

# Arts for Australia

**Australia Council Annual Report  
2006-07**

**[www.ozco.gov.au](http://www.ozco.gov.au)**

This annual report and a full list of grants are available for download at [www.ozco.gov.au/annualreport0607/](http://www.ozco.gov.au/annualreport0607/)

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

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## **Kurruru Soaring**

Kurruru Indigenous Youth Performing Arts' Nunga Circus performers in their production *Soaring*.

Image courtesy Kurruru and Come Out Festival.  
Photo by Hayden Bromley.



Australia Council Annual Report  
2006-07

# Image Story Harmony Vibrancy

Art is courage. Art is dignity.  
Art is dangerous, irrational, authentic.  
Art is enthusiasm. Art showcases our talents to the world. Art brings fresh life to values. Art is instinct, and skill. Art is seeing, and not believing everything we see. Art is our most secret self. Art asks too many questions, and surprises us with unexpected thoughts. Art is beyond understanding. Art is sublime.  
Art keeps us together. Art is community, and personality.

In a single year, art breathes change into millions of Australian lives. It gives shape to random ideas, and creates new spaces for thinking about our future.

It rebuilds our emotions every day. It makes us happy, and reflective. It excites our imagination, and leaves us trembling with anger or joy, laughing or crying, and eager for more. Art is the enemy of monotony.

Art brings out the Australian in all of us.

# Image. Shaping bold new terrains.

Australian artists have a knack for doing things differently.

Their innovative approaches to visual arts, theatre, contemporary dance, music and literature generate insights into Australian life that inspire followers around the country and around the world. They project a dynamic picture of 'being Australian' – their works are a prism through which others see us.

With Australia Council support, Australia's artists presented 3636 creative works in 2006-07 – entertaining, questioning, confronting and rewarding, an invigorating antidote to the conforming routines of everyday life.

Visionary new Australian works thrilled audiences throughout the year.

Once again, Australia's arts pushed innovation to the edge.

**Daniel von Sturmer**  
***The Object of Things 2007***

Video installation in the Australian Pavilion  
at the 2007 Venice Biennale.

Image courtesy of the artist and Anna Schwartz Gallery.



# Story. Exploring narratives about ourselves.

Australians have always been great storytellers.

From the legends of the Dreaming to rollicking goldfields ballads and modern performances, spinning a 'good yarn' has been central to defining who we are – on the stage, on the page and in the gallery.

Our stories, told in distinctively Australian voices, reveal a fabulous wealth of diversity. They form a narrative treasure that contributes to our unique literary, theatrical and artistic presence in the world.

With Australia Council support, Australia's artists created 4476 new works in 2006-07, enriching the nation with explorations of our turbulent past and powerful forays into the challenging issues of our times.

This year featured bold new works that captured Australia's imagination, showing that stories matter, now more than ever.





**Yirra Yaakin**  
***Windmill Baby***

Rohanna Angus in Yirra Yaakin's  
award-winning production *Windmill Baby*.  
Image courtesy Yirra Yaakin. Photo Jon Green.



# Harmony. Bringing our communities together.

Australians love getting together.

And nothing brings out their strong sense of community more than involvement with the arts, whether performing in a musical, arguing the point in reading groups, or painting landscapes in a local class.

Creating art is open to all Australians – so too is appreciation of the arts. The Australia Council supported around 9.3 million attendances at Australian arts events in 2006-07.

Importantly, the arts were not limited to our big cities, but ventured far.

In broadening our view of the world and ourselves, the arts helped create better communities.



## **Oz Opera** ***Carmen***

Opera Australia toured the Oz Opera production of *Carmen* throughout regional south-eastern Australia.

Promotional image courtesy of Australia Post, principal sponsor of Oz Opera.



# Vibrancy. Reflecting our dynamic society.

Australia's artists are integral to shaping a society open to new ideas.

Displaying muscular talent and unstoppable attitude, our artists explore the diversity of Australia's urban and rural landscapes, giving creative substance – in dance, theatre, writing, music and visual arts – to our dreams and aspirations.

The Australia Council provides multi-year funding for 174 organisations that generate approximately \$200 million in earned income, keeping alive the excitement and boldness of our creative endeavours.

Artistic events and initiatives continued to reflect the true spirit of Australia in 2006-07.

Yet again, great arts experiences added vibrancy to Australian lives.



**Yumi Umiumare**  
***DasSHOKU Hora!!***

Yumi Umiumare with Matt Crosby  
and Ben Rogan in the production  
***DasSHOKU Hora!!***

Image courtesy of the artist. Photo Jeff Busby.



## Australia Council – what we do

**Invest** in the creativity of the nation's artists and opportunities for all Australians to enjoy their work.

**Support** Australian artists and arts organisations through funding programs.

**Build** the capacity of the arts sector by providing advice and operational resources.

**Research** the arts and culture to underpin our programs and develop arts policy.

**Develop** cultural policy and advise governments on issues relating to the arts.

**Facilitate** partnerships between artists, governments and business that build a stronger arts sector.

**Promote** the value of the arts and help build new audiences at home and overseas.

**Advocate** with governments and the community to increase the role of the arts in the lives of Australians.

Australian arts and culture – the big picture

**\$16.9b**

size of the arts and related industries

**300,000**

Australians employed in the arts and culture

**2.9m**

Australians do paid or unpaid work in the arts and culture

**8m**

adult Australians attend the performing arts each year

**3.6m**

adult Australians visit art galleries each year



**Australia Council – year at a glance 2006-07**

**\$156m**

total grant and project funding to artists and arts organisations

**1799**

Australia Council grants and projects

**4476**

new artistic works created with Australia Council support

**3636**

new artistic works presented with Australia Council support

**9.3m**

attendances at Australia Council-supported events

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**Tanja Liedtke**  
***Construct***

Paul White performs in the late  
Tanja Liedtke's work *Construct*, which  
premiered in London in May 2007.

Image courtesy of the artist's family. Photo Chris Herzfeld.



**Senator the Hon George Brandis SC**

Minister for the Arts and Sport  
Parliament House, Canberra ACT 2600

5 September 2007

**Dear  
Minister**

I present you with the annual report of the Australia Council for 2006-07.

Under Section 9 of the *Commonwealth Authorities and Companies Act 1997*, the members of the Council are responsible for the preparation and content of a Report of Operations in accordance with Orders issued by the Minister for Finance and Administration. The following Report of Operations was adopted by resolution of the Council on 5 September 2007.

We have given this annual report the theme of 'the arts for Australia' to express the vital contribution which our artists make to the nation. Australia's artists are our storytellers; they are our image-makers; they stimulate our communities; and reflect the vibrancy of our diverse society. Australia's artists do all this in a voice and style that is distinctively our own.

These qualities have infused the work of Australian artists at home and abroad throughout the year – from Oz Opera's innovative production of *Carmen* on small stages in regional NSW and Victoria to the cutting-edge artworks of the six Australian artists at the 2007 Venice Biennale.

They have also inspired Australians to engage with the arts – from the 8 million Australians who attend the performing arts each year to the 3.6 million who visit an art gallery; from the more than one in five Australians who do paid or unpaid work in the arts and culture; to the businesses and philanthropists who give so generously to the arts.

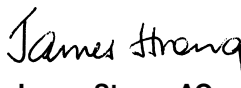
They are the hallmarks of an arts ecology that enriches the lives of all Australians.

None of this would be possible without the continuing support of the Australian Government, which strengthened its commitment to the arts through a package of new funding initiatives totalling more than \$88.7 million in the Budget in May this year. The government's renewal of the Australia Council's base funding – to the value of \$418 million over three years – was another clear demonstration of its support for the arts.

From this base, the Australia Council continued to provide financial and operational support to artists and arts organisations throughout the nation over the past year. The Australia Council's investment of \$156 million in artists and arts organisations through 1799 grants and projects in 2006-07 directly supported the creation of 4476 new works and the presentation of 3636 new creative works. Its support underwrote 9.3 million arts attendances during the year.

I would like to conclude with a tribute to your parliamentary colleague Senator the Hon Rod Kemp, who was Minister for the Arts and Sport until midway through 2006-07, and who championed the arts both as portfolio minister and personally with such generosity of spirit over his five-year term.

Yours faithfully



**James Strong AO**  
Chairman



## **Lingalayam Dance Company**

**Saipriya Balasubramaniam and Jennifer White perform at the launch of the SCOPE strategic initiative in February 2007.**

Photo Jumi Pak.



**Section 01**  
**Year in review 2006-07**

**The Australia Council  
enriches the lives  
of Australians and  
their communities  
by supporting the  
creation and enjoyment  
of the arts.**



**“The value of the arts is revealed to us in so many varied ways – every single day, throughout Australia.”**

Kathy Keele – chief executive officer.



The Australia Council plays a pivotal role in supporting and developing Australia's national culture in three interconnected areas.

In nurturing the distinctive style and creativity of Australia's artists, we encourage innovative practice and excellence across the artforms.

In building links between artists and their communities, we help make the arts accessible to all Australians – regardless of age, background or place.

In supporting the business of the arts, we foster a healthy arts sector that can face its challenges with confidence and build a sustainable future.

These three areas – excellent and distinctive Australian art, access for all Australians, and a strong and vibrant arts sector – are the framework of this annual report on the Australia Council's activities during 2006-07.

I invite you to read about some of the many programs and activities that demonstrate the enormous contribution of the arts to Australian life. The Australia Council is pleased to have provided support for the artists and arts organisations represented here through a suite of grants, projects and initiatives.

Since commencing as chief executive officer in early 2007, I have been struck by just how much arts and artists enrich our culture and the Australian way of life.

The myriad ways in which the arts add value to our lives demonstrate the importance of public support through the Australian Government and the Australia Council.

We see this value in the vibrant images of Australia on show around the world – from the sophistication of Australia's largest ever presence at the Venice Biennale to the larrikin, month-long season of Circus Oz in New York in December.

We hear it in the voices of our storytellers and the characteristically Australian narratives that express Australian identity and invite us to reflect – from the epic tale of Alexis Wright's Miles Franklin award-winning *Carpentaria* to Griffin Theatre's breakout success *Holding the Man*.

We experience it in the many different ways through which the arts bring people together, as participants and creators – from the tiny hamlet of Morundah, which hosted an Australia Opera production of *Carmen*, to the music programs of the Winanjjikari Music Centre in Tennant Creek.

We feel it in the vibrancy and inspiration, which the arts bring to our lives – from Australian Dance Theatre's energetic robotic spectacular *Devolution* to jeweller Susan Cohn's fresh approach to her craft.

The value of the arts is revealed to us in so many varied ways – every single day, throughout Australia.

## 2006-07 CORPORATE HIGHLIGHTS

There have been some significant milestones and important events for the Australia Council over the past financial year.

### New leadership team

The start of 2006-07 marked a new era in leadership at the Australia Council. James Strong's appointment as chairman in July 2006 was the first of several key changes to the Council and senior management. My appointment as chief executive officer in February 2007 completed the new leadership team.

The Council and the executive team have comprehensively reviewed the organisation and strengthened its framework of governance, strategy and business operations. Extensive national consultations, a review of our systems and processes, and analysis of the operating environment have provided inputs to this process.

A newly created governance and public affairs division will consolidate and strengthen our external relations with the arts sector, with government and with the many communities in which we engage. Headed by former executive director major performing arts, Dr Catherine Brown-Watt PSM, it brings together our government relations, secretariat, research, and marketing and communication functions. I thank Dr Brown-Watt for guiding the smooth transition to these new arrangements, and for her commitment to our major performing arts operations over the past seven years.

Our priorities for the coming year are growing support for artists, promoting the value of the arts, and fostering a strong and viable arts sector across the nation.

### Budget outcomes

The Australia Council and the arts community welcomed the Australian Government's 2007-08 Budget in May, particularly initiatives to strengthen Australia's major and small-to-medium performing arts companies and the visual arts sector.

A \$24.1 million funding increase over four years for 20 major performing arts companies provided a healthy boost to the nation's flagship theatre, dance and music organisations. It was the result of the second Major Performing Arts Inquiry funding model review, which examined the impacts of external pressures on these companies, assessed their capacity to deliver key outputs, and explored possible areas of growth.

A \$19.5 million funding package over four years for the 'engine room' of Australian performing arts creativity – the small-to-medium sector – was another welcome outcome, which acknowledged the contribution of these organisations to Australian culture. The Australia Council will distribute this additional funding through its theatre, music, dance and Aboriginal and Torres Strait Islander arts boards to triennially funded organisations and many other organisations which receive annual funding.

The Australian Government also renewed its support for the highly successful Visual Arts and Craft Strategy (VACS) for four more years, with a further injection of \$24.7 million over this period. Since its implementation in 2003-04, this funding package has fostered a more productive and sustainable visual arts and crafts sector, as envisioned by Rupert Myer's Contemporary Visual Arts and Craft Inquiry.

### Strategic initiatives

In 2005-06, the Council created a strategic initiatives funding pool to enable interventions with potential for strong impact. A first round of 14 strategic initiatives worth more than \$6.6 million was announced in April 2006.

This annual report highlights progress on several of these initiatives – the Little Big Book Club (p.45), Securing Career Opportunities and Employment (p.53), Australian Chamber Orchestra Second Ensemble (p.52), Maker to Manufacturer to Market (p.53), The Other Side of the Coin (p.53), Indigenous Philanthropy Program (p.54) and Story of the Future (p.55).

The Council announced a second round of nine strategic initiatives in November 2006. With a total allocation of \$3.5 million over four years, they support the development of Indigenous arts, artists' earnings, industry development and cross-department and agency partnerships.

They include a four-year partnership with Regional Arts Australia worth approximately \$1.3 million to increase arts participation by people in regional, rural and remote Australia; a \$230,000 three-year initiative with Musica Viva to deliver music programs to senior citizens; a \$600,000 three-year initiative to support programs at three multicultural arts centres; and a \$220,000 contribution to extend the reach of the Queensland Music Festival's program into 21 regional communities. More detailed information on two other initiatives – Celebrations (p.45) and C3 West (p.48) – is contained in this annual report.



**Justine Cooper**  
**Yellow honeyeaters**

*Yellow honeyeaters (Lichenostomus flavus)*  
from 'Saved by science' series 2005  
exhibited at the Asia-Pacific Triennial  
of Contemporary Art in Brisbane.

Image courtesy of the artist and Novamedia.



# The Australia Council invested more than \$156 million in artists and arts organisations nationally in 2006-07.

## 2006-07 FUNDING OVERVIEW

The Australia Council invested more than \$156 million in artists and arts organisations nationally in 2006-07 through its grants and programs, compared to \$142.8 million in the previous year. This included support for the creation of original works; performances, publishing, distribution and exhibitions; building capacity through skills development, fellowships and residencies; partnership opportunities; and initiatives to grow audiences and marketing of the arts.

This \$156 million investment enabled the creation of 4476 new artistic works, the exhibition, performance and publication of 3636 works, and assisted more than 9.3 million attendances at arts events. The total investment comprised \$142.8 million through 1437 grants and \$13.2 million through 362 projects. \$98.1 million went to major performing arts companies; \$48.1 million to other arts organisations; and \$9.9 million to individual artists (see figure 1).

The \$13.2 million increase in funding between 2005-06 and 2006-07 was due, in large measure, to increased funding for the nation's orchestras as a result of the Orchestras Review in 2005 (see p.55).

In 2006-07, the Australia Council supported 1799 grants and projects. This included 1225 grants to organisations and 574 grants to individual artists.

These grants were based on a total of 4274 applications to the various annual grant programs, down from 4728 the previous year. This decrease reflects changes to some grant programs for community partnerships and young and emerging artists (see figure 2).

Funding in 2006-07 included \$63.1 million for the nation's orchestras; \$18.2 million for opera; \$9.6 million for other music artists and organisations; \$16.8 million for visual artists and organisations; \$15.2 million for theatre companies and artists; \$11.8 million for dance artists and companies; \$7.8 million for writers, publishers and literary organisations; \$7.8 million for multi-artform artists and organisations; and \$5.8 million for other artists and organisations (see figure 3).

The Australia Council's total funding for 2006-07 also included:

- \$7.7 million for international activities by Australian artists and arts organisations
- \$8.7 million in support for arts and cultural projects with a predominantly Indigenous focus
- \$7.7 million in arts activities with a predominantly regional focus (excluding major performing arts companies' activities).

Figure 1  
Funding to organisations  
and individuals  
\$million

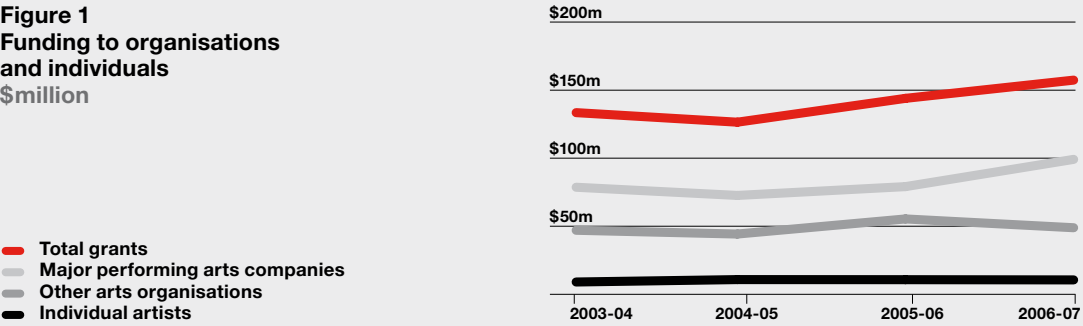


Figure 2  
Total applications,  
grants and projects

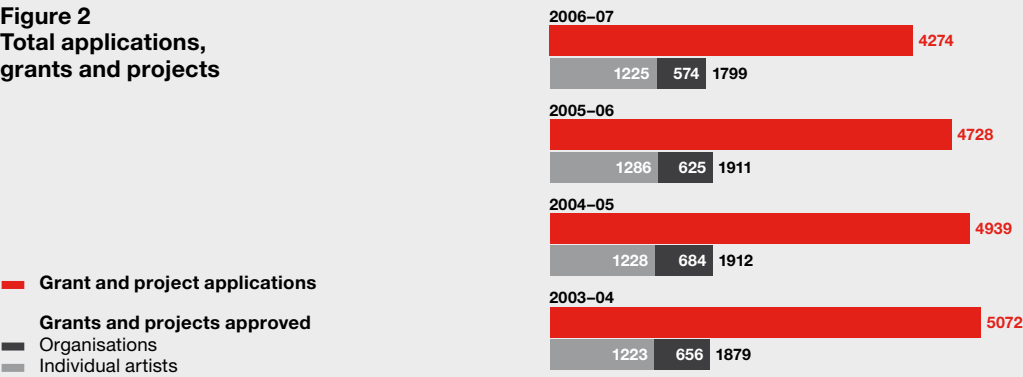


Figure 3  
Total funding by artform 2006-07  
\$million

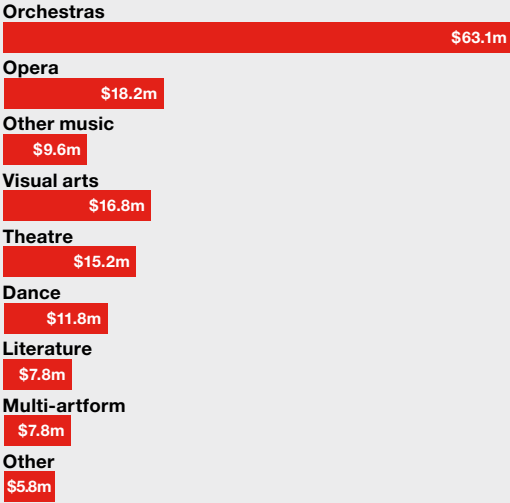
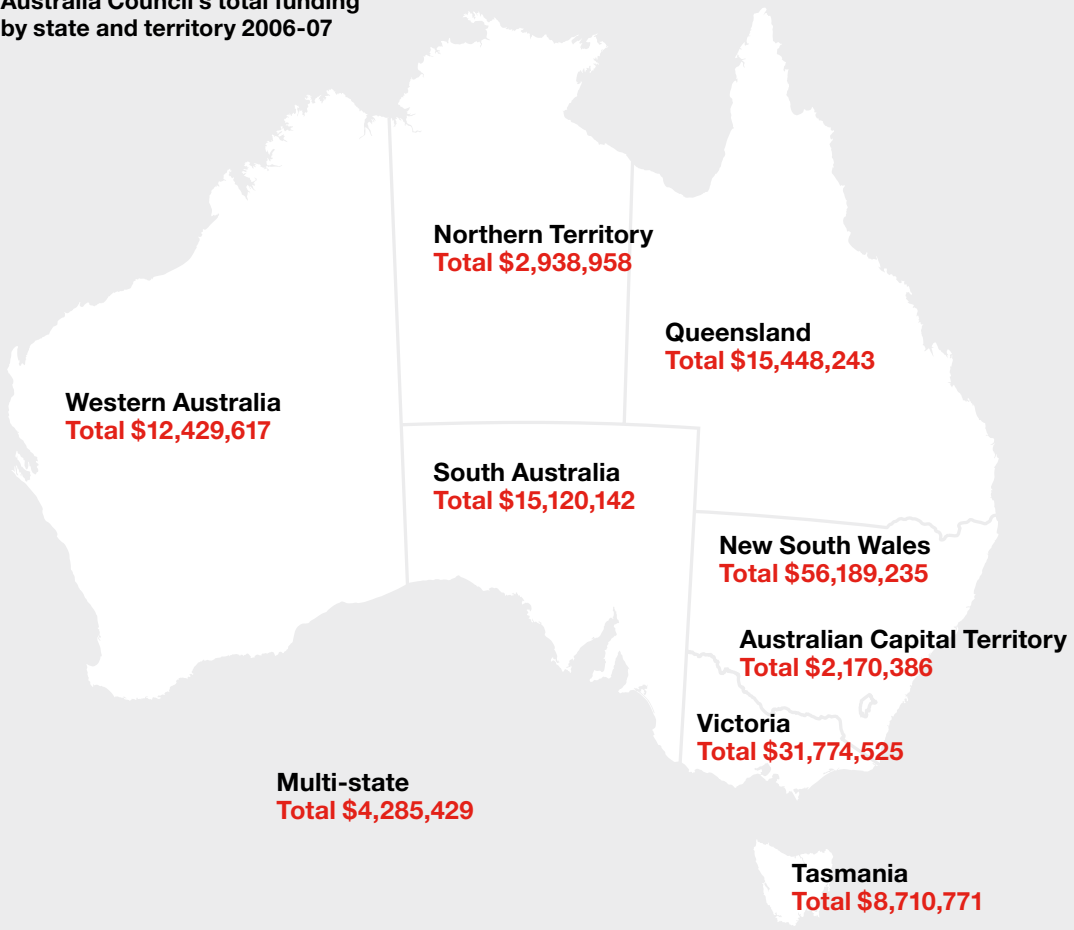


Figure 4  
Australia Council's total funding  
by state and territory 2006-07



	MULTI-ARTFORM \$	DANCE \$	GENERAL/ ARTS ADMIN \$	LITERATURE \$	MUSIC^ \$	THEATRE \$	VISUAL ARTS \$	TOTAL \$
NSW	3,438,577	2,623,032	1,967,748	3,888,156	34,584,711	4,723,393	4,963,617	56,189,235
Vic.	736,230	4,880,006	683,275	960,707	17,306,000	4,708,822	2,499,485	31,774,525
Qld	668,364	736,962	329,442	333,361	10,581,069	1,143,131	1,655,914	15,448,243
SA	787,063	778,838	348,431	520,885	10,285,063	1,236,761	1,163,101	15,120,142
WA	289,960	709,411	351,798	445,157	8,935,800	803,189	894,302	12,429,617
Tas.	192,764	100,000	572,873	225,712	6,497,216	528,482	593,724	8,710,771
NT	250,524	229,440	590,746	285,366	309,782	189,673	1,083,427	2,938,958
ACT	80,000	314,060	201,439	253,881	264,614	184,144	872,248	2,170,386
Multi-state	438,599	804,877	641,467	55,700	1,253,363	999,458	91,965	4,285,429
Overseas	909,571	612,042	311,701	848,171	650,792	635,659	2,980,261	6,948,198
Total	7,791,652	11,788,668	5,998,920	7,817,096	90,668,410	15,152,713	16,798,044	156,015,503

^Music includes funding to symphony orchestras and opera





## Alexis Wright

Alexis Wright received the 2007 Miles Franklin Award for her novel *Carpentaria*.

