

Australia Council for the Arts

Australia Council Annual Report





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Australian Government

Letter of transmittal

Senator the Hon George Brandis QC Attorney-General Minister for the Arts Parliament House Canberra ACT 2600

30 September 2013

Dear Minister,

On behalf of the Board of the Australia Council, I am pleased to submit the Australia Council annual report for 2012–13.

Under Section 9 of the *Commonwealth Authorities and Companies Act 1997*, the Board members of the Australia Council are responsible for the preparation and content of a report of operations in accordance with the Commonwealth Authorities (Annual Reporting) Orders 2011. The following report of operations and financial statements were adopted by resolutions of the Board on 30 September and 23 August 2013 respectively.

Yours faithfully,

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Rupert Myer AM Chair, Australia Council

The Australia Council respects Indigenous communities and cultures. Readers should be aware that this report may contain images or references to members of the Indigenous community who have passed away.

Mission

The Australia Council is the Australian Government's principal arts funding and advisory body. The Australia Council's mission is to support the creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their works accessible to the public.

The Australia Council therefore plays a crucial role in supporting artists and arts organisations to create and present their work, improve and develop their skills, and tour and promote their work to wider audiences. It also develops new audiences for the arts nationally and internationally, and promotes an appreciation of the value of the arts to Australians.

The Council's national focus reflects the culture and creativity of both regional and urban communities and honours its statutory obligation to ensure access to, and participation in, the arts by all Australians.

The Council's overarching guiding principle is the support of artistic excellence through the arm's length, peer review of grants to artists and arts organisations. During 2012–13 this was enabled by its artform boards and panels across all divisions, whose members are made up of Australia's leading arts practitioners.

Introduction

Michaela Gleave, A Day is Longer than a Year, 2013. Theatre spotlights, dichroic filters, custom motors. Installation view: Fremantle Arts Centre. Photograph: Michaela Gleave. Image courtesy of the artist and Anna Pappas Gallery, Melbourne.

2012–13 at a glance

\$174.8 million

in grant and project funding to artists and arts organisations

15 million

attendances at Council supported activities

2,021 Council grants and projects

8,856 new artistic works created with Council support

7,034 new artistic works presented with Council support

1,019 individual artists funded (directly and devolved)

168

organisations funded through Key Organisations multi-year grants and the Major Performing Arts Framework



Report from the Chair

It has been my great privilege to serve the Council as its Chair over the past 12 months.

It has been a time of great change. The year concluded with new governing legislation being approved, a new Australia Council being announced, the development of more flexible ways of working with Australia's artists and arts organisations and increased financial capacity. The Australia Council Review of 2012, the Mitchell Review of Private Sector Support for the Arts and the National Cultural Policy, *Creative Australia*, have each played a significant role in the changes that have occurred.

As we commence this new era, I would like to acknowledge the vision and foresight of the many Australians who for more than four decades through the Council and its previous structures have nurtured and developed the arts in Australia. The centrality of the artist has been paramount in the culture and personality of the Council. I believe that this has been evidenced by the care and respect shown for the artist in the work we do. The manner in which we engage with all artists, arts organisations, Indigenous communities and government in matters of grant making and advocacy, has been guided by arts practice expertise, a well managed and open process of arm's length peer review, collaboration between all tiers of government and exposure to and dialogue with Australian and international audiences and markets.

The Australia Council's funding of \$174.8 million in 2012–13 translated into the creation of 8,856 new artworks and the presentation, performance, publication and exhibition of 7,034 artworks. All this is testament to the creativity of the thousands of Australian artists, organisations and community members who participated in the artistic process, both in Australia and overseas. During 2012–13 the Council was grateful for the support of the Honourable Simon Crean MP and his successor as then Minister for the Arts, the Honourable Tony Burke MP. Minister Crean oversaw the development and passage of *Creative Australia*, which included much needed and appreciated additional financial support for Australian artists. His support and enthusiasm were continued energetically by Minister Burke.

I would particularly like to acknowledge and thank those members of Council whose terms concluded during the year. Louise Herron, Chair, Major Performing Arts Board, Chrissy Sharp, Chair, Dance Board, Ted Snell, Chair, Visual Arts Board and Frank Cooper, Acting Chair, Major Performing Arts Board retired during the year. During the year under review, Elizabeth Walsh was appointed as Chair, Dance Board; Julian Knights as Chair of the Major Performing Arts Board and Danie Mellor as Chair of the Visual Arts Board. With the change in the governance structure brought about by the new legislation, their terms of appointment concluded on 30 June 2013, along with Stephen Armstrong, Chair Theatre Board, Sophie Cunningham, Chair, Literature Board and Ken Lloyd AM, Community Representative and Audit and Finance Committee Chair. I have greatly appreciated the thoughtful contributions and guidance from the retiring and continuing members of Council during my first year as Chair. I thank them for their wisdom, their patience and their goodwill during the changes that have occurred. I have also greatly appreciated the engaged, sage and constant support of Robyn Archer AO, Deputy Chair.

On behalf of the Council and the sector, I would like to thank Kathy Keele, who retired as CEO at the end of 2012. During her term in office, Kathy worked with five ministers and six departments at a time that saw immense change nationally and globally. The organisation experienced a restructure, implemented greater efficiencies and introduced many initiatives. I would like to acknowledge Kathy's important contribution over this complex period and for her support to me during my first six months in the role.

From January until May 2013, Libby Christie served as Acting Chief Executive Officer and I would also like to thank her for her crucial role during the lead up to the changes previously outlined. The Council was pleased to welcome Tony Grybowski as Chief Executive Officer in May 2013, following his considerable contribution to the organisation since 2006 as the Executive Director of the Arts Organisations division. A trained musician, Tony has spent his working life contributing to the Australian arts scene as an administrator with leading arts organisations. I look forward to working with Tony at this exciting time for the Council.

I would also like to take this opportunity to congratulate Senator the Honourable George Brandis QC on his recent appointment as Attorney-General and Minister for the Arts. We look forward to working with Senator Brandis and the Ministry for the Arts within the Attorney-General's Department in the future.

All of us at the Council were deeply saddened in March 2013 by the death of our former Chair, James Strong AO, whose experience, wisdom and enthusiasm guided our organisation for more than six years, from 2006 to 2012. A passionate supporter of the arts and mentor to many young artists, James left a lasting legacy with the many arts organisations that he so ably served.

The commentary in this Annual Report sets out the many ways in which the Australia Council has served the arts community in Australia over the last year, its final as constituted by the *Australia Council Act 1975*. This is an organisation that is highly engaged with the sector that is serves. It has a considerable depth of management, arts expertise and knowledge. It looks forward to the opportunities that lie ahead to serve the sector with greater flexibility and capacity.

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Rupert Myer AM Chair, Australia Council

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Report from the CEO

The 2012–13 financial year was marked by review and reform for the Australia Council.

In 2012, the Australian Government commissioned a review of the organisation led by Gabrielle Trainor and Angus James to explore ways in which the Council might be better equipped to adapt to a 21st century arts sector.

The review found that although the Council's model of funding had served and developed our nation's artists, the Council needed to be more flexible and responsive to the needs of artists today and into the future. In order to adapt to these needs, the review recommended a more strategic way of allocating funding.

After the comprehensive consultation period with stakeholders, the review's proposals were addressed in the National Cultural Policy, *Creative Australia*. The major recommendation was a new governing legislation for the Council, the *Australia Council Act 2013*, which commenced on 1 July 2013 at the beginning of the 2013–14 financial year.

The legislation implements the majority of recommendations that were made in the review, including the updating of the Council's governance structure consistent with other modern statutory authorities such as Screen Australia and the National Portrait Gallery of Australia. One of the integral parts of our grants program is the peer review system, and this will remain at the heart of what we do. In 2012–13, we had seven artform boards overseeing our funding for specific artforms, in addition to a number of panels across the organisation. With the implementation of a new governance structure and the establishment of a range of sector panels and an enhanced peer review system, the Australia Council will have a broader pool of skills across a more diverse range of artistic practice to match the needs of a changing arts sector.

With these changes, the Council will become a more flexible and vibrant arts funding organisation that is demonstrably transparent in the way it allocates financial and other resources to artists and arts organisations. This will build a sector that is prosperous, vibrant and well supported throughout the community, ensuring Australia's artistic achievement is celebrated publicly and celebrated often.

It is an honour to be given the opportunity to lead this important organisation, which for four decades has been pivotal in nurturing and developing the Australian arts sector. I give thanks to every panel, staff and Board member for their efforts this year. Their passion, commitment, skills and experience are an extraordinary resource for the arts in Australia, and their work has furthered the development of a creative and enriched Australian community.



Tony Grybowski Chief Executive Officer

Year in Review

Grant making was the core activity of the Council in 2012–13. During the year a total of 2,021 grants were made to artists and organisations, totalling \$174.8 million.

In addition, the Council undertook initiatives and grants that assisted the arts sector to better disseminate and market its activities across Australia and internationally. A strong research and strategic analysis program also provided robust findings and data analysis to assist the sector to plan for growth.

The Council's activities are coordinated and delivered by the organisation's five divisions – Arts Funding, Aboriginal and Torres Strait Islander Arts, Arts Organisations, Arts Development and Corporate Resources. The following provides some highlighted achievements from the 2012–13 financial year.

Arts Funding

Arts Funding supported artists, their art making and presentation across Australia through the grants awarded by the artform boards, committees and panels. Core to the work of the division is arm's length peer assessment of applications for grants. These grants support the creation of new work, the presentation and promotion of work, and professional development opportunities including residencies and fellowships.

In 2012–13, the division's artform boards and committees considered 5,436 applications and awarded 1,345 grants to enable artists to explore, experiment and create. The Council's artform boards supported many artists and arts organisations to deliver innovative and exciting artform projects and initiatives. Some highlights that demonstrate the breadth of activity include the following:

Community Partnerships

The Community Partnerships Committee contributed strategic funding to Malcolm McKinnon's documentary on the *DUST* project by Hubcap Productions. *DUST*, which was supported by the Council, was a performance project with members of the asbestos diseases communities in four states. McKinnon's documentary will present a critical interpretation of the ambitious, innovative and inspiring community theatre project and enable *DUST* to reach a new mainstream television audience.

Dance

The Dance Board delivered a National Dance Forum in partnership with Ausdance National. More than 170 members of the dance sector attended to share their perspectives, foster connections and open discussions. The forum coincided with the festival *Dance Massive*, which presented 18 works over 13 days with associated workshops, classes, open studios and public programs. The program was bolstered by the Market Development section's support of the International Visitors Program as well as featuring the event, *The Beat of Our Nation*, which focused on introducing national and international arts presenters to Australian Aboriginal and Torres Strait Islander choreographers.

Emerging and Experimental Arts

In early 2013, the Council launched an Emerging and Experimental Arts Program through its Inter-Arts Office. The new program embraces a diverse range of arts practices that fall outside conventional artforms, including hybrid arts, media arts, interdisciplinary arts and interactive art. In May 2013, the Council hosted the inaugural National Experimental Arts Forum with themes focusing on how to support risk, festivals, experimental practice and knowledge building in the sector. On the final evening of the forum, Robyn Archer AO, Deputy Chair of the Australia Council, announced the establishment of the Emerging and Experimental Arts section to support artists working in these exciting areas of arts practice.

Literature

The Literature Board continued to make a significant investment in Australian writers directly, providing a number of international residencies and grants. Residencies were awarded to Paul Ham and Timothy Daly for the Keesing Studio in Paris, Susan Hawthorne and Julie Janson for the B.R. Whiting studio in Rome and Catherine Bateson for the Australia Council studio in Paris. Notable grants and awards were a two vear Fellowship grant to fiction writer Steven Carroll and an Award for Lifetime Achievement in Literature to author Herb Wharton. The Literature Board supported a number of new projects, including the First Nations Australia Writers Network, the Black and Write mentorship for Indigenous editors, and the Ilbijerri Black Writers' Lab Initiative – a writers' lab for Indigenous playwrights to develop their writing skills to a professional industry standard.

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Music

The Music Board addressed an increasing range of diverse music genres and, under the Nashville Songwriter Residency pilot program, awarded singer/songwriters Chris Altmann and Travis Caudle three month residencies in Nashville under the guidance of expatriate Australian songwriter and producer Mark Moffatt. Caudle and Altmann worked with Moffatt to write and record new songs, showcase and perform, and network in Nashville with music industry publishers, labels and industry representatives.

Theatre

The Theatre Board created, in partnership with Arts Queensland, the Theatre Diversity Associate initiative in Queensland. Led by respected theatre director Chris Kohn, this two year pilot program has been created to increase diversity in casting and programming. The initiative will promote the work of culturally diverse artists by working across the independent, small, medium and large theatre sectors. The initiative is being rolled out in Queensland Theatre Company, La Boite Theatre, Metro Arts and Brisbane Multicultural Arts Centre to help these companies achieve their diversity goals.

Visual Arts

The Visual Arts Board, alongside Theatre, Dance and Emerging and Experimental Arts, supported The Kaldor Public Art Project #27, entitled 13 *Rooms*. The project exhibited 13 international artists including Marina Abramović, Allora and Calzadilla, Clark Beaumont, John Baldessari, Simon Fujiwara, Damien Hirst, Joan Jonas, Xavier Le Roy, Laura Lima, Roman Ondák, Tino Sehgal, Santiago Sierra and Xu Zhen. Employing more than 100 Australian artists working across the fields of visual arts, interdisciplinary practice, dance and theatre, the innovative group exhibition of 'living sculpture' was showcased across 13 purpose built rooms. There were approximately 30,000 visitors to the event.

The Arts Funding division also manages the following Australian Government initiatives: Artists in Residence, Creative Communities Partnerships, ArtStart and Creative Australia Artists Grants (see Section 2 for more details on these and other Australian Government initiatives in 2012–13).

Aboriginal and Torres Strait Islander Arts

The Aboriginal and Torres Strait Islander Arts (ATSIA) division supported the development and promotion of traditional arts practices and new forms of artistic expression among Aboriginal and Torres Strait Islander peoples across all artforms. In 2012–13,

ATSIA focused on the importance of cultural expertise and authority in creative expression, the life and well being of communities and international celebrations of excellence.

International highlights in 2012–13 were a 76 strong delegation to the 11th Festival of Pacific Arts in the Solomon Islands, the unveiling of the monumental work by Lena Nyadbi *Dayiwul Lirlmim* (Barramundi Scales) on the rooftop of the Musée du quai Branly in Paris, and the establishment of a new residency opportunity with the Kluge-Ruhe collection at the University of Virginia for six artists, which will see two artists engaged each year in the residency program from 2013–15.

ATSIA held national workshops to increase the capacity of Indigenous arts organisations to respond to environmental influences, opportunities and challenges. These focused on the use of research analysis and skilled use of media for telling positive and constructive stories. ATSIA also created spaces for artists to work together nationally, as with the Indigenous choreographers program, delivered with the Market Development section, within the 2012 *Dance Massive* events in Melbourne.

The National Indigenous Arts Awards were presented in May 2013 at the Sydney Opera House. The \$50,000 Red Ochre Award, Australia's highest peer assessed award for an Indigenous artist, went to actor, dancer, choreographer and painter David Gulpilil OAM. The \$20,000 Dreaming Award for a young and emerging Indigenous artist was awarded to Rhonda Dick, a photographer from South Australia. Two fellowships of \$45,000 per year over two years were awarded to visual artist, Jennifer Kemarre Martiniello and to writer, activist and musician Richard Frankland. On 27 May the ACCELERATE Indigenous Cultural Leadership program, in partnership with the British Council, provided a further opportunity for Australia's Indigenous cultural leaders.

Key achievements in literature included the First Nations Australia Writers Network, created in collaboration with the Literature Board, bringing together writers from all states and territories for workshopping, reading, storytelling and inspiration, and *Yellamundie* the national Indigenous playwrights' festival, building opportunities for writers for performance, sharing ideas and strengthening the practice of writing and developing pathways for new work.

In 2013, the Aboriginal and Torres Strait Islander Arts Board and division also conducted a national review and consultation about its arrangements for dedicated Indigenous funding programs delivered to Aboriginal and Torres Strait Islander people, groups and organisations. This review implemented the policy that applicants will not be required to submit a confirmation of identity form with an application, if the applicant is successful with funding, the applicant can be formally requested to supply a confirmation of identity if the need arises.

Arts Organisations

Arts Organisations manages and oversees the operations of major performing arts (MPA) companies as well as managing relations with triennially funded key organisations. In 2012–13, the Arts Organisations division oversaw funding to 168 multiyear funded key organisations and MPA companies, in close collaboration with state funding bodies.

