



Australian Government

Australia
Council
for the Arts 



annual report

2014-15

LETTER OF TRANSMITTAL

Minister for the Arts
Parliament House
Canberra ACT 2600

26 August 2015

Dear Minister,

On behalf of the Board of the Australia Council, I am pleased to submit the Australia Council Annual Report for 2014-15.

The Board is responsible for the preparation and content of the annual report pursuant to section 46 of the *Public Governance Performance and Accountability Act 2013*, the *Commonwealth Authorities (Annual Reporting) Order 2011* and the *Australia Council Act 2013*.

The following report of operations and financial statements were adopted by resolutions of the Board on the 26 August 2015.

Yours faithfully,



Rupert Myer AO
Chair, Australia Council

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Unicycle adagio with Kylie Rafferty and April Dawson, 2014, Circus Oz.
Image credit: Rob Blackburn

OUR PURPOSE

The Australia Council (the Council) is the Australian Government's arts funding and advisory body. The Council's purpose is to champion and invest in Australian arts. We do this by supporting excellence across all art forms and leveraging our investment in the arts to support and build a vibrant arts ecology.

The Council is a national advocate for the arts and works to increase national and international engagement. The Council's purpose is supported by the outcome statement outlined in the Portfolio Budget Statements 2014-15, to support the creation, presentation and appreciation of distinctive cultural works by providing assistance to Australian artists and making their works accessible to the public.



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

REPORT FROM THE CHAIR

This Annual Report covers a remarkable period for the Australia Council, the nation's principal arts funding and advisory body.

The year under review covers the period leading to the launch of the Australia Council's new five year Strategic Plan, *A Culturally Ambitious Nation*, in August 2014, which set out bold aspirations for the arts in Australia. The year included the completion of the grant rounds under the 'old model' through until the end of calendar year 2014, the commencement of the new funding programs at the beginning of 2015 and the preparation from May 2015 for working alongside the new National Program for Excellence in the Arts, which will be delivered by the Ministry for the Arts. A number of operational and organisational changes were made to ensure that at all times there would be a high standard of efficient service delivery. Over the year, the Australia Council has endeavoured to work closely and effectively with the arts sector across the whole country and to act on behalf of and with the support of the Commonwealth Government.

We began the year bringing to fruition work of the past two years that involved an unprecedented level of reform. This reform responded to extensive input from the sector and the 2012 Australia Council Review. At its heart is a new grants model, designed to enable an increasingly diverse range of artists and organisations to apply for funding towards the creation of excellent work and a wide range of arts activity. Some 140 grant categories were simplified into the Council's streamlined, peer assessed grants model consisting of five grant programs, offered alongside five Government programs delivered by the Council.

Our new Strategic Plan explores what cultural ambition means to Australia and its artists. The Council developed a new vision for the arts through sustained dialogue with artists and all those who present, produce and support the arts. It defines our aspirations for the way Australia can celebrate and nurture the strength and vitality of its arts and culture, including new ways of fostering diverse and excellent artistic practice, and developing audiences at home and abroad.

Our new Strategic Plan explores
what cultural ambition means
to Australia and its artists.





The Australia Council's legislation charges us with fostering excellence in Australian arts practice and supporting a diverse range of activities. The depth and diversity of these projects reflect the breadth of Australian society, and demonstrate the kind of fearless creativity and freedom of artistic expression of which Australians should be proud.

The Strategic Plan recognises that our culture is deeply shaped by more than 70,000 years of continuous, unbroken Indigenous storytelling. It also acknowledges that our culture reflects two centuries of settlement from around the world and that we are a diverse nation with multiple communities that ambitiously celebrate our identities. The Australia Council has a demanding role in this purpose, which is to champion and invest in Australian arts and to be responsive and resilient to the challenges to this ambition.

Australian artists took up the challenge to be culturally ambitious in the first round of the new grants model, through their artistic practice and innovative collaborations, proposing projects of scale and sophistication. It is a privilege to engage so closely with artists and arts organisations finding new ways to engage, inspire and challenge audiences across the country and around the globe.

The Australia Council has also strengthened its commitment to leverage Government investment to open up new sources of support for the arts. This year has been a most successful one in that area. A modest investment through the Australia Council paved the way for a major fundraising campaign led by the Australian Commissioner for the Venice Biennale 2013 and 2015, Mr Simon Mordant AM. This highly successful campaign saw over 80 Australian families and organisations provide the majority of the funding for an impressive new Australian Pavilion in Venice, and an internationally acclaimed exhibition by one of our leading contemporary visual artists, Fiona Hall. More than ever we must embrace evolving approaches to arts funding, including new partnerships and collaborations, to ensure a dynamic and sustainable future for Australian arts.

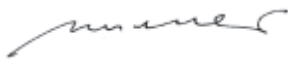
In reviewing its operational capacity following the Commonwealth 2015-16 Budget announcements in May 2015, the Council has demonstrated its capacity to be responsive to change and will leverage both our financial investment and deep arts knowledge for the strongest outcomes for Australian artists and audiences.

Over its history of nearly half a century, the Australia Council has led the national conversation about the state and ambition of arts and culture in Australia. We have engaged with and responded to ever-changing external environments, government imperatives and priorities, and the vision of our artists and arts organisations. We have come to embody the same type of resilience as the sector itself, demonstrating our capacity to transform to ensure that our own expectations, and those of our communities of interest, are well served in every circumstance.

