

Australia Council
Annual Report

07
08

www.australiacouncil.gov.au

This annual report and a full list of grants is available for download from www.australiacouncil.gov.au/annualreport0708/

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

© Australia Council 2008. This work is copyright. Apart from any use permitted under the *Copyright Act 1968*, all rights are expressly reserved. Requests for further authorisations should be directed to the research librarian, PO Box 788, Strawberry Hills NSW 2012. ISSN 0725-7643

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.

In 2007–08 the Australia Council adopted six strategic priorities to focus our efforts on critical areas for the arts in Australia—and our own capacity to support the sector—into the future.

The Australia Council placed the needs of the arts sector front and centre in a review of its business plans, commencing in April 2007. Following a series of consultations with arts sector representatives, the governing Council refocused the organisation on six strategic priorities that were formally adopted in October 2007. The six priorities will frame the Australia Council's activities over the next three years. You can read more about the six strategic priorities in the following pages. Selected Australia Council activities under each priority are highlighted in red throughout the 'year in review' section of this annual report.



- 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



SHAUN PARKER'S INNOVATIVE *THIS SHOW IS ABOUT PEOPLE* WAS INCLUDED IN THE SYDNEY FESTIVAL'S MOVERS & SHAKERS PROGRAM. IMAGE COURTESY OF THE ARTIST. PHOTO JOHN SONES.



1: Artists' income levels

In 2002, Australian practising professional artists earned an average of \$24,000 per year from their creative endeavours. Most supplement their artistic activity with other paid work.

The Australia Council is committed to developing the arts as a properly remunerated career path. Increasing income levels for artists is essential to attract and retain the best creative talent.

Our core business—grants and funding programs—provides a crucial income stream for artists. We are already finding internal efficiencies to maximise the funding dollars flowing to the sector, with \$1 million in savings passed on to artists through grants and funding programs in 2007.

Advocating for more government funding at all levels, and for government to explore the tax status of this money, is also on the agenda for improving artists' incomes.

You can read more examples of the Australia Council's support for increasing artists' income levels:

Support for Shaun Parker's
This Show Is About People
(page 29)

The work of PlayWriting Australia
(page 33)

A maker to manufacturer to market
grant for Caroline Casey (page 33)

The 2008 Red Ochre Award to
Doris Pilkington Garimara (page 28)



2: Greater appreciation for the arts

06 / 07

Australians love the arts, but not everyone knows it. Approximately 6 million adults attend a performing arts event, 3.6 million attend a visual arts event, and more than 3.5 million of us make creating art a major part of our lives each year. Yet many people think the arts are for a select few.

The Australia Council plays a leadership role in promoting Australians' engagement with our shared culture and fostering participation in the arts.

Our community partnerships programs support all Australians to create their own culture—whoever and wherever they are. Our market development initiatives increase audiences for the arts nationally and around the world.

The coming years will see the Australia Council reach out to more people, telling the stories of Australia's arts and advocating for the key role they play in our cultural life.

You can read more examples of the Australia Council's support for greater appreciation for the arts:

The Queensland Music Festival's regional program (page 40)

Sydney Festival's Movers & Shakers dance program (page 38)

Big hART's production *Ngapartji, Ngapartji* (page 36)

The Biennale of Sydney 2008 (page 41)

2





MEMBERS OF THE AFRICAN CHILDREN'S
CHOIR IN THE BLADENSBURG NATIONAL PARK
AS PART OF THE 2007 QUEENSLAND MUSIC
FESTIVAL. IMAGE COURTESY NEWSPIX.





3: Business and philanthropic involvement in the arts

Business and the arts work together. In 2006–07, cultural organisations earned more than \$171.1 million from private income sources. The arts gave back in incalculable ways—from creative skills for the workforce through marketing partnerships to the personal well-being of employees.

The Australia Council has facilitated links between business, philanthropy and the arts for many years. Artsupport Australia, our initiative to grow cultural philanthropy, has been leading the way in this area since 2003.

Over the past five years, Artsupport has facilitated approximately \$20 million in philanthropic donations to artists and arts organisations. It has linked up artists with income sources, mentored artists and organisations to fundraise themselves, and raised understanding of philanthropy throughout the sector.

You can read more examples of the Australia Council's support for business and philanthropic involvement in the arts:

Kurruru Indigenous Youth Performing Arts' *Second to None* (page 41)

Red Room Company's *Papercuts* poetry education program (page 39)

Feral Arts' website
www.placestories.com (page 37)

Wadeye Community Cultural Festival (page 37)

4: Knowledge centre on the arts in Australia

10 / 11

The Australia Council has a strong tradition of providing research and insights into the arts sector. Over the past decade, we have produced more than a hundred research reports, resources and other publications on the arts in Australia. This forms the bedrock of our policy and advocacy, and is a valuable resource for the arts sector and community.

The Australia Council is working to strengthen our capacity even further and to be universally recognised as the leading source of information on the arts in Australia.

Our research program has already had major impacts in 2007–08. Sector-leading reports into the digital downloading of music, future trends in the major performing arts and protocols for producing Indigenous arts were all important resources for the sector.

We have also launched an online research hub through www.australiacouncil.gov.au —a one-stop shop for information about the nation's arts and culture.

You can read more examples of the Australia Council's work as a knowledge centre on the arts in Australia:

Research into digital downloads of music (page 31)

The Anticipating Change in the Major Performing Arts report (page 32)

4





BACK TO BACK THEATRE'S *SMALL METAL OBJECTS*
TOURED THE WORLD AND WON AWARDS IN THE USA
AND SWITZERLAND. IMAGE COURTESY BACK TO
BACK THEATRE. PHOTO: PRUDENCE UPTON.





5: Arts content for the digital era

Digital technologies are changing the way Australians work and play. Online, mobile, gaming, broadcast and interactive industries already contribute more than \$21 billion to the economy each year. Creativity is critical, with artists and animators making up nearly one-third of the workforce producing digital games.

The Australia Council recognises that artists must be supported to push their creativity into new domains. Digital technologies help connect with new audiences and provide an important source of income.

We have supported cutting-edge artists working in media arts and inter-disciplinary arts through grant programs and initiatives for many years.

Initiatives in 2007–08 have enabled writers to develop narratives for new media platforms, major performing arts companies to beam hit productions across the country, and artists to create and commercialise content for mobile platforms, to name just three examples.

You can read more examples of the Australia Council's support for arts content for the digital era:

Major performing arts companies' digital broadcasts (page 38)

The Second Life residency that created *Babelswarm* (page 29)

The story of the future digital writing initiative (page 30)

The Australian Network of Art and Technology's *Portable Worlds* (page 38)

6: National impact of the Australia Council

14 / 15

The Australia Council's reach must extend across the nation to properly support and sustain the entire arts sector. With offices based in Sydney, our challenge is to use technology and travel to reach further into all of Australia's metropolitan centres and regional areas.

The Australia Council is committed to improving our communication with, support for and presence in all the nation's arts communities.

A program to employ staff in other states and territories has already begun. Artsupport Australia has appointed managers in the Northern Territory, Queensland and Western Australia in partnership with the relevant state and territory agencies. The market development section now has staff in Victoria and Queensland working on major projects.

In 2008, the governing Council has held meetings in Sydney, Melbourne, Hobart, Canberra and Alice Springs, enabling Council members to talk with local artists and industry representatives.

6





SHAUN GLADWELL'S VIDEO WORK *APOLOGY TO ROADKILL* WILL FEATURE AT THE VENICE BIENNALE IN 2009. IMAGE COURTESY OF THE ARTIST AND ANNA SCHWARTZ GALLERY. PHOTO: JOSH RAYMOND.

\$16.9b

size of the arts and related industries

284,793

Australians employed in a cultural occupation

3.5m

Australians who do paid or unpaid work in the arts and culture

6m

adult Australians attend the performing arts each year

3.6m

adult Australians attend visual art galleries each year

\$146.9m

total grant and project funding to artists and arts organisations

1736

Australia Council grants and projects

5215

new artistic works created with Australia Council support

5394

new artistic works presented with Australia Council support

9.5m

attendances at Australia Council-supported events

The Hon Peter Garrett AM MP

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

1 September 2008

18 / 19

Dear Minister

I present you with the annual report of the Australia Council for 2007–08.

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 2008.

We have used this annual report to introduce the key pillars of our business plan for the coming years. Our focus on six strategic priorities will support the arts sector to build towards a more secure future.

Four of these priorities—artists' income levels, greater appreciation for the arts, business and philanthropic involvement in the arts and arts content for the digital era—aim to build the sustainability of the arts and help artists take on future challenges.

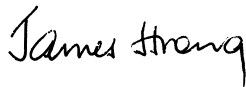
At their heart, each of these priorities has a commitment to forging stronger connections between the arts and the wider community. This interweaving of the arts into the lives of all Australians can only have positive benefits for both the artistic and the wider community.

The other two priorities—knowledge centre on the arts in Australia and national impact of the Australia Council—will strengthen the Australia Council's capacity to deliver efficient and effective programs for the arts sector.

2007–08 has continued to see the Australia Council provide critical financial and operational support for artists and arts organisations across the country. Our investment of more than \$146.9 million enabled Australia's artists to create 5215 new works and to present, perform, publish or exhibit 5394 new works throughout the financial year. This support enabled more than 9.5 million arts attendances during the year.

Finally, I would like to thank you for the Government's support for the arts in its first Budget. The announcement of new arts initiatives commencing in 2008–09 worth \$21.8 million will go a long way to supporting community arts and young artists across the country.

Yours faithfully



James Strong AO
Chairman

1.0 Year in review

1.0 Year in review 2007–08	20
From the CEO	21
Corporate overview	21
Funding overview	22
1.1 Outcome 1: Excellent and distinctive Australian art	26
Introduction	27
Aboriginal and Torres Strait Islander arts	28
Dance	28
Inter-arts	29
Literature	30
Music	31
Performing arts	31
Theatre	32
Visual arts	33
1.2 Outcome 2: Access for all Australians	34
Introduction	35
Community partnerships	36
Aboriginal and Torres Strait Islander arts	37
Dance	38
Inter-arts	38
Literature	39
Music	40
Theatre	40
Visual arts	41

2.0 About the Australia Council

2.0 About the Australia Council	42
2.1 Corporate governance	44
The Council	45
Members of the Council	45
Ministerial directions	47
Council directions	47
Committees and advisory bodies	47
Artform boards	50
2.2 Organisation	52
Corporate plan	53
Organisational structure	53
Staff profile	54
Executive team	55
2.3 Accountability	56
Service charter	57
Commonwealth disability strategy	57
Freedom of information	57
Decision-making and other powers	58
Arrangements for involving stakeholders	58
Risk management	59
External scrutiny	59
2.4 Workplace	60
Certified agreement	61
Recruitment	61
Professional development	61
Health, safety and wellbeing	61
Pro bono legal services	61
Advertising and market research	62
Ecologically sustainable development	62

3.0 Financial statements

Independent audit report	64
Statement	65
Financial statements	66
Notes to financial statements	72

1.0 Year in review 2007–08

20 / 21

**The Australia Council enriches
our nation by supporting
and promoting the practice
and enjoyment of the arts.**

The past year has seen Australians looking towards the future. Together, we have explored what our country could be like in a dozen years time and taken our first steps in tackling future challenges such as global warming and education.

For those of us who work in the arts, this future holds great opportunity.

The arts are at the heart of a healthy culture. They are a key part of the cultural industries that are major drivers of economic growth. They contribute to the ability of all Australians to innovate and conceive new possibilities.

The Australia Council has spent much of the past year examining ways to better support artists engage with the key challenges facing them. Our suite of six strategic priorities aims to focus our activities where they can really make a difference.

Whether it is identifying new income streams, finding new ways to connect with Australians' everyday lives, engaging with business and philanthropic support or connecting with new technologies, these priorities aim to help artists develop the tools essential to their future.

They reinforce our fundamental commitment to the two sides of the arts equation—supporting the inherent creativity of our artists and sparking community interest in the arts.

Our focus on artistic excellence and community engagement forms the bedrock of this annual report, which this year we have complemented with highlights of our six strategic priorities.

2007–08 was a year of artistic standouts. Many of these you will have heard about, some of them you may not.

From the blockbuster touring success of Company B's *Keating: The Musical!* to the thousands who took in Australia's first Indigenous art triennial *Culture Warriors*.

From Chunky Move's unique dance work *Glow* scooping two Helpmann Awards to Back to Back Theatre's *small metal objects* picking up a "Bessie" Award in New York and one of Switzerland's premier theatre awards.

From the million people who flocked to the Sydney Festival to the hundreds who celebrated their cultural renaissance at the Wadeye Community Cultural Festival in the Northern Territory.

Over the past year, the arts showed the myriad ways—large and small—they touch our lives, impact on our communities and define our culture. They deserve our recognition and support into the future.

Kathy Keele

Chief executive officer

Corporate overview

The Australia Council—and the arts sector as a whole—saw several important developments and milestones in 2007–08.

The Australia Council made some important steps in transforming itself into a more effective and efficient organisation during the financial year. A new Government was elected in November 2007, led by Prime Minister the Hon Kevin Rudd MP, and a new Minister for the Arts in the Hon Peter Garrett AM MP appointed—the first person in Australia's history to bring a professional artist's perspective to the role. The previous minister was Senator the Hon George Brandis SC.

Australia 2020 Summit

On the weekend of 19–20 April 2008, more than 1000 of Australia's best minds gathered at Parliament House in Canberra to discuss the big issues facing Australia's future. Fresh ideas for the future of Australia's culture and creativity was one of the 10 areas under discussion at the 'Towards a creative Australia: the future of the arts, film and design' session. It was co-chaired by the recently appointed co-artistic director of Sydney Theatre Company Cate Blanchett, academic Dr Julianne Schultz and Arts Minister the Hon Peter Garrett AM MP, with Australia Council chairman James Strong AO in attendance. A range of ideas were raised, including support for the Government's commitment to introducing an 'artist in residence' scheme into schools, creating a national endowment fund to increase arts philanthropy, and strengthening Indigenous culture through a national Indigenous cultural authority.

Australian Government 2008–09 Budget

The new Government's first Budget, handed down in May 2008, featured some significant wins for the arts. New funding initiatives for community arts, education and the arts, and young and emerging artists honoured election commitments. The creative communities initiative, worth \$10 million over four years, will support community arts and culture through the Australia Council's community partnerships section, helping to enhance existing programs and develop new initiatives. A package worth \$6.6 million over four years will provide support to develop young and emerging artists and take their works to new audiences. A new initiative for 'artists in residence' in schools and universities was also announced, worth \$5.2 million over four years. The Budget also included funding to establish a resale royalty scheme for Australia's visual artists.

Strategic priorities

The Australia Council placed the needs of the arts sector front and centre in a review of its business plans, commencing in April 2007. Following a series of consultations with arts sector representatives, the governing Council refocussed the organisation on six strategic priorities that were formally adopted in October 2007. The six priorities will frame the Australia Council's activities over the next three years—focussing on increasing artists' incomes, greater appreciation for the arts, knowledge centre for the arts, business and philanthropic support for the arts, arts content for the digital era and national impact of the Australia Council.

Business process review

The past 12 months also saw the Australia Council looking at organisational efficiencies that will result in more funding flowing to artists and arts organisations. In 2007, this resulted in an additional \$1 million in funding for its grants programs. Faced with a two per cent increase in the whole-of-government efficiency dividend from 2008–09, the organisation conducted a review of internal business process and systems to find further efficiencies. The review identified new ways to process grants, manage projects, and provide key services to the arts community. It also resulted in changes to the Australia Council's structure. From 1 July 2008, there are four core divisions—Aboriginal and Torres Strait Islander arts, arts development, arts funding and arts organisations—supported by the office of the chief executive officer and the corporate resources team. Three of these divisions are newly created from the review. Arts funding includes all the peer-review boards, committees and panels—including community partnerships and inter-arts—and ensures that applications, assessments and grants are efficiently managed. Artistic excellence is the focus for this area. Arts organisations manages and administers funding for the 28 major performing arts companies and some 140 key organisations, having an overview of the entire arts sector and providing focussed support to individual companies. Artistic vibrancy through organisational excellence is this group's focus. Arts development supports the sector in the fields of audience and market development, research and information, and strategic development. Sector development and excellence are this division's focus.

Funding overview

The Australia Council invested more than \$146.9 million in artists and organisations across the country in 2007–08, compared to \$156 million in the previous financial year.

We supported the full spectrum of arts activity during the year, from an \$11.7 million annual base grant to Opera Australia through to a \$1400 grant for emerging musician Tamas Wells to tour Japan.

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 abroad; 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.