The funded companies demonstrated an extensive reach into the Australian community, with 4.4 million in attendance at performances, 1.1 million in attendance at schools and education programs and 6.5 million attendances at exhibitions. This led to 9,000 artists being employed in the sector.

Services provided to the companies included business planning assistance, management and leadership training, and the provision of a range of forums and resources in the areas of marketing, digital innovation and organisational governance.

Some highlights from across the sector included:

- The number of partnerships created by the 11 Community Partnerships Key Producers increased. In 2012, a total of 507 individual partnerships were nurtured between these companies and other non-arts partners.
- Organisations were offered programs to support capacity development. Programs offered included the national Arts Executive Leadership Program which presented skills development workshops across Australia and attracted 80 executive and administrative staff from the sector to develop skills in leadership, business planning and strategic thinking; and the Emerging Leaders Program offered places to 24 arts leaders from across Australia and provided a year long program of intensive skills development, networking and leadership mentoring from prominent Australian executives.
- Capacity Development grants supporting strategic development and growth across core business and program activities of arts organisations were provided to the West Australian Symphony Orchestra, Adelaide Symphony Orchestra, Australian Major Performing Arts Group, State

Theatre Company of South Australia, Opera Australia, Australian Copyright Council, State Opera of South Australia, West Australian Opera, the Queensland Symphony Orchestra, Ausdance National, Regional Arts Australia and Restless Dance Theatre.

- Geeks in Residence programs that develop technical capacity and digital literacy for both operational and artistic activities were placed with Arts Access, Barkly Regional Arts, Information and Cultural Exchange and Bell Shakespeare Company.
- Five strategic partnerships were supported between MPA and key organisations through the Interconnections Program. The program supports co-commissions and innovative collaborations between MPA companies and small to medium arts organisations. Companies taking up partnerships included Bell Shakespeare Company, Malthouse Theatre, Musica Viva Australia, Queensland Symphony Orchestra and the State Theatre Company of South Australia.
- The HIVE LAB program a partnership between the Adelaide Film Festival, ABC Arts and the Council – placed artistic leaders with film makers in an intensive development laboratory aimed at creating new platforms for screen based work. Two feature film proposals were selected for production development with options for screening at the 2015 Adelaide Film Festival and ABC Arts. The funded projects were *Spear*, directed by Stephen Page and produced by John Harvey, and *Girl Asleep*, directed by Rosemary Myers with producer Jo Dyer.

Arts Development

Arts Development supports the Council to increase participation in the arts. Arts Development achieves this by conducting and communicating research and knowledge about the sector, and building audiences and markets for Australian arts.

In 2012–13, a number of new programs were introduced including Blaklines, a touring program for Aboriginal and Torres Strait Islander performing artists and arts organisations to tour their work to regional and remote communities; Project Capital, increasing the small to medium dance sector's capacity to present work beyond their own state borders and; Engage, supporting innovative audience development strategies in regional and remote Australia.

A range of activities connected to the National Touring Framework research were delivered throughout the year. One of the achievements was enabling the state and territory authorities to meet and consider how to harmonise the various touring programs across the country. The program also supported meetings with the Performing Arts Touring Alliance, enabling key performing arts touring stakeholders the opportunity to develop a sector action plan to maximise national touring outcomes.

The Council also supported artists and arts organisations to build partnerships internationally. In 2012–13 Australian artists and arts organisations featured in 32 countries across six continents. Highlights include:

- The Publishing Program supported 31 publishers representing 718 authors at international book fairs, generating more than \$2 million in sales. The Visiting International Publishers Program supported 13 international publishers to attend the Sydney Writers' Festival and participate in 380 one on one industry meetings with Australian publishers.
- The Going Global program supported tours to 19 countries involving 220 Australian performing artists. In addition, 34 arts leaders and producers were supported to attend various performing arts markets.
- Live On Stage supported 110 Australian musicians and their managers to attend international music markets. Over 300 industry meetings were conducted, generating more than \$1 million in sales.



- The Market Development Skills Program and the International Indigenous Explorers program focused on capacity building for Aboriginal and Torres Strait Islander artists and arts organisations and those working in the small to medium performing arts sector.
- Australasian Worldwide Music Expo (AWME) provided a platform for more than 400 musicians to showcase their work to 535 national and international delegates.
- The Visual Arts program ensured the representation of 84 Australian artists at international art fairs, as well as supporting the International Visiting Curators and Collectors programs at the Asia Pacific Triennial, Melbourne Art Fair, Biennale of Sydney and Cairns Indigenous Art Fair.
- Australian artists and arts organisations had a significant impact in Korea, attending the Performing Arts Market Seoul and the Korean International Art Fair. In addition, exploratory market visits were undertaken by the Australian Commercial Galleries Association in China and by the Australian Publishers Association in Taiwan and Korea.
- The International Network for Contemporary Performing Arts (IETM) collaboration program generated over 1,900 enquiries from artists, producers, companies, peak bodies and funders from Australia and Europe about touring, residencies, networking and other activities. The program also supported 35 artists and producers in collaborative projects in Europe and 57 artists and producers attended IETM meetings.

The Council strengthened support for Australian artists globally through the Venice Biennale. New South Wales based artist Simryn Gill represented Australia at the 2013 Venice Biennale, and her exhibition *Here art grows on trees* achieved strong media and critical acclaim. Significant milestones have been achieved for the redevelopment of the Australian Pavilion in Venice, with the Australian Government providing \$1 million and more than \$5 million being raised from individual donors. Simon Mordant AM, Commissioner for Australia Venice Biennale 2013 and 2015, worked closely with Council in leading the fundraising for the new Australian Pavilion.

Continued research and strategic analysis programs delivered robust data analysis and information for strategic planning, evaluation, knowledge sharing and advocacy work for the Council and the arts sector. A major research initiative was Art Facts, a statistical overview of the Australian arts sector. Art Facts covers music and visual arts and will grow to cover all artforms, including Indigenous arts. An industry wide scan on artist remuneration was also conducted to support staff communication with the sector and assist peers to consider artist remuneration consistently in funding decisions.

Corporate Resources

Corporate Resources continued to provide services and information to both the organisation and external stakeholders in an efficient, timely and positive manner through the Council's human resources, financial services, business information, records management, information technology and office support functions

As part of an ongoing program to improve the management and delivery of programs more efficiently across the Council, new systems and enhancements were implemented in 2012–13. These introductions included a new finance system, and improvements to the records

management system (HP TRIM), IT infrastructure, security monitoring, grants system and the grants management database.

A number of initiatives were delivered in the human resources area:

- the Workforce Plan was aligned to Australia Council strategic goals
- an online performance management and appraisal system was implemented
- an online recruitment portal was created
- Cultural Awareness Training was delivered as part of the Cultural Engagement Framework strategy
- an update of the Workplace Health and Safety policy and procedures, in line with major Commonwealth legislation changes in January 2013.

A number of workshops were also conducted to introduce staff to key legislative and compliance obligations related to their work area, such as privacy law, freedom of information, good decision making, procurement and tender activities.

Risk management initiatives were successfully undertaken during the year, including a review of the adequacy and effectiveness of operational and financial controls over key systems relating to grants payments and returned grants, together with a review of IT general controls.

Funding Overview

The Australia Council invested over \$174.8 million in artists and arts organisations across Australia in 2012–13, compared to \$164.5 million in the previous financial year.

The Council supported a wide range of arts activity during 2012–13, from small grants to individual artists, to multi-million dollar funding to major performing arts organisations.

The Council's \$174.8 million investment enabled artists to create 8,856 new works in 2012–13 and to present, perform, publish or exhibit 7,034 new works. There were over 15 million in attendance at Council funded events throughout 2012–13.

This \$174.8 million investment also funded 2,021 grants and projects. Of this, \$98 million went to major performing arts companies, over \$34 million was distributed through board grants and Council initiatives, and over \$20 million was delivered through government initiatives (see figure 1).

Of the 2,021 grants and projects provided by the Council in 2012–13, 982 grants were given to individual artists and 1,039 grants were awarded to organisations (figures for individual artists include artists working together as groups, outside of formal structures). During 2012–13, 6,682 grant applications were received, which was an increase of 678 applications on the previous financial year (see figure 4), and reflects notable growth from the national touring programs and early career artist programs, together with increases in some other areas, including Aboriginal and Torres Strait Islander Arts and Community Partnerships. The \$174.8 million total investment included \$52.3 million for the nation's orchestras; \$23 million for opera; \$13.3 million for other music artists and organisations; \$17.5 million for visual artists and organisations; \$27 million for theatre companies and artists; \$18.8 million for dance artists and companies; \$7.1 million for writers, publishers and literary organisations; \$13.6 million for cross artform artists and organisations; and \$2.2 million in miscellaneous funding, including sector building and audience development initiatives and programs (see figure 2).

The Council's total funding for 2012–13 also included:

- \$8.7 million for international activities by Australian artists and arts organisations
- \$7.9 million for arts and cultural activities with a predominantly Indigenous focus
- \$21.1 million for arts and cultural activities with a predominantly regional focus
- \$20.8 million for Government initiatives. These initiatives are discussed in Section 2 and include \$5.4 million for the Regional Touring Programs which were transferred to the Council in 2012–13.
 \$4.7 million of these grants were classified as having a national focus in figure 3.

Figure 1: Grant and program funding



	2009–10	2010–11	2011–12	2012-13
Total funding \$'000	164,534	163,841	164,510	174,823
Key organisations	21,241	22,116	21,395	21,081
Major performing arts	94,902	96,523	97,284	98,467
Government initiatives	16,217	16,579	16,122	20,769
Council initiatives	4,641	2,051	2,154	7,662
Board grants	27,533	26,572	27,555	26,844

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Figure 2: Total funding by artform 2012–13



By Artform	2009–10	2010–11	2011-12	2012–13
Orchestras	50.4	51.3	51.2	52.3
Opera	20.8	21.1	21.6	23.0
Other music	12.3	12.3	12.8	13.3
Visual Arts	16.4	16.9	15.7	17.5
Theatre	22.0	24.6	23.4	27.0
Dance	17.1	16.1	16.8	18.8
Literature	7.7	6.6	5.9	7.1
Cross-artform	13.5	10.7	13.1	13.6
Miscellaneous	4.3	4.2	4.0	2.2
Total	164.5	163.8	164.5	174.8

Figure 3: Total funding by state and territory 2012–13



By state and territory	2009–10	2010-11	2011-12	2012-13
New South Wales	59.4	60.0	58.2	58.6
Victoria	37.9	39.9	39.2	39.5
Queensland	15.2	15.1	15.5	15.9
South Australia	14.3	13.4	14.2	13.4
Western Australia	11.5	12.7	11.6	12.9
Tasmania	7.3	7.7	7.8	8.2
Northern Territory	2.7	2.5	2.6	2.6
Australian Capital Territory	1.3	1.8	1.6	1.3
National	10.3	5.0	7.5	14.8
Overseas	4.6	5.7	6.3	7.6
Total	164.5	163.8	164.5	174.8

NB: Table includes rounding to the nearest dollar. * Funding by division includes government and Council initiative allocations delivered by each division. "An Organisations includes grants to key organisations and company/sector development initiatives





Figure 4: Total applications, grants and projects



Grants and project applications Grants and projects to organisations

Grants and projects to individuals

Grants to individuals artists devolved through organisations/companies

	2009–10	2010–11	2011–12	2012-13
Grant and project applications	4,700	5,689	6,004	6,682
Grants and projects approved:	1,873	1,897	1,922	2,021
 Grants and projects to organisations 	1,121	1,085	1,019	1,039
 Grants and projects to individuals (including artists working together as groups outside of formal structures) 	752	812	903	982
 Grants to individual artists devolved through organisations/companies 	143	105	108	37

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Ben Hancock, Lucy Guerin Pieces for Small Spaces, 2013. Image: Byron Perry



3.

No

no min



Strategic plan

In 2012–13, the Council sought to support the creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their works accessible to the public.

The strategic direction of the Council was guided by its strategic plan for 2012–13, which monitored artform sector needs and aligned to the broad principle of maintaining an Australian arts sector that is artistically vibrant, diverse and accessible.

The strategic planning process was driven by an annual review of the artform sector plans which identified trends, and reviewed outcomes of previous funding programs to determine strategic directions. The artform sector plans were developed with input from the sector and published on the Council's website.

The Australia Council's performance against these goals and the key performance indicators set out in the Portfolio Budget Statement 2012–13 (PBS) are set out in this section.

Strategic Goals for 2012–13:

Goal 1

Increase Australians' access to and awareness of the arts

Goal 2

Improve the sustainability of Australian arts practice

Goal 3

Support creative innovation to ensure the vibrancy and relevance of Australian arts in the 21st century

Goal 4

Develop and increase markets and creative engagement for Australian artists

Goal 5

Increase support and resources available to artists

Goal 6

Improve efficiency, responsiveness and accountability across the Australia Council and funded organisations

Goal 1

Increase Australians' access to and awareness of the arts.

The Council funded a number of initiatives to increase the national markets for the arts. These initiatives included the strengthening of national touring networks, providing leadership through artform sector planning, promoting the Council as a key source of information about the arts, and increasing the diversity of access to funding through a Cultural Engagement Framework (CEF).

Throughout 2012–13, more than 15 million people attended Council funded events or initiatives, an increase of 2 million from 2011–12.

	Target	Target achievement
Number of artistic works exhibited, performed and published	8,500	7,034 Whist slightly under target, the 7,034 works for 2012–13 represented a 37% increase on the year before, notably in the literature works, community partnership projects, regional touring programs (Playing Australia, Festivals Australia and Visions of Australia) and Arts Development programs such as Hopscotch and Art Fare.
Number of attendances at Council supported activities	14.0 million	15.4 million Target exceeded – reflecting strong performance from key organisations and exhibitions.

The Council runs programs and initiatives to increase national and international audiences and markets for Australian arts and assists the presentation of artistically vibrant works in those markets. It supports a diverse range of arts and cultural activities in communities and utilises the arts to build stronger communities.

	Target	Target achievement
Number of visits to website	0.69 million	0.73 million
Number of page views on website	2.0 million	2.6 million

Key highlights for 2012–13:

- Access to the arts was a focus of the funding provided to MPA companies. These companies delivered more than 6,000 performances to an aggregate audience of 3 million people across Australia.
- The Council funded several organisations to deliver programs and increase participation in the arts in under represented communities – regional, multicultural and artists and audiences with disability. Organisations funded include Regional Arts Australia, Kultour and Arts Access Australia.
- The Creative Communities Partnership Initiative (CCPI) supported two pilot 'Cultural Places' projects run by the state arts funding bodies in Queensland and South Australia, which aimed to increase regional community participation with community arts projects.
- Scheduled marketing activities to ensure the Council was a visible and credible source of information about the arts, through the management of website content and the Council's news platform, Artery, and associated social media.

Australian Government Spatial Reporting 2012–13 Program 1: Investment in the Arts

Category	Budget Estimate \$m	Actual Expenses \$m	Variation \$m
Regional	14.0	21.2	7.2
Non-regional	-	144.9	144.9
Non-specific	154.0	8.7	145.3
Total	168	174.8	6.8

Spatial accounting captures and records expenditure by geographic location under three categories—regional, non-regional and non-specific. Since the 2011–12 Budget, the government has published spatial accounting information in regional ministerial statements, providing greater visibility on levels of expenditure expected to be distributed to regional Australia.

Goal 3

Support creative innovation to ensure the vibrancy and relevance of Australian arts in the 21st century.

The Council performed research and provided innovative grants programs and opportunities tied to sector planning. This planning increased opportunities for cross artform collaborations and increased funding to emerging arts practices.

Key highlights for 2012–13:

The Council created the Emerging and Experimental artform section in Arts Funding to fund and support new and emerging art practice.

Goal 2

Improve the sustainability of Australian arts practice.

The Council invests 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
- awards for the recognition of outstanding achievement or artistic potential.

Key highlights for 2012–13:

- Of the 2,021 grants funded, 1,039 were awarded to organisations and 982 were awarded to individuals.
- Increased collaborative partnerships with national and international umbrella organisations, including Melbourne Art Fair, Korean Arts Management Service, International Network for Contemporary Performing Arts (IETM) and Australian Performing Arts Centres Association.
- Supported Indigenous artists through the ACCELERATE Indigenous Leadership program, in partnership with the British Council, in addition to the three year Indigenous literature strategy.
- Delivered a range of programs in professional development for MPA companies, including arts executive and comprehensive emerging leader programs, industry summits, and skills development programs for artists, creatives and arts managers.

