



Australian Government



Australia Council  
for the Arts

**Australia Council**  
Annual Report

09  
10

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is available for download from the Australia Council's website  
[www.australiacouncil.gov.au/annualreport0910/](http://www.australiacouncil.gov.au/annualreport0910/)

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Readers should be aware that this report may contain images or references  
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**The Australia Council for the Arts 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.**



The staff of the Australia Council.  
Photo: Dean Golja.



## Australia Council – year at a glance 2009–10

# \$164.5m

total grant and project funding to artists and arts organisations

# 14m+

attendances at Australia Council supported events

## 1,873

Australia Council  
grants and projects

## 6,911

new artistic works  
created with Australia  
Council support

## 8,728

new artistic works  
presented with Australia  
Council support

## 895

individual artists funded  
(directly and devolved)

## 1,121

grants to organisations



**James Strong**  
Photo: Dean Golja

### **The Hon Simon Crean MP**

Minister for Regional Australia, Regional Development  
and Local Government; Minister for the Arts  
Parliament House Canberra ACT 2600

13 September 2010

#### **Dear Minister,**

This 2009–10 annual report of the Australia Council for the Arts has been approved by the governing council on 31 August 2010.

Under Section 9 of the *Commonwealth Authorities and Companies Act 1997*, the directors of the Australia 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 Australia Council on 31 August, 2010.

The Australia Council's \$164.5 million investment in 2009–10 enabled artists to create 6,911 new works and to present, perform, publish or exhibit 8,728 new works in this financial year.

This annual report outlines progress in Australia Council programs, government initiatives and strategic priorities over the past year. During the year, we also worked closely with the sector, through our various boards, to carry out a number of evaluations and reviews of such things as our key organisations, the major performing arts organisations, orchestras and the Visual Arts and Crafts Strategy, to name a few. This work, together with the new research launched on audience participation and artists' incomes, develop a much fuller picture of the current state of the arts in Australia.

The Australia Council's governing council represents the breadth of the arts in Australia; in 2009–10 we welcomed Chrissy Sharp as Chair of our Dance Board, John Denton as the Deputy Chair of the Australia Council and Dennis Haskell as Chair of the Literature Board. We also celebrated the re-appointment of our Visual Arts Board Chair, Professor Ted Snell, who will continue his important work with the visual arts community. We also congratulated Kathy Keele upon her re-appointment as Chief Executive Officer for a further five years.

I would like to acknowledge the support of the former Arts Minister Peter Garrett over the past year. It has been a pleasure to work with him and his team. On behalf of all at the Australia Council, I welcome Minister Crean to the portfolio.

Yours faithfully

**James Strong AO**  
Chair

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# A year in review 2009–10



The Australia Council's executive team (left to right): Sandra Bender, Tony Grybowski, Lydia Miller, Libby Christie, Robin Cowdery and Kathy Keele.  
Photo: Dean Golja.

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# Australia Council for the Arts

**The Australia Council is the Australian Government's arts funding and advisory body. The Australia Council enriches the lives of Australians and their communities by supporting the creation and enjoyment of the arts.**

The Australia Council's vision is to:

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

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

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

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

The Office of the Chief Executive Officer and our five divisions – Arts Funding, Aboriginal and Torres Strait Islander Arts, Arts Organisations, Arts Development and Corporate Resources – are outwardly focused on strategic outcomes to support our artists, to strengthen a vibrant infrastructure in which the arts can flourish, and to enrich the lives of communities and all Australians through increased access to the arts.



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

## Our council

**The governing body of the Australia Council for the Arts is called *the council*. These men and women are appointed by the Minister for the Arts. They are chosen for their experience, passion and skills. They generously share their knowledge and are a formidable force in moving the arts ahead in Australia. They bring a wide variety of perspectives – all of which are crucial. They are artists, educators, business managers and, of course, audience members. Australia Council members represent the community and all the various artforms.**

**Our members as at 30 June 2010:**

### **1. Mr James Strong AO Chair (NSW)**

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

### **2. Mr John W. H. Denton Deputy Chair (Vic)**

Appointed Deputy Chair of the Australia Council for three years from 1 July 2009; Chairman of the Appeals Committee and Member of the Audit and Finance Committee; Chair of Australia for UNHCR (UN Refugee Agency); Deputy Chair, Melbourne International Arts Festival; Board member, Business Council of Australia, Arts Centre Foundation, Asia Society Australasia Centre and Centre for Australian and New Zealand Studies (Georgetown University); Director, Large Law Firm Group Limited; Board member, Commonwealth Business Council and Member, APEC Business Advisory Council.

### **3. Mr Rick Allert AO Chair, Major Performing Arts Board (SA)**

Appointed to the Australia Council as Chair of the Major Performing Arts Board for three years from 1 February 2006 and re-appointed for a further three years to 2012; Chairman of the Audit and Finance Committee; Chairman of AXA Asia Pacific Holdings Limited and Aboriginal Foundation of South Australia; Deputy Chair, Cavill Power Products Pty Ltd Group; Deputy Chair and Non-executive Director of Gerard Lighting Group Limited; Director of Genesee and Wyoming Australia Pty Ltd, and Member of the Forces Advisory Council on Entertainment.

### **4. Ms Chrissy Sharp Chair, Dance Board (Vic)**

Appointed to the Australia Council as Chair of the Dance Board and a member of council for three years from 19 October 2009; inaugural Director of the Wheeler Centre for Books, Writing and Ideas in Melbourne; previously General Manager of Sadler's Wells (London's Dance House); Board Director of Cheek by Jowl Theatre Company, London; General Manager of the Sydney Festival; Head of Policy at SBS and Executive Director of the Australian Writers' Guild.



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**5. Mr Dennis Haskell**  
**Chair, Literature Board (WA)**

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Appointed to the Australia Council as Chair of the Literature Board for three years from 7 September 2009; Professor of English and Cultural Studies, University of Western Australia; Member, University of Western Australia Honorary Degrees Committee, Board of Westerly Centre, Association for the Study of Australian Literature, Australian Society of Authors, Australian Poetry Centre; External Examiner, University of Hong Kong Creative Writing Program.

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**6. Dr Matthew Hindson AM**  
**Chair, Music Board (NSW)**

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Appointed to the Australia Council as Chair of the Music Board for three years from 27 March 2009; renowned composer and Chair, Arts Music Unit, University of Sydney; Artistic Director, Aurora New Music Inc; Music Curator, Campbelltown Arts Centre.

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**7. Professor Brad Haseman**  
**Community interest representative (Qld)**

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

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**8. Ms Rosalba Clemente**  
**Chair, Theatre Board (SA)**

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Appointed to the Australia Council as Chair of the Theatre Board for three years from 26 March 2008. Award-winning freelance director, actor and playwright; Teacher, Flinders University Drama Centre and Adelaide Centre for the Arts; Member, Artistic Directorate for Hot House Theatre Company; Member, Acting Curriculum Board for the Helpmann Academy; Patron to St Hilarion Aged Care Homes; commissioned by the Vitalstatistix Theatre Company, Hot House Theatre, State Theatre Company of South Australia and Queensland Theatre Company.



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**9. Dr. Mark Bin Bakar****Chair, Aboriginal and Torres Strait Islander Arts Board (WA)**

Appointed to the Australia Council as Chair of the Aboriginal and Torres Strait Islander Arts Board for three years from 30 April 2009; renowned entertainer and creator of the iconic character Mary G; Chair, Kimberley Stolen Generation Aboriginal Corporation; Member of the National Stolen Generation Alliance; Board member of Western Australian Indigenous Implementation Board; Patron of Abmusic, Pilbara and Kimberly Aboriginal Media (PAKAM) Radio Network and Radio Larrkardi Radio, Derby, Western Australia.

**10. Professor Ted Snell AM, Citi WA Chair, Visual Arts Board (WA)**

Appointed to the Australia Council as Chair of the Visual Arts Board for three years from 27 December 2006, and re-appointed for a further three years on 5 February 2010; Director, Cultural Precinct, University of Western Australia; Member, Fulbright Scholarship Western Australian State Selection Committee, Perth art reviewer for *The Australian* newspaper; Chair, University of Western Australia Publishing.

**11. Ms Samantha Mostyn****Community interest representative (NSW)**

Appointed to the Australia Council as a community interest representative for three years from 16 June 2010; Director, Institute for Sustainable Solutions, University of Sydney, Redfern Waterloo Authority; Commissioner, Australian Football League; Trustee, Australian Museum; Director of Reconciliation Australia, Australian Volunteers International and Sydney Theatre Company.

**12. Ms Kathy Keele****Chief Executive Officer (NSW)**

Appointed Chief Executive Officer and member of the Australia Council (ex officio) for three years on 7 February 2007 and re-appointed for a further period to 6 February 2015; Chair of the Decisions Review Committee and a member of the Audit and Finance Committee; Member of the Australia International Cultural Council and Heads of Cultural Organisations; ex officio member of the Playing Australia Committee and Festivals Australia Committee; Director, International Federation of Arts Councils and Cultural Agencies; observer status on the Cultural Ministers Council Standing Committee.



## Year in review

**The arts have demonstrated considerable resilience and vision over the last year. Many corporate businesses would envy the spirit of innovation and the flexibility which has fortified arts organisations through the challenges of the global financial crisis. Having said that, it's been a challenging year.**



Kathy Keele  
Photo: Dean Golja

At the Australia Council for the Arts, the year has been marked by reviews, the introduction of new grants programs and initiatives and an ongoing commitment to maximise the dollars which go to artists.

In 2009–10, the council undertook a review of its funding over the previous triennium and the Australian Government committed to ongoing funding. The review of the funding model for the major performing arts organisations has been completed and government is considering policy options in collaboration with state and territory governments. Reviews of all artform sector plans have also been completed and ensure that our funding programs are in sync with changing developments in the arts.

This past year we began to reap the benefits of our commitment to ongoing research in the arts sector. Our research into levels of engagement of Australians in the arts is being used by many across the sector and indicates that participation and engagement is high and attitudes to the arts are increasingly positive. Of the more than 3,000 surveyed, more than nine out of ten Australians in the last year participated in at least one artform. The research identifies great opportunities to build arts audiences among the so-called 'unattached' and 'flirters' with the arts, especially among those with a growing interest in Indigenous arts and in digital access to arts experiences. Australians now widely believe that the arts should be an important part of every Australian's education, make for a richer and more meaningful life and that there are plenty of opportunities to get involved.

Our commissioned research into the level of incomes and the sustainable careers of Australian artists is less positive. The survey of artist employment in the last three censuses by Professor Stuart Cunningham and the fifth report by Professor David Throsby on the state of artist incomes shows that artists' incomes have not significantly changed for a decade.

Audiences have increased, community enthusiasm and private and public support for the arts has increased, but not the income of artists.

The data confirms council's current Strategic Priority to build more sustainable careers for young and emerging artists, as well as mid-career and established artists. We are doing this through our grants and initiatives and by strengthening the infrastructure of our major and key arts organisations in both their operational and creative capacity. We are building market, partnership and touring opportunities for artists and creating more income opportunities in new digital mediums. Council's own operational costs are kept to a minimum so that support to individual artists is maximised. At the Australia Council, we also continue to exercise a national leadership role to promote increased support for artists, from all levels of government and from all possible private, philanthropic and business partnerships.

It is an exciting time for the arts as daily, across Australia, and in all artforms, there are so many examples of artists connecting with new audiences in new places and with new partnerships. The Australia Council strives to stay in touch with those new directions and enable the best of them. Our achievements against our five main objectives are summarised in this report. Our capacity to serve such a diverse and complex range of practices across the country is due to the skills and dedication of our staff. I commend their commitment to serving Australia's artists.

That capacity is also deepened by the specialist contribution of each member of the governing council and the members of each of their artform boards. Many of these members are artists themselves, committed to the wellbeing of their peers and their art practice. I thank each of the council members and particularly acknowledge the leadership of James Strong AO, Chair of the Australia Council. I have also appreciated the consistent support of the former Arts Minister, Peter Garrett AM, and look forward

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**‘By year end,  
200 recent arts  
graduates received  
grants of up to  
\$10,000 to assist  
them in starting  
their arts business  
or establishing  
their arts careers.’**

to a productive relationship with Minister Crean.

As reported later in these pages, council this year has delivered on a wide range of Australian Government initiatives and election commitments. Many of these are vital to the development of artists' careers, notably the Artist in Residence initiative, putting artists in Australian schools; our Opportunities for Young and Emerging Artists; and ArtStart, supporting recent graduate artists to establish their arts business.

### **Arts Funding**

Council's continued commitment to excellence in the arts is reflected in grants for the creation of new work made to artists and arts organisations across the Arts Funding Division in 2009–10. Each artform area updated their sector plan, which provides a blueprint for future directions and initiatives. While all boards have a priority to fund the new works of artists, artform boards have this year implemented particular initiatives that support their sector based on these plans.

The Literature Board made strategic investments to help support the development of digital publishing in Australia. The Theatre Board developed strategies to enhance cultural leadership in their sector and supported a national forum on women directors in early 2010. The Visual Arts Board commissioned an evaluation of the achievements of multi-government investment in the Visual and Arts and Craft Strategy 2004–09, with the report to be launched in August 2010. A new Music Board initiative supported the development and creation of new Australian music theatre works. The Dance Board's artform development initiative saw significant investments in the Critical Path program in NSW and the Strut Dance Centre in WA.

Through the Creative Communities Partnerships initiative, the Community Partnerships Committee provides significant funding to large-scale

projects that benefit communities such as the Wongutha Aboriginal Corporation in WA, which has implemented a community arts project in conjunction with the Western Desert Renal Health Project. Through the Artists in Residence initiative, Community Partnerships is creating opportunities for artists and teachers to work together while providing Australian school students with greater exposure to creative practice.

During 2009–10, our Inter-Arts Office supported seven new artist residencies in non-arts businesses through its Connections residencies program, building sustainable links and career opportunities for artists in sectors not usually associated with the arts.

In 2009–10, the Arts Funding Division implemented a new government initiative in support of recently graduated creative artists, ArtStart. By year end, 200 recent arts graduates received grants of up to \$10,000 to assist them in starting their arts business or establishing their arts careers. The Arts Funding Division also delivered grants and opportunities for individual artists through the six streams of the Australia Council's Opportunities for Young and Emerging Artists Initiative. Notably, 2010 saw the launch of The Program, an online social networking and marketing tool for emerging artists and the first round of 30 young and emerging artists supported through JUMP, a national artist mentorship scheme.

Our ongoing commitment to invest in artists, rather than the administration of grants, continued this year to bring new efficiencies through the introduction of online lodgement and assessment of most grant applications including electronic notification of grant results.

In January 2009, the Australia Council introduced protocols for working with children in art. The implementation of the protocols were reviewed this year and some adjustments made to ensure they are easier to understand and apply.