The achievements of the past year are due in no small part to the vision, leadership and commitment demonstrated by my colleagues on the Board of the Council. I am in no small way indebted to each one of them for their unwavering support, good judgement, enthusiasm and collective and individual wisdom. In particular, I would like to thank Robyn Archer AO, who has performed such a crucial role for the Council during the reform process. In chairing the Nominations committee, she ensured a seamless transition to the new operating models matching the keen support of the arts sector with the new needs of the Council. Robyn, as well as Tim Orton, Chair of the Strategy Committee and Sophie Mitchell, Chair of the Audit and Finance Committee, have been key to the Board's close and effective working relationship with the Chief Executive Officer Tony Grybowski and the executive team. I thank Matthew Hindson AM, whose term on the Council concluded after six years, during which time he served as Chair of the former Music Board until July 2013 and as a member of the Audit and Finance Committee. I would also like to thank Mary-Ellen King who concluded her appointment to the Council, prior to which she had served as a member of the former Major Performing Arts Board.

I join the Board in thanking Tony Grybowski, the Council's senior executive team and dedicated and expert staff for their support to the Board and to Australia's cultural communities. Tony has given strong leadership to the organisation and has worked across the sector and with all stakeholders. On behalf of the Council, I also acknowledge and thank Senator The Hon. George Brandis QC, Attorney-General and Minister for the Arts and the officers of the Ministry for the Arts.

Seventy years ago, the Arts Council of Great Britain, as it was then known, was formed with John Maynard Keynes as its first Chairman. It became a model for other Arts Councils in other countries, including Australia, which announced its own version in 1967 as the Australian Council for the Arts, and then in 1974 as a statutory Authority, the Australia Council for the Arts. Keynes wrote in the 12 July 1945 edition of *The Listener* that the work of the artist 'in all its aspects is, of its nature, individual and free, undisciplined, unregimented, uncontrolled. The artist walks where the spirit blows him. He cannot be told his direction; he does not know it himself... he teaches us to love and to enjoy what we often begin by rejecting, enlarging our sensibility and purifying our instincts. The task of an official body is not to teach or to censor, but to give courage, confidence and opportunity.' He added that artists "depend on the world they live in and the spirit of the age." A powerful role for the Council is to influence the spirit of the age with our practical, enthusiastic, unflinching and encouraging support for artists and arts organisations. We do so by supporting an ecology that takes risks, innovates, challenges audiences, thinks critically and imagines new ways of being ambitious.



Rupert Myer AO
Chair, Australia Council

The Australia Council
has also strengthened its
commitment to leverage
Government investment to
open up new sources of
support for the arts.



REPORT FROM THE CEO

The 2014-15 year marked a turning point in the history of the Australia Council, and this Annual Report highlights the transformation which the Council has undergone to deliver strong outcomes for the arts sector and its audiences. The year was shaped by the ambitions articulated in our new Strategic Plan, ambitions for the arts and cultural life of our nation, and a set of bold aspirations and clearly articulated priorities through which we fulfil our mandate to champion and invest in the arts.

Art, artists and audiences are at the heart of all our work. The Council has always worked closely with the sector and other funding partners to respond to the evolving way that art is made, presented and experienced. This year saw the culmination of two years of reform, driven by sustained sector consultation and the recommendations of the 2012 Australia Council Review. On 18 August 2014 we announced a new streamlined grants model alongside the Council's Strategic Plan, and in January 2015 the first round of applications opened. The new grants program was designed to be more accessible, encouraging artistic ambition and excellence by refining the categories and criteria to make it easier to focus on the work. This new program is supported by a robust assessment process which was implemented in 2014, drawing on the knowledge and experience of 650 expert peers from across the country. The implementation of the grants model was accompanied by a refocused suite of national and international strategic projects and initiatives, which demonstrate the breadth of the Council's role in supporting all facets of the arts ecology. This work is now supported by a revised organisational structure and efficient new business processes implemented throughout 2014-15.

The response to the new grants model was unprecedented. The first round closed on 3 March 2015, attracting over 2,200 applications, including over 20% from new applicants to the Australia Council. The applications from individual artists, groups and organisations demonstrated fearless creativity, diversity and excellence across all areas of practice. The Council invested \$9.1 million in 273 projects across all states and territories, including 20% from regional Australia and 20% from Aboriginal and Torres Strait Islander arts. The profile of Australian arts overseas will be enhanced by this support, with 38% of grant recipients undertaking the majority of their project internationally. These independent artists and small to medium arts organisations will represent Australia in 34 countries, building new markets and audiences, and enriching their practice through artistic and cultural exchange.



Tony Grybowski at the 2015 Australia Council Awards.
Image credit: Branco Gaica

The Council also supported a diverse range of arts activity through the final rounds of our previous grant programs and strategic projects, multi-year funding for organisations, the delivery of government programs, and management of the Major Performing Arts framework. Throughout 2014-15 the Council invested \$191.5 million in artists and arts organisations. This included 989 grants to individual artists amongst a total of 1,964 grants and projects.

Art, artists and audiences are at the heart of all our work. The Council has a long history of promoting access to the arts through a wide variety of grants and audience development initiatives.

