

One Arts Sector: One Arts Council

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This annual report and a full list of grants and initiatives is available for download from the Australia Council's website www.australiacouncil.gov.au/annualreport0809/

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Annual Report 2008–09

Australia Council

The Australia Council is the Australian Government's arts funding and advisory body. Our vision is to enrich our nation by supporting the practice and enjoyment of the arts.

One Arts Sector: One Arts Council

The Australia Council completed a major review of its operations and funding to maximise the effectiveness of our funding to artists and art organisations, and to address key trends facing the industry. 'One Arts Sector: One Arts Council' represents an integrated approach across all divisions and artform boards of the Australia Council.

Each division is outwardly focused on strategic outcomes to support our artists, to strengthen a vibrant infrastructure in which the arts can flourish, and to enrich the lives of communities and all Australians through increased access to the arts.



Australia Council
Enriching the
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Australia Council staff
Photo: Dean Golja

il for the Arts

lives of Australians
communities through
the creation and
Australian arts*



One Arts Sector

\$175.3m

total grant and project funding to artists and arts organisations

1846

Australia Council grants and projects

5526

new artistic works created with Australia Council support

5414

new artistic works presented with Australia Council support

13m

attendances at Australia Council supported events

One Arts Council



Organisational structure

01 Funding Australian artists: Arts Funding
02 Keeping culture strong: Aboriginal and Torres Strait Islander Arts
03 Strengthening Australian arts organisations: Arts Organisations
04 Building Australia's arts sector: Arts Development
05 Structure of Australia Council: Office of the Chief Executive (Marketing and Communication, Legal and Compliance and Artsupport Australia) and Corporate Resources



James Strong
Photo: Stu Spence

The Hon Peter Garrett AM MP

Minister for the Environment, Heritage and the Arts
Parliament House Canberra ACT 2006

1 September 2009

Dear Minister,

I present you with the 2008–09 annual report of the Australia Council.

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 Deregulation.

The following report of operations was adopted by resolution of the Council on 12 August 2009.

We have used this annual report to reflect our renewed focus, commitment and connection to the artists and arts organisations of Australia. This is expressed in our strategic priorities, our organisational structure, and the focus of our governing Council. This year, the governing Council of the Australia Council met in a number of locations across the country and hosted numerous opportunities to meet local arts communities. This also allowed us to meet with the state arts agencies to discuss their strategies and our ongoing collaborations.

The Australia Council's governing Council represents the breadth of the arts in Australia; from Mark Bin Bakar, a well-known Indigenous artist from Broome WA, to Brad Haseman, a highly respected innovator in research from the Queensland University of Technology in Brisbane, to Rosalba Clemente, a theatre writer and director from Adelaide; this is a board rich in arts experience, vision and commitment. I thank each of them, past and present, for their valued input and commitment to the sector.

The Australia Council's \$175.3 million investment enabled artists to create 5,526 new works, and to present, perform, publish or exhibit 5,414 new works in this financial year.

During a year where all sectors have felt an impact of the global recession, the Australia Council has reviewed and honed each area of our expenditure including grants, project funding and our own administration. Through this review we have been able to increase our support for all artforms to help our artists achieve excellence. Our approach and results are presented to you in this report.

From our boardroom to our staff, and at all levels, the Australia Council is a focused and dedicated organisation which vitally underpins what is a very dynamic arts sector. It is an organisation I have been honoured to chair and, as the year concluded, I am delighted to have been re-appointed for another three years.

Finally, I would like to thank you for the Government's support for the arts in its second Budget, especially in the generous new Government programs managed by Council this year. It is a commitment which will do much to build strong communities around arts experiences, creatively educate our youth and develop the next generation of Australia's artists.

Yours faithfully

A handwritten signature in dark ink that reads "James Strong". The signature is fluid and cursive, with the first name "James" being more prominent.

James Strong AO
Chair

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2.0 How we achieved our outcomes

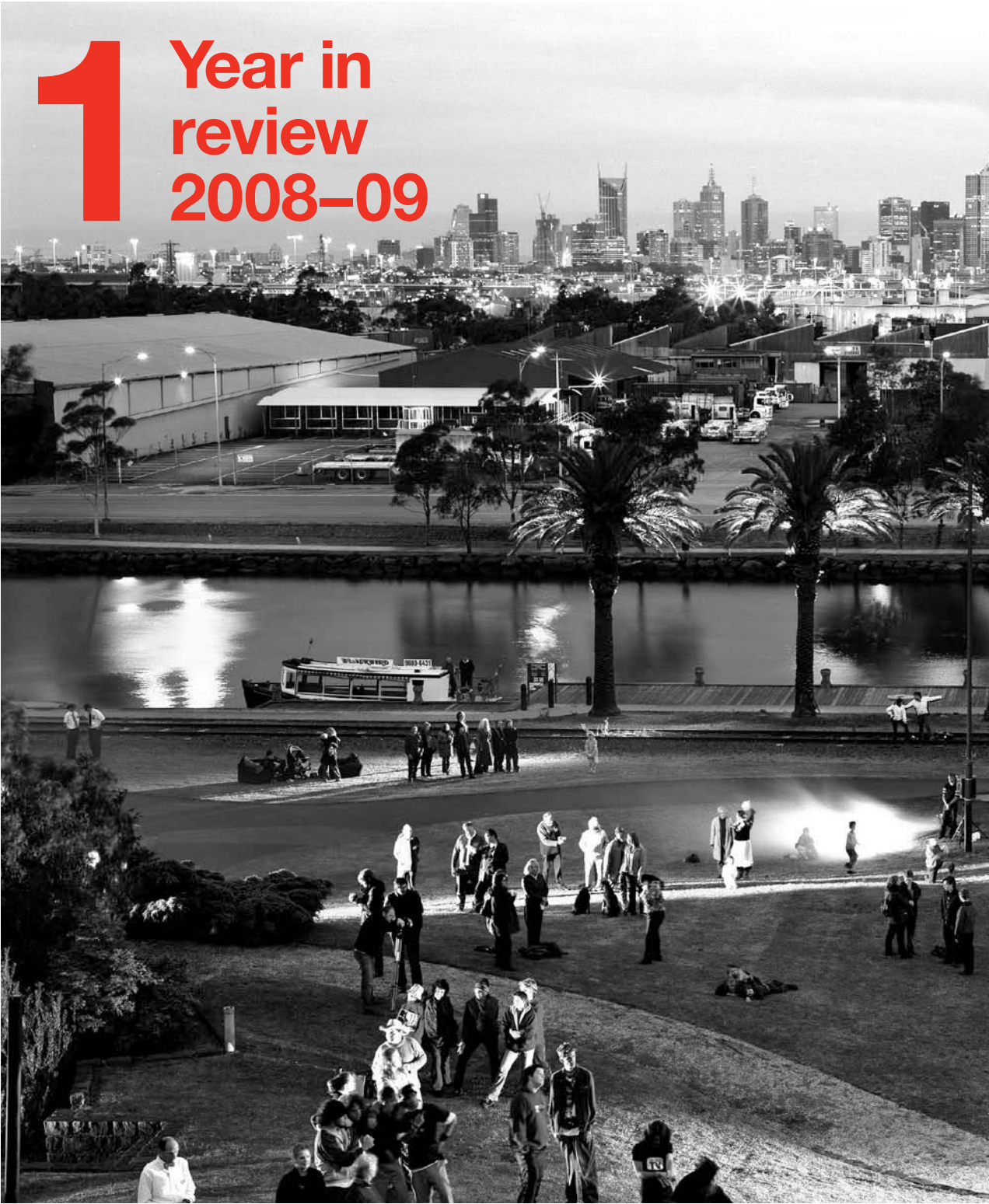
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Crowd Theory—Footscray, 2004

Image: Simon Terrill, produced in association
with Footscray Community Arts Centre





Kathy Keele
Photo: Dean Golja

“I have great confidence in the excellence and resilience of our Australian artists and the growing flexibility and acumen of our arts organisations.”

Year in review

Artists and arts organisations in Australia face new challenges and opportunities every year. This year they faced a financial challenge which was sudden and continues to threaten. Technology also continues to provide challenges and opportunities for how art is developed, presented and distributed. Yet in such times, all of us rightly look to artists as innovators, as guides to help us better understand cultural change and to conceive new possibilities.

The Australia Council, as revealed in this annual report, has done much to help artists respond to these various financial and technological challenges. The global financial crisis has delivered artists economic uncertainty, as philanthropy and corporate sponsorship threaten to shrink and governments juggle other urgent demands to stimulate the economy. With an impact still to be realised, these financial forces threaten the vibrancy and excellence of our artists, as well as the traditional business models of how we deliver and market the arts. The ongoing digital revolution also impacts how our arts are experienced, as audiences become more fragmented, more demanding and more obsessed with a wider range of choices. Yet there are real opportunities here, to find new audiences through new vehicles, to reinvent the place of art in the digital era, and to re-fashion the businesses and platforms through which we can deliver the arts experience to more people.

I have great confidence in the excellence and resilience of our Australian artists and the growing flexibility and acumen of our arts organisations. A significant downturn in the international investment in the arts has impacted on our artists seeking exposure overseas, but I am delighted to report that Australians continued to consume and enjoy the arts unabated throughout the year. This year over 13 million Australians attended an Australia Council supported arts event—over 3.5 million more than the year before.

The resilience of our artists and their commitment to excellence was obvious in some landmark achievements this year. I saw it in the beautiful fusion of design and generational storytelling that distinguished the South Australian production of *When the Rain Stops Falling*, which was also presented in the eastern states this year. I saw it when crowds at the inaugural Australasian World

Music Expo enthused over Yilila, which with the Australia Council's help is going on to be the first Indigenous group to perform at the world's largest such expo, WOMEX in Copenhagen. I see this excellence and exploration almost every day, and across the regions and cities of Australia.

As detailed through this report, these are qualities strongly supported by all the artform boards and each division of the Australia Council. I also commend the skills and dedication of the staff of the Australia Council who are committed to serving Australian artists.

I also wish to acknowledge the visionary leadership of James Strong AO, Chair of the Australia Council, and the specialist contribution of each member of Council. This year, with their expertise, guidance and support, the Australia Council was able to both re-sharpen our focus and respond more effectively to significant changes occurring across the arts. I have also appreciated the consistent support of our Arts Minister the Hon Peter Garrett AM MP.

Organisational renewal

Beginning the first day of this year in review, the Australia Council delivered our services with a clearer, more efficient organisational structure. All of our key divisions are now outward-looking, each charged with achieving specific outcomes in the wider sector, whether it is funding artists, keeping Indigenous arts strong, strengthening arts organisations or researching and building skills across the industry. This year, we report on the achievements of the Australia Council by division.

Since 1 July 2008, there are four core divisions—Arts Funding, Aboriginal and Torres Strait Islander Arts, Arts Organisations and Arts Development—supported by the Office of the Chief Executive and the Corporate Resources team. Arts Funding includes all the peer review artform boards, committees and panels—including Community Partnerships and Inter-Arts—and ensures that applications, assessments and grants are effectively managed. Artistic excellence is the focus of this area. Arts Organisations manages and administers funding for the 28 major performing arts companies and 146 key arts organisations, having an overview of the entire arts sector and providing focused support to individual companies. Artistic vibrancy through organisational excellence is their focus. Arts Development supports the sector in audience and market development, research and information, and skills development. Developing the sector and the access of all Australians to the arts is their focus.

Our new leadership team has been crucial in steering this significant organisational and cultural change. Their focus is on a one-council approach with clearer communications and connections across the arts community.

The Australia Council has also delivered significant savings while maintaining its support of artists and arts organisations. Most importantly, the governing Council

directed that the two per cent permanent cut to our appropriation should not impact on our funding for artists or arts organisations. The Australia Council instead reduced its administration budget by nearly \$2 million. Staff positions were reduced by 28 through a combination of natural attrition, redundancies and terminating project contracts.

In other efficiencies, from January the Australia Council introduced online grant applications and acquittals, along with a further investment in our IT systems. In these ways, during this economically challenging year, the Australia Council has been able to deliver on our commitment to preserve our support of artists and arts organisations.

The Australia Council negotiated this year for a new Collective Agreement which, under the Australian Government Bargaining Framework, should be 'modern, flexible and streamlined' and be negotiated by representatives from management, the Community and Public Sector Union (CPSU) and staff.

Strategic priorities

The commitment to artists' incomes is one of the six strategic priorities formally adopted by the governing Council in October 2007. Building greater appreciation for the arts and growing business and philanthropic involvement in the arts are two others that have an equal financial urgency in this year of review. Another priority, arts in the digital era, supports our artists in adapting to and influencing the digital revolution. The Australia Council's work to deliver each of these strategic priorities is accounted for in the next pages.

We also managed the delivery of significant Australian Government initiatives and new programs in the arts, most announced in the Government's Budget of May 2008. These too are accounted for in the next pages.

Arts Funding

The Australia Council this year launched reviews into our funding of Australia's major arts organisations, our orchestras, our Indigenous organisations and our small-to-medium key dance, theatre and music organisations.

After a two year consultation process with the sector, the Australia Council's Theatre Board announced the 25 companies to receive multi-year funding, with an average grant to these key organisations increasing by 42 per cent, and including 11 new companies. The Music Board and Dance Board introduced similar renewal for their small-to-medium companies, and the Aboriginal and Torres Strait Islander Arts Board and the Literature Board are both due soon to make similar announcements after extensive consultation and analysis.

In July, the Minister requested the Australia Council to develop a set of protocols to guide artists working with children in artworks, exhibitions and publications that receive government funding. As a fundamental supporter of an artist's freedom of expression, the Australia Council

developed protocols to help those who work with children to do so with proper care and sensitivity. Submissions were sought and the Children in Art Protocols were in place by January, establishing guidelines similar to those governing other professions dealing with children.

Arts Organisations

Consistent with the 1999 Major Performing Arts Inquiry which established funding levels for the 28 major performing arts companies, the Australia Council reviews this funding model every three years. The Australia Council's Arts Organisations carried out the third review this year and it will be delivered to the Minister by July 2009.

Following the 2004 review into the financial viability of Australia's orchestras, chaired by James Strong, the Australia Council this year undertook an evaluation into the outcomes of the Orchestras Review's funding package. The findings of the report were released in February 2009 and will inform the third review of the Major Performing Arts Inquiry funding.

The Theatre, Dance and Music Boards undertook significant reviews of their key organisations portfolios resulting in the introduction of an Emerging Key Organisations category, significant funding uplifts to organisations as well as multi-year funding being provided to a range of new organisations for the first time. Similar review processes have commenced within the Literature and Aboriginal and Torres Strait Islander Arts Key Organisations.

Aboriginal and Torres Strait Islander Arts

This year the Australia Council, across all its artform boards and divisions, invested \$9.7 million to build the excellence of Indigenous arts, along with access to them by Australian and international audiences. Of that, more than \$3.7 million was distributed by the Aboriginal and Torres Strait Islander Arts Board. The Australia Council support for the Aboriginal and Torres Strait Islander Arts Board's Key Organisations was also reviewed, with consultations taking place across the country. From next year, this vital funding support will be divided into categories of leading key infrastructure grants for outstanding organisations, and building key infrastructure grants for recently established organisations or those changing direction.

An Indigenous Australian Art Commercial Code of Conduct was developed this year by the Australia Council at the request of the Cultural Ministers Council in October. The development of an industry-owned code was a major focus of the 2007 Senate Inquiry Report into the Indigenous visual arts and crafts sector, with the code impacting on about a third of the Report's 29 recommendations. Non-prescribed and voluntary, the draft code has been the subject of extensive nation-wide consultation with communities and dealers of Indigenous art.

Arts Development

As the global recession threatened arts organisations and markets, the Australia Council this year refocused on market development, building international profile and researching our sector. International profiling initiatives include our investment in the inaugural Australian World Music Expo; our ongoing management of the Australian Performing Arts Market (APAM); and the launch in January of the Going Global campaign to support touring opportunities for performing arts companies. With our responsibility to build audiences and upgrade skills, the Australia Council in June also hosted a three-day Marketing Summit for 175 arts marketing managers across Australia. Social networking sites and other digital opportunities to build niche audiences was a key focus.

Australia was again represented at the Venice Biennale, the world's most prestigious contemporary arts event. The Australia Council managed the Australian exhibitions and profile and contributed a base funding of \$700,000 while, impressively, \$1.1 million was raised in philanthropic support. Australia's innovative contribution was well received by both visitors and media when the Venice Biennale opened in June.

The Australia Council also this year built on our strong tradition of providing research into the arts sector by establishing the Knowledge Centre on the Arts to drive further research activity and develop new research partnerships. The new centre and the relevance and depth of new forthcoming research, especially on the arts economy, delivers on a major strategic priority for the Australia Council.

Perceived first as threats, the digital revolution and global recession are already delivering opportunities for artists and arts organisations now flexible enough to discover new audiences and new methods and business models to deliver the arts experience. The Australia Council is there, researching the sector, funding creative excellence and audience access, and building skills and infrastructure, so that all these opportunities can be realised.



Kathy Keele
Chief Executive

Funding overview

The Australia Council invested more than \$175.3 million in artists and organisations across the country in 2008–09, compared to \$162.7 million in the previous financial year.

We supported the full spectrum of arts activity during the year, from \$17.9 million to our national opera company through to \$2,000 to The Noise String Quartet, for a mentorship with jazz guru, Judy Bailey.

This support included grants for creating new works; presenting, performing, publishing, distributing and exhibiting artistic works; developing new skills and professional development; residencies in Australia and overseas; fellowships and awards; financial and operational support for arts organisations; partnership opportunities; marketing and audience development initiatives; and strategic initiatives to build the capacity of the arts sector.

The Australia Council's \$175.3 million investment enabled artists to create 5,526 new works, and to present, perform, publish or exhibit 5,414 new works in 2008–09. It assisted over 13 million attendances at arts events throughout the financial year—a vast increase from 9.8 million in the last financial year.

The investment of \$175.3 million funded 1,846 grants and projects. Of this, \$95 million went to major performing

arts companies, just over \$33 million through board grants, and \$17.3 million through government initiatives (see Figure 1).

Of the 1,846 grants and projects provided by Australia Council in 2008–09, 459 grants were given to individual artists and 1,387 grants were given to organisations. Individual artists are also supported through these organisations. These grants were awarded from 4,216 applications to the various grant categories, from 4,093 in the previous financial year (see Figure 2).

The \$175.3 million total investment included \$47.1 million for the nation's orchestras; \$23.8 million for opera; \$11.7 million for other music artists and organisations; \$16.8 million for visual artists and organisations; \$20.4 million for theatre companies and artists; \$21.6 million for dance artists and companies; \$8.1 million for writers, publishers and literary organisations; \$16.9 million for multi-artform artists and organisations; and \$8.8 million in general funding including sector building and audience development initiatives, programs run by the Office of the Chief Executive including Artsupport Australia, peer assessment costs and studio administration (see Figure 3).

The Australia Council's total funding for 2008–09 also included:

- \$7.3 million for international activities by Australian artists and arts organisations, compared to \$7 million in the previous financial year.
- Over \$9.7 million for arts and cultural activities with a predominantly Indigenous focus.
- \$11.6 million for arts and cultural activities with a predominantly regional focus (excluding major performing arts companies' activities), compared to \$9.7 million in the previous financial year.

Figure 1. Grant and program funding 2008–09

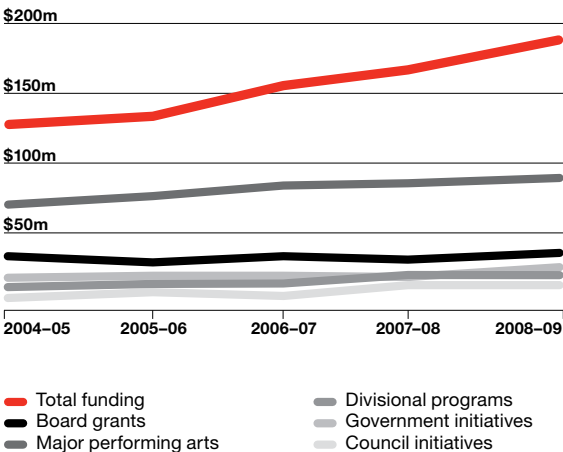
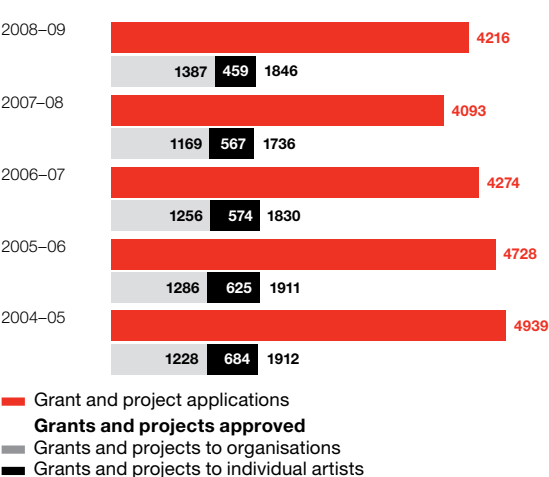


Figure 2. Total applications, grants and projects



Total funding by artform



Figure 3. Funding in 2008–09 included

Orchestras	\$47.1 million
Opera	\$23.8 million
Other music	\$11.7 million
Visual arts	\$16.8 million
Theatre	\$20.4 million
Dance	\$21.6 million
Literature	\$8.1 million
Cross-artform	\$16.9 million
General	\$8.8 million

Total funding by state and territory



Figure 4. Australia Council's total funding by state and territory 2008-09

	CROSS-ARTFORM \$	DANCE \$	GENERAL \$	LITERATURE \$	MUSIC \$	THEATRE \$	VISUAL ARTS \$	TOTAL \$
NSW	4,659,335	8,831,638	1,651,719	2,165,880	12,685,293	6,137,733	4,885,612	41,017,211
Vic.	2,823,024	1,289,487	464,211	1,130,202	15,568,398	5,637,853	2,950,728	29,863,904
Qld	2,449,423	938,055	286,725	465,286	9,552,249	1,834,555	1,322,492	16,848,786
SA	1,376,375	1,170,821	240,622	488,553	6,899,388	1,864,414	1,602,429	13,642,603
WA	1,270,355	2,123,656	796,822	243,928	6,725,368	1,595,970	1,208,024	13,964,122
Tas.	290,480	239,254	176,992	205,214	4,943,241	465,552	448,492	6,769,225
NT	746,065	379,555	144,400	384,412	332,328	340,975	1,044,230	3,371,965
ACT	20,000	661,235	50,946	134,425	132,000	60,000	957,700	2,016,306
National	2,949,236	5,483,983	4,901,534	2,282,852	24,731,114	1,839,873	308,039	42,496,632
Overseas	327,322	478,161	96,725	663,595	989,648	673,380	2,103,225	5,332,055
Total	16,911,616	21,595,846	8,810,696	8,164,347	82,559,028	20,450,307	16,830,972	175,322,812

Government initiatives

In 2007, the Australian Government announced the allocation of \$10 million over four years to the Creative Communities initiative. This initiative was an election promise to improve opportunities for Australians to participate in arts and cultural activities in the places where they live.