Image courtesy Giramondo. Photo Darren James.



**Outcome 1: Excellent and distinctive Australian art**

**The Australia Council  
assists Australian  
artists to create  
and present a body  
of distinctive cultural  
works characterised  
by the pursuit  
of excellence.**

Athletic, cutting edge, vibrant, insightful and larrikin – are just some of the words that describe the Australian arts.

Regardless of the genre, Australia’s artists speak with a distinctively Australian voice. A long list of Australian artists – among them Cate Blanchett, Peter Carey, Graeme Murphy, Simone Young, Ricky Swallow and the late Clifford Possum Tjapaltjarri – are admired and respected around the globe, underlining the strength of Australia’s artistic talent. Australian artists tell our unique stories to audiences and readers at home and abroad. They capture the essence of what it means to be Australian – in all its diversity – and explore the issues facing Australian society today.

The Australia Council invested more than \$88.6 million in supporting excellence in the arts in 2006-07 (through outcome 1 – see page 71), compared to \$86 million in 2005-06.

The Australia Council’s investment has assisted Australian artists to create new productions, books, poems, plays, songs, compositions, sculptures, paintings, installations, designs and media works. In 2006-07, the Australia Council assisted the creation of 4476 new works and the presentation of 3636 new works (see figure 5).

These artistic works are of such high quality that many won major awards during the year: from the 2007 Miles Franklin Award for Alexis Wright’s moving novel *Carpentaria* to two Helpmann Awards for Australian Dance Theatre’s groundbreaking *Devolution*.

Australia’s distinctive artistic style portrays our nation and its people to the world. The vivid imagery of Indigenous visual arts is instantly recognisable and much prized, and our dance and literature have earned Australia a world-leading reputation for works of the highest quality.

The Australia Council has invested in strategies to promote Australian artists in its priority markets of Europe, Asia and the Americas. In 2006-07, the Australia Council supported the presentation of Australian arts in 72 countries around the world (see figure 6). Countries such as the USA, UK, France, Germany, Japan, Canada, Italy, The Netherlands, China and New Zealand featured strongly in our programs.

The 2007 Venice Biennale was one of the year’s many highlights, alongside the success of Australian contemporary dance companies in the USA through the Dance Down Under program.

**Figure 5**  
**Supporting the creation and presentation of new Australian artworks**

Note: These annual figures include some estimates.  
\*The Australia Council records an exhibition or publication as one work, although each may contain more than one individual work.

	2003-04	2004-05	2005-06	2006-07
Number of new works created	3036	3072	4110	4476
Number of new works exhibited, performed and published*	3545	3502	3472	3636
Number of grants and projects	1879	1912	1911	1799
<b>Total funding</b>	<b>\$132.3m</b>	<b>\$125.3m</b>	<b>\$142.8m</b>	<b>\$156m</b>

**Figure 6**  
**Supporting Australian arts around the world**

Note: These annual figures include some estimates.

	2003-04	2004-05	2005-06	2006-07
Number of countries presented in	60	68	71	72
Number of grants	319	365	423	449
<b>Total funding</b>	<b>\$6.6m</b>	<b>\$6.8m</b>	<b>\$7.4m</b>	<b>\$7.7m</b>

## VISUAL ARTS

From abstract installation works to innovative craft and contemporary designs, the diversity of Australia's visual arts showcases the ingenuity of our artists and explores the issues of the day. The works combine distinctive, local character with a range of visual influences from around the globe to create an Australian style that is recognised worldwide.

The Australia Council invested more than \$16.8 million in Australian visual arts in 2006-07. This investment included grants to artists, residencies and touring grants, support for galleries and organisations, and strategic initiatives to build capacity across the sector. The following four activities exemplify the artistic excellence that was characteristic of the visual arts programs the Australia Council funded in 2006-07.

### Venice Biennale 2007

A smoke-belching, post-apocalyptic rendition of an artist's childhood home was one of the 2007 Venice Biennale's more unusual highlights. The work, *Valhalla*, by Melbourne artist Callum Morton was part of Australia's largest ever presence at the Venice Biennale, which included Susan Norrie with her powerful video installation *HAVOC* and Daniel von Sturmer's wry geometric installations *The Object of Things*. More than 15,000 people attended the three-day professional preview of the artists' works, with more than a quarter of a million expected over the five-month exhibition. A delegation of 19 curators and art educators and a 'cheer squad' of more than 400 self-funded supporters, donors and corporate sponsors joined the artists at the preview. Swelling the Australian ranks in Venice were artists Shaun Gladwell, Christian Capurro and Rosemary Laing who were chosen by the biennale's artistic director Robert Storr for the curated exhibition *Think with the Senses – Feel with the Mind: Art in the Present Tense*. William Mora Galleries showed works by another three Australians – the late Paddy Bedford, John Marwundjul and Andrew Rodgers – at the Cornice Art Fair, which ran over the Venice Biennale's opening weekend. The Australia Council managed Australia's official representation at the 2007 Venice Biennale through a fundraising partnership with donors and sponsors reaching a total budget of \$2.4 million. The visual arts board supported the Australian artists in the biennale's curated exhibition with an additional \$112,000.

### Documenta 12/Den Haag Sculptuur 2007

Two other major European art exhibitions opened in June 2007, making the continental summer a landmark one for Australia's visual arts. Den Haag Sculptuur 2007 in Rotterdam between June and

September had a distinctly antipodean flavour with 28 Australian artists exhibiting under the theme *De Overkant/Down Under*. Over the border in Germany, Documenta 12, considered one of the world's most important contemporary art exhibitions, took place at the same time. There, Juan Davila and Simryn Gill represented Australia. Juan Davila had a series of paintings on show and Simryn Gill exhibited her work *Throwback*. The artists' exhibits at Documenta 12 were supported with \$62,976 and Den Haag Sculptuur 2007 with \$41,500 from the visual arts board.

### Susan Cohn

Susan Cohn is one of Australia's most highly acclaimed jewellery designers. She has exhibited extensively around Australia and overseas, including a major survey of her work that toured nationally in 2000 from the National Gallery of Australia. Susan's list of 'firsts' and awards is long. In 1990, she became the first Australian designer commissioned by the Italian manufacturer Alessi. Five years later, she was inducted into the Design Institute of Australia's Hall of Fame. She received a \$90,000 visual arts board fellowship to develop an exhibition for Melbourne's Anna Schwartz Gallery in late 2007 and a group exhibition – *Hybrids* – at the Art Gallery of South West Manitoba, Canada in 2008.

### Thancoupie – Visual Arts Emeritus Award 2007

Celebrated Indigenous ceramicist Dr Thancoupie Gloria Fletcher AO was the recipient of the Australia Council's 2006 Visual Arts Emeritus Award. Thancoupie, a Thanaquith elder from the Weipa region, has enjoyed a spectacular 40-year career with 16 solo exhibitions and numerous showings around the world. She has been a mentor and inspiration to other ceramicists and her community. The \$40,000 Visual Arts Emeritus Award is presented annually to a distinguished Australian visual artist for an outstanding contribution to Australia's visual arts.

## LITERATURE

For decades, Australia's prodigious writing talent has captivated readers at home and abroad. The recognisably Australian voice of such greats as Peter Carey and Thomas Keneally expressed Australian literature's coming of age, a proud inheritance for today's young and emerging novelists, poets and short story writers.

The Australia Council invested more than \$7.8 million in Australian literature in 2006-07. This investment included grants to writers and publishers, residencies and touring grants, support for writers' centres, literary journals and literary festivals, and strategic initiatives to build capacity across the sector.

**“The arts provide vital opportunities for all Australians to create and experience part of our national culture.”**

**Sandi Woo – program officer, community partnerships.**



The following four activities exemplify the artistic excellence that was characteristic of the literature programs the Australia Council funded in 2006-07.

**Jaya Savage – *Latecomers***

Twenty-eight-year-old Queensland poet Jaya Savage moved readers and award judges with his first collection, *Latecomers*. Drawing on a diverse array of influences and experiences – and a solid grounding from his home on Queensland’s Bribie Island – Jaya’s work has received the Kenneth Slessor Prize for Poetry and the Thomas Shapcott Prize. He received a \$15,000 new work grant from the literature board to write *Latecomers*, and in the first half of 2007 completed a \$15,000 six-month residency at the B.R. Whiting Library in Rome.

**Peter Temple – *The Broken Shore***

Crime fiction is the latest literary genre to be given an Australian flavour with a squad of gumshoes from Cliff Hardy to Murray Whelan appearing on the scene in recent years. Among them is Joe Cashin, the creation of Victorian writer Peter Temple, whose second adventure *The Broken Shore* has swept awards and captivated readers across Australia and around the world. Peter was the first Australian to take out the £20,000 Duncan Lawrie Dagger Award, known as the ‘Booker Prize of crime fiction’. *The Broken Shore* also won a 2006 Ned Kelly Award, the Colin Roderick Award, and was short-listed for the 2006 Miles Franklin Award. *The Broken Shore* has had rave reviews in the USA and Britain. Peter Temple received a literature board fellowship

in 2006, worth \$90,000 over two years, which will assist him to complete the Jack Irish trilogy.

**Visiting International Publishers**

In May 2007, 12 leading publishers from the UK, USA, Canada, France, Germany and China descended on Sydney for the Australia Council’s Visiting International Publishers (VIP) program. Celebrating its 10th year, VIP immerses international publishers in local literary culture to encourage sales of Australian book rights into overseas markets. To date, VIP has helped sell more than 200 Australian book titles internationally and more than \$3 million in rights’ sales. As a result of the 2007 program, Philip Gwyn Jones, of independent publisher Portobello Books, signed Alice Pung’s *Unpolished Gem* into the British market. The Australia Council managed the 2007 VIP program with a market development budget of \$37,732.

**Patricia Wrightson OBE – 2006 Writers Emeritus Award**

Distinguished children’s author Patricia Wrightson received the Australia Council’s 2006 Writers Emeritus Award, adding to a long list of awards over her 50-year career, including the Dromkeen Medal, Hans Christian Andersen Award, and winning the Australian Children’s Book Council Book of the Year Award four times. The \$50,000 Writers Emeritus Award is one of Australia’s highest literary honours, and recognises the achievements of Australian writers over the age of 65 who have created an acclaimed body of work.









**KAGE**  
***Headlock***

KAGE presented their award-winning production *Headlock* at the Association of Performing Arts Presenters Annual Conference in New York.

Image courtesy KAGE. Photo Jeff Busby.



# Our artists capture the essence of what it means to be Australian – in all its diversity – and explore the issues facing Australian society today.

## NEW ARTISTIC PRACTICES

Australian artists are on the cutting edge of emerging artistic practices. The development of new technologies has provided artists with new media to explore, new tools to create with and new ways to connect with one another. The result is a kaleidoscope of works that has changed the way we view and engage with art.

The Australia Council invested \$3.5 million in new artistic practices and media arts in 2006-07. This investment included grants to individual artists, financial and operational support to arts organisations, and strategic initiatives to build capacity across the artform. The following four activities exemplify the artistic excellence that was characteristic of the new artistic practice the Australia Council funded in 2006-07.

### ImproLab

Interdisciplinary improvisation was on the boil at a series of residencies, laboratories and performances in the second half of 2006. ImproLab brought together 11 artists from a range of disciplines, including dancers Tess De Quincy and Yumi Umiumare, musicians Chris Abrahams and Jim Denley, video artist Sam James and Japanese collaborators Sachiko M and Ami Yoshida. Their residencies at Perth Contemporary Institute of Art and the University of Sydney culminated in performances at Sydney Opera House and fortyfivedownstairs in Melbourne. The inter-arts office and the dance board supported ImproLab with a \$20,000 residency and a \$15,000 grant respectively.

### Samuel James and Gail Priest

#### – *Immersion: electrical empathy*

The new work, *Immersion: electrical empathy*, intrigued audiences during the Now now Festival at Sydney's CarriageWorks in June 2007 by dropping them into an audio-visual journey through the subconscious. Produced by Sydney-based media artists Samuel James and Gail Priest, the work by eight of Australia's leading sound and video artists, created a unified experience between space, sound and images. The final work was created over a one-week residency, where each artist developed their material individually and brought it together for the final performance. The inter-arts office supported *Immersion: electrical empathy* with a \$15,900 grant.

### Van Sowerwine – *Small Beasts*

Brisbane media artist Van Sowerwine's innovative work *Small Beasts* combined sculpture, video, photography and animation to create a nocturnal world featuring hybrid children's toys. The work featured silicone sculptures of creatures with peepholes through which audiences could view short stop-animation films. *Small Beasts* showed at the Stills Gallery in Sydney in May 2007. In 2005, Van Sowerwine received special mention in the Short Film Palme d'Or at the Cannes Film Festival for her stop-motion short *Clara*. The visual arts board supported *Small Beasts* with an emerging artists \$10,000 new work grant.

### **Novamedia – *Strange Attractors: Charm between art and science***

Eleven Australian media artists put their collaborations with scientists on show at the Zendai Museum of Modern Art in Shanghai, China in July and August 2006 with *Strange Attractors: Charm between art and science*. The artworks drew on images and ideas from medicine, biotechnology, ecology, oceanography, robotics, paleo-botany and astrophysics for the exhibition curated by Antoanetta Ivanova. It featured works by Mari Velonaki, Julie Ryder, Helen Sky and the SymbioticA Research Group. A symposium and publication exploring the issues surrounding the works was also produced. The inter-arts office supported *Strange Attractors* with a grant of \$18,500.

### **ABORIGINAL AND TORRES STRAIT ISLANDER ARTS**

Indigenous arts are the centrepiece of Australia's unique arts and culture. From the bold imagery of the late Paddy Bedford to the mesmerising beauty of Bangarra Dance Theatre, these unique forms of visual art, writing, dance, music and theatre are instantly recognisable as Australia's cultural treasures. They take stories of Indigenous cultural heritage and survival to their communities, to all Australians and the rest of the world.

In 2006-07, the Australia Council invested more than \$8.7 million in Indigenous arts across all its sections, principally through its Aboriginal and Torres Strait Islander arts (ATSIA) board, to assist Indigenous Australians to claim, control and enhance their cultural inheritance. This investment included grants to individual artists, financial and operational support to arts organisations, and strategic initiatives to build capacity across the multi-artform area. The following four activities exemplify the artistic excellence that was characteristic of the Indigenous arts programs the Australia Council funded in 2006-07.

#### **Black Arm Band – murundak**

Closing the Melbourne International Arts Festival in October 2006, the Black Arm Band gave the all-star treatment to a string of Indigenous protest songs from 'Took the children away' to 'From little things big things grow'. The Black Arm Band brings together some of the biggest names in Indigenous music such as Troy Cassar-Daly, Ruby Hunter and Ken Carmody, and a 15-piece band. murundak ('alive' in the local Woiwurrung language) saw these iconic songs performed live against a backdrop of provocative film and photographic images. The Black Arm Band received \$50,000 in 2006-07 as part of a three-year \$150,000 industry development fund from the Aboriginal and Torres Strait Islander arts board.

#### **Tom E Lewis – 2006 Red Ochre Award**

Actor, musician and director Tom E Lewis received the Australia Council's 2006 Red Ochre Award at a ceremony in Darwin in December 2006. Tom E Lewis starred in films such as *The Chant of Jimmy Blacksmith*, *We of the Never Never* and *The Proposition*, and won rave reviews for roles in productions for Melbourne Theatre Company, Malthouse Theatre and Melbourne Workers Theatre. Tom has also released a debut album *Walking After Rain*. The annual \$50,000 Red Ochre Award honours an Indigenous Australian artist for their outstanding contribution to Aboriginal and Torres Strait Islander culture both at home and overseas.

#### **Alexis Wright – *Carpentaria***

Waanyi author Alexis Wright's epic novel of Indigenous survival, *Carpentaria*, was awarded the 2007 Miles Franklin Literary Award in June. *Carpentaria* follows characters from the fictitious town of Desperance in Queensland's Gulf country. The judging panel described the 'richly imagined and stylistically ambitious' work as 'a big novel in every sense'. An \$80,000 fellowship from the ATSIA board assisted the writing of *Carpentaria*, and a \$4000 literature board grant to Giramondo Publishing assisted its publication.

#### **Yirra Yaakin – *Windmill Baby***

Indigenous theatre company Yirra Yaakin took its one-woman show of campfire stories *Windmill Baby* on tours of Canada and the UK in late 2006. Playwright David Milroy's simply told production captivated audiences at Belfast's Queens Festival and the Salisbury International Arts Festival, and received rave reviews on a 25-date tour of Canada. David Milroy added to his 2003 Patrick White Award for the production with a 2006 Deadly Award for best theatrical score. Yirra Yaakin received \$104,755 in 2006-07 as a key organisation of the theatre board and an additional \$37,220 in touring support from the market development section.

### **DANCE**

Australian contemporary dance is known for its distinctive physicality and athletic style. A host of outstanding dancers and choreographers has earned Australia an enviable reputation for taking the artform to new heights. The diversity of Australian dance – from traditional forms to the innovative use of new media – continues to captivate audiences at home and round the world.

The Australia Council invested more than \$11.8 million in Australian dance in 2006-07. This investment included grants to individual artists, financial and operational support to arts organisations, and strategic initiatives to build capacity across the artform.

The following four activities exemplify the artistic excellence that was characteristic of the dance programs the Australia Council funded in 2006-07.

### **Australian Dance Theatre – *Devolution***

Australian Dance Theatre's *Devolution* captivated audiences at the Adelaide and Sydney festivals with its daring interface between human and robotic dancers. The work, a unique collaboration between artistic director Garry Stewart and Canadian technology artist Louis-Philippe Demers, won two Helpmann Awards in 2006 including best new Australian work. Australian Dance Theatre also took its production *HELD* to 32 destinations in continental Europe, the UK and Japan during two marathon tours in 2006-07. The company received \$182,274 in 2006-07 as a key organisation of the dance board.

### **Dance Down Under**

A fresh crop of seven Australian contemporary dance companies and artists took the Big Apple by storm at the world's leading performing arts showcase, the 50th Association of Performing Arts Presenters (APAP) Annual Conference in January 2007. Showcase performers Shelly Lasica and Sandra Parker Dance performed at the hip downtown Joyce Studios and got a coveted mention in *The New York Times* critical guide. APAP attracts approximately 4000 delegates and 120 media representatives from 28 countries. Melbourne dance company Balletlab is already building on its success at last year's APAP conference with US tours planned for October 2007. The Australia Council managed the delegation to APAP in 2007 with an international market development budget of \$170,993.

### **Lucy Guerin Inc – *Structure and Sadness***

The shocking collapse of a span of Melbourne's West Gate Bridge on 15 October 1970 – Australia's worst industrial accident – sent shockwaves around the nation. Ironically, it is the starting point for *Structure and Sadness*, the new work by renowned choreographer Lucy Guerin. With critically acclaimed seasons at the Melbourne International Arts Festival in October 2006 and Sydney Festival in February 2007, *Structure and Sadness* won best dance work at the 2007 Helpmann Awards and Lucy Guerin a 2006 Green Room Award for choreography. Lucy Guerin Inc received \$104,755 in 2006-07 as a key organisation of the dance board.