The arts enrich our daily lives, and the Council's *Arts in Daily Life* research highlighted the increasing number of Australians who think so. The Council has a long history of promoting access to the arts through a wide variety of grants and audience development initiatives. During the past year some 1.2 million attendances were recorded in regional areas by the Key Organisations and Major Performing Arts companies, and over 17 million attendances overall were recorded nationally and internationally for works supported by the Australia Council, a growth of 11% from the previous year. Audiences have also been a focus in our research program this year, including the *Building Audiences* research project which explores how more Australians might experience Indigenous arts and seeks to identify some of the current barriers.

Australia is increasingly known for its great art and artists. One of the ways the Council recognises and encourages artistic excellence, diversity and leadership is through our national awards programs. For the first time the recipients of the Australia Council Awards were celebrated collectively at the inaugural Australia Council Awards event in Sydney on 19 March 2015. These awards recognised long-standing lifetime and significant achievement in music, literature, community partnerships and visual arts, with new awards in theatre, dance, and emerging and experimental arts. On 27 May 2015 the Council held the National Indigenous Arts Awards at the Sydney Opera House to recognise the work and contributions of four exceptional Indigenous artists. The 2015 recipients of all these awards had a depth and richness to the contributions made in their respective art forms which embodied the kind of artistic and cultural ambition the Council is committed to supporting.

Building leadership and sustainability in the sector remains a priority, and this year the Council delivered a suite of capacity building programs to serve a diverse range of sector stakeholders. Many of these programs were delivered through partnerships, and included initiatives for artists with disability, emerging and established leaders, arts marketers, and practitioners across all areas of practice.

The sector has also benefited from a broad range of strategic collaborations and partnerships at the national and international level, designed to foster key networks and collaborations, and develop new markets and audiences for Australian work. These include showcasing opportunities, export initiatives such as Sounds Australia, visitor programs like the highly successful Visiting International Publishers program, performing arts markets, and regional arts development through our strong support for the Regional Arts Australia Summit held in Kalgoorlie–Boulder during October 2014. This investment in regional arts is just a small part of the overall \$28.9 million investment by the Australia Council in the arts in regional Australia during 2014–15, including \$17.9 million through grants and initiatives.


As national advocate for the arts, the Council has strengthened its commitment to building the evidence base for Australian arts. The development of the Australia Council's research capability resulted in the launch of the inaugural report, *Arts Nation: An Overview of Australian Arts*, in March 2015 in Perth. The report provides a fresh approach to understanding Australian arts through a new set of indicators and is to be produced at regular intervals. The 2015 report tells a great story about the way both Australians and our international visitors engage with the arts, the strength of Aboriginal and Torres Strait Islander arts, the increase in private support for the arts, and the contribution made by arts and culture to the Australian economy.

The past year highlighted the capacity of the Australia Council to be responsive and resilient in order to fulfil our legislative mandate and promote the arts in Australia. In May 2015 the 2015-16 Budget announcement included budget measures which have had a significant impact on the Australia Council and its activities. The measures included the redirection of \$110 million over four years from the Australia Council's appropriation, primarily to support the establishment of the National Program for Excellence in the Arts and the transfer of the Visions of Australia, Festivals of Australia and Major Festivals Initiative, to the Ministry for the Arts. The Council has undertaken careful planning to adapt to the new arts funding framework, and remains committed to supporting artists and arts organisations, and working collaboratively to achieve strong outcomes for the arts in Australia. It has been my privilege to lead the Australia Council with a truly remarkable team through this period of change. My sincere thanks to the Board and strategy chairs and panel members for their invaluable commitment, passion and expertise during this extraordinary year.



Tony Grybowski
Chief Executive Officer,
Australia Council

As national advocate for the arts
the Council has strengthened its
commitment to building the evidence
base for the Australian arts.





Moon's a Balloon, 2015, Patch Theatre Company.
Image courtesy of Patch Theatre Company

agency overview





Erin Coates, *Thigmotaxis*, in *KINESPHERE*, 2014, Perth Institute of Contemporary Arts.
Image credit: Toni Wilkinson

ABOUT THE AUSTRALIA COUNCIL

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

The Council's original enabling legislation was replaced by the *Australia Council Act 2013*, which came into effect on 1 July 2013. The new legislation updated the Council's functions, powers and governance structure and enabled the appointment of a skills-based governing board. The Council is a Corporate Commonwealth entity and its activities are subject to the *Public Governance Performance and Accountability Act 2013*. The Council is accountable to the Australian Parliament and to the Government through the Minister for the Arts.

THE AUSTRALIA COUNCIL ACT 2013

Following an independent review of the operations of the Council in 2012, the *Australia Council Act 2013* (the Act) commenced on 1 July 2013. Pursuant to the Act, the Council's functions are to:

- support Australian arts practice that is recognised for excellence;
- foster excellence in Australian arts practice by supporting a diverse range of activities;
- support Aboriginal and Torres Strait Islander arts practice;
- support Australian arts practice that reflects the diversity of Australia;
- uphold and promote freedom of expression in the arts;
- promote community participation in the arts;
- recognise and reward significant contributions made by artists and other persons to the arts in Australia;
- promote the appreciation, knowledge and understanding of the arts;
- support and promote the development of markets and audiences for the arts;
- provide information and advice to the Commonwealth Government on matters connected with the arts or the performance of the Council's functions;
- conduct and commission research into, and publish information about the arts;
- evaluate and publish information about the impact of the support the Council provides;
- undertake any other function conferred on it by the Act or any other law of the Commonwealth;
- do anything incidental or conducive to the performance of any of the above functions.