In the May 2008 Budget, \$5.2 million was allocated over four years for a new initiative where professional artists would participate as Artists in Residence in schools, and as sessional staff in universities, to improve the access of young people to quality arts education programs. A further initiative, worth \$6.6 million over four years, will increase Opportunities for Young and Emerging Artists by supporting the presentation of their work, audience development, mentoring programs and new technology initiatives. In its May 2009 budget, the Australian Government announced \$9.6 million over the next four years to ArtStart, a program to help young artists establish their professional practice. The Australia Council continues to manage the Government's Books Alive initiative, funding to the Melba Foundation, the Visual Arts and Craft Strategy and the Major Festivals initiative.

Creative Communities

This initiative is to build high quality, participatory arts programs that enhance community wellbeing, encourage innovation and assist communities to find creative solutions to issues they face. In this year of review, over \$4.58 million was paid of the \$5.89 million contracted through the Creative Communities Partnership initiatives.

This initiative is managed through the Australia Council's Community Partnerships section and each project is committed to leveraging further partnerships between communities, organisations and other governments. A number of examples follow.

The Australia Council contributed \$290,000 towards a partnership between the Arts Centre and Multicultural Arts Victoria for *MIX IT UP*. This project, with funding of over \$1.3 million from other sources, drew on the Arts Centre's leadership in presentation, community access and engagement, audience development and professional development for artists. Multicultural Arts Victoria also provided leadership in engaging with diverse communities, artists and ethnic organisations.

The Australia Council contributed \$200,000 to *Tallstoreez—The Hero-Project* in which community groups developed their own cultural storytelling. This project is a sustainable digital-training community partnership that links with existing support services. It has \$498,400 of funding from other sources.

We are also supporting IASKA (*International Art Space Kellerberrin Australia*) with \$330,000 over three years, towards an international program of visual arts/new media projects based on an in-depth engagement with specific local social and environmental situations. The projects, which have attracted \$685,000 from other sources, draw on art and digital technology to implement cultural exchange between geographically and culturally distant communities.

Artists in Residence initiative

This initiative provides artists with the opportunity to broaden their experiences and share their skills, while providing Australian school and university students with greater exposure to creative practice. Managed by the Australia Council's Community Partnerships section, the program also creates opportunities for artists and teachers to work together on developing effective teaching methods and practices for the arts. The initiative focused this year on developing residencies to take place in schools, and formulating creative education partnerships with the states and territories in the spirit of cooperative federalism. Each state and territory arts agency and education department this year entered into a MoU with the Australia Council, and devised programs suited to local conditions and priority areas in their jurisdiction. These will be rolled out in 2009–10.

Contributions (both cash and in-kind) from each of the state and territory partners have been substantial. These contributions and program partnerships have raised the value of the 2009 Artist in Residence initiative from \$1.3 million to over \$4 million during the year.

Opportunities for Young and Emerging Artists initiative

Managed by the Australia Council, this initiative involved an expenditure this year of over \$1.5 million, towards six programs to help build opportunities for young and emerging artists.

Creative residencies and commissions are run by the Australia Council's Arts Organisations division, with one program worth \$350,000 per year funding residencies with a range of arts organisations for young and emerging creative producers, directors and performing artists.

Thirteen artist-run-initiatives were funded to create programs to develop the professional skills of young and emerging visual and media artists.

National mentoring programs are developed for artists, producers and Indigenous artists. This includes the Indigenous Picture Book to Performance project, involving the remote community Lajamanu in developing a picture book, theatrical production and e-book as an audience development strategy. Another national mentoring program involves many partner producers and festivals in training the next generation of producers, agents, gallery dealers and rights managers through an 18-month placement.

Thirdly, Youth Arts Queensland is delivering a program offering a diverse range of young and emerging artists the opportunity to be mentored across geographic areas and artforms.

Splendid, an interdisciplinary arts residential laboratory and commissioning program, will see ten emerging young artists matched with ten established artists as mentors to participate in bi-annual residencies, thanks to a partnership with the Byron Bay music festival, *Splendour in the Grass*. Development work was done on the project this year.

The Program, a social networking portal, was commissioned this year by our Arts Development division, to be launched later in 2009. It harnesses social networking and user-generated content sharing technology to create an online space for young audiences to engage with Australian arts, for the arts industry to share research and to be a central digital repository for venue, event and audience data.

The Young and Emerging Artist Award offered by the Australian Business Arts Foundation will be sponsored by the Australia Council for the next four years, to honour a partnership between a business and a cultural organisation that builds skills and opportunities for young and emerging artists.

ArtStart

The Australia Council will manage this new program announced by the Australian Government in the May 2009 Budget, to provide \$10,000 grants to recently graduated students towards establishing their professional practice as an artist. The Australia Council began planning the program in June with the first round of funding to take place in October 2009.

Books Alive

This Australian Government initiative to encourage all Australians to discover the joys of reading, is managed by the Australia Council with a budget of \$2 million. The Minister launched the five-week Books Alive campaign in July 2008, promoting a guide, *50 Books You Can't Put Down*, and a giveaway title with the purchase of any of the 50 books. Sales of the books increased by 56 per cent during the multi-media campaign. Planning also began on the 2009 Books Alive campaign, to start in August 2009.

The Melba Foundation

In 2004, the Melba Foundation received a grant of \$5 million over five years from the Australian Government to undertake recordings to benefit the development and dissemination of high quality Australian music recordings, including the building of international markets.

The Melba Foundation's mission is the production and marketing of a substantive body of classical music recordings between 2005–2009 that feature Australian artists and, where appropriate, Australian composers in repertoire and formats designed to achieve international impact and sales.

In May, the Australian Government announced continuation of its support to the Melba Foundation to 2011–12, recognising the contribution made by the Foundation to the vibrancy and sustainability of the Australian music industry.

Visual Arts and Craft Strategy

The Australia Council this year administered another \$5.2 million of the Visual Arts and Craft Strategy (VACS) support on behalf of the Australian Government, including \$1 million in direct grants to individual artists and artist-run-initiatives. The remaining funds went to contemporary arts organisations, craft and design organisations, publications, service organisations, major visual arts events and programs supporting Indigenous arts infrastructure.

The VACS is a \$24.7 million, four-year strategy delivered by the Australian Government, with that amount matched by the state and territory governments, developed in response to Rupert Myer's recommendations from the 2002 Contemporary Visual Arts and Craft Inquiry. Since its implementation in 2003–04, the VACS has significantly increased the viability and vitality of Australia's contemporary visual arts sector. Highlights this year of VACS support include Object: Australian Centre for Craft and Design and the Australian Museum collaborating on a major touring exhibition of contemporary Indigenous sculpture from artists across the country; and the Perth Institute of Contemporary Art staging its annual *HATCHED 09 National Graduate Show* offering a comprehensive survey of new emerging artists in Australia today.

Major Festivals initiative

This highly successful Australian Government initiative supports the commissioning, development and showcasing of new Australian performing arts productions of a scale and complexity appropriate for Australia's major international arts festivals. Member festivals include the Adelaide Festival of Arts, Brisbane Festival, Darwin Festival, Melbourne International Arts Festival, Perth International Arts Festival, Sydney Festival and Ten Days on the Island in Hobart, collectively delivering an audience of over 3 million per annum.

The fund of \$750,000 per annum develops, to a high standard, new Australian productions, with the festivals bearing the total financial risk of presenting the production. Funding of the Major Festivals initiative is provided on a four-yearly basis, with the current agreement ending in June 2010.

This year, the Elision Ensemble's *The Navigator* premiered at the Brisbane Festival 2008 and then the Melbourne Festival 2008, and will tour Europe in late 2009; and Erth's *Nargun and the Stars* and the Sydney Theatre Company's *The War of the Roses* both premiered at Sydney Festival 2009 and Perth International Festival 2009.

Cultural Engagement Framework

The Australia Council's Cultural Engagement Framework (CEF) was adopted by the Australia Council in September 2007 to ensure an effective integration of strategies to support artistic excellence across the diversity of Australian society, and provide opportunities for all Australians to participate in and enjoy the arts. We are committed to ensuring that all of the Australia Council's business areas deliver services and supports initiatives which are socially and culturally inclusive. A number of our CEF strategies intersect directly with recent Government initiatives which have allowed significant progress in 2008–09, particularly in the areas of creative communities, disability, education and young people.

With the support of advisory groups and panels, the CEF enables the Australia Council to:

- ensure that our policies and programs effectively deliver to our diversity of cultures regarding both access and excellence
- ensure that we contribute to Australia's artistic and cultural excellence by supporting creative content which reflects Australia's diversity
- identify and address emerging trends in the seven strategy areas; and
- identify new areas appropriate for initiatives through the cultural engagement framework.

The CEF currently encompasses the following areas:

- Arts in a multicultural Australia
- Creative communities
- Disability and the arts
- Education and the arts
- National Aboriginal and Torres Strait Islander Arts policy including the reconciliation action plan
- Regional arts; and
- Young people and the arts.

Arts in a multicultural Australia

The Australia Council this year focused particularly on Muslim Australian communities. In April 2008, the Australia Council and the then Human Rights and Equal Opportunity Commission agreed to co-ordinate a community arts and cultural development initiative with Muslim Australians, to build cultural participation, skills and mutual respect. This partnership generated \$660,000 for arts projects to be delivered between 2009 and 2011, which in this year in review included the following:

Information Cultural Exchange (NSW) were awarded \$205,000 to produce and tour the *Arab Film Festival Australia* nationally between April 2009 and December 2011, showcasing stories from diverse Arabic-speaking cultures to Australian audiences.

Darwin Community Arts Inc (NT) were awarded \$175,000 to produce *Frontline—Locative media projects with young Indigenous and Arabic people* between March 2009 and June 2012. *Frontline* builds on Darwin Community Arts' work in Malak, a frontline Darwin suburb for confronting economic and cultural issues but also explores positive changes at a local level.

Nexus (SA) were awarded \$15,000 to produce and present *The Islamic Spectrum in Australia: Building cultural bridges through understanding* between February and December 2009. Muslim and non-Muslim youth make creative connections through a concert, exhibition, skills workshops, and a Blue Light Disco.

Bankstown Area Multicultural Service (NSW) were awarded \$40,000 to produce this year a short digital animation, *Hariyya*, with young Muslim women, creatively engaging with their issues and experiences.

Creative Communities

The Australia Council continues its program and policy commitment to supporting culturally vibrant communities through more than \$4.6 million of funding programs delivered by the Community Partnerships section. The Community Partnerships Committee has focused funding programs this year on the priority areas of regional Australia, disability, young people, cultural diversity, emerging communities, Indigenous people and remote Indigenous communities. Other artform boards and panels of the Australia Council have, with advice from Community Partnerships, delivered particular projects and initiatives targeted on engaging directly with communities.

Further outcomes this year for Creative Communities are addressed earlier under Government Initiatives.

Disability and the arts

The Australia Council actively promotes the excellence and diversity of work created by the arts and disability sector to all staff, Council and Committee members. The number of artists with disabilities on our register of peers, and their appointment as peers, increased this year.

The Australia Council is also an advocate for arts and disability at a government level. In this year of review, arts and disability was a key concern of the Cultural Ministers Council, with the formation of a working group to produce a National Arts and Disability Strategy anticipated for public release in October 2009.

The working group includes the Australia Council's Director of Community Partnerships.

The Australia Council's own Arts and Disability Action Plan (2008–2010) is publicly available, our *arts funding guide* is available in accessible formats, and services such as TTY and Phonic Ear system are promoted. Arts organisations were also supported to develop Disability Access Strategies through seminars delivered by DADAA Inc in South Australia, Victoria and Sydney, enabling organisations to integrate access strategies into their business planning and reporting.

As part of our arts and disability strategy, the Australia Council has invested \$450,000 over three years in a strategic partnership with Arts Access Australia, the national peak advocacy body of the Arts and Disability sector. This will deliver increased awareness of disability arts in Australia, explore and secure new resources and advance appropriate policy and program responses for disability arts.

Education and the arts

In 2008–09, the Australia Council reconfirmed its commitment by approving the Education and the Arts Strategy 2009–2012, which aims to make quality arts education available to all Australian students.

The Education Strategy has four key activities, to:

- strengthen the relationships between state/territory arts and education jurisdictions and the Australia Council
- show leadership through influencing the policy directions of key education and arts organisations
- promote Australian best-practice examples of education and the arts; and
- design and develop a research program around education and the arts.

The Australia Council's Director of Community Partnerships is on the Joint Implementation Working Group to implement the National Education and the Arts Statement, jointly published by the Cultural Ministers Council and Ministerial Council on Education Employment Training and Youth Affairs in October 2007.

Further outcomes this year for Education and the Arts are addressed earlier under Government Initiatives, *Artists in Residence initiative*, (page 16).

National Aboriginal and Torres Strait Islander Arts Policy

The National Aboriginal Torres Strait Islander Arts Policy was adopted by the Australia Council in 1997. It remains the set of principles that guide our services to ensure they are culturally appropriate to Aboriginal and Torres Strait Islander communities.

The year in review saw the finalisation of our internal Reconciliation Action Plan, with the aim to demonstrate policy leadership on Indigenous arts. The process was also begun to update this policy so that it remains relevant. Each public event hosted by the Australia Council begins with an acknowledgement of the traditional owners, and often a formal welcome to country.

Regional arts

The Australia Council continued to strengthen the arts in regional Australia, with this year now the third in its four year strategic partnership with Regional Arts Australia (RAA). The partnership is valued at \$320,000 per year and supports RAA skills training, its Smart in Business program and the biennial Regional Arts Australia Conference.

The sixth RAA national conference, *Art at the Heart*, was held in Alice Springs in October, with over 1000 people attending. Australia Council senior staff were also there and the CEO Kathy Keele launched *Big Story Country*, the third national publication of great arts stories from regional Australia. A new partnership between the ABC and RAA and another between SBS and RAA uses websites and the TV broadcast of short films to highlight similar stories of regional arts practice.

The *Generations* project this year presented significant community arts events in five local government areas in regional and outer metropolitan Queensland, New South Wales and Victoria. With Australia Council funding this year of \$295,000, these creative programs engage communities to address their social, economic and environmental challenges.

Young people and the arts

The Australia Council this year reviewed its Young People and the Arts Strategy to refocus after three years on new priorities, with the new strategy to be published by November 2009. We continued our participation in the Australian Research Alliance for Children and Youth, and worked with state and territory arts agencies to better harmonise youth strategy. The Australia Council this year also forged Australian Research Council linkage projects with the Universities of Sydney and Melbourne, focusing on young people's participation in the arts and arts education.

Further outcomes this year for Young People and the Arts are also addressed earlier under Government Initiatives, *Opportunities for young and emerging artists*, (page 16).

Strategic priorities

1. Artists' income levels.
2. Greater appreciation for the arts.
3. Business and philanthropic involvement in the arts.
4. Knowledge centre on the arts in Australia.
5. Arts content for the digital era.
6. National impact of the Australia Council.

The Australia Council's six strategic priorities were identified through consultation with arts organisations during the review of our business plans in 2007. The governing Council focused the organisation on these six priorities, which it formally adopted in October 2007. In this first full year of the priorities, the Australia Council achieved the following results.

Artists' income levels

The Australia Council this year invested over \$175.3 million in total grants and project funding to artists and arts organisations; a total of 1,846 new grants and projects enabling the creation of 5,526 new works. Our commitment is to build a sustainable career path for artists. Our core business—grants and funding programs—supports excellence, encourages emerging talent and the retention of mid-career artists. We also continue to research artists' income in Australia and how artists interact with the tax and social security system.

The governing Council made the commitment to contain the Government's 2 per cent efficiency dividend to the Australia Council's 2008–09 administrative budget. Following a business process review and organisational restructure in 2008, a saving of \$2 million was then identified from our administration. In this way, the Australia

Council provided indexation for our grants to artists and arts organisations.

In consultation with communities and industry groups, the Australia Council is developing a landmark Indigenous Australian Art Commercial Code of Conduct to strengthen fair and ethical trade in Indigenous art and make artists' incomes more secure. We continue to support artists' services such as the Arts Law Centre and the Australian Copyright Council.

We are also implementing the Australian Government's Young and Emerging Artists initiative which provides \$6.6 million for the next four years to build the skills, experience and networks of Australia's next generation of artists. We are also planning for the delivery next year of the Government's ArtStart program, investing \$10 million over the next four years to help recent graduates build their professional arts practice.

To further develop artists' incomes, the Australia Council committed \$1 million in the following three targeted programs:

- **Market Matters—a cross-artform initiative to develop the skills and experience of Australia's mid-career producers.**
- **SCOPE (Securing Career Opportunities and Professional Employment)—a professional development program providing career support services to the dance, physical theatre and circus sectors.**
- **Connections Residencies—to offer artists innovative residencies with business and industry, fostering sustainable and mutually-beneficial relationships between artists and non-arts partners.**

Greater appreciation for the arts

The arts are a powerful agent for change in our lives, but factors such as distance, lack of disposable income and perceptions of elitism create barriers which can limit public engagement with the arts. The Australia Council this year began a major research project to develop a more detailed picture of how and why Australians engage with the arts. The study looks at people's level of participation and their reasons why they do and don't participate. The research is supplemented with aggregate data through the Audience Data and Visitor Information Collection Enterprise (ADVISE), which currently incorporates 44 performing arts box office centres throughout Australia and over 30 visual arts galleries across NSW. The studies currently reveal data from 601,336 households, with total ticket revenue of \$143 million. The studies give the sector detailed information on consumer behaviour and the means to evaluate their marketing strategies in attracting their potential audience.

Initiatives designed to develop community interest in the arts include artstoria, a national storytelling campaign inviting all Australians to think about the value of the arts, with multiple components to be produced in the next two years. The Australia Council invested \$250,000 in a partnership with Qantas to produce eight film vignettes featuring well-known artists and arts companies. These stories will be screened on Qantas domestic flights from late 2009. Planning is advanced The Program, a social networking portal to increase audience engagement with Australian art and an online platform to profile arts events, venues and audience data. Key national arts participation programs continue this year to increase access to and community engagement with the arts, such as Books Alive, Test Drive the Arts, The Little Big Book Club, The Big Book Club and Fringe Benefits. A further investment of \$150,000 will maximise the social networking of digital channels (i.e. mobile applications) to share stories and build greater engagement with the arts, helping more Australians to have quality arts experiences.

Business and philanthropic involvement in the arts

Despite uncertainties surrounding the global economic downturn, the arts industry in Australia has confirmed the role of corporate and private sector giving as a firm foundation of its activity. Underpinning this achievement was the creation by the Australia Council six years ago of Artsupport Australia, as our internal initiative to grow this cultural philanthropy. An investment of \$900,000 by the Australia Council this year helped artists and arts organisations attract \$7.7 million towards nurturing and presenting the arts. Artsupport Australia managers in Queensland, the Northern Territory and Western Australia work in partnership with state and territory agencies, as does the Director through the remaining states and territories. Over six years the program has facilitated over \$35 million in philanthropic income to artists and arts organisations across Australia.

A three year national Indigenous philanthropy mentoring program has also achieved outstanding results, matching Indigenous companies with business mentors. A big success story is the Adelaide theatre company Kurruru, which raised over \$1 million from philanthropic grants.

As well as facilitating philanthropic grants, our strategic approach is to link artists with new income sources, mentor artists and arts organisation to raise funds themselves, and help share the insights of philanthropists working in Australia and overseas. In 2008, Artsupport Australia initiated the key organisations philanthropy mentoring program, funding half the part-time salaries of 16 philanthropy managers working with key organisations around Australia. The program will be self-funding within two years. To facilitate new insights and international exchange, two US leaders in cultural philanthropy were invited to address exclusive events for local philanthropists in Sydney and Melbourne.

Knowledge Centre on the Arts

The Australia Council is delivering on this strategic priority by researching new data and analysis in four crucial areas—the economic performance of the arts; public engagement and appreciation; levels of private sector support and motivation; and the impact and potential of digital technologies to enhance and increase access to the arts.

This year, the Australia Council established within Arts Development a dedicated Knowledge Centre on the Arts, pooling Australia Council expertise into research, strategy and analysis. This team is providing the foundation evidence for cultural policy development and with new data promoting informed debate in these four key areas. Research projects underway include ArtStart, a study in partnership with DEWHA about trends in artists' income and employment. Professor David Throsby will soon be delivering his fourth major economic study into practising professional artists in Australia. Combined, these projects will form an evidence base for the Government's ArtStart program. The data will also supplement our forthcoming economic fundamentals report to identify and analyse the economic performance of the wider arts industry in Australia. Planning also began on a landmark national survey of attendance at arts events and attitudes and circumstances underpinning participation in the arts. With the Australian Business Arts Foundation, the Australia Council is planning research into the shifting levels of support for the arts from the private sector, with a focus on motivation, corporate trends and the impact of the global recession.

Arts content for the digital era

The Australia Council, across all divisions this year, invested comprehensively to help artists and organisations respond to the potential of digital technology. Arts content for the digital era is a four-directional strategic priority that aims to promote access to the arts, encourage new digital forms of arts content and practice, link artists with new income streams, and produce and preserve works. This year, we developed a major strategy paper articulating this frame work for future investment.