	Target		Target achievement
Number of grants and projects	1,850	2,021	Targets were largely met or exceeded,
Number of individual artists funded	750	982	with the funding shifting towards
Number of organisations funded	1,100	1,039	individual artists.
Number of new Australian artworks created	6,500	8,856	The number of works created from all grant programs exceeded the target,
Total funding for new Australian artwork projects	7 million	6.6 million	notwithstanding that direct funding to specific new work categories was marginally below target.

Goal 4

Develop and increase markets and creative engagement for Australian artists.

The Council invested in national and international market development activities by supporting international collaboration projects (Korean Arts Management Service, Australian Connection program and the IETM Australia Collaboration program), touring and market presence programs (Visiting International Publishers Program, Booked, Art Fare, International Performing Arts Markets grants programs). These programs enable artists and arts organisations to enhance their incomes and reputations, increase their audiences, extend the life of their creative work and build exciting new artistic collaborations.

	Target	Target achievement
Number of grants supporting Australian artists internationally	350	620
Number of initiatives that strengthen ties with other countries	30	38
Number of countries presented in	60	76

Key highlights of this strategy in 2012–13:

- National and international engagement with the work of Australian artists by funding the presentation and promotion of new and existing works through a range of competitive grant programs offered by all artform areas.
- Building national and international markets through initiatives and grants programs to build opportunities for Australian artists and arts organisations to increase networks, partnerships and exchange with national and international peers. Initiatives include: Australian Performing Arts Market, Australasian World Music Expo (AWME), Sounds Australia, Visiting International Publishers Program, Go See, the international visitors program through Dance Massive, the Asia Pacific Triennial (APT) and the Cairns Indigenous Art Fair. Another significant initiative included the management of Australia's representation at the Venice Biennale, including project management of the capital redevelopment project for a new Australian Pavilion. Competitive grants program include Playing Australia, Visions of Australia, Festivals Australia, Going Global, Art Fare, Booked, International Performing Arts Markets and Live on Stage.
- Indigenous focused partnerships with the Kluge-Ruhe at the University of Virginia in the United States of America and the Banff Centre in Canada as well as the Festival of Pacific Arts.

Goal 5

Increase support and resources available to artists.

The Council undertakes research, analysis and evaluation to inform future policy and program development.

	Target	Target achievement
Total funding for research and development projects	0.5 million	0.85 million

Key highlights for 2012–13:

The ArtStart program, an Australian Government initiative aimed at developing business expertise and practical resources to build income generating arts practices for young/emerging artists, was again successful in 2012–13. This program received renewed funding as part of the National Cultural Policy, *Creative Australia*, and will be continued in 2013–14.

Expenditure	Target	Target achievement
Expenditure on programs/projects (as a % of total expenditure)	91.0	91.4
Expenditure on capital items (as a % of total expenditure)	0.4	0.6 Additional capital expenditure was incurred due to the planning and design phases of the Venice Pavilion redevelopment project.
Expenditure on other labour costs (as a % of total expenditure)	6.0	5.6
Other expenses (as a % of total expenditure)	3.0	3.0

Goal 6

Improve efficiency, responsiveness and accountability across the Australia Council and funded organisations.

The Council was maintained by sound financial management, and the ongoing review of systems and processes to effectively manage the cost and

efficient delivery of the grant programs. The Council's efficiency, responsiveness and accountability was aided by the collaborative relationship management of 168 regularly funded organisations. This was also achieved through the expert advice being provided to and from artform boards and market development panels for their decision making processes.

Proportion of funding expended through grants and initiatives	Target	Target achievement	
Grants (as a % of expenditure)	87.0	90.0	Targets were met overall with
Initiatives (as a % of expenditure)	4.0	1.0	 expenditure mix shifting towards individual artists.

Income	Target	Target acl	hievement
Operational funding from Government (as a % of total funds)	98.0	95.5	Revenue from government was on target and Council received additional
Other cash fundraising income (as a % of total funds)	0.4	1.9	 own source revenue, notably \$3.2 million in donations for the Venice Pavilion redevelopment project.
Other income (as a % of total funds)	1.2	2.2	Above target due to higher income earned on funds invested and additional contributions received (mainly from State Governments) for a variety of ad hoc projects.
Capital funding from Government (as a % of total funds)	0.4	0.4	





'Body Fluid II (redux)' by John A. Douglas. Photo by Heidrun Lohr, courtesy of Performance Space.

Government Initiatives

In 2012–13, the Council managed a number of Australian Government initiatives, the majority of which were funded through its appropriation.

Artists in Residence

The Artists in Residence (AIR) initiative is managed by the Council's Community Partnerships section. AIR aims to expose Australian school students to the benefits of creative practice by creating opportunities for artists and teachers to work together on developing effective teaching methods and practices for the arts. In 2012–13, AIR provided \$1.3 million to professional artists enabling them to broaden their experience and share their skills, while providing Australian school and university students with greater exposure to creative practice. Since 2009, over 320 residencies have taken place in schools across the country.

ArtStart

ArtStart provides small business start up grants to artists of all disciplines who have recently graduated from tertiary or TAFE studies. Each ArtStart grant provides up to \$10,000 for services, equipment, resources and activities that will assist graduates to build an income generating career in the arts practice they have studied. ArtStart has proved to be a valuable strategic intervention during what is often a challenging transition period for early career artists, with recipients citing increased confidence, business, artistic and financial skills as gains from their ArtStart year. Also evident are the new networks, markets, career opportunities, sponsorships and grants that recipients have leveraged as a result. To date, ArtStart has distributed \$8 million to 830 recent graduates. ArtStart was initially funded by the Australian Government for a period of four years (2009-10 to 2012–13), and will be continued in 2013-14.

Canberra and Darwin Symphony Orchestras

The Council oversees Australian Government grants to the Canberra and Darwin symphony orchestras and provides further assistance to both organisations through the provision of capacity building programs to strengthen their sustainability.

Creative Australia Artists Grants

The Creative Australia Artists Grants program is a five year, \$10 million program that supports artists, including young and emerging artists, across all artforms to deliver new artistic works, undertake fellowships and create additional presentations to Australian audiences.

In its second year 2012–13, this initiative has distributed \$1.3 million to artists for:

- eight New Art projects
- two Book2 grants
- eight 21st Century Stories grants
- three Music presentation grants and,
- Creative Australia Fellowships for five established artists and six early career artists.

Creative Communities Partnership Initative

In 2012–13, the CCPI provided \$2.7 million to large scale projects benefitting communities.

Managed by the Council's Community Partnerships section, this ongoing initiative builds quality arts programs that give individual community members the opportunity to directly participate in all aspects of art making across all artforms. It also develops community based partnerships with long term outcomes and stimulates innovation in the use of the arts to enhance community well being. Since 2009, 54 projects have been supported under this initiative, including nine projects approved in 2012–13.

Get Reading!

This \$1.6 million initiative encourages Australians to discover the joy of reading through an extensive national campaign. The 2012 campaign featured all Australian authors for the first time as part of the guide *"50 Books You Can't Put Down"*. The change to all Australian authors resulted in a 24% increase in sales compared to the 2011 campaign, according to Nielsen BookScan data, with 197,533 units sold over the 6 weeks. Independent research company AMR Interactive also found that 36% of respondents were aware of the campaign, and that 50% of those aware stated it made choosing a good book easier.

Major Festivals Initiative

The Major Festivals Initiative (MFI) supports the commissioning, development and showcasing of new Australian performing arts productions of scale for presentation at Australia's major international arts festivals. Members include Adelaide Festival, Brisbane Festival, Darwin Festival, Melbourne Festival, Perth International Arts Festival, Sydney Festival and Ten Days on the Island (Tasmania). In 2012–13, the \$750,000 per annum fund supported ERTH's Murder, Sydney Theatre Company's The Secret River, Malthouse Theatre's The Shadow King, Circa's Opus, as well as seed funding for The Escapists' Suburbia. The initiative also supported the second of three Development Sites (via an additional \$500,000 commitment over five years through Creative Australia Artists Grants) in Brisbane in September 2012. Development Sites provide a forum to profile new work in progress to MFI members and other potential presenters and partners. Works pitched at the first Development Site 2012 in Melbourne included Shaun Parker & Company's AM and Branch Nebula's Concrete and Bone Sessions.

Regional Touring Programs

In August 2012, the Australian Government transferred the responsibility for the Regional Touring programs (Playing Australia, Festivals Australia, Visions of Australia, the Contemporary Touring Initiative and the Contemporary Music Touring Program) to the Council. By supporting performing arts, music, exhibition touring and arts events at festivals, the aim of these programs is to provide access to the arts and increase audiences throughout Australia, with a particular focus on regional and remote communities. The Council worked closely with the Office for the Arts (OFTA) to transfer 159 contracts to Council for projects funded under OFTA administration. In addition, the Council has assessed two rounds of Festivals Australia and one round of Playing Australia, Visions of Australia and the Contemporary Touring Initiative, supporting 75 projects for a total \$5.9 million, of which \$5.4 million was paid in the year.

Sounds Australia

Sounds Australia is a music export initiative of the Council, managed by Australasian Performing Right Association (APRA). Sounds Australia leads to increased employment and income generation for Australian musicians and managers. The Australian Government has provided additional funding of \$1.75 million towards the enhanced delivery of Sounds Australia from 2013–14 to 2016–17. The Council has contracted APRA and will work with them to deliver a suite of additional activities such as showcases, networking events and industry meetings as part of their Australian music export strategy and enhanced focus on domestic live music.

Visual Arts and Craft Strategy

The Visual Arts and Craft Strategy (VACS) was developed as a joint initiative of all Australian governments in response to the 2002 Report of the Contemporary Visual Arts and Craft Inquiry (The Myer Report, 2002). Since its implementation in 2003–04, the VACS has significantly increased the vitality and sustainability of Australia's contemporary visual arts sector.

In 2012–13, the VACS delivered its tenth year of funding to the contemporary visual arts and craft sector.

- VACS Stage I (December 2003 to June 2007) provided \$39 million over four years, half of which was committed by the Australian Government, with an equivalent amount matched by the state and territory governments.
- VACS Stage II (2007–08 to 2010–11) was a \$49.4 million four year joint strategy delivered by the federal, state and territory governments. The VACS funding focused on four key areas: support for infrastructure, expanding the market, support for individual artists and support for Indigenous arts and craft.
- VACS Stage III (2011–12 to 2014–15) is a \$55.3 million joint federal, state and territory government funding package. It supports contemporary visual arts and craft organisations across Australia, providing assistance to individual artists, artist run initiatives and projects.

In 2012–13, the Council administered \$5.6 million of VACS funding, including \$940,000 in direct grants to individual artists. The remaining funds were delivered to key organisations, artist run initiatives and projects. Highlights for 2012–13 include:

- Two Northern Territory Artist Run Initiatives, Darwin Visual Arts Association (DVAA) and Watch This Space (WTS), were able to support the production, promotion and appreciation of visual arts. DVAA presented 22 exhibitions in 2012 with more than 250 artists, many of which were young or emerging Darwin based artists. WTS showcased emerging artists from Alice Springs, Melbourne, Canberra and the United Kingdom in solo and group shows.
- Asia Pacific Triennial (APT) marked its twentieth anniversary at Queensland Art Gallery's Gallery of Modern Art. APT featured new and recent works by 75 senior and emerging artists and groups from 27 countries across the Asia Pacific region. Total attendance reached 565,248, a daily average of 4,451, with the closing weekend attracting an audience of more than 20,000 visitors.
- Support for Tim Johnson's art practice under the New Work category allowed the artist to embark on an intense period of collaboration with artists Karma Phuntsok, Yiwon Park and Nava Chapman. Their joint works focused on each of the artist's cultural and religious backgrounds, exploring their different approaches to painting. The works will be presented in a solo exhibition at Ikon Gallery in Birmingham, England in November 2013.









About the Australia Council

The Australia Council is the Australian Government's principal arts funding and advisory body. The Council is accountable to the Australian Parliament and to the Government through the Minister for the Arts.

Formed as an interim council in 1973, the Council was given statutory authority status by the *Australia Council Act 1975*. It replaced an earlier non-statutory body called the Australian Council for the Arts, which had been established as a division of the Prime Minister's Department in 1968.

The Council subsumed other arts related Australian Government functions, such as the Commonwealth Literary Fund and the Commonwealth Art Advisory Board. It was granted considerably expanded functions and greater independence from the government than its predecessors.

The work of the Council is guided by two fundamental principles:

- The 'arm's length' principle, enshrined in the *Australia Council Act 1975*, and maintained in the *Australia Council Act 2013*, provides that Ministers may not direct the Council with respect to the provision of grants.
- The 'peer assessment principle', whereby decisions on grants are made by artists, individuals closely associated with the arts, and community representatives who are peers of those being assessed. Grants are offered to artists and arts organisations whose proposals, in competition with those of other applicants, and within budgetary constraints, demonstrate the highest degree of artistic merit and innovation.

During 2012–13, the Council operated under the functions laid out in the *Australia Council Act 1975*:

- Formulate and carry out policies designed to:
 promote excellence in the arts
 - provide and encourage the provision of
 - opportunities for persons to practice the arts - promote the appreciation, understanding and
 - enjoyment of the artspromote the general application of the arts in
 - the community
- foster the expression of a national identity by means of the arts
- uphold and promote the right of persons to freedom in the practise of the arts
- promote the knowledge and appreciation of Australian arts by persons in other countries
- promote incentives for, and recognition of, achievement in the practice of the arts, and
- encourage the support of the arts by the states, local governing bodies and other persons and organisations.
- Provide advice to the Government of the Commonwealth, either of its own motion or upon request made to it by the Minister, on matters connected with the promotion of the arts or otherwise relating to the performance of its functions.
- Do anything incidental or conducive to the performance of any of the foregoing functions.

On 1 July 2013, the *Australia Council Act* 1975 was repealed and replaced by the *Australia Council Act* 2013. The *Australia Council Act* 2013 updates the Council's functions, powers and governance structure to be consistent with other Commonwealth statutory authorities within the arts portfolio.

The Governing Council and the Board

In 2012–13, the Council was overseen by the 'governing council'. Members of the governing council were appointed by the Minister for the Arts and were chosen for their experience, passion and skill. They were non-executive Council members and together, formed a group of artists, educators, business managers, administrators and arts audience members.

With the introduction of the *Australia Council Act* 2013, a new governing Board was appointed by the then Minister for the Arts, the Hon Tony Burke MP, and comprises of a range of expertise across artistic practice, arts management, business and finance, philanthropy, legal affairs, corporate strategy and research. The new Board came into effect on 1 July 2013, at the beginning of the 2013–14 financial year.

The governing council members as of 30 June 2013:

- Chair, Mr Rupert Myer AM (Vic)
- Deputy Chair, Ms Robyn Archer AO (SA)
- Chief Executive Officer, Mr Tony Grybowski (NSW), ex-officio member
- Mr Stephen Armstrong, Chair Theatre Board (Vic)
- Ms Lee-Ann Buckskin, Chair Aboriginal and Torres Strait Islander Arts Board (SA)
- Ms Sophie Cunningham, Chair Literature Board (Vic)
- Professor Matthew Hindson AM, Chair Music Board (NSW)
- Mr Julian Knights, Chair Major Performing Arts Board (NSW)
- Mr Kenneth Lloyd AM, Community interest representative (SA)
- Dr. Danie Mellor, Chair Visual Arts Board (NSW)
- Ms Samantha Mostyn, Community interest representative (NSW)
- Ms Elizabeth Walsh, Chair Dance Board (Tas)

From 1 July 2013, the following Board members were appointed under the *Australia Council Act 2013*:

- Chair, Mr Rupert Myer AM (Vic)
- Deputy Chair, Ms Robyn Archer AO (SA)
- Chief Executive Officer, Mr Tony Grybowski (NSW), ex-officio member
- Mr Waleed Aly (Vic)
- Ms Lee-Ann Buckskin (SA)
- Mr Adrian Collette AM (Vic)
- Mr Khoa Do (Vic)
- Professor Matthew Hindson AM (NSW)
- Ms Mary-Ellen King (WA)
- Ms Sophie Mitchell (QLD)
- Ms Samantha Mostyn (NSW)
- Mr Tim Orton (Vic)

The Governing Council in 2012–13



Mr Rupert Myer AM Chair (Vic)

Mr Myer was appointed Chair of the governing council for three years on 1 July 2012. Mr Myer is a member of the Audit and Finance Committee; Chairman Nuco Pty Ltd; Board Member of The Myer Foundation and Australian International Cultural Foundation; Member of the University of Melbourne Faculty of Business and Commerce Advisory Board; Deputy Chair Myer Holdings Ltd; Member of Jawun Indigenous Corporate Partnerships; Director of AMCIL Limited; Chairman, The Aranday Foundation; Board Member, The Yulgilbar Foundation, The Myer Foundation Arts and Humanities Committee, and Patron Bendigo Art Gallery.