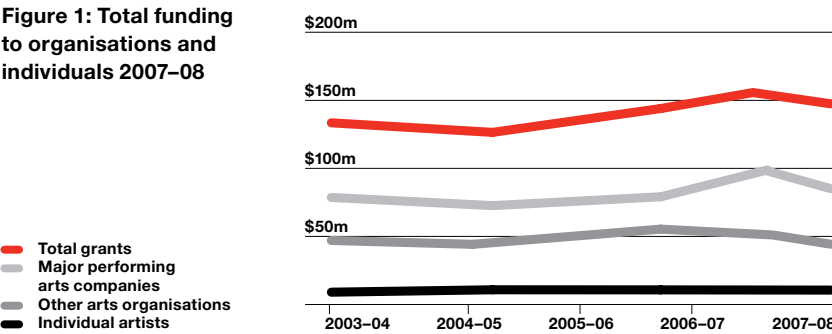
A number of trends are evident in the Australia Council's funding over the past five years. Support for arts organisations has increased significantly since 2003–04, alongside the Australia Council's total funding. This reflects significant Australian Government funding packages for the sector—arising from the 1999 Major

Performing Arts Inquiry, 2003 Visual Arts and Craft Strategy, 2005 Orchestras Review and last year's funding boost for small to medium performing arts companies. Funding levels to individual artists and groups have remained steady during this period, with changes to the numbers of applications and grants awarded resulting from the consolidation of several grant categories.

The higher funding level in 2006–07 included the first round of additional funding as a result of the Australian Government's acceptance of the recommendations of the 2005 Orchestras Review.

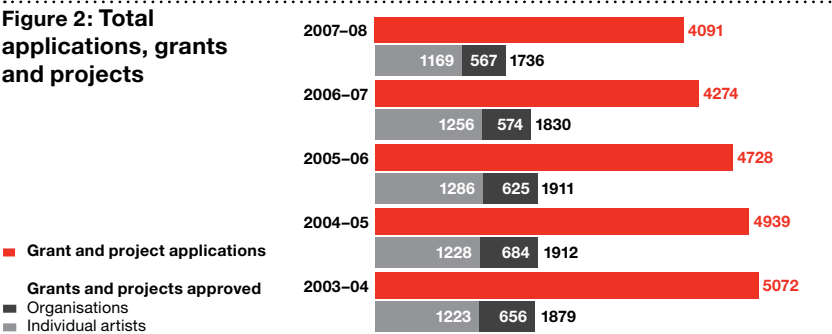
The Australia Council's \$146.9 million investment enabled artists to create 5215 new works, and to present, perform, publish or exhibit 5394 new works in 2007–08. It assisted almost 9.5 million attendances at arts events throughout the financial year. Of this, \$81.5 million went to major performing arts companies, \$55.6 million to other arts organisations, and \$9.9 million directly to individual artists (see figure 1).

Figure 1: Total funding to organisations and individuals 2007–08



In 2007–08, the Australia Council provided 1736 grant and projects, comprising 1169 grants to organisations and 567 grants to individual artists. These grants were awarded from 4091 applications to the various grant categories, down from 4274 in the previous financial year (see figure 2).

Figure 2: Total applications, grants and projects



The \$146.9 million total investment included \$36.7 million for the nation's orchestras; \$19.9 million for opera; \$12.5 million for other music artists and organisations; \$15.8 million for visual artists and organisations; \$20.8 million for theatre companies and artists; \$18.8 million for dance artists and companies; \$6.7 million for writers, publishers and literary organisations; \$10.4 million for multi-artform artists and organisations; and \$5.3 million in miscellaneous funding (see figure 3).

The Australia Council's total funding for 2007–08 also included:

- \$7 million for international activities by Australian artists and arts organisations, compared to \$7.7 million in the previous financial year.
- \$10.1 million for arts and cultural activities with a predominantly Indigenous focus, compared to \$8.7 million in the previous financial year.
- \$9.7 million for arts and cultural activities with a predominantly regional focus (excluding major performing arts companies' activities), compared to \$7.7 million in the previous financial year.

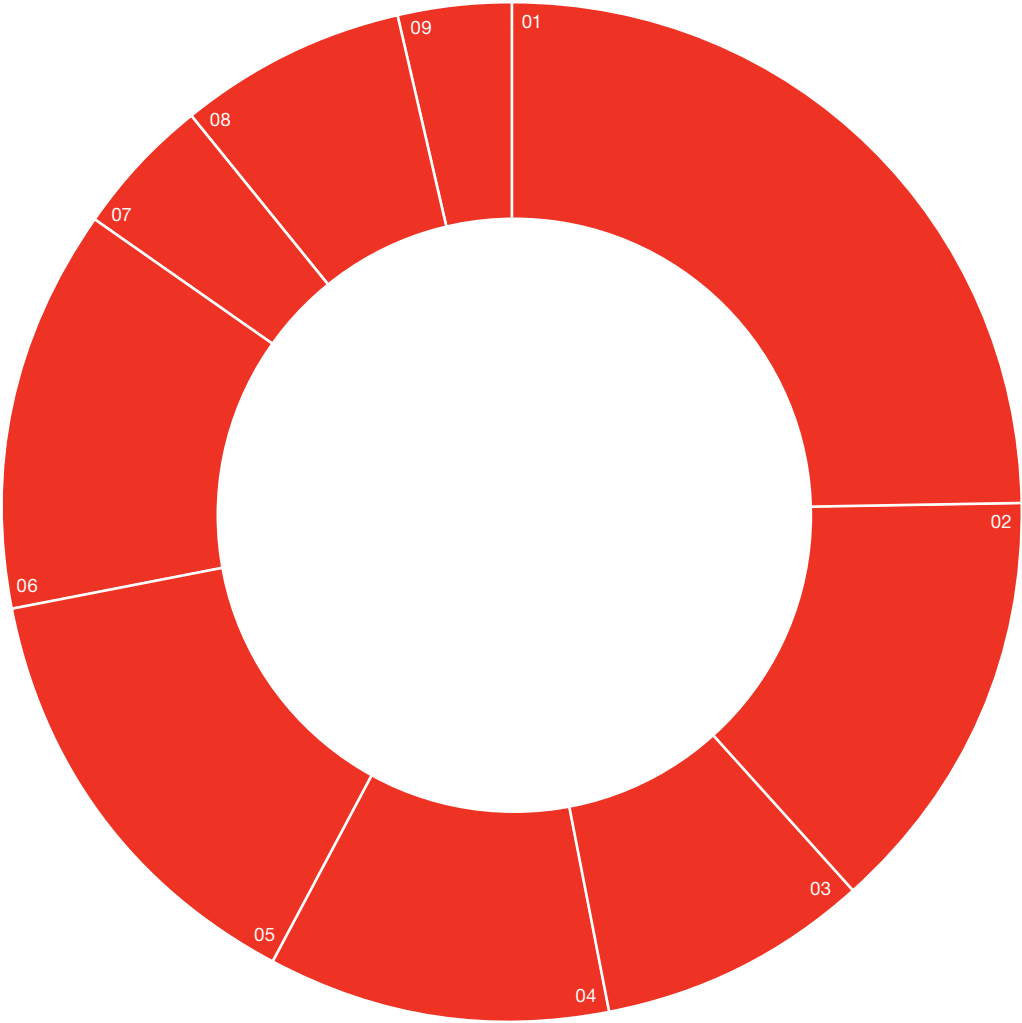


Figure 3: Funding by artform 2007–08:

01. Orchestras	\$36.7 million
02. Opera	\$19.9 million
03. Music	\$12.5 million
04. Visual arts	\$15.8 million
05. Theatre	\$20.8 million
06. Dance	\$18.8 million
07. Literature	\$6.7 million
08. Multi-artform	\$10.4 million
09. Other	\$5.3 million



Figure 4: Australia Council's total funding by state and territory 2007–08

	CROSS-ARTFORM	DANCE	LITERATURE	MUSIC	OTHER	THEATRE	VISUAL ARTS	TOTAL
ACT	\$152,062	\$503,012	\$179,096	\$330,593	\$178,722	\$94,000	\$749,622	\$2,187,108
NSW	\$4,017,191	\$7,521,392	\$2,240,901	\$30,515,663	\$1,870,205	\$6,698,267	\$4,615,614	\$57,479,233
NT	\$535,709	\$304,450	\$285,397	\$556,894	\$549,421	\$220,320	\$543,235	\$2,995,426
Qld	\$1,267,572	\$1,072,818	\$332,239	\$6,331,053	\$170,131	\$1,586,683	\$1,612,091	\$12,372,587
SA	\$566,257	\$1,208,780	\$669,679	\$6,206,305	\$1,003,530	\$2,063,717	\$1,713,477	\$13,431,745
Tas.	\$459,700	\$130,000	\$273,730	\$4,400,558	\$248,580	\$535,814	\$524,269	\$6,572,650
Vic.	\$1,600,987	\$1,024,540	\$1,081,325	\$13,594,832	\$277,052	\$6,787,567	\$2,392,881	\$26,759,183
WA	\$233,015	\$635,915	\$448,522	\$5,100,332	\$286,329	\$1,521,153	\$756,872	\$8,982,138
Multi-state	\$1,268,981	\$5,663,615	\$512,339	\$1,347,755	\$603,436	\$630,119	\$240,000	\$10,266,244
Overseas	\$283,582	\$755,184	\$667,326	\$754,539	\$65,363	\$692,813	\$2,673,630	\$5,892,436
Total	\$10,385,056	\$18,819,706	\$6,690,552	\$69,138,524	\$5,252,769	\$20,830,454	\$15,821,690	\$146,938,750

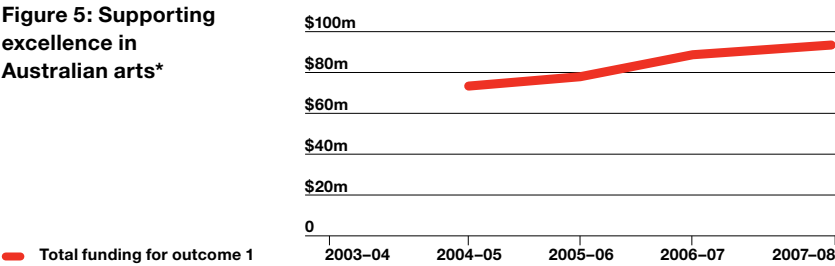
NOTE: Table includes some rounding

1.1 Outcome 1—Excellent and distinctive Australian art

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

Australia’s creative voices make people sit up and take notice. Our artists speak in many different tones, across many different media, but the message is loud and clear—Australian creativity punches above its weight.

The Australia Council invested more than \$92.4 million in supporting creative excellence in 2007–08, compared to \$86.8 million the previous year.* This investment has assisted Australian artists to create new visual artworks, dance and theatrical productions, literary works, musical compositions, and media works (see figure 5).



*Funding levels for 2006–07 and 2007–08 reflect cash payments made during each year. This differs from the accrual based figures tabled in the financial statements and this reporting on outcome 2.

Australia Council support underpins much of the nation’s creativity. In total, the Australia Council supported the creation of 5215 new artistic works and the presentation, exhibition, performance and publication of 5394 new works (see figure 6).

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

	2003–04	2004–05	2005–06	2006–07	2007–08
Total funding	\$132.3m	\$125.3m	\$142.8m	\$156m	\$146.9m
Number of grants and projects	1879	1912	1911	1799	1736
Number of new works created	3036	3072	4110	4476	5215
Number of new works exhibited, performed and published	3545	3502	3472	3636	5394

This investment included support for some of the nation’s most vibrant and unique artistic creations. Chunky Move’s digital tour-de-force *Glow* conquered Australia and the rest of the world (see page 29). Australia’s first national Indigenous art triennial—*Culture Warriors*—entranced visitors to the National Gallery of Australia and became the most popular Indigenous art exhibition ever staged (see page 28).

Artists supported by the Australia Council took out every Australian arts award imaginable: Helpmann awards, the Miles Franklin, premiers’ literary awards, dance awards, and all manner of visual arts prizes. Back to Back Theatre’s *small metal objects* wowed critics and judges around the world, taking out a coveted ‘Bessie’ award in New York and one of the premier Swiss theatre awards (see page 32).

And while Australia Council support helped some artists reach new heights, it helped others take off for more distant shores. We invested in taking more Australian art to the rest of the world than ever before—particularly in priority markets in western Europe, Asia and the Americas.

In 2007–08, the Australia Council supported the presentation of Australian arts activities in 66 countries around the world, with countries such as the USA, UK, Germany, Italy and France featuring prominently (see figure 7).

Figure 7: Supporting Australian arts around the world

	2003–04	2004–05	2005–06	2006–07	2007–08
Total international funding	\$6.6m	\$6.8m	\$7.4m	\$7.7m	\$7.0m
Number of grants	319	365	423	449	392
Number of countries presented in	60	68	71	72	66

This support featured not only successful tours and exhibitions, such as the 2007 Venice Biennale, but a number of key international market development initiatives. The Australian Performing Arts Market brought more than 560 leading presenters to Adelaide to witness the best of Australia's performing arts (see page 31). The 2007 Frankfurt Book Fair also saw Australia's largest presence to date and resulted in deals worth more than \$1.1 million for Debra Adelaide's novel *The Household Guide to Dying* (see page 30).

Aboriginal and Torres Strait Islander arts

The Australia Council invested more than \$10.1 million in Aboriginal and Torres Strait Islander arts in 2007–08.

This support comes from all the Australia Council's sections, and primarily through the Aboriginal and Torres Strait Islander arts board. It takes the form of grants, residencies, fellowships, an annual award, and financial and operational support to arts organisations. A series of strategic initiatives aim to build the capacity of the sector, particularly in artist employment, intellectual property protection and international showcasing of Indigenous arts.

The following three activities are some examples of the Australia Council's support for excellence in Aboriginal and Torres Strait Islander arts.

National Gallery of Australia—*Culture Warriors*

Australia's first national Indigenous art triennial *Culture Warriors* wowed visitors to the National Gallery of Australia in Canberra between October 2007 and February 2008. More than 82,300 people experienced works by 30 outstanding Aboriginal and Torres Strait Islander artists—making it the most popular Indigenous art exhibition ever staged. It covered the full range of contemporary Indigenous art practice, with works ranging from new media installations through to bark paintings. *Culture Warriors* has since begun a national tour, starting at the Art Gallery of South Australia in June 2008 and travelling to other major galleries in the coming year. The Aboriginal and Torres Strait Islander arts board supported *Culture Warriors* with \$75,000 in funding through its showcasing the best strategic initiative.

1

Artists' income levels

Red Ochre Award—Doris Pilkington Garimara

Author of *Follow the Rabbit-Proof Fence* and a lifetime campaigner for reconciliation, Doris Pilkington Garimara AM was honoured with the 2008 Red Ochre Award. Ms Thérèse Rein presented the \$50,000 award, Australia's largest individual Indigenous arts prize, at a ceremony in Sydney in May 2008. The 2002 Philip Noyce film *Rabbit Proof Fence* was based on Doris' novel, with her other literary works including *Caprice: A Stockman's Daughter* and *Under the Wintamarra Tree*. The Red Ochre Award pays tribute to an Indigenous artist for his or her outstanding, life-long contribution to Aboriginal and Torres Strait Islander arts at home and overseas.

Black Arm Band—*murundak*

An ambitious production featuring a 32-piece 'all-star' band playing songs of resistance and survival has been one of the most moving musical experiences of 2007–08. *murundak* has taken audiences on an inspiring journey at the Sydney Festival, Perth International Arts Festival, Adelaide Bank Festival of the Arts and the London International Festival of Theatre. Its performers, the Black Arm Band, are a rotating group featuring the cream of Indigenous musical talent including Archie Roach, Bart Willoughby, Rachel Maza Long, Shane Howard and Lou Bennett. *murundak* won the 2007 Helpmann award for best contemporary music concert. The Aboriginal and Torres Strait Islander arts board supported the Black Arm Band with \$50,000.

Dance

The Australia Council invested more than \$18.8 million in Australian dance in 2007–08.

This support comes primarily from the dance board, major performing arts board and market development section. It takes the form of grants and fellowships to individual artists, financial and operational support to arts organisations, market and audience development initiatives and strategic initiatives to build the capacity of the sector. The following three activities are some examples of the Australia Council's support for excellence in Australian dance.