### **Arts Organisations**

The third funding model review of the 1999 Major Performing Arts Inquiry

was completed this year for the Cultural Ministers Council by the Major Performing Art Board, addressing possible directions for government support of the 28 major performing arts organisations. In 2009, these companies staged 130 new productions and created 86 new works. Landmark achievements were Opera Australia's production of *Peter Grimes* and the premiere of *Bliss*; the Sydney Theatre Company's *A Streetcar Named Desire*; the Melbourne Theatre Company's *Richard III*; and Company B's *The Power of Yes*.

Council has worked closely with the major companies on executive training, business, marketing and philanthropic development, as well as a new program to evaluate and extend artistic vibrancy.

The funding and maintenance by the Arts Organisations Division of 170 major and key organisations provides essential infrastructure support for the careers of artists and especially those dependent on collaborative art-making. With over two million attendances to major performing arts companies in 2009, this infrastructure is also vital to delivering arts experiences to more Australians.

### **Aboriginal and Torres Strait Islander Arts**

Following an extensive consultation process, the Aboriginal and Torres Strait Islander Arts (ATSIA) Board's new National Indigenous Arts Infrastructure Program was established this year to build capacity and leadership in Indigenous arts. The Black Arm Band, for example, is a Melbourne-based ensemble of established and emerging artists now operating as a major Indigenous national performing arts company, creating new works and celebrating the canon of Indigenous contemporary music.

A national forum of Indigenous infrastructure leaders, so vital to the evolution of this Board's work, met

for the first time in May. These leaders cheered on the winners that week of the National Indigenous Arts Awards, where choreographer Michael Leslie received the Red Ochre Award. Eminent writer Dr Anita Heiss and celebrated musician Lou Bennett are established artists who received fellowships to take their careers in new directions. This year, the ATSIA Board collaborated with the Australia Council's Arts Development Division to build an international market development strategy for the Indigenous performing arts. The ATSIA Board also began an evaluation of five action research strategies to inform the board in areas including employment development, festivals and overseas touring.

### **Arts Development**

Council's research and strategic analysis program was expanded this year and is now providing research vital for cultural development and for all agencies and partners investing in the arts sector. A landmark was the publication in March of *More than bums on seats: Australian participation in the arts*, followed by industry forums on the research around the country. The results of the two surveys into artist's incomes by Professors Throsby and Cunningham were released in August 2010.

Through the Arts Development Division, council has focused on programs to build audiences and markets in Australia and internationally, to encourage a greater appreciation of the arts and to build career and creative development for artists. Highlights this year included the Major Festivals Initiative to commission new work for festivals; Road Work with its regional touring focus on creative new work; the biennial Australian Performing Arts Market and the Visiting International Publishers Program, both in Adelaide in February.

A three-day Marketing Summit was held in Brisbane in June and had a strong focus on building arts

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**The funding and maintenance of 170 key organisations provides essential infrastructure support for the careers of artists and especially those dependent on collaborative art-making.**

**'A landmark [release] was the publication in March of *More than bums on seats: Australian participation in the arts*.'**

# \$10m

**Artsupport Australia expects this year to exceed its target of facilitating philanthropic arts partnerships worth \$10 million.**

**‘The influential Venice Biennale... delivered the largest ever number of visitors to the Australian Pavilion.’**

marketing skills to youth and the use of social networking.

Council also has a strong focus on Indigenous musicians through support of the Australasian World Expo in Melbourne and the World Music Expo in Denmark.

This commitment is timely given the challenges facing the production and distribution of Indigenous music, as outlined in council's report *Song Cycles*, produced in May in collaboration with the Australasian Performing Rights Association (APRA). Australian musicians were this year given their largest-ever showcase at the South by Southwest Music Conference in Austin, Texas, and at the Great Escape in Brighton, UK.

Arts Development also launched a partnership with the International Network for Contemporary Performing Arts in Brussels, with an Australian producer David Pledger now positioned there brokering partnerships between Australian and European producers and artists. The Going Global program saw an investment of \$700,000 in dance and theatre touring activity and a return of \$3 million in fees and revenue generated for those companies touring to the US, Mexico, Europe and Asia.

Council continued to manage Australia's profile at the influential Venice Biennale in 2009 – which this year delivered the largest ever number of visitors to the Australian Pavilion; through Australia's largest annual celebration of books and reading, the Books Alive campaign in September; and a collaborative project with Qantas to make and screen in-flight short films celebrating the arts.

### **Strategic Priorities**

The output of all divisions of the Australia Council was this year guided by five over-arching strategic priorities:

#### **Artist careers**

This priority governs all Australia Council's grants to artists, or

organisations which artists lead or which supports them, across all divisions of council. Considering the significant investment now by council and other government initiatives in young and emerging artists, the focus now is on building opportunities and the creative development of mid-career and established artists.

Council is engaging industry sectors in supporting work opportunities for artists and increasing philanthropic support to individuals. Planning also began this year on an information portal advising artists on available career pathways and on current tax and social security arrangements for artists.

#### **Audience access and participation**

Council research reveals that the arts are becoming more inclusive and the participation of Australians more significant. As the behaviour, expectation and demographics of audiences shift, the priority is to develop new ways to engage with new and existing audiences. Two key projects included a collaboration with Qantas to expose personal stories by artists on their influences and choices to work as professional artists. Features have included parkour artist Ali Khadim and OzOpera and are regularly screened through the Qantas in-flight services, entitled *Creative Rush*. In addition, we developed a national story-telling campaign where Australians could talk about what art makes them tick called *What Makes Me*. Both initiatives were developed to increase access, understanding and appreciation of Australian artists and the arts.

#### **Business and philanthropic involvement in the arts**

The Australia Council's initiative Artsupport Australia expects this year to exceed its target of facilitating philanthropic arts partnerships worth \$10 million, covering Indigenous programs and one-on-one mentoring programs which include individual artists. Artsupport's commitment

to build a national network of expertise supporting arts philanthropy continues with the appointment in May of a manager in Victoria and advertising for a NSW position to commence in September 2010. Council also collaborated with the Australian Business Arts Foundation (AbaF) on a research project, *Arts and business: Partnerships that work*, exploring business attitudes to arts sponsorship.

### **Increased support for the arts**

This year, council used all opportunities to promote ongoing and increased government and private sector support for the arts. Council has also built partnerships across all levels and departments of government in the development of new programs. This priority is also driven by Australia Council research into the economic, cultural and social impact of the arts, audience participation levels and attitudes, as well as council's own promotional activities.

### **Arts content in the digital area**

Council has a strong focus to support digital art-making across all its divisions and artform boards. It further invested \$790,000 in specific initiatives this year to build the business, technological and artistic capacity of individuals and organisations exploring digital opportunities for artists. The Geeks in Residence program is now supporting nine arts organisations working with technically-proficient artists or creatively confident technicians; the Digital Culture Fund supported seven new digital arts projects; and our support for the business incubator program, MEGA, provides mentoring and seed funding for artistic start-up companies. The Australia Council's far reaching partnership with the ABC continued this year with the collaborative staging of a two-day national forum on critical issues for artists and organisations working in digital mediums. The crucial rights issue was subsequently explored

in the first two meetings of a selected group of rights management specialists.

The term 'digital art' covers a broad range of arts practices that incorporate the use of digital technologies. It is quite commonplace these days for artists to use digital technology in the creation, manufacture, recording, production and presentation of work. In its statistical analysis of arts practice, the Australia Council uses the narrower term 'media arts'. The Australia Council's definition of media arts encompasses participatory and location-based work, screen-based art, sound art, networked media, projection work, mobile or portable work, software and database generated art, artificial intelligence, wearable computing, bio-art, nanotech, robotics, interactive and immersive environments, art/science and technology practices, and augmented, mixed and virtual realities.

The relevance of these five Strategic Priorities has been reinforced by what council's own research this year tells us about Australian's arts participation, changing attitudes to the arts and the financial state of our artists. Whether working individually or collaboratively, the careers and creative output of our artists are central to all of council's other work to build audiences and promote the arts of Australia, at home and abroad. In 2008, we restructured the council's organisation to reduce costs and maximise the level of funding provided to artists. In 2009–10, these changes have allowed us to operate with much greater efficiency and effectiveness, with the benefits flowing back to artists who remain our first concern.



**Kathy Keele**  
CEO Australia Council for the Arts

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**‘Council has a strong focus to support digital art-making across all its divisions and artform boards!’**

## Funding overview

**The Australia Council invested over \$164.5\* million in artists and organisations across the country in 2009–10, compared to \$168.1 million in the previous financial year. We supported the full spectrum of arts activity during the year, from \$1,830 to Corrina Bonshek for a music mentorship in the USA to larger grants to organisations such as \$5,218,792 to the Australian Ballet.**

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

The Australia Council's investment enabled artists to create 6,911 new works and to present, perform, publish or exhibit 8,728 new works in 2009–10. It assisted over 14 million attendances at arts events throughout the financial year – a large increase from over 13 million in the last financial year.

The investment of \$164.5 million funded 1,873 grants and projects. Of this, \$94.9 million went to major performing arts companies, just over \$27.5 million through board grants and \$16.2 million through government initiatives (see figure 1).

Of the 1,873 grants and projects provided by Australia Council in 2009–10, 752 grants were given to individual artists and 1,121 grants were given to organisations (Note: Figures for individual artists include artists working together as groups, outside of formal structures).

These grants were awarded from 4,700 applications to the various grant categories; an increase from 4,216 in the previous financial year (see figure 2).

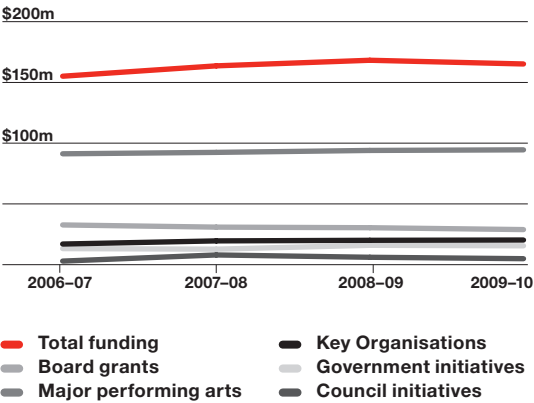
The \$164.5 million total investment included \$50.4 million for the nation's orchestras; \$20.8 million for opera; \$12.3 million for other music artists and organisations; \$16.4 million for visual artists and organisations; \$22 million for theatre companies and artists; \$17.1 million for dance artists and companies; \$7.7 million for writers, publishers and literary organisations; \$13.5 million for multi-artform artists and organisations; and \$4.4 million in miscellaneous funding including sector building and audience development initiatives and programs run by the Office of the Chief Executive including Artsupport Australia, peer assessment costs and studio administration (figure 3).

The Australia Council's total funding for 2009–10 also included:

- \$6.3 million for international activities by Australian artists and arts organisations, compared to \$7.3 million in the previous financial year.
- \$7.8 million for arts and cultural activities with a predominantly Indigenous focus, compared to \$9.7 million in the previous financial year (the reduction of funding was related to the completion of a number of programs) and,
- \$11.8 million for arts and cultural activities with a predominantly regional focus (excluding major performing arts companies' activities), compared to \$11.6 million in the previous financial year.

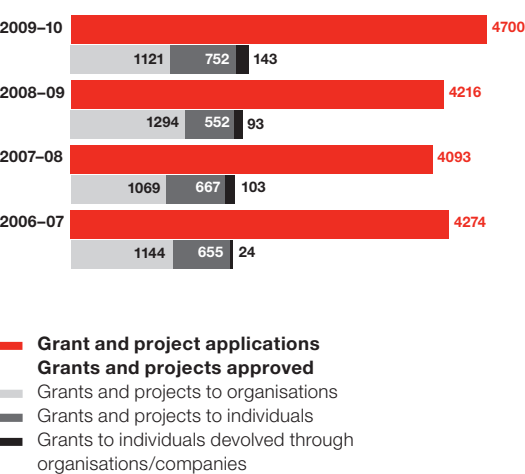
\*The Australia Council has reclassified its expenditure from the period 2008–09 so that the total funding figure for grants and programs does not include supplier-related expenses and salary costs associated with the delivery of grants and programs.

FIGURE 1: Grant and program funding 2009-10



‘These grants were awarded from 4,700 applications to the various grant categories; an increase from 4,216 in the previous financial year.’

FIGURE 2: Total applications, grants and projects



\$11.8m

for arts and cultural activities with a predominantly regional focus (excluding major performing arts companies' activities), compared to \$11.6 million in the previous financial year.