### **Tanja Liedtke**

2006-07 firmly established the late Tanja Liedtke as one of the leading lights of Australian contemporary dance. Her first full-length independent work, *Twelfth*

*Floor*, won an Australian Dance Award for outstanding achievement in choreography in November 2006, and her new work *Construct* premiered to critical and audience acclaim at London's South Bank Centre in May 2007. These accolades for her distinctive choreographic voice were followed by her appointment as the new artistic director of Sydney Dance Company, succeeding icon of Australian dance Graeme Murphy AM who had led the company for 30 years. Tanja's tragic passing in August 2007 shocked and saddened the arts community. *Construct* was supported with \$48,887 from the dance board and market development section. Sydney Dance Company received \$1,198,633 in 2006-07 as a client of the major performing arts board.

### **MUSIC**

From Dame Joan Sutherland to rock band Jet, the diversity and vitality of Australian music moves and excites audiences at home and abroad. Classical, jazz, contemporary, rock, electronic and world musicians all take to stages across the country, spinning their individual flavour into the performance genre.

The Australia Council invested more than \$90.7 million in Australian music in 2006-07. This investment included grants to individual artists, financial and operational support to arts organisations, and strategic initiatives to build capacity across the artform. The following four activities exemplify the artistic excellence that was characteristic of the music programs the Australia Council funded in 2006-07.

### **ELISION Ensemble – Huddersfield Contemporary Music Festival**

West Yorkshire is the unlikely home of the UK's largest festival of contemporary and experimental music, with more than 500 performances taking over the town of Huddersfield for 10 days every November. In 2006, Australia's premier new music ensemble ELISION held a special residency at the Huddersfield Contemporary Music Festival as part of Undergrowth: Australian Arts UK. The group performed works from ELISION's 20th anniversary program, including the world premiere of Richard Barrett's *Codex IV*. ELISION also appeared at the Liverpool Cities in Transition Festival on the same tour. It received \$100,137 in 2006-07 as a key organisation of the music board, and an additional \$19,455 in touring support from the market development section.

### **Barney McAll**

New York City has long been the mecca for jazz music's hippest, from Fats Waller to Charlie Parker and beyond. Over the past 10 years, Melbourne jazz pianist Barney McAll has steadily cracked the Big

**“The arts provide an avenue for Indigenous communities to showcase their diversity and are a vehicle for preserving their cultures.”**

**Jade Christian – assistant program/policy officer, Aboriginal and Torres Strait Islander arts.**



Apple. One of his bands, the Groove Collective, was nominated for a Grammy Award in December 2006 for its album *People, People, Music, Music*. Barney's solo projects are also generating buzz, with his latest of five solo albums, *Mother of Dreams and Secrets*, receiving strong reviews. Barney McAll received a \$90,000 music board fellowship to develop his meditations on Afro-Cuban sacred music and to present these new works at the Wangaratta Festival of Jazz in November 2007.

#### **Peter Sculthorpe AO OBE – 2007 Don Banks Music Award**

Australia's foremost composer, Emeritus Professor Peter Sculthorpe AO OBE, received the Australia Council's 2007 Don Banks Music Award in February. In a career of more than 40 years and 350 compositions, Peter has helped change the face of Australian music and has been an ambassador for Australian culture overseas. The musical traditions of Indigenous Australia and South-East Asia have strongly influenced his work. The \$60,000 Don Banks Music Award is one of the highest accolades in Australian music, awarded annually to a distinguished artist.

#### **Unkle Ho – *Circus Maximus***

Mixing Eastern European tunes with Asian beats and a twist of electronica, the genre-defying Unkle Ho's second album *Circus Maximus* received strong reviews on its release in May 2007. A founding member of the Sydney-based hip-hop collective, The Herd, Unkle Ho's debut album *Roads to Roma* was one of the standout hits of 2005 receiving

four-star reviews from *The Sydney Morning Herald* and *Rolling Stone* magazine. Unkle Ho received a \$5000 music board grant to record *Circus Maximus*.

#### **THEATRE**

Australia's lively theatre scene has been the springboard for a who's who of acclaimed artists from actor Cate Blanchett to playwright David Williamson. Australia's many theatrical accomplishments – from circus and theatre for young people to cutting edge experimental work – put the spotlight on Australian identity and encourage critical social and political debate.

The Australia Council invested more than \$15.2 million in Australian theatre in 2006-07. This investment included grants to individual artists, financial and operational support to arts organisations, and strategic initiatives to build capacity across the artform. The following four activities exemplify the artistic excellence that was characteristic of the theatre programs the Australia Council funded in 2006-07.

#### **Circa – *The Space Between***

Brisbane-based circus company Circa has taken its production *The Space Between* to nine different countries on four continents from Romania to Japan. As part of the Australian delegation to the biennial CINARS performing arts showcase in Montreal Canada in November, Circa put its work in front of 1000 presenters, agents and artists from 50 countries. *The Space Between* was one of only six non-Canadian shows singled out by the CINARS jury for special commendation (along with Melbourne's Lucy Guerin Inc for its production *Aether*).

# Australia's distinctive artistic style portrays our nation and its people to the world.

The warmth of the presenters' response looks set to make Circa a hot ticket, with four tours planned for 2007-08 as a result. Circa received \$110,000 in 2006-07 as a key organisation of the theatre board, and the Australia Council managed the delegation to CINARS with a budget of \$86,786 from the market development section.

## **Circus Oz – *Laughing at Gravity***

With 20 performers including a singing stuntman, circus strongwoman and juggling contortionist, Circus Oz's 'dazzling feats of derring-do' kept American audiences spell-bound and the critics raving. *The New York Times* called its month-long December run at the New Victory Theatre 'the hottest show in town'. The production *Laughing at Gravity* also showcased the company's physical pyrotechnics and larrikin sensibility to Australian audiences in 2006-07 with shows in Sydney and Melbourne and a regional tour through remote centres in Western Australia. Circus Oz received \$678,778 in 2006-07 as a major performing arts board client.

## **Griffin Theatre – *Holding the Man***

Griffin Theatre Company's touching and heartfelt love story, *Holding the Man*, took Sydney by storm in 2006-07. The runaway success of *Holding the Man* sold out three separate seasons at major venues – the first in a remarkable seven days – and will mount a fourth season in September 2007 ahead of a US tour. It also marked the emergence of an exciting new Australian scriptwriting voice in Tommy Murphy whose masterful adaptation of the late Timothy Conigrave's memoir won a 2007 NSW Premier's

Literary Award. Griffin Theatre Company received \$214,748 in 2006-07 as a key organisation of the theatre board.

## **Anna Tregloan – *Black***

Anna Tregloan's *Black*, a collage of performance, sound, visuals and objects, intrigued audiences at Melbourne's Malthouse Theatre with its bold exploration of the unsolved murder of the Black Dahlia. Designed to allow audiences to come and go, giving them an experience of approximately half an hour over this time, the hybrid performance's unsettling atmosphere and innovative set design attracted a strong, positive response. The production was led by designer/director Anna Tregloan. The theatre board supported *Black* with a grant of \$28,732.





## **Blue King Brown**

**Natalie Pa'apa'a sings with the band Blue King Brown at The Dreaming – Australia's International Indigenous Festival 2007.**

Image courtesy Woodford Folk Festival. Photo Sonja de Sterke.



**Outcome 2: Access for all Australians**

**The Australia Council  
assists Australian  
citizens and civic  
institutions to  
appreciate, understand,  
participate in, enjoy  
and celebrate the arts.**

Australians engage directly with the arts and culture everyday. From playing a musical instrument, to attending a concert or an art gallery, or enjoying the simple pleasure of reading a book, the arts are an integral part of Australian life. The arts bring stimulus to our lives and make our communities better places to live.

The Australia Council plays an important role in helping more Australians engage with the arts. It invests significantly in community-based arts and community cultural development programs, audience development initiatives, arts marketing and promotional programs, and analysis of the arts sector. The establishment of a community partnerships and market development division in 2005-06 is an example of the Australia Council's commitment to a social inclusion agenda.

In 2006-07, the Australia Council invested more than \$67.4 million in encouraging community engagement (through outcome 2 – see page 71), compared to \$65.4 million in 2005-06.

Australian Bureau of Statistics data consistently highlights the large and growing numbers of Australians who engage with the arts and culture each year. More than 8.8 million adult Australians attend a performing or visual arts event each year (see figure 8).

Arts activities supported by the Australia Council comprise a significant proportion of these arts experiences, with 9.3 million attendances at funded activities. This includes funding through project grant programs, the 145 key organisations and the 29 major performing arts companies (see figure 7).

Experiencing art in a gallery or concert hall is not the only way Australians engage with the arts. Approximately 2.9 million Australians – or one in five over the age of 15 – make work in the arts and culture a part of their lives. These people perform this work, both paid and unpaid, because it makes a positive difference to their lives (see figure 9).

**Figure 7**  
**Attendances at Australia Council-supported activities 000s**

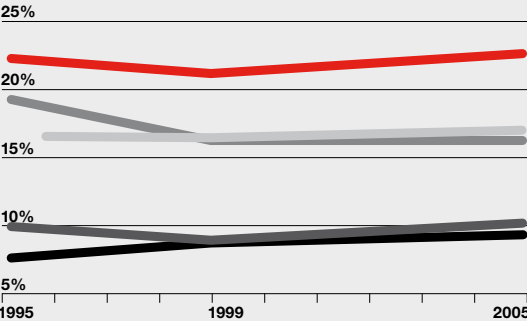
Note: These annual figures may include some estimates.  
\* Project grant figures also reflect reporting following changes to support for young and emerging artists.  
^ Major performing arts companies' audience figures include attendance at education programs from 2006-07.

	2003	2004	2005	2006
Total audiences	8773	7142	7987	9310
Project grants	4241	2416	2953	2199*
Key organisations	2259	2562	2867	3878^
Major performing arts companies	2273	2164	2167	3233

**Figure 8**  
**Attendance rate at selected cultural venues and events % Australian population**

- Art galleries
- Theatre performances
- Dance performances
- Classical music concerts
- Musicals and operas

Source: Australian Bureau of Statistics, Attendance at Selected Cultural Venues and Events 2005-06 (cat no 4114.0).



**Figure 9**  
**Number of people involved in selected cultural activities**

Source: Australian Bureau of Statistics, Work in Selected Culture and Leisure Activities 2004 (cat no 6281.0).

	1997	2001	2004
Writing	542,800	536,900	556,500
Visual arts	n/a	503,200	789,900
Craft	n/a	396,400	542,700
Music	260,300	281,900	305,200

## COMMUNITY PARTNERSHIPS

The arts can be a catalyst for bringing people together and building harmony within our communities. Australia's artists and organisations have delivered innovative community-based programs that are recognised worldwide for their effectiveness in community building. Their contribution is especially significant in regional communities and among culturally diverse, disabled and youth groups across the country.

The Australia Council provided \$5 million for community-based arts and community cultural development through its community partnerships section. This included grants to individuals, skills development financial and other support for organisations, and strategic initiatives to continue to build the practice. The following six activities are some of the community engagement programs the Australia Council funded in 2006-07.

### Big hART – *Junk Theory*

In the aftermath of mob riots at Sydney's Cronulla, the innovative arts organisation Big hART embarked on a project to help heal a community that had been fractured by acts of violence and racial tension. Bringing together more than 100 locals from 22 different cultural groups, *Junk Theory* was the result. It featured an authentic 37-foot Chinese junk, with still and moving images projected onto its giant sails as it sailed through Sydney Harbour and Port Hacking. More than 32,000 people watched *Junk Theory* from five vantage points as part of Sydney Festival in January 2007. The project also included an exhibition of photographs at the Hazlehurst Regional Gallery in Sutherland. The community partnerships section supported *Junk Theory* with a \$100,000 initiative.

### Community partnership awards

Eminent community arts figure Marily Cintra received the Australia Council's 2006 Ros Bower Award at a ceremony in December. The \$50,000 award recognised Marily's outstanding commitment to developing public art programs in a healthcare context. The Australia Council also acknowledged three other outstanding young artists for their contributions to cultural development activities with communities. Melbourne hip-hop artist Khaled Abdulwahab and Sydney community theatre maker Claudia Chidiac received Young Leaders awards each worth \$10,000; and Queensland community arts worker Lenine Bourke received the inaugural \$10,000 Kirk Robson Award. All three awards recognise important contributions and leadership in community cultural development.

### DADAA WA – Lost Generation Project

Tales of a karaoke enthusiast who sings with his eyes and another who transforms into the virtual world of a video were two of the short films screened in Perth in January 2007 as part of the Lost Generation Project. The five-year project will see more than 360 people with intellectual disabilities create self-portraits on film. Lost Generation is a partnership between the community arts organisation Disability in the Arts, Disadvantage in the Arts, Australia (DADAA WA), the Disability Services Commission and the Film and Television Institute WA. DADAA WA received \$104,775 in 2006-07 as a key organisation of the community partnerships section.

### Educating for the Creative Workforce

A report by leading cultural consultant Kate Oakley – *Educating for the Creative Workforce: Rethinking arts and education* – was the first milestone in a three-year partnership between the Australia Council and the Queensland University of Technology's ARC Centre of Excellence for Creative Industries and Innovation. Launched in March 2007, the report provided an overview of arts education research and recommended ways to connect research with contemporary approaches to education.

### Emerge Cultural Network – Emerge Festival

The annual Emerge Festival celebrated Victoria's cultural diversity from 17 June to 22 July 2007. The launch concert, which coincided with United Nations World Refugee Day, had the 5000 people who packed Fitzroy Town Hall jumping to the rhythms of Africa, the Middle East and China. More than 200 artists from 36 different cultures took part over two stages and a vibrant cultural marketplace. The month-long festival also included two other concerts (VISIBLE and Music Deli), a performance mixing African story and song (Voodoo Vaudeville) and an exhibition of Ethiopian photographs. Emerge is an innovative community cultural development program developed by Multicultural Arts Victoria. The community partnerships section supported Emerge with a \$70,000 grant.

### Ten Days on the Island – Port Arthur Project

The Port Arthur Project was a highlight of Tasmania's Ten Days on the Island festival program in 2007. A landmark visual art exhibition designed to help heal the once-traumatised community of Port Arthur, it featured 23 artworks by 25 artists who had links to Tasmania. It explored some of the lesser-known sides of the history of the locality that was shattered by the events of a decade before. More than 29,000 people visited the site-specific installations over its two-month run, giving locals and visitors a chance

**“Our smaller arts organisations are the launching pad for new creative works, new artists and new ways of doing things.”**

Atul Joshi – director, key organisations.



to explore the richness of the Port Arthur Historic Site. The community partnerships section supported the *Port Arthur Project* with a \$25,000 grant.

### **DANCE**

The vitality of contemporary dance makes it instantly appealing to Australians of all ages and cultural backgrounds. In 2005-06, there were more than 1.6 million paid attendances at traditional and contemporary dance performances. Many Australians dance in an amateur or professional capacity, and many more take part in dance classes and events across the country.

The Australia Council provided \$11.8 million for Australian dance. This included grants to individuals and organisations, audience and market development initiatives, and strategic initiatives to build engagement with the artform. The following three activities are some of the community engagement programs the Australia Council funded in 2006-07.

#### **Ausdance Victoria – Terrain**

The cultural diversity of contemporary dance was on show at Terrain, a multicultural dance festival in Melbourne, over a weekend in November 2006. Several hundred people attended a smorgasbord of dance performances that incorporated a range of culturally diverse influences from Japanese butoh to traditional Indian, and from Indigenous Australian to Brazilian capoeira. A community dance day and discussion forum rounded off the festival, a partnership between Ausdance Victoria and Multicultural Arts Victoria. The festival was preceded by a marathon

six-hour performance, *BB06 (Beyond Butoh)*, facilitated by Yumi Umiumare and Tony Yap. The dance board supported Terrain with a \$12,000 grant.

#### **Stompin Youth Dance – Home**

Innovative Tasmanian dance company Stompin's latest production *Home* takes the kit-home concept into a whole new arena. *Home*, which premiered at Launceston's Roberts Wool Store in November 2006, takes audiences on a tour of a custom-built, five-room model house. A team of 50 local young people, including architecture students, built the 40-metre-long house from recycled cardboard in a one-week period. The performance involves small groups of up to 10 audience members being taken through the house, with a different performance in each room, at five-minute intervals. *Home* will tour to Melbourne in September 2007. Stompin received \$91,630 in 2006-07 as a key organisation of the dance board.

#### **Tracks – A Bowls Club Wedding**

Darwin Bowls Club is an unlikely setting for a performance combining break dancing with stand up comedy. But in late 2006, Northern Territory dance company Tracks sold out the venue with its latest season of *A Bowls Club Wedding*. A cast of 40 dancers, including the senior women's dance troupe the Grey Panthers, told the wacky story of a true love that transcends a long-standing feud between opposing bowling teams. Tracks received \$189,440 in 2006-07 as a key organisation of the dance board.



## MUSIC

The number and diversity of musical styles – from classical to jazz to folk to rock to electronic – ensure its broad appeal to Australians. In 2005-06, there were more than 1.5 million paid attendances at classical music performances and more than 4 million at pop concerts. Approximately 305,200 Australians consider themselves amateur or professional musicians.

The Australia Council provided \$90.9 million for Australian music. This included grants to individuals and organisations, audience and market development initiatives, and strategic initiatives to build engagement with the artform. The following three activities are some of the community engagement programs the Australia Council funded in 2006-07.

### Musica Viva – Music Generator

Musicians from acclaimed groups such as Sirocco and TaikOz took 300 school students from the 10 schools in Victoria's La Trobe Valley on a musical adventure as part of a pioneering initiative by Musica Viva. Music Generator is a six-month pilot program of student workshops that brought professional musicians into the classroom and culminated in a community concert in March 2007. The pilot program is designed to be replicated in schools across the country. Music Generator received support to the value of \$152,000 through the Australia Council's strategic initiatives program, and Musica Viva received \$1,017,116 in 2006-07 as a client of the major performing arts board.

### Oz Opera – Carmen

When the opera came to town in September 2006, the population of the tiny hamlet of Morundah in the NSW Riverina swelled from 15 to more than 1000. The occasion was a special performance of Bizet's *Carmen* staged in a converted pig shelter by Oz Opera, Opera Australia's regional touring arm. Oz Opera's 31-gig tour of regional New South Wales, Victoria and South Australia played to 17,000 people in 23 different communities, covering 7400km in the process. Its production of *Carmen* is scheduled for a 20-date tour of regional Western Australia and the Northern Territory in September 2007. Opera Australia received \$12,588,051 in 2006-07 as a client of the major performing arts board. Oz Opera's regional tour was also supported with funding of \$398,397 through Playing Australia, the Australian Government's performing arts touring program.

### Tura New Music – Club Zho

Taking the best of new music to audiences from Perth to the Outback is the one of Tura New Music's key aims. Club Zho, one of its most popular programs, presents an eclectic mix of new music in a series of occasional performances in Perth and beyond. In 2006-07, the organisation held four concerts featuring such performers as a bass guitar quartet Abe Sada and an accordion performance by Ross Bolleter. Tura New Music also launched the Ruined Piano Sanctuary in November 2006, where a collection of 18 broken pianos found new homes in an olive farm at York in regional Western Australia. The music board supported Tura New Music with a \$50,000 program grant in 2006-07.

## THEATRE

Live theatre has an immediacy that draws audiences into its stories and characters. In 2005-06, there were more than 2.7 million paid attendances at theatre performances across Australia highlighting the enduring popularity of this artform.

The Australia Council provided \$15.2 million for Australian theatre. This included grants to individuals and organisations, audience and market development initiatives, and strategic initiatives to build engagement with the artform. The following three activities are some of the community engagement programs the Australia Council funded in 2006-07.

### Bell Shakespeare – Actors at Work

Taking the study of the Bard's work well beyond the crib note, Bell Shakespeare's groundbreaking education program – Actors at Work – reaches thousands of secondary school students each year. In 2006-07, Bell presented over 100 live, one-hour performances of excerpts of Shakespeare's plays to more than 67,000 students in more than 30 regional centres from Ballarat to Broken Hill and Bunbury. It also ran more than 80 student workshops in classrooms throughout 40 regional centres across the country. In 2007, the Australian Government through the Department of Education, Science and Training granted Bell Shakespeare's education program an additional \$1 million to extend the program's reach. Bell Shakespeare received \$344,642 in 2006-07 as a client of the major performing arts board.





**Anne Zahalka**  
***The Girls #2 Cronulla***  
***Beach 2007***

Anne Zahalka's works were exhibited at  
Den Haag Sculptuur in The Netherlands.

Image courtesy of the artist, Roslyn Oxley9 Gallery  
and Arc One Gallery.



**Each year, more than 78 percent of adult Australians read a book for pleasure most days of the week, and more than half a million Australians consider themselves amateur or professional writers.**

**HotHouse Theatre and Sydney Theatre Company – *Embers***

Stories of disaster and regeneration moved audiences in NSW and Victoria with a groundbreaking co-production *Embers* between the Riverina-based HotHouse Theatre and Sydney Theatre Company. *Embers* is the story of the 2003 bushfires that destroyed more than 1.2 million hectares of regional Victoria and of the communities which rebuilt themselves. HotHouse artistic manager Campion Decent developed and wrote the work from 75 interviews conducted with members of 26 communities ravaged by the fires. The production packed out the Butter Factory Theatre in Wodonga, had a successful five-week season in Sydney, and toured to 15 towns in regional Victoria that were hard hit by the bushfires. HotHouse received \$133,120 in 2006-07 as a key organisation of the theatre board and Sydney Theatre Company received \$1,333,290 in 2006-07 as a client of the major performing arts board.

**Salamanca Arts Centre – *Dream Masons***

The Salamanca Arts Centre was the star of a unique performance work which celebrated the Tasmanian cultural icon's 30th anniversary. Over four nights in March 2007 during Ten Days on the Island, *Dream Masons* projected a series of images and sounds

onto the heritage-listed Georgian facade of the historic buildings. More than 100 local performers, musicians, animators and technicians contributed to the large-scale, physical theatre work, which drew on Hobart's history and its many links to the ocean. The theatre board supported *Dream Masons* with a \$75,000 grant.