Shaun Parker—*This Show Is About People*

Premiering at the Melbourne International Arts Festival in September 2007, *This Show Is About People* took audiences on a high energy trip through the lives of a group of strangers who randomly intersect in a transit lounge. The part-musical, part-theatrical and all-dance work by Sydney-based choreographer and counter-tenor Shaun Parker combined diverse dance styles from contemporary to hip-hop with an eclectic mix of music including medieval European, pop, gospel and rap. *This Show Is About People* received a 2008 Australian Dance Award for outstanding achievement in independent dance. It travelled to the Sydney Festival as part of the Movers and Shakers program and was showcased at the Australian Performing Arts Market. The dance board supported Shaun Parker with a \$17,729 new work grant.

Chunky Move—*Glow*

Exploring the connection between a human dancer and interactive video technology —giving light to the precise mathematics of movement—is the aim of Chunky Move's groundbreaking production *Glow*. Artistic director Gideon Obarzanek teamed up with German interactive software creator Frieder Weiss to develop the work that sees the movements of a solo dancer illuminated and interpreted in a digital landscape. In 2007–08, *Glow* was performed at the Melbourne and Adelaide arts festivals and toured to the United States, Canada, New Zealand, United Kingdom, Croatia and China. *Glow* took out two Helpmann awards, including best ballet or dance work. The dance board supported Chunky Move with \$238,417 in key organisations funding and an additional \$86,000 to tour *Glow*.

dancenorth—*roadkill*

A broken down car, an out-of-order phone booth and a relationship on the rocks are at the centre of a work that explores the isolation of outback Australia by Townsville's dancenorth, co-produced by the Brisbane Powerhouse and choreographed by Splintergoup. The production travelled from its tropical north Queensland premiere to a critically-acclaimed two-week run at the Barbican Centre in London as part of the Dance Umbrella festival in October 2007. The work was also showcased at the Australian Performing Arts Market and on an ABC-TV documentary produced as part of the artists@work series. The dance board supported dancenorth with \$280,565 in key organisations funding.

Inter-arts

The Australia Council invested more than \$1.25 million in interdisciplinary arts through the inter-arts office in 2007–08.

This support takes the form of grants to individual artists, financial and operational support to arts organisations, market and audience development initiatives and strategic initiatives to build the capacity of the sector.

The following three activities are some examples of the Australia Council's support for excellence in inter-disciplinary arts.

Babelswarm

Australia's first Second Life artists-in-residence launched their groundbreaking virtual arts installation *Babelswarm* in April 2008. The 3-D real-time project, a metaphor for the Tower of Babel, uses voice recognition software to convert the spoken words of virtual and real participants into three-dimensional letterform images in an evolving tower of words. The artwork, by writer Justin Clemens, visual artist Christopher Dodds, and musician/3D artist Adam Nash, was launched simultaneously in Second Life and in the real world at the Lismore Regional Gallery in northern NSW. The inter-arts office, literature board and music board supported *Babelswarm* with a \$20,000 virtual residency, the world's first government grant for an artwork in Second Life.

Sarah Last—WIRED Lab

Developing a uniquely Australian musical instrument—made of strings of fencing wire up to 300 metres long—is the ongoing focus of WIRED Lab, an audio research group initiated by artist and curator Sarah Last. WIRED Lab brings together scientists and sound artists to build on the work of Alan Lamb's pioneering *The Wires* audio installations. In May, Sarah won a \$10,000 ABC TV arts-science competition to develop a documentary based on the research. The inter-arts office supported Sarah Last with a \$66,000 ArtLab initiative grant.

Synapse—Kirsty Boyle

Giving the bionic woman an artistic twist, NSW artist Kirsty Boyle's latest project *girltron* creates an interactive character using the latest in artificial intelligence technologies. In 2007, Kirsty was invited to be artist-in-residence at the Artificial Intelligence Lab at the University of Zurich, Switzerland. The inter-arts office supported Kirsty Boyle with a \$12,000 Synapse residency, in partnership with the Australian Network for Art and Technology.

Literature

The Australia Council invested more than \$6.7 million in Australian literature in 2007–08.

This support comes primarily from the literature board, theatre board and market development section. It takes the form of grants, residencies, fellowships and awards to individual literary creators, financial and operational support to organisations that provide infrastructure for the sector, market and audience development initiatives, and strategic initiatives to build the capacity of the sector.

The following three activities are examples of the Australia Council's support for excellence in Australian literature.

Writers' Emeritus Awards—Christopher Koch AO and Gerald Murnane

Two of Australia's most eminent authors—Christopher Koch AO and Gerald Murnane—were honoured with Writers' Emeritus Awards at a ceremony in Melbourne in February 2008. The Writers' Emeritus Awards, each worth \$50,000, are the richest and most established career achievement prizes in Australian literature. Christopher Koch is the author of seven novels, and has been awarded the Miles Franklin Award twice for *The Doubleman* in 1985 and *Highways to War* in 1996. His novel *The Year of Living Dangerously* was made into an Academy Award-nominated film by Peter Weir. Gerald Murnane's eight fiction works have received critical acclaim in Australia and internationally. He received the Patrick White Literary Award in 1999 and has worked in several universities over the past two decades.

5

Arts content
for the
digital era

Story of the future

Taking Australian literature into new domains, story of the future is an Australia Council initiative to help the literary sector develop digital, interactive and cross-platform narratives. This has entailed developing the skills of writers to create digital content and developing the capacity of publishing in new technology platforms. The *Publishing the Story of the Future* seminar, held in July 2007, saw more than 100 publishers and industry representatives discuss the models, strategies, consumer trends and intellectual property implications of new technology, led by keynote speaker US publishing consultant Mike Shatzkin. The LAMP: Story of the future labs, held in Tasmania in May 2007 and Queensland in November 2007, saw sixteen teams develop and pitch digital projects with a strong narrative focus for broadband, mobile, advanced TV, game consoles, virtual environments and beyond. Project teams were mentored by new media professionals including US games writer Matt Costello, UK cross platform producer Paul Bennun and Canadian creative developer Tony Walsh. Further funding has been awarded to some of these teams to develop their ideas for commercial production. The literature board supported story of the future with a total budget of \$198,923.

Frankfurt Book Fair

Australia's largest-ever presence at the world's largest literary trade show saw more than 140 Australian publishing representatives attending the Frankfurt Book Fair between 10 and 14 October 2007. Sixty-nine Australian publishers exhibited at Frankfurt under the 'Australian Read' banner that included a clearly branded stall, a lunch-time presentation on the Australian book market and networking functions. One of the hottest deals was for Debra Adelaide's new novel *The Household Guide to Dying*, with rights to the moving tale of life and death worth more than \$1.1 million sold into the UK, USA, Canada, Holland, Germany, Italy, Israel, France and Spain. 'Australian Read' was developed by the Australian Publishers' Association with support from the Australia Council, Austrade and the Australian Embassy in Germany. The Australia Council supported 'Australian Read' with a total budget of \$148,232.

Music

The Australia Council invested more than \$69.1 million in Australian music-making in 2007–08, including \$36.7 million for the nation's orchestras, \$19.9 million for opera and \$12.5 million for other music-making.

This support comes primarily from the major performing arts board, music board and market development section. It takes the form of grants, residencies, fellowships, an annual award, financial and operational support to music organisations, market and audience development initiatives and strategic initiatives to build capacity across the sector.

The following three activities are examples of the Australia Council's support for excellence in Australian music.

2008 Don Banks Music Award—Bob Sedergreen

Jazz icon Bob Sedergreen received the 2008 Don Banks Music Award in March 2008. The award recognises the contribution that Bob has made to Australia's musical and cultural identity over the course of a career spanning more than 50 years. He played a vital role in bringing a unique voice to Australian jazz music as a highly gifted pianist/composer and an inspiring music educator. The \$60,000 Don Banks Music Award is one of the highest accolades in Australian music, awarded annually to a distinguished artist who has made an outstanding and sustained contribution to the artform.

Devastations

Since erupting onto the rock scene with their self-titled debut in 2004, the Devastations have made their mark at home and abroad. Formed in Melbourne, the band has since moved to Berlin to take their career to the next level, winning fans and touring with indie legends Einstürzende Neubauten, the Tindersticks and Blonde Redhead. Two of their albums, *Coal* and *Yes, U*, have been nominated for the Australian Music Prize. The music board and market development section supported the Devastations on a 2007 tour through Germany, France, Scandinavia and the UK with a \$20,000 international pathways grant.

4

Knowledge
centre on
the arts in
australia

Digital downloads research

Digital technologies are revolutionising the music industry—as the stereo gives way to the home theatre and portable device, and the record shop moves online. A report commissioned by the music board and produced by Handshake Media examined some of these changes and new business models for the digital delivery of Australian music. It also looked at the ways that moving towards greater use of digital platforms can contribute to artists' income levels. Following the report, the music board changed the focus of its presentation and promotion grant category to encourage the creation of websites and other online marketing initiatives.

Performing arts

The Australia Council supported Australia's performing arts through a number of sector initiatives in 2007–08. These initiatives were managed by the major performing arts board and market development section.

The following three activities are examples of the Australia Council's contribution to building the capacity of, and new markets for, the performing arts sector.

Australian Performing Arts Market

From Strange Fruit's performers swaying in the breeze to Big hART's floating art boat, the Australian Performing Arts Market (APAM) showcased the very best in Australian performance to more than 560 leading Australian and international presenters in February 2008. Sixty-two performing arts companies were set to impress the presenters, building contacts and negotiating tours, over one week during festival season in Adelaide. The eighth biennial APAM had a strong focus on promoting Australian arts in Asian markets, with approximately 75 delegates attending from Asian countries such as China, Japan, South Korea, Taiwan, Malaysia and Singapore. Several major tours were being negotiated three months after APAM, with Australian Dance Theatre set to tour their latest production *G* to

25 venues across Europe, and Circa also taking *By the light of the stars that are no longer* to the continent. APAM was presented by the Australia Council and Arts SA, in partnership with the Department of Foreign Affairs and Trade and Adelaide Festival Centre. The Australia Council supported APAM with a total budget of \$390,000.

Australia Festival

A slice of Australian culture cut a swathe through the steel city of Pittsburgh, USA between 10 October and 17 November 2007. The Australia Festival showcased Australia's cutting edge performing and visual arts, through 34 performances, four exhibitions and five special events over six weeks. The festival kicked off with four acrobatic shows from Circus Oz and concluded with the techno-wizardry of Chunky Move's *Glow*, with a smorgasbord of Australian art in between from Windmill Performing Arts latest work for children to *Workin Down Under*, a survey exhibition of contemporary video and installation artworks. The Australia Council supported the Australia Festival with a total budget of \$293,830.

4

Knowledge
centre on
the arts in
australia

Anticipating Change report

A new report on the future of the major performing arts predicted that economic and social trends—such as development in the Asian region, Australian demographic shifts and changing leisure options—will impact on the sector. *Anticipating Change in the Major Performing Arts* was released in June 2008, commissioned by the Australia Council and produced by international arts consulting firm AEA Consulting. The report highlighted a number of challenges and opportunities in the performing arts, including climate change, generational workforce succession, rising transport costs, an increasingly diverse society, a globalised marketplace for the performing arts and new technologies. It also emphasised the need for a healthy two-way exchange of ideas and personnel between larger performing arts institutions and smaller companies.

Theatre

The Australia Council invested more than \$20.8 million in Australian theatre in 2007–08.

This support comes primarily from the theatre board, major performing arts board, literature board and market development sections. It takes the form of grants to individual artists and groups, financial and operational support to arts organisations, market and audience development initiatives, and strategic initiatives to build capacity across the sector.

The following three activities are examples of the Australia Council's support for excellence in Australian theatre.

ASSITEJ World Congress and Performing Arts Festival for Young People

More than 30,000 young people went on an artistic rampage through Adelaide from 9 to 18 May 2008, led by festival ambassador Hugh Jackman and a two-headed goat mascot, as part of the 16th ASSITEJ World Congress and Performing Arts Festival for Young People. The festival saw more than 28 theatre companies and artists present works from 13 countries from South Korea to Sweden and South Africa. The festival was opened by a new work by the Snuff Puppets, *Nyet Nyet's Picnic*. The world congress of ASSITEJ, the global network of theatre practitioners, saw more than 500 delegates from 47 countries swap stories and discuss current issues during a UN-style general assembly, forums, 'play slams', showcases and awards events. The theatre board supported the event with \$48,130 and the market development section contributed \$98,130.

Back to Back Theatre—Arts Presenters Conference

Back to Back Theatre's frenetic year of international touring took their award-winning *small metal objects* to 13 different cities around the globe. One of the highlights was performing at the Under the Radar! public festival in New York connected to the world's largest performing arts trade show, the Arts Presenters Conference 2008, in January 2008. Their inventive tale of friendship in a consumer-driven society took over the Staten Island Ferry Terminal—a transit point for 60,000 passengers per day—and garnered rave reviews. In September 2008, *small metal objects* received a prestigious 'Bessie'—a New York Dance and Performance Award honouring their outstanding innovative performance. Back to Back's 'extraordinary achievement' also earned them the coveted ZKB Acknowledgement Prize from the Zurich Theatre Festival in August 2007. The eight-strong Australian delegation

to the Arts Presenters Conference featured dance, circus, outdoor performance and physical theatre companies under the banner OzArts: Australian Performance Now. The theatre board supported Back to Back Theatre with \$166,640 in key organisations funding. The market development section supported the Arts Presenters Conference delegation with a budget of \$40,000.

1

Artists' income levels

PlayWriting Australia

The creation of PlayWriting Australia, the national peak body for playwriting services, has paid dividends in its first year. Writing for performance was very firmly on the agenda at the National Play Festival, held in Brisbane in February 2008, where playwrights and the public took part in a series of workshops, presentations and forums over two weeks. The showcase program also staged eight new Australian plays. PlayWriting Australia also worked with the Australian Script Centre to develop a 'one-stop shop' for organisations looking for Australian plays—www.australianplays.org—an online database of scripts from Playlab, Currency Press and the Australian Script Centre. The theatre board supported PlayWriting Australia with \$390,454 in key organisations funding.

Visual arts

The Australia Council invested more than \$15.8 million in Australian visual arts in 2007–08.

This support comes primarily from the visual arts board and market development section. It takes the form of grants, residencies, fellowships and awards, support for contemporary art organisations, funding for national and international exhibitions and publications, market and audience development initiatives, and strategic initiatives to build capacity across the sector.

The following three activities are examples of the Australia Council's support for excellence in Australian visual arts.

Venice Biennale 2009

2009 will see the diversity of Australia's landscapes and cultures on show at the Venice Biennale. In May 2008, the Australia Council announced the delegation to attend the next edition of what is arguably the most prestigious event in the international visual arts calendar. It will be spearheaded by Shaun Gladwell's *MADDEST MAXIMVS*—an evocative suite of five thematically interrelated videos influenced by his own experiences of outback Australia and the seminal Mad Max films. An exhibition of emerging artists Vernon Ah Kee, Ken Yonetani, Claire Healy and Sean Cordeiro—curated by Felicity Fenner—will be shown at the same time. The selection was made by the Australia Council's visual arts board with advice from three senior curators—Linda Michael, Tony Ellwood and Carolyn Christov-Bakargiev—and the newly appointed Australian commissioner for Venice Biennale, Doug Hall AM. The Australia Council will contribute a budget of \$700,000 to the Venice Biennale 2009 in addition to managing a fundraising program.

1

Artists' income levels

Caroline Casey

One of Australia's leading designers, Caroline Casey's textile and furniture designs are included in the collections of the San Francisco Museum of Modern Art, the National Gallery of Australia and The Powerhouse Museum. She received a \$30,000 maker to manufacturer to market (MMM) grant in 2007 to create and commercialise her unique *Featherlight* table designs. The prototype table uses the latest in advanced carbon fibre technologies, similar to materials used in the Boeing 787 Dreamliner aeroplane. The visual arts board supported 10 Australian designers with grants of \$30,000 each through the MMM initiative.

Australian Centre for Contemporary Art—Darwin with Tears

One of Australia's pioneering new media, video and performance artists, Lyndal Jones has forged a more than 20-year career on the cutting edge of contemporary art. Her provocative explorations of desire have taken her to the Venice Biennale in 2001 and the unique DMZ exhibition in 2005 in the demilitarised zone in South Korea. A major retrospective of her works—*Darwin with Tears*—was held at the Australian Centre for Contemporary Art in Melbourne from May to July 2008. The exhibition featured three major series of her works, including her Venice Biennale work, and one installation especially commissioned for the retrospective. The visual arts board supported the exhibition with a \$37,700 presentation and promotion grant.

