of the Prime Minister and Cabinet which are then paid to the Australia Council and are considered 'departmental' for all purposes.

All figures are GST exclusive.

1.3 BUDGET MEASURES

Budget measures relating to the Council are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2 Australia Council 2011-12 Budget Measures

Program	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000
Expense measures					
Efficiency dividend - temporary increase in the rate					
Departmental expenses	-	(390)	(786)	(963)	(1,169)
Total	-	(390)	(786)	(963)	(1,169)
Total expense measures					
Departmental	-	(390)	(786)	(963)	(1,169)
Total	-	(390)	(786)	(963)	(1,169)

Prepared on a Government Finance Statistics (fiscal) basis.

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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 agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs that contribute to government outcomes over the Budget and forward years.

The Council's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor the performance of the Council in achieving government outcomes.

Outcome 1: The creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their works accessible to the public.

Outcome 1 Strategy

The Council continues to support the creation of new works, professional development, cultural exchange such as fellowships and residencies, art form awards, mentoring opportunities, organisational investment, business planning advice and other industry investments. It also funds individual artists and organisations that present, exhibit, publish, distribute and promote Australian works.

The Council plays an important role in helping more Australians engage with the arts. It continues to invest significantly in community based arts and community cultural development programs, audience development initiatives, arts marketing and promotional programs, and analysis of the arts sector.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for Outcome 1.

Table 2.1: Budgeted Expenses for Outcome 1

Outcome 1: The creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their work accessible to the public	2010-11 Estimated actual expenses \$'000	2011-12 Estimated expenses \$'000
Program 1: Investment in the Arts		
Revenue from Government		
Ordinary annual services (Appropriation Bill No. 1)	173,935	175,010
Payment from related entities	7,548	7,706
Revenues from other independent sources	5,254	3,177
Total for Program 1	186,737	185,893
<hr/>		
Average Staffing Level (number)	122	122

Contributions to Outcome 1

Program 1.1: Investment in the arts

- Program 1.1 objective**
- To invest in the development and production of excellent Australian artistic work.
 - To assist the presentation of artistically vibrant works, nationally and internationally.
 - To promote the access, participation in and appreciation of the arts by Australians.
 - To assist the development of Australian arts infrastructure.
 - To provide policy development, research and advisory services to promote the arts.

Program 1.1 expenses

Expenses for Program 1.1 are detailed in the following table.

	2010-11 Revised budget \$'000	2011-12 Budget \$'000	2012-13 Forward year 1 \$'000	2013-14 Forward year 2 \$'000	2014-15 Forward year 3 \$'000
Annual departmental expenses:					
Departmental item	173,935	175,010	177,808	178,664	181,747
Expenses not requiring appropriation in the Budget year	12,802	10,883	11,981	11,161	12,163
Total departmental expenses	186,737	185,893	189,789	189,825	193,910

Program 1.1 deliverables

Invest in the development and production of excellent Australian artistic work

The Council invests in artistic production and in the development of artistic practice by providing grants and other forms of financial support to individual artists and organisations through a range of support programs:

- the creation of new work
- professional development opportunities for individual artists in the form of residencies, mentoring relationships and other development programs
- awards for the recognition of outstanding achievement or artistic potential.

Assist the presentation of artistically vibrant works, nationally and internationally

The Council runs programs to increase resources, opportunities and audiences for Australian art through funding for projects that present, exhibit, publish, distribute and promote Australian work in a range of art forms and practice areas.

Promote the access, participation in and appreciation of the arts by Australians

The Council runs programs to increase national and international audiences and markets for Australian arts; support a diverse range of arts and cultural activities in communities and utilise the arts to build stronger communities.

Assist the development of Australian arts infrastructure

The Council provides:

- grants to arts organisations to develop and maintain sustainable and vibrant arts infrastructure



- other forms of support and capacity development programs including collaboration, partnerships and professional development.

Provide policy development, research and advisory services to promote the arts

The Council:

- undertakes research, analysis and evaluation to inform future policy and program development
- through its Artsupport Australia project, provide private sector giving advisory services
- advocates in support of the arts sector.

	2010-11 Revised budget	2011-12 Budget	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
Deliverables					
Number of grants and projects	1,850	1,850	1,850	1,850	1,850
Number of individual artists funded	750	750	750	750	750
Number of organisations funded	1,100	1,100	1,100	1,100	1,100
Number of countries presented in	60	60	60	60	60
Number of grants supporting Australian artists internationally	350	350	350	350	350

Program 1.1 key performance indicators

The key performance indicators demonstrate the performance of the program in achieving its objectives and contributing to the Council's outcome, are provided in the table below.