**ABORIGINAL AND TORRES STRAIT ISLANDER ARTS**

Arts and cultural activities have a particular significance for Aboriginal and Torres Strait Islander communities. They provide a vital focal point for keeping Indigenous culture strong: celebrating Indigenous survival, telling important stories and enabling the creative interpretation of an unbroken cultural tradition stretching back tens of thousands of years.

In 2006-07, the Australia Council invested more than \$8.7 million in Indigenous arts across all its sections, principally through its Aboriginal and Torres Strait Islander arts (ATSIA) board, to assist Indigenous Australians to claim, control and enhance their cultural inheritance. This included grants to individuals and organisations, audience and market development initiatives, and strategic initiatives to build engagement in the artforms. The following three activities are

some of the Aboriginal and Torres Strait Islander community engagement programs the Australia Council funded in 2006-07.

### **Barkly Regional Arts – Winanjjikari Music Centre**

Tapping into the abundant musical talent of Australia's red heart, the Winanjjikari Music Centre provides a vital outlet for Indigenous musicians from Tennant Creek and the Barkly region. Literally 'singing for belonging' in the local Warumungu language, the centre provides training and facilities across performing, recording, mixing and mastering. Since its launch in September 2006, the centre has podcast local music through its website and the social networking channel MySpace. Barkly Regional Arts, which manages the Winanjjikari Music Centre, received \$99,517 in 2006-07 as a key organisation of the community partnerships section.

### **Carclew Youth Arts Centre – Blak Nite 07**

A cast of more than 150 performers painted Adelaide 'blak' in May at the country's largest Indigenous youth arts event, Blak Nite. The closing event of the 2007 Come Out! Festival drew more than 2000 people to performances that included traditional and contemporary dance, hip-hop, circus and a fashion parade. Some travelled from as far away as the Anangu Pitjantjatjara Yankunytjatjara lands in South Australia's far north to attend the special event. The Aboriginal and Torres Strait Islander arts board supported Blak Nite 07 and has committed \$150,000 to the festival for the next two events.

### **Celebrations**

Eight Indigenous arts festivals provide Aboriginal and Torres Strait Islander artists with opportunities to take their works to new audiences. Recognising their importance, Celebrations is a \$1.15 million strategic initiative over four years to develop the infrastructure of key Indigenous festivals. The Dreaming Festival, one of the festivals supported through this initiative, is the most comprehensive showcase of Australia's vibrant Indigenous arts. Under the direction of Rhoda Roberts, The Dreaming hosts more than 400 performers and artists from 118 different Australian clans, nations and language groups. The 2007 festival, held from 8-11 June, featured *Ruby's Story* by Ruby Hunter and Archie Roach, the story of Eddie Mabo as told by Torres Strait Islanders, and performances from Troy Cassar-Daly, Christine Anu and The Pigram Brothers. The Aboriginal and Torres Strait Islander arts board also provided \$16,890 for Torres Strait Islander artists to attend The Dreaming.

## **LITERATURE**

Literature is the one artform that Australians hold closest to their hearts, and the statistics speak for themselves. Each year, more than 78 percent of adult Australians read a book for pleasure most days of the week, and more than half a million Australians consider themselves amateur or professional writers.

The Australia Council invested more than \$7.8 million in Australian literature in 2006-07. This included grants to individuals and organisations, audience and market development initiatives, and strategic initiatives to build engagement with the artform. The following three activities are some of the community engagement programs the Australia Council funded in 2006-07.

### **Allwrite! Festival**

Allwrite!, the Come Out Festival's books and reading program, is one of Australia's largest children's literature festivals. Children from across Adelaide and regional South Australia have their imaginations fired by the chance to meet their favourite authors and attend reading workshops and special events. In 2007, Allwrite! featured 23 authors in 'meet the author' events across the state, including Jackie French, Sascha Hutchinson and David Kennett. The literature board supported Allwrite! 2007 with a \$25,000 grant.

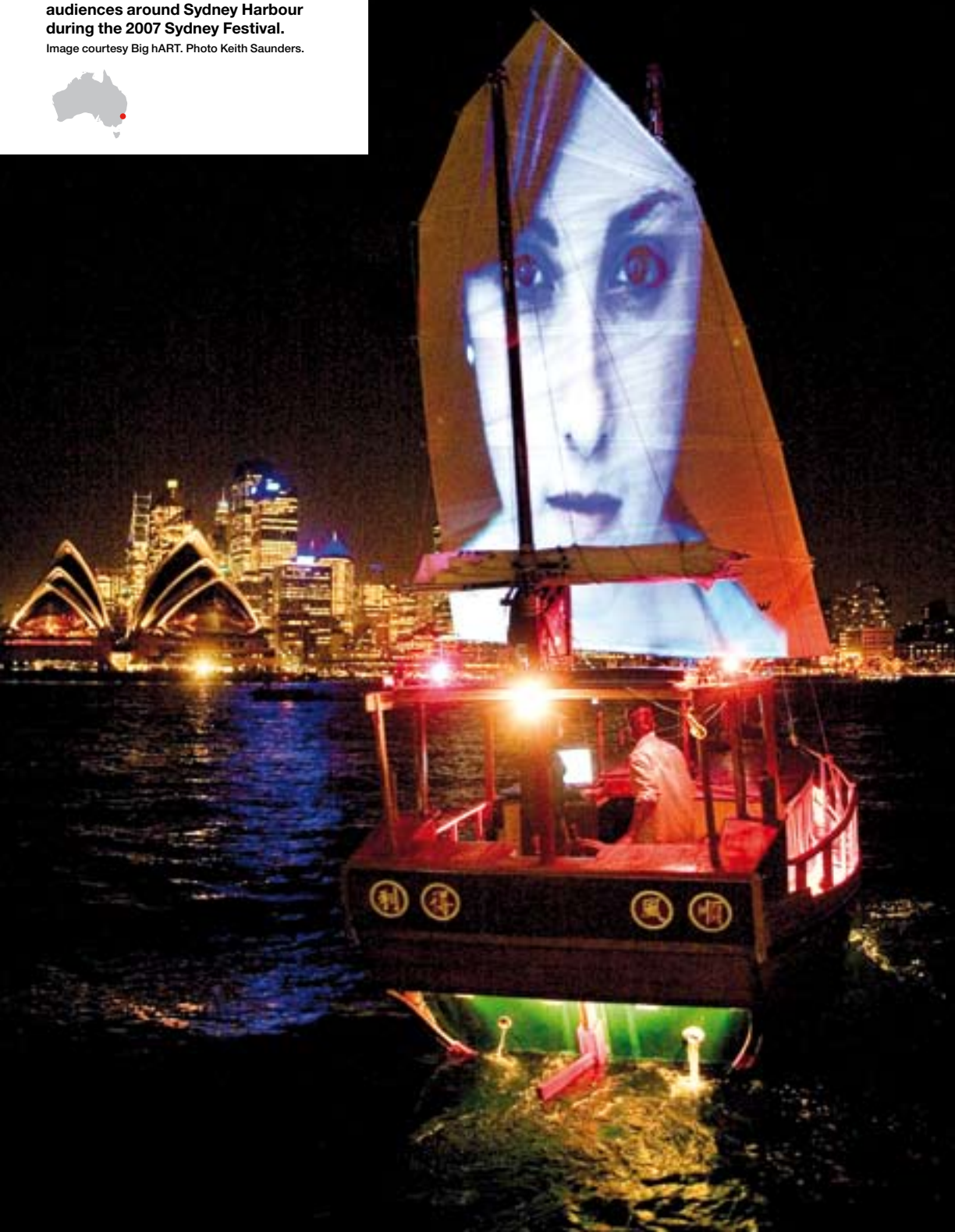
### **Books Alive**

Books Alive is Australia's largest annual promotion of books and reading. The high profile, six-week campaign was officially launched by the then Minister for the Arts and Sport, Senator the Hon Rod Kemp, on 24 July 2006 and ran until the end of August. As in previous years, the *Books Alive Great Read Guide* was the centrepiece of the campaign, profiling 50 books 'so good everyone would want to read them'. Approximately 2.5 million copies of the *Great Read Guide* went to Australians through the August 2006 edition of *The Australian Women's Weekly* and through booksellers around the country. The specially commissioned novel for 2006 was best-selling author Monica McInerney's *Odd One Out*, the tale of a woman coming out of a rut in a hurry. Booksellers across Australia gave away more than 225,000 copies of *Odd One Out* with the purchase of one of the *Great Read Guide* titles. The campaign was backed by a national campaign of television advertising and in store promotions. Over one million books have been sold throughout the four Books Alive campaigns to date. Books Alive is an Australian Government initiative, managed by the Australia Council, with an annual budget of \$2 million.

**Big hART**  
***Junk Theory***

Big hART's *Junk Theory* captivated audiences around Sydney Harbour during the 2007 Sydney Festival.

Image courtesy Big hART. Photo Keith Saunders.





**“Contemporary artistic practice can transform our view of the world and our understanding of art.”**

**Nina Stromqvist – assistant program officer, inter-arts.**



### **Little Big Book Club**

Hooking Australian readers when they are young is the main aim of The Little Big Book Club, an organisation that encourages children aged five years and under to read. In 2006-07, the South Australian-based Little Big Book Club expanded its reach to Queensland through a partnership with *The Courier Mail*. It also diversified its activities to include two new programs. In partnership with Windmill Performing Arts, it launched a new picture book *Cat* in June 2007 alongside sold-out performances based on the book in Adelaide, Brisbane and Canberra. The print version of *Cat* made the South Australian bestseller list. A project to encourage the reading of rhymes and stories, It's Rhyme Time, was another of the year's successes with 85,000 copies of a DVD and book with reading tips for parents distributed in South Australia, Queensland and Western Australia. The Little Big Book Club received \$150,000 in strategic initiative funding over three years.

### **NEW ARTISTIC PRACTICES**

As more Australians engage with online and mobile technologies, media arts are becoming a powerful means of engaging young Australians with the arts. New platforms are an important way to reach Australians not only through innovative artistic practices but also in delivering 'old' artforms.

The Australia Council invested \$3.5 million in new artistic practices and media arts in 2006-07. This included grants to individuals and organisations, audience and market development initiatives, and strategic initiatives to build engagement with

the artform. The following three activities are some of the community engagement programs the Australia Council funded in 2006-07.

### **Australian Network for Art and Technology – pixel.play**

Hundreds of South Australian school students have created and swapped art on their mobile phones through the Australian Network for Art and Technology (ANAT) initiative pixel.play. The program involved workshops in 20 regional and metropolitan schools, teaching students how to create their own short films and animations for their mobiles. Thirty of the more ambitious students took part in further workshops run through the local TAFE and university. pixel.play won an award for innovation in digital media at the South Australian Short Screen Awards. The program was also a springboard for ANAT's latest project *Portable Worlds*, an exhibition of media art for mobile screens. ANAT received \$359,552 in 2006-07 as a key organisation of the visual arts board, and pixel.play received additional support through a 2006 Emerging producers in community (EPIC) internship.

### **Thea Baumann – *Manhua Wonderlands***

Manga for virtual worlds was the inspiration for a collaborative series of artworks, produced by Brisbane-based media artist Thea Baumann. *Manhua Wonderlands* adapted a graphic novel style for a series of video and animation works that were the result of collaborations between young people, media and comic artists. The results were included

# More Australians participate in creating visual art than any other artform.

in an exhibition and festival by Multimedia Arts Asia Pacific titled 'Out of the Internet'. Thea Baumann developed the work through an Australia Council 2006 EPIC internship.

## **View Masters – Aural Journey**

Australian sound artists Snawklor (Nathan Gray and Dylan Martorell) and Geoff Robinson explored the sound scapes and tram networks of sister cities Melbourne and Osaka, Japan in a unique cultural residency. They participated in the View Masters Field Recording Workshops in Osaka with Japanese artists Haco, Toshiya Tsunoda and Yuko Nexus6, which culminated in performances and installations at the Hamadera Koen Railway Station and on the streets of Osaka. The installation/performance was repeated at the West Space in Melbourne in February 2007. The music board supported the residency with a \$14,000 grant.

## **VISUAL ARTS**

More Australians participate in creating visual art than any other artform, providing a means of expression for the more than 650,000 Australians who paint and create other visual art, and the further 450,000 who create works of craft. Australians also enjoy experiencing the visual arts, with more than 3.6 million people visiting an art gallery each year. The Australia Council invested \$16.8 million in the visual arts. This included grants to individuals and organisations, audience and market development initiatives, and strategic initiatives to build engagement with the artform. The following three activities are some of the community engagement programs the Australia Council funded in 2006-07.

## **Museum of Contemporary Art – C3 West**

Finding new ways for contemporary artists and cultural institutions to engage with communities, particularly through the local businesses that drive regional development, is the aim of strategic

initiative C3 West (Community, Culture, Commerce). The program, coordinated by Sydney's Museum of Contemporary Art, brings together nine different partners throughout Western Sydney. It will deliver a series of residencies, exhibitions, workshops and a range of other activities. C3 West is funded through a \$375,000 strategic initiative commitment from the Australia Council over three years.

## **Object: Australian Centre for Craft and Design – IdEAS@Object**

A tie in with a highly successful exhibition, *Freestyle: new Australian design for living*, the IdEAS@Object program got children from six NSW primary schools thinking about design and sustainability. Working with designer Michael Alvisse and environmental scientist David Hegarty, the program took learning about art and science to a new level with links to the NSW syllabus in science, visual arts and design. Object received an allocation of \$230,000 through the Visual Arts and Craft Strategy and \$261,888 as a key organisation of the visual arts board.

## **Queensland Art Gallery – Asia-Pacific Triennale**

The opening in December 2006 of the Gallery of Modern Art was the birth of a new cultural landmark for Brisbane. The gallery's inaugural exhibition, the 5th Asia-Pacific Triennial of Contemporary Art (APT5), was a runaway success. One of the world's only major exhibitions to focus exclusively on the contemporary art of Asia and the Pacific, APT5 featured approximately 270 works by 37 artists, filmmakers and performers including eX de Medici, Justine Cooper, Dennis Nona, Ai Weiwei and Anish Kapoor. Between December 2006 and May 2007, more than 700,000 visitors from Queensland and the rest of Australia flocked to see APT5 at the gallery. APT5 received an allocation of \$60,000 through the Visual Arts and Craft Strategy and \$62,853 as a key organisation of the visual arts board.





**Christian Capurro et al**  
***Another Misspent Portrait of***  
***Etienne de Silhouette (Site #7***  
***Collapsion #2) 1999-2005***

Selected for the curated exhibition  
at the 2007 Venice Biennale.

Image courtesy of the artist.



**Output 2.2: A strong and vibrant arts sector**

**The Australia Council provides infrastructure development for Australia's creative arts and invests in the development of artistic practice.**

Underpinning excellence in the arts and access for all Australians is a vital and viable arts sector. Creativity and artistic practice cannot flourish without a stable arts and cultural infrastructure. The basic foundations of a healthy arts sector are fourfold: that arts organisations follow sustainable business models; that artists receive adequate payment for their creative work; that income is generated from a diverse range of sources; and that the sector continues to develop and thrive. The Australia Council plays an important role in building the longer term sustainability of the arts sector, through strategic initiatives and other activities including business planning, financial and operational advice, career development initiatives, improving capacity in generating philanthropic income, marketing skills development, and initiatives to develop artistic practice and the sector as a whole.

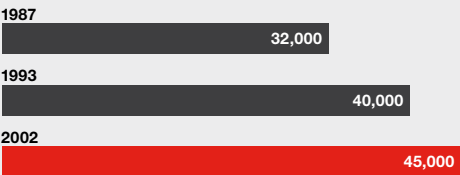
In 2006-07, the Australia Council invested \$34.8 million in improving the sustainability of the arts sector (through output 2.2 – see page 71), compared to \$34.6 million in 2005-06.

The arts sector includes an estimated 45,000 practising professional artists, with an average income of \$24,600 per annum. The numbers of people employed in the arts – and other cultural industries – have grown strongly in recent years, and form the core of creative workers at the heart of the future economy (see figure 10).

Like any sector of the economy, the viability of the arts is linked directly to its capacity to generate income streams from a variety of sources. Australia's artists and arts organisations rely on three main funding pillars – commercial sales, government funding and private income sources.

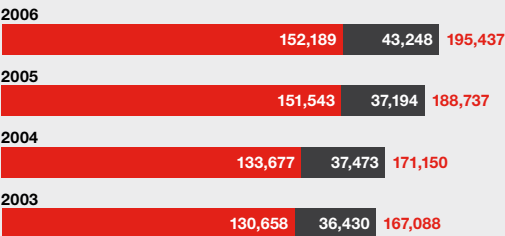
**Figure 10**  
**Estimated number of practising professional artists**

Source: Throsby and Hollister, *Don't Give Up Your Day Job*.



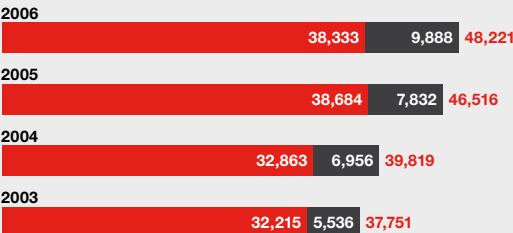
**Figure 11**  
**Earned income of selected arts organisations**  
**\$'000**

**Total earned income**  
■ Major performing arts companies  
■ Key organisations



**Figure 12**  
**Private sector income for selected arts organisations**  
**\$'000**

**Total private income**  
■ Major performing arts companies  
■ Key organisations



# Philanthropy has grown at a remarkable rate in Australia over the past decade, and the arts have fared well in generating new income from philanthropic sources.

Paid participation is the key commercial source of income for the arts sector. This income is supplemented with subsidies and other forms of support from the Australian, state/territory and local governments. In line with growth in private sector support for the arts, many artists and arts organisations receive income from business, sponsorship and philanthropic sources.

The 174 organisations that received multi-year funding from the Australia Council have shown strong growth in their earned income in recent years, reaching \$195.4 million in 2006 (see figure 11).

Supplementing this income, Australian artists and arts organisations have made great strides in recent years in generating private income from business and philanthropic sources. In 2006, the 174 organisations that received multi-year funding from the Australia Council raised \$48.2 million through sponsorships, philanthropy and other private income (see figure 12).

## **ARTISTS' EARNINGS**

Improving incomes and career paths for artists is vital for two fundamental reasons: (1) to ensure that Australia's artistic talent is able to sustain a creative career; and (2) to recognise the important contribution that artists make to their communities.

The Australia Council assists in raising artists' earnings through a number of strategic initiatives, as well as providing funding support to arts organisations and directly to artists. The following four strategic initiatives are examples of the Australia Council's commitment to improving artists' earnings.

### **Australian Chamber Orchestra – Emerging Artists Program**

Building a career as a classical musician is no easy task. To this end, the Australian Chamber Orchestra's Emerging Artists Program helps smooth the way for recent music graduates, giving them access to professional mentors from within the orchestra in order to develop their skills. An Australia Council strategic initiative has enabled the Australian Chamber Orchestra (ACO) to expand the program to allow a second ensemble to be established for these emerging musicians. In 2006, 10 young string players were involved in the program with a further eight joining in 2007. Several of the young musicians are playing as casuals in full ACO performances, and the ACO has plans for a regional tour of the second ensemble under the direction of Richard Tognetti later in 2007. The ACO second ensemble is funded through a \$350,000 commitment over three years. The ACO also received \$1,100,066 as a client of the major performing arts board.

### **Maker to Manufacturer to Market**

Australia has long punched above its weight in the world of innovative design. The Australia Council's Maker to Manufacturer to Market (MMM) strategic initiative aims to give visual artists and designers an edge in taking their designs into homes, offices and public spaces. In 2006-07, the Australia Council provided three \$30,000 grants to young designers to transform creative ideas into commercial success. Print Ink, a Melbourne-based collaboration, gave a contemporary facelift to Florence Broadhurst wallpapers, through 10 fresh designs ranging from intricate paisleys to bold geometrics. Western Australia's Penelope Forlano hung her commercial hopes on a sculptural coat rack and hook product range for Australian households. South Australian furniture designer Greg Healey used the unique colours and textures of the Australian outback in his Big Red range of contemporary street furniture. MMM is funded through a \$300,000 commitment over three years.

### **Securing Career Opportunities and Employment (SCOPE)**

Twenty-five dance artists and choreographers made up the first intake of the SCOPE program, an Australia Council strategic initiative and partnership with the Australian Sports Commission and Ausdance National. SCOPE assists dancers to better plan and manage their careers, in dance and beyond, through a range of career, professional development and educational opportunities. The program is based on the highly successful National Coach and Athlete Career Education program, which has helped thousands of Australian athletes develop their careers in sport and beyond in transitioning to other professional areas. SCOPE is funded through a \$560,000 commitment over three years.

### **The Other Side of the Coin**

The protection and proper use of cultural and intellectual property rights are key issues for Australia's Indigenous artists. The Other Side of the Coin is a strategic initiative to help Indigenous artists better understand their rights in the arts marketplace, and to inform consumers about how best to help. The initiative to date has included supporting the National Association of Visual Artists, Desart and ANKAAA to develop an Indigenous Australian Arts Commercial Code of Conduct. The Australia Council has also completed an update of its suite of five cultural protocol guides. The Other Side of the Coin is funded through a \$300,000 commitment over three years.

### **PHILANTHROPIC SUPPORT**

Philanthropy has grown at a remarkable rate in Australia over the past decade, and the arts have fared well in generating new income from philanthropic sources. Arts organisations have built their capacity to develop relationships with both individual and corporate donors.

In 2004, arts and cultural organisations received approximately \$430 million in contributions from individuals and businesses. This data from the *Giving Australia* study shows the level of individual giving to the arts and culture increased sixfold between 1997 and 2004, while business giving (including sponsorships) more than quadrupled between 2001-02 and 2003-04.