Total funding by artform

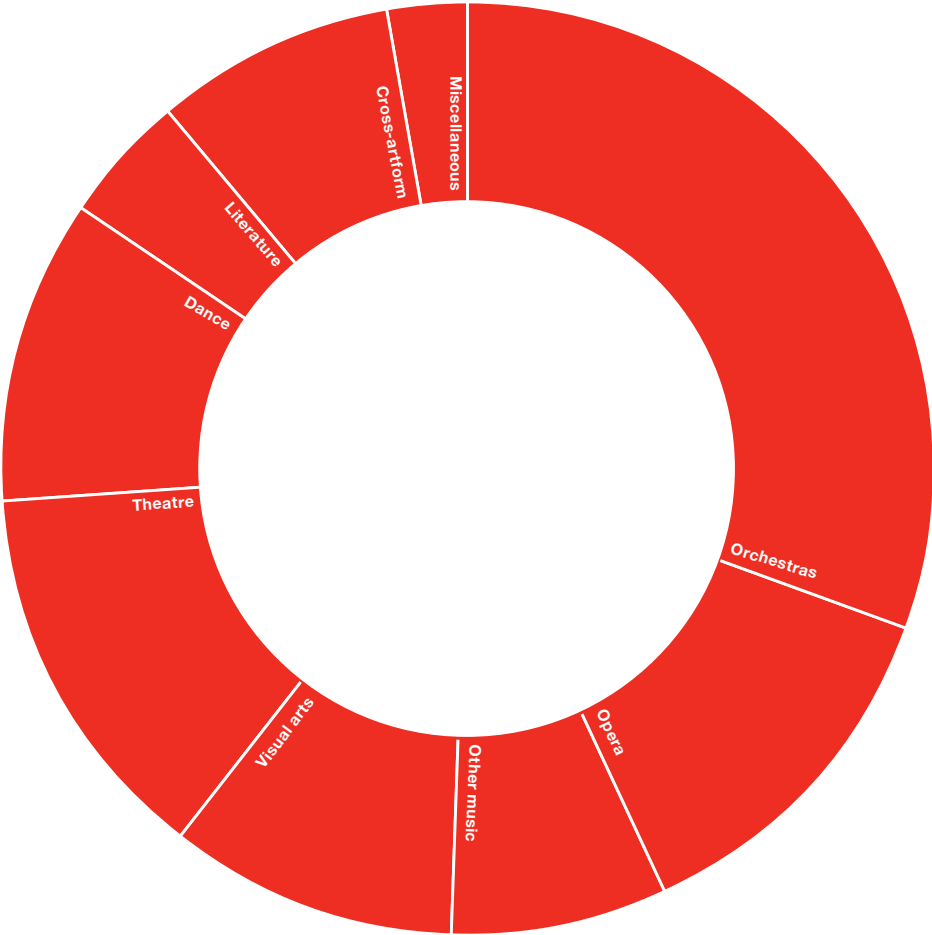


FIGURE 3: Total funding by artform 2009–10

Orchestras	\$50.4 million
Opera	\$20.8 million
Other music	\$12.3 million
Visual arts	\$16.4 million
Theatre	\$22 million
Dance	\$17.1 million
Literature	\$7.7 million
Cross-artform	\$13.5 million
Miscellaneous	\$4.4 million

Total funding by state and territory



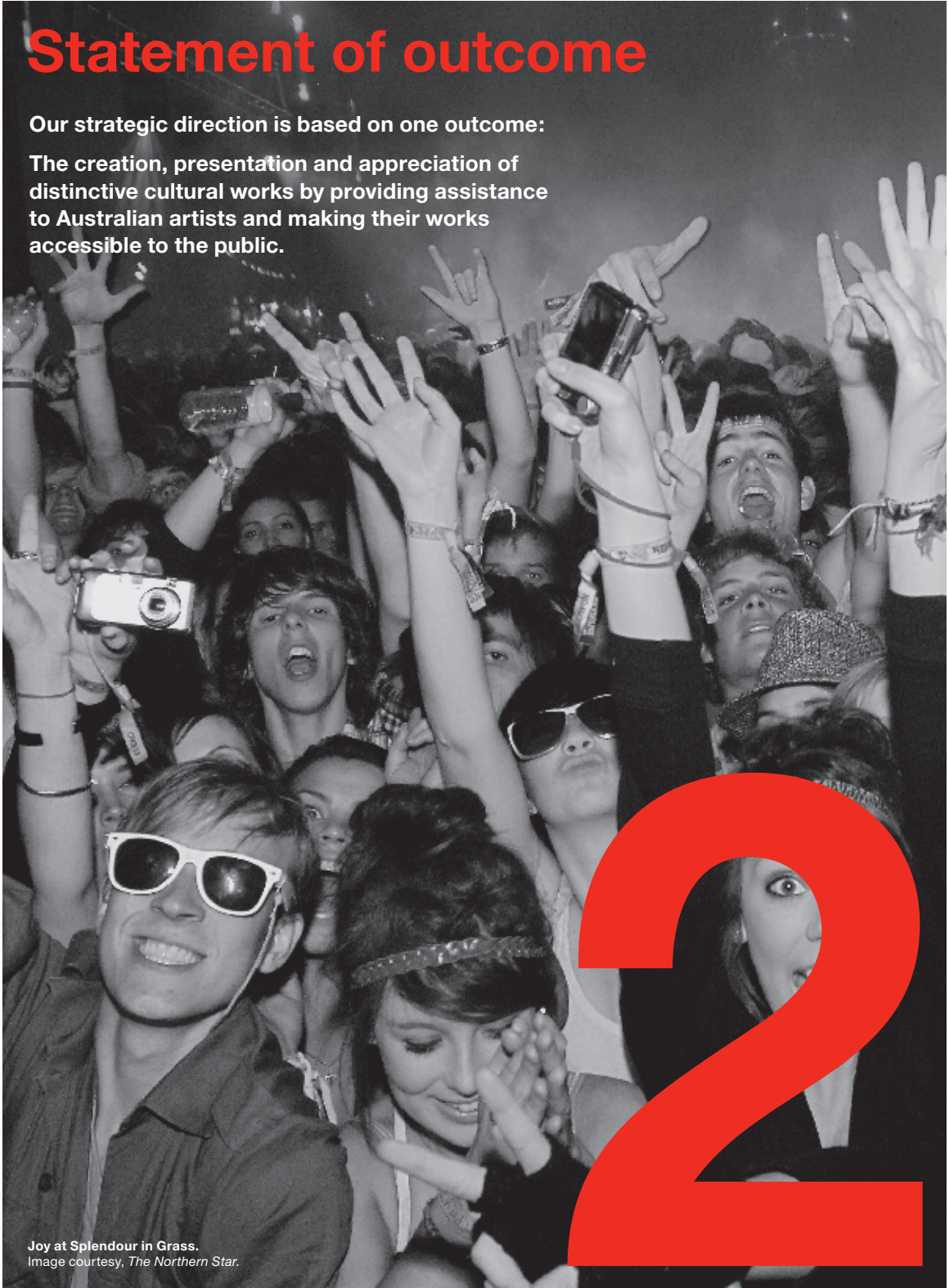
FIGURE 4: Total funding by state and territory 2009-10

	CROSS-ARTFORM \$	DANCE \$	GENERAL \$	LITERATURE \$	MUSIC \$	THEATRE \$	VISUAL ARTS \$	TOTAL \$
NSW	2,420,108	4,865,654	1,644,895	2,605,782	34,691,493	7,965,538	5,205,986	59,399,455
Vic.	2,687,872	6,684,724	342,972	1,147,642	16,950,311	7,191,488	2,936,560	37,941,568
Qld	1,915,589	1,188,755	389,990	299,236	8,264,637	1,773,083	1,375,865	15,207,154
SA	775,212	1,738,375	140,000	436,037	8,127,298	1,317,104	1,727,816	14,261,842
WA	875,836	834,755	189,682	273,027	7,242,981	1,584,451	511,177	11,511,909
Tas.	361,775	159,750	135,000	190,204	5,716,492	277,956	433,527	7,274,704
NT	894,750	359,053	70,000	293,558	358,566	123,055	603,802	2,702,784
ACT	95,000	261,625	12,000	92,355	141,500	60,750	664,650	1,327,880
National	3,023,664	466,147	1,510,419	1,667,736	1,147,152	1,058,244	1,474,631	10,347,992
Overseas	405,369	564,753	5,000	645,651	852,956	639,733	1,445,007	4,558,469
Total	13,455,174	17,123,591	4,439,957	7,651,228	83,493,385	21,991,401	16,379,020	164,533,756

# Statement of outcome

Our strategic direction is based on one outcome:

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



Joy at Splendour in Grass.  
Image courtesy, The Northern Star.

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# Corporate plan

**The strategic direction of the Australia Council is guided by its Corporate Plan 2006–2010, which is continually monitored and updated to take account of changing trends and the needs of Australia's highly innovative arts world.**

## Australia Council Corporate Plan 2006–2010

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

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

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## Our objectives are as follows:

- 
- 1** To invest in artistic production and the development of artistic practice.

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  - 2** To assist the presentation of distinctive Australian cultural works nationally and internationally.

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  - 3** To promote the understanding, enjoyment, participation in and appreciation of the arts by Australians.

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  - 4** To assist the infrastructure development of Australia's creative arts.

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  - 5** To provide policy development, research, promotional and advisory services.

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# How we performed

## Our deliverables are as follows:

- To provide opportunities for Australian artists to create and present a body of distinctive cultural works characterised by the pursuit of excellence.
- To invest in initiatives that promote understanding, enjoyment and appreciation of the arts by all Australians.

## The Australia Council's performance against its deliverables is provided in the following table:

		2006–07	2007–08	2008–09	2009–10
Total funding	\$	152.8m	162.7 m	168.1m	164.5m*
Grants and projects	No.	1,799	1,736	1,846	1,873
Organisations funded:	\$	15.7m	20.0m	20.8m	21.2m
Key Organisations					
Organisations funded:	\$	89.4m	91.4m	94.1m	94.9m
Major Performing Arts					
Organisations funded	No.	1144	1069	1294	1121
Individual artists funded directly	No.	655	667	552	752
Grants to individual artists devolved through organisations/companies	No.	24	103	93	143
Countries presented in	No.	72	66	70	58
Grants supporting Australian artists internationally	\$	7.7m	7.0m	7.3m	6.3m
Grants supporting Australian artists internationally	No.	449	392	397	362

\*The Australia Council has reclassified its expenditure from the period 2008–09 so that the total funding figure for grants and programs does not include supplier-related expenses and salary costs associated with the delivery of grants and programs.

## The key performance indicators, demonstrating the performance of the program in achieving its objectives and contributing to the council's outcome, are provided in the following tables:

	2006–07	2007–08	2008–09	2009–10
Number of new works created	4,476	5,215	5,526	6,911
Number of new works exhibited, performed and published	3,636	5,394	5,414	8,728

## Attendance numbers at Australia Council supported events:

	2006–07	2007–08	2008–09	2009–10
Project grants	2,199,433	1,451,663	3,229,380	3,982,933
Key Organisations	3,877,522	4,704,991	6,409,200	7,176,409
Major Performing Arts	3,232,971	3,341,539	3,376,063	2,939,639
<b>Total</b>	<b>9,309,926</b>	<b>9,498,193</b>	<b>13,014,643</b>	<b>14,098,981</b>

## How we performed against our objectives

### **Objective 1:** **To invest in artistic production and the development of artistic practice.**

The Australia Council supports individuals and organisations to create new work and develop their artistic practice through a number of programs and initiatives including arts grants, residencies, fellowships and professional skills development. Throughout 2009–10, 6,911 new works were created with Australia Council support.

The Australia Council received 4,700 grant and project applications in 2009–10, which resulted in:

- 752 grants to individual artists, including:
  - 43 artist residencies
  - 31 fellowships.
- 1121 grants to arts organisations
- 143 grants to individual artists devolved through organisations/ companies.

Notable examples of Australia Council funded work in 2009–10 include a two-year fellowship awarded to Indigenous artist Lou Bennett to support her in the new role of Artistic Director of The Black Arm Band; production funding for Branch Nebula's dynamic presentation of *Sweat*, a contemporary hybrid performance work; and ongoing support for the commissioning and development of new productions through the Major Festivals Initiative, including the Stalker Theatre Company's production of *Shanghai Lady Killer*.

### **Objective 2:** **To assist the presentation of distinctive Australian cultural works nationally and internationally.**

The Australia Council supports the presentation of Australian works of art across the country and overseas through funding touring activities and a range of organisations and

individuals, including publishers, distributors, exhibitors and promoters.

In 2009–10, the Australia Council supported the performance, exhibition and publication of 8,728 artistic works, which included:

- The presentation of 1,407 works by key organisations, including 1,078 Australian works.
- The presentation of 2,736 works by the major performing arts organisations, including 116 Australian works.
- The presentation of work by Australian artists in 58 countries.

Throughout 2009–10, the Australia Council supported a wide range of artists to present their work across diverse formats. This included support for the translation of 22 Australian authors into languages as diverse as Chinese, French, Finnish and Hebrew; the premiere of Brett Dean's *Bliss* at the Sydney Opera House; and a tour of the Northern Territory by the Australian Art Orchestra and Young Wagilak Group.

Internationally, the Venice Biennale 2009 distinguished itself for both its high standard of Australian work and the large number of visitors it attracted. The Australian exhibition venues, which featured the work of Shaun Gladwell, Ken Yonetani, Vernon Ah Kee, Claire Healy and Sean Cordeiro, were visited by almost 250,000 people between June and November 2009. This was approximately 40,000 more visitors than the 2007 Venice exhibitions.

The Australia Council supported many other outstanding artists to present work internationally. Highlights included an international tour by physical theatre group Circa, Urban Theatre Project's tour of *The Football Diaries* to South Africa to coincide with the 2010 FIFA World Cup, and the presentation of Tom Wright's *Optimism* at the 2009 Edinburgh Festival.

**Objective 3:****To promote the understanding, enjoyment, participation in and appreciation of the arts by Australians.**

The Australia Council promotes the arts to all Australians using a number of strategies including audience development, marketing campaigns, advocacy for arts education, supporting the community arts sector and by nurturing artistic excellence and bringing it to the widest possible audience.

In 2009–10, there were over 14 million attendances at Australia Council supported events.

One prominent initiative administered by the Australia Council during 2009–10 is Books Alive, the annual nationwide campaign to promote reading and books. In 2009, Books Alive built on the success of previous year's campaigns, with Nielsen Bookscan figures showing the campaign led to increases of 175 percent in sales of the fifty books listed in the guide, compared with a 56 percent increase in 2008. Overall, the campaign provided a two percent boost to total market sales.

In 2010–11, the Books Alive campaign will be rebranded as Get Reading!

Another exciting project which the Australia Council supported in 2009–10 was the commissioning of a series of musical works for Cochlear implant users. This innovative project, to be led by the Bionic Ear Institute and composer Robin Fox, is the first of its kind and demonstrates the Australia Council's commitment to promoting art to all Australians.

**Objective 4:****To assist the infrastructure development of Australia's creative arts.**

The Australia Council is committed not only to the creation of art but also to the health of the entire ecology of the arts sector; ensuring it is equipped with the resources, skills and networks

that connect art to audiences and provide career paths for artists. This is achieved through supporting arts organisations, peak bodies and professional development programs.

One new initiative designed to strengthen Australia's arts infrastructure is the Emerging Producers Mentorships, which will develop the skills of the next generation of arts professionals. This program, which began in July, is giving ten young producers, agents, gallery dealers and rights managers an 18-month placement with some of Australia's senior arts professionals. These mentorships will assist them to develop skills in research, selling rights, negotiating contracts, facilitating tours, commissions, exhibitions, presentations, residencies and sector collaboration.

Another leading example of the Australia Council's support for arts infrastructure in 2009–10 was the decision by the Aboriginal and Torres Strait Islander Arts Board to fund Perth based Yirra Yaakin Theatre for the next six years through its new National Indigenous Arts Infrastructure Program. This long-term investment is a commitment to building great theatre and sustainability in Indigenous arts.

**Objective 5:****To provide policy development, research, promotional and advisory services.**

The Australia Council provides policy development, research, promotional and advisory services across all of its divisions, but most notably through its Research and Strategic Analysis (RSA) unit and Artsupport Australia.

The RSA unit had the following research priority areas in 2009–10:

- the economic performance of the arts
- public participation in the arts
- private sector support for the arts
- the effect and impact of digital technologies the arts.

The largest research project undertaken by the RSA in 2009–10 was a study into how Australians are participating in the arts, which culminated in the publication of *More than bums on seats: Australian participation in the arts*. This report provides a comprehensive picture of how Australians engage with the arts, both as consumers and producers, and offers a benchmark for future studies of this kind.