Ms Robyn Archer AO Deputy Chair (SA)

Ms Archer was appointed Deputy Chair of the governing council for three years on 1 July 2012. Ms Archer is Chevalier de l'Ordre des Arts et des Lettres; Officer of the Crown (Belgium); Creative Director, Centenary of Canberra 2013; Artistic Director, The Light in Winter (Federation Square); Chair, Arts Advisory Group, Adelaide College of the Arts; Patron, Brink Productions (Adelaide); Australian Script Centre (Hobart); Australian Art Orchestra (Melbourne): Arts Law Society (Sydney): Institute of Post-Colonial Studies (Melbourne): Arts Health Foundation; Ambassador Adelaide Football Club; International Women's Development Agency; 2012 Ambassador National Year of Reading; Member of the European House of Culture: patron of The Australian Art Orchestra; supporter of Big hART.



Mr Grybowski was appointed Chief Executive Officer and member (ex-officio) of the

Chief Executive Officer (NSW)

Mr Tony Grybowski

Australia Council for five years on 15 May 2013. Mr Grybowski is Chair of the Decisions Review Committee and a non voting member of the Audit and Finance Committee.



Mr Stephen Armstrong Chair, Theatre Board (Vic)

Mr Armstrong was appointed to the Australia Council as Chair of the Theatre Board for three years on 16 August 2011. Mr Armstrong is an independent producer and consultant; Board director for Chunky Move; Trustee for the Victorian Actors' Benevolent Trust; Curates and produces a series of events for the London based School of Life; and a philanthropic program manager for the Myer Foundation.



Ms Lee-Ann Buckskin

Chair, Aboriginal and Torres Strait Islander Arts Board (SA)

Ms Buckskin was appointed to the Australia Council as Chair of the Aboriginal and Torres Strait Islander Arts Board for three years on 16 May 2012. Ms Buckskin is Manager Aboriginal Arts Development for Carclew Youth Arts in South Australia and is a member of the South Australian Museum's Aboriginal Advisory Committee; Designer, National Aboriginal and Torres Strait Islander War Memorial, Adelaide.



Ms Sophie Cunningham Chair, Literature Board (Vic)

Ms Cunningham was appointed to the Australia Council as Chair of the Literature Board for three years on 16 May 2012. Ms Cunningham is a Board member of The Stella Prize, Mentor of JUMP and Course Director for the Faber Academy.



Professor Matthew Hindson AM

Chair, Music Board (NSW) Professor Hindson was appointed to the Australia Council as Chair of the Music Board for three years from 27 March 2009, and reappointed for a further three year term to 26 March 2015. Prof Hindson is a renowned composer and Chair, Composition and Music Technology Unit, Sydney Conservatorium of Music; was Composer in residence for 2012 at Australian National Academy of Music, and had a commission in 2012 with Musica Viva.



Mr Julian Knights Chair, Major Performing Arts Board (NSW)

Mr Knights was appointed to the Australia Council as Chair of the Major Performing Arts Board and a member of Council for three years from 17 April 2013. Mr Knights replaces Ms Louise Herron who resigned as chair on 3 August 2012. Mr Knights is a Founding Partner of Ironbridge Capital and former Chair of the Sydney Dance Company.



Community interest representative (SA)

Mr Lloyd was appointed to the Australia Council as a community interest representative and a member of council for three years from 16 June 2011. Mr Lloyd is a member of the Audit and Finance Committee, and has held senior positions in the Department for the Arts and Cultural Development (now Arts SA), the Art Gallery of South Australia and Country Arts SA. He held the position of Chief Executive Officer, Country Arts SA, from 1993 to 2010 and in 1996 was appointed to the honorary position of National Secretary, Regional Arts Australia. He is a Board member of The Carrick Hill Trust, a South Australian Government statutory authority.



Dr Danie Mellor Chair, Visual Arts Board (NSW)

Dr Mellor was appointed to the Australia Council as Chair of the Visual Arts Board for three years from 16 May 2013. Dr Mellor replaces Professor Ted Snell AM whose term ended on the 4 February 2013. Dr Mellor lectures in Theoretical Enquiry at Sydney College of the Arts, the University of Sydney.



Ms Samantha Mostyn

Community interest representative (NSW)

Ms Mostyn was appointed to the Australia Council as a community interest representative and a member of the council for three years from 16 June 2010. Ms Mostyn is Commissioner; Australian Football League; Commissioner of the National Mental Health Commission; Director of Citigroup Pty Ltd; Director, Australian Volunteers International and Sydney Theatre Company; Member, AFL SportsReady; Director, Transurban Group; Independent non-executive director, Virgin Blue Holdings Ltd; and Deputy Chair of Diversity Council of Australia.



Ms Elizabeth Walsh

Chair, Dance Board (Tas)

Ms Walsh was appointed to the Australia Council as Chair of the Dance Board for three years from 19 October 2012. Ms Walsh replaced Ms Chrissy Sharp whose term ended on 18 October 2012. Ms Walsh is a member of the Artistic Advisory Panel, Tasmania Performs, and is a Board member of the Terrapin Puppet Theatre.

Australia Council Board from 1 July 2013



Mr Rupert Myer AM Chair (Vic)

Mr Myer was appointed as Chair of the Australia Council Board under the *Australia Council Act 2013*.



Mr Khoa Do (Vic)

Mr Do was appointed as member of the Australia Council Board under the *Australia Council Act 2013*. Mr Do is a film director, producer and screenwriter. Mr Do has been nominated for AFI Awards and shortlisted for an Academy Award; is an international keynote speaker; community and youth worker and leader. Mr Do was Young Australian of the Year in 2005.



Professor Matthew Hindson AM

Professor Hindson was appointed as member of the Australia Council Board under the *Australia Council Act 2013*.



Deputy Chair (SA) Ms Archer was appointed Deputy Chair of the Australia Council Board under the *Australia Council Act 2013*.



Mr Tony Grybowski Chief Executive Officer (NSW) Mr Grybowski will continue to be an ex-officio member of the Australia Council Board under the *Australia Council Act 2013*.



Ms Mary-Ellen King (WA)

Ms King was appointed as member of the Australia Council Board under the *Australia Council Act 2013*. Ms King is Board member, Perth International Arts Festival; previously General Manager, Melbourne International Arts Festival; Executive, Victorian Arts Centre; Acting Managing Director, Melbourne Symphony Orchestra; Melbourne manager, Opera Australia; Assistant Manager, Perth Concert Hall. Currently Chief Operating Officer Community, Bethanie Group.



Mr Waleed Aly (Vic)

Mr Aly was appointed as member of the Australia Council Board under the *Australia Council Act 2013*. Mr Aly is an award-winning author, broadcaster, academic and lecturer in politics at Monash University. Mr Aly is also a practising musician.



Ms Lee-Ann Buckskin

Ms Buckskin was appointed as member of the Australia Council Board under the *Australia Council Act 2013*.



Mr Adrian Collette AM (Vic)

Mr Collette was appointed as member of the Australia Council Board under the *Australia Council Act 2013*. Mr Collette was the former CEO, Opera Australia for 16 years; currently Executive Director, Engagement and Partnerships, University of Melbourne; former Member, Victorian Council for the Arts; Life Member, Australian Entertainment Industry Association's Executive Council; previously MD, Reed Books.



Ms Sophie Mitchell (QLD)

Ms Mitchell was appointed as member of the Australia Council Board under the *Australia Council Act 2013*. Ms Mitchell is Director, Expressions Dance Company (formerly Chairman); Trustee, Queensland Performing Arts Trust; Director, Corporate & Special Projects, RBS Morgans; Director, Silver Chef Limited; Member, Australian Government Takeovers Panel.



Ms Samantha Mostyn

Ms Mostyn was appointed as member of the Australia Council Board under the *Australia Council Act 2013*.



Mr Tim Orton (Vic)

Mr Orton was appointed as member of the Australia Council Board under the *Australia Council Act 2013*. Mr Orton is Chair, Geelong Performing Arts Centre; Chair, Rhodes Trust Australia; Executive Board member, Committee for Melbourne; Managing Director, Nous Group; previously Managing Director of Deakin Australia; Consultant, McKinsey and Company London and New York.



Corporate Governance and the Council

In 2012–13, the primary role of the governing council was to achieve the agency's policy and strategic objectives. To fulfil this role, the Council was responsible for the overall corporate governance of the agency, including implementing its strategic direction, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It was also responsible for approving and monitoring financial and other reporting.

Under the *Australia Council Act 1975*, the governing council had between 10 and 14 members, not including the Australia Council Chief Executive Officer (CEO), who also served as an ex-officio member of the Council. Terms of appointment for members of the Council were generally three years, and members were eligible for re-appointment. Appointments could not be for more than six continuous years. Members were appointed with a view to achieving a balance of relevant expertise in the arts, business, management, public policy, corporate governance and administration, appropriate to regional, gender, multicultural and Indigenous community participation in the arts.

All new members of the governing council were provided with an induction program where they received a copy of the Council's *Governance Manual and the General Guidance for Directors of Statutory Authorities* publication, provided by Office of the Arts, Department of Regional Australia, Local Government, Arts and Sport.

The manual contains a section that outlines appropriate ethical standards with regard to, amongst other things, directors' obligations, confidentiality and disclosure of the Council's business, conflicts of interest, political activity, sponsored travel and acceptance of gifts. A Code of Conduct, which every member of the Council, its boards and committees were expected to comply with, was drawn up with regard to the responsibility entrusted to these members and the fundamental principles and values that guide the work of the Council. If a Council member requires legal advice on any matter, the chair advises the CEO to make arrangements for obtaining this advice.

During 2012–13, the governing council met six times:

30 August 2012	Sydney
23 October 2012	Melbourne
13 December 2012	Sydney
19 February 2013	Canberra
18 April 2013	Sydney
13 June 2013	Sydney

Ministerial responsibilities

On 30 June 2013, the Minister with responsibility for the Australia Council was the then Minister for the Arts, the Hon Tony Burke MP. Prior to March 2013, the Hon Simon Crean MP served as Minister for the Arts.

Department of Regional Australia, Local Government, Arts and Sport (Office for the Arts) representative

The Department of Regional Australia, Local Government, Arts and Sport has observer status on the Council. Ms Sally Basser, First Assistant Secretary, Office for the Arts, Department of Regional Australia, Local Government, Arts and Sports was the observer throughout 2012–13.

Staff representative

Australia Council employees elect a staff representative to represent them and act as an observer on the governing council. Ms Alison McLaren and Ms Katie Harford were jointly elected as the staff representatives for 2012–13.

Changes to the governing council membership from 2012–13

Mr Julian Knights was appointed Chair of the Major Performing Arts Board on 17 April 2013 following the resignation of Ms Louise Herron on 3 August 2012. Mr Frank Cooper was appointed as Acting Chair of the Major Performing Arts Board from 27 October for a three month period. Ms Elizabeth Walsh was appointed Chair of the Dance Board following the end of Ms Chrissy Sharp's term of appointment. Dr Danie Mellor was appointed Chair of the Visual Arts Board on 16 May 2013, following the end of Professor Ted Snell's term of appointment on 4 February 2013. Ms Kathy Keele retired as CEO in December 2012. Ms Libby Christie was appointed Acting CEO on 1 January 2013 until 14 May 2013. Mr Tony Grybowski was appointed CEO on 15 May 2013 for a five year term.

FIGURE 9: Schedule of attendance at council meetings from 2012–13

Name	Eligible to attend meetings	Meetings attended
Rupert Myer AM	6	6
Robyn Archer AO	6	6
Kathy Keele	3	3
Libby Christie	2	2
Tony Grybowski	1	1
Stephen Armstrong	6	6
Lee-Ann Buckskin	6	5
Frank Cooper	1	1
Sophie Cunningham	6	5
Louise Herron	0	0
Matthew Hindson AM	6	6
Julian Knights	1	1
Kenneth Lloyd AM	6	6
Danie Mellor	1	1
Samantha Mostyn	6	5
Chrissy Sharp	2	1
Ted Snell AM	3	3
Elizabeth Walsh	4	4

Ministerial directions

The Australia Council received no ministerial directions during the year. Two general policies from previous financial years continue to be noted, namely the *Whole-of-Government Cost Recovery Policy (2002)* and *Guidelines for the Management of Foreign Exchange Risk (2002)*.

Council directions

The Australia Council Act 1975 requires that the text of all Council directions to its committees during the year be included in the Australia Council's annual report. The Council did not issue directions to any of its committees during 2012–13.

Artform boards

In 2012–13, the seven artform boards were the principal administrators of the Australia Council's arts funding role. They were the Council's major source of advice on the development of arts policy and grant programs.

The Minister established the boards under the *Australia Council Act 1975*. They functioned within the framework of the Council's strategic plan, sector plans, related policies and budget allocations. Most boards had between seven and nine members and all had a chair.

Artform boards included people who practise, have practiced, or are otherwise associated with the

arts, as well as a number of community interest representatives, as the Minister deemed appropriate. Members could initially be appointed for four years under the *Australia Council Act 1975*. Generally, appointments were for three years and were renewable for a continuous period not exceeding six years. Chairs of boards were appointed by the Minister for the Arts and were also members of the governing council. In addition to their role in providing advice to the Council, the artform boards developed their own policies within the framework of policies and priorities determined by the Council.

Peers

The Council has delegated the power to allocate grants principally to the boards. In assessing grant applications the boards were able to seek additional guidance in their decisions from experts listed in the Council's *Register of Peers*. Peers could be invited once a year by each board to assist at grant assessment meetings.

Peers provided 'in-the-field' assessments and general policy advice to the boards, as commissioned. Under the Council's *Conflict of Interest Code*, board members and peers may not assess or advise on their own grant applications or grant applications through which they would be major beneficiaries via a third party. In 2012–13, 10 peers provided external assessments of initiatives or performances and 63 peers participated in board and committee grants assessment meetings.

Funding decisions by senior officers

Certain senior officers of the Council were delegated power to make grants and pursue particular purposes already approved by the Council or its boards. When doing so, the senior officers concerned considered assessment reports by peer experts, or panels of peer experts. In 2012–13, 117 peers made recommendations to senior officers regarding funding decisions.

Artform board members at 30 June 2013

Aboriginal and Torres Strait Islander Arts Board	
Lee-Ann Buckskin	Chair, SA
Lydia George	ACT
Ben Graetz	NT
Charmaine Green	WA
Melissa Lucashenko	NSW
Rachael Maza	Vic
Monica Stevens	Qld
Jeanette James	Tas
Dance Board	
Elizabeth Walsh	Chair, Tas
Sandra Collins	NSW
Rosemary Hinde	Vic
Matthew Morse	Vic
Elizabeth Old	SA
Michelle Ryan	SA
Michael Whaites	WA
Literature Board	
Sophie Cunningham	Chair, Vic
Patricia Cornelius	Vic
Jason Nelson	Qld
James Roy	NSW
Brenda Walker	WA
Michael Williams	Vic
Major Performing Arts Board	
Julian Knights	Chair, NSW
Timothy Cox AO	NSW
Chum Darvall	NSW
Christopher Freeman AM	Qld
Mary-Ellen King	WA
Music Board	
Matthew Hindson AM	Chair, NSW
Nicky Bomba	Vic
Deborah Conway	Vic
Lawrence English	Qld
Johannes Luebbers	WA
Michelle Morris	NT

Gabriella Smart

Theatre Board	
Stephen Armstrong	Chair, Vic
Humphrey Bower	WA
Jo Duffy	Tas
Helen Hristofski	NSW
Sarah Neal	Qld
Steve Mayhew	SA
Fiona Winning	NSW
Visual Arts Board	

Chair, NSW
Vic
Tas
WA
Qld
SA
NSW

Committees and advisory bodies

In addition to policy input from its boards, the Council occasionally relied on the expert advice of specialist committees and panels established under Section 17A of the *Australia Council Act 1975*.

Appeals Committee

The Council has delegated powers to the Appeals Committee to consider and determine any appeal from a board, committee or senior officer of the Council in regard to a decision by the Council Chair and Chief Executive Officer to rescind a previously approved grant. Membership of the Appeals Committee comprises of any two of the non-board Chair members of the Council, the Deputy Chair of the Council (or Chair if the Deputy Chair has participated in the decision to rescind subject to an appeal) and a board Chair member of the Council not involved in the decision previously. No appeals were received during 2012–13 and the Appeals Committee did not meet.