1.2 Outcome 2—Access for all Australians

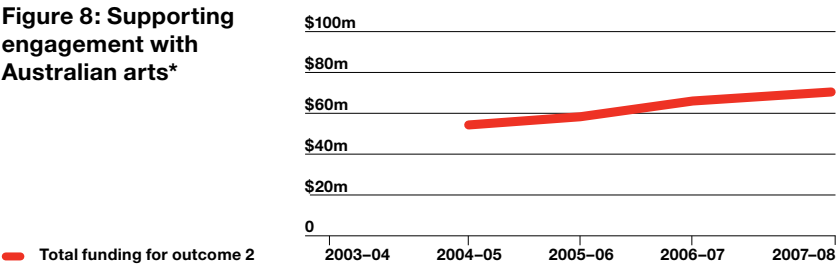
34 / 35

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

All Australians engage with the arts—even when they don’t realise it. From simply buying a book to downloading an album, the arts are an intrinsic part of our lives. The Australia Council plays a large role in breaking down some of the barriers that prevent Australians from recognising the important role that the arts play in their lives.

The Australia Council invested more than \$70.3 million in supporting community engagement in 2007–08, compared to \$66 million the previous year.* This investment has assisted Australians to experience arts festivals, community arts and culture, arts films and broadcasts, education programs, national and regional touring, and exhibitions.

Figure 8: Supporting engagement with Australian arts*



*Funding levels for 2006–07 and 2007–08 reflect cash payments made during each year. This differs from the accrual based figures tabled in the financial statements and this reporting on outcome 2.

According to the Australian Bureau of Statistics, approximately 85 per cent of all Australians over the age of 15 attended a cultural event or venue in 2005–06. Approximately 6 million adult Australians attend performing arts events and 3.6 million attend visual arts events each year.

Australia Council support underpins many of these arts experiences. In 2007–08, there were approximately 9.5 million attendances at Australia Council-supported arts activities. This included funding through project grant programs, small-to-medium arts organisations and major performing arts companies (see figure 9).

Figure 9: Attendances at Australia Council-supported activities

	2003	2004	2005	2006	2007
Total audiences	8,773,000	7,142,000	7,987,000	9,310,000	9,498,193
Project grants	4,241,000	2,416,000	2,953,000	2,199,000	1,451,663
Key organisations	2,259,000	2,562,000	2,867,000	3,878,000	4,704,991
Major performing arts companies	2,273,000	2,164,000	2,167,000	3,233,000	3,341,539

The Australia Council's increased focus on greater appreciation for the arts has already supported key projects to engage more Australians with the arts. Movers & Shakers attracted new audiences to contemporary dance during the Sydney Festival (see page 38). A new partnership with the ABC resulted in a landmark screening of The Australian Ballet's performance of *Swan Lake* in living rooms and cinemas across the country (see page 38).

More and more Australians are also actively participating in the arts. Approximately 3.5 million Australians—or around 22 per cent of people over the age of 15—make paid or voluntary work in the arts a major part of their lives (see figure 10).

Figure 10: Number of people involved in selected cultural activities

	2001	2004	2007
Visual arts	503,200	789,900	1,411,700
Craft	396,400	542,700	960,800
Writing	536,900	556,500	606,5000
Performing arts	364,600	423,900	506,300
Music	281,900	305,200	335,110

Source: Australian Bureau of Statistics, *Work in Selected Culture and Leisure Activities 6281.0*, 2007. See the report for an explanation of variance between surveys.

Community partnerships

The Australia Council invested more than \$4.7 million in community arts and cultural development in 2007–08.

This support comes primarily from the community partnerships section. It takes the form of grants and an award for individual artists, financial and operational support to community arts and community organisations, support for key producer companies and community partnership support services, and strategic initiatives to build capacity across the sector.

The following six activities are examples of Australia Council's support for community arts and cultural development.

2

Greater appreciation for the arts

Big hART—*Ngapartji, Ngapartji*

With seven sold-out seasons across the country, bucket loads of critical acclaim and standing ovations at almost every performance, *Ngapartji, Ngapartji* was one of the highlights of Australian theatre in 2007–08. The production, taking its name from the Pitjantjatjara/Yankunytjatjara 'I give you something, you give me something', is the tip of the iceberg of a larger community engagement project by leading community arts organisation Big hART. Working across several Indigenous communities, the project involves an online Pitjantjatjara language and culture website, a literacy-based crime prevention project and a busy office in Alice Springs. It was devised and created by a three person team—Big hART artistic director Scott Rankin, performer Trevor Jamieson and creative producer Alex Kelly. The community partnerships section supported Big hART with \$41,500 in funding and creative producer Alex Kelly was awarded the Australia Council's \$10,000 Kirk Robson award in 2008.

Ros Bower Award—Richard Frankland

The Australia Council's 2007 Ros Bower award was presented to the multi-talented Aboriginal artist Richard Frankland by the Minister for the Arts the Hon Peter Garrett AM MP at a ceremony in Sydney in March 2008. The \$50,000 award recognised Richard's innovative leadership, outstanding artistic talent and contribution to reconciliation and social justice. A Gunditjmara man from Victoria, he has worked as a playwright, filmmaker, stage and screen director, novelist and musician. His award-winning works have included the short film *No Way to Forget* and the play *Conversations with the Dead*.

Somebody's Daughter Theatre—*She's Landed at the Gatwick*

Somebody's Daughter Theatre has worked with women and young people over the past 20 years, proving that the arts have the power to change lives. Their latest production *She's Landed at the Gatwick* was developed and performed by 15 women who had been incarcerated in Victorian prisons, and developed with the help of writer/director Kharen Harper. The story, about a band of residents battling to save their St Kilda boarding house, had a six-night run at the Chapel off Chapel in Melbourne in November 2007. The community partnerships section supported Somebody's Daughter with \$125,000 in key organisations funding.

DADAAWA—*The Proper Shoes*

A radio play about a feisty group of people living with mental illness entranced audiences in the town of Kilkenny, Ireland in October 2007. *The Proper Shoes*, interweaving a series of stories written by young women with a disability, was first broadcast nationally on ABC Radio National in October 2006. Disability in the Arts/Disadvantage in the Arts WA (DADAAWA) was then invited to tour the play as part of the TRASNA Festival of Inclusive Theatre. Four crew members installed the play in the Irish village, where audience members were invited to experience the work as they walked through town for the critically acclaimed production. The community partnerships section supported DADAAWA with \$180,000 in key organisations funding.

Mix It Up

Celebrating Victoria's cultural diversity, Mix It Up is an annual nine-month program that showcases the best in multicultural arts. It is a unique partnership between Multicultural Arts Victoria and Melbourne's The Arts Centre. The 2007 program built on the outstanding success of the previous year, which saw more than 800 artists of 23 nationalities present at 96 events to more than 160,000 visitors. Highlights in 2007 included the *Visible* concert, with performances by Indigenous and emerging

African communities who had been mentored by professional musicians, and *Indonesia Rocks*, a performance by the gamelan ensemble Kua Etnika. The community partnerships section supported The Arts Centre with \$90,000 for Mix It Up and Multicultural Arts Victoria with a \$70,000 program grant.

3

Business
and
philanthropic
involvement
in the arts

Feral Arts—www.placestories.com

Providing a place for local communities to tell their stories is the aim of a new digital media project by Queensland community organisation Feral Arts. *PlaceStories* is an online database which has focussed on stories relating to regional arts, environment, landcare and rural communities from Queensland and the United States. A visit to the United States in late 2007 saw the Ferals spending three weeks working with their sister organisation, the Centre for Rural Strategies, in meeting with community organisations to develop and workshop the model for *PlaceStories*. The community partnerships section supported Feral Arts with \$180,000 in key organisations funding. Artsupport Australia mentored the organisation through their successful application to the Westpac Foundation, which saw them awarded \$372,000 over three years.

Aboriginal and Torres Strait Islander arts

The Australia Council invested more than \$10.1 million in Aboriginal and Torres Strait Islander arts in 2007–08.

The following three activities are examples of the Australia Council's support for community engagement with Indigenous arts.

PACT Theatre/Redfern Community Centre—*Block Side Story*

Redfern was chock-a-block for three nights in May 2008, when more than 2000 people came along to the second instalment of a unique cultural event put together by PACT Theatre and the Redfern Community Centre. A team of 60 elders and young people from Redfern and the Waterloo Girls Centre rehearsed for six weeks to present *Block Side Story: A roam around the Block*, following on from the first *Gathering Ground* event held in 2006. Two Sydney arts companies—Legs on the Wall and EARTH—ran skills workshops in puppetry, stilt walking, gymnastics and aerial work leading up to the performances. Performances over the three nights explored themes of family, friendship and local history in an event that was part performance, part cultural tour, part festival and all heart. The Aboriginal and Torres Strait Islander arts board supported *Block Side Story* with an \$18,000 skills and arts development grant.

3

Business
and
philanthropic
involvement
in the arts

Wadeye Community Cultural Festival

An exciting week of music, dance, theatre and community events culminated in a concert by Indigenous rockers Wildflower and Narbalek at the Wadeye Community Cultural Festival in June 2008. The festival program aimed for a 'cultural renaissance' in the community, reviving traditional cultural practices and restoring local arts, music and dance that has been in decline for the past decade. The Wadeye community in the north of the Northern Territory is home to approximately 2500 people comprising 23 tribal and seven language groups. Artsupport Australia helped to broker a philanthropic grant of \$240,000 over three years from the Rio Tinto Aboriginal Fund.

Mulka Project

A groundbreaking multimedia archive and production centre of Yolngu culture was launched at the 2007 Garma Festival in August 2007. Bridging traditional knowledge and digital media, the Mulka Project is managed by Yolngu people and trains young people in the Yirrkala community to research, interpret and archive cultural material from north-east Arnhem Land. The project is creating a valuable archive of cultural heritage that is being drawn on by local Yolngu people to tell their own stories. In August 2008, an artwork produced by the Mulka Project—Nyapanyapa Yunupingu's bark painting and multimedia work *Incident at Mutpi 1975*—took out the Wandjuk Marika Memorial 3D Work Award at the 25th Telstra National Aboriginal and Torres Strait Islander Art Awards. Artsupport Australia has helped the Mulka Project secure major philanthropic contributions from the Westpac Foundation, the Christensen Fund and an anonymous private donor.

Dance

The Australia Council invested more than \$18.8 million in Australian dance in 2007–08.

The following three activities are some examples of the Australia Council's support for community engagement with Australian dance.

2

Greater
appreciation
for the arts

Sydney Festival—Movers & Shakers

Affordable \$25 tickets and a program of eight outstanding Australian contemporary dance works, each running for about an hour, got Sydneysiders moving along to the Sydney Festival's groundbreaking Movers & Shakers program. It was the first time that an Australian arts festival had featured a program dedicated exclusively to Australian contemporary dance. The program featured a who's who of Australian choreographic talent—including Stephen Page, Lucy Guerin, Gideon Obarzanek, Kate Champion, Frances Rings, Narelle Benjamin, Shaun Parker and a work by the late Tanja Liedtke—at the Sydney Opera House and Parramatta Riverside Theatre. It also featured screenings of the dance film works and discussions about Australian dance. More than 16,000 tickets were sold to performances over the course of the three-week program. The dance board supported Movers & Shakers with \$200,000.

Tracks Dance Company—Milpirri 2

The red earth of the remote Tanami Desert in the Northern Territory was the venue for a unique community event that featured more than 260 Walpiri dancers and 300 spectators in October 2007. *Milpirri 2* was based on the Kurdiji, the mothers' dreaming, and honoured the role that women play in community life through a fusion of traditional dance and contemporary choreography. The event was coordinated by Darwin's Tracks Dance Company, with its artistic directors collaborating with Walpiri elders, and brought together the entire Lajamanu community, midway between Alice Springs and Darwin. The term 'Milpirri' means storm cloud in Walpiri language and refers to desert convergence of hot and cold air that brings rain and growth. The dance board supported Tracks with \$259,450 in key organisations funding.

5

Arts content
for the
digital era

Major performing arts digital broadcasts

Dance lovers as far afield as Katherine, Devonport and Hervey Bay got front row seats to a performance by The Australian Ballet of Graeme Murphy's *Swan Lake* on 9 March 2008. The performance was simulcast on ABC2, beamed to big screens in the Sydney Opera House forecourt and Federation Square in Melbourne, and patched in to 2000 people watching in eight regional centres through the Australian Film Commission's Regional Digital Screen Network. The Australian Ballet's multiple award-winning production of *Swan Lake* also toured to Japan in July 2007. The broadcast was part of a strategic partnership between the Australia Council and the Australian Broadcasting Corporation (ABC) to deliver more arts content across the ABC's digital delivery platforms. A broadcast of Opera Australia's production of *Carmen* was made in March 2008. The major performing arts board supported The Australian Ballet with a \$4,414,091 annual base grant.

Inter-arts

The Australia Council invested more than \$1.25 million in interdisciplinary arts through the inter-arts office in 2007–08.

The following three activities are some examples of the Australia Council's support for community engagement with inter-disciplinary arts.

5

Arts content
for the
digital era

Australian Network for Art and Technology—*Portable Worlds*

An entire art gallery fitting in your pocket may not be as far fetched as it seems. An exhibition of nine bold artworks for the mobile screen, the Australian Network for Art and Technology (ANAT)'s *Portable Worlds* began a national tour in March 2008 in South Australia and has since travelled to regional Tasmania and Victoria. The exhibition encourages school children and young media producers to contribute their artworks through a free Bluetooth interface, with activities designed to facilitate the development of small screen literacy skills and creative practice. The visual arts board supported ANAT with \$317,910 in key organisations funding.

Khaled Sabsabi—*Ali or Eli*

An installation of streamed sound and video challenging stereotypes of the Middle East, Khaled Sabsabi's *Ali or Eli* opened in two places at once in October 2005 before touring to Victoria in September 2007. The work was presented at both the Casula Powerhouse Arts Centre and the Campbelltown Arts Centre in western Sydney, containing dual representations of almost identical content—the sun, architecture and the sounds of Lebanon and Palestine. Khaled Sabsabi is a multimedia sound artist, community cultural development practitioner and hip-hop artist who has performed in Australia, Europe and the Middle East. *Ali and Eli* was presented by the Australia Council-supported kultour network.

Hellen Sky

A founding member of Circus Oz, The Australian Performing Group and dancehouse, Hellen Sky made a name for herself as an innovative physical performer. Her recent work uses technology to bridge the gap between performers and their audiences, exploring new techniques for using biometric data to trigger visual and sound artworks. Her latest work develops this further still, sensing a range of stimuli including spoken word, movement, sound, moving image, spatial design, virtual worlds and realtime interactivity. The inter-arts office supported Hellen Sky with a \$75,000 ArtLab initiative grant.

Literature**The Australia Council invested more than \$6.7 million in Australian literature in 2007–08.**

The following three activities are examples of the Australia Council's support for community engagement with Australian literature.

Books Alive 2007

Australia's largest annual promotion of books and reading, Books Alive encouraged more Australians to discover the joys of reading in August 2007. The month-long campaign included the distribution of 2.5 million copies of the *Great Read Guide*, a free brochure featuring a list of 50 recommended reads, and the giveaway of 213,000 copies of *The Ballad of Les Darcy* by popular author and commentator Peter FitzSimons for free with the purchase of any book in the guide. The guide was inserted into the August edition of the *Australian Women's Weekly*. Books Alive was backed by a series of participating author tours, a national advertising campaign, bookseller initiatives, a website and e-newsletter. An estimated 150,000 additional copies of books in the *Great Read Guide* were sold during the campaign compared to their baseline sales. Books Alive is an Australian Government initiative worth \$2 million per year.

3

Business
and
philanthropic
involvement
in the arts

Red Room Company—*Papercuts*

The Red Room Company has been promoting poetry on radio, online, on billboards, on walls and behind toilet doors since 2001. Their schools education program, *Papercuts*, places writers in schools to discuss poetry using the Red Room's successful *Cabinet of Lost and Found*, a series of objects that provide creative inspiration for the students. The pilot of the program was successfully trialled in four schools in 2007, and *Papercuts* took words and objects into a further five schools in NSW and Victoria in the first half of 2008. The literature board supported *Papercuts* with \$4000. Artsupport Australia mentored the Red Room Company over three years, resulting in funding from the Keir Foundation and Ian Potter Foundation.

Australian literature in education

Getting more Australian literature taught in schools and universities was top of the agenda when the Australia Council hosted a roundtable of 20 distinguished authors, publishers, teachers and academics in Canberra on 7 August 2007. The roundtable and subsequent communiqué sparked a national conversation around the issue, coinciding with the Australian Government's announcement of a new chair of Australian literature. Since the roundtable, the NSW and WA state governments have been examining ways to increase the amount of Australian literature taught in their state school systems. A panel entitled 'Writers as Readers' at the Sydney Writers Festival further discussed issues relating to literary education, with eminent writers such as Helen Garner, Luke Davies, Christos Tsiolkas and Sam Wagan Watson talking about their literary influences.