Artsupport Australia, which was established in 2003, works closely with the cultural, corporate, financial and philanthropic sectors to develop effective strategies for giving to the arts. In 2009–10, Artsupport Australia facilitated over \$10 million in philanthropic income for artists and arts organisations. This was achieved through the mentoring work undertaken by its director and three state managers in Western Australia, the Northern Territory and Queensland. A manager for Victoria was appointed in May to develop closer philanthropic partnerships with that state.

## Government initiatives

**In the May 2008 Budget, the Australian Government committed \$5.2 million over four years from 2008–09 for a new initiative where professional artists would participate as Artists in Residence in schools, and as sessional staff in universities, to improve the access of young people to quality arts education.**

The Australian Government also committed \$6.6 million over four years from 2008–09 to increase Opportunities for Young and Emerging Artists by supporting the presentation of their work, audience development, mentoring programs and new technology initiatives. In the May 2009 Budget, the Australian Government committed \$9.6 million over four years from 2009–10 to ArtStart, a program to help young artists establish their professional practice. The Australia Council continues to manage the Government's Get Reading! (formerly Books Alive) initiative, funding to the Melba Foundation, the Visual Arts and Craft Strategy and the Major Festivals Initiative.

### Opportunities for Young and Emerging Artists

Managed by the Australia Council, this initiative involved expenditure this year of just over \$1.5 million towards six programs that help build opportunities for young and emerging artists. Programs funded under this initiative support these artists to set up artist-run initiatives; provide professional development through creative residences and collaborations with performing arts organisations; undertake mentorships with established artists to help develop their artistic practice; and participate in workshops and collaborations to make and present new works at a major music festival.

In early 2010, a new arts-focused social networking portal, The Program, was launched as part of the initiative. This national project harnesses social networking and user-generated content to create an online space for young artists and audiences to interact and engage with Australian arts. In addition, the Australia Council sponsored the Young and Emerging Artist Award offered by the Australian Business Arts Foundation to recognise a partnership between a business and a cultural organisation that builds skills and opportunities.

### ArtStart

ArtStart is a four-year initiative offering recent arts graduates grants up to \$10,000 to establish a professional arts business or practice. After two rounds, ArtStart has provided funding assistance to 199 artists from all Australian states and territories. Successful applicants represent all artform areas and have included puppeteers, jewellery designers, dancers and children's authors. Applications were received from artists with a variety of academic achievements, ranging from undergraduate courses at University or TAFE (Certificate IV, degree or diploma) to PhD qualifications.

### Get Reading! (formerly Books Alive)

This Australian Government initiative to encourage all Australians to discover the joy of reading is managed by the Australia Council with a budget of \$2 million per annum. The 2009 campaign was the most outstanding yet for brand awareness, stakeholder participation and the support of 11 prominent Australian ambassador authors. Book sales increased by two percent, equating to 233,013 units, valued at \$5.4 million.

### The Melba Foundation

In 2004, the Melba Foundation received a grant of \$5 million over five years from the Australian Government to undertake recordings to benefit the development and dissemination of high-quality Australian music recordings, including the building of international markets. In 2009, the Government announced continuation of its support to the Melba Foundation to 2011–12, recognising the Foundation's contribution to the vibrancy and sustainability of the Australian music industry.

The Foundation makes and markets CD recordings involving many of Australia's most distinguished musicians and emerging artists. Its program includes a repertoire never previously recorded and designed specifically to interest the international market.

### Visual Arts and Craft Strategy

The Visual Arts and Craft Strategy (VACS) is a \$24.7 million, four year strategy delivered by the Australian Government, with an equivalent amount matched by state and territory governments. The VACS was developed in response to Rupert Myer's recommendations from the 2002 *Report of the Contemporary Visual Arts and Craft Inquiry*. Since its implementation in 2003–04, the VACS has significantly increased the viability and vitality of Australia's contemporary visual arts sector.

The Australia Council this year administered another \$5.2 million of VACS on behalf of the Australian Government, including \$1 million in direct grants to individual artists. The remaining funds were provided to contemporary arts organisations, craft and design organisations, publications, service organisations, major visual arts events and programs supporting Indigenous arts infrastructure.

Highlights this year of the VACS support include the collaboration of Object: Australian Centre for Craft and Design and the Australian Museum on a major touring exhibition of contemporary Indigenous sculpture from artists across the country; and the Perth Institute of Contemporary Art staging its annual *HATCHED 09* National Graduate Show offering a comprehensive survey of emerging artists in Australia today.

### Major Festivals Initiative (MFI)

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

The \$750,000 per annum fund supported the creative development

of the Stalker Theatre Company's *Shanghai Lady Killer* (to premiere at the Brisbane Festival 2010 and the Melbourne Festival 2010) and Legs on the Wall's *The Conjurer's Lottery*.

### Creative Communities

Managed by the Community Partnerships section, this initiative is to build high-quality, participatory arts programs that provide individual community members with increased opportunities to directly participate in all aspects of artistic processes of excellence across all artforms and practices. It also develops partnerships in community based arts programs with long-term outcomes and stimulates innovative approaches in the use of the arts to enhance community wellbeing.

The initiative is an ongoing program with an annual allocation of \$2.5 million to enable more Australians to participate in the arts and cultural activities in the places where they live. From 2009–10, the Australia Council approved 33 proposals for a total amount of \$10,428,814 with some commitments going into the 2011–12 fiscal year.

### Artists in Residence initiative (AIR)

This initiative provides artists with the opportunity to broaden their experiences and share their skills, while providing Australian school and university students with greater exposure to creative practice. Managed by the Australia Council's Community Partnerships section, the program also creates opportunities for artists and teachers to work together on developing effective teaching methods and practices for the arts.


To date, over 70 residencies have taken place in schools across the country, bringing the benefits of creative practice to a wide range of Australian students and providing important opportunities for artists. Over the next two years, state and territory governments will work in partnership with the Australia Council to deliver more residencies – including working strategically with pre-service teacher training institutions.

## Cultural Engagement Framework

**The Australia Council's Cultural Engagement Framework (CEF) was adopted in September 2007 to ensure an effective integration of strategies to support artistic excellence across the diversity of Australian society and provide opportunities for all Australians to participate in and enjoy the arts. We are committed to ensuring that, across all business areas, council delivers services and supports initiatives which are socially and culturally inclusive.**

**For more information on the CEF visit [www.australiacouncil.gov.au/cef](http://www.australiacouncil.gov.au/cef)**

# About the Australia Council



Promoting excellence.  
Sydney Dance Company production, *We Unfold*.  
Photo by Tim Richardson.

# About the Australia Council

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

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

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

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

The functions of the Australia Council are:

- (a) to formulate and carry out policies designed:
  - (i) to promote excellence in the arts;
  - (ii) to provide, and encourage the provision of, opportunities for persons to practise the arts;
  - (iii) to promote the appreciation, understanding and enjoyment of the arts;
  - (iv) to promote the general application of the arts in the community;
  - (v) to foster the expression of a national identity by means of the arts;

- (vi) to uphold and promote the right of persons to freedom in the practice of the arts;
- (vii) to promote the knowledge and appreciation of Australian arts by persons in other countries;
- (viii) to promote incentives for, and recognition of, achievement in the practice of the arts; and
- (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 relating to the performance of its functions; and
- (c) to do anything incidental or conducive to the performance of any of the foregoing functions.

# Corporate Governance

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

In accordance with the *Australia Council Act 1975*, the council has between 10 and 14 members, not including the Australia Council Chief Executive Officer who is a member of the council (ex officio). Terms of appointment for members of the council are generally three years. Terms shall not exceed four years. However, members are eligible for re-appointment. Appointments cannot be for more than six continuous years. Members are appointed with a view to achieving a balance of relevant expertise in the arts, business, management, public policy, corporate governance and administration, appropriate to regional, gender, multicultural and Indigenous community participation in the arts.

All new members of the council are provided with an induction program where they receive a copy of the Australia Council's *Governance Manual* and the *General Guidance for Directors of Statutory Authorities* publication provided by the Department of the Environment, Water, Heritage and the Arts. The manual contains a section that outlines appropriate ethical standards with regard to, amongst other things, directors' obligations, confidentiality and disclosure of council business, conflicts of interest, political activity, sponsored travel and acceptance of gifts. A Code of Conduct, which every member of the council, its boards and committees is expected to comply with, has been drawn up with regard to the responsibility entrusted to these members and the fundamental principles and values that guide the work of the Australia Council.

If a council member requires legal advice on any matter, the Chairperson advises the CEO to make arrangements for obtaining this advice.

## During 2009–10, the council met five times:

11–12 August 2009	Canberra
13 October 2009	Melbourne
17 December 2009	Sydney
24 February 2010	Perth
24 May 2010	Sydney

See page 10 for members of the Australia Council as at 30 June 2010.

**Staff representative**  
Australia Council staff elect a staff representative to represent them as an observer on the council.

Sigrid Langker, Division Administrator, ATSLA, and Thom Scire, Program Officer, Community Partnerships, were elected as joint staff representatives for 2008–09.

**Department of the Environment, Water, Heritage and the Arts representative**  
The Department of the Environment, Water, Heritage and the Arts has observer status on the council. Lynn Bean, First Assistant Secretary, Arts Division, was the appointed observer for the Department for 2009–10.

**Changes to council membership in 2008–09**  
John Denton was appointed Deputy Chair from 1 July 2009; Professor Ted Snell was re-appointed as Chair of the Visual Arts Board for a further three years from 5 February 2010; Professor Dennis Haskell was appointed Chair of the Literature Board from 7 September 2009; Ms Chrissy Sharp was appointed Chair of the Dance Board from 19 October 2009 and Ms. Samantha Mostyn was appointed community interest representative from 16 June 2010, replacing Ms Nicola Downer whose term ended on 17 December 2009.

**FIGURE 11: Schedule of attendance at council meetings from 2009–10**

Name of person	Meetings held while member	Meetings attended
James Strong AO	5	5
John W. H. Denton	5	5
Kathy Keele	5	5
Rick Allert AO	5	4
Dr Matthew Hindson AM	5	4
Nicola Downer AM	2	1
Chrissy Sharp	3	3
Dennis Haskell	4	4
Dr Mark Bin Bakar	5	3
Prof. Ted Snell AM	5	4
Prof. Brad Haseman	5	5
Rosalba Clemente	5	5

**Ministerial directions**

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

**Council directions**

The *Australia Council Act 1975* requires that the text of all council directions to its committees during the year be included in the Australia Council’s annual report.

The delegations to the Appeals Committee, Community Partnerships Committee, Decisions Review Committee, the generic artform boards, Major Performing Arts Board and Aboriginal and Torres Strait Islander Arts Board are publicly available on the Australia Council’s website at:  
[http://www.australiacouncil.gov.au/about\\_us/annual\\_report/annual\\_report\\_2007-08/delegations](http://www.australiacouncil.gov.au/about_us/annual_report/annual_report_2007-08/delegations)

**Committees and advisory bodies**

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

**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 2009–10 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: 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 overall financial position, budget preparation and any other significant financial issues, as they arise. The committee is authorised to request information from employees of the Australia Council, including internal auditors, to discuss matters with external auditors, and to seek independent professional advice as it considers necessary. Minutes of the committee meetings are included in council papers and the Chair of the committee reports on relevant matters at council meetings. The committee has an advisory role and is not delegated to act on the council’s behalf unless specifically directed to through resolution. The committee is chaired by a member of the council and includes the 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 2009–10.

**FIGURE 13: Attendance at Audit and Finance Committee meetings**

Name of person	Meetings held while a member	Meetings attended
Rick Allert AO (Chair)	5	5
James Strong AO	5	5
John W H Denton	5	5
Kathy Keele	5	5

**Community Partnerships Committee**

The Community Partnerships Committee provides strategic, advisory and policy leadership to the community partnerships section. The committee’s key responsibilities are to oversee and deliver funding support and grants programs for community partnerships initiatives and community cultural development activities. The committee is also responsible for overseeing the council’s strategic engagement with arts in the community, youth and the arts, education and the arts, arts in a multicultural Australia, regional arts and arts and health. The Community Partnerships Committee met four times during 2009–10.

**FIGURE 14: Attendance at Community Partnerships Committee meetings**

Name of person	Meetings held while a member	Meetings attended
Prof Brad Haseman (Chair)	4	4
Khaled Abdulwahab	4	3
Malcolm Bywaters	4	3
Mia Christophersen	4	1
Claudia Chidiac	4	2
Joanne Brown	4	1
Imelda Rivers	4	4
Jeremy Smith	4	3

**Decisions Review Committee**

The role of this committee is to determine requests for review of decisions from grant applicants who

have grounds to dispute decision procedures in relation to their applications. The committee does not assess the artistic merit of applications. Its purpose, under the council's direction to the committee, is only to ensure that the boards, committees and senior officers have followed correct decision-making procedures. The membership comprises the Chief Executive Officer and at least three council members, none of whom may be board chairs.

The Decisions Review Committee did not meet in 2009–10 as there were no requests for decision reviews. As at 30 June 2010, Kathy Keele was Chair of the Committee and three positions remained vacant.

#### **Donations Fund Committee**

This committee was responsible for accepting and administering gifts made to the Australia Council Donations Fund in accordance with the requirements of the *Income Tax Assessment Act 1997* and the Register of Cultural Organisations. As this committee rarely met, council at its 12 August meeting, agreed to administer the donations fund as part of council business and revoked the delegation to the committee.

#### **Nominations and Governance Committee**

The Nominations and Governance Committee facilitated a streamlined nominations process, through which the council recommended members to its boards to the Minister, as required under the *Australia Council Act 1975*. It had an advisory role and was not delegated to act on the council's behalf. The council at its 12 August meeting agreed to revoke the Nominations and Governance Committee Charter and handle the nominations process as part of council business.

#### **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. At its 12 August meeting, council decided to manage these matters as part of its normal business and revoked the Charter to this committee.

#### **Artform Boards**

The seven artform boards are the principal administrators of the Australia Council's arts funding role. They are the Australia Council's major source of advice on the development of arts policy and grant programs.

The Minister establishes the boards under the *Australia Council Act*. They function within the framework of the Australia Council's Corporate Plan 2006–2010 and related policies and budget allocations. Most boards have between seven and nine members and all have a chairperson.

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

In addition to their role in providing advice to the Australia 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, 11 peers provided external assessment of initiatives or performances and 63 peers participated in board and committee grants assessment meetings.

#### **Funding decisions by senior officers**

Certain senior officers of the Australia Council are delegated power to make grants and pursue particular purposes already approved by the council or its boards. When doing so, the senior officers concerned may consider assessment reports by peer experts, or panels of peer experts. In the current year, 43 peers made recommendations to senior officers regarding funding decisions.