Audit and Finance Committee

SA

The Audit and Finance Committee oversaw and reviewed the Council's corporate governance obligations: external accountability, financial reporting, internal controls, risk management, internal and external audit activities, and legal and financial compliance. In addition, the committee monitored the Council's overall financial position, budget preparation and any other significant financial issues as they arose. The committee is authorised to request information from employees of the Council, including internal auditors, to discuss matters with external auditors and seek independent professional advice as it considers necessary. Minutes of the committee meetings are included in the Council's papers and the chair of the committee reports on relevant matters at the governing council meetings. The committee has an advisory role and is not delegated to act on the Council's behalf unless specifically directed to through resolution. The committee is chaired by a member of the Council and includes the Chair of the Council, the Deputy Chair, one other Council member and the Chief Executive Officer. The Audit and Finance Committee met six times in 2012–13.

Figure 10: Attendance at Audit and Finance Committee meetings

Name of person	Eligible to attend	Meetings attended
Ken Lloyd AM (Chair)	6	6
Robyn Archer AO	6	6
Libby Christie	2	2
Tony Grybowski	1	1
Matthew Hindson AM	6	4
Kathy Keele	3	3
Samantha Mostyn	6	5

Community Partnerships Committee

The Community Partnerships Committee provides strategic, advisory and policy guidance to the Community Partnerships section. The committee's key responsibilities are to oversee and deliver funding support and grant programs for community partnerships initiatives and community cultural development activities. The committee is also responsible for overseeing the Council's strategic engagement with arts in the community, youth and the arts, education and the arts, arts in a multicultural Australia, regional arts and arts and health. The Community Partnerships Committee met seven times during 2012–13.

Figure 11: Attendance at Community Partnerships Committee meetings

Name of person	Meetings held while a member	Meetings attended
Samantha Mostyn (Chair)	3	3
Claudia Chidiac	7	6
Sally Marsden	7	7
Lorna Martin	7	7
Kyl Murphy	5	4
Jeremy Smith	7	7
Jared Thomas	5	3
Marline Zaibak	7	7

Decisions Review Committee

- The Decisions Review Committee determined requests for the review of grant related decisions, as received from grant applicants who have legal grounds to dispute decision procedures in relation to their applications.
- The committee does not assess the artistic merit of applications. Its purpose, under the Council's
- direction, is to ensure the boards, committees and senior officers have followed procedural fairness in making decisions. The membership comprises the Chief Executive Officer and at least three council members, none of whom may be board Chairs. The Decisions Review Committee did not meet in 2012–13. As at 30 June 2013, Tony Grybowski was Chair of the committee.

Donations Fund

Donations made to the Australia Council Donations Fund are administered as part of the governing council's business.

Nominations and Governance

The nominations and governance process is managed as part of the governing council's business.

Structure of the Australia Council

On 30 June 2013, the Council comprised the Office of the Chief Executive Officer and five divisions: Arts Funding, Aboriginal and Torres Strait Islander Arts, Arts Organisations, Arts Development and Corporate Resources.







Organisational structure

The Chief Executive Officer (CEO) is responsible to the governing council for the conduct of the Council's affairs. In conjunction with the Council Chair, the CEO liaises with the Minister for the Arts concerning the Australian Government's arts policies and the Council's budget, statutory powers and functions. The CEO also liaises with Office for the Arts located within the Department of Regional Australia, Local Government, Arts and Sport, concerning the Australian Government's arts policies.

The Office of the CEO is responsible for managing the Council's external relations, including government relations, communications, human resources and the secretariat.

Arts Funding supports the excellence and diversity of arts practice through its grant categories, strategic initiatives and multi-arts projects. The division comprises five artform sections: Dance, Literature, Music, Theatre and Visual Arts. It also includes the Community Partnerships section, which drives arts initiatives that are socially and culturally inclusive, and the Emerging and Experimental Arts Office, which supports interdisciplinary and experimental arts practice. Senior officers manage grant assessment processes and artform development for the artform boards and committees.

Aboriginal and Torres Strait Islander Arts

supports the development and promotion of traditional arts practices and new forms of artistic expression among Aboriginal and Torres Strait Islander peoples in urban and regional areas across all artforms.

Arts Organisations manages and oversees the operations of major performing arts (MPA) companies as well as managing relations with triennially funded key organisations.

Arts Development is responsible for three areas: research and strategic analysis, market development and marketing and audience development. The division delivers programs to increase knowledge about the arts and enable the arts to reach more audiences, nationally and internationally. The division also supports the sector via skills and capacity building and through the development of strategic relationships and networks.

Corporate Resources is responsible for the Council's human resources, financial services, business information, records management, information technology and office support functions.

Staff profile

The Council's staff profile reflects the diversity, flexibility and skills required to meet the changing needs of a dynamic arts sector. Staffing levels as at 30 June 2013 were 113.8 Fulltime Equivalent (FTE) employees compared to 121.1 FTE employees as at 30 June 2012 (see Figure 12). The representation of employees in the targeted equal opportunity groups as at 30 June 2013 is shown as a percentage of total employees in Figure 13.

Employees were appointed under section 41 of the *Australia Council Act 1975* on terms and conditions set out in the Australia Council Enterprise Agreement 2011–14 and on individual employment agreements (common law contracts). Only members of the Council's leadership team are employed on individual employee agreements (common law contracts), as they are regarded as equivalent to the Australian Public Service Senior Executive Service (SES).

FIGURE 12: Number of staff (FTE) by division at 30 June 2013

Division	2010–11	2011–12	2012–13
Aboriginal and Torres Strait Islander Arts	5.0	7.0	7.0
Arts Development	24.0	26.4	22.8
Arts Funding	47.2	50.2	46.2
Arts Organisations	11.8	10.0	10.0
Corporate Resources	11.8	12.8	15.8
Office of the CEO	12.8	14.7	12.0
Total	112.6	121.1	113.8

FIGURE 13: Representation of employees in equal employment opportunity groups as at 30 June 2013

Group	2010–11	2011–12	2012-13
Women	74.14%	69.11%	66.38%
Aboriginal and Torres Strait Islanders	3.45%	3.25%	4.31%
Disability	1.72%	1.63%	1.72%
Non-English speaking background	10.34%	8.1%	11.21%

Executive team at 30 June 2013

Tony Grybowski Chief Executive Officer

Mr Grybowski was appointed May 2013. Previously Executive Director Arts Organisations, Australia Council since November 2008; General Manager, Programming and Innovation at Arts Victoria; senior arts management experience, Australian Youth Orchestra, Sydney Symphony Orchestra and Musica Viva.

Lydia Miller Executive Director

Aboriginal and Torres Strait Islander Arts

Ms Miller was appointed July 2005. Previously Executive Officer, Aboriginal Justice Advisory Council; extensive experience in the arts, health, justice and community sectors.

Collette Brennan (Acting) Executive Director Arts Development

Ms Brennan was appointed June 2013. Previously Director Market Development, Australia Council; Executive Director, Circa; Creative Director, The Edge, State Library of Queensland; General Manager, QPAC's Out of the Box Festival; extensive experience in the arts sector.

Frank Panucci (Acting) Executive Director Arts Funding

Mr Panucci was appointed May 2013. Previously Director Community Partnerships Section, Australia Council; Chief Executive Officer, Community Cultural Development NSW; General Manager, Carnivale Festival; extensive experience in community arts and

human rights. Vacant position

Executive Director

Arts Organisations

Vacant since May 2013. Previously held by Tony Grybowski who was subsequently appointed Chief Executive Officer.

Tim Blackwell

Executive Director

Corporate Resources

Mr Blackwell was appointed September 2012. Previously Chief Financial Officer, Macquarie Telecom; Managing Director, Asia Pacific Brinks Inc; 10 years experience in professional practice at Price Waterhouse; extensive experience in finance and business administration.

Accountability

The Council encourages feedback on its performance. It reviews compliance with its service charter annually and identifies any areas for improvement.

Service charter

The Council's service charter reflects its commitment to quality client service. It describes the service standards that clients and other stakeholders can expect. In 2012–13, there were five written complaints. The Council resolved all of these within the charter's service standards. The most common complaints related to unsuccessful applications to funding categories. The service charter can be viewed at: australiacouncil.gov.au/about/board/service_charter.

Social inclusion

The Council is committed to ensuring it delivers and supports services and initiatives that are socially and culturally inclusive, across all areas of the organisation's business. The Council contributes to the Australian Government's Social Inclusion agenda through its Cultural Engagement Framework (CEF). The CEF aims to ensure an effective integration of strategies to support artistic excellence across the diversity of Australian society and provide opportunities for all Australians to participate in and enjoy the arts. For more information on the CEF: australiacouncil.gov.au/cef.

Cultural Engagement Framework

The CEF is a range of policies, strategies and programs aimed at ensuring equity of access to the Council's grants and initiatives. The guiding principles of the CEF are diversity, dialogue, artistic excellence, inclusiveness, belonging, community building and identity. The CEF encompasses a number of demographic communities and the Council has put in place a range of specific strategies, initiatives and partnerships relevant to each of the areas. Three key initiatives were further developed in 2012–13: the Disability Action Plan, the Reconciliation Action Plan and the Cultural Diversity Plan.

Disability Action Plan

The Council supports initiatives that provide opportunities for artists, arts workers, participants and audiences with disability to engage in Australia's arts and cultural life. In 2012–13, the Access Champions group focused on key actions from the 2011–13 Disability Action Plan, including the delivery of an exhibition showcasing the work of artists with disability, access improvements to our premises, an accessibility audit of the Council's website and participation at national and international arts and disability forums.

Reconciliation Action Plan

The Council is committed to reconciliation between Aboriginal and Torres Strait Islander peoples and all Australians. The Council addresses challenges concerning our national identity and expression by developing a mutual understanding, increasing our sense of cultural belonging and strengthening our society. This commitment resulted in the formation and implementation of the Reconciliation Action Plan (RAP). In 2012–13, the RAP worked towards building knowledge and creating a safe place for staff to explore notions of reconciliation, rolling out the first cultural awareness training for staff and developing a welcome and acknowledgements protocol policy for the Council.

Cultural Diversity Plan

The Council is committed to upholding the culturally diverse artistic practices of Australians. On 9 October 2012, the Council signed a Memorandum of Understanding with UNESCO Asia, which will highlight international collaboration, research and the promotion of the diversity of cultural expressions in Australia across a range of artforms and practices. The first UNESCO collaborative project, in partnership with the University of Western Sydney and the Institute of Culture and Society, is the Diversity in Cultural Expressions project comprising of six significant Australia Council funded projects that explore the intersection of diversity, community engagement and artistic practice.

Freedom of information

The Council is an agency subject to the *Freedom* of *Information Act 1982* (FOI Act). As such, it is required to publish information for the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a Section 8 statement in an annual report. The Council website provides details of the information published in accordance with the IPS requirements at: australiacouncil.gov.au/about/board/freedom_of_ information.

Risk management

The Council has a Risk Management Framework that provides a 'whole-of-Council' approach to managing any form of risk in a systematic, transparent and credible manner. This framework aims to provide principles and guidelines to assist staff to identify, evaluate and effectively manage all significant risks. The principles outlined in this framework are embedded into the diverse decision making processes of the organisation. Refresher training on subject matters such as good decision making, delegations, fraud, privacy and freedom of information, record management, writing minutes and work, health and safety were provided to staff during 2012–13.

Grants

Information on grants awarded by the Council during the period 1 July 2012 to 30 June 2013 is available at: https://online.australiacouncil.gov.au/GrantsList.

Venice Redevelopment Project

A list of the donors to the Venice redevelopment project can be viewed online: venicebiennale. australiacouncil.gov.au/venice-biennale-2013/ supporters-2013/

External review

Judicial decisions and reviews by outside bodies

During 2012–13, there were no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant impact on the Council's operations. Nor were there any reports on the operations of the Council by the Auditor General (other than the report on the financial statements) or by a parliamentary committee.

Australian National Audit Office

There were no reviews or audits of the Council during 2012–13, other than an annual review of its financial statements and specific government initiatives.

Insurance

The Council's insurance policies for 2012–13 included cover for directors' and officers' liability. The premium paid for this insurance cover was \$14,610.92 (pre GST and discounts). This covered a liability limit of \$100 million.

Fraud control

The Council has a comprehensive fraud control plan which it reviews every two years in accordance with the *Commonwealth Fraud Control Guidelines*. Fraud prevention, detection, investigation and reporting procedures are in place. The Council has collected and reported annual fraud data. It manages its risks in accordance with best practice.

Review of operations

The second section of this annual report outlines the Council's performance in 2012–13 against the objectives set out in the Council's strategic plan 2012–13. These objectives support the achievement of the Council's vision and mandate.

Significant events

No significant events in the context of Section 15 of the *Commonwealth Authorities and Companies Act 1997* occurred during 2012–13. This section deals with the need to notify the responsible Minister of events such as proposals to form a company, partnership or trust, to acquire or dispose of or commence or cease business activities or to make other significant changes.



Skeleton by Larissa McGowan, 2013 Photo © Chris Herzfeld,Camlight Productions.

Workplace

The Council maximises its capability to manage its people and resources.

Enterprise Agreement

The Australia Council Enterprise Agreement became effective on 23 November 2011. It is for a three year term with a three percent salary increase upon commencement and a further three percent base salary increase on the first year anniversary with a 3.2 percent increase on the second year anniversary. It covers all employees, other than the Leadership team. All members of the Council's Leadership team are regarded as Senior Executive Staff (SES) equivalent. The Enterprise Agreement will be renegotiated in 2014.

Work Health and Safety (WHS)

This information is provided in accordance with Section 4 of the Work Health and Safety (WHS) Act 2011. The Council's WHS policy includes details of agreements with the Council's staff which relate to the regular review of the organisation's WHS and Return to Work policies.

The Council has an active WHS committee chaired by an Executive Director and supported by the Human Resources team. Its representatives come from each floor and division of the organisation with a member of the First Aid Support Team also sitting on the committee.

In 2012–13, the Council continued to ensure the workplace health, safety and welfare of its employees and contractors, with all new employees completing online WHS compliance training as part of their induction.

No undertakings were required under Section 4 of the Act, which requires that statistics of any accidents or dangerous occurrences during 2012–13 are notified. No investigations were conducted during 2012–13 that relate to undertakings carried out by the employer.

No tests were conducted on any plant, substance or thing in the course of such investigations and no directions were given to the Council under Section 4 of the Act. Nor were there any notices given under section 4 during the year.

Advertising

The Council uses advertising for a range of purposes: to recruit staff, publicise initiatives and grant program closing dates, to invite clients to public information sessions and to call for tenders. The total cost of staff recruitment advertising was \$59,343 in 2012–13 compared to \$24,662 in 2011–12. The increase was due to the recruitment of the CEO and Executive Director positions. The cost of advertising for all other purposes was \$16,717 in 2012–13 compared to \$23,438 in 2011–12.

Green Council

The Green Council is a network of staff interested in environmental management, which supports the Council's activities to champion environmental sustainability. The Green Council promotes environmental stewardship and provides a platform for staff involvement in the development and implementation of environmental programs. The group was established in January 2011 and is represented by 10 staff members from various departments.

Ecologically sustainable development

This information is provided in accordance with section 516A of the Environment Protection and *Biodiversity Conservation Act 1999.*

Energy consumption (kWh)

2012-13	685,965
2011–12	662,031

Paper consumption

Reams per year (A4 80gsm copy paper)

2012-13	1220
2011–12	1340

Recycled paper /cardboard

Weight (kg)

2012–13	15,750 kg
2011–12	2,360 kg
- 3 - (3)	

Co-mingle (glass, plastic and aluminium)

Weight (kg)	
2011–12	1,590 kg
2012–13	1,330 kg

Lauren Brincat Smashing, 2013 Documentation of an action Single-channel digital video, Courtesy of the artist and Anna Schwartz Gallery. Financial Statements for the year ended 30 June 2013







INDEPENDENT AUDITOR'S REPORT

To the Minister for Minister for the Arts

I have audited the accompanying financial statements of the Australia Council for the year ended 30 June 2013, which comprise: a Statement by the Board Members, Chief Executive and Chief Financial Officer; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Board Member's Responsibility for the Financial Statements

The Board Members of the Australia Council are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Australia Council's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australia Council's internal control relevant golicies used and the reasonableness of accounting the appropriates made by the Board Members, as well as evaluating the overall presentation of the financial statements.