The Australia Council's initiative to grow cultural philanthropy, Artsupport Australia, facilitates relationships with philanthropic funding sources and builds capacity across the arts sector in generating private income. Artsupport Australia has assisted the following four arts companies to generate more philanthropic support.

#### **Beyond Empathy**

The innovative social inclusion programs of Beyond Empathy help disadvantaged participants find pathways to new lives. Artsupport Australia has worked with Beyond Empathy since the organisation's establishment in early 2005 to find support for its many programs, especially for youth-at-risk in regional centres. In 2006-07, Beyond Empathy attracted a series of grants including \$100,000 per year for the next three years from the Westpac Foundation, to develop a toolkit for mentoring disadvantaged young people. This is on top of two other large grants, facilitated by Artsupport Australia, from the Coca Cola Australia Foundation for the organisation's award-winning kNot@Home Pathways projects and from the Vincent Fairfax Family Foundation for its Message in a Bottle project.

#### **Gondwana Voices**

Gondwana Voices is a Sydney-based organisation that combines two of the world's foremost children's choirs, Gondwana Voices and Sydney Children's Choir. With Artsupport Australia mentoring support and advice, Gondwana Voices has raised its profile in the business community and attracted philanthropic support since early 2006. It has held a number of fundraising events to support three different European tours, including an exclusive appearance at its 2007 BBC Proms. By the end of 2006-07, it had raised more than \$170,000, including \$100,000 for its BBC Proms tour. Gondwana Voices also received \$51,200 in 2006-07 as a key organisation of the music board.

# Creativity and artistic practice cannot flourish without a stable arts and cultural infrastructure.

## **Kurruru Indigenous Performing Arts**

Geography is just one of many challenges to sourcing philanthropic funds for most Indigenous arts organisations. To help, Artsupport Australia has established an Indigenous Philanthropy Program. In its first year, the program has matched eight Aboriginal and Torres Strait Islander arts organisations with experienced business mentors. One of these partnerships is between the South Australian youth performing arts company Kurruru and former NSW director-general of health Mick Reid. With Mick's help, Kurruru has developed a long-term strategy for building private support, which includes setting up a Friends of Kurruru program. Within its first six months, the program had paid dividends, with Kurruru attracting a large philanthropic grant of more than \$830,000 over five years. Kurruru also received \$92,160 in 2006-07 as a key organisation of the Aboriginal and Torres Strait Islander arts board. Another key enabler of Artsupport Australia's Indigenous Philanthropy Program has been the appointment of a Northern Territory manager, based in Darwin. The Australia Council has committed \$845,000 in strategic funds over three years to its Indigenous Philanthropy Program.

## **State Theatre Company of South Australia**

The State Theatre Company of South Australia (STCSA) has been working with a fundraising mentor since 2005 to increase its philanthropic income. Artsupport Australia brokered this relationship for STCSA with Musica Viva's general manager Mary Jo Capps. As a result, STCSA has

more than doubled its philanthropic income. For example, its production of *Hamlet* in March 2007 relied solely on philanthropic support. A support group for the theatre company, Doctors in Theatre, helped raise the funds alongside individual donors and a further \$50,000 came through a Shakespearean Banquet fundraising gala. STCSA also received \$428,616 in 2006-07 through the major performing arts board.

## **ARTS SECTOR DEVELOPMENT**

Ensuring the arts sector develops – particularly by adopting robust business models and responding to marketplace changes – is vital to its longer term viability. The impacts of new technology and new operational models have changed the way many sectors operate, and it is imperative that arts organisations too stay abreast of these changes.

The Australia Council assists arts sector development through a number of strategic initiatives, business planning and marketing advice, and funding to help develop organisations' operating models. The following four initiatives highlight the Australia Council's commitment to developing the arts sector.

## **New Media Arts Scoping Study**

The Australia Council's commitment to media arts practice took a major step forward with the Council's endorsement of the New Media Arts Scoping Study in September 2006. The study's recommendations were the outcome of an extensive consultation process with more than 100 individuals and organisations. The study will see the integration



**“The performing arts create a public forum where we can better understand ourselves and others. They give us the chance to be present as private, subjective worlds are acted out.”**

**John Baylis – director, theatre.**



of media arts across all funding programs of the Australia Council and through the production and presentation infrastructure of the arts sector more broadly.

### **Orchestras Review**

The divestment of Australia's six state symphony orchestras from the Australian Broadcasting Corporation in December 2006 was a significant milestone in the history of music in Australia. It followed a landmark inquiry into Australia's symphony orchestras, chaired by James Strong AO, which had recommended the divestment and a package of other workplace and structural reforms. The Orchestras Review resulted in the injection of more than \$25.4 million into Australia's orchestras over a four-year period. The Australia Council managed the review's implementation on behalf of the Australian Government.

### **PlayWriting Australia**

PlayWriting Australia – a new national organisation to develop new Australian writing for performance – was born in November 2006. Chaired by one of Australia's most eminent playwrights, Michael Gow, PlayWriting Australia is headlong into fostering new writing and examining ways to get it performed. PlayWriting Australia builds on the substantial legacy of its two predecessor organisations – the Australian National Playwrights Centre and Playworks. It held its first developmental conference in Canberra in June 2006, taking eight promising scripts and having them performed, workshopped and 'tweaked' with input from a company of 20 actors, four dramaturgs

and several directors including Wesley Enoch and Anna Chaplin. PlayWriting Australia received \$330,000 in 2006-07 as a joint initiative of the Australia Council's theatre and literature boards.

### **Story of the Future**

The Story of the Future is a program to enable writers to develop narratives for new media platforms. It is an Australia Council strategic initiative in partnership with the Australian Film, Radio and Television School. In 2006-07, the program included seminars that drew several hundred artists in Sydney, Melbourne, Adelaide and Hobart and included a highly successful publishing seminar for approximately 100 industry representatives. Project development workshops and a six-day residential project development lab at Freycinet in Tasmania have taken several innovative projects to the brink of commercial release. The Story of the Future is funded through a \$780,000 commitment over two years.



## Yolgnu weaver

Yolgnu woman weaver at The Dreaming – Australia's International Indigenous Festival 2007.

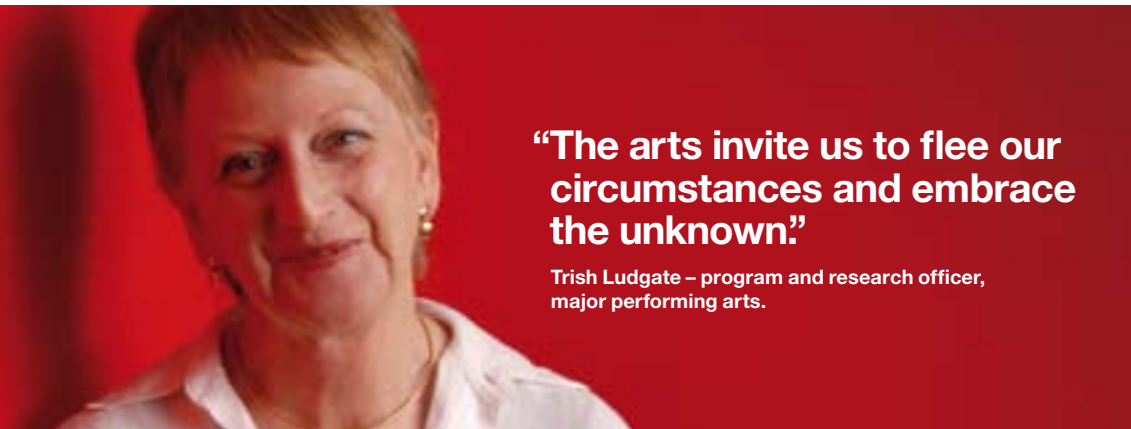
Image courtesy Woodford Folk Festival. Photo Sonja de Sterke.



## **Section 02**

### **About the Australia Council**

**The Australia Council  
is the Australian  
Government's  
arts funding and  
advisory body.**



**“The arts invite us to flee our circumstances and embrace the unknown.”**

**Trish Ludgate – program and research officer,  
major performing arts.**

The Australia Council enriches the lives of Australians and their communities by supporting the creation and enjoyment of the arts.

The Australia Council's vision is to:

- enable Australia's arts and its artists to pursue excellence
- preserve, maintain and develop the distinctive features of Australia's culture
- ensure all Australians have the opportunity to engage with the arts and enjoy a rich cultural life
- shape a future in which the arts play a meaningful and vital role in the everyday lives of Australians and their communities.

The Australia Council 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 here and overseas and promotes an appreciation of the value of the arts to Australians.

The Australia 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 arts and culture of Aboriginal and Torres Strait Islander peoples are valued and supported.

The Australia Council maintains and develops cooperative arrangements with state and territory arts funding authorities, local governments and key international agencies.

Formed as an interim Council in 1973, the Australia 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 Australia Council subsumed other arts-related government functions, such as the Commonwealth Literary Fund and the Commonwealth Art Advisory Board. It was granted considerably expanded functions and greater independence from government than its predecessors.

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

- The 'arm's length' principle, enshrined in the *Australia Council Act 1975*, which 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.





**Thancoupie**  
***Mullet Egg 2006***

Dr Thancoupie Gloria Fletcher AO  
received the Australia Council's Visual  
Arts Emeritus Award 2007.

Image courtesy of the artist and Craft Queensland.



## Governance

**The governing body of the Australia Council – the Council – is responsible for the overall corporate governance of the organisation.**



**“Everyone can appreciate the value that creative people bring to our communities and workplaces.”**

Claire Diment – human resources adviser.



The Council determines priorities, policies and the budgetary framework within which the Australia Council and its boards, committees and advisory bodies operate, and monitors its achievements.

In accordance with the terms of the *Australia Council Act 1975*, the Council has between 10 and 14 members, not including the Australia Council chief executive officer who is a member of the Council (*ex officio*). The Governor-General appoints the Council chairperson on advice of the Minister for the Arts and Sport. The Minister appoints members of the Council. Terms of appointment for members of the Council are generally three years to a maximum of six. Members are appointed with a view to achieving a balance of relevant expertise in the arts, business, management, public policy, corporate governance and administration, appropriate for regional, gender, multicultural and Indigenous community participation in the arts.

All new members of the Council attend a formal induction program where they receive a copy of the *Australia Council Manual for Members* and the Department of Communications, Information

Technology and the Arts' *General Guidance for Directors of Statutory Authorities*. They must abide by the Code of Conduct for Holders of Public Office (the Bowen Code) that is reproduced in the *Manual for Members*. The manual also contains a section that outlines appropriate ethical standards with regard to, among other things, confidentiality and disclosure of Council business, conflicts of interest, political activity, sponsored travel and acceptance of gifts.

If a Council member believes at any time that they require legal advice on any matter, the chairperson advises the chief executive officer to consult the executive director corporate resources on the procedure for obtaining this advice.

During 2006-07, the Council met six times:

- 11 August 2006 in Melbourne
- 14-15 September 2006 in Mackay
- 30 November 2006 in Brisbane
- 28 February 2007 in Perth
- 11 April 2007 in Adelaide
- 28-29 June 2007 in Sydney.

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The Governor-General appoints the Council chairperson on advice of the Minister for the Arts and Sport. The Minister appoints members of the Council.

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Members of the Council at 30 June 2007

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08

09

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01 James Strong AO  
02 Joseph Gersh AM  
03 Kathy Keele  
04 Rick Allert AM  
05 Barbara Black  
06 Nicola Downer AM

11

12

13

07 Dominique Fisher  
08 Dr Graeme Koehne  
09 Ian McRae  
10 Tim O'Loughlin  
11 Dr Imre Salusinszky  
12 Dr Chris Sarra  
13 Prof Edgar Snell

Photos by Fred Kroh and Stu Spence.

### **James Strong AO** **Chairman (NSW)**

Appointed chairman of the Council for three years from 1 July 2006; member of the Audit and Finance Committee, and the Nominations and Governance Committee; chairman of Insurance Australia Group Ltd, Woolworths Limited and the Rip Curl Group Pty Ltd; non-executive director of Qantas Airways Limited; director of Story Bridge Adventure Climb Pty Ltd and the Australian Grand Prix Corporation.

### **Joseph Gersh AM** **Deputy chairman (Vic.)**

Appointed deputy chairman of the Council for three years from 1 July 2006; chairman of the Nominations and Governance Committee, and Appeals Committee, and member of the Audit and Finance Committee; executive chairman of Gersh Investment Partners Ltd; chairman of the Australian Reinsurance Pool Corporation, National Institute of Circus Arts, and Artbank; director of the Payments System Board of the Reserve Bank of Australia and The Sydney Institute.

### **Kathy Keele** **Chief executive officer (NSW)**

Appointed chief executive officer and member of the Council (*ex officio*) for three years on 7 February 2007; chair of the Decisions Review, Donations Fund and Reserves Fund Committees, and a member of the Audit and Finance and Nominations and Governance Committees; member of the Australia International Cultural Council and Heads of Cultural Organisations; *ex officio* member of the Playing Australia Committee and Festivals Australia Committee; observer status on the Cultural Ministers Council Standing Committee.

### **Richard Allert AM** **Chair, major performing arts board (SA)**

Appointed to the Council as chair of the major performing arts board for three years from 1 February 2006; chair of the Audit and Finance Committee; chairman of Coles Group Ltd, AXA Asia Pacific Holdings Ltd and Cavill Power Products Pty Ltd Group; director of the Australia Business Arts Foundation; member of the Forces Advisory Council on Entertainment.

### **Barbara Black** **Community interest representative (WA)**

Appointed to the Council as a community interest representative for three years from 3 April 2006; director of the University of Western Australia (UWA) Albany Centre.

### **Nicola Downer AM** **Community interest representative (SA)**

Appointed to the Council as a community interest representative for three years from 18 December

2003, and reappointed for an additional three years from 18 December 2006; chair of the Australia Council Multicultural Advisory Committee and a member of the Decisions Review Committee; governor of the State Theatre Company of South Australia; chair of the Helpmann Academy Foundation Board and Fleurieu Peninsula Biennale; president of the Queen Adelaide Club; patron of the Hahndorf Academy and vice patron of Regional Arts Australia; member of the Adelaide Cabaret Festival Advisory Board, Botanic Gardens 150 Committee, Australian Garden History Society, Prostate Cancer Board SA, Sydney Opera House Advocacy Group and the Victoria League Executive Committee.

### **Dominique Fisher** **Chair, dance board (Vic.)**

Appointed to the Council as chair of the dance board for three years from 24 August 2006; managing director of EC Strategies Pty Ltd; executive chair of WebAlive Pty Ltd, chair of Circadian Technologies Ltd and Sky Technologies Pty Ltd; non-executive director of Leakes Rd Rockbank Pty Ltd (Mirvac); non-executive director of Pacific Brands Ltd; director of the Prostate Cancer Foundation (Vic.).

### **Dr Graeme Koehne** **Chair, music board (SA)**

Appointed to the Council as chair of the music board for three years from 19 December 2002, reappointed for an additional 12 months from 20 December 2005 and re-appointed for an additional two years from 19 December 2006; professor of composition at the University of Adelaide.

### **Ian McRae** **Chair, theatre board (Vic.)**

Appointed to the Council as chair of the theatre board for three years from 24 July 2002, and reappointed for an additional two years from 24 July 2005; member of the Audit and Finance Committee; member of the International Federation of Arts Councils and Cultural Agencies, Australian International Cultural Council and the Tasmanian Arts Advisory Board; director of Bangarra Dance Theatre; deputy chair of the Australian National Commission of UNESCO.

### **Tim O'Loughlin** **Community interest representative (SA)**

Appointed to the Council as a community interest representative for three years from September 2005; chair of the Community Partnerships Committee and a member of the Australia Council Multicultural Advisory Committee; deputy chief executive, Sustainability and Workforce Management within the Department of the Premier and Cabinet, South Australia; chair of Adelaide Symphony Orchestra.

**Dr Imre Salusinszky**  
**Chair, literature board (NSW)**

Appointed to the Council as chair of the literature board for three years from 24 June 2006; NSW political reporter and a regular columnist for *The Australian* newspaper.

**Dr Chris Sarra**  
**Chair, Aboriginal and Torres Strait Islander arts board (Qld)**

Appointed to the Council as chair of the Aboriginal and Torres Strait Islander arts board for three years from 9 March 2005; director of the Indigenous Education Leadership Institute, for the Queensland Department of Education, Training and the Arts.

**Professor Edgar Snell**  
**Chair, visual arts board (WA)**

Appointed to the Council as chair of the visual arts board for three years from 27 December 2006; professor of contemporary art and dean of art at the John Curtin Gallery, Curtin University of Technology, Perth; Perth art reviewer for *The Australian* newspaper; member of the Fulbright Scholarship Western Australian State Selection Committee.

**Staff representative**

Australia Council staff elects a staff representative to represent them as an observer on the Council. Youth arts and education manager Gillian Gardiner held this position from June 2006 to November 2006; Kerri McIlvenny, senior policy officer, ATSIA, was elected staff representative in December 2006.

**Department of Communications, Information Technology and the Arts representative**

The Department of Communications, Information Technology and the Arts has observer status on the Council. Lynn Bean, acting deputy secretary of arts and sport, and Mark Taylor, general manager of arts, regional and governance branch, filled this position in 2006-07.

**Changes to Council membership in 2006-07**

James Strong AO, chairman of the Council, was appointed for a three-year term from 1 July 2006.

Joseph Gersh AM, deputy chair of the Council, was appointed for a three-year term from 1 July 2006.

Jennifer Bott, chief executive officer, resigned from the Australia Council effective 19 September 2006.

Kathy Keele was appointed chief executive officer for a three-year term from 7 February 2007.

Lesley Alway, chair of the visual arts board, resigned from the Council effective 30 September 2006.

Professor Edgar Snell, chair of the visual arts board, was appointed for a three-year term from 27 December 2006.

Dominique Fisher, chair of the dance board, was appointed for a three-year term from 9 August 2006.

**Schedule of attendance at Council meetings 2006-07**

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
James Strong AO	6	6
Joseph Gersh AM	6	5
Kathy Keele	3	3
Richard Allert AM	6	5
Lesley Alway	2	2
Barbara Black	6	6
Jennifer Bott	2	2
Megan Coombs (acting CEO)	1	1
Nicola Downer AM	6	5
Dominique Fisher	6	6
Dr Graeme Koehne	6	4
Daniel McOwan (acting chair visual arts)	1	1
Ian McRae	6	6
Tim O'Loughlin	6	5
Dr Imre Salusinszky	6	5
Chris Sarra	6	5
Prof Edgar Snell	3	3
Kerri McIlvenny	4	3
Gillian Gardiner	2	2

**MINISTERIAL DIRECTIONS**

The Australia Council received no ministerial directions during the year. Two general policies from previous financial years continue to be noted, namely those on foreign exchange and cost recovery.

**COUNCIL DIRECTIONS**

The *Australia Council Act 1975* requires that the text of all directions to its committees during the year be included in the Australia Council's annual report. The delegations to the Appeals Committee, Community Partnerships Committee, Decisions Review Committee, Donations Fund Committee, New Australian Stories Committee, Reserves Fund Committee, the generic artform boards, major performing arts board and Aboriginal and Torres Strait Islander arts board are in previous annual reports and available on the Australia Council's website.

**COMMITTEES AND ADVISORY BODIES**

In addition to policy input from its boards, the Council relies from time to time on the expert advice of specialist committees and panels.

### Australia Council Multicultural Advisory Committee (ACMAC)

ACMAC develops strategies for and monitors the implementation of the Australia Council's Arts in a Multicultural Australia policy. The committee comprises experts in the area of multiculturalism and the arts in Australia and internationally.

ACMAC met twice and held one sub-committee meeting in 2006-07.

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Nicola Downer AM (chair)	2	2
Teresa Crea	2	2
Prof Amareswar Galla	2	1
Walter Gomes	2	1
Kon Gouriotis	2	2
Prof Andrew Jakubowicz	2	2
Fotis Kapetopoulos	2	2
Tiffany Lee-Shoy	2	1
Tim O'Loughlin	2	0

### 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 Australia Council regarding a decision by the Council chairperson and chief executive officer to rescind a previously approved grant.

Membership of the committee comprises any two of the non-board chair members of the Council, the deputy chairperson of the Council (or chairperson, if the deputy chairperson 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 the year and the Appeals Committee did not meet.

### Audit and Finance Committee

In November 2006, the Council agreed to merge the Audit Committee and the Finance Committee. The new Audit and Finance Committee's objective is to oversee and review the Australia Council's corporate governance obligations in relation to external accountability, financial reporting, internal controls, risk management, internal and external audit activities, and legal and financial compliance. In addition the committee monitors the Australia Council's compliance with the terms and conditions of the Triennial Funding Agreement with the Australian Government, the Australia Council's overall financial position, budget preparation and any other significant financial issues, as they arise.

The committee is authorised to request information it requires from employees of the Australia Council, including internal auditors; to discuss matters with external auditors; and to seek independent professional advice, as it considers necessary. Minutes of the committee meetings are included in Council papers and the chair of the committee reports on relevant matters at Council meetings. The committee has an advisory role and is not delegated to act on the Council's behalf. The committee is chaired by a member of the Council and includes the chairperson of the Council, the deputy chairperson, one other Council member and the chief executive officer.

The Audit Committee met three times, the Finance Committee met twice, and the Audit and Finance Committee met three times in 2006-07.

	AUDIT AND FINANCE COMMITTEE	AUDIT COMMITTEE	FINANCE COMMITTEE
Richard Allert AM (chair)	3 (3)		2 (2)
James Strong AO	3 (3)		2 (2)
Joseph Gersh AM	3 (3)		2 (2)
Ian McRae	2 (3)	3 (3)	
Kathy Keele	3 (3)		
Jennifer Bott			1 (1)
Megan Coombs		1 (1)	
Tim O'Loughlin		3 (3)	
Lesley Alway			1 (1)

### Community Partnerships Committee

In October 2005 the Council established the Community Partnerships Committee to provide strategic, advisory and policy leadership to the Australia Council's community partnerships section. The committee's key responsibilities are to oversee and deliver funding support and grants 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 six times during 2006-07.