#### **Artform board members at 30 June 2010**

##### **Aboriginal and Torres Strait Islander Arts Board**

Mark Bin Bakar (Chair, WA)  
Lynette Narkle (WA)  
Leo Akee (Torres Strait)  
Desmond "Kootji" Raymond (NT)  
Lea-Ann Buckskin (SA)

##### **Dance Board**

Chrissy Sharp (Chair, Vic.)  
Michael Whaites (WA)  
Brian Lucas (Qld)  
Julie-Anne Long (NSW)  
Carol Wellman (SA)  
Elizabeth Walsh (TAS)  
Jeff Khan (Vic.)

##### **Literature Board**

Professor Dennis Haskell (Chair, WA)  
Dr Stuart Glover (Qld)  
John Romeril (Vic.)  
Professor Gail Jones (NSW)  
Fay Zwicky (WA)  
Margo Lanagan (NSW)  
Dyan Blacklock (SA)

**Major Performing Arts Board**

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

**Music Board**

Dr Matthew Hindson AM (Chair, NSW)  
George Butrumlis (Vic.)  
Anne Gilby (Vic.)  
Kim Mooney (NSW)  
Virginia Taylor (ACT)  
Neil Thompson (Qld)  
Professor Andrew Arthurs AM (Qld)

**Theatre Board**

Rosalba Clemente (Chair, SA)  
Sue Broadway (Vic.)  
Suellen Maunder (Qld)  
Fraser Cameron Corfield (Qld)  
Fiona Winning (NSW)  
Matthew Lutton (WA)  
Professor Chris Puplick (NSW)

**Visual Arts Board**

Professor Ted Snell AM (Chair, WA)  
Steven Alderton (NSW)  
Angela Valamanesh (SA)  
Dennis Del Favero (NSW)  
Lyndal Jones (Vic.)  
Richard Whiteley (NSW)  
Michael Zavros (Qld)  
Danie Mellor (NSW)

# Organisation

**On 30 June 2010, the Australia Council organisation comprised the Office of the Chief Executive Officer and five divisions: Arts Funding, Aboriginal and Torres Strait Islander Arts, Arts Organisations, Arts Development and Corporate Resources.**

## Organisational structure

The Chief Executive Officer is responsible to the governing 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 Chief Executive Officer also liaises with the Department of the Environment, Water, Heritage and the Arts concerning government arts policies.

The Office of the CEO is responsible for managing the Australia Council's external relations. It manages a broad range of programs and activities covering marketing and communication, government relations, legal and compliance and the secretariat. The Artsupport section of this office manages the Australia Council's philanthropic activities.

Arts Funding supports the excellence and diversity of arts practice through its grant categories, strategic initiatives and multi-arts projects. The division comprises five artform sections plus Community Partnerships and the Inter-Arts Office. Senior officers manage grant assessment processes and artform development for the Dance, Literature, Music, Theatre and Visual Arts Boards and for the Inter-Arts Office. The Community Partnerships section drives the Australia Council's work in social inclusion; notably community cultural development, youth, education, disability and regional development.

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

Arts Organisations comprises of two sections – Major Performing Arts (MPA) and Key Organisations. MPA

aims to ensure Australia has an artistically vibrant, financially viable and broadly accessible major performing arts sector. The MPA Board is responsible for oversight of the operations of the 28 major performing arts companies as joint and equal partners with state government funding agencies. The Key Organisations section is responsible for managing relationships with triennially-funded arts organisations.

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

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

## Staff profile

The Australia Council's staff profile reflects the diversity, flexibility and skills required to meet the changing needs of the dynamic arts sector. Australia Council's staffing levels as at 30 June 2010 was 121.6 Fulltime Equivalent (FTE) employees compared to 115 FTE employees as at 30 June 2009 (see figure 18). The representation of employees in the targeted equal opportunity groups as at 30 June 2010 is shown as a percentage of total employees in Figure 19.

Employees are appointed under the *Australia Council Act 1975*, on terms and conditions set out in the Australia Council's Enterprise Agreement 2009–11. Only members of the Australia Council's leadership team are employed on individual employee agreements, as they are regarded equivalent to the Australian Public Service as Senior Executive Service.

**FIGURE 18: Number of staff (FTE) by division**

DIVISION	2007-08	2008-09	2009-10
Aboriginal and Torres Strait Islander Arts	14	9	8.00
Arts Development	23	23	26.8
Arts Funding	48	42	45.2
Arts Organisations	11	11	12.6
Corporate Resources	17	17	14.8
Office of the CEO and Artsupport Australia	16	13	14.2
<b>Total</b>	<b>129</b>	<b>115</b>	<b>121.6</b>

**FIGURE 19: Representation of employees in equal employment opportunity groups as at 30 June 2009**

GROUP	2008-09	2009-10
Women	73.3%	74.6%
Aboriginal and Torres Strait Islanders	2.5%	3.97%
Disability	4.2%	3.17%
Non-English speaking background	10%	12.7%

**Executive team at 30 June 2010**

**Kathy Keele**

**Chief Executive Officer**

Appointed February 2007 and re-appointed for a further period to 6 February 2015. Previously Chief Executive Officer, Australia Business Arts Foundation; extensive experience in business development and marketing.

**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.

**Sandra Bender**

**Executive Director, Arts Development**

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

**Libby Christie**

**Executive Director, Arts Funding**

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

**Tony Grybowski**

**Executive Director, Arts Organisations**

Appointed September 2007. Previously General Manager, Programming and Innovation at Arts Victoria; extensive experience in arts management.

**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.

## Accountability

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

### Service Charter

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

In 2009–10, there were six written complaints. The Australia Council resolved all of the complaints within the Charter's service standards. The most common complaints were about unsuccessful applications to funding categories.

### Commonwealth Disability Strategy

The Commonwealth Disability Strategy (CDS) is the legislative framework for Commonwealth organisations to meet obligations under the *Disability Discrimination Act 1992*. The Australia Council is required to report on its performance under designated roles of policy adviser, purchaser, provider and employer. Council's Arts and Disability Action Plan 2008–2010 addresses these roles. The arts and disability sector will be consulted to review this plan. Council seeks input from the arts and disability sector to shape policy and programs. Council is committed to the National Arts and Disability Strategy adopted in October 2009. The Director of Community Partnerships contributes to the implementation working group. Ministers have agreed on four priority areas for action that are incorporated into our work at council. These are:

- addressing barriers to access and participation
- supporting artistic and cultural practice amongst those with a disability
- developing audiences for disability arts companies and individual artists, and
- improving policy development and planning within governments.

Funding is allocated to the arts and disability sector through grants and initiatives. This ensures artists with a disability gain opportunities to participate in the arts and contribute to the cultural life of Australia. Council also supports arts and disability events that improve dialogue and skills development for the sector. Council aims to support the needs of people with disabilities in the arts sector. It does so through National Service Organisation funding to Arts Access Australia, the peak body for arts and disability in Australia.

Council is committed to making public announcements accessible. The Australia Council's *Style Guide* incorporates guidelines to ensure that our publications are accessible. Council is in the process of making our website accessible in order to meet W3C Level AA Success Criteria. There is an 'Accessibility' options tab under 'Contact us' on our website. This page identifies that grant information is available in accessible formats upon request (e.g. Braille or large print) and that an Auslan Service, phonic ear system and TTY number are now available. Council is committed to hosting meetings in wheelchair accessible venues.

Grant application forms include a statistics-gathering page. Applicants may self-identify as a person who experiences a disability. This information is used by council in monitoring access to its funding programs by people with disabilities. Disability Action Plan training was made available to Major Performing Arts Board companies and Arts Organisations. Council encourages funding recipients to incorporate disability strategies in their business plans.

Council's 'Problem Solving Policy' provides staff with access to a reliable and straightforward process for dealing with all workplace problems. External complaints are made directly to the area of council where the problem exists. The director of the

section is responsible for resolving that matter satisfactorily. These complaints are monitored by the Legal and Compliance Manager. Where a review of decisions is needed in relation to a grant process, the Legal and Compliance Manager coordinates the process after receiving a report from the Executive Director of the division involved.

### Freedom of information

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

### Organisation

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

### Facilities for access

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

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

There are numerous documents and files located at the National Archives. For applicants living outside NSW, documents can be viewed at the nearest regional office of the National Archives of Australia (Adelaide, Brisbane, Canberra, Darwin, Hobart, Melbourne, Perth or Townsville).

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

### Freedom of Information requests

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

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

There were three requests for information under the FOI Act in 2009–10.

### Categories of documents

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

These include:

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

### Decision-making and other powers

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

### Arrangements for involving stakeholders

The Australia Council's legislation and policies provide for consultation with the arts sector, other stakeholders and the general community.

The consultation process includes a consideration of views from:

- management advisory committees;
- community arts organisations and individuals;
- state, territory and local government agencies responsible for assisting the arts communities;
- public meetings in metropolitan and regional centres, generally in conjunction with meetings of the council and artform boards;

- public meetings by directors and other senior members of staff, either independently or in association with other arts organisations;
- discussion groups or seminars with invited members of the public;
- draft discussion papers circulated for comment; and
- ‘open interviews’ when staff are present to meet current and prospective clients.

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

### **Risk management**

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

### **Staff training and education**

The Australia Council delivered a series of internal compliance training programs during 2009–10.

These programs were:

- Australia Council contracts
- Good decision-making processes.

## **External review**

### **Judicial decisions and reviews by outside bodies.**

During 2009–10, there were no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant impact on the Australia Council's operations. Nor have there been any reports on the operations of the Australia Council by the Auditor-General (other than the report on the financial statements) or by a parliamentary committee.

### **Australian National Audit Office**

There were no reviews or audits of the Australia Council during the 2009–10 period other than its annual review of its financial statements and specific government initiatives.

### **Insurance**

The Australia Council's insurance policies for 2009–10 included cover for directors' and officers' liability. The premium paid for this insurance cover was \$10,718.27. This covered a liability limit of \$100 million.

### **Fraud control**

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

### **Review of operations**

The first section of this annual report outlines the Australia Council's performance in 2009–10 against the objectives set out in the Corporate Plan 2006–10. These objectives

support the achievement of the Australia Council's vision and mandate.

### **Significant events**

No significant events in the context of section 15 of the *Commonwealth Authorities and Companies Act* occurred during 2009–10. This section deals with the need to notify the responsible Minister of events such as proposals to form a company, partnership or trust, to acquire or dispose of or commence or cease business activities, or to make other significant change.

# Workplace

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

## Enterprise Agreement

The Australia Council Enterprise Agreement became effective on 9 October 2009. It is for a two-year term with a three percent salary increase upon commencement and a further three percent base salary increase on the first year's anniversary. It covers all employees, other than the leadership team. Members of the leadership team at the Australia Council are regarded as Senior Executive Staff equivalent.

## Recruitment

There were 41 employee commencements and 35 exits during the year. Recruitment activity focused on hiring fixed-term project management expertise and filling divisional administration roles, senior management and some executive vacancies.

## Professional development

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

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

The Australia Council has an active occupational health and safety committee with key performance indicators assigned. Committee members conduct risk assessments on a regular basis. All new employees attend an ergonomic workshop which is conducted by a qualified trainer. A team of trained First Aid support persons assist with the proactive management of incidents or injuries and timely and efficient reporting.

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

## Advertising

The Australia Council uses print advertising for a range of purposes: to recruit staff; to publicise initiatives and grant program closing dates; to invite clients to public information sessions; and to call for tenders. The total cost of staff recruitment advertising was \$23,411 in 2009–10, compared to \$35,500 in 2008–09. The cost of advertising for all other purposes including the promotion of new initiatives and projects was \$26,474 in 2009–10 compared to \$28,438 in 2008–09.

## Ecologically sustainable development

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

The Australia Council's Ecologically Sustainable Development Policy includes strategies for energy, paper and waste reduction. The policy affirms the Australia Council's commitment to minimising its environmental impact. The Australia Council commenced secure destruction and recycling of support materials (CDs, DVDs, audio tapes, video tapes) in May 2007.

## Energy consumption

kWh	
2008–09	778,566
2009–10	768,409

## Paper consumption

Reams per year (A4 80gsm copy paper)	
2008–09	4,329
2009–10	1,975

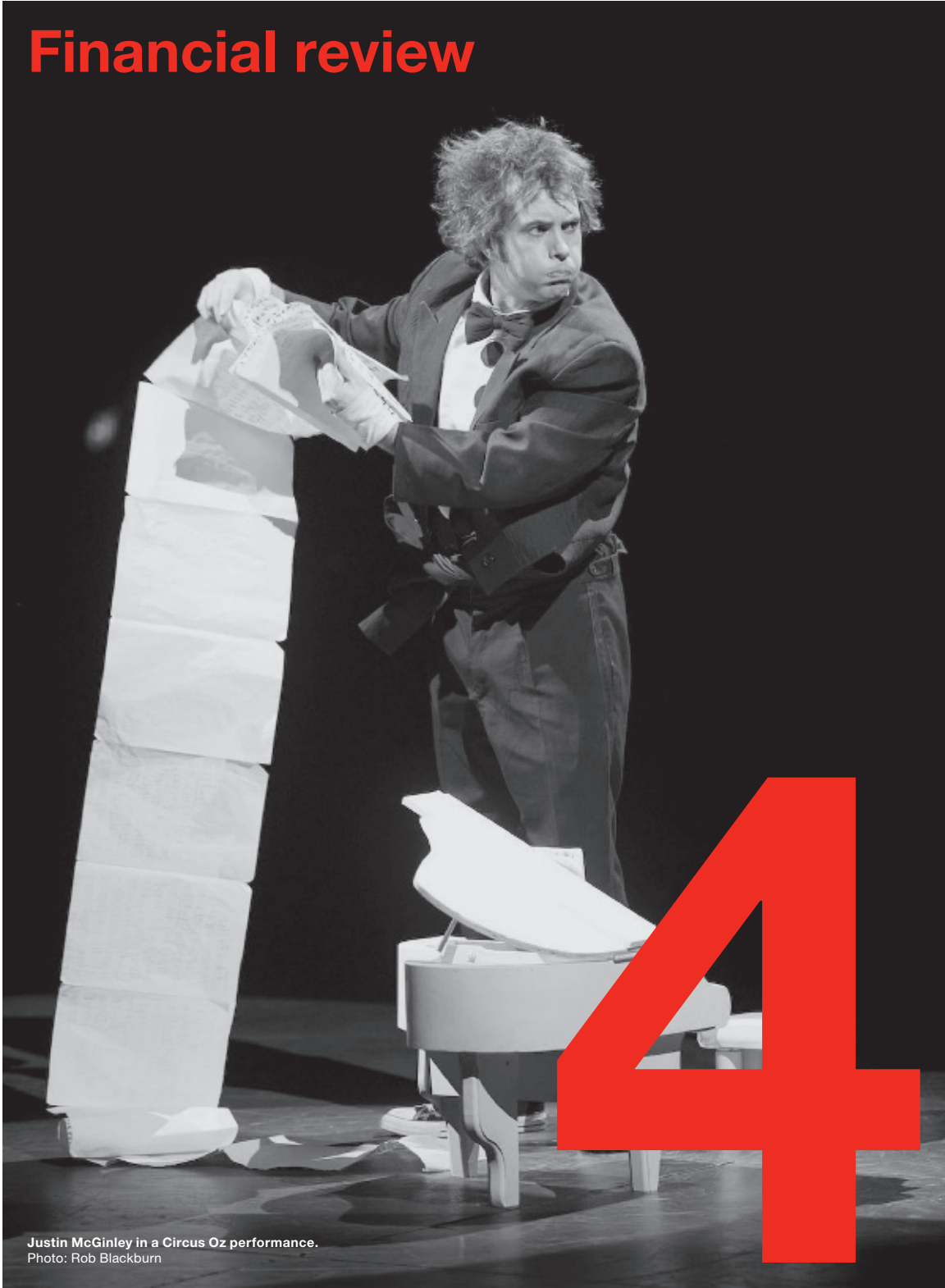
## Recycled paper

Weight (kg)	
2008–09	21,916
2009–10	15,850

## Recycled glass, plastic, aluminium

Weight (kg)	
2008–09	880
2009–10	780

# Financial review





## INDEPENDENT AUDITOR'S REPORT

To the Minister for Environment Protection, Heritage and the Arts

### Scope

I have audited the accompanying financial statements of the Australia Council for the year ended 30 June 2010, which comprise: a Statement by the Council Members, Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions and Summary of Significant Accounting Policies.