GUIDING PRINCIPLES

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

- 1 The 'arm's length principle', embodied in section 12 of the Act, which provides that the Minister must not give a direction in relation to the making of a decision by the Council, in a particular case, relating to the provision of support (including by the provision of financial assistance or a guarantee).
- 2 The 'peer assessment principle', whereby decisions on grants are made following assessment 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.



Asha Fisch conducts the West Australian Symphony Orchestra during the Beethoven Festival, 2014, West Australian Symphony Orchestra.

Image credit: Emma Van Dordrecht

2014-15 AT A GLANCE



**\$191.5
MILLION**

invested in grant and project funding to artists and arts organisation



**17.7
MILLION**

audience attendances at activities supported by the Australia Council



**\$6.5
MILLION**

in private support leveraged to build Australia's new pavilion in Venice



1,964

grants and projects supported to explore, experiment and entertain



8,855

ambitious new artistic works created with Council support



989

individual artists recognised for excellence through Council funding



175

organisations were strengthened by multi-year funding through the Key Organisations and the Major Performing Arts frameworks

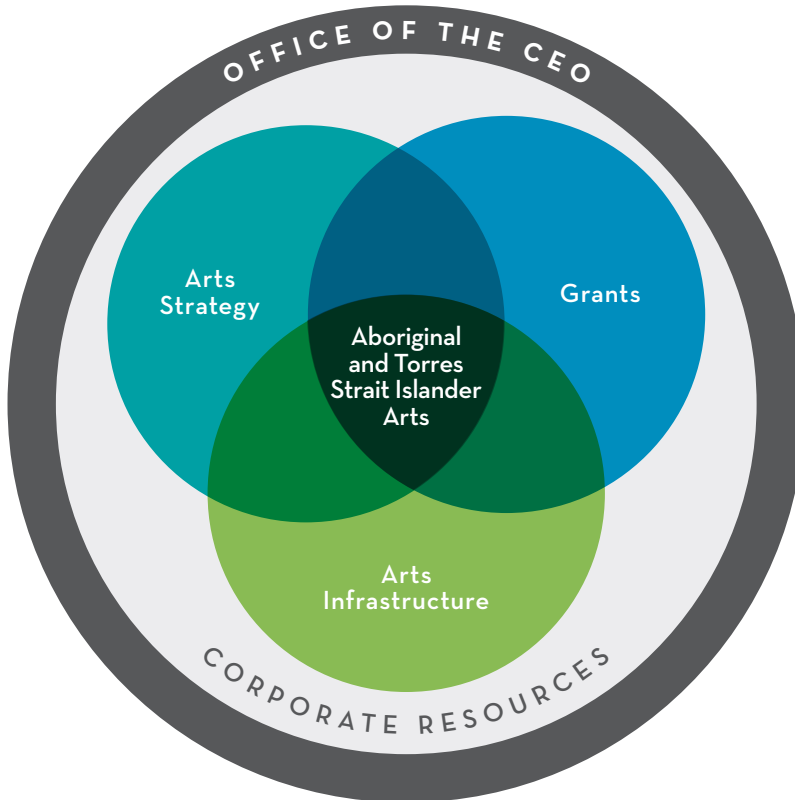


\$28.9 MILLION

to foster artistic vibrancy and access through arts investment in regional Australia

STRUCTURE OF THE AUSTRALIA COUNCIL

At 30 June 2015, the Council comprised the Office of the Chief Executive Officer, including Aboriginal and Torres Strait Islander Arts, and four divisions: Arts Infrastructure, Arts Strategy, Grants and Corporate Resources.



Office Of The Chief Executive Officer

- Aboriginal and Torres Strait Islander Arts
- Executive and Board Secretariat
- Communications

Arts Infrastructure

- Major Performing Arts companies
- Key Organisations
- Visual Arts and Craft Strategy
- Sector Upskilling

Arts Strategy

- National Development
- International Development
- International Signature Projects
- Research, Evaluation, Data Analysis

Grants

- Artists Services
- Grants Management
- Outreach and pre-application
- Peer Services
- Programs

Corporate Resources

- Human Resources and Workplace Health and Safety
- IT Infrastructure and Information Systems
- Finance
- Risk Management
- Financial and Business Analysis
- Governance, Risk and Compliance
- Business Information Services
- Building and Facilities Management
- Project Management

ORGANISATIONAL STRUCTURE

The Chief Executive Officer (CEO) is responsible to the Australia Council Board for the day-to-day administration of the Council. In conjunction with the Council Chair, the CEO liaises with the Minister concerning Government arts policies and the Council's budget, statutory powers and functions. The CEO also liaises with the Ministry for the Arts located within the Attorney-General's Department concerning the Australian Government's arts policies.

The **Office of the CEO** leads the Council's advocacy and communications for the arts, and government engagement, including Federal, State, Territory and Local jurisdictions. The division manages government reporting and secretariat support for the Board and Strategy Panels. **Aboriginal and Torres Strait Islander Arts** sits within this division and leads cultural strategies that increase the appreciation, understanding and experience of Indigenous arts.