2

Greater
appreciation
for the arts

Music

The Australia Council invested more than \$69.1 million in Australian music-making in 2007–08.

The following three activities are examples of the Australia Council's support for community engagement with Australian music.

Queensland Music Festival—2007 Regional Program

The town of Longreach in central Queensland hosted a posse of rodeo riders, boxers, choristers, four musical groups and the town's brass band over three nights in July 2007, when *The Greatest Show on Earth* came to town. The show was one of the highlights of the biennial Queensland Music Festival (QMF) which brought together the best of Australian and international music. More than 100,000 people flocked to the festival's popular regional program, which over the course of 17 jam-packed days took more than 40 live performances and 16 new works to 21 communities across regional Queensland. Under the artistic direction of Paul Grabowsky, the 2007 festival's theme explored music as a language of transformation. The community partnerships section supported the QMF's regional program with \$100,000.

Musica Viva Australia—Sweet Tonic

Musica Viva's *Sweet Tonic*—a two-year project being run at the Campbelltown Arts Centre in Sydney—highlights the positive benefits of music to the health and well-being of seniors. Over the course of a year, 30 participants aged between 51 and 83 from 15 suburbs across western Sydney sung to their heart's content in workshops across a range of vocal styles. Participants with a medical history of chronic illness and asthma recorded increased lung capacity and remarkable improvements in fitness levels since the start of the project. The medical benefits of the program were researched by the Macarthur Division of General Practitioners and the social benefits by the University of Western Sydney. The major performing arts board supported Musica Viva with a \$1,441,088 annual base grant. The music board supported Sweet Tonic with \$110,000.

WA Music Industry Association—schools program

An innovative program of songwriting and recording workshops in 12 Western Australian primary and secondary schools was run by the WA Music Industry Association (WAM) throughout 2007–08. The music created by the students at the workshops was then uploaded onto the WAM website and put onto CDs for each school. Performances by professional musicians side-by-side with the students then got the students rocking. The music board supported the program with a \$30,000 skills and arts development grant.

Theatre

The Australia Council invested more than \$20.8 million in Australian theatre in 2007–08.

The following three activities are examples of the Australia Council's support for community engagement with Australian theatre.

Company B—*Keating! The Musical*

'The musical we had to have', about the former prime minister with sharp suits and rapier wit, has been one of the most talked about stage shows in recent years. Written by Casey Bennetto and directed by Neil Armfield, *Keating! The Musical* was seen by 166,874 people in 126 performances over 2007 in Sydney, Melbourne, Perth, Canberra, Wollongong and Albany. Further dates in eight metropolitan and regional centres followed in the first half of 2008. The production took out three Helpmann Awards in 2007 and one in 2008, including best musical, best direction in a musical, best supporting actor and best regional touring production. The major performing arts board supported Company B with a \$572,927 annual base grant.

Milk Crate Theatre

Australia's only theatre company dedicated solely to homeless people, Milk Crate Theatre knows how to make a big impact on a shoestring budget. They run more than 50 workshops and six public performances each year on the streets of inner-city Sydney that bring together professional theatremakers with homeless people. Milk Crate Theatre is a partnership between Darlinghurst Theatre Company

3

Business
and
philanthropic
involvement
in the arts

and Wesley Mission's Edward Eagar Lodge. The community partnerships section also supported Milk Crate Theatre with a \$15,000 grant. Artsupport Australia has mentored Milk Crate Theatre resulting in them securing a major individual donation worth \$150,000 over three years as well as grants from Perpetual Trustees and the Vincent Fairfax Family Foundation.

Kurruru Indigenous Youth Performing Arts—*Second to None*

A bus tour led by three shonky property developers spirals wildly out of control in a unique theatrical experience staged by Kurruru Indigenous Performing Arts and Vitalstatistix Theatre Company in November 2007. *Second to None* took in four sites across Port Adelaide (Yerta Bulti), with more than 140 performers exploring the many layers of local and Kaurna history when the bus is 'hijacked' by three Aboriginal women. The production sold out all four performances and garnered rave reviews. The theatre board supported Vitalstatistix with \$164,507 in key organisations funding. The Aboriginal and Torres Strait Islander arts board supported Kurruru with \$140,981 in key organisations funding. Artsupport Australia also mentored Kurruru's fundraising activities.

Visual arts

The Australia Council invested more than \$15.8 million in Australian visual arts in 2007–08.

The following three activities are examples of the Australia Council's support for community engagement with Australian visual arts.

Fremantle Arts Centre—*Bon Scott Project*

A celebration of Australia's most iconic rocker, the *Bon Scott Project* was a multimedia retrospective on the life and times of Bon Scott, lead singer of AC/DC from 1974 to 1980. The exhibition was presented by Fremantle Arts Centre in May 2008, bringing together the stories of fans, friends and fanatics who played important roles in his life and music. Painting, sculpture, drawing, collage, photography, video, an online blog and an obligatory AC/DC cover band were featured in the project, curated by Jasmin Stephens. Nineteen artists took part in the six-week celebration. The visual arts board supported the *Bon Scott Project* with a \$20,000 presentation and promotion grant.

Experimenta—*Experimenta Playground*

A selection of cutting-edge artworks—featuring underwater worlds, a table-top city and giant multi-coloured tea cups—invited audiences to come out and play in five centres across the country from August 2007. *Experimenta Playground* toured interactive artworks, video installations, short films and extreme art to venues in Melbourne, Sydney, Perth, Adelaide and Bendigo. Twenty-nine artists from Australia and around the world were featured, including Shaun Gladwell, Stelarc, Daniel Crooks, June Bum Park and Shu Lea Cheang. The visual arts board supported Experimenta with \$42,066 in key organisations funding and an additional \$50,000 in Visual Arts and Craft Strategy funding.

2

Greater
appreciation
for the arts

Biennale of Sydney

Sydney comes alive every two years when the Biennale of Sydney bursts onto the city, as the largest and best-attended contemporary visual arts event in Australia. The 2008 Biennale, themed *Revolutions—Forms That Turn*, featured more than 180 artists from 42 countries with 65 new art works, presented alongside a selection of international avant-garde works from last century. From June to September 2008, the Biennale was exhibited in seven venues across the city including the Museum of Contemporary Art, the Art Gallery of New South Wales, Cockatoo Island and the Sydney Opera House. The Biennale attracted more than 430,000 visitors over the three months. For the first time ever, it featured an additional virtual venue at www.bos2008.com/revolutionsonline/. The visual arts board supported the Biennale of Sydney with \$213,959 in key organisations funding and an additional \$360,000 in Visual Arts and Craft Strategy funding.

2.0 About the Australia Council

42 / 43

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

The Australia Council enriches our nation by supporting and promoting the practice and enjoyment of the arts.

To help artists and arts organisations make excellent art and give Australians the opportunity to experience and enjoy it, the Australia Council:

- Supports artists and organisations through funding programs
- Invests in opportunities for all Australians to enjoy the arts
- Promotes the arts in all their diversity and builds new audiences in Australia and overseas
- Builds the capacity of the arts sector
- Facilitates partnerships between artists, governments, business and communities
- Researches the arts and culture
- Develops arts policy and provides advice
- Advocates for the arts with government and the community.

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.

2.1 Corporate governance

44 / 45

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

The Council

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

In accordance with the terms of the *Australia Council Act 1975*, the Council has between 10 and 14 members, including the Australia Council chief executive officer who is a member of the Council *ex officio*. The Governor-General appoints the Council chairperson on advice of the Minister for the Environment, Heritage and the Arts. The Minister appoints members of the Council. Terms of appointment for members of the Council are generally three years, up to a maximum of six. Members are appointed with a view to achieving a balance of relevant expertise in the arts, business, management, public policy, corporate governance and administration, appropriate for regional, gender, multicultural and Indigenous community participation in the arts.

All new members of the Council attend a formal induction program where they receive a copy of the *Australia Council Manual for Members* and the *General Guidance for Directors of Statutory Authorities*. They must abide by the *Code of Conduct for Holders of Public Office* (the Bowen Code) that is reproduced in the *Manual for Members*. The manual also contains a section that outlines appropriate ethical standards with regard to, among other things, confidentiality and disclosure of Council business, conflicts of interest, political activity, sponsored travel and acceptance of gifts.

If a Council member believes at any time that he or she requires legal advice on any matter, the chairperson advises the chief executive officer to consult the legal and compliance manager on the procedure for obtaining this advice.

The Council met five times during 2007–08:

Melbourne	4–5 September 2007
Sydney	29–30 November 2007
Sydney	6–7 February 2008
Alice Springs	14–15 April 2008
Canberra	14–15 May 2008

Members of the Council at 30 June 2008

James Strong AO—Chairman (NSW)

Appointed chairman of the Council for three years from 1 July 2006; member of the audit and finance committee and the nominations and governance committee. Chairman of Woolworths Ltd, Insurance Australia Group Ltd, and the Rip Curl Group Pty Ltd; non-executive director of Qantas Airways Ltd; director of Story Bridge Adventure Climb Pty Ltd and the Australian Grand Prix Corporation.

Joseph Gersh AM—Deputy chairman (Vic.)

Appointed deputy chairman of the Council for three years from 1 July 2006; chairman of the nominations and governance committee and appeals committee, and member of the audit and finance committee. Executive chairman of Gersh Investment Partners Ltd; chairman of the Australian Reinsurance Pool Corporation and Artbank; director of the Payments System Board of the Reserve Bank of Australia and The Sydney Institute; member of the Business-Government Advisory Group on National Security.

Kathy Keele—Chief executive officer (NSW)

Appointed chief executive officer and member of the Council *ex officio* for three years on 7 February 2007; chair of the decisions review, donations fund and reserves fund committees, member of the audit and finance and nominations and governance committees; *ex officio* member of the Australia International Cultural Council, Heads of Cultural Organisations, Playing Australia Committee and Festivals Australia Committee; observer status on the Cultural Ministers Council Standing Committee; director of the International Federation of Arts Councils and Cultural Agencies.

Richard Allert AO—Chair, major performing arts board (SA)

Appointed to the Council as chair of the major performing arts board for three years from 1 February 2006; chair of the audit and finance committee. Chairman of AXA Asia Pacific Holdings Ltd, Tourism Australia and the Aboriginal Foundation of South Australia; deputy chairman of Cavill Power Products Pty Ltd Group; director of the Australia Business Arts Foundation and Gennessee & Wyoming Australia Pty Ltd; member of the Forces Advisory Council on Entertainment.

Barbara Black—Community interest representative (WA)

Appointed to the Council as a community interest representative for three years from 3 April 2006; member of the audit and finance and decisions review committees. Director of the University of Western Australia (UWA) Albany Centre.

Rosalba Clemente—Chair, theatre board (SA)

Appointed to the Council as chair of the theatre board for three years from 26 March 2008. Member of the artistic directorate for Hot House Theatre Company; freelance playwright involving Vitalstatistix Theatre Company, Windmill Theatre Company and the Adelaide Festival Centre.

Nicola Downer AM—Community interest representative (SA)

Appointed to the Council as a community interest representative for three years from 18 December 2003, and re-appointed for an additional three years from 18 December 2006; member of the decisions review committee. Governor of the State Theatre Company of South Australia; chair of the Helpmann Academy Foundation and Fleurieu Peninsula Biennale; patron of the Hahndorf Academy; vice patron of Regional Arts Australia; president of the Victoria League for Commonwealth Friendship in South Australia, member of the Adelaide Cabaret Festival Advisory Board, Botanic Gardens 150 Committee, Australian Garden History Society, Prostate Cancer Board SA, Sydney Opera House Advocacy Group and Helpmann Academy Board.

Dominique Fisher—Chair, dance board (Vic.)

Appointed to the Council as chair of the dance board for three years from 24 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) and Pacific Brands Ltd; director of the Prostate Cancer Foundation (Vic).

Professor Brad Haseman—Community interest representative (Qld)

Appointed to the Council as 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.

Dr Graeme Koehne—Chair, music board (SA)

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

Dr Imre Salusinszky—Chair, literature board (NSW)

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

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

Appointed to the Council as chair of the Aboriginal and Torres Strait Islander arts board for three years from 9 March 2005, re-appointed for an additional twelve months from 9 March 2008. Director of the Indigenous Education Leadership Institute; council member of the Australian Film, Television and Radio School; member of the Social Inclusion Board.

Professor Edgar Snell AM, Cit WA—Chair, visual arts board (WA)

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

Staff representative

Australia Council staff elect a representative as an observer on the Council. Kerri McIlvenny, senior policy officer, ATSIA, held this position from December 2006 to January 2008; Peter Keogh from February to April 2008; Chris Bonney was elected staff representative in April 2008.

Department of Environment, Water, Heritage and the Arts representative

The Department of Environment, Water, Heritage and the Arts has observer status on the Council. Lynn Bean, first assistant secretary, arts division, and Mark Taylor, then assistant secretary of arts policy and access, filled this position in 2007–08.

Changes to Council membership in 2007–08

- Tim O'Loughlin, community interest representative, resigned from the Council effective 30 September 2007.
- Ian McRae, chair of the theatre board, completed his term on 23 January 2008.
- Professor Brad Haseman, community interest representative, was appointed for a three-year term from 26 March 2008.
- Rosalba Clemente, chair of the theatre board, was appointed for a three-year term from 26 March 2008.

Figure 11: Schedule of attendance at Council meetings 2007–08

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
James Strong AO	5	5
Joseph Gersh AM	5	4
Kathy Keele	5	5
Richard Allert AO	5	4*
Barbara Black	5	5
Nicola Downer AM	5	3
Dominique Fisher	5	5
Dr Graeme Koehne	5	4
Ian McRae	2	2
Tim O'Loughlin	1	1
Dr Imre Salusinszky	5	4
Chris Sarra	5	5
Prof Edgar Snell	5	5
Kerri McIlvenny	3	3
Peter Keogh	1	0
Chris Bonney	1	1

*One meeting attended in part.

Ministerial directions

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

Council directions

The *Australia Council Act 1975* requires that the text of all directions to its committees during the year be included in the Australia Council's annual report. The delegations to the appeals committee, community partnerships committee, decisions review committee, donations fund committee, reserves fund committee, the generic artform boards, major performing arts board and Aboriginal and Torres Strait Islander arts board are available on the Australia Council's website at www.australiacouncil.gov.au/annualreport0708/directions

Committees and advisory bodies

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

Australia Council multicultural advisory committee

The Australia Council multicultural advisory committee (ACMAC) developed strategies for and monitored the implementation of the arts in a multicultural Australia policy. The committee comprised experts in the area of multiculturalism and the arts in Australia and internationally. ACMAC met once and held a national symposium in 2007–08. In April 2008, the Council adopted a cultural engagement framework,

of which the arts in a multicultural Australia policy is a part. As part of the framework, the Council agreed to convene advisory groups to assist in the development of initiatives and strategies as required.

Figure 12: Attendance at ACMAC meetings

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

Appeals committee

The Council has delegated powers to the appeals committee to consider and determine any appeal from a board, committee or senior officer of the Australia Council regarding a decision by the Council chairperson and chief executive officer to rescind a previously approved grant. Membership of the committee comprises any two of the non-board chair members of the Council, the deputy chairperson of the Council (or chairperson, if the deputy chairperson has participated in the decision to rescind subject to an appeal), and a board chair member of the Council not involved in the decision previously. No appeals were received during the year and the appeals committee did not meet.

Audit and finance committee

The audit and finance committee's objective is to oversee and review the Australia Council's corporate governance obligations in relation to external accountability, financial reporting, internal controls, risk management, internal and external audit activities, and legal and financial compliance. In addition the committee monitors the Australia Council's compliance with the terms and conditions of the triennial funding agreement with the Australian Government, the Australia Council's overall financial position, budget preparation and any other significant financial issues as they arise. The committee is authorised to request information it requires from employees of the Australia Council, including internal auditors; to discuss matters with external auditors; and to seek independent professional advice, as it considers necessary. Minutes of the committee meetings are included in Council papers and the chair of the committee reports on relevant matters at Council meetings. The committee has an advisory role and is not delegated to act on the Council's behalf. The committee is chaired by a member of the Council and includes the chairperson of the Council, the deputy chairperson, one other Council member and the chief executive officer. The audit and finance committee met five times in 2007–08.