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Tim O'Loughlin (chair)	6	5
Norm Horton	4	4
Tiffany Lee-Shoy	6	6
June Moorhouse	6	5
Scott Rankin	6	4
Jack Ritchie	6	6
Titiana Varkopoulos	6	3

“Australians recognise that the arts unleash new ways of thinking and energise individuals and their communities.”

Ivana Jirasek – coordinator, Artsupport Australia.



**Decisions Review Committee**

The role of this committee is to determine requests for review of decisions from grant applicants who have grounds to claim that correct decision procedures were not followed in relation to their applications. The committee does not assess the artistic merit of applications. Its purpose, under the Council's direction to the committee, is only to ensure that the boards, committees and senior officers have followed correct decision-making procedures.

The membership comprises the chief executive officer and at least three Council members, none of whom may be board chairs.

Members of the committee at 30 June 2007 were:

- Kathy Keele (chair)
- Barbara Black
- Nicola Downer AM.

The Decisions Review Committee did not meet in 2006-07. Four requests for review were received by the Council during the year but were found by the secretary of the Council to be ineligible, lacking valid reasons supporting the grounds for review.

**Donations Fund Committee**

This committee accepts and administers gifts made to the Australia Council Donations Fund in accordance with the requirements of the *Income Tax Assessment Act 1997* and the Register of Cultural Organisations. The committee and the chief executive officer, who is the committee chair, have delegated powers from the Council to accept and administer such gifts.

The majority of committee members are independent of the current operations of the Australia Council.

The Donations Fund Committee met once in 2006-07.

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Jennifer Bott (chair)	1	1
Louise Walsh	1	1
Dr Helen Nugent AO	1	1
Leon Paroisseien AM	1	1
Philip Rolfe	1	1
Kathy Keele	1	1

**New Australian Stories Committee**

The New Australian Stories Committee was established in August 2004 and was subsequently delegated with powers to make grants. Its role is to support the creation and presentation of new works through the New Australian Stories initiative, reflecting distinctly Australian stories by artists, writers, composers, performers and choreographers. This initiative was made possible by a one-off special allocation from the Australian Government. The committee has now allocated all the special funds to the creation, production or presentation of new artistic works, including a small sum set aside to assist international presentations. In June 2007, the Council agreed to revoke the New Australian Stories delegation and disband the committee, expressing its sincere thanks to all of the participating members.



Members of the committee were:

- Kathy Keele (chair)
- Ian McRae
- Daryl Buckley
- Rhana Devenport
- Wesley Enoch
- Lindy Hume
- Scott Rankin.

### Nominations and Governance Committee

The Nominations and Governance Committee facilitates and oversees a streamlined nominations process, through which the Council recommends members for the Council and its boards to the Minister, as required under the Australia Council Act. The committee also advocates the Council's nominations to the Minister and assists the Council on governance matters, advising as required. It has an advisory role and is not delegated to act on the Council's behalf.

The Nominations and Governance Committee met five times in 2006-07.

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Joseph Gersh AM (chair)	5	5
James Strong AO	5	5
Kathy Keele	3	3
Megan Coombs	1	1
Jennifer Bott	1	1

In addition, board chairs attended meetings as required to address membership issues regarding their boards.

### Reserves Fund Committee

The Reserves Fund Committee was established in 2005 to oversee and manage an allocation of funds reserved for triennially funded companies that are experiencing financial difficulty. The committee is responsible for assessing applications from companies for loans, ensures compliance with relevant legislation and regulations and reports to the Audit and Finance Committee on the operations of the fund.

The Reserves Fund Committee did not meet in 2006-07.

Members of the committee at 30 June 2007 were:

- Kathy Keele (chair)
- Dr Catherine Brown-Watt PSM
- Emma Murphy
- Ben Strout.

### ARTFORM BOARDS

The seven artform boards are the principal administrators of the Australia Council's arts funding role. They are the Australia Council's major source

of advice on the development of arts policy and grant programs.

The Minister establishes the boards under the Australia Council Act. They function within the framework of the Australia Council's Corporate Plan 2006–2010 and related policies and budget allocations. Most boards have seven members and all have a chairperson. The Aboriginal and Torres Strait Islander arts board has nine members, including a chairperson. The major performing arts board has eight members (see figure 13).

Artform boards must include people who practise or have practised the arts or are otherwise associated with the arts, as well as a number of community interest representatives, as the Minister thinks fit. Members may initially be appointed for four years but, in general, appointments are for three years (renewable for up to a continuous period not exceeding six years). Board chairs, under the Act, are members of the Council.

In addition to their role in providing advice to the Council, the artform boards develop 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 may seek additional guidance in their decisions from experts listed in the Australia Council's Register of Peers. Peers may be invited once per year by each board to assist at grant assessment meetings.

Peers also provide '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 on grant applications through which they would be major beneficiaries through a third party. In the current year, three peers provided external assessment of applications, support material or performances, and 46 peers participated in board and committee grants assessment meetings.

### Funding decisions by senior officers

Certain senior officers of the Australia Council are delegated power to make grants and pursue particular purposes already approved by the Council or its boards. When doing so, the senior officers concerned may consider assessment reports by peer experts, or panels of peer experts. In the current year, 25 peers made recommendations to senior officers regarding funding decisions.



**Figure 13**  
**Artform board members**  
At 30 June 2007

**ABORIGINAL AND TORRES STRAIT ISLANDER ARTS BOARD**

- Dr Chris Sarra (chair, Qld)
- Rosie Barkus (Torres Strait)
- Richard Frankland (Vic.)
- Jeanette James (Tas.)
- Tara June Winch (NSW)

**DANCE BOARD**

- Dominique Fisher (chair, Vic.)
- Claudia Alessi (SA)
- Steven Richardson (Vic.)
- Frances Rings (NSW)
- Suzan Williams (Qld)

**LITERATURE BOARD**

- Dr Imre Salusinsky (chair, NSW)
- Dr Jack Hibberd (Vic.)
- Dr Peter Holbrook (Qld)
- Bronwyn Lea (Qld)
- Sophie Masson (NSW)
- Glyn Parry (WA)

**MUSIC BOARD**

- Dr Graeme Koehne (chair, SA)
- Prof Andrew Arthurs (Qld)
- Father Arthur Bridge (NSW)
- Carol Day (WA)

**THEATRE BOARD**

- Ian McRae (chair, Vic.)
- Elizabeth Butcher AM (NSW)
- Pamela Creed (Vic.)
- Annette Downs (Tas.)
- Kate Fell (Qld)
- Sarah Miller (WA)

**VISUAL ARTS BOARD**

- Prof Edgar Snell (chair, WA)
- Robin Best (SA)
- Peter Bowles (WA)
- Janet Laurence (NSW)
- Daniel McOwan (Vic.)
- Karen Mills (NT)
- Robyn Stacey (NSW)

**MAJOR PERFORMING ARTS BOARD**

- Richard Allert AM (chair, SA)
- Frank Cooper (WA)
- Brian Jamieson (Vic.)
- Katie Lahey (NSW)
- Jonathan Mills (NSW)
- Jillian Segal AM (NSW)
- Judith Stewart (Qld)



## **Greg Healey**

**Greg Healey's innovative Big Red street furniture designs were supported through the MMM strategic initiative in 2006.**

Image courtesy of the artist. Photo Don Brice.



## Organisation

**In pursuit of its vision, the Australia Council has committed to a Corporate Plan 2006-2010 which guides its activities and priorities.**

## AUSTRALIA COUNCIL CORPORATE PLAN

The Corporate Plan focuses on two corporate outcomes and six corporate goals.

OUTCOME 1		OUTCOME 2		
That Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence.		That Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts.		
<b>Output 1.1</b> Investments in artistic production and development of artistic practice	<b>Output 1.2</b> Presentation of distinctive Australian culture works nationally and internationally	<b>Output 2.1</b> Promoting the understanding, enjoyment, participation in and appreciation of the arts by Australians	<b>Output 2.2</b> Infrastructure development for Australia's creative arts	<b>Output 2.3</b> Provision of policy development, research, promotional and advisory services
<b>Corporate Goal 5</b> Foster artistic innovation, experimentation, and research and development	<b>Corporate Goal 1</b> Support the excellence, diversity and distinctiveness of Australia's arts and artists	<b>Corporate Goal 2</b> Increase community engagement and individual participation in the arts	<b>Corporate Goal 3</b> Increase recognition of the arts as a key element in Australia's cultural, social and economic development	<b>Corporate Goal 4</b> Improve the vitality and viability of the arts
<b>Corporate Goal 6</b> Maximise the Australia Council's capability to manage its people and resources				

## ORGANISATIONAL STRUCTURE

The Australia Council organisation comprises the office of the chief executive and seven divisions: Aboriginal and Torres Strait Islander arts; arts development; Artsupport Australia; community partnerships and market development; corporate resources; governance and public affairs; and major performing arts.

A full-time staff of 150 (average), located in Sydney with one based in Darwin, supports the work of the Australia Council. Employees are appointed under the *Australia Council Act 1975*, on terms and conditions set out in individual employment agreements, which incorporate the Australia Council's Determination No 1 of 2006 and the Australia Council's Certified Agreement.

**The chief executive officer (CEO)** is responsible to the Council for the conduct of its affairs and, in conjunction with the Council chairperson, liaises with the Minister concerning government arts policies and the Australia Council's budget, statutory powers and functions. The CEO also liaises with the Department of Communications, Information Technology and the Arts (DCITA) concerning government arts policies.

## Aboriginal and Torres Strait Islander arts

(ATSIA) 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, and in all artforms.

**Arts development** supports the excellence and diversity of arts practice through its grant categories, strategic initiatives and multi-arts projects. The division comprises six arts sections plus the key organisations and operations sections. Senior officers manage grant assessment processes and artform development for the dance, literature, music, theatre and visual arts boards, and for the inter-arts office. The key organisations section is responsible for managing relationships with triennially funded arts organisations. The operations section provides support to the division, and other areas of the Australia Council.

**Artsupport Australia** is an Australia Council initiative to grow cultural philanthropy. It manages a range of programs designed to grow philanthropy to the arts and culture in Australia.

**Community partnerships and market development** is responsible for the Australia Council's work in the areas of community arts, audience and market development, arts marketing skills development, and international marketing and promotion. The community partnerships section drives the Australia Council's work in social inclusion notably community cultural development, youth, education, disability and regional development.

**Corporate resources** provides the Australia Council's human resources, financial services, legal compliance, information technology and office services functions. This includes supporting the organisation in its business planning and budgeting activities.

**Governance and public affairs** is responsible for managing the Australia Council's external relations. It manages a broad range of programs and activities covering marketing and communication, government relations, governance, research and the secretariat.

**Major performing arts** aims to ensure Australia has an artistically vibrant, financially viable and broadly accessible major performing arts sector. The major performing arts board is responsible

for oversight of the operations of performing arts companies throughout Australia, as joint and equal partners with state government funding agencies.

**STAFF PROFILE**

The Australia Council's staff profile reflects the diversity, flexibility and skills required to meet the changing needs of the dynamic arts sector. The Australia Council's staff level at 30 June 2007 was 150, compared to 145 employees at 30 June 2006 (see figure 14).

The representation of employees in the targeted Equal Employment Opportunity groups at 30 June 2007 is shown as a percentage of total employees in figure 16 below. The Australia Council continues to focus on its employment targets for Aboriginal and Torres Strait Islander peoples, and people with a disability.

**Figure 14**  
**Number of staff by division 2006-07**

DIVISION	2005-06	2006-07
Arts development	61	60
Aboriginal and Torres Strait Islander arts	9	11
Community partnerships and market development	28	33
Corporate resources, office of the CEO and Artsupport Australia	26	26
Governance and public affairs <sup>^</sup>	n/a	14
Major performing arts	6	6
Marketing and communication <sup>^</sup>	7	n/a
Strategy <sup>^</sup>	8	n/a
Total	145	150

<sup>^</sup>In June 2007, the governance and public affairs division was created, incorporating the functions of the marketing and communication unit and many of the strategy unit.

**Figure 15**  
**Representation of employees in Equal Employment Opportunity groups at 30 June 2007**

GROUP	%
Women	73.1
Aboriginal and Torres Strait Islanders	2.1
Disability	3.5
Non-English Speaking Background	12.4

Shown as a percentage of total employees.



		<b>Executive team at 30 June 2007</b>	
			
			

**The Australia Council's staff profile reflects the diversity, flexibility and skills required to meet the changing needs of the dynamic arts sector.**

Photos by Fred Kroh and Stu Spence.

**Kathy Keele**

**Chief executive officer**

Appointed February 2007; previously chief executive, Australia Business Arts Foundation; extensive experience in business development and marketing.

**Karilyn Brown**

**Executive director, community partnerships and market development**

Appointed January 2001; previously senior program manager cultural programs, SOCOG; more than 20-year career at the Australia Council.

**Dr Catherine Brown-Watt PSM**

**Executive director, governance and public affairs**

Appointed June 2007; previously executive director, major performing arts; extensive experience in arts administration and higher education.

**Lydia Miller**

**Executive director, Aboriginal and Torres Strait Islander arts**

Appointed June 2005; previously executive officer, Aboriginal Justice Advisory Council; extensive experience in the arts, health and community sectors.

**Emma Murphy**

**Executive director, corporate resources**

Appointed January 2007; previously finance director, Opera Australia; extensive experience in finance in the arts sector.

**Ben Strout**

**Executive director, arts development**

Appointed December 2000; Previously manager, theatre and dance funds; More than 20-year career at the Australia Council.

**Vacant**

**Executive director, major performing arts**



## **Jaya Savige**

Poet Jaya Savige took out several literary awards during 2006-07 for his first book of poems.

Image courtesy of the artist.



## **Accountability**

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

**“More Australians engaging with the arts results in more artists creating more work that truly reflects the diversity of our nation.”**

Kim Hanna – manager, national audience development.



### **SERVICE CHARTER**

The Australia Council's service charter reflects its commitment to quality client service. It describes the service standards, which clients and other stakeholders can expect from the Australia Council. Visit [www.ozco.gov.au](http://www.ozco.gov.au) to view the service charter.

### **Handling customer feedback and complaints**

The Australia Council encourages feedback on its performance. It reviews compliance with the service charter annually and identifies areas for improvement. In 2006-07, there were 15 written complaints. The Australia Council resolved all but one of the complaints within the charter's service standards. The most common complaints were about unsuccessful grant applications. Two such applicants sought a review of the particular artform board's decision by the Council's Decisions Review Committee.

### **COMMONWEALTH DISABILITY STRATEGY**

The Commonwealth Disability Strategy (CDS) is the legislative framework for Commonwealth organisations to meet their obligations under the *Disability Discrimination Act 1992*. The Australia Council is required to report on its performance in meeting the CDS under the designated core roles of policy adviser, purchaser, provider and employer.

In the role of policy adviser, the Australia Council aims to support the needs of people with disabilities in the arts sector. It does so through triennial funding support to Arts Access Australia (AAA), the peak body for arts and disability in Australia. AAA works

to promote the rights of people with disabilities to participate in and determine their cultural life. The Australia Council is committed to making its programs accessible to people with disabilities. The Australia Council seeks input from AAA and other representatives to shape its policy and programs.

The Australia Council is committed to making timely public announcements in accessible formats for people with disabilities. Its media announcements are available on the website in HTML and PDF formats.

General information is provided in print and online formats. Audio access to the Australia Council's *Grant Seeker's Guide* is available on request. A TTY facility is available for information about Australia Council programs and services.

Grant application forms include a statistics-gathering page, which allows applicants to self-identify as having a disability.

The Australia Council also ensures that its recruitment, employment and professional development policies and procedures comply with the *Disability Discrimination Act 1992*. Job applicants with special needs can receive information in a variety of accessible formats. Job ads are available on the Australia Council website.

The Australia Council has recruitment and selection guidelines that promote merit selection and non-discriminatory decisions. A comprehensive induction program provides new employees with an understanding of the Australia Council's functions and policies, which include anti-discrimination and

diversity principles. The Australia Council collects data relating to diversity and reports on it at least annually.

The Australia Council has internal and external grievance procedures, including a review of actions procedure, which is modelled on provisions in the *Public Service Act 1999*. The review of actions procedure provides for appeals to the merit protection commissioner. Staff members have access to a professional counselling service through the Employee Assistance Program.

### **FREEDOM OF INFORMATION**

This statement is provided in accordance with section 8 of the *Freedom of Information Act 1982* (FOI Act). Section 8 of the FOI Act requires each agency to publish detailed information about the way it is organised; its powers; the kinds of decisions made; arrangements for public involvement in work of the agency; documents held by the agency; and how members of the public can access these documents.

#### **Access to records under the FOI Act**

Members of the public may apply for access to documents under the FOI Act. In many cases, the information being sought is freely available at [www.ozco.gov.au](http://www.ozco.gov.au).

Requests for access to information under the FOI Act should be in writing and include a \$30 application fee.

Chief Executive Officer  
Attention: FOI coordinator  
Australia Council for the Arts  
PO Box 788, Strawberry Hills NSW 2012

To contact the FOI coordinator visit the Australia Council's offices at 372 Elizabeth Street, Surry Hills NSW, or call 02 9215 9000 or 1800 226 912 toll-free during normal business hours. The offices are wheelchair accessible.

#### **Freedom of Information requests**

There were three requests for information under the FOI Act in 2006-07.

#### **Categories of documents**

The Australia Council has extensive documentary holdings in hard copy and electronic form. These include:

- documents relating to policy development and program administration, including reports, briefings, correspondence, minutes, submissions, statistics and other documents
- reference material used by staff including guidelines and manuals
- audio and visual records held as part of its

cultural development activities

- relevant Commonwealth legislation
- Australia Council Corporate Plan 2006–2010
- Australia Council policies (National Aboriginal and Torres Strait Islander Arts, Arts in a Multicultural Australia, Regional Arts Development, Young People and the Arts).

#### **Facilities for access**

If it approves access, and after full payment of any charges is received, the Australia Council will provide copies of the documents concerned.

Alternatively, applicants may arrange to inspect documents at the Australia Council offices at the above address. For applicants living outside NSW, documents can be viewed at the nearest regional office of the National Archives of Australia (Adelaide, Brisbane, Canberra, Darwin, Hobart, Melbourne, Perth or Townsville).

The application fees and charges for FOI requests are determined in Schedules to the FOI (Fees and Charges) Regulations. Charges may be remitted on request if their imposition would cause undue financial hardship or release of the documents is in the general public interest. A decision not to remit the charges must be made within 30 days of a request being made.

### **DECISION-MAKING AND OTHER POWERS**

The Australia Council makes decisions under its enabling legislation the *Australia Council Act 1975*.

### **ARRANGEMENTS FOR INVOLVING STAKEHOLDERS**

The Australia Council's legislation and policies provide for consultation with the arts sector, other stakeholders and the general community. The consultation process includes a consideration of views from:

- management advisory committees
- community arts organisations and individuals
- state/territory and local government agencies responsible for assisting the arts communities
- public meetings in metropolitan and regional centres, generally in conjunction with meetings of the Council and artform boards
- public meetings by artform directors and other senior members of staff, either independently or in association with other arts organisations
- discussion groups or seminars with invited members of the public
- draft discussion papers circulated for comment



**“The arts have their own language, to paraphrase Calvino. We can say in them what cannot be said in any other way.”**

**Chris Cyrill – section coordinator, literature.**

- ‘open interviews’ when staff are present to meet current and prospective clients.

The Australia Council invites the views of the public on submissions about topics of arts sector interest.

### **RISK MANAGEMENT**

The effectiveness of the Australia Council's compliance programs stems from critically reviewing where the highest risks to optimal compliance occur, and then implementing appropriate processes to minimise such risks. The risk management process involves collecting relevant risk data to assess the identified risks against the current compliance control measures.

### **Staff training and education**

The Australia Council delivered a series of internal compliance training programs during 2006-07.

These programs consisted of:

- contract management
- risk assessments in consultancy and grant agreements
- review of decision-making processes.

Additional seminars are planned for the 2007-08 financial year.

### **External Scrutiny**

During 2005-06, the Australian Government assessed the Australia Council's corporate governance in accordance with its response to the Review of the Corporate Governance of Statutory Authorities and Office Holders conducted by John Uhrig AC ('the Uhrig Review'). The assessment concluded that the Australia Council's corporate structure governance arrangements remain as a board structure with a number of changes to its reporting and communication.

### **Insurance**

The Australia Council's insurance policies for 2006-07 included cover for directors' and officers' liability. The premium paid for this insurance cover was approximately \$8000.

### **Fraud control**

The Australia Council has a comprehensive fraud control plan, which it reviews every two years in accordance with the Commonwealth Fraud Control Guidelines 2002. The fraud control plan and associated fraud risk assessments were reviewed in June 2007. Fraud prevention, detection, investigation and reporting procedures are in place. The Australia Council has collected and reported annual fraud data. In 2006-07 there were no instances of fraud detected. The Australia Council remains committed to minimising the impact of fraud on its operations.





## **African Collective**

**William Kadima performed with the African Collective at the 2007 Emerge Festival.**

Image courtesy Multicultural Arts Victoria. Photo Bill Poon.



## Workplace

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

### **CERTIFIED AGREEMENT**

The Australia Council introduced a performance management framework, which links pay to performance, in line with its Certified Agreement 2006-2009.

The key features of the performance management framework are:

- performance management framework guidelines
- definition of assessment standards
- definition of organisational behaviours that contribute to work performance
- establishment of performance coaching as a way of managing and enhancing performance.

All employees received specific training and regular information updates on how they could make the framework work for them and the organisation.

Following staff consultation, a policy for managing performance and conduct challenges is in place.