GPO Box 707 CANBERRA ACT 2601 19 National Circuit BARTON ACT Phone (02) 6203 7300 Fax (02) 6203 7777 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Australia Council:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the Commonwealth Authorities and Companies Act 1997, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australia Council's financial position as at 30 June 2013 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

msVial

Mark Vial Senior Director Delegate of the Auditor-General Canberra 23 August 2013

Statement by Board Members, Chief Executive and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2013 are based on properly maintained financial records and give a true and fair view of matters requited by the Finance Minister's Orders made under the Commonwealth Authorities and Companies Act 1997, as amended.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australia Council will be able to pay all its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Board members.

Signed:

Chair

min

Mr. Rupert Myer AM

Mr. Antony Grybowski Chief Executive Officer

Date: 23 August 2013

Aluhvell

Mr. Timothy Blackwell **Executive Director Corporate Resources**

Statement of Comprehensive Income for Australia Council

for the period ended 30 June 2013

		2013	2012
	Notes	\$'000	\$'000
Expenses			
Employee benefits	ЗA	(13,180)	(12,841)
Supplier	3B	(10,020)	(10,398)
Grants and programs	3C	(174,823)	(164,511)
Depreciation and amortisation	3D	(653)	(659)
Finance costs	3E	(30)	(36)
Total expenses		(198,706)	(188,445)
Less:			
Own-source income			
Own-source revenue			
Interest	4A	2,971	3,041
Rental income	4B	62	65
Other revenue	4C	5,306	2,415
Total own-source revenue		8,339	5,521
Gains			
Sale of assets	4D	7	-
Total gains		7	-
Total own-source income		8,346	5,521
Net cost of services		(190,360)	(182,924)
Revenue from Government	4E	191,450	182,918
Surplus (Deficit) attributable to the Australian Government		1,090	(6)
Other comprehensive income			
Items not subject to subsequent reclassification to profit or loss			
Asset Revaluations		(120)	(647)
Total other comprehensive income before income tax		(120)	(647)
Income tax expense - other comprehensive income		-	-
Total other comprehensive income (loss)		(120)	(647)
Total comprehensive income (loss)		970	(653)
Total comprehensive income (loss) attributable to non-controlling		-	-
interests			

The above statement should be read in conjunction with the accompanying notes.

Balance Sheet for Australia Council

as at 30 June 2013

		2013	201
	Notes	\$'000	\$'00
Assets			
Financial Assets			
Cash and cash equivalents	5A	21,969	21,19
Trade and other receivables	5B	2,505	1,48
Total financial assets		24,474	22,68
Non-Financial Assets			
Land and buildings	6A	2,122	1,46
Property, plant and equipment	6B	301	15
Other	6C	1,030	1,21
Intangibles	6E	733	92
Other non-financial assets	6G	246	19
Total non-financial assets		4,432	3,95
Total assets		28,906	26,63
Liabilities			
Payables			
Suppliers	7A	(1,919)	(1,780
Grants and programs	7B	(2,070)	(2,46
Deferred Revenue	7C	(1,292)	
Other payables	7D	(585)	(512
Total payables		(5,866)	(4,759
Provisions			
Employee provisions	8A	(1,727)	(1,634
Other provisions	8B	(818)	(718
Total provisions		(2,545)	(2,352
Total liabilities		(8,411)	(7,11
Net assets		20,495	19,52
Equity			
Parent Entity Interest			
Reserves		5,036	3,98
Retained surplus		15,459	15,54
Total parent entity interest		20,495	19,52
Total equity		20,495	19,52

Statement of Changes in Equity for Australia Council

for the period ended 30 June 2013

		ained plus	Ass revalua surp	ation		her erves		tal uity
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	15,541	15,213	2,336	2,983	1,648	1,982	19,525	20,178
Adjusted opening balance	15,541	15,213	2,336	2,983	1,648	1,982	19,525	20,178
Comprehensive income								
Surplus (Deficit) for the period	1,090	(6)	-	-	-	-	1,090	(6)
Other comprehensive income – asset revaluations	-	-	(120)	(647)	-	-	(120)	(647)
Total comprehensive income	1,090	(6)	(120)	(647)	-	-	970	(653)
Transfers (from)/to Reserves								
Transfer (from)/to Get Reading! Reserve	1,369	425	-	-	(1,369)	(425)	-	-
Transfer (from)/to Asher Estate Bequest Reserve	(2)	7	-	-	2	(7)	-	-
Transfer (from)/to Visual Arts Craft Strategy Reserve	165	(98)	-	-	(165)	98	-	-
Transfer (from)/to Venice Biennale Pavilion Reserve	(3,213)	-	-	-	3,213	-	-	-
Transfer of realised amounts from Asset Revaluation Surplus	509	-	(509)	-	-	-	-	-
Sub-total transfers (from)/to Reserves	(1,172)	334	(509)	-	1,681	(334)	-	-
Closing balance as at 30 June	15,459	15,541	1,707	2,336	3,329	1,648	20,495	19,525

The above statement should be read in conjunction with the accompanying notes.

Cash Flow Statement for Australia Council

for the period ended 30 June 2013

	2013	2012
Notes	\$'000	\$'000
Operating Activities		
Cash received		
Receipts from Government	192,742	184,589
Interest	2,975	3,072
Net GST received	-	687
Other	5,428	2,694
Total cash received	201,145	191,042
Cash used		
Employees	(13,014)	(12,541)
Suppliers	(9,920)	(10,364)
Net GST paid	(1,088)	-
Grants and programs	(175,221)	(166,527)
Total cash used	(199,243)	(189,432)
Net cash from operating activities 9	1,902	1,610
Investing Activities		
Cash received		
Proceeds from sales of property, plant and equipment	7	-
Total cash received	7	-
Cash used		
Purchase of property, plant, equipment and intangibles	(1,137)	(566)
Total cash used	(1,137)	(566)
Net cash used by investing activities	(1,130)	(566)
Net increase in cash held	772	1,044

Cash and cash equivalents at the end of the reporting period	5A	21,969	21,197
Cash and cash equivalents at the beginning of the reporting period		21,197	20,153
Net increase in cash held		772	1,044

The above statement should be read in conjunction with the accompanying notes.

Schedule of Commitments for Australia Council

as at 30 June 2013

	2013	2012
	\$'000	\$'000
By type		
Commitments receivable		
Sublease rental income	101	23
Net GST recoverable on commitments	21,958	29,981
Total commitments receivable	22,059	30,004
Commitments payable		
Other commitments		
Operating leases	17,882	20,868
Grants and programs commitments	224,365	309,592
Total other commitments	242,247	330,460
Total commitments payable	242,247	330,460
Net commitments by type	220,188	300,456
By Maturity		
Commitments receivable		
One year or less	14,829	13,341
From one to five years	6,612	16,075
Over five years	618	588
Total commitments receivable	22,059	30,004
Commitments payable		
Operating lease commitments		
One year or less	3,201	3,210
From one to five years	10,847	11,017
Over five years	3,833	6,641
Total operating lease commitments	17,881	20,868
Grants and programs commitments		
One year or less	159,775	143,532
From one to five years	61,458	166,060
Over five years	3,133	-
Total other commitments	224,366	309,592
Total commitments payable	242,247	330,460
Net commitments by maturity	220,188	300,456

Notes: Commitments are GST inclusive where relevant. Sublease rental commitments receivable relates to the sublease of office space at 372 Elizabeth Street, Surry Hills, NSW. Operating lease commitments payable include commitments for IT leases and related services, overseas studios and the office lease at 372 Elizabeth Street, Surry Hills, NSW. Property lease payments are subject to an annual increase in accordance with contractual terms. Grants and programs commitments payable comprise \$135.531m to Major Performing Arts Board companies and \$88.834m of support for the arts funding under grant agreements in respect of which the recipient is yet to comply with certain requirements or meet eligibility.

The above schedule should be read in conjunction with the accompanying notes.

Schedule of Contingencies for Australia Council

as at 30 June 2013

There were no contingent assets or liabilities as at 30 June 2013 (2012: Nil).

Notes to and forming part of the financial statements

Summary of Significant Accounting Policies

1.1 Objectives of the entity

The Australia Council (the Council) is an Australian Government controlled entity. It is structured to meet one outcome:

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

The continued existence of the Council, in its present form and with its present programs, is dependent on Government policy and on continuing funding by Parliament for the Council's administration and programs.

1.2 Basis of Preparation of the Financial Statements

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are general purpose financial statements.

The financial statements have been prepared in accordance with:

- a) Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2012; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Council has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings, the library, musical instruments and works of art have been taken to be the market value of similar assets as determined by independent valuers.
- The quantum of the makegood provision is based on management's assessment of the cost to make good the premises at the end of the lease.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

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Summary of Significant Accounting Policies (continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued by the AASB that are applicable in the current period are assessed to have a material financial effect on the Council.

Future Australian Accounting Standard Requirements

New standards, amendments to standards, and interpretations that are applicable to future periods that have been issued by the AASB are not expected to have a material impact on the Council.

1.5 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required. Note 12: Senior Executive Remuneration comparatives were adjusted for changes in remuneration package bands and disclosure requirements.

1.6 Revenue

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) the Council retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs can be reliabily measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to the Council.

Revenue from rendering of services is recognised when the probable economic benefits associated with the transaction will flow to the Council.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed as at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest and grant return revenues are recognised on an accrual basis. Revenue from fundraising is recognised on receipt.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Revenue from Government

Government grants and funding are recognised when the Council obtains control over the contribution.

Funding received or receivable from the Council's portfolio department (appropriated to the agency as a CAC Act body payment item for payment to this entity) is recognised as Revenue from Government unless they are in the nature of an equity injection or a loan.

For reciprocal grants (i.e. equal value is given back by Council to the provider), the Council is deemed to have assumed control when the Council has satisfied its performance obligations under the terms of the grant. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Council recognises as expenses the related costs for which the grants are intended to compensate. Where the grants also include funds that relate to future related costs for which the grants are intended to compensate, this portion is recognised as deferred revenue.

For non-reciprocal grants, the Council is deemed to have assumed control when the grant is receivable or received. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Council with no future related costs are recognised in profit or loss in the period in which they become receivable. Conditional grants may be reciprocal or non reciprocal depending on the terms of the grant.

1.7 Gains

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the entity is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The entity recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the Council are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other private schemes.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Council makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the Council's employees. The Council accounts for the contributions as if they were contributions to defined contribution plans.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Summary of Significant Accounting Policies (continued)

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

The Council has no finance leases.

1.10 Grants and Programs Expense and Payables

Grants and programs expense and payables include grants to artists and arts organisations, funding to major performing arts and small-to-medium organisations, art sector projects, such as the Venice Biennale, that are managed by Council and costs associated with implementing government initiatives such as Get Reading!

Program salaries and supplier costs associated with the delivery of programs have been itemised within each respective expenditure classification.

1.11 Cash

Cash and cash equivalents includes cash on hand and at call deposits in bank accounts that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.12 Financial assets

The Council classifies its financial assets in the following categories:

- held-to-maturity investments; and
- Ioans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Council has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period. Where the fair value is less than the carrying amount, the asset is written down accordingly.

1.13 Financial Liabilities

Financial liabilities are classified as other financial liabilities and are recognised and derecognised upon trade date.

Other Financial Liabilities

Grant and program liabilities are recognised at the amounts approved by Council for disbursement.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition.

1.16 Property, Plant & Equipment and Other

Asset Recognition Threshold

Purchases of property, plant & equipment and other are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'make good' provisions in property leases taken up by the Council where there exists an obligation to restore the property to its original position. These costs are included in the value of the Council's leasehold improvements with a corresponding provision for the 'make good' recognised.

Revaluations

Fair values for each class of asset are determined as shown below:

Asset Class	Fair value measured at
Land	Market selling price
Buildings excluding leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Depreciated replacement cost
Other	Market selling price

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.
Summary of Significant Accounting Policies (continued)

WIP - Assets Under Construction

Work commenced in 2013 in preparation for the construction of a new pavilion to house the Australian exhibitions at the Venice Biennale from 2015. The amounts expended to balance date were in the nature of legal and architectural design fees and were recorded in a new asset class "WIP - Assets Under Construction". Subject to receiving the necessary planning and building permissions, the construction phase is scheduled to commence in December 2013 and finish in time for the 2015 Venice Biennale, when the completed asset will be transferred to a depreciable category. The existing pavilion will be depreciated over its remaining useful life.

Depreciation

Depreciable property, plant & equipment and other assets are written-off to their estimated residual values over their estimated useful lives to the Council using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset class	2013	2012
Buildings on freehold land	40 years	40 years
Buildings on leasehold land	50–75 years	50-75 years
Leasehold improvements	10 years	10 years
Plant and equipment	3–50 years	3–50 years
Other – library	3–50 years	3–50 years
Other – musical instruments	15–100 years	15–100 years
Other – works of art	50–250 years	50–250 years

Impairment

All assets were assessed for impairment at 30 June 2013. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

An item of property, plant & equipment and other is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1.17 Intangibles

The Council's intangibles comprise internally developed software for internal use as well as some purchased software. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are 3 years (2011-12: 3 years).

All software assets were assessed for indications of impairment as at 30 June 2013.

1.18 Taxation

The Council is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

2 Events After the Reporting Period

Australia Council Act 2013 (the Act) received Royal Assent on 27 June 2013 and was proclaimed on 1 July 2013 at which date all provisions of the Act were operative.

The Act modernises the enabling legislation of the Australia Council in line with the Australian Government's response to the 2012 Review of the Australia Council (the Review) as included in 'Creative Australia: the National Cultural Policy'.

The Act contains provisions which update the functions, powers and governance structure of the Australia Council (the Council) to implement the Australian Government's response to the Review, and to be consistent with the enabling legislation of other Commonwealth statutory authorities. The Act introduces a skills-based governing Board consisting of a Chair, Deputy Chair, and between five and nine other members, and the Chief Executive Officer as an ex-officio Board member. The Act also introduces corporate planning provisions for the first time, and grants the Board the power to establish committees to assist in the performance of the functions of the Board and the Council more broadly.

The 1 July 2013 commencement date allows for the Australia Council to commence operations as required under Sections 3 to 52 of the Act at the start of a new financial year.

This post balance date event has no financial effect on the financial statements for the year ended 30 June 2013.

3 Expenses

	2013	2012
	\$'000	\$'000
Note 3A: Employee Benefits		
Core		
Wages and salaries	(9,498)	(9,181)
Superannuation:		
 Defined contribution plans 	(405)	(526)
– Defined benefit plans	(266)	(248)
– Other private schemes	(488)	(317)
Leave and other entitlements	(345)	(222)
Separation and redundancies	(147)	(40)
Total employee benefits – core	(11,149)	(10,534)
Programs		
Wages and salaries	(1,875)	(2,103)
Superannuation:		
- Defined contribution plans	(73)	(97)
– Defined benefit plans	-	(2)
- Other private schemes	(115)	(84)
Leave and other entitlements	45	(21)
Separation and redundancies	(13)	-
Total employee benefits – programs	(2,031)	(2,307)
Total employee benefits	(13,180)	(12,841)

3 Expenses (continued)

	2013	2012
	\$'000	\$'000
Note 3B: Suppliers		
Core		
Provision of goods – external parties	(2,962)	(2,585)
Total goods and services	(2,962)	(2,585)
Other supplier expenses		
Operating lease rentals – external parties:		
– Minimum lease payments	(2,222)	(2,236)
Workers compensation expenses	(108)	(55)
Total other supplier expenses	(2,330)	(2,291)
Total supplier expenses – core	(5,292)	(4,876)
Programs		
Provision of goods – external parties	(4,728)	(5,522)
Total goods and services	(4,728)	(5,522)
Total supplier expenses – programs	(4,728)	(5,522)
Total supplier expenses	(10,020)	(10,398)
Note 3C: Grants and Programs		
Board Grants	(26,844)	(27,555)
Government Initiatives	(20,769)	(16,122)
Council Initiatives	(7,662)	(2,155)
Key Organisations	(21,081)	(21,395
Major Performing Arts	(98,467)	(97,284
Total grants and programs	(174,823)	(164,511)
Note 3D: Depreciation and Amortisation		
Depreciation:		
Plant and equipment and other	(78)	(63)
Buildings	(37)	(49)
Total depreciation	(115)	(112
Amortisation:		
Intangibles	(538)	(547)
Total amortisation	(538)	(547)
Total depreciation and amortisation	(653)	(659
Note 3E: Finance Costs		
Unwinding of makegood discount	(30)	(36)
Total finance costs	(30)	(36)