The Australia Council also invested \$550,000 in specific projects to advance this strategic priority. Through an important partnership with the ABC, we developed new opportunities to increase national access to key performances with live TV simulcasts of Opera Australia and the Australian Ballet, with showings also through regional cinemas. The Literature Board is encouraging writers to explore new media through its online resource, *the writer's guide to making a digital living*, targeting younger audiences, and its Story of the Future project. The Australia Council also supported a new business incubation program (MEGA), which nurtures artistic mobile applications and services, and a R&D program with a number of major performing arts companies to explore digital opportunities.

National impact of the Australia Council

The Australia Council has worked extensively on developing the national impact of the organisation to improve and widen our interaction with artists, clients and state agencies across the country and ensure our activities are more visible.

To that end, all Australia Council staff undertook a plain English course to minimise bureaucratic language in our publications and communications. We also developed a presentation template for all public addresses providing a unified context highlighting our 'One Council' approach. It was used during the year to support the nation-wide consultation for an Indigenous Australian Art Commercial Code of Conduct, a process which itself extended the reach and impact of the Australia Council. So too did a series of travelling workshops on skills development in the fields of philanthropy, downturn management and the digital era, which also used this presentation.

Further communication tools supporting the concept of 'One Arts Sector: One Arts Council', included developing an agency brochure, improving the navigation and personality of the Australia Council's website, and engaging a PR consultant to more proactively promote selected Australia Council activities and projects. We also commissioned a Google Earth presentation from Feral Arts which is plotting the location across the country of the hundreds of artists and organisations supported by the Australia Council, with links to each of their websites or YouTube materials. Information will be accessed by entering the map by location, artform or special interest.

Key national arts participation programs continue this year to increase access and community engagement with the arts such as Books Alive and Test Drive the Arts.



Ibby Elmustafa, Common Ground—*Takin the lead*, 2008.
Photo: Courtesy Common Ground



Australia Council Corporate Plan 2006–2010

The Australia Council is strategically focused on nurturing Australia's original and unique artforms: giving them creative flight, making them accessible to all Australians and taking our culture to the world.

The strategic direction of the Australia Council is guided by its Corporate Plan 2006–2010, which undergoes a continuous process of monitoring and updating to take account of changing trends and the changing needs of Australia's highly innovative arts world.

Our mission is to:

- enable Australia's arts and 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 to enjoy a rich cultural life
- shape a future Australia in which the arts play a meaningful and vital role in everyday life.

Our strategic aims are twofold (see Figure 5).

Outcome 1. Excellent and distinctive Australian arts

Art can take us out of the ordinary and to somewhere special—whether we're in a gallery, a theatre, curled up on the couch with a good book or at a rock concert.

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

This is achieved through:

- Output 1.1: investments in artistic production and development of artistic practice
- Output 1.2: presentation of distinctive Australian cultural works nationally and internationally.

The Australia Council support underpins much of the nation's creativity. In total, the Australia Council supported the creation of 5,526 new artistic works and the presentation, exhibition, performance and publication of 5,414 new works (see Figure 6).

And while Australia Council support helped some artists reach new heights, it helped others endeavor abroad. In 2008–09, we supported the presentation of Australian arts in 70 countries around the world, with countries such as the USA, UK, Germany, Italy and France featuring prominently (see Figure 7).

Outcome 2. All Australians can access and enjoy the arts

We can all enjoy and take pride in Australia's cultural achievements, and what they say about us to ourselves and the rest of the world.

The Australia Council supports and develops initiatives so that Australian citizens and civic institutions understand, participate in, enjoy and celebrate the arts.

This is achieved through:

- Output 2.1: promoting the understanding, enjoyment, participation 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.

Our funding was spread right across the country, from state to state and from the urban centres to the outback (see Figure 8). From the Regional Arts Australia conference in Alice Springs to Opera Australia's landmark performances in Sydney and Melbourne, support from the Australia Council has an impact across the nation.

In 2008–09, the Australia Council had a renewed focus on promoting the understanding, participation and appreciation of the arts by all Australians. Primarily driven by our Arts Development division, the Australia Council supported 51 audience development initiatives in 2008–09, including the Books Alive campaign, the Dance Board's support of the Sydney Festival, the Music Board's International Pathways grants and the Aboriginal and Torres Strait Islander Arts Board's initiative, Showcasing the Best.

Through many partnerships, the Australia Council has leveraged a better overall investment in the arts, and notably this year with external sources who are also working to develop audiences for the arts. One example is our partnership with Arts Queensland to initiate the Test Drive the Arts program which explores ways that unsold seating can be used to develop new audiences.

The Australia Council, especially through our Arts Organisation division, works with arts organisations, large and small, to develop their capacity in financial management, governance, marketing and sustainability. Over the past year, 792 arts organisations have benefited from the Australia Council's specific efforts to build infrastructure development for our sector.

Ensuring that our artists and organisations have the best possible access to relevant sector information was a key focus for 2008–09. The Australia Council continued an extensive upgrade of our website to improve access to our resources and services. This year, the grants and acquittal process went online and the organisation built a stronger presence on social media networks. The Australia Council this year also established the Knowledge Centre on the Arts to deliver relevant and comprehensive research throughout the sector.

Figure 5. Strategic aims

Outcome 1: That Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence		Outcome 2: That Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts		
Output 1.1 Investments in artistic production and development of artistic practice	Output 1.2 Presentation of distinctive Australian culture works nationally and internationally	Output 2.1 Promoting the understanding, enjoyment, participation 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

Figure 6. Supporting the creation and presentation of new artistic works

	2004–05	2005–06	2006–07	2007–08	2008–09
Total funding	\$125.3m	\$137.5m	\$152.8m	\$162.7m	\$175.3m
Number of grants and projects	1,912	1,911	1,799	1,736	1,846
Number of new works created	3,072	4,110	4,476	5,215	5,526
Number of new works exhibited, performed and published	3,502	3,472	3,636	5,394	5,414

Figure 7. Supporting Australian arts around the world

	2004–05	2005–06	2006–07	2007–08	2008–09
Total international funding	\$6.8m	\$7.4m	\$7.7m	\$7.0m	\$7.3m
Number of grants	365	423	449	392	397
Number of countries presented in	68	71	72	66	70

Figure 8. Attendances at Australia Council-supported activities

	2004	2005	2006	2007	2008
Total audiences	7,142,000	7,987,000	9,310,000	9,498,193	13,014,643
Project grants	2,416,000	2,953,000	2,199,000	1,451,663	3,229,380
Key organisations	2,562,000	2,867,000	3,878,000	4,704,991	6,409,200
Major performing arts	2,164,000	2,167,000	3,233,000	3,341,539	3,376,063

2.1 Funding Australian artists

Through its Arts Funding division, the Australia Council nurtures the quality, richness and diversity of the arts in Australia, with grants and initiatives funding programs for Australian artists and arts organisations in all major areas of arts practice.

Executive Director of Arts Funding

Libby Christie

Each year the Australia Council's grant programs fund artists at every stage of their careers and provide support to arts organisations to advance the arts in Australia.

Our grants and initiatives help artists and organisations to create new works; present, exhibit or publish creative works; develop their professional skills; and recognise the outstanding achievements of Australian artists.

The Arts Funding division is responsible for grants and initiatives supporting programs for dance, music, theatre, visual arts, literature, community partnerships and inter-arts. Our teams of artform experts, in consultation with the arts community and other sections of the Australia Council, develop plans and identify funding priorities for each artform. We provide information and advice to the arts community about available grants and funding for initiatives, and we support and monitor artists who receive funding from the Australia Council. Through the work of peer review boards and committees in dance, literature, music, theatre, visual arts, community partnerships and inter-arts, the Arts Funding division assesses and makes decisions about the allocation of grants and initiatives to artists. These artform boards also provide advice to the Australia Council on the development of arts policy.

A summary of the activities and achievements of the Arts Funding division over the past year follows.



Force Majeure, *The Age I'm In*
Photo: Heidrun Lohr



Dance

The Australia Council invested more than \$21.6 million in Australian dance in 2008–09.

Dance Board

Dominique Fisher

Acting Director of Dance

Carin Mistry

There are currently 50 dance companies, 1,250 professional dancers and more than 200 choreographers in Australia. Through the Dance Board, Major Performing Arts Board and Arts Development the Australia Council helps them to take the artform into new territory, encouraging exciting collaborations and the development of new techniques, culturally diverse forms, contexts and media.

Overview of the year

In 2008, the Australia Council worked in partnership with Ausdance National to develop the Dance Plan 2012, a set of four aspirations for the dance sector as a whole. Alongside this, the Dance Board has written a dance sector plan for 2009–2012. The plan's goals are to develop by 2012 more excellent and innovative Australian dance; more opportunities to see and participate in Australian dance, and a range of sustainable careers for dance artists. The Australia Council reinforced its commitment during the year to maximise financial and other resources, working across all artform boards to support dance in every form.

During 2008–09, the Dance Board reviewed and extended the funding of small-to-medium dance companies receiving multi-year grants, and invested in new initiatives to improve support throughout the nation. These included extending its Managing and Producing Services (MAPS) program, a flexible system developed in partnership with the Australia Council's Theatre Board. MAPS provides an infrastructure that allows theatre and dance artists to develop and produce work without needing to create their own companies. The program has operated in Queensland, West Australia and Victoria since 2007 and, in 2009, a partnership with Arts NSW extended the program to New South Wales.

Outcome 1. Excellence

The Australia Council's support for dance ranges from dance events grounded in local communities to performances by leading companies such as Dancenorth and the Australian Ballet. For emerging performers, the aspiration is to excel. For established artists and companies, there must be a track record of excellence. Key dance organisations in the small-to-medium sector must demonstrate that they have a sustained influence on dance in Australia or overseas, that they are leading innovators in dance, or that they are acknowledged as centres of excellence. Over \$2.1 million was invested in dance Key Organisations in 2008–09.

To ensure that government funds are used to maximum effect in the promotion of excellence, all grant categories were reviewed during 2008–09. The main aim was to increase clarity and consistency in assessment procedures and make them more accessible to applicants. The 12 Key Organisations currently receiving funding were reviewed with a new grant category introduced for emerging organisations. A total of \$600,000 was invested in this new category, under which four new companies, including Force Majeure and Reeldance, received grants.

Under the umbrella of the Treading the Pathways program, national Indigenous dance coordinator Marilyn Miller has continued to work on projects to develop Indigenous contemporary dance. The program led to a number of company placements for mid-career Indigenous artists during the year.

HIGHLIGHTS

Force Majeure wins Australian Dance Award

Force Majeure remounted their production of *The Age I'm In* at Sydney's Carriageworks in November 2008. This production was previously supported by funding of \$276,672 from the Australian Government's New Australian Stories and Major Festival Initiatives. In June, the work won an Australian Dance Award for Outstanding Performance by a Company, and will tour 18 regional centres throughout four states early in 2010.

Taking Australian dance to the world

The Australia Council helped Australia's Chunky Move dance company perform *Mortal Engine* at the 2008 Edinburgh International Festival. Australian Dance Theatre's production 'G' toured 26 European cities, including the Southbank Centre in London and the Théâtre de la Ville in Paris.

Outcome 2. Access

Taking Australian dance of all kinds to audiences in Australia and overseas is a pivotal aim of the Dance Board. Our new touring program, Road Work, was developed during the year by the Dance and Theatre Boards in partnership with Performing Lines and a group of regionally based performing arts presenters. As an example of how the program will benefit dancers and the community, early in 2010 the award-winning *The Age I'm In* by Force Majeure will tour to 18 regional centres in New South Wales, Queensland, South Australia, Tasmania and Victoria. This tour is also assisted through support by the Australian Government's Playing Australia program administered by the Department of the Environment, Water, Heritage and the Arts.

The program Going Global helps Australian dance companies make a significant impact in key international venues. During 2008–09, the Australia Council invested \$389,691 through the program to support Australian artists and companies in their international market development activities.

Bringing dance to everyone, everywhere, and making it an enjoyable part of our lives was the strategy behind funding to Sydney Festival's First Night.

HIGHLIGHTS

Sydney Festival First Night

The Australian Council provided \$250,000 to support Sydney Festival's January 2009 First Night helped transform Sydney's CBD into a sparkling celebration of contemporary dance. *Sydney Dances* saw more than 300,000 people invited to dance at the same time, at seven separate sites. At sunset, crowds performed *The Sydney*, a dance routine choreographed by Garry Stewart who described it as 'a mighty celebration of community'. Sydney's Martin Place was transformed into the Movers & Shakers precinct with Australian Dance Theatre, Bangarra Dance Theatre and Chunky Move enthralled audiences.

Creating opportunities to see and participate in dance

Ausdance WA this year received a Community Partnerships grant of \$19,979 for the creation of a large scale work. *Foreshore Cruisin'* was performed by 160 youth dance participants from around the nation to a local audience of 2,500 at the Australian Youth Dance Festival in the centre of Mandurah in Western Australia.

Theatre

The Australia Council invested more than \$20.4 million in Australian theatre in 2008–09.

Chair, Theatre Board

Rosalba Clemente

Director of Theatre

Lyn Wallis

This investment, provided through the Theatre Board, Major Performing Arts Board and Arts Development, encouraged diversity while building audiences and capacity across the theatre sector. In addition to providing financial support, the Australia Council worked closely with industry to deal with issues affecting the small-to-medium theatre sector.

Overview of the year

During the year, the Theatre Board rolled out Make it New?, a national consultation designed to encourage a diverse, yet networked theatre culture in Australia. The program was conceived and implemented by former Theatre Board Director, John Baylis. By supporting a new mix of better funded key organisations to act as 'hubs' and 'artistic explorers', we are helping to strengthen infrastructure for artistic development. Many grant categories were changed to reflect a new emphasis on creative partnerships. To help artists build relationships

with potential producing partners, the Theatre Board ran a national series of skills-based workshops, *Navigating and Negotiating Connections*, in partnership with leading arts organisations.

In May, the first think tank to be held by the industry in 20 years was attended by over 260 theatre practitioners. The theme of the Australian Theatre Forum, *Art begins with risks—what risks should we be taking now?* inspired lively debate of key industry issues.

Outcome 1. Excellence

The Theatre Board currently supports 25 key organisations at the cutting edge of talent and innovation in professional theatre in Australia. Through our New Work category over \$1.6 million was distributed to 57 outstanding projects. Our new Presenter Program grants resourced seven organisations in New South Wales, Victoria, Western Australia, Queensland and South Australia to produce and present programs of new high quality contemporary theatre work. More than \$1 million was devoted to strategic initiatives that develop the artistic potential and capacity of the sector.

HIGHLIGHTS

Australia Council support for award winning excellence

The Australia Council provided \$291,000 to Patch Theatre Company as a key organisation from 2008–2011. Patch is South Australia's flagship theatre company for the very young. A further \$100,000 supports international touring activities and \$15,000 was provided through Artsupport Australia.

Outcome 2. Access

By supporting the professional development of theatre artists country-wide and providing funding for artists and companies to tour, the Australia Council is helping to ensure that Australian audiences everywhere can enjoy the best of our theatre.

For example, we provided \$59,000 during the year to the Critical Stages initiative developed by Darlinghurst Theatre Company, to forge new relationships with regional venues and presenters. Funding will continue until 2011. Since it began in 2007, Critical Stages has grown into a high quality, touring initiative that in 2008–09 played to over 30,000 people around the country. Touring over 30 venues nationally is the Matilda Award-winning play *The Kursk*, a Brisbane-based production by Matrix Theatre. Also on the road is Albedo Theatre's acclaimed production of *Dealers Choice*, which originated at the Old Fitzroy Theatre in Sydney.

We invest in opportunities for small-scale independent theatre works to tour to regional areas. This not only increases income for artists, but gives outer metropolitan and regional audiences a chance to experience greater diversity on their stages. The development of theatre artists in these areas has also been a focus. Through our Local Stages initiative, regional performing arts

centres have been able to employ producers to identify and nurture local talent within their communities, and to connect them with professional artists and opportunities further afield.

Managing and Producing Services (MAPS) is a joint initiative of the Theatre and Dance Boards in partnership with state funding bodies in Queensland, Western Australia, Victoria and New South Wales. It resources organisations to support up to six talented independent artists/companies in each participating state, giving them an opportunity to develop professional skills without needing to form their own company

HIGHLIGHTS

Nurturing local talent

The Australia Council contributed \$200,000 towards Local Stages. This program makes regional performing arts centres hubs for innovative local theatre making. Funding support went to Illawarra Performing Arts Centre, Griffith Regional Theatre, Bathurst Memorial Entertainment Centre, and Country Arts SA. Funding to South Australia was extended for three years to build on recent achievement in the Mount Gambier and Port Augusta regions.

The Australia Council provided \$200,000 toward the running of Managing and Producing Services (MAPS) nationally.

The first year of MAPS saw some great outcomes. Strut and Fret (in Victoria), produced highly successful seasons for their artists in Sydney, Adelaide, Perth, Brisbane, New Zealand and The Netherlands. MAPS for Artists in Queensland is working closely with its theatre artists on national advocacy, relationship building and artistic and strategic planning.

Visual Arts

The Australia Council invested more than \$16 million in the Australian visual arts in 2008–09.

Chair, Visual Arts Board

Professor Ted Snell AM

Director of Visual Arts

Kon Gouriotis AM

The Visual Arts Board of the Australia Council supports visual artists, designers and craftspeople through a range of grants and initiatives. The Board promotes excellence in the arts by funding research and professional skills development opportunities, and by encouraging new and innovative projects. Support is provided to artist-run initiatives and arts organisations to create opportunities for artists to exhibit publicly and extend their reach to wider audiences.

Overview of the year

In 2008–09 the Visual Arts Board provided core funding to 45 Key Organisations to support infrastructure for the visual arts. It also supported over 195 projects through grants made to individuals, groups and organisations. In addition, the Visual Arts Board with the Inter-Arts office funded 13 artist-run-initiatives to present cross-artform and collaborative projects that included residency programs, mentorships, forums, exhibitions and publications. Through the Visual Arts and Craft Strategy, the Visual Arts Board supported 100 artists across Australia and artist-run-initiatives in the Northern Territory and Victoria.

Outcome 1. Excellence

The Visual Arts Board supports excellence through its highly competitive grant categories. These grants are structured to support work by high calibre, innovative artists that challenge and engage both artists and audiences. The Visual Arts Board contributes to the development of the sector by encouraging artists to explore new content, processes and ideas.

Visual Arts Board Fellowships are awarded to visual and media artists, designers and craftspeople of outstanding achievement to assist them in completing significant long-term projects. The Visual Arts Board invested a total of \$360,000 in 2008–09 to promote excellence through Fellowships. Fellowships were awarded to leading Australian artists Marian Hosking, Geoffrey Lowe, Kathy Temin and Guan Wei.

The Visual Arts Board Emeritus Award and Medal recognises excellence and contribution to the visual arts in Australia. In 2008–09 the Emeritus Award and Medal were presented to artist Inge King and the former Director of the National Gallery of Australia, Betty Churcher respectively, acknowledging an artist and a curator/arts worker. Each recipient has made a significant contribution to excellence in the visual arts in Australia.

HIGHLIGHTS

Australia Council grants support excellence in innovation

The Australia Council contributed \$10,000 under its New Work Emerging program for designer Leah Heiss to research 'next generation' materials for the creation of jewellery. She developed small scale jewellery prototypes for a body of work, Material Poetic, which was exhibited as part of the 2009 L'Oréal Melbourne Fashion Festival Cultural Program.

Sivan Gabrielovich—multi-screen video installation

A New Work Emerging grant helped Sivan Gabrielovich to create a multi-screen installation based on interviews and workshops with leading Israeli and Palestinian writers, theatre and film artists. The process was filmed and documented and the final work exhibited at the Meat Market in Melbourne.

Outcome 2. Access

Artists and organisations are assisted to reach broader audiences through audience development strategies that advocate public appreciation of excellence in the visual arts. Projects are encouraged that expand opportunities nationally and internationally, to create and present innovative Australian visual and media arts, craft and design. In 2008–09, the Visual Arts Board funded national and international exhibitions, festivals, conferences, international artist residencies and masterclasses through its Presentation and Promotion and Skills and Art Development grant categories. Working alongside Arts Development, the Visual Arts Board assisted the presentation of high profile and emerging Australian artists at the 2009 Venice Biennale.

In 2008–09, the focus on access was extended by establishing the International Visitors Program. Through this strategy the Visual Arts Board funded 11 visits to various states and territories from high-profile international curators, artistic directors and arts professionals. The international visitors were able to familiarise themselves with Australian artists and contemporary art organisations and meet with artists. At the same time, artists and the wider arts sector benefitted from access to public lectures and receptions. Exposure to international professionals in the visual arts sector inspires artists and helps the community to understand the breadth and quality of work that is being produced globally.

HIGHLIGHTS

Taking Australian innovation overseas

An Australia Council grant of \$10,800 enabled Ruark Lewis to create a site-specific installation, *Euphemisms for the Enemy*, at the 2008 Toronto *Nuit Blanche*. The monumental visual and musical work which extended across a street in Toronto attracted large audiences and much media attention.

Selling Yarns 2: Innovation and sustainability conference

An Australia Council grant of \$16,175 supported this conference, developed by Craft Australia in partnership with the National Museum of Australia and the Australian National University. Following the 2006 success of *Selling Yarns 1*, the second conference focused on innovation for sustainability in contemporary Indigenous craft and design practice. It was promoted widely through the web, Facebook and Flickr sites.

Music

The Australia Council invested more than \$82.5 million in developing and promoting Australian music during 2008–09, including \$47.1 million for the nation's orchestras, \$23.8 million for opera and \$11.6 million for other forms of music.

Chair, Music Board

Dr Graeme Koehne
(to December); **Dr Matthew Hindson AM**

Director of Music

Paul Mason

The Australia Council through its Music Board, Major Performing Arts Board and Arts Development encourages creativity and diversity in music and sound art. Grants and project funding supports individual musicians, composers and events, while operational support is provided to a diverse range of service and presenting organisations that provide essential sector infrastructure.

The Australia Council contributed funding to six symphony orchestras, two pit orchestras, two chamber music organisations, a period orchestra and four opera companies. Support is also provided to a diverse range of other organisations essential to the industry.