Arts Infrastructure builds sustainability in the arts ecology through management and support for regularly funded arts organisations. The division manages government frameworks, undertakes strategic analysis, and invests in building the capacity of arts organisations and individuals.

Arts Strategy leverages specialist knowledge to develop, implement and evaluate strategic projects, partnerships and activities that support artistic development, and build audiences and markets for Australian arts. The division develops the evidence base to inform investment in, and dialogue about, the arts in Australia.

Grants delivers applicant focused grant programs supported by high quality artist services. This includes the development of a diverse pool of expert peers and managing their involvement in the grants assessment process for individual artists, groups and arts organisations.

Corporate Resources delivers specialist services and provides leadership as expert advisors across the Council in finance, financial business analysis, information services, human resources, workplace health and safety, legal and governance, risk management, project management, IT infrastructure and information systems, facilities and building management.

The Council's office is located at Surry Hills in Sydney, New South Wales. The Council delivers activities nationally and internationally, and has a strong commitment to regular engagement with the national sector, and increasing the accessibility of our support.



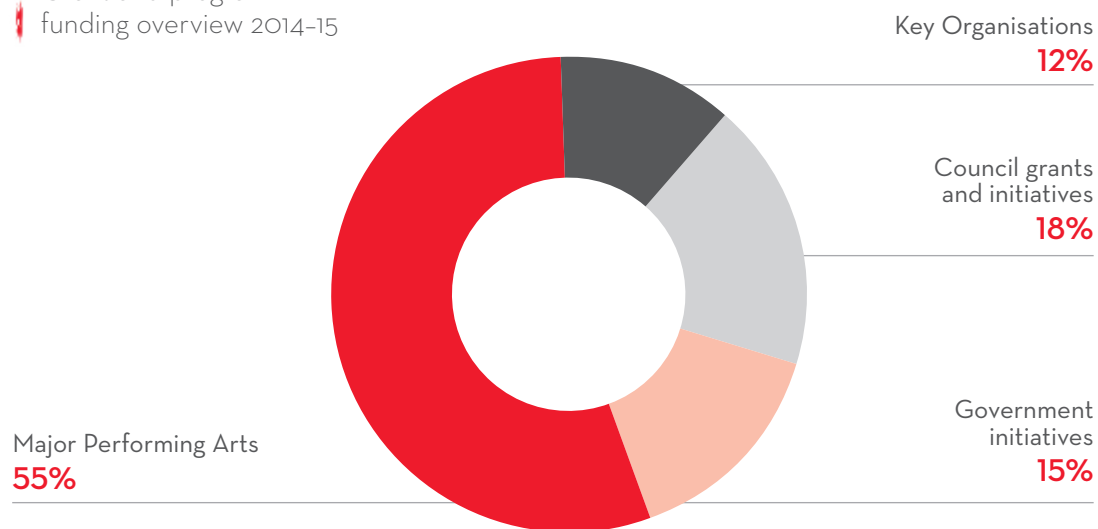
Chuck Close: *Prints Process and Collaboration*, Museum of Contemporary Art, 2014.
Image credit: Maja Baska

FUNDING OVERVIEW

In 2014-15 the Council invested \$191.5 million through grants and initiatives. This enabled artists to create 8,855 new works, 6,130 works to be presented, performed, published or exhibited, and over 17.7 million audience attendances nationally and internationally at events supported by the Council.

This section provides an overview of the Council’s funding activities in 2014-15.