Figure 13: 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	4
Kathy Keele	5	4
Ian McRae	2	2
Barbara Black	1	1

Community partnerships committee

The community partnerships committee provides strategic, advisory and policy leadership to the Australia Council's community partnerships section. The committee's key responsibilities are to oversee and deliver funding support and grants programs for community partnerships initiatives and community cultural development activities. The committee is also responsible for overseeing the Council's strategic engagement with: arts in the community; youth and the arts; education and the arts; arts in a multicultural Australia; regional arts; and arts and health. The community partnerships committee met four times during 2007–08.

Figure 14: Attendance at community partnerships committee meetings

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Prof Brad Haseman (chair)	4	4
Mia Christophersen	1	0
Tiffany Lee-Shoy	4	3
Caroline O'Neill	1	0
Jan Warzynczak	1	0
Tim O'Loughlin	1	1
Scott Rankin	3	0
Norm Horton	0	0
June Moorhouse	3	2
Jack Ritchie	3	1
Titiana Varkopoulos	3	2

Decisions review committee

The role of this committee is to determine requests for review of decisions from grant applicants who have grounds to claim that correct decision procedures were not followed in relation to their applications. The committee does not assess the artistic merit of applications. Its purpose, under the Council's direction to the committee, is only to ensure that the boards, committees and senior officers have followed correct decision-making procedures. The membership comprises the chief executive officer and Council members, none of whom may be board chairs.

Members of the committee at 30 June 2008 were:

Kathy Keele (chair)
Barbara Black
Nicola Downer AM.

No requests for review were received during the year and the decisions review committee did not meet.

Donations fund committee

This committee accepts and administers gifts made to the Australia Council donations fund in accordance with the requirements of the *Income Tax Assessment Act 1997* and the Register of Cultural Organisations. The committee and the chief executive officer, who is the committee chair, have delegated powers from the Council to accept and administer such gifts. The majority of committee members are independent of the current operations of the Australia Council. The donations fund committee met once in 2007–08.

Figure 15: Attendance at donations fund committee meeting

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Kathy Keele	1	1
Louise Walsh	1	1
Dr Helen Nugent AO	1	1
Leon Paroissien AM	1	1
Philip Rolfe	1	1

Nominations and governance committee

The nominations and governance committee facilitates and oversees a streamlined nominations process, through which the Council recommends members for the Council and its boards to the Minister, as required under the *Australia Council Act*. The committee also advocates the Council's nominations to the Minister and assists the Council on governance matters, as required. It has an advisory role and is not delegated to act on the Council's behalf. The nominations and governance committee met six times in 2007–08.

Figure 16: Attendance at nominations and governance committee meetings

	MEETINGS HELD WHILE A MEMBER	MEETINGS ATTENDED
Joseph Gersh AM (chair)	6	5
James Strong AO	6	6
Kathy Keele (CEO)	6	5

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

Reserves fund committee

The reserves fund committee was established in 2005 to oversee and manage an allocation of funds reserved for triennially funded companies that are experiencing financial difficulty. The committee is responsible for assessing applications from companies for loans, ensures compliance with relevant legislation and regulations, and reports to the audit and finance committee on the operations of the fund. The reserves fund committee met once in 2007–08.

Members of the committee at 30 June 2008 were:

Kathy Keele (chair)

Tony Grybowski

Robin Cowdery

Ben Strout.

Artform boards

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

They are the Australia Council's major source of advice on the development of arts policy and grant programs.

The Minister establishes the boards under the *Australia Council Act 1975*. They function within the framework of the Australia Council's *Corporate Plan 2006–2010* and related policies and budget allocations. Most boards have seven members and all have a chairperson. The Aboriginal and Torres Strait Islander arts board has nine members, including a chairperson. The major performing arts, music and visual arts boards have eight members.

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 *Australia Council Act 1975*, 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, 54 peers participated in board and committee grants assessment meetings.

Funding decisions by senior officers

Certain senior officers of the Australia Council are delegated the 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, 36 peers made recommendations to senior officers regarding funding decisions.

Section 2.1
Corporate
governance

**Aboriginal and Torres Strait
Islander arts board**

Dr Chris Sarra (chair)
Rosie Barkus
Brenda Croft
Richard Frankland
Jeanette James
Djambawa Marawili
Lynette Narkle
(from February 2008)
Gina Rings
Tara June Winch

**Community partnerships
committee**

Tim O'Loughlin
(chair to September 2007)
Prof Brad Haseman
(chair from October 2007)
Tiffany Lee-Shoy
June Moorhouse
Jack Ritchie
Titiana Varkopolous
Jan Wawrzynczak

Dance board

Dominique Fisher (chair)
Claudia Alessi
Julie-Anne Long
(from May 2008)
Jeff Meiners
Steven Richardson
(to July 2007)
Frances Rings
Elizabeth Walsh
(from April 2008)
Suzan Williams
(to May 2008)

Literature board

Dr Imre Salusinszky (chair)
Dr Ann Galbally
Dr Jack Hibberd
Dr Peter Holbrook
Nicholas Jose
(from September 2007)
Bronwyn Lea
Sophie Masson
Glyn Parry (to July 2007)
Fay Zwicky
(from April 2008)

**Major performing
arts board**

Rick Allert AO (chair)
Frank Cooper
Brian Jamieson
Mary-Ellen King
(from April 2008)
Martin Kriewaldt
(from August 2007)
Katie Lahey
Jonathan Mills
(to December 2007)
Jillian Segal AM
Judith Stewart

Music board

Prof Graeme Koehne (chair)
Prof Andy Arthurs
Father Arthur Bridge AM
Carol Day OAM
Graeme Lyall AM
(from September 2007)
Kim Mooney
(from October 2007)
Paul Petran
Neil Thompson
(from August 2007)

Theatre board

Ian McRae
(chair to January 2008)
Rosalba Clemente
(chair from March 2008)
Elizabeth Butcher AM
Pamela Creed
Annette Downs
Kate Fell (to February 2008)
Matthew Lutton
(from April 2008)
Sarah Miller (to April 2008)
Chris Puplick

Visual arts board

Prof Ted Snell AM (chair)
Seven Alderton
(from October 2007)
Robin Best
Peter Bowles
(to February 2008)
Lyndal Jones
(from April 2008)
Janet Laurence
Daniel McOwan
Karen Mills
(to October 2007)
Robyn Stacey
Michael Zavros
(from October 2007)

2.2 Organisation

52 / 53

The Australia Council's vision is to enrich our nation by supporting and promoting the practice and enjoyment of the arts.

Figure 17: Australia Council corporate plan 2006–2010

OUTCOME 1		OUTCOME 2		
That Australian artists create and present a body of distinctive cultural works characterised by the pursuit of excellence		That Australian citizens and civic institutions appreciate, understand, participate in, enjoy and celebrate the arts		
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

The Australia Council's vision is to enrich our nation by supporting and promoting the practice and enjoyment of the arts.

Our mission 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 to enjoy a rich cultural life
- Shape a future Australia in which the arts play a meaningful and vital role in everyday life.

Our six strategic priorities are:

- Artists' income levels
- Greater appreciation for the arts
- Business and philanthropic involvement in the arts
- Knowledge centre on the arts in Australia
- Arts content for the digital era
- National impact of the Australia Council.

Organisational structure

On 30 June 2008, the Australia Council organisation comprised the office of the chief executive and seven divisions: Aboriginal and Torres Strait Islander arts; arts development; Artsupport Australia; community partnerships and market development; corporate resources; governance and public affairs; and major performing arts.

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

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

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

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

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

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

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

Major performing arts aims to ensure Australia has an artistically vibrant, financially viable and broadly accessible major performing arts sector. The major performing arts board is responsible for oversight of the operations of performing arts companies throughout Australia, as joint partners with state government funding agencies.

A full-time staff of 129, located in Sydney, Melbourne, Brisbane, Perth and Darwin supports the work of the Australia Council. Employees are appointed under the *Australia Council Act 1975*, on terms and conditions set out in individual employment agreements, which incorporate the Australia Council's *Determination No.1 of 2006* and the Australia Council's *Certified Agreement 2006–09*.

The Australia Council organisation changed its structure from 1 July 2008 to comprise the office of the chief executive and five divisions: Aboriginal and Torres Strait Islander arts, arts development; arts funding, arts organisations and corporate resources (see page 22).

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 2008 was 129 employees, compared to 150 employees at 30 June 2007 (see figure 18). The representation of employees in the targeted equal employment opportunity groups at 30 June 2008 is shown as a percentage of total employees in Figure 19 below. The Australia Council continues to focus on its employment targets for Aboriginal and Torres Strait Islander peoples, and people with a disability.

Figure 18: Number of staff by division 2007–08

DIVISION	2006–07	2007–08
Arts development	58	51
Aboriginal and Torres Strait Islander arts	11	14
Community partnerships and market development	32	30
Corporate resources	21	12
Office of the CEO and Artsupport Australia	8	8
Governance and public affairs	14	7
Major performing arts	6	7
Total	150	129

Figure 19: Representation of employees in equal employment opportunity groups at 30 June 2008

GROUP	%
Women	73.1%
Aboriginal and Torres Strait Islanders	3.8%
Disability	2.3%
Non-English speaking background	13.5%

Executive team at 30 June 2008

Kathy Keele—Chief executive officer

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

Karilyn Brown—Executive director, community partnerships and market development

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

Robin Cowdery—Executive director, corporate resources

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

Tony Grybowski—Executive director, major performing arts

Appointed September 2007. Previously general manager, programming and innovation at Arts Victoria; extensive experience in arts management.

Lydia Miller—Executive director, Aboriginal and Torres Strait Islander arts

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

Ben Strout—Executive director, arts development

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

2.3 Accountability

56 / 57

The Australia Council encourages feedback on its performance. It reviews compliance with the 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, which clients and other stakeholders can expect from the Australia Council. Visit www.australiacouncil.gov.au/servicecharter to view the service charter.

Handling customer feedback and complaints

The Australia Council encourages feedback on its performance. It reviews compliance with the service charter annually and identifies areas for improvement. In 2007–08, there were four written complaints. The Australia Council resolved all but one of the complaints within the charter's service standards. The most common complaints were about unsuccessful grant applications.

Commonwealth disability strategy

The Commonwealth Disability Strategy (CDS) is the legislative framework for Commonwealth organisations to meet their obligations under the *Disability Discrimination Act 1992*. The Australia Council is required to report on its performance in meeting the CDS under the designated core roles of policy adviser, purchaser, provider and employer. In the role of policy adviser, the Australia Council aims to support the needs of people with disabilities in the arts sector. It does so through triennial funding support to Arts Access Australia (AAA), the peak body for arts and disability in Australia. AAA works to promote the rights of people with disabilities to participate in and determine their cultural life. The Australia Council is committed to making its programs accessible to people with disabilities. The Australia Council seeks input from AAA and other representatives to shape its policy and programs.

The Australia Council is committed to making timely public announcements in accessible formats for people with disabilities. Its media announcements are available on the website in html format. General information is provided in print and online formats. Audio access to the Australia Council's *Arts funding guide* is available on request. A TTY facility is available for information about Australia Council programs and services. Grant application forms include a statistics-gathering page, which allows applicants to self-identify as having a disability.

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

The Australia Council has recruitment and selection guidelines that promote merit selection and non-discriminatory decisions. A comprehensive induction program provides new employees with an understanding of the Australia Council's functions and policies, which include anti-discrimination and diversity principles. The Australia Council collects data relating to diversity and reports on it at least annually.

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

Freedom of information

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

Access to records under the FOI Act

Members of the public may apply for access to documents under the FOI Act. In many cases, the information being sought is freely available at the Australia Council website.

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

Chief executive officer
Attention: Manager, legal and compliance
Australia Council
PO Box 788,
Strawberry Hills NSW 2012

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

Freedom of Information requests

There was one request for information under the FOI Act in 2007–08.

Categories of documents

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

- documents relating to policy development and program administration, including reports, briefings, correspondence, minutes, submissions, statistics and other documents
- reference material used by staff including guidelines and manuals
- audio and visual records held as part of its cultural development activities
- relevant Commonwealth legislation
- Australia Council Corporate Plan 2006–2010
- Australia Council policies (National Aboriginal and Torres Strait Islander Arts, Arts in a Multicultural Australia, Regional Arts Development, Young People and the Arts).

Facilities for access

If it approves access, and after full payment of any charges is received, the Australia Council will provide copies of the documents concerned. Alternatively, applicants may arrange to inspect certain documents at the Australia Council offices at the above address. For applicants living outside NSW, documents can be viewed at the nearest regional office of the National Archives of Australia (Adelaide, Brisbane, Canberra, Darwin, Hobart, Melbourne, Perth or Townsville). The application fees and charges for FOI requests are determined in Schedules to the FOI (*Fees and Charges*) Regulations. Charges may be remitted on request if their imposition would cause undue financial hardship or release of the documents is in the general public interest. A decision not to remit the charges must be made within 30 days of a request being made.

Decision-making and other powers

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

Arrangements for involving stakeholders

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

- management advisory committees
- community arts organisations and individuals
- state/territory and local government agencies responsible for assisting the arts communities
- public meetings in metropolitan and regional centres, generally in conjunction with meetings of the Council and artform boards
- public meetings with 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
- 'open interviews' at which staff are present to meet current and prospective clients.

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

Risk management

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

Staff training and education

The Australia Council delivered a series of internal training programs during 2007–08. These programs covered:

- contract management
- risk assessments in consultancy and grant agreements
- good decision-making and administrative law principles
- delegations.

Additional seminars are planned for the 2008–09 financial year.

External scrutiny

Legal review

A person who is aggrieved by an Australia Council funding decision may apply directly to the Federal Court for a review of the decision under the *Administrative Decisions (Judicial Review) Act 1977*. For the period to June 2008, there have been no such reviews undertaken. The *Australia Council Act 1975* does not provide for a right of review on the merits of a decision.

Australian National Audit Office

There were no Australian National Audit Office audits or reviews of the Australia Council during 2007–08, other than the usual certification of its financial statements.

Insurance

The Australia Council's insurance policies for 2007–08 included cover for directors' and officers' liability. The premium paid for this insurance cover was approximately \$8000.

Fraud control

The Australia Council has a comprehensive fraud control plan, which it reviews every two years in accordance with the *Commonwealth Fraud Control Guidelines 2002*. The fraud control plan and associated fraud risk assessments were reviewed in June 2007 and meet the agency's needs and comply with 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.

2.4 Workplace

60 / 61

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

Certified agreement

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

The key features of the performance management framework are:

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

All employees received specific training and regular information updates on how they could make the framework work for them and the organisation. Following staff consultation, a policy for managing performance and conduct challenges is in place.

Recruitment

There were 41 employee commencements and 66 exits during the year. Recruitment activity focused on hiring fixed-term project management expertise, and filling divisional administration roles, and some senior management and executive vacancies.

Professional development

The Australia Council conducted several in-house learning and development programs, including a series of performance management and performance coaching workshops. An online compliance program for workplace policies complemented these workshops. It covered such topics as ethics and conduct, occupational health and safety, privacy, equal employment opportunity, sexual harassment prevention and bullying prevention.

Health, safety and wellbeing

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

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

The Australia Council significantly revamped its occupational health and safety committee. Each floor of the building now has a list of designated occupational health and safety committee members. All new employees attend a compulsory 'Fit for Work' session, which is about preventing injuries or incidents associated with PC use. Staff members complete self-auditing checklists to ensure the ergonomic compliance of their own workstations. 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 in their ranks.

Pro bono legal services

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

Baker & McKenzie provides advice on commercial agreements and contracts, information technology, intellectual property and Aboriginal and Torres Strait Islander arts.

Clayton Utz provides advice on administrative law, employment law and industrial relations, dispute resolution, privacy, freedom of information and testamentary matters.

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

Advertising and market research

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 \$226,000 in 2007–08, compared to \$70,458 in 2006–07. The cost of advertising for all other purposes was \$100,506 in 2007–08, a small decrease from \$109,305 in 2006–07. The cost of market research in 2007–08 was \$69,801.

Ecologically sustainable development

This information is provided in accordance with section 516A of the *Environment Protection and Biodiversity Conservation Act 1999*. The Australia Council's Ecologically Sustainable Development Policy includes strategies for energy, paper and waste reduction. The policy affirms the Australia Council's commitment to minimising its environmental impact. The Australia Council commenced secure destruction and recycling of support materials (CDs, DVDs, audio tapes, video tapes) in May 2007.