We also develop promotional opportunities for Australian music here and overseas. These include funding national and international tours which place artists before presenters and audiences and take Australia's music culture to the world stage.

Overview of the year

During 2008–09, the Australia Council reviewed funding to the key service and presenting organisations that provide a direct benefit to artists and the artform. As a result, 10 key music organisations received support and, under a new category for emerging key organisations, a further three were offered a pathway to future triennial funding. These organisations will deliver a diverse range of high quality programs and activities that will further develop music in Australia.

A number of special initiatives continued to increase audience access to new Australian music. Sound Travellers supports national tours of improvised jazz, sound art, contemporary classical and electronica. It provided funding for 28 tours this year. International Pathways supported over 20 international tours to destinations including North America, Japan, South Korea, Russia, the UK and Spain.

Outcome 1. Excellence

The Music Board encourages creative excellence across a broad range of music practice. Through a highly competitive grants process the Board supports work which inspires Australian and international audiences through its innovation, distinct artistic voice or high level of interpretive skill.

The Board also supports high level skills development for young artists who have demonstrated potential through the skills and arts development category. Through the Don Banks Award, two-year fellowships and project fellowships, the contributions of outstanding music artists are recognised at various points in their careers.

Main strategic directions during the year include targeted support to achieve musical excellence across a diversity of genres. As an example, through a partnership between the Music and Theatre Boards developed in 2008–09, the Australia Council invested \$350,000 per annum for a three year period to stimulate the sector and develop engaging new music theatre work around the country.

The Board also encouraged innovation in contemporary popular music through its Soundclash initiative and provided further support to strengthen the national jazz infrastructure.

HIGHLIGHTS

The Don Banks Award recognising excellence

The 2009 Award was presented to pianist Dr Tony Gould AM, whose music and influence in performance, composition and education has secured his place as a national treasure.

An investment of \$350,000 per annum for three years will support the development of excellence in music theatre.

The Music and Theatre Boards of the Australia Council are in partnership fostering works crossing both genres. As a result, nine new music theatre works ranging from chamber opera to hybrid works are being developed across Australia.

Mixing music and technology

\$12,260 will assist Anthony Pateras to compose *Techtonics*, a work for 17 members of the Australian Art Orchestra. A recipient of the 2007 Ian Potter Emerging Composer Fellowship, Anthony's works have been performed by leading international orchestras.

Outcome 2. Access

It is a key aim of the Music Board to ensure that Australian and international audiences are able to experience the widest range of Australian music practice. Touring in particular is identified as giving musicians the exposure that is essential to developing long term careers—here and overseas.

Key initiatives include Sound Travellers, which takes innovative music throughout all states and territories and International Pathways, helping Australian musicians achieve international recognition.

We also support festivals as an exciting and creative way of bringing artists, ideas and the community together. Assistance is provided through project grants, grants to artists and assistance to build festivals as successful ongoing events. Support during the year provided festival goers with access to some of the best in contemporary jazz, electronic music, sound art and world music in a hot house environment. Events receiving assistance included Wangaratta Festival, Electrofringe, the experimental What is Music?, Liquid Architecture, Maribyrnong and Brunswick Music Festivals.

The Music Board continues to encourage online projects and strengthen networking through its support for the peak youth orchestra network, state jazz service and presenter organisations, and festivals and artists in the folk sector. Social networking was also a feature of a new music theatre work young audiences in the Northern Territory.

A number of primary and secondary schools around the country experienced quality music-making experiences. The Music Board's focus on music education resulted in song writing, composition, production and instrumental skills workshops which were delivered by leading artists and music organisations.

A partnership with the University of New South Wales resulted in three readily-accessible publications on jazz, new classical music and experimental music in Australia, each including a CD. A fourth title on world music in Australia will be released in late 2009. The publications are targeted at schools, tertiary institutions and a general readership. Titles in the series released to date are: *Jazz: The Australian Accent* by John Shand; *New Classical Music: Composing Australia* by Gordon Kerry; and *Experimental Music: Audio Explorations in Australia* by Gail Priest.

HIGHLIGHTS

Sound Travellers develops musicians, and brings new Australian music to wider audiences

Sound Travellers helps sound art/electronic, improvised jazz and contemporary classical musicians to tour Australia. Through a partnership with Performing Lines and Ceres Solution, Sound Travellers enabled 13 tours throughout Australia. A further 15 are planned for 2009. Tours visited all states and territories, with each tour averaging eight to ten destinations. Sound Travellers also helped Liquid Architecture, a key sound art festival, to tour Australian artists nationally.

Taking Australian music to the world stage

An Australia Council grant of \$20,000 allowed Indie favourites Yves Klein Blue to tour the US in 2009 presenting their mix of classic pop, old punk, gypsy jazz and indie rock, including at LA's MusExpo.

Festivals bringing communities and artists together

An Australia Council grant of \$25,000 supported this year's Fairbridge Festival, a leading showcase for folk, roots and world music. Held near the rural community of Pinjarra south-east of Perth, the festival features up to 120 acts, and has a large children's program.

Taking music to school students

Radio 3MBSFM, the regionally-based Riverina Summer School for Strings (NSW) and Youth Music Tasmania are some of the organisations that facilitated exciting mentoring opportunities for young people during the year.

Literature

The Australia Council invested more than \$8.1 million in Australian literature in 2008–09.

Chair, Literature Board

Dr Imre Salusinszky

Director of Literature

Susan Hayes

Through the Literature Board, Theatre Board and Arts Development divisions, the Australia Council supports the development, promotion and enjoyment of Australia's unique literary culture. Grants, residencies, fellowships and awards are available to individual writers, while financial and operational support is given to organisations that provide infrastructure for the sector. Initiatives to increase community access to writers and literature include support for literature festivals and for the translation of Australian works to take our culture to the world. The Australia Council is also a major sponsor of the *Australian Literary Review*, published monthly in *The Australian* newspaper.

Overview of the year

In 2008, the Literature Board reviewed the current infrastructure for literature. Informed by a research project conducted with the University of Wollongong, the Literature Board opened up to include established literary magazines that distribute nationally, national service organisations and national genre-based organisations. Consultation with the sector is taking place to allow expressions of interest from eligible organisations late in 2009.

A strategic priority adopted by Australia Council—Arts content for the digital era—has particular application to literature. The Literature Board is encouraging writers to explore the new media through its online resource, *the writer's guide to making a digital living*. Developed through the Story of the Future, this is a guide to resources, marketing opportunities and case studies from Australia's rising generation of digital poets, novelists, screenwriters, games writers and producers.

Outcome 1. Excellence

The Literature Board supports excellence in writing and illustrating, from the dawning of a career to the winning of awards. Over recent years, Australian literature has demonstrated freshness and diversity resulting in a rise in the prestige of our writers both at home and overseas. We do everything we can to nurture and promote this talent.

We also assist publishers to nurture excellence in Australian writing across poetry, fiction and non-fiction. During the year, the Board prepared a report on the current state of Australian publishing. Together with ongoing research into the effectiveness of our grants to publishers, the report is helping us determine the best possible assistance to the publishing industry.

Under Publishing and Promotion, a total of more than \$1.1 million was allocated to 101 successful applications. The grants support the publication of new titles by Australian publishers and the translation of work by overseas publishers. They assist Australian literature festivals and enable Australian writers to attend overseas festivals. Twenty Australian publishers received funding to publish 135 titles, including some reprints of classic Australian books. This year's grants support works across all literary genres. Applications indicated a significant increase in the number of non-fiction titles.

From 2010, the Literature Board will increase the level of subsidy per title to a maximum of \$5,000 for fiction and literary non-fiction, \$3,500 for poetry and \$2,500 for playscripts. Commission grants will be introduced and publishers will be able to apply for up to \$5,000 under this category.

HIGHLIGHTS

New Work/Developing Writers fosters new talent

Grants to Australian writers and illustrators totalled \$1.69 million during the year, including \$730,000 under the New Work Developing Writers category which supports writers in the early, often most critical stages of a career. Authors of new work who received grants include novelist and poet, Emily Ballou; internationally renowned writer, Nam Le; and Craig Silvey, whose second novel, *Jasper Jones*, written while in receipt of an earlier grant, was recently published to critical acclaim.

Two year Fellowship grants

Luke Davies, one of Australia's foremost literary talents, was awarded this significant recognition of his important body of work, which includes the award-winning *Candy*, *Totem*, *The God of Speed* and *Isabelle the Navigator*.

Taking Australian literature to the world

Support for overseas publishers to translate work by Australian writers is a priority for the Literature Board. We approved translations of work by Murray Bail, Kate Morton, Nam Le, Janette Turner Hospital and many others.

Outcome 2. Access

We continued to encourage Australians to read widely through our highly acclaimed Books Alive promotion, while developing initiatives to encourage reading by children and young adults. We provided assistance for Australian publishers to attend overseas book fairs, and supported a number of key Australian literature festivals by funding noteworthy writers and illustrators to attend.

During the year, we increased our support for the new arena of digital writing and publishing through our Story of the Future initiative. This support will continue in 2010 with further investment in training and assistance for authors and publishers to form industry networks.

The Literature Board believes that access to good writing and challenging narratives is essential at every stage of life. Our focus on taking Australian writers to their audiences through reading programs, festivals, international touring and the internet aims to increase recognition and, of increasing importance, income for our creators.

The annual Visiting International Publishers (VIP) event is an industry program to promote the sales rights for Australian titles into overseas markets and to strengthen the links between Australian and overseas publishing. The annual program involves up to 18 overseas guests hosted at one of Australia's prominent literary festivals such as Adelaide Writers' Week or the Sydney Writers' Festival. The 2009 VIP event was held in Sydney.

HIGHLIGHTS

Publishing in the Digital Space: the E-essentials

This two-day pilot workshop was hosted by the Literature Board in partnership with the Australian Publishers Association. It provided valuable information and networking for 30 small-to-medium Australian publishers and addressed the opportunities and challenges they face with new digital developments.

International studio residences provide research opportunities and valuable inspiration

Successful recipients of residencies include Angela Gardner, Julie Janson, Lea Bronwyn, Helen O'Neill, Philip Hammiel, Lee Tulloch and Alan Richard Wearne.

Children's literature supported

The Australian Children's Literature Alliance (ACLA) was founded in 2008 by leading representatives and members of the literature industry for children and young people. The Australia Council supports an Alliance project to develop a website and provide a Children's Laureate program for Australia.

Inter-Arts

The Australia Council invested more than \$16.9 million to support interdisciplinary and cross-platform activities during 2008–09.

Director of Inter-Arts

Andrew Donovan

Through its Inter-Arts office, the Australia Council supports the development of artworks which cross traditional boundaries. Inter-Arts funding programs focus on research and development, experimentation and creative development. Funding is provided for artists to develop creative works through interdisciplinary collaborations and innovative engagements with technology. The Synapse Art/Science initiative, for example, supports artists to work with scientists in research collaborations that create genuine exchanges between the two fields.

Overview of the year

A main strategic direction during the year was to increase opportunities for artists everywhere to access interdisciplinary innovation through connections with hybrid arts and artists. This is particularly important for artists living in regional and remote parts of Australia. Also important was the provision of residencies and other support to enable experimental artists to explore the all-important international arts arena, gaining new sources of inspiration for their work.

As in all areas of the arts, the global recession has had some impact on interdisciplinary arts, particularly regarding opportunities for overseas connections and partnerships. Because of its experimental nature, however, this form of artistic practice has been more resilient than others. Artists working across boundaries can gain support from organisations outside the arts and are less dependent on sales or box office income.

Outcome 1. Excellence

The Inter-Arts office supports excellence both in artistic achievement and in creative development and research. Excellence is measured by the innovation of works produced, and by our effectiveness in creating an environment for the best interdisciplinary practices to flourish.

A highly innovative work this year which drew medical science and technology together was the Heart Library Project. It succeeded in engaging with individuals at a particularly emotional time, encouraging them to explore their feelings in a non-confrontational way. A second project *Mellifera* mixed technology, virtual worlds and ecology in an interactive art exhibition presented at Gaffa Gallery in Sydney and in the Creative Industries Precinct at the Queensland University of Technology, Brisbane.

HIGHLIGHTS

Collaborative partnerships achieve excellence

An Australia Council grant of \$18,600 supported artist George Khut to develop The Heart Library Project, an interactive, bio-feedback artwork at St Vincent's Hospital, Sydney. Working in collaboration with clinical psychologists, arts-health facilitators and computer programmers, Khut explored the potential of interactive art to engage visitors with their own emotions and physiology.

Mellifera

The Australia Council awarded \$30,000 to artists Trish Adams and Andrew Burrell for the *Mellifera* project, an online interactive environment in Second Life linked to a series of exhibitions in gallery spaces. In partnership with scientists from the Queensland Brain Institute, the artists examined the complex behaviour of the European Honey Bee to better understand human interactions in technologies like social networking. The project also raises awareness of the possible extinction of the bees and the impact of their disappearance on ecology.

Outcome 2. Access

A key aim of the Inter-Arts office is to increase community access to hybrid arts, promoting a wider appreciation of the importance of investing in experimental work and a sense of excitement about the new experiences it provokes. A challenge is to break through the barriers of prejudice and misunderstanding. We want the community to ask 'are we enjoying it?', not 'is it art?'.

Also important is the need to foster collaborative partnerships and research through which artists can develop interdisciplinary skills and techniques. In this way, artists and professionals in other sectors can explore new ways of thinking and creating. Experimental art is of great value in helping other artists across all artforms to develop their ideas. Two Australia Council programs designed to increase access to experimental art within the artistic community are Infuse and Splendid.

Now in its second year, Infuse takes hybrid arts and artists into remote and regional communities so that local artists can take inspiration from their exposure to what is new and different.

Splendid is a government initiative to provide *Opportunities for Young and Emerging Artists*. The initiative includes an interdisciplinary arts residential laboratory and commissioning program to help young and emerging artists explore skills that cross boundaries. A partnership with Byron Bay's *Splendour in the Grass* festival, Splendid will bring artists and audiences together in a highly innovative way.

HIGHLIGHTS

Splendid

The Australia Council invested \$100,000 in the Splendid program. In partnership with Byron Bay's *Splendour in the Grass*, Lismore Regional Gallery and Northern Rivers Performing Arts (NORPA), 10 young emerging artists are currently working with established artists as mentors preparing work that will showcase at the next festival. The audience will directly experience interdisciplinary art that mixes different art practices with technology, while artists develop skills and have the experience of engaging with an audience of over 20,000 people.

Community Partnerships

The Australia Council invested more than \$11.8 million in community arts and cultural development in 2008-09.

Chair, Community Partnerships

Brad Haseman

Director of Community Partnerships

Frank Panucci

The Australia Council supports communities across the country to engage with and produce art that gives new insights into contemporary Australian society.

Facilitating creative partnerships is one of the main ways that we improve the cultural lives of Australians, and develop strong and resilient communities. Building interconnections between arts organisations, businesses, governments and communities helps strengthen the cultural life of all Australians.

Overview of the year

A particular focus during 2008–09 has been the brokerage of strategic partnerships with the non-arts sector to encourage wider community engagement with the arts. The priority areas of regional Australia, disability, young people, cultural diversity, emerging communities, Indigenous people, remote Indigenous communities and specific, critical social and cultural issues that require attention shape the decisions of Australia Council's Community Partnerships.

Outcome 1. Excellence

In Community Partnerships, excellence is considered in terms of the artistic output and the process of authentic artistic engagement with the community. In order to help shape projects supported by Community Partnerships, guiding principles have been developed. The activity must be by, for and with the community, which involves working with each community in ways that are meaningful and relevant. Each must demonstrate that the arts activity is based on the needs and aspirations of all stakeholders,

be inclusive and respectful. Highly skilled artists and artswriters lead the exchange to realise the artistic expression of the vision and energy of the community. In recognising excellent community arts practice, the Australia Council has invested in its key producers—11 companies whose diverse work and processes have long term impact within a community are supported until 2013.

In 2009, the companies came together in the *KP11: producing communities* exhibition which showcased the diversity and breadth of their practice. The exhibition is currently touring Australia and will culminate at the Regional Arts Australia Conference in Launceston in August 2010.

HIGHLIGHTS

KP11: Producing Communities exhibition showcases around Australia the diversity of community arts and cultural development projects staged by key organisations receiving Community Partnership support.

Restless Dance—bringing communities together

The Australia Council provided \$40,000 to support Restless Dance to bring together people with and without a disability, and their families. The program included four terms of open access dance workshops and *Growth Spurt*, a workshop program for children with a disability aged two to four and their parents and carers.

Restless Dance is also a triennially funded Dance Key Organisation of the Australia Council.

Recognising achievement

The Kirk Robson Award celebrates the achievements of young Australian artists and artswriters who work with communities to produce art that addresses specific social issues.

One of the 2009 award winners was Amy Hardingham, recent artistic director for Outback Theatre for Young People. Amy collaborated with young people across south west NSW to create theatre that is important to them and their communities. She continues her work as acting Chair of the company and Regional Manager of the Australian Theatre for Young People.

Outcome 2. Access

In providing access to high quality arts experiences (through authentic engagement), the voices of diverse communities are fostered and heard, sometimes for the first time.

Community Partnerships provides direct support to communities and artists to assist them to access and participate in quality arts activities. In developing a national network of support organisations, Community Partnerships is able to reach a broad community constituency. Community Partnerships provides support for the sharing of experience and best practice across the country, by targeting support for events such as

the Regional Arts Australia Conference, Alice Springs, in October. It fosters the strengthening of networks and relationships, helping to build capacity and share knowledge.

Community Partnerships manages the *Creative Communities Partnership initiative* (see page 16), to increase opportunities for individuals and communities to actively participate in excellent artistic practices. Delivered through large scale strategic arts projects designed and driven by the community, Australians and the Australia Council are partners in creatively and artistically re-imagining their communities to create healthier, stronger and more resilient communities of tomorrow. Substantial projects include *The Hero Project (TallStoreez)*, the *Western Desert Kidney Health Project* (Wongutha Birni Aboriginal Corporation in partnership with Fullsky and the Rural Clinical School of Western Australia), and the Queensland Music Festival's community engagement program.

HIGHLIGHTS

Rock Hole Long Pipe—telling Coolgardie's stories

The Australia Council provided \$34,548 to the Coolgardie Christian Aboriginal Parent Directed School to work with communities across the Shire of Coolgardie. The culminating event told the Indigenous and non-Indigenous stories of the region and was documented in a publication.

Taking books by kids to kids

An Australia Council grant of \$19,000 supported an exhibition by Kids' Own (Australia) Inc which took to five locations a 'cubby capsule' of books written by children for children, and workshops for children with artists.

Building interconnections between arts organisations, businesses and communities helps strengthen the cultural life of all Australians.

Shaun Gladwell, representative for Australia
at the Venice Biennale 2009.
Photo: James Fisher





Kerriane Cox at the Festival of the Pacific Arts.
Photo: Mervyn Bishop

2.2 Keeping culture strong

Aboriginal And Torres Strait Islander Arts

The Australia Council invested more than \$9.6 million in Aboriginal and Torres Islander arts in 2008–09.

Chair, Aboriginal and Torres Strait Islander Arts Board

Dr Chris Sarra (to March); Dr Mark Bin Bakar

Executive Director of Aboriginal and Torres Strait Islander Arts Board

Lydia Miller

Manager

Mark Stapleton

Arts and cultural activities have particular significance for Aboriginal and Torres Strait Islander communities. They provide a focal point to keep Indigenous cultures strong and they celebrate survival, tell important stories and pass on to future generations the unbroken cultural traditions which stretch back tens of thousands of years.

The Australia Council supports Australian Indigenous arts through all its boards and divisions, with the Aboriginal and Torres Straits Islander Arts Board as the main avenue of this support. The Board is the only independent, national Indigenous decision-making body supporting the arts. Its long term function is to provide the assistance needed by Australian Indigenous peoples to claim, control and enhance their cultural inheritance—the business of keeping culture strong. Although it is important to keep the past alive, the Aboriginal and Torres Strait Islander Arts Board also strongly encourages the creation of new forms of artistic expression, supporting experimentation and innovation to nurture talent and engage the wider community.

Overview of the year

Indigenous arts are dynamic, however a particular challenge for artists is the lack of an accessible infrastructure. Financial security and employment were again a strategic focus for the Australia Council during the year, with the aim of providing reliable career pathways and incomes to help artists devote time and attention to creativity.

A ground-breaking partnership program was initiated during 2008–09 to build an infrastructure of partners to work with us on the development of platforms of research and policy development, consultation and joint initiatives. These partnerships will also bring practical benefits such as employment and career opportunities. National consultations were held with Aboriginal and Torres Strait Islander Key Organisations, with over 180 people attending meetings and workshops in 11 centres across Australia. Ten priority areas were identified to support the growth and sustainability of an Indigenous arts infrastructure. Expressions of interest in the resulting new program's Leading, Building and Partner categories will close in July 2009.

This year, the Australia Council increased its funding categories for Indigenous arts. An important initiative was the Indigenous Arts Infrastructure program. This provides increased financial security for Indigenous arts through four new categories including a funding commitment for six years in one category rather than the usual three.

Other main strategic directions taken by the Aboriginal and Torres Strait Islander Arts Board during 2008–09 included grants to enable Indigenous artists to showcase their work in Australia and overseas. Successful performances resulted in overseas recording and performance contracts, and were a major career stepping stone for individual artists as well as a strong indication of increased recognition nationally and internationally of Indigenous arts and cultures. The significance of this trend in Australia includes the growing strength of arts and culture to provide pathways for Indigenous artists to sustain themselves and the close-knit communities to which they belong.

Protecting Indigenous arts

The Australia Council and the Aboriginal and Torres Strait Islander Arts Board worked closely during the year with other government departments towards the Australian Government's initiative to protect the integrity of Indigenous arts and cultures. The draft Indigenous Australian Art Commercial Code of Conduct produced this year by the Australia Council, in consultation with communities and industry groups, addresses issues such as the exploitation of Indigenous arts and artists, misrepresentation and other unethical practices. It sets minimum standards for dealers, agents and artists, and defines terms of trade, rights and responsibilities. An extensive process of consultation indicated widespread support from artists across many artforms. We have invested over \$120,000 to ensure the project's completion.