FIGURE 1
Grant and program
funding overview 2014-15

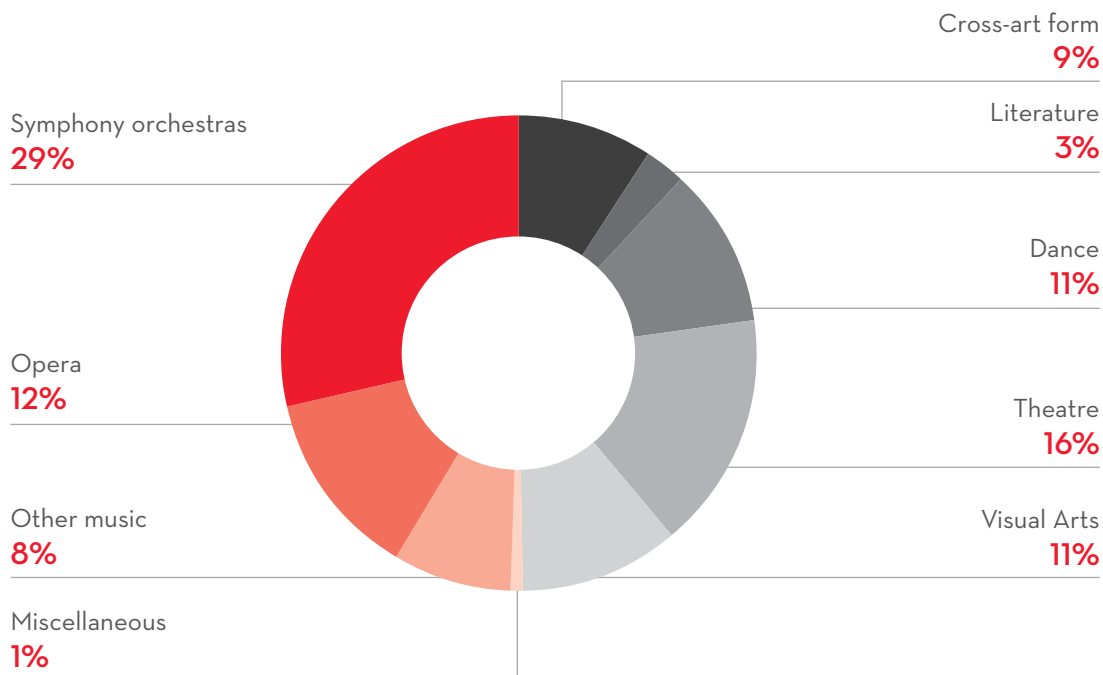


\$ MILLIONS	2010-11	2011-12	2012-13	2013-14	2014-15
Key Organisations	22.1	21.4	21.1	22.8	23.1
Major Performing Arts	96.5	97.3	100.6	103.1	106.0
Government initiatives	16.6	16.1	20.7	28.0	28.6
Council grants and initiatives	28.6	29.7	32.4	45.3	33.8
Total funding	163.8	164.5	174.8	199.2	191.5

Information on grants awarded is available online at:
<https://online.australiacouncil.gov.au/ords/GrantsList>

FIGURE 2
Funding by art form 2014-15

The funding in this figure includes support for arts organisations through the Major Performing Arts framework, Key Organisations, the Visual Arts and Craft Strategy, Government programs, and support for individuals, groups and organisations through project funding and strategic initiatives.



\$ MILLIONS	2010-11	2011-12	2012-13	2013-14	2014-15
Symphony orchestras	51.3	51.2	52.3	53.7	55.5
Opera	21.1	21.6	23.0	23.5	23.5
Other music	12.3	12.8	13.3	16.6	15.1
Visual arts	16.9	15.7	17.5	21.7	21.0
Theatre	24.6	23.4	27.0	32.0	30.0
Dance	16.1	16.8	18.8	21.2	21.1
Literature	6.6	5.9	7.1	9.0	6.3
Cross-art form	10.7	13.1	13.6	18.4	16.7
Miscellaneous	4.2	4.0	2.2	3.1	2.3
Total	163.8	164.5	174.8	199.2	191.5



Vivienne Wong, Soloist, The Australian Ballet.
Image courtesy of The Australian Ballet. Photography: Justin Ridler

FIGURE 3

Funding by location of activity 2014-15

This figure provides an overview of the distribution of funding by main location of activity.

\$ MILLIONS	2010-11	2011-12	2012-13	2013-14	2014-15
New South Wales	60.0	58.2	58.6	71.2	66.0
Victoria	39.9	39.2	39.5	46.9	47.0
Queensland	15.1	15.5	15.9	18.2	17.6
South Australia	13.4	14.2	13.4	15.0	15.3
Western Australia	12.7	11.6	12.9	13.6	13.8
Tasmania	7.7	7.8	8.2	8.5	9.0
Northern Territory	2.5	2.6	2.6	3.3	3.6
Australian Capital Territory	1.8	1.6	1.3	1.4	1.5
National	5.0	7.5	14.8	12.1	8.5
Overseas	5.7	6.3	7.6	9.0	9.2
Total	163.8	164.5	174.8	199.2	191.5



Thumb Prints world premiere with Beatboxer Tom Thumb at Queensland Symphony Orchestra's inaugural QSO current series, 2015.
Image courtesy of Queensland Symphony Orchestra

FIGURE 4
Funding in regional Australia 2014-15

In 2014-15 the Council invested \$28.9 million in funding for the arts in regional Australia, to strengthen the mobility of diverse and excellent Australian work, foster the vitality of artists and arts organisations in regional and remote communities, and increase access for audiences.

Creation, presentation and access to excellent artistic work in regional Australia was achieved through the investment of: \$6.3 million in the Major Performing Arts companies; \$4.7 million in small to medium companies through Key Organisations; \$12.5 million in Government initiatives such as Playing Australia, Visions of Australia, Contemporary Music Touring program, Festivals Australia and the Major Festivals Initiative; and \$5.4 million in Australia Council project grants to individual artists, arts organisations and communities in regional areas.

	\$ MILLIONS
Australia Council Grants	5.4
National Regional Program	8.6
Other Government initiatives	3.9
Key Organisations	4.7
Major Performing Arts Companies	6.3
Total	28.9

This investment enriched the lives of 1.5 million people in regional areas through attendance at an exhibition, schools activity or workshop.

The support Council provides to key regional organisations and strategic initiatives has a significant impact for artists and audiences in regional areas. The Council works in partnership with Regional Arts Australia (RAA), and our funding through RAA benefits individuals and organisations nationally. The Council has provided support for the biennial Regional Arts Australia Summit since its inception, and in 2014 the *Arts & Edges* Summit was held in Kalgoorlie-Boulder, attracting over 500 leading delegates from across the country.

The 2014-15 investment in regional arts includes \$3.1 million to support activity taking place in remote and very remote locations across Australia. For example, Music NT received a grant of \$132,000 towards the delivery of the Bush Bands Bash for 2015, 2016 and 2017. Held in Alice Springs, the Bush Bands Bash is an annual celebration of Aboriginal desert music. Funding will assist Music NT to deliver capacity building activities to develop business skills for Indigenous musicians.