Key Performance Indicators	2010-11 Revised budget	2011-12 Budget target	2012-13 Forward year 1	2013-14 Forward year 2	2014-15 Forward year 3
Number of new artistic works created	6,500	6,500	6,500	6,500	6,500
Number of artistic works exhibited, performed and published	8,500	8,500	8,500	8,500	8,500
Number of attendances at Australia Council supported arts activities in millions	14	14	14	14	14

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2011-12 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts and government Indigenous expenditure.

3.1 EXPLANATORY TABLES

3.1.1 Movement of administered funds between years

There are no movements of administered funds between years for the Council.

3.1.2 Special Accounts

The Council does not manage any special accounts.

3.1.3 Australian Government Indigenous Expenditure

Table 3.1.3: Australian Government Indigenous Expenditure

Outcome	Appropriations				Other \$'000	Total \$'000	Program
	Bill No. 1 \$'000	Bill No. 2 \$'000	Special approp \$'000	Total approp \$'000			
Australia Council							
Outcome 1							
[title/agency]							
Departmental 2011-12	6,176	-	-	6,176	-	6,176	1
<i>Departmental 2010-11</i>	<i>6,227</i>	<i>-</i>	<i>-</i>	<i>6,227</i>	<i>-</i>	<i>6,227</i>	<i>1</i>
Total outcome 2011-12	6,176	-	-	6,176	-	6,176	1
<i>Total outcome 2010-11</i>	<i>6,227</i>	<i>-</i>	<i>-</i>	<i>6,227</i>	<i>-</i>	<i>6,227</i>	<i>1</i>
Total AGIE 2011-12	6,176	-	-	6,176	-	6,176	1
<i>Total AGIE 2010-11</i>	<i>6,227</i>	<i>-</i>	<i>-</i>	<i>6,227</i>	<i>-</i>	<i>6,227</i>	<i>1</i>

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Differences in agency resourcing and financial statements

There are no differences between the resource information presented in the Budget Papers and the Portfolio Budget Statements as a result of differences between Australian Accounting Standards (AAS) and Government Finance Statistics.

3.2.2 Analysis of budgeted financial statements

The Council's 2011-12 budget has been built on the principle of a balanced base budget. That is, annual expenditure reflects the annual revenue forecast to be received.

Income Statement

Income

Total income is budgeted at \$185.89 million.

The appropriation includes funding for a number of government initiatives:

- the Creative Communities initiative that builds culturally and artistically vibrant communities through the arts
- the Opportunities for Young and Emerging Artists program that focuses on skills development, collaborations and mentorships to support artists in the early stages of their careers
- Artstart for recent arts graduates to help them establish an income-generating professional arts practice.
- the Artists in Residence initiative, run in conjunction with state arts and education departments, employing professional artists in schools to introduce young people to a creative arts practice.

Other income includes \$5.7 million for the *Visual Arts & Craft Strategy* initiative and \$2.0 million for the *Get Reading!* program. Both these initiatives are funded through the Government via the Department of the Prime Minister and Cabinet. Additional revenue is received from third parties for jointly funded collaborative programs, forecast donations for the Venice Biennale and returned grant monies. Table 3.2.1 shows a decrease in own source income of approx \$1.9 million predominately resulting from the bi-annual receipt of Venice Biennale donations and reduced forecast for external party funding contributions.

Expense

Total expense is budgeted at \$185.89 million.

\$163.75 million is budgeted for grants to individual artists, major performing arts and small to medium arts organisations and initiatives to increase national and international audiences and markets for Australian arts. Table 3.2.1 shows a decrease of approx \$2.5m in forecast grants expenses compared with 2010-11. Grant payments from prior year funding have been included in the 2010-11 estimated actual results. Program related employee and supplier related costs to manage government and council initiatives are included in the employee and supplier related expense line items. Operational overheads remain at 9 per cent or below of total expenses.

3.2.3 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
EXPENSES					
Employee benefits	12,247	13,125	13,725	14,046	14,467
Supplier expenses	7,537	8,370	8,725	8,592	8,850
Grants	166,273	163,748	166,639	166,487	169,893
Depreciation and amortisation	680	650	700	700	700
Total expenses	186,737	185,893	189,789	189,825	193,910
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	2,700	2,400	2,400	2,400	2,400
Rental income	60	62	64	67	69
Other	10,042	8,421	9,517	8,694	9,694
Total own-source revenue	12,802	10,883	11,981	11,161	12,163
Total own-source income	12,802	10,883	11,981	11,161	12,163
Net cost of (contribution by) services	173,935	175,010	177,808	178,664	181,747
Revenue from Government	173,935	175,010	177,808	178,664	181,747
Surplus (Deficit)	-	-	-	-	-
Surplus (Deficit) attributable to the Australian Government	-	-	-	-	-
OTHER COMPREHENSIVE INCOME					
Total comprehensive income	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	-	-	-	-	-

Reader note: The Budget measure to provide \$10 million over five years for the Australia Council to invest in new artistic works is included in the Portfolio Budget Statements for the Department of the Prime Minister and Cabinet.