A focus on intellectual property as a means of securing artists' incomes saw the Australia Council invest in services such as the Artists in the Black initiative of the Arts Law Centre and the Australian Copyright Council. The Australia Council also participated in discussions regarding the creation of a National Indigenous Cultural Authority as a means of protecting Indigenous rights and opportunities. It supported the distribution of the paper *Beyond Guarding Ground* by the renowned lawyer Terri Janke, which has helped to extend dialogue both nationally and internationally, and take issues beyond the artform sectors into professional domains such as law, health and education.

Outcome 1. Excellence

The Aboriginal and Torres Strait Islander Arts Board's commitment to excellence is measured by the quality of Indigenous arts in Australia. Underpinning creative excellence are cultural considerations such as proper adherence to protocols which respect heritage and tradition.

As well as supporting traditional work—to keep the culture alive—the Australia Council encourages Indigenous artists to push back the boundaries. Individual grants provide opportunities for creative partnerships and the development of experimental, multi-disciplinary works. One successful example during the year was The Pemulway Dream Team, which also encouraged cross-cultural exploration of urban issues.

The Australia Council supports new-age artforms such as hip hop, graffiti and other cross genre creative works which give Indigenous artists a chance to develop their skills beyond traditional frameworks.

At the other end of the scale, we also support the traditional artforms such as opera, dance and the work of master painters. As an example, dancer Tim Bishop accepted the role of dance officer for Ausdance Northern Territory, a two year position created with assistance from our Artists in Work program. Under the program, development and training opportunities are provided for aspiring Indigenous dancers throughout the Northern Territory. The Aboriginal and Torres Strait Islander Arts Board's strategic initiatives supported 16 coordinator positions in this period.

Awards

The Australia Council hosts a number of awards to reward and encourage excellence in Australian Indigenous arts. The Board hosted the annual Indigenous Arts Awards at the Sydney Opera House in May. The Red Ochre Award, Australia's most prestigious prize for Indigenous artists, recognised the life-long achievement of Yolgnu painter and rights activist, Gawirrin Gumana. The \$50,000 award was presented by Baz Luhrmann.

HIGHLIGHTS

Black Arm Band

An Australia Council grant will allow Arts House to commission a score and libretto for The Black Arm Band's new theatre work, *dirtsong*. The linking narrative was written by award-winning author, Alexis Wright, with a musical score by Lou Bennett and Ian Grandage. The work will premiere at the 2009 Melbourne Arts Festival.

Encouraging cross cultural interaction

An Australia Council grant of \$10,179 supported The Pemulway Dream Team, an interactive boxing game based on the complexities of living in a mixed cultural community. It was developed in close association with the Indigenous and non-Indigenous communities of Sydney's Redfern, and was a great hit when presented at Sydney's Performance Space.

Three month residencies were awarded to Victorian street artist Reko Rennie and Gordon Hookey from Queensland.

Showcasing Australian Indigenous talent overseas

An Australia Council grant enabled Indigenous group Yilila to showcase at the inaugural Australasian World Music Expo (AWME). Yilila is going on to become the first Australian Indigenous group to perform at WOMEX, the world's largest music expo, at Copenhagen.

Outcome 2. Access

The Australia Council and the Aboriginal and Torres Strait Islander Arts Board support initiatives which increase opportunities for Indigenous artists to share creative inspiration and showcase their talents to the wider community in Australia and overseas.

Our Celebrations festivals strategy supported several Indigenous arts events during the year, providing business and event management assistance to develop the festivals as strong cultural enterprises. As an example of the success of this support, an evaluation of the Dreaming Festival in Queensland showed an increase in Indigenous performers from 719 in 2007 to 915 in 2008. Over 705 volunteers were registered to participate in 2008, an increase of 89 over 2007, indicating the growing stature of the festival in the community.

International recognition

The Australian delegation to the two week Festival of Pacific Arts held in American Samoa in July was declared outstanding by many festival participants from across the region. Programmed around the theme of 'Welcoming the new day', it was an opportunity for artists to present in an international forum. It was also a time to discuss how to keep cultural traditions alive, address common problems and connect with other Pacific artists.

Increasing access to support from business

A multi-partnership between the Australia Council, the British Council, the University of Melbourne's Wilin Centre for Indigenous Arts and Culture and Virgin Atlantic will give three creative Indigenous Australians the opportunity to work in the UK and receive mentoring in the inaugural year of the ACCELERATE program, promoting access to world class creative leaders.

HIGHLIGHTS

Treading the Pathways for Indigenous Contemporary Dance.

National Indigenous Dance Coordinator Marilyn Miller is working on a range of projects to develop dance and choreographers. An important outcome has been employment placements for mid-career Indigenous artists.

Increasing business support for Indigenous arts

Fiona Elisala from the Torres Straits Islands and Jessica Birk from Sydney were named joint winners of the inaugural Qantas Young and Emerging Indigenous Visual Arts Award. The sponsorship by Qantas of this new award is a landmark in the Australia Council's aim to increase business involvement in the arts.

Supporting festivals to increase access to Indigenous arts

Strategic planning and other support was provided to the Garma Festival; the Kimberley Aboriginal Law and Culture Centre Festival; the Barunga Festival; the Torres Strait Culture Festival; the Gulf Biennial-Mornington Island Festival; the Laura Festival and the Dreaming Festival.

As well as supporting traditional work—to keep the culture alive—the Australia Council encourages indigenous artists to push back the boundaries.

2.3 Strengthening Australia arts organisations

The Australia Council invested \$95 million to support arts organisations through its Major Performing Arts Board (MPAB) during 2008–09, and over \$20.8 million to support the arts through its Key Organisations.

Chair, Major Performing Arts Board

Rick Allert AO

Executive Director of Arts Organisations

Tony Grybowski

Manager (MPAB)

David Colville

Director (Key Organisations)

Atul Joshi

The MPAB was established in 2000 in accordance with the recommendations of the Major Performing Arts Inquiry (MPAI). The Board is comprised of eight members, six of whom are business leaders with a keen interest in the arts, and two are arts practitioners or administrators. The Board aims to ensure that Australia has an artistically vibrant, financially viable and broadly accessible major performing arts sector.

The Key Organisations unit was established in 2005 to manage the multi-year funding relationships with over 140 arts organisations funded by the Australia Council artform boards. In addition, the unit collates and analyses data from the sector and assists organisations to build their capacity across various operational and strategic dimensions.



Brink Productions/Melbourne Theatre Company,
When the Rain Stops Falling.
Photo: Earl Carter



Through the Arts Organisations division, the Australia Council provides monitoring and support services to 174 organisations across the nation, helping to ensure a viable and vibrant infrastructure for the development and promotion of the arts. Twenty-eight of the larger arts companies—the Major Performing Arts (MPA)—are supported under the umbrella of the Australia Council's MPAB, which works in partnership with state funding agencies. The remaining 146 small-to-medium organisations, or Key Organisations, are funded through the Australia Council's specific artform boards.

The division manages the funding relationships with these companies on a multi-year basis. MPA companies are encouraged to collaborate with and support the Key Organisations and smaller companies. In this way they add value to the funding they receive from governments and reflect the integrated nature of the industry.

Arts organisations are reliant on three major sources of income—attendances/memberships, sponsorship and philanthropic giving. All three were affected by adverse economic conditions during the year, although companies moved quickly to institute contingency plans once the effects of the downturn became apparent. Through careful management, companies continued to deliver their core requirements.

Major Performing Arts

Outcome 1. Excellence

The achievement and maintenance of excellence in performance is central to the operations of the 28 MPA companies. Each company this year maintained procedures to address artistic excellence using national and international benchmarks. In addition, the notion of excellence was extended to management, with the Australia Council providing resources to strengthen companies in terms of governance, income generation through marketing and philanthropy programs, management capability enhancement and mentorships.

The MPAB began a strategic assessment of ways in which excellence can be further promoted and enhanced within the sector. US arts specialist Diane Ragsdale, of the Andrew Mellon Foundation, visited Australia and met with company leaders and Australia Council staff to explore the concept of artistic vibrancy and its measurement. This important work continued throughout the year.

Programs to facilitate interconnections between the Major Performing Arts sector and smaller companies was a strategic initiative instituted for the first time during the year. A new program to encourage co-commissions and collaborations between MPA companies and Key Organisations, and MPA companies and small to medium companies, received \$150,000 this year in the first of a three year funding period. Interconnections has resulted in a series of innovative cross-artform partnerships.

Mid-career creative staff benefited from the new Creative Professionals program. We have allocated \$150,000 per year for three years to encourage career progression and to retain the best talents within the industry.

In 2008–09, the MPAB established its first executive mentoring program to enhance the knowledge and skills of MPA chief executives and senior managers. Nine senior executives successfully applied to the first year of the program and were mentored by leading executives from business and, in some cases, the arts.

The MPAB philanthropy mentoring program entered its fourth year of successful operation, involving 11 MPA company philanthropy managers. In 2008, income to the MPA companies from this area rose by \$2 million, or 11 per cent more than the previous year.

HIGHLIGHTS

***When the Rain Stops Falling* receives high praise.**

Originally presented at the 2008 Adelaide Festival, this production from small Adelaide company Brink Productions received high critical praise. The production was programmed into the 2009 seasons of the Sydney and Melbourne Theatre Companies.

Funding to MPA companies inspires young and emerging talent

Mind's Eye, the research and development arm of Bell Shakespeare, was formally launched in April 2008. A main aim is to extend the repertoire of Bell Shakespeare by tapping into a new generation of ideas inspired by the work of William Shakespeare. Young artists Laura Scrivano, Candy Bowers and Kim Powers have developed a hip hop version of Shakespeare's *As You Like It*, to be presented to potential producing/presenting partners.

Interconnections fosters innovative collaborations

The Australian Council provided \$29,000 to support a collaboration between the Tasmanian Symphony Orchestra and Tasdance in 2010. A new work from composer Con Koukias will be commissioned for the 2010 Tasdance season, *Heart Matters*, to be choreographed by Chrissie Parrot. Graeme Murphy will choreograph a second work, using a pre-recorded piece, with both performed by the Tasmanian Symphony Orchestra.

Creative Professionals—encouraging retention and career progress of mid-career production and creative staff (other than performing artists)

Australia Council funding of \$20,000 to Malthouse Theatre in Melbourne will enable current Workshop Manager, David Craig, to hand his knowledge and expertise acquired over 35 years to steel fabricator Goffredo Mameli. He will be mentored as a future Workshop Manager through a structured program of skills development and relevant placements.

Outcome 2. Access

More than three million Australians experienced the work of the MPA companies; through main stage performances, national and international touring performances, education programs and digital platforms. The Australia Council provided strategic assistance to MPAs, strengthening their management capabilities to support the widespread and cost-effective dissemination of their work. A number of specialist MPAs received funding for international touring.

As an important means of increasing access to the arts, the development of digital technology was a priority for the Australia Council this year. Sydney Symphony Orchestra completed its new media strategy and as a result of a Digital Concepts Workshop run by the Australia Council, nine MPAs companies are now working on digital research and development projects. Digital marketing seminars also toured the country.

Taking performances and arts education Australia-wide, five MPAB companies are funded to undertake educational activities with a national focus. Nine are required to undertake state-based education activities and many others participate even though not specifically required to do so. The MPA sector this year staged a total of 4,383 educational performances to audiences of over 717,000 students, including many in regional and remote areas.

Professional and resource development classes were also run for teachers, and a range of master classes and workshops were conducted across a range of artforms. Online resources were also provided.

Most MPA companies undertake regional touring activities, either taking main stage productions or educational programs to the regions. In 2008, 119 regional centres held performances by 26 MPA companies. Many of the centres were visited by a number of different companies. Some companies have developed a cyclical two to three year touring pattern which takes them to different geographical locations, visiting a small number of larger venues one year, and a large number of smaller centres the next.

Four MPA companies are categorised as 'international' and are required to meet specific international touring criteria. In 2008, a further seven MPA companies toured internationally. Together they undertook 203 international performances in 19 countries including Austria, Brunei, Canada, China, England, France, Germany, Italy, Japan, Laos, Luxembourg, Malaysia, New Zealand, Scotland, Slovenia, Thailand, The Philippines, the USA and Wales. Additionally, Opera Australia regularly hires productions to overseas companies and enters into co-production agreements with international counterparts for works that may premiere overseas, to be later presented in Australia.

HIGHLIGHTS

Sydney Symphony tours overseas

In 2008, the Sydney Symphony performed in Italy for the first time, giving eight concerts in Merano, Milan, Turin, Siena, Caserta, Rome, Modena and Verona.

Australian dance goes to the world

The Australian Ballet and Bangarra Dance Theatre combined in 2008 to present performances in Paris and London, before undertaking independent performances in Europe, the USA and Canada.

Food Court by Back to Back Theatre

Premiered at the 2008 Melbourne Festival and hailed critically, *Food Court* was seen at the Sydney Opera House as part of the 2009 Luminous Festival and at the 2009 Kunstenfestivaldesarts Belgium.

Australian Dance Theatre tour of 'G'

In 2008, Australian Dance Theatre undertook an extensive European tour of Garry Stewart's new work 'G'. Presenting 39 performances across 26 venues, including major ones in Paris, Barcelona and London to a total audience of 21,473, this was one of the largest tours ever by any Australian arts company.

Australian Music Centre Online

The Australia Council has provided significant support to the Australian Music Centre to create a new digital repository for its collection of Australian music, making it easily searchable and accessible nationally and internationally. An e-commerce facility is included for the sale of scores and recordings. The new Australian Music Centre Online website was launched in May.

Opera Australia launches WotOpera

A new project introducing opera and creativity to young students. Opera Australia educators worked with students from four schools as they created, designed and performed in their own original operas.

Review of Key Organisations

A review of Key Organisations resulted in new multi-year support to 11 companies. New Emerging Key Organisations category introduced by Music and Dance Boards, with Theatre to follow, sees seven companies on a pathway to multi-year support.

Regional hotspots

Malthouse Theatre called for applications for three 'hotspots' in 2009—a scheme aimed at fostering creative partnerships between regional and metropolitan artists. The scheme focuses on skills development, networking and exchange of creative ideas in all kinds of theatre.

Key Organisations

Outcome 1. Excellence

Staff from Key Organisations work with each of the Australia Council's artform boards in defining and assessing excellence according to artform specific criteria set by each board. Excellence is viewed from both an artistic perspective and a governance and managerial perspective, given the long term funding commitments offered in this category.

Strategically, the Dance, Theatre and Music Boards all engaged in significant reviews of their Key Organisations categories in 2008, with the Aboriginal and Torres Strait Islander Arts and Literature Boards following in late 2009. New criteria were established for supporting organisations, as well as offering funding to a range of excellent new companies. As a result, 18 organisations received multi-year support for the first time.

For the first time in more than 20 years, a major forum explored the urgent issues and possible futures for Australia's theatre sector. Around 260 representatives from Australian theatre came together over three days for the Australian Theatre Forum, supported by the MPAB and Theatre Board.

After a detailed two-year consultation period, the Theatre Board reviewed its support of its key small-to-medium organisations. In a landmark round of assessments based on new criteria, 11 companies were offered multi-year support for the first time. Of the 25 successful applicants, 16 were granted their full request and most received substantial increases. On average, their funding has increased by 75 per cent. In addition, four companies were offered three year support for international touring.

Outcome 2. Access

For Key Organisations, access is defined across a variety of dimensions. These include main stage attendances; delivery of service in regional and remote areas; participation; webpage hits; browsing statistics and downloads.

In promoting access, organisations are offered learning and capacity building opportunities. Financial assistance was offered to staff from 22 small-to-medium arts organisations to undertake Deakin University's accredited arts marketing study unit, to improve marketing knowledge and skills and assist in their audience development strategies. The annual Marketing Summit run by the Australia Council focused on providing up to date marketing thinking and skills. A number of organisations in remote and regional areas received funding for projects which included a range of digital infrastructure developments.

More than nine million Australians experienced the work of our arts companies; through main stage performances, national and international touring performances, education programs and digital platforms.



Vernon Ah Kee, representative for Australia
at the Venice Biennale 2009.
Photo: James Fisher



Frances Rings.
Photo: Danielle Lynne

2.4 Building Australia's arts sector

Arts Development

The Australia Council invested over \$11.1 million in arts development during 2008–09.

Executive Director of Arts Development

Sandra Bender

Director, Market Development

vacant (Fenn Gordon commenced August 2009)

Director, Research, Strategy and Analysis

Dr Nick Herd

Funding for Arts Development was directed to four key areas in support of a strong and sustainable arts sector producing a body of distinctive works, characterised by the pursuit of excellence. They are building audiences and markets in Australia and internationally; addressing business challenges; improving the capacity of arts organisations to underpin artistic activity; and disseminating information about the arts in Australia.

Within its Arts Development division, the Australia Council has a dedicated market development team that builds the capacity of the arts sector in audience and market development. It develops partnerships with other sectors to increase access to the arts in Australia, building audiences and encouraging appreciation while promoting our unique culture internationally. In addition to market development, the Australia Council initiatives help the industry to develop sound business skills and practices.

The whole-of-market scope of Arts Development effectively positions the division as the research hub of the Australia Council, providing an evidence-based platform for decision-making through all areas of the Australia Council's work. Environmental scans and analysis on issues and trends such as audience attitudes and behaviours, and all artists' incomes and business support for the arts is made available to the arts industry. It is of critical importance in enabling arts organisations and other sectors to anticipate and plan ahead.

Overview of the year

The international arts and cultural arena has felt the impacts of the global economic recession, but this has been less so in Australia. Although the level of activity has slowed down, Australians have shown extraordinary resilience through their continued engagement with the arts.

In 2008–09, over 13 million Australians attended Australia Council supported arts events, compared to over 9.4 million in 2007–08. This is a sound indication that the arts in Australia are a growing factor in the quality of life for very many Australians.

The Australia Council is entering the second year of a three year strategy to focus resources on its four key areas of responsibility in arts development. These are to increase public access and participation in the arts; increase overseas exposure of Australian contemporary work; improve our evaluation, data and evidence gathering about the arts in Australia; and build knowledge and expertise into our business models to underpin the artistic activity of arts organisations.

Outcome 1. Excellence

Arts Development measures excellence by the quality and sustainability of the infrastructure it supports to encourage the growth of a strong Australian arts culture at home and overseas. As the main conduit between artists and audiences, presenters are a vital factor, bridging distances to take innovative arts far and wide. A main measurement of our performance is our effectiveness in providing the support they need to do this well.

Australian arts showcased to international audiences

A key strategy is to build lasting relationships that deliver opportunities for Australian artists to present their work overseas. During 2008–09, the Australia Council supported the inaugural Australasian World Music Expo (AWME) to profile Australian Indigenous musicians locally and internationally. Outstanding results were achieved by Yilila, who will be the first Australian Indigenous group to perform at WOMEX—the world's largest music expo—in Copenhagen, October 2009.

Arts Development launched Going Global in January to develop opportunities for our performing artists to tour their work overseas. In the first six months to June, we invested \$389,691 through the program, negotiating with arts presenters and international buyers to present artists at international events. Fees negotiated for artists and companies totalled more than \$1.1 million, a major contribution to our strategic priority to increase artists' incomes.

Australian literature is building a strong market overseas. In 2008–09, the Visiting International Publishers program at the Sydney Writers' Festival was an effective forum for exposure. As an example of negotiated results, Craig Silvey's second novel, *Jasper Jones*, will be published

in France and Spain following earlier agreements with publishers from the UK, US and Italy. Silvey completed the novel with an Australia Council grant.

HIGHLIGHTS

Venice Biennale 2009

Our main focus for the visual arts in 2009 was the Venice Biennale. The Australia Council manages Australia's official representation at the Biennale, which is one of the visual art world's premier global showcases. Australia's official representative this year was Shaun Gladwell, with an exhibition of emerging artists including Vernon Ah Kee, Claire Healy, Sean Cordeiro and Ken Yonetani. The Australian input to the Biennale received much media acclaim in Australia and overseas, and the work of artists was acquired by major public institutions overseas.

Australia's music to the world

Overseas successes for musicians supported by the Australia Council included Gurrumul who showcased at the 2009 Great Escape in the UK; and An Horse, The Drones and The Boat People who were supported to showcase at the South by Southwest Music Festival 2009 (SXSW) in the US. All received further international bookings as a result.

Going Global

Some of the major tours receiving Going Global funding during the year were White Cockatoo Performing Group (Mexico); Force Majeure (Korea, Ireland and Canada); Windmill Performing Arts (New Zealand); BalletLab (Copenhagen); Strange Fruit (Korea); Chunky Move (Mexico, USA and Canada).

Outcome 2. Access

Increasing access to Australian arts is fundamental to the Australia Council's aims of building audiences and other fields of support needed to promote arts and culture in Australia. Presenters play a key role in sourcing innovative and exciting work and placing it in front of an audience.

The Go See Fund was initiated by the Australia Council in July to provide travel assistance for professional Australian presenters to attend performances and identify potential audiences. As well as helping to promote individual works, the program offers a valuable insight into bigger trends, who is doing what, and the potential of various artists and artforms to reach their Australian audience. Since its inception, the fund has supported 52 Australian presenters to travel interstate to view 38 Australian performance works in theatre, dance and music. Presenters were also supported to attend three 'curated' festival events, incorporating numerous performances and industry forums, workshops and discussions. Works were presented by Dance Massive (contemporary dance from Victoria), Come Out (South Australian theatre for young people) and The Dreaming (Indigenous arts and culture from Queensland).

The Go See Fund was used by the Road Work consortium of presenters committed to touring adventurous work in regional Australia. This new initiative is receiving Australia Council funding for three years to fund two adventurous works each year. Their role is to take original, creative work to the regions to inspire debate and dialogue about performance and culture. The first dance work to tour under the Road Work program is **Force Majeure** which will take *The Age I'm In* on tour in May 2010, with additional support from the Australian Government's Playing Australia program. The company will stage 38 performances in 19 regional venues over a two month period.