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

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

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australia Council's internal control. 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 I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Independence*

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

#### Auditor's Opinion

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australia Council's financial position as at 30 June 2010 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Peter Kerr  
A/Executive Director  
Delegate of the Auditor-General  
Canberra

3 September 2010

## Statement by the council members, Chief Executive and Chief Financial Officer

for the period ended 30 June 2010

In our opinion, the attached financial statements for the year ended 30 June 2010 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*, as amended.

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

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

**James Strong AO**  
Chair  
2nd September 2010

**Kathy Keele**  
Chief Executive  
2nd September 2010

**Robin Cowdery**  
Executive Director, Corporate Resources  
2nd September 2010



# Statement of comprehensive income

for the period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Expenses</b>			
Employee benefits	3A	12,081	11,434
Supplier expenses	3B	8,344	9,116
Grants and programs	3C	164,534	168,079
Depreciation and amortisation	3D	561	1,078
Finance costs	3E	–	45
Losses from asset sales and disposals	3F	49	2
<b>Total expenses</b>		<b>185,569</b>	<b>189,754</b>
<b>Less</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Interest	4A	2,503	2,915
Rental income	4B	55	54
Other	4C	1,687	2,193
<b>Total own-source revenue</b>		<b>4,245</b>	<b>5,162</b>
<b>Total own-source income</b>		<b>4,245</b>	<b>5,162</b>
<b>Net cost of (contribution by) services</b>		<b>181,324</b>	<b>184,592</b>
Revenue from Government	4D	179,514	173,599
<b>Surplus (deficit) before transfer from/(to) special purpose reserve</b>		<b>(1,810)</b>	<b>(10,993)</b>
Transfer from/(to) special purpose reserve		428	2,050
<b>Surplus (deficit) attributable to the Australian Government</b>		<b>(1,382)</b>	<b>(8,943)</b>
<b>Other comprehensive income</b>			
<b>Total other comprehensive income</b>		<b>–</b>	<b>–</b>
<b>Total comprehensive income (loss)</b>		<b>(1,382)</b>	<b>(8,943)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>		<b>(1,382)</b>	<b>(8,943)</b>

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

# Balance sheet

as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	5A	18,381	19,622
Trade and other receivables	5B	2,773	2,784
<b>Total financial assets</b>		<b>21,154</b>	<b>22,406</b>
<b>Non-financial assets</b>			
Land and buildings	6A	2,005	2,016
Property, plant and equipment	6B	1,625	1,761
Intangibles	6C	841	576
Other	6D	94	252
<b>Total non-financial assets</b>		<b>4,565</b>	<b>4,605</b>
<b>Total assets</b>		<b>25,719</b>	<b>27,011</b>
<b>Liabilities</b>			
<b>Payables</b>			
Suppliers	7A	1,486	903
Grants and programs	7B	2,939	3,154
Other	7C	384	297
<b>Total payables</b>		<b>4,809</b>	<b>4,354</b>
<b>Provisions</b>			
Employee provisions	8A	1,331	1,268
Other	8B	682	682
<b>Total provisions</b>		<b>2,013</b>	<b>1,950</b>
<b>Total liabilities</b>		<b>6,822</b>	<b>6,304</b>
<b>Net assets</b>		<b>18,897</b>	<b>20,707</b>
<b>Equity</b>			
Reserves		4,878	5,306
Retained surplus*		14,019	15,401
<b>Total equity</b>		<b>18,897</b>	<b>20,707</b>

\*Required for commitments beyond 30 June.

# Statement of changes in equity

for the period ended 30 June 2010

	Retained earnings		Asset revaluation reserves		Other reserves		Total equity	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Opening balance</b>								
Balance carried forward from previous period	15,401	24,344	2,983	2,983	2,323	4,373	20,707	31,700
<b>Adjusted opening balance</b>	15,401	24,344	2,983	2,983	2,323	4,373	20,707	31,700
<b>Comprehensive income</b>								
Surplus (deficit) for the period	(1,382)	(8,943)	–	–	–	–	(1,382)	(8,943)
<b>Total comprehensive income</b>	(1,382)	(8,943)	–	–	–	–	(1,382)	(8,943)
Transfer (from)/to Get Reading! Reserve	–	–	–	–	153	210	153	210
Transfer (from)/to Asher Estate Bequest	–	–	–	–	(16)	4	(16)	4
Transfer (from)/to Orchestras Review Reserve	–	–	–	–	(455)	(1,126)	(455)	(1,126)
Transfer (from)/to NOISE Reserve	–	–	–	–	–	(16)	–	(16)
Transfer (from)/to Young and Emerging Reserve	–	–	–	–	(35)	(645)	(35)	(645)
Transfer (from)/to Visual Arts and Craft Strategy Reserve	–	–	–	–	(75)	(477)	(75)	(477)
<b>Sub-total transfers (from)/to Reserves</b>	–	–	–	–	(428)	(2,050)	(428)	(2,050)
Transfers between equity components	–	–	–	–	–	–	–	–
<b>Closing balance as at 30 June</b>	14,019	15,401	2,983	2,983	1,895	2,323	18,897	20,707

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

# Cash flow statement

for the period ended 30 June 2010

	Notes	2010 \$'000	2009 \$'000
<b>Operating activities</b>			
<b>Cash received</b>			
Receipts from Government		172,051	166,290
Interest		2,461	2,976
Net GST received		110	-
Other		9,148	9,560
<b>Total cash received</b>		<b>183,770</b>	<b>178,826</b>
<b>Cash used</b>			
Employees		(11,932)	(11,739)
Suppliers		(7,385)	(9,016)
Grants and programs		(164,967)	(166,499)
Net GST paid		-	(720)
<b>Total cash used</b>		<b>(184,284)</b>	<b>(187,974)</b>
<b>Net cash from (used by) operating activities</b>	9	<b>(514)</b>	<b>(9,148)</b>
<b>Investing activities</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		(727)	(684)
<b>Total cash used</b>		<b>(727)</b>	<b>(684)</b>
<b>Net cash from (used by) investing activities</b>		<b>(727)</b>	<b>(684)</b>
<b>Net increase (decrease) in cash held</b>		<b>(1,241)</b>	<b>(9,832)</b>
Cash and cash equivalents at the beginning of the reporting period		19,622	29,454
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>18,381</b>	<b>19,622</b>

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

## Schedule of commitments

as at 30 June 2010

	2010 \$'000	2009 \$'000
<b>By type</b>		
<b>Commitments receivable</b>		
Sublease rental income	69	40
GST recoverable on commitments	21,106	15,666
<b>Total commitments receivable</b>	<b>21,175</b>	<b>15,706</b>
<b>Commitments payable</b>		
<b>Other commitments payable</b>		
Operating commitments	24,598	24,147
Grant and project commitments	208,184	148,683
<b>Total other commitments</b>	<b>232,782</b>	<b>172,830</b>
<b>Net commitments by type</b>	<b>211,607</b>	<b>157,124</b>
<b>By maturity</b>		
<b>Commitments receivable</b>		
One year or less	13,228	12,363
From one to five years	6,877	2,136
Over five years	1,070	1,207
<b>Total operating lease income</b>	<b>21,175</b>	<b>15,706</b>
<b>Commitments payable</b>		
<b>Operating commitments</b>		
One year or less	2,818	1,877
From one to five years	9,897	8,995
Over five years	11,883	13,275
<b>Total operating commitments</b>	<b>24,598</b>	<b>24,147</b>
<b>Grant and project commitments</b>		
One year or less	142,708	134,007
From one to five years	65,476	14,676
Over five years	–	–
<b>Total other commitments</b>	<b>208,184</b>	<b>148,683</b>
<b>Net commitments by maturity</b>	<b>211,607</b>	<b>157,124</b>

Commitments are GST inclusive where relevant.

Property lease payments are subject to an annual increase in accordance with contractual terms.

Operating commitments include commitments for IT leases and related services, overseas studios and the office lease at 372 Elizabeth Street, Surry Hills, NSW.

Other commitments relate to grants and projects and comprise commitments payable of \$142.1m to Major Performing Arts Board companies and \$47.0m of support for 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 2010

There were no contingent assets or liabilities at 30 June 2010.

# Schedule of asset additions

for the period ended 30 June 2010

The following non-financial non-current assets were added in 2009–10:

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
By purchase – Government funding	31	118	578	727
Total additions	31	118	578	727

The following non-financial non-current assets were added in 2008–09:

By purchase – Government funding	16	145	523	684
Total additions	16	145	523	684

# Notes to and forming part of the financial statements for the year ended 30 June 2010

## Note Description

1. Summary of significant accounting policies
2. Events after the balance sheet date
3. Expenses
4. Income
5. Financial assets
6. Non-financial assets
7. Payables
8. Provisions
9. Cash flow reconciliation
10. Remuneration of council members
11. Related party disclosures
12. Executive remuneration
13. Remuneration of auditors
14. Financial instruments
15. Reporting of outcomes

## Notes to and forming part of the financial statements for the period ended 30 June 2010

### Note 1. Summary of significant accounting policies

#### 1.1 Objective of the Australia Council

The Australia Council (the council) is an Australian Government controlled entity. It is structured to meet one outcome:  
*The creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their work accessible to the public.*

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

#### 1.2 Basis of preparation of the financial statements

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO) for reporting periods ending on or after 1 July 2009; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

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

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

#### 1.3 Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the Australia 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.

#### 1.4 New Australian accounting standards

##### Adoption of new Australian accounting standard requirements

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

##### Future Australian accounting standard requirements

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

AASB 1053: Application of Tiers of Australian Accounting Standards

AASB 2010-2: Amendment to Australian Accounting Standards arising from Reduced Disclosure Requirements

The Government is yet to take a position on whether the regime can be accessed by CAC agencies.

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

#### 1.5 Revenue

Receivables for goods and services, which have 21 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed as at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

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

#### Resources received free of charge

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

#### Revenue from Government

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to the council) is recognised as Revenue from Government unless they are in the nature of an equity injection or a loan.

#### 1.6 Gains

##### Sale of assets

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

#### 1.7 Employee benefits

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within 12 months of the end of reporting period are measured at their nominal amounts.

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

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

##### Leave

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

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

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2010. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

##### Superannuation

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

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

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

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

#### 1.8 Leases

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

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

## **Notes to and forming part of the financial statements**

### **for the period ended 30 June 2010**

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

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

The Council has no finance leases.

#### **1.9 Grants and programs expense and payables**

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

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

#### **1.10 Borrowing costs**

All borrowing costs are expensed as incurred.

#### **1.11 Financial costs**

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

#### **1.12 Cash**

Cash and cash equivalents includes cash on hand and demand deposits in bank accounts with a maturity of 12 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

#### **1.13 Financial assets**

The council classifies its financial assets in the following categories:

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

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

Financial assets are recognised and derecognised upon trade date.

#### **Held-to-maturity investments**

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'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### **Impairment of financial assets**

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

#### **1.14 Financial liabilities**

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

#### **Other financial liabilities**

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

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

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

#### 1.15 Contingent liabilities and contingent assets

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

#### 1.16 Acquisition of assets

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

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

#### 1.17 Property, plant and equipment

##### Asset recognition threshold

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

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

##### Revaluations

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

Asset Class	Fair value measure at
Land	Market selling price
Buildings exc. leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Infrastructure, 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 subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

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

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Notes to and forming part of the financial statements  
for the period ended 30 June 2010

Depreciation

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.

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

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

Asset Class	2010	2009
Buildings on freehold land	40 years	40 years
Buildings on leasehold land	50–75 years	50–75 years
Leasehold improvements	10 years	10 years
Plant and equipment—excluding musical instruments	3–50 years	3–50 years
Plant and equipment—musical instruments	15–100 years	15–100 years
Plant and equipment—works of art	50–250 years	50–250 years

Impairment

All assets were assessed for impairment at 30 June 2010. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying amount.

Derecognition

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

1.18 Intangibles

The council’s intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the council’s software are 3 years (2008–09: 3 years).

All software assets were assessed for indications of impairment as at 30 June 2010.

1.19 Taxation

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

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

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

Note 2. Events after the balance sheet date

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

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

### Note 3. Expenses

	2010 \$'000	2009 \$'000
<b>Note 3A: Employee benefits</b>		
<b>Core</b>		
Wages and salaries	8,971	8,559
Superannuation:		
– Defined contribution plans	495	423
– Defined benefit plans	324	475
– Other private schemes	266	199
Leave and other entitlements	294	(259)
Separation and redundancies	–	15
<b>Total employee benefits – core</b>	<b>10,350</b>	<b>9,412</b>
<b>Programs</b>		
Wages and salaries	1,582	1,906
<b>Superannuation:</b>		
– Defined contribution plans	60	43
– Defined benefit plans	42	39
– Other private schemes	47	34
<b>Total employee benefits – programs</b>	<b>1,731</b>	<b>2,022</b>
<b>Total employee benefits</b>	<b>12,081</b>	<b>11,434</b>
<b>Note 3B: Supplier expenses</b>		
<b>Core</b>		
Provision of goods – external parties	2,496	2,582
Operating lease rentals – external parties	2,246	1,531
Workers compensation expense	44	72
<b>Total supplier expenses – core</b>	<b>4,786</b>	<b>4,185</b>
<b>Programs</b>		
Provision of goods – external parties	3,558	4,931
<b>Total supplier expenses – programs</b>	<b>3,558</b>	<b>4,931</b>
<b>Total supplier expenses</b>	<b>8,344</b>	<b>9,116</b>
<b>Note 3C: Grants and programs</b>		
Board grants	27,533	29,959
Council initiatives	4,641	6,301
Government initiatives	16,217	16,912
Key organisations	21,241	20,837
Major performing arts	94,902	94,070
<b>Total grants</b>	<b>164,534</b>	<b>168,079</b>

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

	2010 \$'000	2009 \$'000
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### Note 3. Expenses (cont.)