Figure 20:



Figure 21:





Figure 22:



Figure 23:



3.0 Financial review 2007–08

INDEPENDENT AUDIT REPORT

To the Minister for the Environment, Water, Heritage and the Arts

Scope

We have audited the accompanying financial statements of the Australia Council for the Arts (Australia Council) for the year ended 30 June 2008, which comprise: a statement by the Council Members and Chief Financial Officer; income statement; balance sheet; statement of changes in equity; cash flow statement; schedules of commitments and contingencies; a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Council Members for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on our audit. Our audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. The Auditing Standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Independence

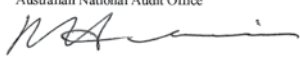
In conducting the audit, we have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Audit 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*, and Australian Accounting Standards including Australian Accounting Interpretations; 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 2008 and of its financial performance and its cash flows for the year then ended.

Australian National Audit Office



P Hinchey
Senior Director
Delegate of the Auditor-General

Sydney
12 August 2008

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

Statement by Council Members and Executive Director, Corporate Resources

for the year ended 30 June 2008

In our opinion, the attached financial statements for the year ended 30 June 2008 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's orders made under the *Commonwealth Authorities and Companies Act 1997*.

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

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

James Strong AO

Chairman

12 August 2008

Kathy Keele

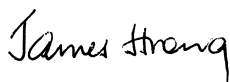
Chief executive officer

12 August 2008

Robin Cowdery

Executive director, corporate resources

12 August 2008



Income statement

for the year ended 30 June 2008

	Notes	2007–08 \$'000	2006–07 \$'000
Income			
Revenue			
Revenues from government	3(a)	162,644	148,876
Interest	3(b)	4,164	3,653
Other	3(c)	10,437	9,870
Total revenue		177,245	162,399
Gains			
Sale of assets		–	–
Total gains		–	–
Total income		177,245	162,399
Expense			
Employee benefits	4(a)	11,357	10,562
Suppliers	4(b)	4,166	4,957
Grants	4(c)	162,729	152,813
Depreciation and amortisation	4(d)	825	876
Finance costs	4(e)	39	36
Other expenses	4(f)	0	3
Total expenses		179,116	169,247
Surplus/(deficit) before transfer from/(to) special purpose reserve		(1,871)	(6,848)
Transfer from/(to) special purpose reserve		916	8,838
Surplus/(deficit)		(955)	1,990

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

Balance sheet

as at 30 June 2008

	Notes	2007-08 \$'000	2006-07 \$'000
Assets			
Financial assets			
Cash	5(a)	29,454	18,718
Receivables	5(b)	2,128	3,081
Total financial assets		31,582	21,799
Non-financial assets			
Land and buildings	6(a)(d)	2,698	2,545
Property, plant and equipment	6(b)(d)	1,836	1,571
Intangibles	6(c)(d)	217	166
Other non-financial assets	6(e)	233	11,616
Total non-financial assets		4,984	15,898
Total assets		36,566	37,697
Liabilities			
Payables			
Suppliers	7(a)	785	887
Grants	7(b)	1,574	1,695
Total payables		2,359	2,582
Provisions			
Employees	8(a)	1,870	1,874
Other	8(b)	637	598
Total provisions		2,507	2,472
Total liabilities		4,866	5,054
Net assets		31,700	32,643
Equity			
Asset revaluation reserve		2,983	2,044
Retained surplus*		24,344	25,298
Special purpose reserve		4,373	5,301
Total equity		31,700	32,643
Current assets		31,815	33,415
Non-current assets		4,751	4,282
Current liabilities		2,928	3,584
Non-current liabilities		1,938	1,470

*Required for commitments beyond 30 June

Statement of changes in equity

for the year ended 30 June 2008

	Retained surplus		Asset revaluation reserve		Special purpose reserve		Total equity	
	2007-08 \$'000	2006-07 \$'000	2007-08 \$'000	2006-07 \$'000	2007-08 \$'000	2006-07 \$'000	2007-08 \$'000	2006-07 \$'000
Opening balance								
Balance carried forward from previous period	25,299	23,308	2,044	2,044	5,301	14,139	32,644	39,491
Net surplus/(deficit)	(955)	1,990	–	–	–	–	(955)	1,990
Income and expenses recognised directly in equity	–	–	939	–	–	–	939	–
Transfer (from)/to Books Alive Reserve	–	–	–	–	50	(9)	50	(9)
Transfer (from)/to Golbas, Sigrid & Estate Asher Bequest	–	–	–	–	(12)	4	(12)	4
Transfer (from)/to Orchestras Review Reserve	–	–	–	–	(1036)	(8,404)	(1,036)	(8,404)
Transfer (from)/to NOISE Reserve	–	–	–	–	(242)	137	(242)	137
Transfer (from)/to Young and Emerging Reserve	–	–	–	–	(61)	59	(61)	59
Transfer (from)/to Visual Arts Craft Strategy Reserve	–	–	–	–	373	(315)	373	(315)
Transfer (from)/to Fund Raising Reserve	–	–	–	–	–	(310)	–	(310)
Closing balance at 30 June	24,344	25,298	2,983	2,044	4,373	5,301	31,700	32,643

Statement of cash flows

for the year ended 30 June 2008

	Notes	2007-08 \$'000	2006-07 \$'000
Operating activities			
Cash received			
Appropriations		162,644	148,876
Interest		4,190	3,613
GST received from ATO		1,001	13,943
Other		10,349	9,298
Total cash received		178,184	175,730
Cash used			
Employees		(11,361)	(10,611)
Suppliers		(4,283)	(4,391)
Grants		(151,449)	(174,385)
Total cash used		(167,093)	(189,387)
Net cash flows from (used by) operating activities	9	11,091	(13,657)
Investing activities			
Cash used			
Purchase of property, plant and equipment		(355)	(361)
Total cash used		(355)	(361)
Net cash flows from (used by) investing activities		(355)	(361)
Net increase/(decrease) in cash held		10,736	(14,018)
Cash at the beginning of the reporting period		18,718	32,736
Cash at the end of the reporting period	5	29,454	18,718

Schedule of commitments

as at 30 June 2008

	2007-08 \$'000	2006-07 \$'000
By type		
Commitments receivable		
Sublease rental income	71	–
GST recoverable on commitments	24,285	30,747
Total commitments receivable	24,356	30,747
Other commitments payable		
Operating leases	3,226	5,013
Other commitments	264,641	333,807
Total other commitments payable	267,867	338,820
Net commitments	243,511	308,073

By Maturity

Commitments receivable		
One year or less	24,324	30,747
From one to five years	32	–
Total commitments receivable	24,356	30,747
Operating lease commitments payable		
One year or less	2,166	1,928
From one to five years	809	2,541
Over five years	251	544
Total operating lease commitments payable	3,226	5,013
Other commitments payable		
One year or less	141,097	132,377
From one to five years	123,544	201,430
Over five years	–	–
Total other commitments payable	264,641	333,807
Net commitments by maturity	243,511	308,073

All commitments are GST inclusive where relevant

Nature of lease	General description of leasing arrangement
Leases for office accommodation	<ul style="list-style-type: none"> Lease payments are subject to an annual increase in accordance with upwards movements in the Consumer Price Index. The initial period of the office accommodation lease is still current.
Other commitments	<ul style="list-style-type: none"> Other commitments comprise commitments payable of \$217.7m to major performing arts board companies and \$46.9m 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 2008

There were no contingent losses or gains at 30 June 2008.

Notes to and forming part of the financial statements

For the year ended 30 June 2008

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.	Appropriations
16.	Reporting of outcomes

Notes to and forming part of the financial statements for the year ended 30 June 2008

Note 1. Summary of significant accounting policies

1.1 Basis of preparation of the financial report

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

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

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

- Finance Minister's Orders (FMOs), for reporting periods ending on or after 1 July 2007; 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 Council and the amounts of the assets and liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard.

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

1.2 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 Statement of Compliance

Adoption of new Australian accounting standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standard is applicable to the current reporting period:

The following new accounting standards (including reissued standards)/erratum/interpretations are applicable to the 2007/08 financial year:

AASB 7	Financial Instruments Disclosures
AASB 101	Presentation of Financial Statements (issued October 2006)
AASB 1048	Interpretation and Application of Standards (reissued September 2007)
AASB 2005-10	Amendments to Australian Accounting Standards AASB 1, 4, 101 114,117, 132,1, 133, 139, 1023, 1038)
AASB 2007-1	Amendments to Australian Accounting Standards arising from AASB interpretation 11 [AASB]
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and other amendments
AASB 2007-7	Amendments to Australian Accounting Standards [AASB 1,2, 3, 5, 107, 128]
AASB 2008-4	Amendments to Australian Accounting Standard – Key Management Personnel Disclosures by Disclosing Entities [AASB 124]

Notes to and forming part of the financial statements
for the year ended 30 June 2008

The following new standards (including reissued standards)/interpretations are applicable to future accounting periods:

AASB 3	Business combinations
AASB 8	Operating segments
AASB 101	Presentation of financial statements (issued September 2007)
AASB 123	Borrowing costs
AASB 127	Consolidated and separate financial statements
AASB 1004	Contributions
AASB 2007-2	Amendments to Australian Accounting Standards arising from AASB interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB127 AASB 131 & AASB 139]
AASB 2007-3	Amendments to Australian Accounting Standards arising from AASB 8
AASB 2007-6	Amendments to Australian Accounting Standards arising from AASB 123
AASB 2007-8	Amendments to Australian Accounting Standards arising from AASB 101
AASB 2007-9	Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, ASB 114, AASB 116, AASB 127 & AASB 137]
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]

1.4 Revenue

Revenues from government

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

1.5 Gains

Resources received free of charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another government agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.6).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

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 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.

Notes to and forming part of the financial statements for the year ended 30 June 2008

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, 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 2008. In determining the present value of the liability, the Council has taken into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

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

Superannuation

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

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

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

The Australia 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 Australia Council's employees. Australia Council's accounts for the contributions as if they were contributions to defined contribution plans.

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

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 financial lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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

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

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

The Australia Council has no finance leases.

1.8 Borrowing costs

All borrowing costs are expensed as incurred.

1.9 Cash

Cash includes notes and coins held and any deposits in bank accounts with an original maturity of 3 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.

Notes to and forming part of the financial statements for the year ended 30 June 2008

1.10 Financial assets

The Australia Council classifies its financial assets in the following categories:

- Financial assets at 'at fair value through profit or loss';
- 'held-to-maturity investments';
- 'available-for-sale' financial assets; 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'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets 'at fair value through profit or loss'.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- Have been acquired principally for the purpose of selling in the near future;
- Are a part of an identified portfolio of financial instruments that the authority manages together and has a recent actual pattern of short-term profit-taking; or
- Are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date. Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in the reserves with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part of the cumulative gain or loss previously recognised in the reserve is included in profit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, cost is used. The Australia Council has no such instruments.

Held-to-maturity investments

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

Loans and receivables

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

Notes to and forming part of the financial statements for the year ended 30 June 2008

Impairment of financial assets

Financial assets are assessed for impairment at each balance date

- Financial assets held at amortised cost—If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the income statement.
- Available-for-sale financial assets—If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the income statement.
- Available-for-sale financial assets (held at cost)—If there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.11 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables

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

1.12 Contingent assets and liabilities

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

1.13 Acquisition of assets

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

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

Notes to and forming part of the financial statements
for the year ended 30 June 2008

1.14 Property, plant and equipment

Asset recognition threshold

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

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to “makegood” provisions in property leases taken up by the 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” taken up.

Revaluations

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

Asset class	Fair value measured at:
Land	Market selling price
Buildings (excluding leasehold improvements)	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant and equipment	Market selling price
Heritage and cultural assets	Market selling price

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

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

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the re-valued 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 2008

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

	2007-08	2006-07
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 – <i>excluding</i> 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 were assessed for impairment at 30 June 2008. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

1.15 Intangibles

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

	2007-08	2006-07
Software	3 years	3 years

All software assets were assessed for impairment as at 30 June 2008.

1.16 Taxation/competitive neutrality

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

Revenue, expenses and assets are recognised net of GST:

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

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 2008

	2007–08 \$'000	2006–07 \$'000
Note 3. Revenues		
3(a) Revenues from government		
Appropriations for outputs		
Departmental output	162,644	148,876
Total revenue from government	162,644	148,876
3(b) Interest revenue		
Deposits	4,164	3,653
Total interest	4,164	3,653
2(c) Other revenue		
Returned grants	169	165
Rental and outgoings recovered from sub-leasing	50	45
Income from fund raising		
– Venice Biennale 2007	346	917
– Venice Biennale 2009	48	–
– Musee du quai Branly	–	400
– Artsupport Australia grant	–	34
– Other	6	–
Contribution from the Department of Environment, Water, Heritage and The Arts for:		
– Creative Communities	1,750	–
Contribution from the Department of Communications Information Technology and the Arts for:		
– Books Alive	2,000	2,000
– Regional Arts Fund	100	100
– Visual Arts and Craft Strategy	5,190	5,500
– OzArts Online	65	65
– Cultural Ministers Council Small to Medium Arts Companies Business Development	–	90
Creative NZ		
– Contribution to Fuel for Arts	–	35
Arts NT		
– Review of Theatre and Performance in the Northern Territory	15	–
Arts SA		
– Funding for State Opera of South Australia	–	100
Arts Tasmania		
– Implementation of the Orchestras Review	–	11
Musee du quai Branly		
– Australian Indigenous Art Commission to Musee du quai Branly	–	345
Contributions from State governments for:		
– Festival of Pacific Arts	166	–
– Artsupport State Managers	54	–
– Time Place Space	50	–
– ADVICE Project	155	–
– Managing and Producing Services Project	175	–
– Other	36	–
Other	62	63
Total other revenue	10,437	9,870

Notes to and forming part of the financial statements for the year ended 30 June 2008

	2007-07 \$'000	2006-07 \$'000
Note 4. Expenses		
4(a) Employee benefits		
Wages and salaries	8,782	8,343
Superannuation		
Defined contribution plan	738	548
Defined benefit plan	751	803
Leave and other entitlements	716	685
Separation and redundancies	370	183
Total employee benefits	11,357	10,562
4(b) Suppliers		
Rendering of services – external parties	2,658	2,823
Operating lease rentals	1,508	2,134
Total supplier expenses	4,166	4,957
4(c) Grants and initiatives expenses		
Grants and initiatives paid to individuals and organisations during the year were:		
Board grants	30,716	33,546
Major performing arts	91,396	89,436
Divisional programs	20,044	15,729
Government initiatives	11,538	12,312
Council initiatives	9,035	1,790
Total grants paid	162,729	152,813
4(d) Depreciation and amortisation		
Depreciation		
Other infrastructure, plant and equipment	184	243
Buildings	456	439
Amortisation		
Intangibles – computer software	185	194
Total depreciation and amortisation expense	825	876
4(e) Finance costs		
Unwinding of 'makegood'	39	36
4(f) Other expenses		
Proceeds from sale	–	–
Carrying value of assets held	–	(3)
Net gain (loss) from sale of assets	–	(3)

Notes to and forming part of the financial statements for the year ended 30 June 2008

	2007-08 \$'000	2006-07 \$'000
--	-------------------	-------------------

Note 5. Financial assets

5(a) Cash and cash equivalents

Cash at bank	4,695	208
Term deposits (Investments under s18 of the CAC Act)	24,757	18,508
Cash on hand	2	2
Total cash and cash equivalents	29,454	18,718

Term deposits earn an effective interest rate of 6.50% (2007: 6.00%). Interest is payable monthly. Terms are all between one and three months.

5(b) Receivables

Other debtors	489	428
GST receivable from the Australian Taxation Office	1,639	2,653
Total receivables (net)	2,128	3,081

Receivables are presented by:

Current	1,915	3,042
Non-current	213	39
Total receivables (net)	2,128	3,081

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

Receivables (gross) are aged as follows:

Not overdue	1,915	3,042
Overdue by:		
– less than 30 days	147	–
– 30 to 60 days	66	–
– 60 to 90 days	–	5
– more than 90 days	–	34
Total receivables (gross)	2,128	3,081

Notes to and forming part of the financial statements for the year ended 30 June 2008

	2006-07 \$'000	2006-07 \$'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

– at fair value	769	390
Accumulated depreciation	(22)	(15)
Total buildings on freehold land	747	375

Leasehold improvements

– at fair value	3,693	3,529
Accumulated amortisation	(3,032)	(2,605)
Total leasehold improvements	661	924

Buildings on leasehold land

– at fair value	1,358	1,291
Accumulated amortisation	(217)	(194)
Total buildings on leasehold land	1,141	1,097

Total land and buildings (non-current)	2,698	2,545
---	--------------	--------------

Included in Land and Buildings are studios in the Cité Internationale des Arts in Paris, an apartment in Rome, the Australian Pavilion in Venice and cost of leasehold improvements at 372 Elizabeth Street, Surry Hills, Sydney. The Australian Pavilion, apartment in Rome and leasehold improvements at 372 Elizabeth Street, Surry Hills, Sydney were valued on 30 June 2008.