New Knowledge Centre on the arts in Australia

The Australia Council has a strong tradition of providing research and insight into the arts sector. This year we developed the new Research and Strategic Analysis team which provides evidence for cultural policy development and disseminates information linked to five key areas for the arts in Australia. These are the economic performance of the arts; public consumption and participation in the arts; private sector support; and the impact of digital technology. New partnerships such as with the Australian Research Council will enable our knowledge centre to extend its access to new data.

Two major research projects are currently underway. A survey of the economic life of practicing professional artists has been commissioned, and is the fourth such study conducted for the Australia Council by Professor David Throsby. Cultural Consumption and Participation is a national survey of attendance at arts events, and participation in the arts. It will help to identify how Australians engage with the arts and what makes different types of people respond.

Don't Panic: the impact of digital technology on the major performing arts has provoked vibrant discussion about the potential and threats of digital technology within the industry, and led to the development of a digital program by our Major Performing Arts Board. The research is contributing to the Australia Council's strategic priority to explore the implications and possibilities of the digital era for artists.

HIGHLIGHTS

New Knowledge Centre on the arts online research hub

The Australia Council continued to build its online research hub as a one-stop-shop for information about the arts in Australia. During the year a total of 9006 pages on the hub were viewed 153,977 times. Of the latter number, 120,656 were unique page views. Among the most viewed reports on the site were:

Love your work: training, retraining and connecting artists in the theatre. This in-depth report on workplace issues in the Australian theatre and the potential for greater interconnection across the sector led to the 2009 Theatre Forum. In response to recommendations, grants were introduced to develop mid-career professionals and support networking projects between Major Performing Arts and small to medium companies.

On Board is the second edition of an information site on what makes a great board in an arts organisation and how to ensure effective governance.

Making solid ground is a review of the Australia Council's Aboriginal and Torres Strait Islander Key Organisations program

Other popular reports were:

- *Developing multi-cultural audiences for the arts*
- *The writer's guide to making a digital living*
- *First we see: the national review of visual education*

In 2008–09, over 13 million Australians attended Australia Council supported events, compared to over 9.4 million in 2007–08. This is a sound indication that the arts in Australia are a growing factor in the quality of life for very many Australians.

2.5 Structure of the Australia Council
Office of the Chief Executive
(Artsupport Australia, Marketing
and Communication, Legal
and Compliance) and Corporate
Resources

Chief Executive
Kathy Keele

The Office of the Chief Executive supports the governing Council and is responsible for the external relations of the Australia Council and the functions of Artsupport, Marketing and Communication, Government and Department relations, and Legal and Governance. The Chief Executive this year also led the strategic priority of developing an Australia Council that is respected for its national contribution to the development of the arts.





Second to None—an Aboriginal and Maritime Journey, 2007.
A co-production between Kurruru Youth Performing Arts and Vitalstatistix Theatre Company.
(l-r) Desmond Williams, Taree Sansbury, Caleena Sansbury, Kirsty Williams, Dylan Clarke.
Photo: Shane Reid

Director of Artsupport Australia**Louise Walsh**

Artsupport Australia is an Australia Council initiative to grow cultural philanthropy. Artsupport managers work in partnership with state and territory agencies in Queensland, the Northern Territory and, most recently, Western Australia, as does the Director through the remaining states and territories. Across Australia over six years, Artsupport has facilitated over \$35 million in philanthropic donations to artists and arts organisations, with \$7.7 million raised by Artsupport Australia in this year alone. A three year national Indigenous philanthropy mentoring program has achieved outstanding results with one group, Kurruru Indigenous Youth Performing Arts, receiving over \$1 million. In 2008 Artsupport introduced its key organisations philanthropy mentoring program. By contributing to the salaries of 17 part-time philanthropy managers, the initiative has enabled key organisations to significantly increase their income from philanthropy during the year. With Australia Council's Arts Development, Artsupport this year also facilitated valuable visits and addresses from key international figures in philanthropic fundraising.

Director of Marketing and Communication**Martin Portus**

The Marketing and Communication unit communicates with the Australia Council's nation-wide stakeholders and the wider community to raise the profile of Australian arts, promote our initiatives, and raise awareness of the support for artists and arts organisations that is provided by the Australia Council and the Australian Government.

The unit this year developed the Australia Council's Style Guide, branding strategies and a number of plain English documents articulating the role and work of the Australia Council. An extensive upgrade of the website commenced to improve access to our resources and services, with further improvements due from August 2009 in our Research Hub, About Us and The Arts sections. The Grants section of the website was redesigned to streamline the application and acquittal processes. A new intranet was launched in December, as a key tool to enhance the Australia Council's internal communications. The Australia Council also built a greater presence on social media sites, launching our own Facebook page, maintaining the Music Board's flourishing MySpace page and using other social networking tools to promote youth-orientated projects.

Marketing and Communication managed the marketing campaigns for all major new Australia Council projects and Government arts initiatives. The unit developed and implemented promotional strategies for projects as large as the Venice Biennale to a targeted range of smaller projects such as promoting the Australia Council supported band, An Horse. Marketing and Communication continuously liaised with Australian

and international media and monitored arts media coverage across Australia. The unit produced Australia Council publications including *artery* and *Arts Yarn Up* and managed the Australia Council's advertising, and supervised our communication with the Australian Government and the Department of the Environment, Water, Heritage and the Arts.

Manager of Legal and Compliance**Lynne Shortt**

The Legal and Compliance unit provides guidance and advice on internal and external regulatory requirements in conformance with best governance practices. The unit prepares governance documents such as the Australia Council Governance Manual and Code of Conduct for Council, board and committee members, and is responsible for inter-governmental correspondence and liaison with the Department on artform board and Council appointments. This year the unit has worked extensively on reducing the legal complexity of legal documents to create user friendly agreements for Australia Council clients.

Corporate Resources:**Executive Director of Corporate Resources****Robin Cowdery****Director, Human Resources****Denis Fuelling****Manager, Finance****Susan Casali****Manager, Operations****Carolyn Watts****Manager, Information Services****Kieran Creaven**

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

Acquittals went online from August and applications from February, achieving a successful uptake. To date, 93 per cent of applications to online categories were received online. The operations section also made ongoing business improvements to the Australia Council's Grants Management System including enhancements to the system of financial and project management reporting, arising from the business process review in 2008.

This year, the Australia Council's Information Services launched a pilot version of a new Customer Relationship Management system in the Arts Development division to enable staff to be better informed about clients and stakeholders, and so provide better customer service. It will roll out to the rest of the organisation in September 2009. A business intelligence system was

also implemented in January, with graphical dashboard reporting of key data from the GMS and finance systems.

Server hardware was also upgraded to meet demand for the next three years. Server virtualisation was implemented to consolidate all business applications on far fewer servers and increase server availability.

Human Resources worked towards a new Enterprise Agreement for 2009 to 2011. The team also implemented a new induction processes across the organisation including a management induction. Supporting the organisation's leaders to implement useful and effective changes within their sections was a priority.

**Over six years,
Artsupport
Australia has
facilitated over
\$35 million in
philanthropic
donations to
artists and arts
organisations, with
\$7.7 million raised
by Artsupport
Australia in this
year alone.**

3 About the Australia Council





KP 11 Exhibition launch at the Australia Council.
Photo: Sharon Hickey

About the Australia Council

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

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.

The functions of the Australia Council are:

- a to formulate and carry out policies designed:
 - i to promote excellence in the arts
 - ii to provide, and encourage the 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 right 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; and
- b to encourage the support of the arts by the States, local governing bodies and other persons and organizations
- c 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 relating to the performance of its functions; and
- d to do anything incidental or conducive to the performance of any of the foregoing functions.

Governance

The governing body of the Australia Council is the Council. The primary role of the Council is the achievement of the agency's policy and strategic objectives.

To fulfil this role, the Council is responsible for the overall corporate governance of the agency including implementing its strategic direction, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

In accordance with the *Australia Council Act 1975*, the Council has between 10 and 14 members, not including the Australia Council Chief Executive who is a member of the Council (*ex officio*). Terms of appointment for members of the Council are generally three years. Terms shall not exceed four years however members are eligible for re-appointment. Appointments cannot be more than 6 continuous years. 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 to regional, gender, multicultural and Indigenous community participation in the arts.

All new members of the Council are provided with an induction program where they receive a copy of the *Australia Council Governance Manual* and the Departmental publication *General Guidance for Directors of Statutory Authorities*. They must abide by the Code of Conduct for Council, board and committee members which is reproduced in the *Governance Manual*. The manual also contains a section that outlines appropriate ethical standards with regard to, amongst other things, directors obligations, confidentiality and disclosure of Council business, conflicts of interest, political activity, sponsored travel and acceptance of gifts.

If a Council member requires legal advice on any matter, the Chairperson advises the Chief Executive Officer to make arrangements for obtaining this advice.

During 2008–09, the Council met five times:

- 12–13 August 2008 in Hobart
- 9–10 October 2008 in Melbourne
- 4–5 December 2008 in Sydney
- 3–4 March 2009 in Sydney
- 7–8 May 2009 in Brisbane.

Members of the Council as at 30 June 2009

The Governor-General appoints the Council Chairperson on advice of the Minister for the Environment, Heritage and the Arts. The Minister appoints members of the Council following consultation with the Prime Minister and Cabinet

Chair (NSW)

James Strong AO

Appointed Chair of the Council for three years from 1 July 2006; and reappointed for an additional three years from 1 July 2009, member of the Audit and Finance Committee, and the Nominations and Governance Committee; Chairman of Insurance Australia Group Ltd, Woolworths Limited, non-executive Director of Qantas Airways Limited; Director of Story Bridge Adventure Climb Pty Ltd and the Australian Grand Prix Corporation.

Deputy Chair (Vic.)

Joseph Gersh AM

Appointed Deputy Chair of the Council for three years from 1 July 2006, completed his term on 30 June; Chair of the Nominations and Governance Committee, and Appeals Committee, and member of the Audit and Finance Committee; Executive Chair of Gersh Investment Partners Ltd; Chair of the Australian Reinsurance Pool Corporation and Artbank; Director of the Payments System Board of the Reserve Bank of Australia and The Sydney Institute and member of the Business-Government Advisory Group on National Security.

Chair, Major Performing Arts Board (SA)

Rick Allert AO

Appointed to the Council as Chair of the Major Performing Arts Board for three years from 1 February 2006 and reappointed for a further three years to 2012; Chair of the Audit and Finance Committee; Chair of Tourism Australia; Chair of AXA Asia Pacific Holdings Ltd and Aboriginal Foundation of South Australia, Deputy Chair Cavill Power Products Pty Ltd Group; Director of Genesee & Wyoming Australia Pty Ltd and Australia Business Arts Foundation; member of the Forces Advisory Council on Entertainment.

Community interest representative (SA)

Nicola Downer AM

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; a member of the Decisions Review Committee; vice patron Regional Arts Australia, Governor of the State Theatre Company of South Australia; Chair of the Helpmann Academy Foundation Board and Fleurieu Peninsula Biennale; Patron of the Hahndorf Academy; 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, Helpmann Academy Board, and the Victoria League for Commonwealth Friendship in SA.

Chair, Dance Board (Vic.)

Dominique Fisher

Appointed to the Council as Chair of the Dance Board for three years from 9 August 2006; Principal of EC Strategies Pty Ltd; Managing Director 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.).

Chair, Music Board (NSW)

Dr Matthew Hindson AM

Appointed to the Council as Chair of the Music Board for three years from 27 March 2009; renowned composer and Senior Lecturer in Composition & Media Technology and Arts Music at the Sydney Conservatorium of Music.

Chair, Theatre Board (SA)

Rosalba Clemente

Appointed to the Council as Chair of the Theatre Board for three years from 26 March 2008. Member of the artistic directorate for Hothouse Theatre Company; member acting curriculum board for the Helpmann Academy; Patron to St Hilarion Aged Care Homes; worked with Vitalstatistix Theatre Company, Windmill Theatre Company and the Adelaide Festival Centre as a freelance playwright.

Community interest representative (Qld)

Professor Brad Haseman

Appointed to the Council as a community interest representative for three years from 26 March 2008; Chair of the Community Partnerships Committee; Assistant Dean (Research) Creative Industries Faculty at the Queensland University of Technology; Chair of SPARK.

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

Dr Mark Bin Bakar

Appointed to the Council as Chair of the Aboriginal and Torres Strait Islander Arts Board for three years from 30 April 2009; Renowned entertainer and creator of the iconic character *Mary G*; member of National Indigenous Representative Board; Chair of the Kimberley Stolen Generation Aboriginal Corporation; committee member of Australian Film, Television, Radio School, WA Department for the Arts Aboriginal Assessment Panel and Broome Aboriginal Media Association; winner of Deadly Sounds National Music Awards, NAIDOC awards and the Tudawali Award.

Chair, Visual Arts Board (WA)

Professor Red Snell

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.

Chief Executive Officer (NSW)

Kathy Keele

Appointed Chief Executive Officer and member of the Council (*ex officio*) for three years on 7 February 2007; Chair of the Decisions Review 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; Director, International Federation of Arts Councils and Cultural Agencies, observer status on the Cultural Ministers Council Standing Committee.

Staff representative

Australia Council staff elect a staff representative to represent them as an observer on the Council. Lucy Mendelsohn, Project Coordinator, Community Partnerships was elected staff representative for 2008-09.

Department of the Environment, Heritage and the Arts representative

The Department of the Environment, Heritage and the Arts has observer status on the Council. Lynn Bean, First Assistant Secretary of Arts was the appointed observer for the Department for 2008-09.

Figure 9. Schedule of attendance at Council meetings 2008-09

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
James Strong AO	5	5
Joseph Gersh AM	5	5
Kathy Keele	5	5
Richard Allert AO	5	5
Barbara Black	4	3
Nicola Downer AM	5	4
Dominique Fisher	5	4
Dr Imre Salusinszky	5	4
Dr Chris Sarra	4	3
Prof Ted Snell	5	5
Prof Brad Haseman	5	5
Dr Graeme Koehne	3	2
Rosalba Clemente	5	5

Changes to Council membership in 2008-09:

- Rick Allert AO, Chair of the Major Performing Arts Board, was re-appointed for a further three-year term from 1 February 2009.
- Dr Imre Salusinszky, Chair of the Literature Board, completed his term on 23 June 2009.
- Barbara Black, community interest representative, completed her term on 2 April 2009.
- Dr Chris Sarra, Chair of the Aboriginal and Torres Strait Islander Arts Board completed his term on 8 March 2009.
- Dr Mark Bin Bakar, was appointed Chair of the Aboriginal and Torres Strait Islander Arts Board on 30 April 2009.
- Dr Graeme Koehne, Chair of the Music Board, completed his term on 18 December 2008.
- Joseph Gersh AM, Deputy Chair, Australia Council, completed his term on 30 June 2009.
- Dr. Matthew Hindson AM, was appointed Chair of the Music Board on 27 March 2009.

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 Council 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, Reserves Fund Committee, the generic artform boards, Major Performing Arts Board and Aboriginal and Torres Strait Islander Arts Board are publicly available on the Australia Council's website at:

http://www.australiacouncil.gov.au/about_us/annual_report/annual_report_2008-09/delegations

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.

Figure 10. Attendance at audit and finance committee meetings

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Rick Allert AO (Chair)	5	5
James Strong AO	5	5
Joseph Gersh AM	5	5
Kathy Keele	5	5
Barbara Black	4	4

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 Chair and Chief Executive to rescind a previously approved grant.

Membership of the committee comprises any two of the non-board chair members of the Council, the Deputy Chair of the Council (or Chairperson, if the Deputy Chair has participated in the decision to rescind subject to an appeal), and a board chair member of the Council not involved in the decision previously. No appeals were received during the year and the Appeals Committee did not meet.

Figure 11. Attendance at community partnership committee meetings

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Prof Brad Haseman (Chair)	4	4
Khaled Abdulwahab	4	4
Malcolm Bywaters	4	4
Mia Christophersen	4	2
Claudia Chidiac	1	1
Joanne Brown	1	1
Imelda Rivers	1	1
Jeremy Smith	1	1

Audit and Finance Committee

The Audit and Finance Committee's objective is to oversee and review the Australia Council's corporate governance obligations of 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 unless specifically directed to through resolution. The committee is chaired by a member of the Council and includes the Chair of the Council, the Deputy Chair, one other Council member and the Chief Executive. The Audit and Finance Committee met five times in 2008–09.

Figure 12. Attendance at nominations and governance committee meetings

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Joseph Gersh AM (Chair)	5	5
James Strong AO	5	5
Kathy Keele (CEO)	5	5

Community Partnerships Committee

The Community Partnerships Committee provides strategic, advisory and policy leadership to the 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 four times during 2008–09.

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 and at least three Council members, none of whom may be board chairs.

Members of the committee at 30 June 2009 were:

- Kathy Keele (Chair)
- Nicola Downer AM
- Vacant

The Decisions Review Committee did not meet in 2008–09. Four requests for review were received by the Council during the year but did not meet the criteria for review.

Donations Fund Committee

This committee was responsible for accepting and administering 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. As this committee rarely met, Council at its 12 August meeting, agreed to manage and govern the donations fund as part of Council business and revoked the delegation to the Committee.

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 1975*. 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 2008–09.

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 2008–09.

Members of the committee at 30 June 2009 were:

- Kathy Keele (Chair)
- Tony Grybowski
- Robin Cowdery
- (Vacant)

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 between seven and nine members and all have a Chair.

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, 14 peers provided external assessment of initiatives or performances, and 63 peers participated in board and committee grants assessment meetings.

Funding decisions by senior officers

Certain senior officers of the 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.

Artform board members at 30 June 2009:

Aboriginal and Torres Strait Islander Arts Board

- Dr Mark Bin Bakar (Chair, WA)
- Richard Frankland (Vic.)
- Jeanette James (Tas.)
- Lynette Narkle (WA)
- Tara June Winch (NSW)

Dance Board

- Dominique Fisher (Chair, Vic.)
- Claudia Alessi (WA)
- Jeff Khan (NSW)
- Elizabeth Walsh (Tas.)
- Julie Anne Long (NSW)
- Brian Lucas (Qld)

Literature Board

- Vacant (Chair)
- Dr Peter Holbrook (Qld)
- John Romeril (Vic.)
- Gail Jones (NSW)
- Prof Nicholas Jose (NSW)
- Margaret Lanagan (NSW)
- Julia Fay Zwicky (WA)

Major Performing Arts Board

- Rick Allert AO (Chair, SA)
- Frank Cooper (WA)
- Lindy Hume (NSW)
- Mary-Ellen King (Vic.)
- Elizabeth Proust (NSW)
- Martin Kriewaldt (Qld)

Music Board

- Dr Matthew Hindson AM (Chair, NSW)
- George Butumlis (Vic.)
- Anne Gilby (Vic.)
- Kim Mooney (NSW)
- Virginia Taylor (ACT)
- Neil Thompson (Qld)

Theatre Board

- Rosalba Clemente (Chair, SA)
- Annette Downs (Tas.)
- Sue Broadway (Vic.)
- Fraser Cameron Corfield (Qld)
- Fiona Winning (NSW)
- Matthew Lutton (WA)
- Prof Christopher Puplick AM (NSW)

Visual Arts Board

- Prof Ted Snell (Chair, WA)
- Robin Best (SA)
- Steven Alderton (NSW)
- Dennis del Favero (NSW)
- Lyndal Jones (Vic.)
- Janet Laurence (NSW)
- Richard Whitely (NSW)
- Michael Zavros (Qld)

Organisation

Organisational structure

On 30 June 2009, the Australia Council organisation comprised the Office of the Chief Executive and five divisions: Arts Funding Aboriginal and Torres Strait Islander Arts; Arts Organisations; Arts Development; and Corporate Resources.

The Chief Executive is responsible to the Council for the conduct of its affairs and, in conjunction with the Council Chair, liaises with the Minister concerning Government arts policies and the Australia Council's budget, statutory powers and functions. The Chief Executive also liaises with the Department of the Environment, Water, Heritage and the Arts (DEWHA) concerning Government arts policies.

The Office of the Chief Executive 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, legal and compliance and the secretariat. Artsupport Australia manages the Australia Council's philanthropic activity.

Arts Funding supports the excellence and diversity of arts practice through its grant categories, strategic initiatives and multi-arts projects. The division comprises six artform sections plus Community Partnerships. 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 Community Partnerships section drives the Australia Council's work in social inclusion notably community cultural development, youth, education, disability and regional development.

Aboriginal and Torres Strait Islander Arts Board 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 Organisations comprises two sections—Major Performing Arts (MPA) and Key Organisations. MPA 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. The Key Organisations section is responsible for managing relationships with triennially funded arts organisations.

Arts Development is responsible for the Australia Council's work in the areas of audience and market development, arts marketing skills development, international marketing and promotion and research and strategic analysis.

Corporate Resources provide the Australia Council's human resources, financial services, operations, information technology and office support functions. This includes supporting the organisation in its business planning and budgeting activities.

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 2009 was 115 FTE employees compared to 129 FTE employees at 30 June 2008 (see figure 13). The representation of employees in the targeted equal employment opportunity groups at 30 June 2009 is shown as a percentage of total employees in Figure 14 below.

Note: For the purpose of effective comparison the 2007/08 staff figures per division and division names have been changed to reflect the organisational restructure which became effective in July 2008. For example: The Community Partnerships and Market Development Division became the Arts Development Division in July 2009. The Arts Development Division became the Arts Funding Division in July 2009.

Chief Executive

Kathy Keele

Appointed February 2007. Previously Chief Executive, Australia Business Arts Foundation; extensive experience in business development and marketing.

Executive Director, Aboriginal and Torres Strait Islander Arts

Lydia Miller

Appointed June 2005. Previously Executive Officer, Aboriginal Justice Advisory Council; extensive experience in the arts, health and community sectors.

Executive Director, Arts Development

Sandra Bender

Appointed January 2009. Previously Director Market Development, Australia Council; extensive experience across all artforms.

Executive Director, Arts Funding

Libby Christie

Appointed April 2009. Previously Managing Director, Sydney Symphony; extensive experience in arts management and marketing.