### **RECRUITMENT**

There were 61 employee commencements and 56 exits during the year. Recruitment activity focused on hiring fixed-term project management expertise, and filling divisional administration roles, and some senior management and executive vacancies.

### **PROFESSIONAL DEVELOPMENT**

The Australia Council conducted several in-house learning and development programs, including a series of performance management and performance coaching workshops.

An online compliance program for workplace policies complemented these workshops. It covered such topics as ethics and conduct, occupational health and safety, privacy, equal employment opportunity, sexual harassment prevention and bullying prevention.

### **HEALTH, SAFETY AND WELLBEING**

This information is provided in accordance with section 74 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

The Australia Council acknowledges that the workplace environment can affect employee performance and satisfaction. It takes seriously the requirements for a safe and hazard-free workplace and for all employees to be informed and trained in their responsibilities and obligations under the relevant legislation.

The Australia Council paid a lower premium rate to Comcare in 2006-07 because the number and average cost of its claims decreased during the year.

This is, in large part, due to a focus on encouraging individual safety through initiatives designed to proactively manage health and safety awareness.

First, all new employees attend health and safety awareness training. This includes a compulsory 'Fit for Work' session, which is about preventing injuries or incidents associated with PC use. Staff members complete self-auditing checklists to ensure the ergonomic compliance of their own workstations.

Second, a team of trained first aid officers assists with the proactive management of incidents or injuries and timely and efficient reporting.

Third, the Australia Council has rigorous emergency evacuation procedures and regularly conducts fire drills and fire warden training. Fire wardens are replaced promptly when vacancies occur in their ranks.

### **PRO BONO LEGAL SERVICES**

The Australia Council is pleased to have pro bono legal services partnerships with Baker & McKenzie and Clayton Utz.

Baker & McKenzie provides advice on commercial agreements and contracts, information technology, intellectual property and Aboriginal and Torres Strait Islander arts. Baker & McKenzie assisted the Australia Council in developing its contracts for the 2007 Venice Biennale.

Clayton Utz provides advice on administrative law, employment law and industrial relations, dispute resolution, privacy, freedom of information and testamentary matters. In 2007, Clayton Utz delivered a seminar on administrative law matters relevant to the Australia Council's functions.

The Australia Council benefits significantly from the committed work of both these providers and acknowledges their important contribution.

### **BAKER & MCKENZIE**

#### **CLAYTON UTZ**

### **ADVERTISING**

The Australia Council uses print advertising for a range of purposes: to recruit staff; to 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 for 2006-07 was \$70,458, compared to \$51,253 in 2005-06. This increase reflects the costs of executive recruitment over the period. The cost of advertising for all other purposes was \$109,305 in 2006-07, a small increase from \$103,425 in 2005-06.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT

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

The Australia Council's Ecologically Sustainable Development Policy includes strategies for energy, paper and waste reduction. The policy affirms the Australia Council's commitment to minimising its environmental impact.

The Australia Council commenced secure destruction and recycling of support materials (CDs, DVDs, audio tapes, video tapes) in May 2007.

Figure 17  
Energy consumption  
kWh



Figure 18  
Paper consumption  
Reams (A4 80gsm copy paper)



Figure 19  
Recycled paper  
Weight (kg)



Figure 20  
Recycled glass, plastic, and aluminium  
Weight (kg)



**Section 03****Financial statements**

# For the year ended 30 June 2007



## INDEPENDENT AUDITOR'S REPORT

To the Minister for Communications, Information Technology and the Arts

### Scope

We have audited the accompanying financial statements of the Australia Council for the Arts (Australia Council) for the year ended 30 June 2007. The financial statements comprise: a statement by the Council Members and Chief Financial Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments and contingencies; a summary of significant accounting policies, and other explanatory notes.

### *The Responsibility of the Council Members for the Financial Statements*

The Council Members are responsible for the preparation and fair presentation of the financial statements in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and Australian Accounting Standards, including Australian Accounting Interpretations. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on our audit. Our audit has been conducted in accordance with Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council Members, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

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

### Auditor's Opinion

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

- have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997* and Australian Accounting Standards (including Australian Accounting Interpretations); and
- 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 2007 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office

P Hinchey  
Senior Director  
Delegate of the Auditor-General

Sydney  
5 September 2007

PO Box A456 Sydney South NSW 1235  
130 Elizabeth Street  
SYDNEY NSW  
Phone (02) 9367 7100 Fax (02) 9367 7102



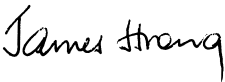
## Statement by Council members and chief financial officer

for the year ended 30 June 2007

In our opinion, the attached financial statements for the year ended 30 June 2007 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

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

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



**James Strong AO**

Chairman

5 September 2007



**Kathy Keele**

Chief executive officer

5 September 2007



**Emma Murphy**

Chief financial officer

5 September 2007

# Income statement

for the year ended 30 June 2007

	Notes	2006-07 \$'000	2005-06 \$'000
<b>Income</b>			
<b>Revenue</b>			
Revenues from government	2(a)	148,876	152,018
Interest	2(b)	3,653	3,737
Other	2(c)	9,870	11,310
<b>Total revenue</b>		<b>162,399</b>	167,065
<b>Gains</b>			
Sale of assets	2(d)	–	16
<b>Total gains</b>		<b>–</b>	16
<b>Total income</b>		<b>162,399</b>	167,081
<b>Expense</b>			
Employee benefits	3(a)	10,562	9,718
Suppliers	3(b)	4,957	3,910
Grants	4	152,813	137,011
Depreciation and amortisation	3(c)	876	827
Finance costs	3(d)	36	32
Other expenses	2(d)	3	–
<b>Total expenses</b>		<b>169,247</b>	151,498
<b>Surplus/(deficit) from ordinary activities</b>		<b>(6,848)</b>	15,583
Transfer from/(to) special purpose reserve		8,838	(12,407)
<b>Surplus/(deficit)</b>		<b>1,990</b>	3,176

The deficit before transfer from/(to) special purpose reserve arises from grant payments to the symphony orchestras upon the divestment from the Australian Broadcasting Corporation which occurred on 31/12/2006. Funding for this grant payment was received in 2005-06.

## Balance sheet

as at 30 June 2007

	Notes	2006-07 \$'000	2005-06 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash	5(a)	18,718	32,736
Receivables	5(b)	3,081	2,470
<b>Total financial assets</b>		<b>21,799</b>	<b>35,206</b>
<b>Non-financial assets</b>			
Land and buildings	6(a)(d)	2,545	2,900
Infrastructure, plant and equipment	6(b)(d)	1,571	1,625
Intangibles	6(c)(d)	166	275
Other non-financial assets	6(e)	11,616	3,964
<b>Total non-financial assets</b>		<b>15,898</b>	<b>8,764</b>
<b>Total assets</b>		<b>37,697</b>	<b>43,970</b>
<b>Liabilities</b>			
<b>Payables</b>			
Suppliers	7(a)	887	309
Grants	7(b)	1,695	1,707
<b>Total payables</b>		<b>2,582</b>	<b>2,016</b>
<b>Provisions</b>			
Employees	8(a)	1,874	1,901
Other	8(b)	598	562
<b>Total provisions</b>		<b>2,472</b>	<b>2,463</b>
<b>Total liabilities</b>		<b>5,054</b>	<b>4,479</b>
<b>Net assets</b>		<b>32,643</b>	<b>39,491</b>
<b>Equity</b>			
Asset revaluation reserve		2,044	2,044
Accumulated surpluses		25,298	23,308
Special purpose reserve		5,301	14,139
<b>Total equity</b>		<b>32,643</b>	<b>39,491</b>
<b>Current assets</b>		<b>33,415</b>	<b>39,170</b>
<b>Non-current assets</b>		<b>4,282</b>	<b>4,800</b>
<b>Current liabilities</b>		<b>3,584</b>	<b>2,963</b>
<b>Non-current liabilities</b>		<b>1,470</b>	<b>1,516</b>

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

# Statement of cash flows

for the year ended 30 June 2007

	Notes	2006-07 \$'000	2005-06 \$'000
<b>Operating activities</b>			
<b>Cash received</b>			
Appropriations	17	148,876	152,018
Interest		3,613	3,719
GST received from ATO		13,943	12,636
Other		9,298	11,749
<b>Total cash received</b>		<b>175,730</b>	<b>180,122</b>
<b>Cash used</b>			
Employees		(10,611)	(9,551)
Suppliers		(4,391)	(4,419)
Grants		(174,385)	(159,559)
<b>Total cash used</b>		<b>(189,387)</b>	<b>(173,529)</b>
<b>Net cash (used by)/from operating activities</b>	9(b)	<b>(13,657)</b>	<b>6,593</b>
<b>Investing activities</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		–	34
<b>Total cash received</b>		<b>–</b>	<b>34</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		(361)	(401)
<b>Total cash used</b>		<b>(361)</b>	<b>(401)</b>
<b>Net cash used by investing activities</b>		<b>(361)</b>	<b>(367)</b>
<b>Net increase/(decrease) in cash held</b>		<b>(14,018)</b>	<b>6,226</b>
Cash at the beginning of the reporting period		32,736	26,510
<b>Cash at the end of the reporting period</b>	9(a)	<b>18,718</b>	<b>32,736</b>

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

## Statement of changes in equity

for the year ended 30 June 2007

	Retained surplus		Asset revaluation reserve		Special purpose reserve		Total equity	
	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000
Balance carried forward from previous period	23,308	20,132	2,044	2,044	14,139	1,733	39,491	23,909
Net surplus/(deficit)	1,990	3,176	–	–	–	–	1,990	3,176
Transfer (from)/to Books Alive Reserve	–	–	–	–	(9)	(320)	(9)	(320)
Transfer (from)/to Golbas, Sigrid & Estate Asher Bequest	–	–	–	–	4	(12)	4	(12)
Transfer (from)/to Orchestras Review Reserve	–	–	–	–	(8,404)	11,033	(8,404)	11,033
Transfer (from)/to NOISE Reserve	–	–	–	–	137	121	137	121
Transfer (from)/to Young and Emerging Reserve	–	–	–	–	59	682	59	682
Transfer (from)/to Visual Arts Craft Strategy Reserve	–	–	–	–	(315)	592	(315)	592
Transfer (from)/to Fund Raising Reserve	–	–	–	–	(310)	310	(310)	310
<b>Closing balance at 30 June</b>	<b>25,298</b>	<b>23,308</b>	<b>2,044</b>	<b>2,044</b>	<b>5,301</b>	<b>14,139</b>	<b>32,643</b>	<b>39,491</b>

## Schedule of contingencies

as at 30 June 2007

There were no contingent losses or gains at 30 June 2007.

## Schedule of commitments

as at 30 June 2007

	2006-07 \$'000	2005-06 \$'000
<b>By type</b>		
<b>Other commitments</b>		
Operating leases	5,013	8,674
Other commitments	333,807	109,226
<b>Total other commitments</b>	<b>338,820</b>	<b>117,900</b>
Commitments receivable	(30,747)	(10,660)
<b>Net commitments</b>	<b>308,073</b>	<b>107,240</b>

### By Maturity

#### Operating lease commitments

One year or less	1,928	1,855
From one to five years	2,541	4,461
Over five years	544	587
<b>Total operating lease commitments</b>	<b>5,013</b>	<b>6,903</b>

#### Other commitments

One year or less	132,377	109,226
From one to five years	201,430	–
Over five years	–	–
<b>Total other commitments</b>	<b>333,807</b>	<b>109,226</b>
Commitments receivable	(30,747)	(10,660)
<b>Net commitments</b>	<b>308,073</b>	<b>105,469</b>

### All commitments are GST inclusive where relevant

Nature of lease	General description of leasing arrangement
Leases for office accommodation	• Lease payments are subject to annual increase in accordance with upwards movements in the Consumer Price Index.
Motor vehicles – senior executives	• No contingent rental exists. • There are no renewal or purchase options available to the Australia Council.

#### Other commitments

Other commitments comprise commitments payable of \$313.3m to MPAB companies and \$20.4m 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.



## Notes to and forming part of the financial statements

# For the year ended 30 June 2007

Note	Description
1	Summary of significant accounting policies
2	Revenues
3	Expenses
4	Grants and initiatives expenses
5	Financial assets
6	Non-financial assets
7	Payables
8	Provisions
9	Cash flow reconciliation
10	Remuneration of Council members
11	Related party disclosures
12	Executive remuneration
13	Average staffing levels
14	Remuneration of auditors
15	Financial instruments
16	Events occurring after reporting date
17	Appropriations
18	Reporting of outcomes

## Notes to and forming part of the financial statements for the year ended 30 June 2007

### Note 1. Summary of significant accounting policies

#### 1(a) Basis of preparation of the financial report

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

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

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (FMOs), for reporting periods ending on or after 1 July 2006; and
- Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board (AASB) and Urgent Issues Group (UIG) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets that are recorded 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 report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless 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 Australia Council and the amounts of the assets and liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

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

#### 1(b) 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 has been taken to be the market value of similar properties as determined by an independent valuer.

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.

#### 1(c) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Australian Accounting Standards require the Australia Council to disclose Australian Accounting Standards that have not been applied, for standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, which are not effective at the reporting date. Details of these amendments are available on the AASB website. The Australia Council intends to adopt all standards upon their application date. As at the reporting date there is no expected impact on the application of these amendments.

#### 1(d) Revenue

##### Revenues from government

Amounts appropriated for Departmental outputs for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

##### Other types of revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 Financial Instruments: Recognition and Measurement.

## Notes to and forming part of the financial statements for the year ended 30 June 2007

### 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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition.

### 1(e) Gains

#### Sale of Assets

Gains from disposal of non-current assets are recognised when control of the assets has passed to the buyer.

### 1(f) Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have been settled.

Liabilities for 'short term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months 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.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

### 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 Australia Council is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Australia Council's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2007. In determining the present value of the liability, the Australia Council has taken into account attrition rates and pay increases through promotion and inflation.

### Separation and redundancy

Provision is made for separation and redundancy benefit payments. These costs are recognised when a detailed formal plan has been developed and the employees affected by the plan are informed.

### Superannuation

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

The CSS and PSS are defined benefit schemes of 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. The Australia Council makes employer contributions to the CSS and PSS at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Australia Council's employees.

The liability for superannuation contributions at 30 June 2007 represents outstanding contributions for the final fortnight of the year.

### 1(g) 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 the ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

The Australia Council has no finance leases.

## Notes to and forming part of the financial statements for the year ended 30 June 2007

### 1(h) Cash

Cash means notes and coins held and any deposit held at call with a bank or financial institution.

Cash is recognised at its nominal amount.

### 1(i) Financial risk management

The activities of the Australia Council expose it to normal commercial financial risk. As a result of the nature of the Australia Council's business, internal and Australian Government policies dealing with the management of financial risk, the Australia Council's exposure to market, liquidity and cash flow and fair value interest rate risk is considered low.

### 1(j) Derecognition of financial assets and liabilities

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another Entity. In the case of a transfer to another Entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged, cancelled or expires.

### 1(k) Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

### Financial assets held at amortised cost

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in profit and loss.

### Financial assets held at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

### Available for sale financial assets

If there is objective evidence that an impairment loss on an available for sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in profit and loss, is transferred from equity to the profit and loss.

### 1(l) Supplier and other payables

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

### 1(m) Grant liabilities and commitments

Grant liabilities comprise grants and programs approved by the Council and boards for 30 June 2007 or previous financial years for which signed conditions have been received from successful grants applicants.

Commitments relating to grants in the "Schedule of Commitments" comprise amounts payable under grant agreements in respect of which the recipient is yet to comply with certain requirements or meet eligibility conditions.

### 1(n) Contingent assets and liabilities

Contingent Assets and Liabilities 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 existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

### 1(o) 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 revenues, at their fair value at the date of acquisition.

## Notes to and forming part of the financial statements for the year ended 30 June 2007

### 1(p) Property, plant and equipment

#### Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost on the Balance Sheet, except for purchases costing less than \$2000, which are expensed in the year of acquisition (other than where they form or add to 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 “makegood” provisions in property leases taken up by the Australia Council where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Australia Council's leasehold improvements with a corresponding provision for the “makegood” taken up.

#### Revaluations

Fair values for each class of asset are determined using the following methods

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	Market selling price
Heritage and cultural assets	Market selling price

Following initial recognition at cost, property, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment loss. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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 through the Income Statement. Revaluation decrements for a class of assets are recognised directly through the Income Statement 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.

#### Depreciation and amortisation

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

Leasehold improvements and leasehold property are amortised over the life of the underlying leases or their estimated useful life, whichever is the shorter.

Depreciation/amortisation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

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

	2006-07	2005-06
Buildings on freehold land	<b>40 years</b>	40 years
Buildings on leasehold land	<b>50-75 years</b>	50-75 years
Leasehold improvements	<b>10 years</b>	10 years
Plant and equipment – excluding musical instruments	<b>3-50 years</b>	3-50 years
Plant and equipment – musical instruments	<b>15-100 years</b>	15-100 years
Plant and equipment – works of art	<b>50-250 years</b>	50-250 years

Notes to and forming part of the financial statements  
for the year ended 30 June 2007

Impairment

All assets were assessed for impairment at 30 June 2007. 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.

The recoverable amount is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Australia Council were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1(q) Intangibles

The Australia Council's intangibles comprise internally developed software, which is carried at cost. Intangible assets are amortised on a straight-line basis over their anticipated useful lives. Useful lives are:

	2006-07	2005-06
Software	5 years	5 years

All software assets were assessed for impairment as at 30 June 2007. None were found to be impaired. Assets are fully utilized and will be utilized in the future.

1(r) Taxation

The Australia Council is exempt from all forms of taxation except fringe benefits tax (FBT) and goods and services tax (GST).

Revenue, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Tax Office; and
- except for receivables and payables.

1(s) Comparative figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

1(t) Foreign currency

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.



## Notes to and forming part of the financial statements for the year ended 30 June 2007

	2006-07 \$'000	2005-06 \$'000
<b>Note 2. Revenues</b>		
<b>2(a) Revenues from government</b>		
Appropriations for outputs	148,876	152,018
<b>2(b) Interest revenue</b>		
Deposits	3,653	3,737
<b>2(c) Other revenue</b>		
Returned grants	165	443
Rental and outgoings recovered from sub-leasing	45	47
<b>Income from fund raising</b>		
– Venice Biennale 2005	–	25
– Venice Biennale 2007	917	354
– Musee du quai Branly	400	–
– Artsupport Australia grant	34	–
– Other	–	14
<b>Contribution from Department of Foreign Affairs and Trade for:</b>		
– OzArts Online	–	65
– Australian Indigenous Art Commission to Musee du quai Branly	–	13
– APAM 2006	–	60
– Undergrowth: Australian Arts UK	–	160
<b>Contribution from the Department of Communications, Information Technology and the Arts for:</b>		
– Books Alive	2,000	2,000
– Regional Arts Fund	100	100
– Visual Arts and Craft Strategy	5,500	5,500
– OzArts Online	65	65
– Orchestras Review Implementation	–	800
– Cultural Ministers Council Small to Medium Arts Companies Business Development	90	180
<b>Creative NZ</b>		
– Contribution to fuel4arts	35	35
<b>NSW Ministry for the Arts</b>		
– New resources for writing for performance in NSW	–	160
<b>Arts SA</b>		
– Funding for State Opera of South Australia	100	–
– Implementation of the Orchestras Review	11	314
<b>Musee du quai Branly</b>		
– Australian Indigenous Art Commission to Musee du quai Branly	345	669
<b>Contributions from state governments for:</b>		
– Australian Version of Boxing Clever	–	19
– Other	–	85
<b>Other</b>	63	202
<b>Total other revenue</b>	<b>9,870</b>	<b>11,310</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2007

	2006-07 \$'000	2005-06 \$'000
<b>2 (d) Gains on sale of assets</b>		
Proceeds from sale	–	34
Carrying value of assets held	(3)	(18)
<b>Net gain (loss) from sale of assets</b>	<b>(3)</b>	<b>16</b>

## Note 3. Expenses

### 3 (a) Employee benefits

Wages and salaries	8,343	7,665
Superannuation	1,351	1,102
Leave and other entitlements	868	951
<b>Total employee benefits</b>	<b>10,562</b>	<b>9,718</b>

### 3(b) Suppliers

Rendering of services – external parties	2,823	2,346
Operating lease rentals	2,134	1,564
<b>Total supplier expenses</b>	<b>4,957</b>	<b>3,910</b>

### 3(c) Depreciation and amortisation

#### Depreciation

Other infrastructure, plant and equipment	243	235
Buildings	439	439

#### Amortisation

Intangibles – computer software	194	153
<b>Total depreciation and amortisation expense</b>	<b>876</b>	<b>827</b>

### 3(d) Finance costs

Unwinding of 'makegood'	36	32
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## Note 4. Grants and initiatives expenses

Grants and initiatives paid to individuals and organisations during the year were:

Board grants	33,546	30,189
Major performing arts	89,436	74,790
Divisional programs	15,729	14,448
Government initiatives	12,312	12,475
Council initiatives	1,790	5,611
<b>Total grants paid</b>	<b>152,813</b>	<b>137,513</b>
Net movement in grants accrued	–	(502)
<b>Total grants expenses</b>	<b>152,813</b>	<b>137,011</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2007

	2006-07 \$'000	2005-06 \$'000
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### Note 5. Financial assets

#### 5(a) Cash and cash equivalents

Cash at bank	208	1,191
Term deposits (Investments under s18 of the CAC Act)	18,508	31,543
Cash on hand	2	2
<b>Total cash and cash equivalents</b>	<b>18,718</b>	<b>32,736</b>

Term deposits earn an effective interest rate of 6.00% (2006: 5.59%).  
Interest is payable monthly. Terms are all between one and two months.