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	15,507	17,221	17,314	17,406	17,406
Trade and other receivables	3,871	2,200	2,200	2,200	2,200
Total financial assets	19,378	19,421	19,514	19,606	19,606
Non-financial assets					
Land and buildings	2,001	1,958	1,915	1,872	1,829
Property, plant and equipment	1,507	1,368	1,229	1,090	951
Intangibles	933	1,065	1,147	1,229	1,411
Other	168	175	182	190	190
Total non-financial assets	4,609	4,566	4,473	4,381	4,381
Total assets	23,987	23,987	23,987	23,987	23,987
LIABILITIES					
Payables					
Suppliers	700	700	700	700	700
Grants	2,100	2,100	2,100	2,100	2,100
Other	250	250	250	250	250
Total payables	3,050	3,050	3,050	3,050	3,050
Provisions					
Employee provisions	1,350	1,350	1,350	1,350	1,350
Other	690	690	690	690	690
Total provisions	2,040	2,040	2,040	2,040	2,040
Total liabilities	5,090	5,090	5,090	5,090	5,090
Net assets	18,897	18,897	18,897	18,897	18,897
EQUITY*					
Contributed equity	-	-	-	-	-
Reserves	4,878	4,878	4,878	4,878	4,878
Retained surplus (accumulated deficit)	14,019	14,019	14,019	14,019	14,019
Total equity	18,897	18,897	18,897	18,897	18,897

* 'Equity' is the residual interest in assets after deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2011-12)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2011					
Balance carried forward from previous period	14,019	2,983	1,895	-	18,897
Adjusted opening balance	14,019	2,983	1,895	-	18,897
Comprehensive income					
Sub-total comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	-	-	-	-	-
Total comprehensive income recognised directly in equity	-	-	-	-	-
Estimated closing balance as at 30 June 2012	14,019	2,983	1,895	-	18,897
Closing balance attributable to the Australian Government	14,019	2,983	1,895	-	18,897

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	172,264	176,681	177,808	178,664	181,747
Interest	2,700	2,400	2,400	2,400	2,400
Other	10,639	8,476	9,574	8,753	9,763
Total cash received	185,603	187,557	189,782	189,817	193,910
Cash used					
Employees	12,400	13,125	13,725	14,046	14,467
Suppliers	8,315	8,370	8,725	8,592	8,850
Grants	167,112	163,748	166,639	166,487	169,893
Total cash used	187,827	185,243	189,089	189,125	193,210
Net cash from (used by) operating activities	(2,224)	2,314	693	692	700
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	(650)	(600)	(600)	(600)	(700)
Total cash used	(650)	(600)	(600)	(600)	(700)
Net cash from (used by) investing activities	(650)	(600)	(600)	(600)	(700)
FINANCING ACTIVITIES					
Net cash from (used by) financing activities	-	-	-	-	-
Net increase (decrease) in cash held	(2,874)	1,714	93	92	-
Cash and cash equivalents at the beginning of the reporting period	18,381	15,507	17,221	17,314	17,406
Cash and cash equivalents at the end of the reporting period	15,507	17,221	17,314	17,406	17,406

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual 2010-11 \$'000	Budget estimate 2011-12 \$'000	Forward estimate 2012-13 \$'000	Forward estimate 2013-14 \$'000	Forward estimate 2014-15 \$'000
CAPITAL APPROPRIATIONS					
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ¹	650	600	600	600	700
TOTAL	650	600	600	600	700
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	650	600	600	600	700
Total cash used to acquire assets	650	600	600	600	700

¹ Includes purchases from current and previous year's appropriation.
Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2011-12)

	Asset Category				Total
	Land	Buildings	Other property, plant and equipment	Intangibles	
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2011					
Gross book value	149	5,906	2,339	2,606	11,000
Accumulated depreciation/amortisation and impairment	-	4,054	832	1,673	6,559
Opening net book balance	149	1,852	1,507	933	4,441
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase - Government funding	-	-	-	600	600
Total additions	-	-	-	600	600
As at 30 June 2012					
Gross book value	149	5,906	2,339	3,206	11,600
Accumulated depreciation/amortisation and impairment	-	4,097	971	2,141	7,209
Closing net book balance	149	1,809	1,368	1,065	4,391

Prepared on Australian Accounting Standards basis.