Executive Director, Arts Organisations

Tony Grybowski

Appointed September 2007. Previously General Manager, programming and innovation at Arts Victoria; extensive experience in arts management. Executive Director, Corporate Resources

Robin Cowdery

Appointed October 2007. Previously General Manager, business and finance, Cotton Research and Development Corporation; extensive experience in finance and business administration.

Accountability

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

Service Charter

The Australia Council's service charter reflects its commitment to quality client service. It describes the service standards that clients and other stakeholders can expect from the Australia Council. The charter can be viewed at www.australiacouncil.gov.au.

In 2008–09, there were nine written complaints. The Australia Council resolved all of the complaints within the charter's service standards. The most common complaints were about unsuccessful applications to funding categories.

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.

Figure 13. Number of staff (FTE) by division 2008–09

DIVISION	2007–08	2008–09
Aboriginal and Torres Strait Islander arts	14	9
Arts development	23	23
Arts funding	48	42
Arts organisations	11	11
Corporate resources	17	17
Office of the CEO and ArtSupport Australia	16	13
Total	129	115

Figure 14. Representation of employees in equal employment and opportunity groups at 30 June 2009

GROUP	
Women	73.3%
Aboriginal and Torres Strait Islanders	2.5%
Disability	4.2%
Non-English speaking background	10%

The Australia Council is committed to making timely public announcements in accessible formats for people with disabilities. Media announcements are available on the website in HTML and PDF formats. General information is provided in print and online formats. 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. This information is used by Australia Council in monitoring access to its funding programs by people with disabilities.

In 2008–09, the Australia Council:

1. Introduced an online grants system which provides easier access to its grants program for all applicants including those with a disability.
2. Introduced a system that identifies, develops and encourages an internal network of disability champions. These members of staff are being trained by an external agency to identify further opportunities for the Australia Council to improve its understanding and inclusion of people with disabilities. One of the disability champions sits on the organisation's OHS Committee.

The Australia Council also ensures that its 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 advertisements are available on the Australia Council website.

The Australia Council has a recruitment policy that promotes effective recruitment and selection decisions. The induction program provides new employees with an understanding of the Australia Council's functions and policies. The Australia Council collects data relating to diversity and reports on it annually.

The Australia Council's Problem Solving Policy provides staff with access to a reliable and straight forward process for dealing with all workplace problems. External complaints are made directly to the area of Australia Council where the problem exists. The director of the section is responsible for resolving that matter satisfactorily. These complaints are monitored by the Manager, Legal and Compliance. Where a review of decisions is needed in relation to a grant process the Manager, Legal and Compliance manages the process after receiving a report from the Executive Director of the division involved.

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 the work of the agency; documents held by the agency; and how members of the public can access these documents.

Organisation

The Australia Council was established by the *Australia Council Act 1975* and is responsible to the Minister for the Environment, Heritage and the Arts.

Facilities for access

The FOI Act provides persons with a legally enforceable right of access to documents held by the Australia Council. Many documents are available upon request in full or in part. The Australia Council can provide clients with a range of documents that contain their personal information outside the formal provisions of the Act. These documents may include applications and material clients supplied to the Australia Council in their applications for funding or grants.

Alternatively, applicants may arrange to inspect certain documents at the Australia Council offices. The Australia Council's offices are located at 372 Elizabeth Street, Surry Hills NSW. The phone number is 02 9215 9000 or 1800 226 912 toll-free during normal business hours. The offices are wheelchair accessible.

There are numerous documents and files located at the National Archives. 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.

Freedom of Information requests

Members of the public may apply for access to documents under the FOI Act. Formal requests for access to documents must be in writing and should include a \$30 application fee and be addressed to:

Chief Executive
Attention: Manager, Legal and Compliance
Australia Council for the Arts
PO Box 788,
Strawberry Hills NSW 2012

There were four requests for information under the FOI Act in 2008–09.

Categories of documents

The Australia Council has extensive documentary holdings in hard copy and electronic form. In many cases, the information being sought is available on the Australia Council website. Australia Council generated reports, research papers, newsletters, handbooks, brochures and special interest titles on the arts are generally available from its library.

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 and;
- Australia Council policies (National Aboriginal and Torres Strait Islander Arts, Arts in a Multicultural Australia, Regional Arts Development, Young People and the Arts).

Decision-making and other powers

The Australia Council makes decisions under its enabling legislation, the *Australia Council Act 1975*. Under section 6 of this Act, the Council has the power to do all things necessary in carrying out its functions. Section 7 of this Act provides the authority for Council to delegate any of its powers and functions to a board, committee or employee.

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 and;
- '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 Australia Council has a risk management framework which sets the policies for managing risk and documents the processes for risk identification and mitigation strategies. An external audit of the effectiveness and completeness of its risk management framework was conducted in January and a work plan addressing the review's findings is being rolled out.

Staff training and education

The Australia Council delivered a series of internal compliance training programs during 2008–09.

These programs consisted of:

- Copyright in the digital age
- Australia Council contracts
- Good decision-making processes.

External review

Judicial decisions and reviews by outside bodies.

During 2008–09, there were no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant impact on the Australia Council's operations. Nor have there been any reports on the operations of the Australia Council by the Auditor-General (other than the report on the financial statements) or by a parliamentary committee.

Australian National Audit Office

There were no reviews or audits of the Australia Council during the 2008–09 period other than its annual review of its financial statements and specific government initiatives.

Insurance

The Australia Council's insurance policies for 2008–09 included cover for directors' and officers' liability. The premium paid for this insurance cover was approximately \$10,000.

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*. Fraud prevention, detection, investigation and reporting procedures are in place. The Australia Council has collected and reported annual fraud data. It manages its risks in accordance with best practice.

Review of operations

The first section of this annual report outlines the Australia Council's performance in 2008–09 against the objectives that were set out in the Corporate Plan 2006–2010. These objectives support the achievement of the Australia Council's vision and mandate.

Significant events

No significant events in the context of section 15 of the Commonwealth Authorities and Companies Act occurred during 2008–2009. This section deals with the need to notify the responsible Minister of events such as proposals to form a company, partnership or trust, to acquire or dispose of or commence or cease business activities, or to make other significant change.

Workplace

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

Enterprise Agreement

The Australia Council has received in-principle support for its Enterprise Agreement 2009–2011 from members of the Community and Public Sector Union. The document is reduced significantly in size and provides a streamlined approach to defining employment conditions for all employees other than its leadership team. Members of the leadership team at the Australia Council are regarded as Senior Executive Staff equivalent. The draft document was delivered to the Department of Education, Employment and Workplace Relations for a preliminary assessment in July 2009.

In the current financial environment and given its budget restrictions, the Australia Council offered to make a public transport scheme available to staff. Under this scheme the Australia Council will purchase discounted travel passes for staff who will then pay for it through regular payroll deductions resulting in a considerable saving.

Recruitment

There were 46 employee commencements and 55 exits during the year. Recruitment activity focused on hiring fixed-term project management expertise, and filling divisional administration roles, senior management and some 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 has an active occupational health and safety committee with key performance indicators assigned. Committee members conduct risk assessments on a regular basis. All new employees attend an ergonomic workshop which is conducted by a qualified trainer. A team of trained first aid support persons assist with the proactive management of incidents or injuries and timely and efficient reporting.

The Australia Council continues to have rigorous emergency evacuation procedures and regularly conducts fire drills and fire warden training. Fire wardens are replaced promptly when vacancies occur.

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 was \$35,500 in 2008–09, compared to \$226,000 in 2007–08. The cost of advertising for all other purposes including the promotion of new initiatives and projects was \$28,438 in 2008–09, compared to \$100,506 in 2007–08. The significant reduction of ad spend was due to the higher rate of executive recruitment in the print media during 2007–08. In 2008–09, print advertising was reduced in favour of more online advertising.

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.

Energy consumption kWh

- 2007–08 883,218
- 2008–09 778,566

Paper consumption Reams per year
(A4 80gsm copy paper)

- 2007–08 4,200
- 2008–09 4,329

Recycled paper Weight (kg)

- 2007–08 13,801
- 2008–09 21,916

Recycled glass, plastic, and aluminium Weight (kg)

- 2007–08 1,342
- 2008–09 880

4 Financial review



Stuart Day of Patch Theatre Company.
Photo: Courtesy Patch Theatre Company





INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment, Heritage and the Arts

Scope

I have audited the accompanying financial statements of the Australia Council (the Council) for the year ended 30 June 2009, which comprise: a Statement by Council Members and Executive Director, Corporate Services; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Council Members' Responsibility 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*, including Australian Accounting Standards (which include 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 my audit. I conducted my audit in accordance with Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Auditor's Opinion

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

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australia Council's financial position as at 30 June 2009 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



P Hinchey
Senior Director
Delegate of the Auditor-General

Sydney
18 August 2009



Rafael Bonachela's 360; Sydney Dance Company.
Photo: Jeff Busby

Statement by Council members and Executive Director, Corporate Resources

for the year ended 30 June 2009

In our opinion, the attached financial statements for the year ended 30 June 2009 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

Chair

18 August 2009

Kathy Keele

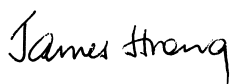
Chief Executive

18 August 2009

Robin Cowdery

Executive Director, Corporate Resources

18 August 2009



Income statement

for the year ended 30 June 2009

	Notes	2008–09 \$'000	2007–08 \$'000
Income			
Revenue			
Revenues from government	3(a)	166,290	162,644
Interest	3(b)	2,915	4,164
Rental income	3(c)	54	50
Other revenue	3(d)	9,502	10,387
Total revenue		178,761	177,245
Total income		178,761	177,245
Expenses			
Employee benefits	4(a)	9,203	11,311
Suppliers	4(b)	4,103	4,212
Grants and programs	4(c)	175,323	162,729
Depreciation and amortisation	4(d)	1,078	825
Finance costs	4(e)	45	39
Losses from asset sales	4(f)	2	–
Total expenses		189,754	179,116
Surplus/(deficit) before transfer from/(to) special purpose reserve		(10,993)	(1,871)
Transfer from/(to) special purpose reserve		2,050	916
Surplus/(deficit)		(8,943)	(955)

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

Balance sheet

as at 30 June 2009

	Notes	2008-09 \$'000	2007-08 \$'000
Assets			
Financial assets			
Cash and cash equivalents	5(a)	19,622	29,454
Trade and other receivables	5(b)	2,784	2,128
Total financial assets		22,406	31,582
Non-financial assets			
Land and buildings	6(a)(d)	2,016	2,698
Infrastructure, plant and equipment	6(b)(d)	1,761	1,836
Intangibles	6(c)(e)	576	217
Other non-financial assets	6(f)	252	233
Total non-financial assets		4,605	4,984
Total assets		27,011	36,566
Liabilities			
Payables			
Suppliers	7(a)	903	785
Grants and programs	7(b)	3,154	1,574
Other payables	7(c)	297	359
Total payables		4,354	2,718
Provisions			
Employee provisions	8(a)	1,268	1,511
Other provisions	8(b)	682	637
Total provisions		1,950	2,148
Total liabilities		6,304	4,866
Net assets		20,707	31,700
Equity			
Reserves		5,306	7,356
Retained surplus*		15,401	24,344
Total equity		20,707	31,700
Current assets		22,528	31,815
Non-current assets		4,483	4,751
Current liabilities		5,334	2,928
Non-current liabilities		970	1,938

*Required for commitments beyond 30 June.

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

Statement of changes in equity

for the year ended 30 June 2009

	Retained earnings		Asset revaluation reserves		Other reserves		Total equity	
	2008-09 \$'000	2007-08 \$'000	2008-09 \$'000	2007-08 \$'000	2008-09 \$'000	2007-08 \$'000	2008-09 \$'000	2007-08 \$'000
Opening balance								
Balance carried forward from previous period	24,344	25,299	2,983	2,044	4,373	5,301	31,700	32,644
Income and expenses recognised directly in equity	–	–	–	939	–	–	–	939
Sub-total income and expenses recognised directly in equity	–	–	–	939	–	–	–	939
Surplus (deficit) for the period	(8,943)	(955)	–	–	–	–	(8,943)	(955)
Total income and expenses	(8,943)	(955)	–	–	–	–	(8,943)	(955)
Transfer (from)/to Books Alive Reserve	–	–	–	–	210	50	210	50
Transfer (from)/to Asher Estate Bequest	–	–	–	–	4	(12)	4	(12)
Transfer (from)/to Orchestras Review Reserve	–	–	–	–	(1,126)	(1,036)	(1,126)	(1,036)
Transfer (from)/to NOISE Reserve	–	–	–	–	(16)	(242)	(16)	(242)
Transfer (from)/to Young and Emerging Reserve	–	–	–	–	(645)	(61)	(645)	(61)
Transfer (from)/to Visual Arts Craft Strategy Reserve	–	–	–	–	(477)	373	(477)	373
Closing balance as at 30 June	15,401	24,344	2,983	2,983	2,323	4,373	20,707	31,700

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

Cash flow statement

for the year ended 30 June 2009

	Notes	2008-09 \$'000	2007-08 \$'000
Operating activities			
Cash received			
Receipts from Government		166,290	162,644
Interest		2,976	4,190
Net GST received		–	1,001
Other cash received		9,560	10,349
Total cash received		178,826	178,184
Cash used			
Employees		(9,508)	(11,315)
Suppliers		(4,003)	(4,329)
Net GST paid		(720)	–
Grants and programs		(173,743)	(151,449)
Total cash used		(187,974)	(167,093)
Net cash flows from (used by) operating activities	9	(9,148)	11,091
Investing activities			
Cash used			
Purchase of property, plant and equipment		(684)	(355)
Total cash used		(684)	(355)
Net cash flows from (used by) investing activities		(684)	(355)
Net increase/(decrease) in cash held		(9,832)	10,736
Cash and cash equivalents at the beginning of the reporting period		29,454	18,718
Cash and cash equivalents at the end of the reporting period	5(a)	19,622	29,454

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

Schedule of commitments

as at 30 June 2009

	2008-09 \$'000	2007-08 \$'000
By type		
Commitments receivable		
Sublease rental income	40	71
GST recoverable on commitments	15,666	24,285
Total commitments receivable	15,706	24,356
Other commitments payable		
Operating leases	24,147	3,226
Other commitments	148,683	264,641
Total other commitments	172,830	267,867
Net commitments by type	157,124	243,511
By maturity		
Commitments receivable		
One year or less	12,363	13,079
From one to five years	2,136	11,277
Over five years	1,207	–
Total commitments receivable	15,706	24,356
Commitments payable		
Operating lease commitments		
One year or less	1,877	2,166
From one to five years	8,995	809
Over five years	13,275	251
Total operating lease commitments	24,147	3,226
Other commitments		
One year or less	134,007	141,097
From one to five years	14,676	123,544
Total other commitments	148,683	264,641
Net commitments by maturity	157,124	243,511

NB: Commitments are GST inclusive where relevant.

Leases for office accommodation

Lease payments are subject to an annual increase in accordance with contractual terms. The initial period of the office accommodation lease is still current.

Other commitments

Other commitments comprise commitments payable of \$107.8m to Major Performing Arts Board companies and \$40.8m 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.

Schedule of contingencies

as at 30 June 2009

There were no contingent assets or liabilities at 30 June 2009.

Notes to and forming part of the financial statements

For the year ended 30 June 2009

Note	Description
1.	Summary of significant accounting policies
2.	Events after the balance sheet date
3.	Income
4.	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.	Remuneration of auditors
14.	Financial instruments
15.	Reporting of outcomes

Notes to and forming part of the financial statements for the year ended 30 June 2009

Note 1. Summary of significant accounting policies

1.1 Basis of preparation of the financial report

The financial statements and notes 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 (the Council) in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for its 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 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) 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 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 an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard.

Unless alternative treatment is specifically required by an accounting standard, income 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.

1.2 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.

1.3 New accounting standards

Adoption of new Australian accounting standard requirements

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

Future Australian accounting standard requirements

New standards, amendments to standards, and interpretations that are applicable to future periods have been issued by the Australian Accounting Standards Board. It is assessed that adopting these pronouncements, when effective, will have no material impact on future reporting periods.

1.4 Revenue

Receivables for goods and services, which have 21 day (2008: 14 day) terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on receipt or with respect to term deposit investments, on maturity.

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.

Revenues from government

Notes to and forming part of the financial statements for the year ended 30 June 2009

Funding received or receivable from agencies appropriated to the agency as a CAC Act body payment item for payment to the Council is recognised as Revenue from Government unless it is in the nature of an equity injection.

1.5 Gains

Sale of assets

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

1.6 Employee benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within twelve months of balance date 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 at 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 Council is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time the leave is taken, including the 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 2009. In determining the present value of the liability, the Council has taken into account attrition rates and pay increases through promotion and inflation.

Superannuation

Employees of the 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 for the Australian Government. The PSSap is a defined contribution scheme.

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

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

1.7 Leases

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

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

The Council has no finance leases.

1.8 Grants and programs expense and payables

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

Notes to and forming part of the financial statements for the year ended 30 June 2009

1.9 Finance costs

All finance costs are related to the unwinding of the lease make good provision and are expensed as incurred.

1.10 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 12 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.11 Financial assets

The Council classifies its financial assets in the following categories:

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

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

Held-to-maturity investments

The Council has at call and from time to time term deposit investments to manage its cash position and obtain the best available return.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are measured at fair value.

Financial assets are assessed for impairment at each balance date.

1.12 Financial liabilities

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

Other financial liabilities

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

Supplier and other payables

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

1.13 Contingent liabilities and contingent assets

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

1.14 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 revenue at their fair value at the date of acquisition.

1.15 Property, plant and equipment

Asset recognition threshold

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

Notes to and forming part of the financial statements
for the year ended 30 June 2009

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 Council where there exists an obligation to restore the property to its original condition. These costs are included in the value of the Council's leasehold improvements with a corresponding provision for the makegood recognised.

Revaluations

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

Land—Market price

Buildings excluding leasehold improvements—Market price

Leasehold improvements—Depreciated replacement cost

Infrastructure, plant and equipment—Depreciated replacement cost

Heritage and cultural assets—Market price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. 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 operating result. Revaluation decrements for a class of assets are recognised directly through operating result 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 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2009

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

	2008-09	2007-08
Buildings on freehold land	40 years	40 years
Buildings on leasehold land	50-75 years	50-75 years
Leasehold improvements	10 years	10 years
Plant and equipment—excluding musical instruments	3-50 years	3-50 years
Plant and equipment—musical instruments	15-100 years	15-100 years
Plant and equipment—works of art	50-250 years	50-250 years

Impairment

All assets are assessed for impairment at 30 June. Where the fair value is less than the carrying amount, the asset is written down accordingly.

1.16 Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Council's software are 3 years (2008: 3 years).

All software assets are assessed for indications of impairment at 30 June.

1.17 Taxation

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

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

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

Note 2. Events after the balance sheet date

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

Notes to and forming part of the financial statements

for the year ended 30 June 2009

	2008–09 \$'000	2007–08 \$'000
Note 3. Income		
3(a) Revenue from government		
Department of Environment, Water, Heritage and the Arts		
– CAC Act payment	166,290	162,644
Total revenue from government	166,290	162,644
3(b) Interest		
Deposits	2,915	4,164
Total interest	2,915	4,164
3(c) Rental income		
Operating lease:		
– Other	54	50
Total rental income	54	50
3(d) Other revenue		
Returned grants	456	169
Income from fund raising		
– Venice Biennale 2007	–	346
– Venice Biennale 2009	914	48
– Other	–	6
Contribution from the Department of Environment, Water, Heritage and the Arts for:		
– Artstart review of artists incomes	15	–
– Books Alive	2,000	–
– Creative Communities	–	1,750
– Visual Arts & Craft Strategy	5,309	–
Contribution from the Department of Communications, Information Technology and the Arts for:		
– Books Alive	–	2,000
– Regional Arts Fund	–	100
– Visual Arts & Craft Strategy	–	5,190
– Ozarts Online	–	65
Arts NSW		
– Festival of Pacific Arts	–	50
– Opera Australia management consultancy	50	–

Notes to and forming part of the financial statements

for the year ended 30 June 2009

	2008-09 \$'000	2007-08 \$'000
Arts NT		
– Review of Theatre and Performance in the Northern Territory	–	15
Arts Qld		
– ADVICE Project	–	60
– Artsupport State Manager	80	20
– Festival of Pacific Arts	–	41
– Managing and Producing Services Project	–	150
– Time Place Space	–	50
– Arts Nexus	15	–
Arts SA		
– Festival of Pacific Arts	10	–
Arts Vic.		
– ADVICE Project	–	60
– Festival of Pacific Arts	–	30
– Managing and Producing Services Project	–	25
– World Summit on Arts & Culture	200	–
– Other	–	36
Arts WA		
– Festival of Pacific Arts	–	10
– Artsupport State Manager	126	34
Contributions from other non-government entities for:		
– ADVICE Project	–	35
– Festival of Pacific Arts	–	35
– CP Creative Communities Partnership	110	–
Artsupport Masterclass	29	–
Marketing Summit	119	–
Theatre Forum	54	–
Other	15	62
Total other revenue	9,502	10,387

Notes to and forming part of the financial statements

for the year ended 30 June 2009

	2008–09 \$'000	2007–08 \$'000
Note 4. Expenses		
4(a) Employee benefits		
Wages and salaries	8,377	8,736
Superannuation		
– Defined contribution plans	577	738
– Defined benefit plans	411	751
Leave and other entitlements	(177)	716
Separation and redundancies	15	370
Total employee benefits	9,203	11,311
4(b) Suppliers		
Provision of goods—external parties	2,500	2,658
Operating lease rentals—external parties	1,531	1,508
Workers compensation premiums	72	46
Total supplier expenses	4,103	4,212
4(c) Grants and programs		
Board Grants	33,057	30,716
Major Performing Arts	95,003	91,396
Divisional Programs	20,870	20,044
Government Initiatives	17,300	11,538
Council Initiatives	9,093	9,035
Total grants and programs	175,323	162,729
4(d) Depreciation and amortisation		
Depreciation:		
– Infrastructure, plant and equipment	216	184
– Buildings	698	456
Total depreciation	914	640
Intangibles:		
– Computer software	164	185
Total amortisation	164	185
Total depreciation and amortisation	1,078	825
4(e) Finance costs		
Unwinding of make good provision	45	39
Total finance costs	45	39
4(f) Losses from asset sales		
Infrastructure, plant and equipment:		
– Proceeds from sale	(2)	–
– Carrying value of assets sold	4	–
Total losses from asset sales	2	–

Notes to and forming part of the financial statements

for the year ended 30 June 2009

	2008-09 \$'000	2007-08 \$'000
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Note 5. Financial assets

5(a) Cash and cash equivalents

Cash on hand	2	2
Cash at bank	824	4,695
At call deposits (investments under s18 of the CAC Act)	18,796	24,757
Total cash and cash equivalents	19,622	29,454

At call deposits earn an effective interest rate of 4.63% (2008: 6.50%). Interest is payable monthly.