#### 5(b) Receivables

Other debtors	428	275
GST receivable from the Australian Taxation Office	2,653	2,195
<b>Total receivables (net)</b>	<b>3,081</b>	<b>2,470</b>

#### Receivables are presented by:

Current	3,042	2,470
Non-current	39	–
<b>Total receivables (net)</b>	<b>3,081</b>	<b>2,470</b>

All receivables are with entities external to the entity. Credit terms are net 14 days (2006: 14 days).

#### Receivables (gross) are aged as follows:

Not overdue	3,042	2,468
Overdue by:		
– less than 30 days	–	1
– 30 to 60 days	–	1
– 60 to 90 days	5	–
– more than 90 days	34	–
<b>Total receivables (gross)</b>	<b>3,081</b>	<b>2,470</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2007

	2006-07 \$'000	2005-06 \$'000
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### Note 6. Non-financial assets

#### 6(a) Land and buildings

##### Freehold land

– at 2005 valuation (fair value)	149	149
<b>Total freehold land</b>	<b>149</b>	<b>149</b>

##### Buildings on freehold land

– at 2005 valuation (fair value)	390	390
Accumulated depreciation	(15)	(7)
<b>Total buildings on freehold land</b>	<b>375</b>	<b>383</b>

##### Buildings on leasehold land

– at 2005 valuation (fair value)	1,291	1,291
Accumulated amortisation	(194)	(172)
<b>Total buildings on leasehold land</b>	<b>1,097</b>	<b>1,119</b>

##### Leasehold improvements

– at 2005 valuation (fair value)	3,505	3,445
– at cost	24	–
Accumulated amortisation	(2,605)	(2,196)
<b>Total leasehold improvements</b>	<b>924</b>	<b>1,249</b>
<b>Total land and buildings (non-current)</b>	<b>2,545</b>	<b>2,900</b>

Included in Land and Buildings are studios in the Cité Internationale des Arts in Paris, an apartment in Rome, the Australian Pavilion in Venice and cost of leasehold improvements at 372 Elizabeth Street, Surry Hills, Sydney. No indications of impairment were found for land and buildings.

#### 6(b) Plant and equipment

##### Plant and equipment

– at 2005 valuation (fair value)	1,648	1,858
– at cost	398	–
Accumulated depreciation	(475)	(233)
<b>Total plant and equipment (non-current)</b>	<b>1,571</b>	<b>1,625</b>

Plant and equipment includes a Guarnerius cello, made in 1721, together with a Pajeot bow and a Dodd bow made early in the 19th century. The Australia Council purchased this item in 1974. The cello and bows were valued on 30 June 2005. The valuation was performed by independent valuers, John and Arthur Beare, in London.

The revaluations were in accordance with the revaluation policy stated at Note 1 and were completed by independent valuers Australian Valuation Office (Sydney), Jones Lang LaSalle (Italy), and John and Arthur Beare (London).

No indications of impairment were found for infrastructure, plant and equipment.

#### 6(c) Intangibles

Computer software – internally developed – at cost	679	594
Accumulated amortisation	(513)	(319)
<b>Total intangibles</b>	<b>166</b>	<b>275</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2007

	Land \$'000	Buildings on freehold and lease hold land \$'000	Buildings lease-hold improvements \$'000	Other infrastructure plant and equipment \$'000	Computer software \$'000	Total \$'000
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### 6(d) Analysis of property plant & equipment

#### A. Reconciliation of the opening and closing balances of properties, plant and equipment (2006-07)

##### As at 1 July 2006

Gross book value	149	1,681	3,445	1,858	594	7,727
Accumulated depreciation/ amortisation	–	(179)	(2,196)	(233)	(319)	(2,927)
<b>Opening net book value</b>	<b>149</b>	<b>1,502</b>	<b>1,249</b>	<b>1,625</b>	<b>275</b>	<b>4,800</b>
Additions by purchase	–	–	84	192	85	361
Depreciation/amortisation expense	–	(31)	(409)	(242)	(194)	(876)
Disposals	–	–	(3)	–	–	(3)

##### As at 30 June 2007

Gross book value	149	1,681	3,529	2,046	679	8,084
Accumulated depreciation /amortisation	–	(209)	(2,605)	(475)	(513)	(3,802)
<b>Closing net book value</b>	<b>149</b>	<b>1,472</b>	<b>924</b>	<b>1,571</b>	<b>166</b>	<b>4,282</b>

#### B. Reconciliation of the opening and closing balances of properties, plant and equipment (2005-06)

##### As at 1 July 2005

Gross book value	149	1,681	3,378	1,666	475	7,349
Accumulated depreciation /amortisation	–	(150)	(1,786)	(2)	(166)	(2,104)
<b>Opening net book value</b>	<b>149</b>	<b>1,531</b>	<b>1,592</b>	<b>1,664</b>	<b>309</b>	<b>5,245</b>
Additions by purchase	–	–	67	214	119	400
Depreciation/amortisation expense	–	(29)	(410)	(235)	(153)	(827)
Disposal	–	–	–	(18)	–	(18)

##### As at 30 June 2006

Gross book value	149	1,681	3,445	1,858	594	7,727
Accumulated depreciation /amortisation	–	(179)	(2 196)	(233)	(319)	(2,927)
<b>Closing net book value</b>	<b>149</b>	<b>1,502</b>	<b>1,249</b>	<b>1,625</b>	<b>275</b>	<b>4,800</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2007

	2006-07 \$'000	2005-06 \$'000
<b>6(e) Other non-financial assets</b>		
Prepaid property rentals	139	133
Other prepayments*	11,477	3,831
<b>Total other non-financial assets</b>	<b>11,616</b>	<b>3,964</b>

\*Other prepayments relate to grant payments to major performing arts companies.

## Note 7. Payables

### 7(a) Supplier payables

Trade creditors	849	138
Other creditors	35	18
GST payable on supplier and grant liabilities	3	153
<b>Total supplier payables</b>	<b>887</b>	<b>309</b>
Supplier payables are represented by:		
Current	887	309
Non-current	–	–
<b>Total supplier payables</b>	<b>887</b>	<b>309</b>

### 7(b) Grants payable

Individuals and non-profit institutions	1,695	1,707
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## Note 8. Provisions

### 8(a) Employee provisions

Salaries and wages	207	287
Leave	1,556	1,606
Superannuation	–	8
Redundancies	111	–
<b>Total employee provisions</b>	<b>1,874</b>	<b>1,901</b>
Current	997	947
Non-current	877	954
<b>Total employee provisions</b>	<b>1,874</b>	<b>1,901</b>

### 8(b) Other provisions

Provision for 'Makegood'	598	562
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## Notes to and forming part of the financial statements for the year ended 30 June 2007

	2006-07 \$'000	2005-06 \$'000
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### Note 9. Cash flow reconciliation

#### 9(a) Reconciliation of cash per income statement to statement of cash flows

Cash at year end per Statement of Cash Flows	18,718	32,736
Balance Sheet items comprising above cash:		
Financial Asset – Cash	18,718	32,736

#### 9(b) Reconciliation of operating surplus to net cash from operating activities:

Operating surplus	(6,848)	15,583
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#### Non-cash items

Depreciation and amortisation	876	827
(Gain)/Loss on disposal of assets	3	(16)

#### Changes in assets and liabilities

(Increase)/decrease in receivables	(611)	(194)
(Increase)/decrease in prepayments	(7,652)	(3,759)
Increase/(decrease) in employee provisions	(28)	167
Increase/(decrease) in grants and supplier payables	566	(6,047)
Increase/(decrease) in other provisions	37	32

<b>Net cash from operating activities</b>	<b>(13,657)</b>	<b>6,593</b>
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### Note 10. Remuneration of Council members

Aggregate amount of superannuation payments in connection with the retirement of Council members	26,596	18,310
Other remuneration received or due and receivable by Council members	268,912	220,092
<b>Total remuneration received or due and receivable by Council members</b>	<b>295,508</b>	<b>238,402</b>

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

	Number	Number
\$0 – \$14,999	5	10
\$15,000 – \$29,999	7	5
\$30,000 – \$44,999	1	2
<b>Total</b>	<b>13</b>	<b>17</b>

The chief executive officer is an *ex-officio* member of the Council, but receives no additional remuneration as a Council member. The remuneration of the chief executive officer is included in Note 12 on the Executive Remuneration.

## Notes to and forming part of the financial statements for the year ended 30 June 2007

Appointed Term concludes/concluded

### Note 11. Related party disclosures

#### Council members

Council members during the year were:

Keele, Kathy*	07/02/2007	06/02/2010
Allert, Richard	01/02/2006	31/01/2009
Alway, Lesley	30/11/2004	30/09/2006
Black, Barbara	03/04/2006	02/04/2009
Bott, Jennifer*	08/02/1999	19/09/2006
Downer, Nicola	18/12/2003	17/12/2009
Fisher, Dominique	09/08/2006	08/08/2009
Gersh, Joseph	01/07/2006	30/06/2009
Koehne, Graeme	19/12/2002	18/12/2008
McRae, Ian	24/07/2002	23/01/2008
O'Loughlin, Tim	12/09/2005	11/09/2008
Salusinsky, Imre	24/06/2006	23/06/2009
Sarra, Chris	09/03/2005	08/03/2008
Snell, Edgar	27/12/2006	28/12/2009
Strong, James	01/07/2006	30/06/2009

\*ex-officio member of the Council by virtue of appointment as chief executive officer

#### Other transactions with Council members or Council member-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. The following is a list of transactions with Council members or Council-related entities that occurred as a result of Council members acting in another business capacity. All transactions with Council members, or organisations in which they have an interest, were conducted in accordance with standard procedures and on conditions no more beneficial than those of other grant applicants.

Council member	Organisation in receipt of grant	Position held by Council member	Amount of grant \$
Richard Allert	Australia Business Arts Foundation	Director	10,945
Lesley Alway	Heide Museum of Modern Art	Director/CEO	26,000
Barbara Black	University of Western Australia	Director, UWA Albany Centre	3,900
Nicola Downer	State Theatre of South Australia	Governor	459,066
Tim O'Loughlin	Adelaide Symphony Orchestra	Chair	7,356,828
Imre Salusinszky	Quadrant	Former editorial board member	30,000
Graeme Koehne	West Australian Ballet	Commissioned composer	411,476
	University of Adelaide	Head of Studies (Composition)	4,400
Ian McRae	IFACCA	Director	10,000
	Bangarra Dance Theatre	Director	481,283
	Experimenta Media Arts Inc	Related Party	65,960
Edgar Snell	Curtin University of Technology	Dean of Art	15,000
	Object: Australian Centre for Craft and Design	Member Living Treasures Committee	577,343

## Notes to and forming part of the financial statements for the year ended 30 June 2007

	2006-07 number	2005-06 number
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### Note 12. Executive remuneration

#### 12(a) Remuneration of officers

The number of officers who received or were due to receive total remuneration of \$130,000 or more:

\$130 000 – \$144 999*	1	1
\$145 000 – \$159 999*	–	1
\$160 000 – \$174 999*	1	–
\$175 000 – \$189 999*	2	2
\$190 000 – \$204 999*	1	–
\$205 000 – \$219 999*	–	1
\$220 000 – \$234 999*	1	–
\$235 000 – \$249 999*	–	–
\$250 000 – \$264 999*	–	–
\$265 000 – \$279 999*	–	–
\$280 000 – \$294 999*	–	1
<b>Total</b>	<b>6</b>	<b>6</b>

\*Includes salary, superannuation, recreation leave, cost of motor vehicles and fringe benefits tax at 30 June 2007 to which officers are currently entitled and long service leave to which officers are not entitled until they have 10 years of service with the Australia Council. Only two of the officers listed above were entitled to long service leave as at 30 June 2007.

	\$	\$
The aggregate amount of total remuneration of officers shown above is:	<b>1,097,918</b>	1,152,491
The officer remuneration includes the chief executive officer who is a member of the Council <i>ex officio</i> , and all officers concerned with or taking part in the management of the Australia Council.		
	number	number

### Note 13. Average staffing levels

The average staffing levels during the year were:	<b>145</b>	145
	\$	\$

### Note 14. Remuneration of auditors

Remuneration to the Auditor-General for auditing the financial statements of:

– the Australia Council	<b>35,100</b>	38,000
– Visual Arts and Craft	<b>6,000</b>	–
– Books Alive	<b>1,900</b>	1,600
<b>Total</b>	<b>43,000</b>	39,600

No other services were provided by the Auditor-General during the reporting period.

## Notes to and forming part of the financial statements for the year ended 30 June 2007

### Note 15. Financial instruments

#### 15(a) Terms, conditions and accounting policies

Financial instruments	Notes	Accounting policies and methods (including recognition criteria and measurement basis)	Nature of underlying Instruments (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>Financial assets</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
<b>Deposits at call</b>	5(a)	Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.	Temporarily surplus funds, mainly from fortnightly draw-downs of appropriation, are placed on deposit at call with the Council's banker. Interest is earned on the daily balance at the prevailing daily rate for money on call and is paid at month end.
<b>Receivables for goods &amp; services</b>	5(b)	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Provisions are made when collection of the debt is judged to be less likely rather than more likely.	Credit terms are net 14 days. (2006: 14 days.)
<b>Financial liabilities</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
<b>Trade creditors</b>	7(a)	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days.
<b>Grants liabilities</b>	7(b)	Grants liabilities comprise grants and programs approved by the Council and boards for 30 June 2007 or previous financial years for which signed conditions had been received from successful grant applications.	Settlement is usually made prior to the commencement of projects.

## Notes to and forming part of the financial statements for the year ended 30 June 2007

Financial instruments	Notes	Floating interest rate		Non-interest bearing		Total		Weighted average effective interest rate	
		2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000	2006-07 %	2005-06 %

### 15(b) Interest rate risk

#### Financial assets

Cash at bank	5(a)	208	1,191	–	–	208	1,191	3.10	2.85
Cash on hand	5(a)	–	–	2	2	2	2	n/a	n/a
Deposits at call	5(a)	18,508	31,543	–	–	18,508	31,543	6.00	5.29
Receivables	5(b)	–	–	3,081	2,470	3,081	2,470	n/a	n/a
<b>Total</b>		<b>18,716</b>	<b>32,734</b>	<b>3,083</b>	<b>2,472</b>	<b>21,799</b>	<b>35,206</b>		
<b>Total assets</b>						<b>37,697</b>	<b>43,970</b>		

#### Financial liabilities

Trade and other creditors	7(a)	–	–	887	453	887	309	n/a	n/a
Grants liabilities	7(b)	–	–	1,695	1,563	1,695	1,707	n/a	n/a
<b>Total</b>			–	<b>2,582</b>	<b>2,016</b>	<b>2,582</b>	<b>2,016</b>		
<b>Total liabilities</b>						<b>5,054</b>	<b>4,479</b>		

Notes	2006-07		2005-06	
	Total carrying amount \$'000	Aggregate fair value \$'000	Total carrying amount \$'000	Aggregate fair value \$'000

### 15(c) Net fair values of financial assets and liabilities

#### Financial assets

Cash at bank	5(a)	208	208	1,191	1,191
Cash on hand	5(a)	2	2	2	2
Deposits at call	5(a)	18,508	18,508	31,543	31,543
Receivables	5(b)	3,081	3,081	2,470	2,470
<b>Total financial assets</b>		<b>21,799</b>	<b>21,799</b>	<b>35,206</b>	<b>35,206</b>

#### Financial liabilities (recognised)

Trade and other creditors	7(a)	887	887	309	309
Grants liabilities	7(b)	1,695	1,695	1,707	1,707
<b>Total financial liabilities (recognised)</b>		<b>2,582</b>	<b>2,582</b>	<b>2,016</b>	<b>2,016</b>

#### Financial assets

The net fair values of cash, deposits on call and non-interest-bearing monetary financial assets approximate their carrying amounts.

#### Financial liabilities

The net fair values for trade creditors and grant liabilities, all of which are short-term, are approximated by their carrying amounts carrying amounts.

Notes to and forming part of the financial statements  
for the year ended 30 June 2007

15(d) Credit risk exposure

The Australia Council’s maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet. The Australia Council has no significant exposures to any concentrations of credit risk.

Note 16. Events occurring after reporting date

The Council is not aware of any significant events that have occurred since balance date which warrant disclosure in these financial statements.

Note 17. Appropriations

Particulars	Departmental outputs		Total	
	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000
<b>Year ended 30 June 2007</b>				
Balance carried forward from previous year	–	–	–	–
Appropriation Acts 1 and 3	148,876	150,978	148,876	150,978
Appropriation Act 5	–	1,040	–	1,040
Available for payment of CRF	148,876	152,018	148,876	152,018
Payments made out of CRF	148,876	152,018	148,876	152,018
<b>Balance carried forward to next year</b>	–	–	–	–
Represented by: Appropriations Receivable	–	–	–	–

This table reports on appropriations made by the Parliament out of the Consolidated Revenue Fund (CRF) in respect of the Australia Council. When received by the Australia Council, the payments made are legally the money of the Australia Council and do not represent any balance remaining in the CRF.

Note 18. Reporting of outcomes

18(a) Outcomes of the Australia Council

The Australia Council is structured to meet two outcomes and five outputs:

- Outcome 1** That Australian artists create and present a body of distinctive cultural works, characterised by the pursuit of excellence.

Output 1.1 Investments in artist production and development of artistic practice.

Output 1.2 Presentation of distinctive Australian cultural works nationally and internationally.
- Outcome 2** Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts.

Output 2.1 Promoting the understanding, enjoyment, participation in and appreciation of the arts by Australians

Output 2.2 Infrastructure development for Australia’s creative arts.

Output 2.3 Provision of policy development, research, promotional and advisory services.



## Notes to and forming part of the financial statements for the year ended 30 June 2007

	Outcome 1		Outcome 2		Total	
	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000

### 18(b) Net cost of outcome delivery

#### Expenses

Administered	-	-	-	-	-	-
Departmental	96,132	86,051	73,115	65,447	169,247	151,498
<b>Total expenses</b>	<b>96,132</b>	<b>86,051</b>	<b>73,115</b>	<b>65,447</b>	<b>169,247</b>	<b>151,498</b>

#### Costs recovered from provision of goods and services to the non-government sector

Administered	-	-	-	-	-	-
Departmental	-	-	-	-	-	-
<b>Total costs recovered</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Other external revenues

Departmental						
- Sale of goods and services – to related parties	-	-	-	-	-	-
- Interest	2,076	2,122	1,577	1,615	3,653	3,737
- Net gains from disposal of assets	-	8	-	8	-	16
- Reversal of previous asset write-downs	-	-	-	-	-	-
- Other	5,606	6,424	4,264	4,886	9,870	11,310
<b>Total Departmental</b>	<b>7,682</b>	<b>8,554</b>	<b>5,841</b>	<b>6,509</b>	<b>13,523</b>	<b>15,063</b>
<b>Total other external revenues</b>	<b>7,682</b>	<b>8,554</b>	<b>5,841</b>	<b>6,509</b>	<b>13,523</b>	<b>15,063</b>
<b>Net cost/(contribution) of outcome</b>	<b>88,450</b>	<b>77,497</b>	<b>67,274</b>	<b>58,938</b>	<b>155,724</b>	<b>136,435</b>

## Notes to and forming part of the financial statements for the year ended 30 June 2007

	Outcome Group 1			
	Output 1.1		Output 1.2	
	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000

### 18(c) Departmental revenues and expenses by output groups and output

#### Operating expenses

Employees	3,602	3,311	2,397	2,209
Suppliers	1,690	1,332	1,125	889
Grants	52,114	46,673	34,684	31,148
Depreciation and amortisation	299	282	199	188
Finance costs	12	12	8	7
Write-down of assets	1	–	1	–
Other	–	–	–	–
<b>Total operating expenses</b>	<b>57,718</b>	<b>51,610</b>	<b>38,414</b>	<b>34,441</b>

#### Funded by:

Revenues from government	50,771	51,842	33,791	34,504
Sale of goods and services	–	–	–	–
Interest	1,247	1,272	829	850
Net gains from disposal of assets	–	–	–	–
Reversal from previous asset write-downs	–	–	–	–
Other	3,366	3,853	2,240	2,571
<b>Total operating revenues</b>	<b>55,384</b>	<b>56,967</b>	<b>36,860</b>	<b>37,925</b>

**Notes to and forming part of the financial statements**  
for the year ended 30 June 2007

Outcome Group 2						Total	
Output 2.1		Output 2.2		Output 2.3			
2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000	2006-07 \$'000	2005-06 \$'000
1,675	1,540	2,424	2,225	464	433	10,562	9,718
786	620	1,138	895	218	174	4,957	3,910
24,235	21,716	35,067	31,366	6,713	6,108	152,813	137,011
139	131	201	189	38	37	876	827
6	5	8	7	2	1	36	32
-	-	1	-	-	-	3	-
-	-	-	-	-	-	-	-
26,841	24,012	38,839	34,682	7,435	6,753	169,247	151,498
23,610	24,108	34,164	34,885	6,540	6,679	148,876	152,018
-	-	-	-	-	-	-	-
579	592	838	856	160	167	3,653	3,737
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,565	1,793	2,265	2,589	434	504	9,870	11,310
25,754	26,493	37,267	38,330	7,134	7,350	162,399	167,065

## Functions of the Australia Council

The functions of the Australia Council are defined in Section 5 of the *Australia Council Act 1975*:

- a) to formulate and carry out policies designed:
  - i) to promote excellence in the arts
  - ii) to provide, and encourage provision of, opportunities for persons to practise the arts
  - iii) to promote the appreciation, understanding and enjoyment of the arts
  - iv) to promote the general application of the arts in the community
  - v) to foster the expression of a national identity by means of the arts
  - vi) to uphold and promote the rights of persons to freedom in the practice of the arts
  - vii) to promote the knowledge and appreciation of Australian arts by persons in other countries
  - viii) to promote incentives for, and recognition of, achievement in the practice of the arts
  - ix) to encourage the support of the arts by the states, local governing bodies and other persons and organisations
- b) to furnish 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 related to the performance of its functions; and
- c) to do anything incidental or conducive to the performance of any of the foregoing functions.

### Australia Council

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