4 Income

	2013	2012
	\$'000	\$'000
Own-source revenue		
Note 4A: Interest		
Deposits	2,971	3,041
Total interest	2,971	3,041
Note 4B: Rental Income		
Operating lease:		
- Other	62	65
Total rental income	62	65
Note 4C: Other Revenue		
Returned grants	562	512
Income from fund raising:		
– Venice Biennale	453	371
- Venice Pavilion	3,213	
- Musee de Quai Branly	135	
Department of Foreign Affairs and Trade:		
- Festival of Pacific Arts	132	100
 Community Arts Replacement Project 	-	15
Arts ACT:		
- Local stages ACT initiative	-	25
Arts NSW:		
– Artsupport state manager	-	80
- MAPS project	-	150
Arts QLD:		
– Artsupport state manager	80	80
- Diversity Associate	50	
– MAPS project	50	50
Arts SA:		
– Artsupport state manager	50	50
Arts VIC:		
– MAPS project	50	50
– Artsupport state manager	67	80
Arts WA:		
 Artsupport state manager 	80	80

4 Income (continued)

	2013	2012
	\$'000	\$'000
Note 4C: Other Revenue (continued)		
Contributions from other non-government entities:		
- Creative Communities Partnership	-	4
 Artsupport masterclass 	56	46
– Marketing Summit	-	94
 Samstag ISCP residency program 	50	50
– World Summit	-	516
– Venice Biennale PD program	45	-
 Arts Executive Leadership Program 	-	15
 Artsupport - Andrew Thyne Reid Charitable Trust 	50	-
– Other	183	47
Total other revenue	5,306	2,415

Gains

Note 4D: Sale of Assets

Property, plant and equipment:		
- Proceeds from sale	7	-
 Carrying value of assets sold 	-	-
Net gain from sale of assets	7	-

Revenue From Government

Note 4E: Revenue from Government

Department of Regional Australia, Local Government, Arts and Sport:

- CAC Act Appropriation	188,049	175,010
- Get Reading!	308	1,600
- Visual Arts & Craft Strategy	2,743	5,308
– Sounds Australia	350	-
– Creative Australia Artist Grants	-	1,000
Total revenue from Government	191,450	182,918

5 Financial Assets

	2013	2012
	\$'000	\$'000
Note 5A: Cash and Cash Equivalents		
Cash on hand or on deposit	21,969	21,197
Total cash and cash equivalents	21,969	21,197
Note 5B: Trade and Other Receivables		
Goods and Services:		
- Goods and services - external parties	76	87
Total receivables for goods and services	76	87
Other receivables:		
 – GST receivable from the Australian Taxation Office 	2,394	1,313
- Loans	-	46
- Interest	30	33
- Other	5	8
Total other receivables	2,429	1,400
Total trade and other receivables (net)	2,505	1,487
Receivables are expected to be recovered in:		
– No more than 12 months	2,505	1,487
Total trade and other receivables (net)	2,505	1,487
Receivables are aged as follows:		
- Not overdue	2,486	1,464
- Overdue by:		
- 0 to 30 days	19	
- 31 to 60 days	-	23
Total receivables (gross)	2,505	1,487

6 Non-Financial Assets

	2013	2012
	\$'000	\$'000
Note 6A: Land and Buildings		
Land:		
Land at fair value	149	149
Total land	149	149
Buildings on freehold land:		
– Fair value	373	430
- Accumulated depreciation	-	(81)
Total buildings on freehold land	373	349
Leasehold improvements:		
– Fair value	3,889	3,798
- Accumulated depreciation	(3,691)	(3,676)
Total leasehold improvements	198	122
Buildings on leasehold land:		
– Fair value	847	1,187
- Accumulated depreciation	(6)	(345)
Total buildings on leasehold land	841	842
Work in progress:		
- Building assets under construction	561	-
Total work in progress	561	_
Total land and buildings	2,122	1,462

Land & Buildings (excluding leasehold improvements at 372 Elizabeth Street Surry Hills NSW Australia) were revalued at 30 June 2012 by an independent valuer, Jones Lang LaSalle. The valuations were in accordance with the revaluation policy stated in Note 1. In 2012-2013 those same properties were assessed for market changes and the effects of exchange rate movements. A net revaluation increment of \$44,000 (related to the Rome and Paris properties) was credited to the asset revaluation reserve and included in the equity section of the balance sheet (2012: Decrement of \$545,000). The carrying amount of \$2.122m (2012: \$1.462m) includes these revaluation figures.

Per accounting standard requirements, the accumulated depreciation balances have been netted off against fair values when recognising the revaluation movements.

Work commenced in 2013 in preparation for the construction of a new pavilion to house the Australian exhibitions at the Venice Biennale from 2015. The amounts expended to balance date were in the nature of legal and architectural design fees and were recorded in a new asset class "WIP - Assets Under Construction". Subject to receiving the necessary planning and building permissions, the construction phase is scheduled to commence in December 2013 and finish in time for the 2015 Venice Biennale, when the completed asset will be transferred to a depreciable category. The existing pavilion will be depreciated over its remaining useful life.

No indicators of impairment were found for leasehold improvements.

	2013	2012
	\$'000	\$'000
	\$.000	\$ 000
Note 6B: Plant and Equipment		

Total plant and equipment	301	155
- Accumulated depreciation	(432)	(540)
– Fair value	733	695

Plant and Equipment includes computer equipment and office furniture and fittings.

No indicators of impairment were found for plant and equipment.

No assets within this category are expected to be sold or disposed of within the next 12 months.

Note 6C: Other

– Fair value	1,051	1,215
- Accumulated depreciation	(21)	-
Total other	1,030	1,215

"Other" includes the library, musical instruments and works of art.

The violoncello was revalued at 30 June 2013 to reflect market changes and foreign exchange rate movements. The library was revalued as at 30 June 2012. The library valuation was in accordance with the revaluation policy stated in Note 1 and was completed by Simon Taaffe, an independent approved valuer. Works of art were revalued as at 30 June 2012. The works of art valuation was in accordance with the revaluation policy stated in Note 1 and was completed by an independent valuer, McWilliam and Associates Pty Ltd (Sydney).

No indicators of impairment were found for the library and works of art.

A net revaluation decrement of \$164,000 (in relation to the cello) was debited to the asset revaluation reserve and included in the equity section of the balance sheet (2012: Decrement of \$101,722). The carrying amount of \$1.030m above (2012: \$1.215m) includes these revaluation figures.

Per accounting standard requirements, the accumulated depreciation balances have been netted off against fair values when recognising the revaluation movements.

No assets within the "other" category are expected to be sold or disposed of within the next 12 months.

6 Non-Financial Assets (continued)

Note 6D: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Other 2013

	Land	Buildings	Total land & buildings	Plant & equipment	Other	Tota
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2012						
Gross book value	149	4,990	5,139	695	1,215	7,049
Accumulated depreciation and impairment	-	(3,677)	(3,677)	(540)	-	(4,217)
Net book value 1 July 2012	149	1,313	1,462	155	1,215	2,832
Additions:						
– By purchase	-	582	582	198	6	786
 Revaluations and impairments recognised in other comprehensive income 	-	44	44	-	(164)	(120)
 Depreciation expense 	-	(36)	(36)	(52)	(27)	(115)
Other movements						
[makegood asset carrying value adjustm	ent]:					
– Cost	-	70	70	-	-	70
 Accumulated depreciation 	-	-	-	-	-	-
Other movements [restatement on revaluations]						
– Cost	-	(16)	(16)	-	(6)	(22)
 Accumulated depreciation 	-	16	16	-	6	22
Disposals:						
– Cost	-	-	-	(160)	-	(160)
 Accumulated depreciation 	-	-	-	160	-	160
Net book value 30 June 2013	149	1,973	2,122	301	1,030	3,453

represented by:

Net book value 30 June 2013	149	1,973	2,122	301	1,030	3,453
- Accumulated depreciation and impairment	-	(3,697)	(3,697)	(432)	(21)	(4,150)
– Gross book value	149	5,670	5,819	733	1,051	7,603

	Land	Buildings	Total land	Plant &	Other	Tota
	\$'000	\$'000	& buildings \$'000	equipment \$'000	\$'000	\$'000
	0000	\$ 000	000	000	000	φ σσα
As at 1 July 2011						
Gross book value	149	5,915	6,064	676	1,600	8,340
Accumulated depreciation and impairment	-	(4,055)	(4,055)	(510)	(261)	(4,826
Net book value 1 July 2011	149	1,860	2,009	166	1,339	3,514
Additions:						
By purchase or internally developed	-	47	47	30	-	77
Revaluations and impairments recognised in other comprehensive income	-	(545)	(545)	-	(102)	(647
Depreciation expense	-	(49)	(49)	(41)	(22)	(112
Other movements [restatement on revaluations]:						
– Cost	-	(427)	(427)	-	(283)	(710
 Accumulated depreciation 	-	427	427	-	283	710
Disposals:						
– Cost	-	-	-	(11)	-	(11
 Accumulated depreciation 	-	-	-	11	-	11
Net book value 30 June 2012	149	1,313	1,462	155	1,215	2,832
Net book value as of 30 June 2012 represented by:						
– Gross book value	149	4,990	5,139	695	1,215	7,049
- Accumulated depreciation and impairment	-	(3,677)	(3,677)	(540)	-	(4,217
Net book value 30 June 2012	149	1,313	1,462	155	1,215	2,832

6 Non-Financial Assets (continued)

	2013	2012
	\$'000	\$'000
Note 6E: Intangibles		
Computer software:		
 Internally developed – in progress 	118	-
 Internally developed – in use 	3,364	3,132
- Purchased	11	11
- Accumulated amortisation	(2,760)	(2,222)
Total computer software	733	921
Total intangibles	733	921

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 6F: Reconciliation of the Opening and Closing	g Balances of Intangibles 2013
--	--------------------------------

	Computer software internally developed	Computer software purchased	Total
	\$'000	\$'000	\$'000
As at 1 July 2012			
Gross book value	3,132	11	3,143
Accumulated amortisation and impairment	(2,214)	(8)	(2,222)
Net book value 1 July 2012	918	3	921
Additions:			
 By purchase or internally developed 	350	-	350
– Amortisation	(535)	(3)	(538)
Net book value 30 June 2013	733	-	733
Net book value as of 30 June 2013 represented by:			
– Gross book value	3,482	11	3,493
 Accumulated amortisation and impairment 	(2,749)	(11)	(2,760)
Net book value 30 June 2013	733	-	733

	Computer	Computer	Tota
	software internally	software	1010
	developed	purchased	
	\$'000	\$'000	\$'000
As at 1 July 2011			
Gross book value	2,643	11	2,654
Accumulated amortisation and impairment	(1,669)	(6)	(1,675
Net book value 1 July 2011	974	5	979
Additions			
 By purchase or internally developed 	489	-	489
– Amortisation	(545)	(2)	(547
Net book value 30 June 2012	918	3	921
Net book value as of 30 June 2012 represented by:			
– Gross book value	3,132	11	3,143
 Accumulated amortisation and impairment 	(2,214)	(8)	(2,222
Net book value 30 June 2012	918	3	921
		2013	2012
		\$'000	\$'000
Note 6G: Other Non-Financial Assets			
Prepayments		246	199
Total other non-financial assets		246	199
Total other non-financial assets – are expected to b	e recovered in:		
– No more than 12 months		246	199
Total other non-financial assets		246	199

No indicators of impairment were found for other non-financial assets.

7 Payables

	2013	2012
	\$'000	\$'000
Note 7A: Suppliers		
Trade creditors and accruals	(639)	(616)
Operating lease rentals	(1,280)	(1,164)
	(1.010)	(1 700)
	(1,919)	(1,780)
Total suppliers payables Suppliers payables expected to be settled within 12 months:	(1,919)	(1,780)
Suppliers payables expected to be settled within 12 months: – External parties	(639)	(616)
Suppliers payables expected to be settled within 12 months:		
Suppliers payables expected to be settled within 12 months: – External parties	(639)	(616)
Suppliers payables expected to be settled within 12 months: – External parties Total Suppliers payables expected to be settled in greater than 12 months:	(639)	(616)
Suppliers payables expected to be settled within 12 months: – External parties Total	(639) (639)	(616)

Settlement was usually made within 30 days.

Note 7B: Grants and programs

Private sector:		
– Other	(2,070)	(2,467)
Total grants and programs	(2,070)	(2,467)

Total grants and programs are expected to be settled in:		
– No more than 12 months	(2,070)	(2,467)
Total grants and programs	(2,070)	(2,467)

Settlement was usually made according to the terms and conditions of each grant. This was usually within 30 days of performance or eligibility.

	2013	2012
	\$'000	\$'000
Note 7C: Deferred Revenue		
Get Reading! Government Initiative	(1,292)	-
Total deferred revenue	(1,292)	-
Note 7D: Other Payables		
Wages and salaries	(569)	(497)
Other	(16)	(15
Total other payables	(585)	(512)
Total other payables are expected to be settled in:		
– No more than 12 months	(585)	(512)
Total other payables	(585)	(512

8 Provisions

	2013	2012
	\$'000	\$'000
Note 8A: Employee Provisions		
Leave	(1,727)	(1,634)
Total employee provisions	(1,727)	(1,634)
Employee provisions are expected to be settled in:		
- No more than 12 months	(1,311)	(1,213)
– More than 12 months	(416)	(421)
Total employee provisions	(1,727)	(1,634)
Note 8B: Other Provisions		
Provision for makegood/restoration obligations	(818)	(718)
Total other provisions	(818)	(718)
Other provisions are expected to be settled in:		
- No more than 12 months	-	-
– More than 12 months	(818)	(718)
Total other provisions	(818)	(718)
	Provision for	Provision fo
	restoration	restoratior
	\$'000	\$'000
Carrying amount 1 July 2012	(718)	(682
– Unwinding of discount	(30)	(36
- Additional provisions made	(70)	
Closing balance at 30 June 2013	(818)	(718

The Council currently has an agreement (as it did in 2012) for the leasing of premises, which has a provision requiring the Council to restore the premises to their original condition at the conclusion of the lease. The Council has made a provision to reflect the present value of this obligation.

9 Cash Flow Reconciliation

	2013	2012
	\$'000	\$'000
Reconciliation of cash and cash equivalents as		
per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
- Cash flow statement	21,969	21,197
– Balance sheet	21,969	21,197
Difference	-	
Reconciliation of net cost of services to net cash from operating activities:		
- Net cost of services	(190,360)	(182,924)
– Add revenue from Government	191,450	182,918
Adjustments for non-cash items:		
- Depreciation/amortisation	653	659
 Finance cost – unwinding discount 	30	36
- Gain on sale of asset	(7)	-
Changes in assets/liabilities:		
- (Increase)/decrease in net receivables	(1,017)	2,603
- (Increase)/decrease in prepayments	(47)	72
- Increase/(decrease) in employee provisions	165	325
 Increase/(decrease) in supplier payables 	141	(63)
– Increase / (decrease) in deferred income	1,292	-
 Increase/(decrease) in grants and programs payble 	(398)	(2,016)
Net cash from operating activities	1,902	1,610

10 Remuneration of Council Members

2013	2012
No.	No.

The number of Council members of the Australia Council included in these figures are shown below in the relevant remuneration bands:

\$0 to \$29,999	8	5
\$30,000 to \$59,999	6	8
Total	14	13
	\$	\$
Total remuneration received or due and receivable by Council members of the Australia Council	364,424	365,901

Remuneration of executive directors is included in Note 12: Senior Executive Remuneration.

1 Related Party Disclosures

Council members

Council members during the financial year were:

Mr. Rupert Myer AM (Chair) appointed 1 July 2012 Ms. Kathy Keele (CEO ex officio) to 31 December 2012 * Ms. Libby Christie (Acting CEO ex officio from 1 January to 14 May 2013)* Mr. Tony Grybowski (CEO ex officio) from 15 May 2013 * Ms. Robyn Archer AO (Deputy Chair) appointed 1 July 2012 Mr. Frank Cooper (Acting Chair, MPAB from 27 October 2012 to 26 January 2013) Professor Ted Snell AM (Chair, Visual Arts to 4 February 2013) Ms. Samantha Mostyn (Community Interest Representative) Ms. Chrissy Sharp (Chair, Dance to 18 October 2012) Mr. Kenneth Brian Lloyd AM (Community Interest Representative) Mr. Stephen Armstrong (Chair, Theatre) Dr. Matthew Hindson AM (Chair, Music) Ms. Sophie Cunningham (Chair, Literature) Ms. Elizabeth Walsh (Chair, Dance from 19 October 2012) Ms. Lee-Ann Buckskin (Chair, ATSIA) Mr. Julian Knights (Chair, MPAB) from 17 April 2013 Dr. Danie Mellor (Chair Visual Arts from 16th May 2013) * Ex-officio member of Council by virtue of appointment as Chief Executive Officer (CEO)

Other transactions with directors or director-related entities

No Council member has, since the end of the previous financial year, received or become entitled to receive any benefits by virtue of being a Council member other than fixed stipends (disclosed in Note 10) or travelling and related allowances. All transactions between the Council and Council members, or related parties of Council members, were conducted in accordance with standard procedures and on conditions no more beneficial than those of other grant applicants.