FIGURE 5
National and international audiences

The Council invests in national and international audience development through a range of programs, including project grants, multi-year organisation funding*, Government initiatives, strategic projects and international development activity. This investment enables audiences in all parts of Australia to access excellent work, supports sustainability in the sector, and strengthens Australia’s international reputation for great art and artists. The Council’s *Arts in Daily Life* research demonstrates that Australians believe their lives are enriched by engagement with the arts, and fostering this is at the heart of the Council’s strategic goals.

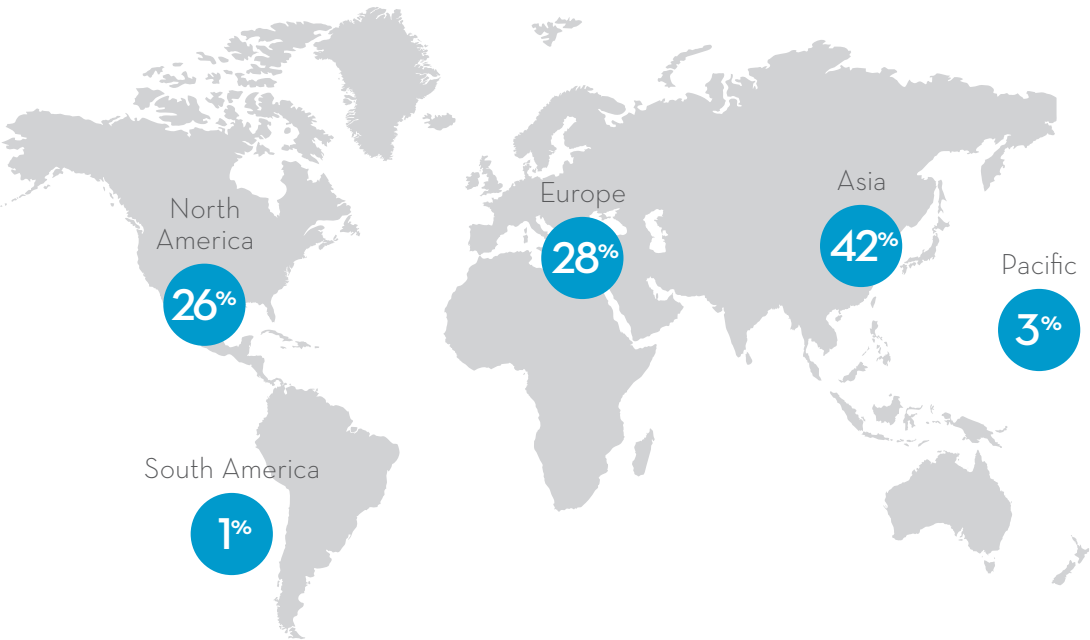
This figure provides attendance numbers at events supported by the Council. This includes paid attendances at performances, workshops, seminars and visitors to exhibitions.

FIGURES IN 'OOOs	MAJOR PERFORMING ARTS	KEY ORGANISATIONS (performing arts)	KEY ORGANISATIONS (visual arts, literature, cross-art form)	PROJECT GRANTS	TOTAL
Metropolitan	2,999	718	4,238	3,739	11,694
Regional	235	122	873	306	1,536
International	131	153	766	3,461	4,511
Total	3,365	993	5,877	7,506	17,741

* Multi-year organisation funding includes the 28 Major Performing Arts companies supported through the Government’s MPA Framework and the 147 Key Organisations who represent some of Australia’s leading small to medium companies across all areas of practice.

FIGURE 6
International audience reach by continent

This figure outlines the audience reach by continent of activities supported by the Council.



Everybody, Summer Salt Festival, 2015, Snuff Puppets.
Image credit: Theresa Harrison

NEW GRANTS MODEL

The Australia Council invests in artistic excellence and promotes freedom of artistic expression through peer assessed grants programs for individuals, groups and organisations.

The Council delivered the final funding rounds through the previous grant model during 2014-15. This model had served the sector well in the past and contributed to the vibrant and culturally ambitious arts sector in Australia. Following the 2012 Australia Council Review and sustained sector consultation, it was identified that the Council's grants program needed to be more responsive to the evolving ways in which art is being made and presented.

The Council undertook a two year reform process to create a simpler and more streamlined new grants model, which maintained a commitment to excellence and increased accessibility to more of the arts sector. The new grants model was announced in August 2014 and opened in January 2015. The new model is more transparent and efficient, condensing over 140 grant categories to five, simplifying criteria, moving to four standard annual closing dates, and enabling one application to include multiple stages of the creative process.

The new grants model reflects changing artistic practices and supports a wider range of activities that deliver benefits to the arts sector and audiences nationally and internationally. This model enables a broader and more diverse range of artists and organisations to apply for funding towards the creation and presentation of excellent work.

While maintaining a commitment to traditional art forms, the grants program is now more accessible to emerging areas of practice and cross-art form work. For the first time, applicants are able to select the art form panel they will be assessed by, including a new dedicated panel of multi-art form peers. The new grants program is supported by a much larger and more diverse pool of expert peers, which includes 650 artists, arts workers and industry experts. In 2014-15 the Council had 483 positions available on peer panels, which utilised the expertise of 345 individuals from all areas of practice, across every state and territory.

The depth and diversity of the projects reflect the breadth of Australian society, and demonstrate new ways of engaging audiences across Australia and abroad.