#### Note 3D: Depreciation and amortisation

##### Depreciation:

– Infrastructure, plant and equipment	205	216
– Buildings	43	698
<b>Total depreciation</b>	<b>248</b>	<b>914</b>

##### Amortisation:

##### – Intangibles:

Computer software	313	164
<b>Total amortisation</b>	<b>313</b>	<b>164</b>
<b>Total depreciation and amortisation</b>	<b>561</b>	<b>1,078</b>

#### Note 3E: Finance costs

Unwinding of make good provision	–	45
<b>Total finance costs</b>	<b>–</b>	<b>45</b>

#### Note 3F: Losses from asset sales/write-offs

##### Property, plant and equipment:

– Proceeds from sale	–	(2)
– Carrying value of assets sold	–	4
– Accumulated depreciation of written off assets	(366)	–
– Carrying value of written off assets	415	–
<b>Total losses from asset sales/write-offs</b>	<b>49</b>	<b>2</b>

### Note 4: Income

#### REVENUE

#### Note 4A: Interest

Deposits	2,503	2,915
<b>Total interest</b>	<b>2,503</b>	<b>2,915</b>

#### Note 4B: Rental income

##### Operating lease:

– Other	55	54
<b>Total rental income</b>	<b>55</b>	<b>54</b>

## Notes to and forming part of the financial statements

for the period ended 30 June 2010

### Note 4: Income (cont.)

	2010 \$'000	2009 \$'000
<b>Note 4C: Other revenue</b>		
Returned grants	755	456
<b>Income from fund raising:</b>		
– Venice Biennale	243	914
<b>Department of Foreign Affairs and Trade:</b>		
– International market development	15	–
<b>Department of the Environment, Water, Heritage and the Arts:</b>		
– Artstart review of artists incomes	–	15
– Code of conduct	50	–
<b>Arts NSW:</b>		
– Opera Australia management consultancy	–	50
– MAPS project	50	–
<b>Arts QLD:</b>		
– Artsupport state manager	80	80
– Metro Arts Hybrid Residency Initiative	10	15
– MAPS project	50	–
– ADVICE project	60	–
<b>Arts SA:</b>		
– Festival of Pacific Arts	–	10
<b>Arts VIC:</b>		
– World Summit on Arts and Culture	(75)	200
– Opera Australia management consultancy	55	–
– MAPS project	50	–
– Artsupport state manager	13	–
<b>Arts WA:</b>		
– Artsupport state manager	–	126
– ADVICE project	30	–
<b>Contributions from other non-government entities:</b>		
– CP Creative Communities Partnership	220	110
Artsupport masterclass	–	29
Marketing Summit	38	119
Theatre forum	–	54
Other	43	15
<b>Total other revenue</b>	<b>1,687</b>	<b>2,193</b>

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

	2010 \$'000	2009 \$'000
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#### REVENUE FROM GOVERNMENT

### Note 4: Income (cont.)

#### Note 4D: Revenue from Government

##### Department of Environment, Water, Heritage and the Arts

– CAC Act appropriation	172,051	166,290
Grants:		
– Get Reading!	2,000	2,000
– Visual Arts and Craft Strategy	5,463	5,309
<b>Total revenue from Government</b>	<b>179,514</b>	<b>173,599</b>

### Note 5. Financial assets

#### Note 5A: Cash and cash equivalents

Cash on hand or on deposit	18,381	19,622
<b>Total cash and cash equivalents</b>	<b>18,381</b>	<b>19,622</b>

#### Note 5B: Trade and other receivables

##### Good and services:

– Goods and services – external parties	334	245
<b>Total receivables for goods and services</b>	<b>334</b>	<b>245</b>

##### Other receivables:

– GST receivable from the Australian Taxation Office	2,246	2,357
– Loans	130	167
– Interest	57	15
– Other	6	–

<b>Total other receivables</b>	<b>2,439</b>	<b>2,539</b>
<b>Total trade and other receivables (gross)</b>	<b>2,773</b>	<b>2,784</b>
<b>Total impairment allowance account</b>	<b>–</b>	<b>–</b>
<b>Total trade and other receivables (net)</b>	<b>2,773</b>	<b>2,784</b>

Receivables are expected to be recovered in:

– No more than 12 months	2,680	2,654
– More than 12 months	93	130
<b>Total trade and other receivables (net)</b>	<b>2,773</b>	<b>2,784</b>

##### Receivables are aged as follows:

Not overdue	2,681	2,767
Overdue by:		
– 0 to 30 days	–	17
– 31 to 60 days	6	–
– 61 to 90 days	31	–
– More than 90 days	55	–
<b>Total receivables (gross)</b>	<b>2,773</b>	<b>2,784</b>

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

#### Note 6: Non-financial assets

	2010 \$'000	2009 \$'000
<b>Note 6A: Land and buildings</b>		
Land at fair value	149	149
<b>Buildings on freehold land:</b>		
– Fair value	769	769
– Accumulated depreciation	(52)	(37)
<b>Total buildings on freehold land</b>	<b>866</b>	<b>881</b>
<b>Leasehold improvements:</b>		
– Fair value	3,740	3,709
– Accumulated depreciation	(3,696)	(3,692)
<b>Total leasehold improvements</b>	<b>44</b>	<b>17</b>
<b>Buildings on leasehold land:</b>		
– Fair value	1,358	1,358
– Accumulated depreciation	(263)	(240)
<b>Total buildings on leasehold land</b>	<b>1,095</b>	<b>1,118</b>
<b>Total land and buildings</b>	<b>2,005</b>	<b>2,016</b>

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

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

No indicators of impairment were found for land and buildings.

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

#### Note 6B: Property, plant and equipment

##### Other property, plant and equipment:

– Fair value	2,318	2,616
– Accumulated depreciation	(693)	(855)
<b>Total other property, plant and equipment</b>	<b>1,625</b>	<b>1,761</b>
<b>Total property, plant and equipment</b>	<b>1,625</b>	<b>1,761</b>

Property, plant and equipment includes computer equipment and works of art. These items were revalued as at 30 June 2008.

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

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

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

## Note 6: Non-financial assets (cont.)

### Reconciliation of the opening and closing balances of property, plant and equipment (2009–10)

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Other property, plant and equipment \$'000	Total \$'000
<b>As at 1 July 2009</b>					
Gross book value	149	5,836	5,985	2,616	8,601
Accumulated depreciation/amortisation and impairment	–	(3,969)	(3,969)	(855)	(4,824)
<b>Net book value 1 July 2009</b>	<b>149</b>	<b>1,867</b>	<b>2,016</b>	<b>1,761</b>	<b>3,777</b>
Additions:					
– By purchase	–	32	32	118	150
Depreciation/amortisation expense	–	(43)	(43)	(205)	(248)
Disposals:					
– Other	–	–	–	(49)	(49)
<b>Net book value 30 June 2010</b>	<b>149</b>	<b>1,856</b>	<b>2,005</b>	<b>1,625</b>	<b>3,630</b>
<b>Net book value as of 30 June 2010 represented by:</b>					
Gross book value	149	5,868	6,017	2,319	8,336
Accumulated depreciation/amortisation	–	(4,012)	(4,012)	(694)	(4,706)
	<b>149</b>	<b>1,856</b>	<b>2,005</b>	<b>1,625</b>	<b>3,630</b>

### Reconciliation of the opening and closing balances of property, plant and equipment (2008–09)

#### As at 1 July 2008

Gross book value	149	5,820	5,969	2,495	8,464
Accumulated depreciation/amortisation and impairment	–	(3,271)	(3,271)	(659)	(3,930)
<b>Net book value 1 July 2008</b>	<b>149</b>	<b>2,549</b>	<b>2,698</b>	<b>1,836</b>	<b>4,534</b>
Additions:					
– By purchase	–	16	16	145	161
Depreciation/amortisation expense	–	(698)	(698)	(216)	(914)
Disposals:					
– Other	–	–	–	(4)	(4)
<b>Net book value 30 June 2009</b>	<b>149</b>	<b>1,867</b>	<b>2,016</b>	<b>1,761</b>	<b>3,777</b>

#### Net book value as of 30 June 2009 represented by:

Gross book value	149	5,836	5,985	2,616	8,601
Accumulated depreciation/amortisation	–	(3,969)	(3,969)	(855)	(4,824)
	<b>149</b>	<b>1,867</b>	<b>2,016</b>	<b>1,761</b>	<b>3,777</b>

## Notes to and forming part of the financial statements

for the period ended 30 June 2010

### Note 6: Non-financial assets (cont.)

	2010 \$'000	2009 \$'000
<b>Note 6C: Intangibles</b>		
<b>Computer software:</b>		
– Internally developed – in use	2,010	1,438
– Purchased	6	-
<b>Total computer software (gross)</b>	<b>2,016</b>	<b>1,438</b>
– Accumulated amortisation	(1,175)	(862)
<b>Total computer software (net)</b>	<b>(1,175)</b>	<b>(862)</b>
<b>Total intangibles</b>	<b>841</b>	<b>576</b>

No indicators of impairment were found for intangible assets.

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

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

## Note 6: Non-financial assets (cont.)

### Reconciliation of the Opening and Closing Balances of Intangibles (2009–10)

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2009</b>			
Gross book value	1,438	–	1,438
Accumulated depreciation/amortisation and impairment	(862)	–	(862)
<b>Net book value 1 July 2009</b>	<b>576</b>	<b>–</b>	<b>576</b>
Additions:			
– By purchase	572	6	578
Amortisation	(313)	–	(313)
<b>Net book value 30 June 2010</b>	<b>835</b>	<b>6</b>	<b>841</b>
<b>Net book value as of 30 June 2010 represented by:</b>			
Gross book value	2,010	6	2,016
Accumulated depreciation/amortisation and impairment	(1,175)	–	(1,175)
	<b>835</b>	<b>6</b>	<b>841</b>

### Reconciliation of the opening and closing balances of intangibles (2008–09)

#### As at 1 July 2008

Gross book value	915	–	915
Accumulated depreciation/amortisation and impairment	(698)	–	(698)
<b>Net book value 1 July 2008</b>	<b>217</b>	<b>–</b>	<b>217</b>
Additions:			
– By purchase	523	–	523
Amortisation	(164)	–	(164)
<b>Net book value 30 June 2009</b>	<b>576</b>	<b>–</b>	<b>576</b>
<b>Net book value as of 30 June 2009 represented by:</b>			
Gross book value	1,438	–	1,438
Accumulated depreciation/amortisation and impairment	(862)	–	(862)
	<b>576</b>	<b>–</b>	<b>576</b>

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

	2010 \$'000	2009 \$'000
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## Note 6: Non-financial assets (cont.)

### Note 6D: Other non-financial assets

Prepayments	94	252
<b>Total other non-financial assets</b>	<b>94</b>	<b>252</b>
<b>Total other non-financial assets – are expected to be recovered in:</b>		
– No more than 12 months	94	252
– More than 12 months	–	–
<b>Total other non-financial assets</b>	<b>94</b>	<b>252</b>

## Note 7: Payables

### Note 7A: Suppliers

Trade creditors and accruals	790	830
Operating lease rentals	696	73
<b>Total supplier payables</b>	<b>1,486</b>	<b>903</b>
Supplier payables expected to be settled within 12 months:		
– External parties	790	903
<b>Total</b>	<b>790</b>	<b>903</b>
Supplier payables expected to be settled in greater than 12 months:		
– External parties	696	–
<b>Total</b>	<b>696</b>	<b>–</b>
<b>Total supplier payables</b>	<b>1,486</b>	<b>903</b>

Settlement is usually made within 30 days.

### Note 7B: Grants and programs

#### Grants:

– Other	2,939	3,154
<b>Total grants and programs</b>	<b>2,939</b>	<b>3,154</b>
Total grants and programs are expected to be settled in:		
– No more than 12 months	2,939	3,154
<b>Total grants and programs</b>	<b>2,939</b>	<b>3,154</b>

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

### Note 7C: Other payables

Salaries and wages	384	297
<b>Total other payables</b>	<b>384</b>	<b>297</b>
Total other payables are expected to be settled in:		
– No more than 12 months	384	297
<b>Total other payables</b>	<b>384</b>	<b>297</b>

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

#### Note 8: Provisions

	2010 \$'000	2009 \$'000
<b>Note 8A: Employee provisions</b>		
Leave	1,331	1,268
<b>Total employee provisions</b>	<b>1,331</b>	<b>1,268</b>
Employee provisions are expected to be settled in:		
– No more than 12 months	1,023	980
– More than 12 months	308	288
<b>Total employee provisions</b>	<b>1,331</b>	<b>1,268</b>
<b>Note 8B: Other provisions</b>		
Provision for restoration obligations	682	682
<b>Total other provisions</b>	<b>682</b>	<b>682</b>
Other provisions are expected to be settled in:		
– More than 12 months	682	682
<b>Total other provisions</b>	<b>682</b>	<b>682</b>
	<b>Provision for restoration \$'000</b>	<b>Total \$'000</b>
<b>Carrying amount 1 July 2009</b>	<b>682</b>	<b>682</b>
<b>Closing balance 2010</b>	<b>682</b>	<b>682</b>

The council currently has an agreement for the leasing of premises which has a provision requiring the council to restore the premises to their original condition at the conclusion of the lease. The council has made a provision to reflect the present value of this obligation.