Mr. Rupert Myer AM is the Chairman, Nuco Pty. Ltd., Former Chairman, Opera Australia Capital Fund; Board Member, The Myer Foundation; Board Member, Australian International Cultural Foundation; Member, The University of Melbourne, Faculty of Business and Commerce Advisory Board; Deputy Chair, Myer Holdings Ltd; Member, Felton Bequests' Committee; Member, Jawun – Indigenous Corporate Partnerships; Director, AMCIL Limited; Chairman, The Aranday Foundation; Board Member, The Yulgilbar Foundation; Board Member, The Myer Foundation Arts and Humanities Committee; Patron, Bendigo Art Gallery.

Ms. Robyn Archer AO is Chevalier de l'Ordre des Arts et des Letters; Officer of the Crown (Belgium); Creative Director, Centenary of Canberra (2013); Artistic Director, The Light in Winter (Federation Square); Chair, Arts Advisory Group, Adelaide College of the Arts; Patron Brink Productions (Adelaide); Australian Script Centre (Hobart); Australian Art Orchestra (Melbourne); Arts Law Society (Sydney); Institute of Post-Colonial Studies (Melbourne); Arts Health Foundation; Ambassador, Adelaide Football Club; International Women's Development Agency 2012 National year of Reading; Member, European House of Culture.

Ms. Kathy Keele is a member of the Australia International Cultural Council (AICC); Director, International Federation of Arts Councils and Cultural Agencies; ACCA.

Ms. Libby Christie is the Deputy Chair, Standards Australia.

Mr. Tony Grybowski is former Deputy Chair: Youth Music Australia; Former Deputy Chair: Elision; Former Board Member: Institute of the Arts at the Australian National University, Orchestral Association of Australia.

Mr. Kenneth Lloyd AM is a Board member of The Carrick Hill Trust, a South Australian government statutory authority.

Professor Matthew Hindson AM is the Chair, Composition and Music Technology Unit; Sydney Conservatorium of Music; Board member, Music Curator Campbelltown Arts Centre; Composer in residence for 2012 at ANAM; and has a Commission in 2012 with Musica Viva.

Ms. Samantha Mostyn is the Commissioner, Australian Football League; Commissioner, National Mental Health Commission; Director, Australian Volunteers International; Director, Sydney Theatre Company; Director, Transurban group; Director, Virgin Australia Holdings Ltd; Director, Citigroup Pty Limited; Director, Carriageworks; Deputy Chair, Diversity Council of Australia.

Mr. Stephen Armstrong is employed by the Myer Foundation (until 5 July 2013) as an Independent Producer and Consultant and Philanthropy Program Manager. He is a Board Director, Chunky Move; Trustee, Victorian Actors' Benevolent Trust; Producer, The Boy Castaways (film), recipient of investment funds through The HIVE Investment Fund (Australia Council, Adelaide Film Festival, ABC TV); Curating and producing a series of events for the London-based School of Life. Partner organisations include: City of Melbourne, The Wheeler Centre, State Library of Victoria, and White Night Melbourne. Project Management by Moriarty's Project and financial support from Trawalla Foundation. He is Consultant to The Arts Centre Melbourne; and Creative Producer Asian Performing Arts Program at the Arts Centre Melbourne (from 5th July 2013).

Ms. Lee-Ann Buckskin is employed as Manager, Community Program, Carclew Youth Arts, Adelaide. She is a Member of the South Australian Museums Aboriginal Advisory Committee; Designer, National Aboriginal and Torres Strait Islander War Memorial, Adelaide; Member, Strategic Management Team, Carclew Youth Arts.

1 Related Party Disclosures (continued)

Ms. Sophie Cunningham is a Board Member The Stella Prize Published by Text Publishing, University of New South Wales Press; Mentor with Jump; Course Director for the Faber Academy, run by Allen & Unwin Publishers; Former Editor, Meanjin, Melbourne University Press; Former Board Member of: Emerging Writer's Festival; Melbourne Writer's Festival Programming Committee; SPUNC; Victorian Writer's Centre Going; Down Swinging.

Ms. Elizabeth Walsh is on the Artistic advisory panel, Tasmania Performs; and is a Board member, Terrapin Puppet Theatre.

Mr. Julian Knights is employed by Ironbridge Capital. His position is Founding Partner; Former Chair, Sydney Dance Company (MPAB Company).

Mr. Danie Mellor has not declared any interests.

Professor Ted (Edgar) Snell AM, Cit WA. Employed by the University of Western Australia as Director Cultural Precinct; Perth Art Reviewer for The Australian; Chair University of Western Australia Publishing.

Mr. Frank Cooper is a partner, Price Waterhouse Coopers; former Chair, West Australian Opera; chair, Western Australia Community Foundation; Member Western Australian Strategic Health Research Advisory Committee.

12 Senior Executive Remuneration

	2013	2012
	\$	\$
Short-term employee benefits:		
– Salary	1,062,572	1,442,902
– Changes in annual leave provisions	103,252	111,738
– Performance bonuses	128,869	178,291
 Motor vehicle and other allowances 	13,000	13,000
 Superannuation (inc. leave related superannuation on-cost) 	107,516	146,976
Total short-term employee benefits	1,415,209	1,892,907
Other long-term employee benefits:		
– Long Service Leave	21,667	30,970
Total other long-term employee benefits	21,667	30,970
Total senior executive remuneration expenses	1,436,876	1,923,877

Notes:

1. Note 12A is prepared on an accrual basis (therefore the performance bonus expenses disclosed above may differ from the cash 'bonus paid' in Note 12B).

2. Note 12A excludes acting arrangements and part-year service where total remuneration expensed as a senior executive was less than \$180,000.

Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives during the Reporting Period

Average annual reportable remuneration ¹	Substantive senior executives	salary ²	Contributed super- annuation ³	Reportable allowances ⁴	Bonus paid⁵ re	Total reportable emuneration
	No.	\$	\$	\$	\$	\$
Total remuneration (including part-time arrangements):						
– less than \$180,000	21	110,750	12,606	30	1,577	124,963
– \$180,000 to \$209,999	3	156,869	16,673	-	15,136	188,678
– \$210,000 to \$239,999	1	199,688	17,250	-	18,249	235,187
– \$270,000 to \$299,999	1	230,506	21,915	13,000	21,528	286,949
– \$300,000 to \$329,999	1	273,690	11,195	-	43,697	328,582
Total number of substantive senior executives	27					

	Substantive	Reportable	Contributed	Reportable	Bonus	Tota
Average annual reportable	senior	salary ²	super-	allowances ⁴	paid⁵	reportable
remuneration ¹	executives		annuation ³			remuneration
	No.	\$	\$	\$	\$	\$
Total remuneration (including part-time arrangements):						
– Less than \$180,000	19	100,020	18,362	21	263	118,666
– \$180,000 to \$209,999	5	155,552	17,864	-	15,718	189,134
– \$210,000 to \$239,999	2	175,663	24,782	6,500	20,087	227,032
– \$330,000 to \$359,999	1	260,976	49,840	-	36,364	347,180
Total number of substantive senior executives	27					

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. 'Reportable salary' includes the following:

a. gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);

b. reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes); and

c. exempt foreign employment income.

12 Senior Executive Remuneration (continued)

- 3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to substantive senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per individuals' payment summaries.
- 4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
- 5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
- 6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.
- 7. The number of senior executives includes staff who have joined or left the organisation throughout the year.

Note 12C: Average Annual Reportable Remuneration Paid to Other Highly Paid Staff during the Reporting Period

During the reporting period, there were no other employees (2012: nil) whose salary plus performance bonus were \$180,000 or more.

13 Remuneration of Auditors

	2013	2012
	\$'000	\$'000
Financial statement audit services were provided by the Australian National Audit Office (ANAO).		
Fair value of the services provided		
– Australia Council	46	46
 Visual Arts and Craft Strategy (Government Initiative) 	-	5
– Other services *	29	-
Total	75	51

* No other services were provided by the ANAO.

* ANAO has retained Deloitte Touche Tohmatsu Limited to assist with the audit assignment.

* Deloitte Tax Services Pty Ltd, a related entity of the audit firm, charged a fee (EUR 22K) in relation to tax advice undertaken by Deloitte Touche Tohmatsu Limited member firm Studio Tributario e Societario Milan Italy related to the new Venice Biennale Pavilion rebuild project.

14 Financial Instruments

			2013	2012
			\$'000	\$'00(
Note 14A: Categories of Financial Instruments				
Financial Assets				
Held-to-maturity:				
– Cash on hand / at bank			21,969	21,19
Total			21,969	21,19
Loans and receivables:				
 Receivables for goods and services 			111	128
– Loan			-	46
Total			111	174
Carrying amount of financial assets			22,080	21,37
Financial Liabilities				
Other Financial Liabilities				
 Trade and other creditors 			(1,224)	(1,128
 Grant and programs 			(2,070)	(2,467
Total			(3,294)	(3,595
Carrying amount of financial liabilities			(3,294)	(3,595
Note 14D: Not locate and Superconfigure Size				
Note 14B: Net Income and Expense from Final Held-to-maturity	ICIAI ASSets			
– Interest revenue			2,971	3,04
			2,971	3,04
Net gain/(loss) held-to-maturity				,
Net gain/(loss) from financial assets			2,971	3,04
Note 14C: Fair Value of Financial Instruments				
	Carrying	Fair value	Carrying	Fair value
	amount	2013	amount	2012
	2013		2012	
	\$'000	\$'000	\$'000	\$'00(
Financial Assets				
– Cash at bank	21,969	21,969	21,197	21,197
 Receivables for goods and services 	111	111	128	128
– Loan	-	-	46	46
Total	22,080	22,080	21,371	21,37

14 Financial Instruments (continued)

Note 14C: Fair Value of Financial Instruments (continued)

	Carrying	Fair value	Carrying	Fair value
	amount 2013	2013	amount 2012	2012
	\$'000	\$'000	\$'000	\$'000
Financial Liabilities				
 Trade and other creditors 	(1,224)	(1,224)	(1,128)	(1,128)
– Grants and programs	(2,070)	(2,070)	(2,467)	(2,467)
Total	(3,294)	(3,294)	(3,595)	(3,595)

The determination of fair values for each class of financial assets and financial liabilities is as detailed in Note 1 of the financial statements.

Note 14D: Credit risk

The Council is exposed to minimum credit risk as the receivables are cash in nature and CAC Act payments made under law (which guarantees fixed amounts of funding that the entity can drawdown as required). All amounts owed by Australian Taxation Office are in the form of goods and services tax refunds. The maximum exposure to credit risk is the risk that arises from potential default of debtors. This amount is equal to the total amount of goods and services trade receivables and loans (2013: \$111,000 and 2012: \$174,000). The Council holds no collateral to mitigate against credit risk.

The following table illustrates the entity's gross exposure to credit risk,

excluding any collateral or credit enhancements.

2013	2012
\$'000	\$'000
21,969	21,197
111	128
-	46
22,080	21,371
(1,224)	(1,128)
(2,070)	(2,467)
(3,294)	(3,595)
	\$'000 21,969 111 - 22,080 (1,224) (2,070)

Note 14D: Credit Risk (continued)

	Not past due	Not past		ast due or	Past due or
	nor impaired	nor impa		impaired	impaired
	2013		2012	2013	2012
	\$'000		'000	\$'000	\$'000
– Cash at bank	21,969	21	,197	-	-
 Receivables for goods and services 	92		105	19	23
– Loan	-		46	-	-
Total	22,061	21	,348	19	23
	0 to 30 days	31 to 60 days	61 to 9 day		Total
	\$'000	\$'000	\$'00		\$'000

Ageing of financial assets that were past due but not impaired for 2013

Receivables for goods and services	19	-	-	-	19
Total	19	-	-	-	19

Ageing of financial assets that were past due but not impaired for 2012

Receivables for goods and services	-	23	-	-	23
Total	-	23	-	-	23

Note 14E: Liquidity Risk

The Council's financial liabilities are trade creditors and grant payables. The exposure to liquidity risk is based on the notion that the Council will encounter difficulty and obligations associated with financial liabilities. This is highly unlikely due to CAC Act payment funding and mechanisms available to the Council.

	On demand	within 1 year	Total
	\$'000	\$'000	\$'000
Maturities for non-derivative financial liabilities 2013			
- Trade and other creditors	-	(1,224)	(1,224)
 Grants and programs 	-	(2,070)	(2,070)
Total	-	(3,294)	(3,294)
Maturities for non-derivative financial liabilities 2012			
- Trade and other creditors	-	(1,128)	(1,128)
- Grants and programs	-	(2,467)	(2,467)
Total	-	(3,595)	(3,595)

14 Financial Instruments (continued)

The Council receives CAC Act payment funding from the Australian Government. The Council manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Council has policies in place to ensure timely payments are made when due and has no past experience of default.

Note 14F: Market Risk

Foreign Currency Risk

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

Interest Rate Risk

The Council manages its interest rate risk by holding surplus funds with banks (per s18 of the CAC Act) and in accordance with its investment policy.

15 Financial Assets Reconciliation

		2013	2012
	Notes	\$'000	\$'000
Financial assets			
Total financial assets as per balance sheet		24,474	22,684
Less: non-financial instrument components			
– Other receivables	5B	2,394	1,313
Total non-financial instrument components		2,394	1,313
Total financial assets as per financial instruments note		22,080	21,371

16 Reporting of Outcomes

Note 16A: Net Cost of Outcome Delivery

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.

	Outcome 1		Total	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Departmental				
Expenses	(198,706)	(188,445)	(198,706)	(188,445)
Own-source income	8,346	5,521	8,346	5,521
Net cost/(contribution) of outcome delivery	(190,360)	(182,924)	(190,360)	(182,924)

	Ou	tcome 1	Total	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Expenses				
– Employees	(13,180)	(12,841)	(13,180)	(12,841)
– Suppliers	(10,020)	(10,398)	(10,020)	(10,398)
 Grants and programs 	(174,823)	(164,511)	(174,823)	(164,511)
 Depreciation and amortisation 	(653)	(659)	(653)	(659)
– Finance costs	(30)	(36)	(30)	(36)
– Other expenses	-	-	-	-
Total	(198,706)	(188,445)	(198,706)	(188,445
Income				
 Income from government 	191,450	182,918	191,450	182,918
– Interest	2,971	3,041	2,971	3,041
– Other	5,375	2,480	5,375	2,480
Total	199,796	188,439	199,796	188,439

Reporting of Outcomes (continued)

Note 16B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome (continued				
	Outcome 1		Total	
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Assets				
 Cash and cash equivalent 	21,969	21,197	21,969	21,197
 Trade and other receivables 	2,505	1,487	2,505	1,487
– Land and buildings	2,122	1,462	2,122	1,462
 Plant and equipment 	301	155	301	155
– Other	1,030	1,215	1,030	1,215
– Intangibles	733	921	733	921
– Other non-financial assets	246	199	246	199
Total	28,906	26,636	28,906	26,636
Liabilities				
– Suppliers	(1,919)	(1,780)	(1,919)	(1,780)
 Grants and programs 	(2,070)	(2,467)	(2,070)	(2,467)
– Deferred revenue	(1,292)	-	(1,292)	-
– Other payables	(585)	(512)	(585)	(512)
– Employee provisions	(1,727)	(1,634)	(1,727)	(1,634)
– Other provisions	(818)	(718)	(818)	(718)
Total	(8,411)	(7,111)	(8,411)	(7,111)

Compensation and Debt Relief

There were no Act of Grace payments in the year ended 30 June 2013. (2012: Nil)



Glossary

A AIR AM AO APAM APT APRA ATSIA AWME	Artists in Residence Member of the Order of Australia Officer of the Order of Australia Australian Performing Arts Market Asia Pacific Triennial Australasian Performing Right Association Aboriginal and Torres Strait Islander Arts Australian World Music Expo
C CEF CEO	Cultural Engagement Framework Chief Executive Officer
D Dvaa	Darwin Visual Arts Association
F Fte	Fulltime Equivalent
G GST	Goods and Services Tax
I IETM IPS	International Network for Contemporary Performing Arts Information Publication Scheme
M MFI MPA	Major Festivals Initiative Major Performing Arts
O OFTA	Office for the Arts
s Ses	Senior Executive Service
W WHS WTS	Work Health and Safety Watch this space
V VACS	Visual Arts and Craft Strategy

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