The revaluations were in accordance with the revaluation policy stated in Note 1 and were completed by independent valuer Jones Lang LaSalle (Italy).

No indications of impairment were found for land and buildings.

6(b) Plant and equipment

Plant and equipment

– at fair value	2,495	2,046
Accumulated depreciation	(659)	(475)
Total plant and equipment (non-current)	1,836	1,571

Plant and equipment includes computer equipment and works of art. These items were valued on 30 June 2008.

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

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

6(c) Intangibles

Computer software – internally developed – at cost	915	679
Accumulated amortisation	(698)	(513)
Total intangibles	217	166

Notes to and forming part of the financial statements for the year ended 30 June 2008

	Land \$'000	Buildings on freehold and lease- hold land \$'000	Buildings lease-hold improvements \$'000	Other, property, plant and equipment \$'000	Computer software \$'000	Total \$'000
--	----------------	---	---	---	--------------------------------	-----------------

6(d) Analysis of property plant, equipment & intangibles

A. Reconciliation of the opening & closing balances of properties, plant, equipment & intangibles (2007–08)

As at 1 July 2007

Gross book value	149	1,681	3,529	2,046	679	8,084
Accumulated depreciation/ amortisation	–	(209)	(2,605)	(475)	(513)	(3,802)
Opening net book value	149	1,472	924	1,571	166	4,282
Additions by purchase	–	–	34	85	236	355
Revaluation Increment	–	445	130	364	–	939
Depreciation/amortisation expense	–	(30)	(427)	(184)	(185)	(825)
Disposals	–	–	–	–	–	–
Net book value 30 June 2008	149	1,888	661	1,836	217	4,751

Net book value as of 30 June 2008 represented by:

Gross book value	149	2,127	3,693	2,495	915	9,379
Accumulated depreciation/ amortisation	–	(239)	(3,032)	(659)	(698)	(4,627)
Closing net book value	149	1,888	661	1,836	217	4,751

B. Reconciliation of the opening & closing balances of properties, plant, equipment & intangibles (2006–07)

As at 1 July 2006

Gross book value	149	1,681	3,445	1,858	594	7,727
Accumulated depreciation/ amortisation	–	(179)	(2,196)	(233)	(319)	(2,927)
Opening net book value	149	1,502	1,249	1,625	275	4,800
Additions by purchase	–	–	84	192	85	361
Depreciation/amortisation expense	–	(31)	(409)	(242)	(194)	(876)
Disposals	–	–	–	(3)	–	(3)
Net book value 30 June 2007	149	1,471	924	1,571	166	4,282

As at 30 June 2007

Gross book value	149	1,681	3,529	2,046	679	8,084
Accumulated depreciation/ amortisation	–	(209)	(2,605)	(475)	(513)	(3,802)
Closing net book value	149	1,471	924	1,571	166	4,282

Notes to and forming part of the financial statements for the year ended 30 June 2008

	2007-08 \$'000	2006-07 \$'000
6(e) Other non-financial assets		
Prepaid property rentals	144	139
Other prepayments*	89	11,477
Total other non-financial assets	233	11,616

*Other prepayments in 2007 relate to grant payments to major performing arts companies.

Note 7. Payables

7(a) Supplier payables

Trade creditors	761	849
Other creditors	22	35
GST payable on supplier and grant liabilities	2	3
Total supplier payables	785	887
Supplier payables are represented by:		
Current	785	887
Non-current	–	–
Total supplier payables	785	887

7(b) Grants payable

Individuals and non-profit institutions	1,574	1,695
---	-------	-------

Note 8. Provisions

8(a) Employee provisions

Salaries and wages	257	207
Leave	1,511	1,556
Superannuation	–	–
Separations and redundancies	102	111
Total employee provisions	1,870	1,874
Current	1,248	997
Non-current	622	877
Total employee provisions	1,870	1,874

8(b) Other provisions

Provision for 'Makegood'	637	598
--------------------------	-----	-----

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

	2007-08 \$'000	2006-07 \$'000
Note 9. Cash flow reconciliation		
9(a) Reconciliation of cash per income statement to statement of cash flows		
Cash at year end per statement of cash flows	29,454	18,718
Balance sheet items comprising above cash:		
Financial asset – cash	29,454	18,718
9(b) Reconciliation of operating surplus to net cash from operating activities:		
Operating surplus	(1,871)	(6, 848)
Non-cash items		
Depreciation and amortisation	825	876
(Gain)/loss on disposal of assets	–	3
Changes in assets and liabilities		
(Increase)/decrease in receivables	953	(611)
(Increase)/decrease in prepayments	11,383	(7,652)
Increase/(decrease) in employee provisions	(4)	(28)
Increase/(decrease) in grants and supplier payables	(234)	566
Increase/(decrease) in other provisions	39	37
Net cash from operating activities	11,091	(13,657)

Note 10. Remuneration of Council members

Aggregate amount of superannuation payments in connection with the retirement of Council members	26,933	26,596
Other remuneration received or due and receivable by Council members	299,260	268,912
Total remuneration received or due and receivable by Council members	326,193	295,508

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

	2007-08 Number	2006-07 Number
\$0 – \$14,999	5	5
\$15,000 – \$29,999	2	7
\$30,000 – \$44,999	7	1
Total	14	13

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

**Notes to and forming part of the financial statements
for the year ended 30 June 2008**

	Appointed	Term concludes/concluded
--	-----------	--------------------------

Note 11. Related party disclosures**Council members**

Council members during the year were:

Keele, Kathy*	07/02/2007	06/02/2010
Allert, Rick	01/02/2006	31/01/2009
Black, Barbara	03/04/2006	02/04/2009
Clemente, Rosalba	26/03/2008	25/03/2011
Downer, Nicola	18/12/2003	17/12/2009
Fisher, Dominique	09/08/2006	08/08/2009
Gersh, Joseph	01/07/2006	30/06/2009
Haseman, Brad	26/03/2008	25/03/2011
Koehne, Graeme	19/12/2002	18/12/2008
McRae, Ian	24/07/2002	23/01/2008
O'Loughlin, Tim	12/09/2005	30/07/2007
Salusinsky, Imre	24/06/2006	23/06/2009
Sarra, Chris	09/03/2005	08/03/2009
Snell, Ted	27/12/2006	26/12/2009
Strong, James	01/07/2006	30/06/2009

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

Notes to and forming part of the financial statements
for the year ended 30 June 2008

Other transactions with Council members or Council member-related entities

No Council member has, since the end of the previous financial year, received or become entitled to receive any benefits by virtue of being a Council member other than fixed stipends (disclosed in Note 11) or travelling and related allowances. The following is a list of transactions with Councillors or Council related entities that occurred as a result of Council members acting in another business capacity. All transactions with Council members, or organisations in which they have an interest, were conducted in accordance with standard procedures and on conditions no more beneficial than those of other grant applicants.

Council member	Organisation in receipt of grant	Position held by Council member	Amount of grant \$
Barbara Black	University of Western Australia	Director, UWA Albany Centre	15, 000
Edgar Snell	Object: Australian Centre for Craft and Design	Member, Living Treasures Committee	598, 959
	National Association for the Visual Arts	Member	422,898
	The Australian	Perth art reviewer	107,500
Graeme Koehne	West Australian Ballet	Commissioned composer	365,430
Ian Mc Rae	Bangarra Dance Theatre Australia Limited	Director	1,533,004
	Experimenta Media Arts Inc	Related party	338,174
	IFACCA	Director	30,501
Imre Salusinszky	Quadrant Magazine Co Inc	Former editorial board member	30,000
	The Australian	Political correspondent	107,500
James Strong	Company B Limited	Related party	582,927
Kathy Keele	IFACCA	Director	30,501
Nicola Downer	Regional Arts Australia	Vice patron	430,000
	State Theatre Company	Governor	505,544
Rosalba Clementre	HotHouse Theatre Limited	Artistic directorate	199,808
	Vitalstatistix Theatre Company	Playwright	165,007
	Windmill Theatre Company	Playwright	152,800
	Adelaide Festival Centre	Playwright	50,000
Tim O'Loughlin	Adelaide Symphony Orchestra	Chair	4,677,762

Notes to and forming part of the financial statements for the year ended 30 June 2008

	2007-08 number	2006-07 number
--	-------------------	-------------------

Note 12. Executive remuneration

12(a) Remuneration of officers

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

\$130 000 – \$144 999*	1	1
\$145 000 – \$159 999*	2	–
\$160 000 – \$174 999*	3	1
\$175 000 – \$189 999*	1	2
\$190 000 – \$204 999*	2	1
\$205 000 – \$219 999*	1	–
\$220 000 – \$234 999*	–	1
\$235 000 – \$249 999*	–	–
\$250 000 – \$264 999*	–	–
\$265 000 – \$279 999*	–	–
\$280 000 – \$294 999*	1	–
Total	11	6

*Includes salary, superannuation, recreation leave, cost of motor vehicles and fringe benefits tax at 30 June 2008 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 1 of the officers listed above was entitled to long service leave as at 30 June 2008.

	\$	\$
The aggregate amount of total remuneration of officers shown above is:	1,984,993	1,097,918

The officer remuneration includes the chief executive officer who is a member of the Council *ex officio*, and all officers concerned with or taking part in the management of the Australia Council.

Note 13. Remuneration of auditors

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

– the Australia Council	41,500	39,000
– Visual Arts and Craft	2,000	2,100
– Books Alive	1,500	1,900
Total	45,000	43,000

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

Notes to and forming part of the financial statements for the year ended 30 June 2008

	2007-08 \$'000	2006-07 \$'000
--	-------------------	-------------------

Note 14. Financial instruments

14(a) Categories of financial instruments

Financial assets

Loans and receivables		
Cash at bank	29,454	18,718
Receivables for goods and services	2,036	3,081
Current loan	92	–
Carrying amount of financial assets	31,582	21,799

Financial liabilities

Other Financial Liabilities		
Trade and other creditors	785	887
Grant Liabilities	1,574	1,695
Carrying amount of financial liabilities	2,359	2,582

14(b) Net income and expenses from financial assets

Cash deposits		
Interest revenue (see note 3b)	4,164	3,653

14(c) Credit risk

Australia Council is exposed to minimal credit risk as the majority of loans and receivables are cash, appropriation made under law (which guarantees fixed amounts of funding that the entity can drawdown as required) or amounts owed by the Australian Tax Office in the form of Goods and Services Tax refund. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2008: \$489,000 and 2007: \$428,000).

Australia Council holds no collateral to mitigate against credit risk.

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

	Not Past Due Nor Impaired 2008	Not Past Due Nor Impaired 2007 \$'000	Past Due or Impaired 2008 \$'000	Past Due or Impaired 2007 \$'000
Cash at bank	29,454	18,718	–	–
Receivables for goods and services	1,970	3,081	66	–
Current loans	92	–	–	–
Total	31,582	21,799	66	–

Notes to and forming part of the financial statements for the year ended 30 June 2008

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

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	—	—	—	—	—
Total	—	—	—	—	—

14(d) Liquidity risks

The Australia 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 appropriation funding and mechanisms available to the Council.

The following tables illustrate the maturities for financial liabilities:

	On demand 2008 \$'000	Within 1 year 2008 \$'000	1 to 5 years 2008 \$'000	>5 years 2008 \$'000	Total 2008 \$'000
Trade creditor	—	785	—	—	785
Grants payable	—	1,574	—	—	1,574
Total	—	2,359	—	—	2,359

	On demand 2007 \$'000	Within 1 year 2007 \$'000	1 to 5 years 2007 \$'000	>5 years 2007 \$'000	Total 2007 \$'000
Trade creditor	—	849	—	—	849
Grants payable	—	1,695	—	—	1,695
Total	—	2,582	—	—	2,582

Australia Council is appropriated 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 Australia Council has policies in place to ensure timely payments are made when due and has no past experience of default.

14(e) Market risk

The Australia Council holds basic financial instruments that do not expose the Council to certain market risks. Australia Council is not exposed to 'currency risk' or 'other price risk'.

Interest rate risk

Australia Council has no interest bearing items on the balance sheet.

Notes to and forming part of the financial statements
for the year ended 30 June 2008

Note 15. Appropriations

Table A: Acquittal of Council to draw cash from the consolidated revenue fund for ordinary annual services appropriations.

Particulars	Departmental outputs		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Year ended 30 June 2008				
Balance carried forward from previous year	–	–	–	–
Appropriation Acts 1 and 3	162,644	148,876	162,644	148,876
Appropriation Act 5	–	–	–	–
Available for payment of CRF	162,644	148,876	162,644	148,876
Payments made out of CRF	162,644	148,876	162,644	148,876
Balance carried forward to next year	–	–	–	–
Represented by: Appropriations Receivable	–	–	–	–

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

Note 16. Reporting of outcomes

16(a) Outcomes of the Australia Council

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

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

Output 1.1

Investments in artist production and development of artistic practice.

Output 1.2

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

Output 2.1

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

Output 2.2

Infrastructure development for Australia’s creative arts.

Output 2.3

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

Notes to and forming part of the financial statements

for the year ended 30 June 2008

	Outcome 1		Outcome 2		Total	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
16(b) Net cost of outcome delivery						
Expenses						
Administered	-	-	-	-	-	-
Departmental	101,737	96,132	77,379	73,115	179,116	169,247
Total expenses	101,737	96,132	77,379	73,115	179,116	169,247
Costs recovered from provision of goods and services to the non-government sector						
Administered	-	-	-	-	-	-
Departmental	-	-	-	-	-	-
Total costs recovered	-	-	-	-	-	-
Other external revenues						
Departmental						
- Sale of goods and services – to related parties	-	-	-	-	-	-
- Interest	2,365	2,076	1,799	1,577	4,164	3,653
- Net gains from disposal of assets	-	-	-	-	-	-
- Reversal of previous asset write-downs	-	-	-	-	-	-
- Other	5,928	5,606	4,509	4,264	10,437	9,870
Total Departmental	8,293	7,682	6,308	5,841	14,601	13,523
Total other external revenues	8,293	7,682	6,308	5,841	14,601	13,523
Net cost/(contribution) of outcome	93,444	88,450	71,071	67,274	164,515	155,724

Notes to and forming part of the financial statements
for the year ended 30 June 2008

	Outcome Group 1			
	Output 1.1		Output 1.2	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000

16(c) Departmental revenues and expenses
by output groups and output

Operating expenses

Employees	3,873	3,602	2,578	2,397
Suppliers	1,420	1,690	946	1,125
Grants	55,494	52,114	36,935	34,684
Depreciation and amortisation	282	299	187	199
Finance costs	13	12	9	8
Write-down of assets	–	1	–	1
Other	–	–	–	–
Total operating expenses	61,082	57,718	40,655	38,414

Funded by:

Revenues from government	55,465	50,771	36,916	33,791
Sale of goods and services	–	–	–	–
Interest	1,420	1,247	945	829
Net gains from disposal of assets	–	–	–	–
Reversal from previous asset write-downs	–	–	–	–
Other	3,559	3,366	2,369	2,240
Total operating revenues	60,444	55,384	40,230	36,860

Notes to and forming part of the financial statements
for the year ended 30 June 2008

Outcome Group 2						Total	
Output 2.1		Output 2.2		Output 2.3			
2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
1,801	1,675	2,606	2,424	499	464	11,357	10,562
661	786	956	1,138	183	218	4,166	4,957
25,806	24,235	37,344	35,067	7,150	6,713	162,729	152,813
131	139	189	201	36	38	825	876
6	6	9	8	2	2	39	36
–	–	–	1	–	–	–	3
–	–	–	–	–	–	–	–
28,405	26,841	41,104	38,839	7,870	7,435	179,116	169,247
25,793	23,610	37,324	34,164	7,146	6,540	162,644	148,876
–	–	–	–	–	–	–	–
660	579	956	838	183	160	4,164	3,653
–	–	–	–	–	–	–	–
–	–	–	–	–	–	–	–
1,655	1,565	2,395	2,265	459	434	10,437	9,870
28,108	25,754	40,675	37,267	7,788	7,134	177,245	162,399

Functions of the Australia Council

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

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

Australia Council

372 Elizabeth Street, Surry Hills NSW 2010
PO Box 788, Strawberry Hills NSW 2012
Telephone 02 9215 9000, Toll free 1800 226 912
Facsimile 02 9215 9111, email comms@australiacouncil.gov.au
www.australiacouncil.gov.au

This publication has not been printed on recycled paper in accordance with the Australian Government's *Printing standards for documents presented to Parliament*. Please direct enquiries about this publication to the director, marketing and communication at the above address.

Design by Bright Red Oranges