5(b) Trade and other receivables

Goods and services—external parties	245	320
Total receivables for goods and services	245	320
GST net receivable from the Australian Taxation Office	2,357	1,639

Other:

– Loans	167	93
– Interest	15	76

Total other receivables	182	169
Total trade and other receivables (net)	2,784	2,128

Receivables are presented by:

Current	2,654	1,915
Non-current	130	213
Total trade and other receivables (net)	2,784	2,128

All receivables are with entities external to Australia Council. Credit terms are net 21 days (2008: 14 days), except for the loan to Australian Music Centre Ltd which has a specified repayment schedule.

Receivables are aged as follows:

Not overdue	2,767	1,915
Overdue by:		
– Less than 30 days	17	147
– 30 to 60 days	–	66
Total receivables (net)	2,784	2,128

Notes to and forming part of the financial statements

for the year ended 30 June 2009

	2008-09 \$'000	2007-08 \$'000
Note 6. Non-financial assets		
6(a) Land and buildings		
Freehold land at fair value	149	149
Total freehold land	149	149
Buildings on freehold land:		
– Fair value	769	769
– Accumulated depreciation	(37)	(22)
Total buildings on freehold land	732	747
Leasehold improvements:		
– Fair value	3,709	3,693
– Accumulated depreciation	(3,692)	(3,032)
Total leasehold improvements	17	661
Buildings on leasehold land:		
– Fair value	1,358	1,358
– Accumulated depreciation	(240)	(217)
Total buildings on leasehold land	1,118	1,141
Total land and buildings (non-current)	2,016	2,698

Included in Land and Buildings are studios in the Cite' Internationale des Arts in Paris, an apartment in Rome, the Australian Pavilion in Venice and the cost of leasehold improvements at 372 Elizabeth Street, Surry Hills, NSW. The Australian Pavillion, apartment in Rome and leasehold improvements at 372 Elizabeth Street Surry Hills NSW were revalued as at 30 June 2008.

The valuations were in accordance with the revaluation policy stated in Note 1 and with respect to the Australian Pavillion and apartment in Rome were completed by independent valuer Jones Lang LaSalle (Italy) and with respect to the leasehold improvements at 372 Elizabeth Street, Surry Hills, by independent valuers Rushton Valuers (Sydney).

No indicators of impairment were found for land and buildings.

Notes to and forming part of the financial statements

for the year ended 30 June 2009

6(b) Infrastructure, plant and equipment

	2008-09 \$'000	2007-08 \$'000
Infrastructure, plant and equipment:		
– Fair value	2,616	2,495
– Accumulated depreciation	(855)	(659)
Total infrastructure, plant and equipment	1,761	1,836
Total infrastructure, plant and equipment (non-current)	1,761	1,836

Infrastructure, Plant and Equipment includes computer equipment and works of art. These items were revalued as at 30 June 2008.

The valuations were in accordance with the revaluation policy stated in Note 1 and were completed by independent valuers Rushton Valuers (Sydney) and Sotheby's Australia Pty Ltd (Sydney).

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

6(c) Intangibles

Computer software at cost:		
– Internally developed—in use	1,438	915
Total computer software:	1,438	915
– Accumulated amortisation	(862)	(698)
Total intangibles (non-current)	576	217

No indicators of impairment were found for intangible assets.

Notes to and forming part of the financial statements

for the year ended 30 June 2009

6(d) Analysis of property, plant and equipment

	Land \$'000	Buildings on freehold and leasehold land \$'000	Buildings leasehold improvements \$'000	Other infrastructure, plant and equipment \$'000	Total \$'000
A—Reconciliation of the opening and closing balances of property, plant and equipment (2008–09)					
As at 1 July 2008					
Gross book value	149	2,127	3,693	2,495	8,464
Accumulated depreciation/amortisation	–	(239)	(3,032)	(659)	(3,930)
Net book value 1 July 2008	149	1,888	661	1,836	4,534
Additions:					
By purchase	–	–	16	145	161
Depreciation/amortisation expense	–	(38)	(660)	(216)	(914)
Disposals	–	–	–	(4)	(4)
Net book value 30 June 2009	149	1,850	17	1,761	3,777
Net book value as of 30 June 2009 represented by:					
Gross book value	149	2,127	3,709	2,616	8,601
Accumulated depreciation/amortisation	–	(277)	(3,692)	(855)	(4,824)
	149	1,850	17	1,761	3,777
B—Reconciliation of the opening and closing balances of property, plant and equipment (2007–08)					
As at 1 July 2007					
Gross book value	149	1,681	3,529	2,046	7,405
Accumulated depreciation/amortisation	–	(209)	(2,605)	(475)	(3,289)
Net book value 1 July 2007	149	1,472	924	1,571	4,116
Additions:					
By purchase	–	–	34	85	119
Revaluations and impairments through equity	–	446	130	364	940
Depreciation/amortisation expense	–	(30)	(427)	(184)	(641)
Net book value 30 June 2008	149	1,888	661	1,836	4,534
Net book value as of 30 June 2009 represented by:					
Gross book value	149	2,127	3,693	2,495	8,464
Accumulated depreciation/amortisation	–	(239)	(3,032)	(659)	(3,930)
	149	1,888	661	1,836	4,534

Notes to and forming part of the financial statements

for the year ended 30 June 2009

6(e) Intangibles

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
A—Reconciliation of the opening and closing balances of intangibles (2008–09)			
As at 1 July 2008			
Gross book value	696	219	915
Accumulated depreciation/amortisation	(491)	(207)	(698)
Net book value 1 July 2008	205	12	217
Additions:			
By purchase or internally developed	523	–	523
Amortisation	(157)	(7)	(164)
Net book value 30 June 2009	571	5	576
Net book value as of 30 June 2009 represented by:			
Gross book value	1,219	219	1,438
Accumulated depreciation/amortisation	(648)	(214)	(862)
	571	5	576
B—Reconciliation of the opening and closing balances of intangibles (2007–08)			
As at 1 July 2007			
Gross book value	460	219	679
Accumulated depreciation/amortisation	(320)	(193)	(513)
Net book value 1 July 2007	140	26	166
Additions:			
By purchase or internally developed	236	–	236
Amortisation	(171)	(14)	(185)
Net book value 30 June 2008	205	12	217
Net book value as of 30 June 2008 represented by:			
Gross book value	696	219	915
Accumulated depreciation/amortisation	(491)	(207)	(698)
	205	12	217

Notes to and forming part of the financial statements

for the year ended 30 June 2009

6(f) Other non-financial assets

	2008-09 \$'000	2007-08 \$'000
Prepaid property rentals	150	144
Other prepayments*	102	89
Total other non-financial assets	252	233

*Other prepayments relate mainly to IT related annual maintenance agreements

Other non-financial assets are represented by:

Current	252	233
Total other non-financial assets	252	233

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

Note 7. Payables

7(a) Suppliers

Trade creditors	830	461
Operating lease rentals	73	324
Total supplier payables	903	785

All supplier payables are current.

Settlement is usually made net 30 days.

7(b) Grants and programs

Individual and non-profit institutions	3,154	1,574
Total grants and programs	3,154	1,574

All grant and program payables are current.

7(c) Other payables

Salaries and wages	297	257
Separations and redundancies	–	102
Total other payables	297	359

All other payables are current.

Notes to and forming part of the financial statements

for the year ended 30 June 2009

	2008-09 \$'000	2007-08 \$'000
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Note 8. Provisions

8(a) Employee provisions

Leave	1,268	1,511
Total employee provisions	1,268	1,511
Employee provisions are represented by:		
– Current	980	889
– Non-current	288	622
Total employee provisions	1,268	1,511

8(b) Other provisions

Provision for make good	682	637
Total other provisions	682	637
Other provisions are represented by:		
Non-current	682	637
Total other provisions	682	637

Note 9. Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

Report cash and cash equivalents as per:

Cash Flow Statement	19,622	29,454
Balance Sheet	19,622	29,454
Difference	–	–

Reconciliation of operating result to net cash from operating activities:

Operating result	(10,993)	(1,871)
Depreciation/amortisation	1,078	825
WDV of assets disposed	4	–
(Increase)/decrease in net receivables	(656)	953
(Increase)/decrease in prepayments	(19)	11,383
Increase/(decrease) in employee provisions	(305)	(4)
Increase/(decrease) in grant and program and supplier payables	1,698	(234)
Increase/(decrease) in other provisions	45	39
Net cash from/(used by) operating activities	(9,148)	11,091

Notes to and forming part of the financial statements for the year ended 30 June 2009

	2008–09 No.	2007–08 No.
Note 10. Remuneration of Council members		
The number of council members of the Australia Council included in these figures are shown below in the relevant remuneration bands:		
\$Nil–\$14,999	5	5
\$15,000–\$29,999	4	2
\$30,000–\$44,999	5	7
\$45,000–\$59,999	1	–
Total number of Council members of the Australia Council	15	14
	\$	\$

Total remuneration received or due and receivable by council members of the Australia Council	349,824	326,193
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The Chief Executive is an *ex-officio* member of Council, but receives no additional remuneration as a Councillor. The remuneration of the Chief Executive is included in Note 12—Executive Remuneration.

	Appointed	Term concludes/ concluded
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Note 11. Related party disclosures

Council members

Council members during the year were:

Keele, Kathy*	7/2/2007	6/2/2010
Allert, Rick	1/2/2006	31/1/2012
Bin Baker, Mark	30/4/2009	29/4/2012
Black, Barbara	3/4/2006	2/4/2009
Clemente, Rosalba	26/3/2008	25/3/2011
Downer, Nicola	18/12/2003	17/12/2009
Fisher, Dominique	9/8/2006	8/8/2009
Gersh, Joseph	1/7/2006	30/6/2009
Haseman, Brad	26/3/2008	25/3/2011
Hindson, Matthew	27/3/2009	26/3/2012
Koehne, Graeme	19/12/2002	18/12/2008
Salusinszky, Imre	24/6/2006	23/6/2009
Sarra, Chris	9/3/2005	8/3/2009
Snell, Edgar (Ted)	27/12/2006	26/12/2009
Strong, James	1/7/2006	30/6/2012

**Ex-officio* member of Council by virtue of appointment as Chief Executive.

Other transactions with directors or director-related entities

No Council member has, since the end of the previous financial year, received or become entitled to receive any benefits by virtue of being a Council member other than fixed stipends (disclosed in Note 10) or travelling and related allowances. The following is a list of grants to organisations where a Council member may be deemed to have a related party interest. 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.

Notes to and forming part of the financial statements

for the year ended 30 June 2009

Council member	Organisation in receipt of grant	Position held by Council member	Amount of grant \$
Barbara Black	University of Western Australia	Director, UWA Albany Centre	58,350
Edgar (Ted) Snell	Object: Australian Centre for Craft and Design	Member, Living Treasures Committee	526,691
	National Association for the Visual Arts	Member	266,508
	The Australian (Nationwide News Ltd)	Perth art reviewer	300,074
Graeme Koehne	West Australian Ballet	Commissioned composer	377,334
Imre Salusinszky	Quadrant Magazine	Former editorial board member	50,000
James Strong	Company B	Related party	676,682
Nicola Downer	Regional Arts Australia	Vice Patron	320,000
	State Theatre Company of SA	Governor	518,143
Rosalba Clemente	HotHouse Theatre Limited	Artistic Directorate	200,000
	Vitalstatistix Theatre Company	Playwright	17,622
	Windmill Theatre Company (Australian Children's Performing Arts Company t/a Windmill)	Playwright	210,110
	Adelaide Festival Centre Trust	Playwright	58
Mark Bin Bakar	Fellowship Grant		40,000
Matthew Hindson	Aurora New Music Inc	Artistic Director	70,000
	Campbelltown Arts Centre	Music curator	100,000

	2008-09 No.	2007-08 No.
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Note 12. Executive remuneration

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

\$130,000 to \$144,999*	2	1
\$145,000 to \$159,999*	1	2
\$160,000 to \$174,999*	2	3
\$175,000 to \$189,999*	2	1
\$190,000 to \$204,999*	1	2
\$205,000 to \$219,999*	1	1
\$280,000 to \$294,999*	–	1
\$340,000 to \$354,999*	1	–
Total	10	11

*Includes salary, superannuation, recreation leave and allowances at 30 June 2009 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 Council. Only 2 of the officers listed above were entitled to long service leave as at 30 June 2009.

	2008-09 \$	2007-08 \$
The aggregate amount of total remuneration of senior executives shown above.	1,892,673	1,984,993

Notes to and forming part of the financial statements for the year ended 30 June 2009

	2008–09 \$'000	2007–08 \$'000
Note 13. Remuneration of auditors		
The fair value of the services provided was:		
– Australia Council	44	41
– Australia India Council (Literature Project contribution)	1	–
– Books Alive (Government Initiative)	2	2
– CMC Medium PA Development Project (Business Development Project)	1	–
– Creative Communities (Government Initiative)	2	–
– Ozarts Online (Joint Initiative)	2	–
– Visual Arts and Craft Strategy (Government Initiative)	2	2
	54	45

No other services were provided by the Auditor-General.

Note 14. Financial instruments

14(a) Categories of financial instruments

Financial assets

Held-to-maturity:

Cash on hand/at bank/on deposit	19,622	29,454
	19,622	29,454
Loans and receivables:		
Receivables for goods and services	260	396
Loan	167	93
	427	489
Carrying amount of financial assets	20,049	29,943

Financial liabilities

Other Financial Liabilities:

Trade and other creditors	903	785
Grants and programs	3,154	1,574
	4,057	2,359
Carrying amount of financial liabilities	4,057	2,359

14(b) Net income and expenses from financial assets

Held-to-maturity

Interest revenue (see note 3B)	2,915	4,164
Net gain/(loss) held-to-maturity	2,915	4,164
Net gain/(loss) from financial assets	2,915	4,164

Notes to and forming part of the financial statements

for the year ended 30 June 2009

14(c) Fair value of financial instruments

	Carrying amount 2009 \$'000	Carrying amount 2008 \$'000	Fair value 2009 \$'000	Fair value 2008 \$'000
Financial assets				
Cash at bank	19,622	29,454	19,622	29,454
Receivables for goods and services	2,617	2,035	2,617	2,035
Loan	167	93	167	93
Total	22,406	31,582	22,406	31,582
Financial liabilities				
Trade and other creditors	903	785	903	785
Grants and programs	3,154	1,574	3,154	1,574
Total	4,057	2,359	4,057	2,359

14(d) Credit risk

The Council is exposed to minimum credit risk as the majority of loans and receivables are cash and CAC Act payments made under law (which guarantees fixed amounts of funding that the entity can drawdown as required). All amounts owed by Australian Taxation Office are in the form of goods and services tax refunds. The maximum exposure to credit risk is the risk that arises from potential default of debtors. This amount is equal to the total amount of trade receivables (2009: \$427,000 and 2008: \$489,000).

The Council holds no collateral to mitigate against credit risk.

The following table illustrates Australia Council's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2008-09 \$'000	2007-08 \$'000
Financial assets		
Trade receivables	427	489
Total	427	489

Credit risk of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2009 \$'000	Not past due nor impaired 2008 \$'000	Past due or impaired 2009 \$'000	Past due or impaired 2008 \$'000
Cash at bank	19,622	29,454	–	–
Receivables for goods and services	2,617	1,969	–	66
Loan	167	93	–	–
Total	22,406	31,516	–	66

Notes to and forming part of the financial statements

for the year ended 30 June 2009

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	–	66	–	–	66
Total	–	66	–	–	66

14(e) Liquidity risk

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

Maturities for financial liabilities 2009

	On demand 2009 \$'000	Within 1 year 2009 \$'000	1 to 2 years 2009 \$'000	2 to 5 years 2009 \$'000	> 5 years 2009 \$'000	Total 2009 \$'000
Trade creditors	–	903	–	–	–	903
Grants and programs	–	3,154	–	–	–	3,154
Total	–	4,057	–	–	–	4,057

Maturities for financial liabilities 2008

	On demand 2008 \$'000	Within 1 year 2008 \$'000	1 to 2 years 2008 \$'000	2 to 5 years 2008 \$'000	> 5 years 2008 \$'000	Total 2008 \$'000
Trade creditors	–	785	–	–	–	785
Grants and programs	–	1,574	–	–	–	1,574
Total	–	2,359	–	–	–	2,359

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

14(f) Market risk

Foreign currency risk

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

Interest rate risk

The council manages its interest rate risk by holding surplus funds with banks (per \$18 of the CAC act) and in accordance with its investment policy.

Other price risk

The Council is not exposed to other price risks.

Notes to and forming part of the financial statements

for the year ended 30 June 2009

Note 15. Reporting of outcomes

Output cost attribution

Costs are attributed to outputs based on ratios derived from an analysis of grant categories and their contribution to individual outputs.

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.

15(a) Net cost of outcome delivery

	Outcome 1		Outcome 2		Total	
	2008-09 \$'000	2007-08 \$'000	2008-09 \$'000	2007-08 \$'000	2008-09 \$'000	2007-08 \$'000
Expenses						
Departmental	107,779	101,737	81,974	77,379	189,753	179,116
Total expenses	107,779	101,737	81,974	77,379	189,753	179,116
Costs recovered from provision of goods and services to the non-government sector						
Departmental	-	-	-	-	-	-
Total costs recovered	-	-	-	-	-	-
Other external income						
Departmental	-	-	-	-	-	-
Interest	1,656	2,365	1,259	1,799	2,915	4,164
Other	5,428	5,928	4,128	4,509	9,556	10,437
Total other external income	7,084	8,293	5,387	6,308	12,471	14,601
Net cost/(contribution) of outcome	100,695	93,444	76,587	71,071	177,282	164,515

15(b) Major classes of departmental income and expenses by output groups and outputs

	Outcome 1					
	Output group 1.1		Output group 1.2		Total	
	2008–09 \$'000	2007–08 \$'000	2008–09 \$'000	2007–08 \$'000	2008–09 \$'000	2007–08 \$'000
Departmental expenses						
Employees	3,137	3,855	2,091	2,570	5,228	6,425
Suppliers	1,398	1,435	932	957	2,330	2,392
Grants and programs	59,749	55,494	39,833	36,935	99,582	92,429
Depreciation and amortisation	367	282	245	187	612	469
Finance costs	16	13	10	9	26	22
Loss on sale of assets	1	–	–	–	1	–
Total departmental expenses	64,668	61,079	43,111	40,658	107,779	101,737
Funded by:						
Departmental income						
– Income from Government	56,671	55,465	37,781	36,916	94,452	92,381
– Interest	994	1,420	662	945	1,656	2,365
– Other	3,257	3,559	2,171	2,369	5,428	5,928
Total departmental income	60,922	60,444	40,614	40,230	101,536	100,674

15(b) Major classes of departmental income and expenses by output groups and outputs (continued)

	Outcome 2							
	Output group 2.1		Output group 2.2		Output group 2.3		Total	
	2008–09 \$'000	2007–08 \$'000	2008–09 \$'000	2007–08 \$'000	2008–09 \$'000	2007–08 \$'000	2008–09 \$'000	2007–08 \$'000
Departmental expenses								
Employees	1,459	1,794	2,112	2,595	404	497	3,975	4,886
Suppliers	651	668	942	967	180	185	1,773	1,820
Grants and programs	27,805	25,806	40,234	37,344	7,702	7,150	75,741	70,300
Depreciation and amortisation	171	131	248	189	47	36	466	356
Finance costs	7	6	10	9	2	2	19	17
Loss on sale of assets	–	–	1	–	–	–	1	–
Total departmental expenses	30,093	28,405	43,547	41,104	8,335	7,870	81,975	77,379
Funded by:								
Departmental income								
– Income from Government	26,372	25,793	38,160	37,324	7,306	7,146	71,838	70,263
– Interest	462	660	669	956	128	183	1,259	1,799
– Other	1,515	1,655	2,193	2,395	420	459	4,128	4,509
Total departmental income	28,349	28,108	41,022	40,675	7,854	7,788	77,225	76,571

15(c) Major classes of departmental assets and liabilities by outcomes

	Outcome 1		Outcome 2		Total	
	2008-09 \$'000	2007-08 \$'000	2008-09 \$'000	2007-08 \$'000	2008-09 \$'000	2007-08 \$'000
Departmental assets						
Cash and cash equivalent	11,145	16,730	8,477	12,724	19,622	29,454
Trade and other receivables	1,670	1,209	1,114	919	2,784	2,128
Land and buildings	1,145	1,532	871	1,166	2,016	2,698
Infrastructure, plant and equipment	1,000	1,043	761	793	1,761	1,836
Intangibles	327	123	249	94	576	217
Other non-financial assets	143	132	109	101	252	233
Total departmental assets	15,430	20,769	11,581	15,797	27,011	36,566
Departmental liabilities						
Suppliers	542	446	361	339	903	785
Grants and programs	1,892	894	1,262	680	3,154	1,574
Other payables	178	204	119	155	297	359
Employee provisions	761	858	507	653	1,268	1,511
Other provisions	387	362	295	275	682	637
Total departmental liabilities	3,760	2,764	2,544	2,102	6,304	4,866

Looking ahead

The Australia Council's strategic priorities for 2009–10

In August 2009, the governing Council reviewed the Australia Council's six strategic priorities for 2008–09 and, while considering the needs of the arts sector, committed to the following priorities for the organisation in the year ahead:

- artist careers
- audience access and participation
- business and philanthropic involvement in the arts
- increased support for the arts
- arts content for the digital era

Australia Council

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