## Notes to and forming part of the financial statements

for the period ended 30 June 2010

### Note 9: Cash flow reconciliation

#### Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement

	2010 \$'000	2009 \$'000
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	18,381	19,622
Balance sheet	18,381	19,622
<b>Difference</b>	–	–

#### Reconciliation of net cost of services to net cash from operating activities:

Net cost of services	(181,324)	(184,592)
Add revenue from Government	179,514	173,599
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	610	1,078
Net write down of non-financial assets	–	4
<b>Changes in assets / liabilities</b>		
(Increase) / decrease in net receivables	11	(657)
(Increase) / decrease in inventories	–	–
(Increase) / decrease in prepayments	158	(19)
Increase / (decrease) in prepayments received	–	–
Increase / (decrease) in employee provisions	149	(304)
Increase / (decrease) in supplier payables	802	118
Increase / (decrease) in grant and program payable	(434)	1,580
Increase / (decrease) in other provisions	–	45
Increase / (decrease) in tax liabilities	–	–
Increase / (decrease) in competitive neutrality payments payable	–	–
<b>Net cash from (used by) operating activities</b>	<b>(514)</b>	<b>(9,148)</b>

Notes to and forming part of the financial statements  
for the period ended 30 June 2010

Note 10: Remuneration of council members

	2010	2009
The number of council members of the Australia Council included in these figures are shown below in the relevant remuneration bands:		
less than \$15,000	1	5
\$15,000 to \$29,999	4	4
\$30,000 to \$44,999	4	5
\$45,000 to \$59,999	2	1
<b>Total number of council members of the Australia Council</b>	<b>11</b>	<b>15</b>
	\$	\$
Total remuneration received or due and receivable by council members of the Australia Council	362,429	349,824

Note 11: Related party disclosures

Council members

Council members during the financial year were:

Name

Keele, Kathy*	Denton, John W. H. (Deputy Chairman)	Mostyn, Samantha
Allert, Rick	Haseman, Brad	Sharp, Chrissy
Bin Bakar, Mark	Haskell, Dennis	Snell, Ted
Clemente, Rosalba	Hindson, Matthew	Strong, James (Chairman)

\*Ex-officio member of council by virtue of appointment as Chief Executive Officer.

Other transactions with directors or director-related entities

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

**Mr. Rick Allert AO.** There were no related party transactions during the year.

**Mr. Mark Bin Bakar** is the Patron of Abmusic (Aboriginal Corporation). All contracts and transactions between this entity and the council are based on normal terms and conditions and there is no personal benefit to the councillor. Mr Bin Bakar was awarded a fellowship grant in February 2008, prior to his appointment to the governing council in April, 2009. The fellowship was approved through normal arms length peer assessment processes.

**Ms. Rosalba Clemente** is the Artistic Director of HotHouse Theatre Limited and a freelance playwright for the State Theatre Company of South Australia. All contracts and transactions between these entities and the council are based on normal terms and conditions and there is no personal benefit to the councillor.

**Mr. John W.H. Denton** is the Deputy Chairman of the Melbourne International Festival of the Arts Ltd. All contracts and transactions between this entity and the council are based on normal terms and conditions and there is no personal benefit to the councillor.

**Prof. Brad Haseman** is the Assistant Dean (Research), Creative Industries Faculty, Queensland University of Technology. All contracts and transactions between this entity and the council are based on normal terms and conditions and there is no personal benefit to the councillor.

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

**Prof. Dennis Haskell** is a member of the Association for the Study of Australian Literature (WA) and Australian Poetry Centre Inc. All contracts and transactions between this entity and the council are based on normal terms and conditions and there is no personal benefit to the councillor.

**Dr. Matthew Hindson AM** is the artistic director for Aurora New Music Inc. and music curator at the Campbelltown Arts Centre. All contracts and transactions between these entities and the council are based on normal terms and conditions and there is no personal benefit to the councillor.

**Ms. Kathy Keele** is a director, International Federation of Arts Councils and Cultural Agencies (IFACCA). All contracts and transactions between these entities and the council are based on normal terms and conditions and there is no personal benefit to the councillor.

**Ms. Samantha Mostyn** is a director of the Sydney Theatre Company Ltd. All contracts and transactions between this entity and the council are based on normal terms and conditions and there is no personal benefit to the councillor.

**Ms. Chrissy Sharp** is a director of the Wheeler Centre for Books, Writing and Ideas. There were no related party transactions with this entity during the year. Ms. Sharp's son is a theatre practitioner and received grant funding during the year. The funding was approved through normal arms length peer assessment processes and Ms. Sharp took no part in any decision in that respect.

**Prof. Ted (Edgar) Snell, AM, Cit WA.** There were no related party transactions during the year.

**Mr. James Strong AO** is a non-executive director, Qantas Airways Ltd. All contracts and transactions between this entity and the council are based on normal terms and conditions and there is no personal benefit to the councillor. Mr Strong's son is the Artistic Director at Griffin Theatre Company Limited which received grant funding during the year. This funding was approved through normal arms length peer assessment processes and Mr Strong took no part in any decision in that respect.

## Note 12: Executive remuneration

	2010	2009
<b>Note 12A: Actual remuneration paid to senior executives</b>		
<b>Executive remuneration</b>		
<b>The number of senior executives of the council who received:</b>		
less than \$145,000*	–	2
\$145,000 to \$159,999	1	1
\$160,000 to \$174,999	2	2
\$175,000 to \$189,999	2	2
\$190,000 to \$204,999	2	1
\$205,000 to \$219,999	1	1
\$220,000 to \$234,999	1	–
\$235,000 to \$249,999	1	–
\$340,000 to \$354,999	–	1
\$370,000 to \$384,999	1	–
<b>Total</b>	<b>11</b>	<b>10</b>

\*Excluding acting arrangements and part-year service

## Notes to and forming part of the financial statements for the period ended 30 June 2010

### Note 12: Executive remuneration (cont.)

#### Total expense recognised in relation to senior executive employment

	2010 \$	2009 \$
Short-term employee benefits:		
– Salary (including annual leave taken)	1,756,997	1,481,227
– Changes in annual leave provisions	134,722	113,576
– Performance bonus	168,605	106,118
– Superannuation (inc. leave related superannuation on-costs)	201,096	149,944
<b>Total short-term employee benefits</b>	<b>2,261,420</b>	<b>1,850,865</b>
Other long-term benefits <sup>1</sup>	29,980	24,731
<b>Total</b>	<b>2,291,400</b>	<b>1,875,596</b>

1. "Other long-term benefits" includes long service leave provision to which officers are not entitled until they have 10 years of service with the council. Only two of the officers listed above were entitled to long service leave as at 30 June 2010.

#### Note 12B: Salary packages for senior executives

##### Average annualised remuneration packages for substantive senior executives

	As at 30 June 2010			As at 30 June 2009		
	No.	Base salary (including annual leave) <sup>1</sup>	Total remuneration package <sup>2</sup>	No.	Base salary (including annual leave) <sup>1</sup>	Total remuneration package <sup>2</sup>
<b>Total remuneration:</b>						
less than \$145,000*	–	–	–	2	235,486	266,170
\$145,000 to \$159,999	1	133,866	152,057	1	136,374	152,817
\$160,000 to \$174,999	2	279,732	318,739	2	289,912	344,750
\$175,000 to \$189,999	2	302,560	366,273	2	310,755	360,953
\$190,000 to \$204,999	2	334,913	398,844	1	159,339	196,367
\$205,000 to \$219,999	1	164,329	202,250	1	178,640	210,638
\$220,000 to \$234,999	1	184,893	220,311	–	–	–
\$235,000 to \$249,999	1	198,714	236,524	–	–	–
\$340,000 to \$354,999	–	–	–	1	284,297	336,247
\$370,000 to \$384,999	1	292,712	366,422	–	–	–
<b>Total</b>	<b>11</b>			<b>10</b>		

\*Excluding acting arrangements and part-year service.

1. Base salary includes both annual leave taken and accrued annual leave entitlements.
2. Non-Salary elements of senior executives includes:
  - (a) Performance bonuses
  - (b) Superannuation and:
    - excludes long service leave provisions.

## Notes to and forming part of the financial statements for the period ended 30 June 2010

	2010 \$'000	2009 \$'000
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### Note 13: Remuneration of auditors

The fair value of the services provided was:

– Australia Council	46	44
– Australia India Council ( Literature Project contribution)	–	1
– Get Reading! (Government Initiative)	2	2
– CMC Medium PA Development Project (Business Dev't Project)	–	1
– Creative Communities (Government Initiative)	–	2
– Ozart Online (Joint Initiative)	–	2
– Visual Arts and Craft Strategy (Government Initiative)	2	2
– Artstart (Government Initiative)	2	–
– Orchestra Change Management Initiative	4	–
	56	54

No other services were provided by the Auditor-General.

### Note 14: Financial instruments

#### Note 14A: Categories of financial instruments

##### Financial assets

Held-to-maturity:

– Cash on hand/ at bank	18,381	19,622
<b>Total</b>	<b>18,381</b>	<b>19,622</b>

Loans and receivables:

– Receivables for goods and services	2,643	2,617
– Loan	130	167

<b>Total</b>	<b>2,773</b>	<b>2,784</b>
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<b>Carrying amount of financial assets</b>	<b>21,154</b>	<b>22,406</b>
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##### Financial liabilities

Other financial liabilities:

– Trade and other creditor	1,869	1,200
– Grant and programs	2,939	3,154

<b>Total</b>	<b>4,808</b>	<b>4,354</b>
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<b>Carrying amount of financial liabilities</b>	<b>4,808</b>	<b>4,354</b>
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#### Note 14B: Net income and expense from financial assets

##### Held-to-maturity

Interest revenue (refer Note 4A)	2,503	2,915
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<b>Net gain/(loss) held-to-maturity</b>	<b>2,503</b>	<b>2,915</b>
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<b>Net gain/(loss) from financial assets</b>	<b>2,503</b>	<b>2,915</b>
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## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

#### Note 14: Financial instruments (cont.)

	Carrying amount 2010 \$'000	Fair value 2010 \$'000	Carrying amount 2009 \$'000	Fair value 2009 \$'000
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##### Note 14C: Fair value of financial instruments

###### Financial assets:

– Cash at bank	18,381	18,381	19,622	19,622
– Receivables for goods and services	2,643	2,643	2,617	2,617
– Loan	130	130	167	167
<b>Total</b>	<b>21,154</b>	<b>21,154</b>	<b>22,406</b>	<b>22,406</b>

###### Financial liabilities:

– Trade and other creditors	1,869	1,869	1,200	1,200
– Grants and programs	2,939	2,939	3,154	3,154
<b>Total</b>	<b>4,808</b>	<b>4,808</b>	<b>4,354</b>	<b>4,354</b>

##### Note 14D: Credit risk

The council is exposed to minimum credit risk as the majority of loans and receivables are cash and CAC Act payments made under law (which guarantees fixed amounts of funding that the entity can drawdown as required). All amounts owed by Australian Taxation Office are in the form of goods and services tax refunds. The maximum exposure to credit risk is the risk that arises from potential default of debtors. This amount is equal to the total amount of trade receivables and loan (2010: \$520,000 and 2009: \$427,000)

The council holds no collateral to mitigate against credit risk.

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

	2010 \$'000	2009 \$'000
<b>Financial assets:</b>		
– Trade receivables and loan	520	427
<b>Total</b>	<b>520</b>	<b>427</b>

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

	Not past due nor impaired 2010 \$'000	Not past due nor impaired 2009 \$'000	Past due or impaired 2010 \$'000	Past due or impaired 2009 \$'000
– Cash at bank	18,381	19,622	–	–
– Receivables for goods and services	2,643	2,617	–	–
– Loan	130	167	–	–
<b>Total</b>	<b>21,154</b>	<b>22,406</b>	<b>–</b>	<b>–</b>

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

#### Note 14: Financial instruments (cont.)

##### Ageing of financial assets that were past due but not impaired for 2010

	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	–	6	31	55	92
<b>Total</b>	–	6	31	55	92

##### Note 14E: Liquidity risk

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

##### Maturities for non-derivative financial liabilities 2010

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade creditors	–	1,174	–	–	696	1,870
Grants and programs	–	2,939	–	–	–	2,939
<b>Total</b>	–	4,113	–	–	696	4,809

##### Maturities for non-derivative financial liabilities 2009

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	> 5 years \$'000	Total \$'000
Trade and other creditors	–	1,200	–	–	–	1,200
Grants and programs	–	3,154	–	–	–	3,154
<b>Total</b>	–	4,354	–	–	–	4,354

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

##### Note 14F: Market risk

###### Foreign currency risk

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

###### Interest rate risk

The council manages its interest rate risk by holding surplus funds with banks (per S18 of the CAC act) and in accordance with its investment policy.

###### Other price risk

The council is not exposed to other price risks.

Notes to and forming part of the financial statements  
for the period ended 30 June 2010

Note 15: Reporting of outcomes

Effective in the 2009–10 financial year, the council merged its two outcomes into one under the Operation Sunlight Outcome Statements Review.

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

Net cost of outcome delivery	Outcome 1		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Expenses	185,569	189,753	185,569	189,753
Income from non-government sector				
Other	9,150	9,502	9,150	9,502
Total	9,150	9,502	9,150	9,502
Other own-source income	2,558	2,969	2,558	2,969
Net cost/(contribution) of outcome delivery	173,861	177,282	173,861	177,282

## Notes to and forming part of the financial statements

### for the period ended 30 June 2010

## Note 15: Reporting of outcomes (cont.)

	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Major classes of expenses, income, assets and liabilities by outcomes</b>				
<b>Expenses</b>				
Employees	12,081	11,434	12,081	11,434
Suppliers	8,344	9,116	8,344	9,116
Grants and programs	164,534	168,079	164,534	168,079
Depreciation and amortisation	561	1,077	561	1,077
Finance costs	–	45	–	45
Loss on disposal of assets	49	2	49	2
<b>Total</b>	<b>185,569</b>	<b>189,753</b>	<b>185,569</b>	<b>189,753</b>
<b>Income:</b>				
Income from government	172,051	166,290	172,051	166,290
Interest	2,503	2,915	2,503	2,915
Other	9,205	9,556	9,205	9,556
<b>Total</b>	<b>183,759</b>	<b>178,761</b>	<b>183,759</b>	<b>178,761</b>
<b>Assets</b>				
Cash and cash equivalent	18,381	19,622	18,381	19,622
Trade and other receivables	2,773	2,784	2,773	2,784
Land and buildings	2,005	2,016	2,005	2,016
Infrastructure, plant and equipment	1,625	1,761	1,625	1,761
Intangibles	841	576	841	576
Other non-financial assets	94	252	94	252
<b>Total</b>	<b>25,719</b>	<b>27,011</b>	<b>25,719</b>	<b>27,011</b>
<b>Liabilities</b>				
Suppliers	1,486	903	1,486	903
Grants and programs	2,939	3,154	2,939	3,154
Other payables	384	297	384	297
Employees provisions	1,331	1,268	1,331	1,268
Other provisions	682	682	682	682
<b>Total</b>	<b>6,822</b>	<b>6,304</b>	<b>6,822</b>	<b>6,304</b>

**'I have a boss and a roster that allows me to travel. My first love is music but I am loyal to the business and I make sure that I balance everything out. I know I'm lucky and that it's not easy for a lot of people.'**



Artist careers research. Folk/country musician, Leah Flanagan from Darwin. Works as a retail assistant and tourism hub operator for Aboriginal Bush Traders. See: [www.australiacouncil.gov.au/artistcareers](http://www.australiacouncil.gov.au/artistcareers)

**Australia Council**

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