In 2014-15, the first funding round of the new grants model closed in March 2015, receiving a strong response with more than 1,700 applications, or 2,200 including the Six-Year Funding for Organisations program.

The sector took up the challenge to be ambitious through its artistic practice and innovative collaborations, proposing projects of scale and sophistication. The depth and diversity of the projects reflect the breadth of Australian society, and demonstrate new ways of engaging audiences across Australia and abroad.

In the first grant round \$9.1 million was invested in Australian arts, supporting 273 projects, including 20% from first time applicants. One in three artists work globally and this was reflected in the 38% of grant recipients whose main location of activity is overseas. The projects supported were bold and innovative, demonstrating the depth and artistic vibrancy of Australia's arts sector. The new grants model was intended to be more flexible and accessible, supporting greater breadth of activity. The outcomes of the first round demonstrate the success of the program, supporting projects which include creation of new work, audience engagement, market development, artistic collaborations, career development, increasing access and participation in the arts, and raising the profile of Australian art internationally.



Dance Info, Finland, Australian Finland programme.
Image credit: Uupi Tirronen

KEY FACTS FROM THE FIRST ROUND OF THE NEW GRANTS MODEL:



\$9.1 MILLION

was invested overall in individuals, groups and small to medium organisations undertaking 273 projects



\$3.1 MILLION

was invested in project or development grants for individuals

OVER 20%

of the expert peers were from regional or remote locations, 15% identify as Aboriginal and Torres Strait Islander, and 20% from culturally and linguistically diverse backgrounds



38%

of the projects are internationally focussed



20%

of the successful grants were from first time applicants to the Council

The funded projects from independent artists and small to medium arts organisations will represent Australia in 34 countries



Applicants are now able to select a dedicated panel of multi-art form peers

OVER \$300,000

was invested in dedicated funding for artists with disability



\$1.4 MILLION

was invested in project or development grants for groups



20%

of the projects identify access and participation or audience engagement as their main focus



\$4.6 MILLION

was invested in project funding for arts organisations

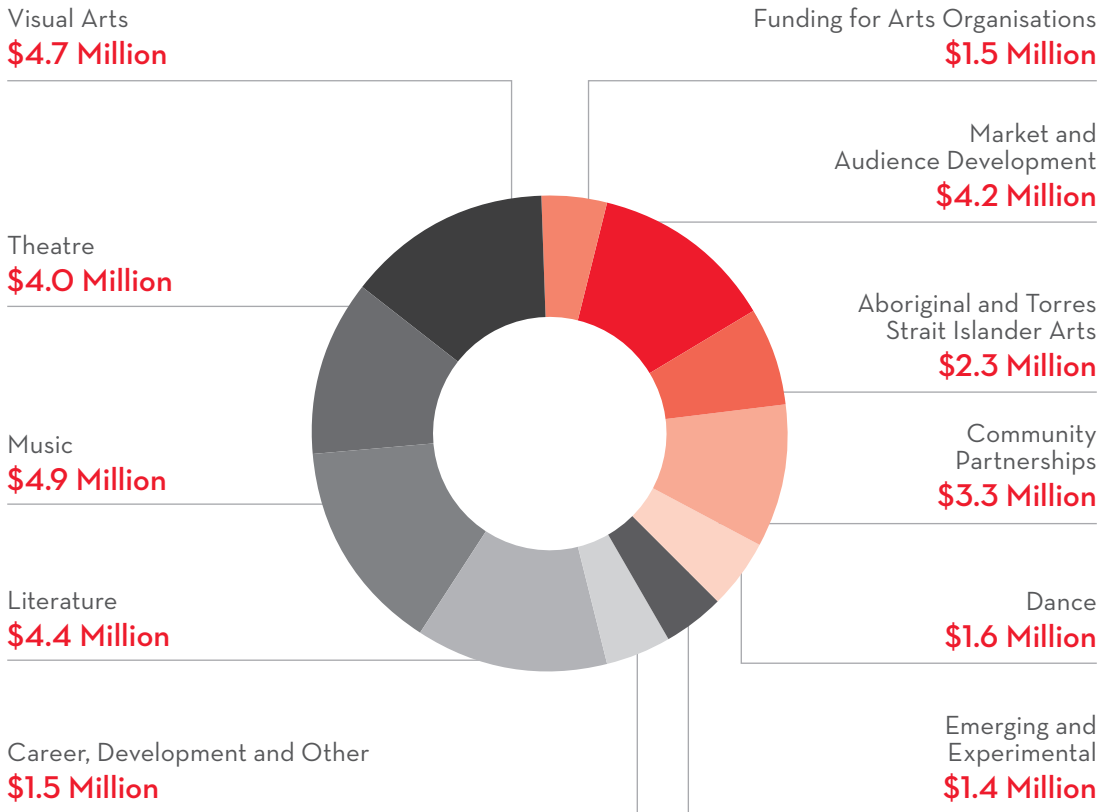


20%

of the projects are being delivered by individuals, groups and organisations based in regional Australia

FIGURE 7
Council grant and initiative funding* by area of practice

In 2014-15 the total funding for Council grants and initiatives was \$33.8 million. This figure provides a breakdown by area of practice and includes multi-art form support through organisations and market and audience development projects



* This funding does not include multi-year funding for organisations.

ABORIGINAL AND TORRES STRAIT ISLANDER ARTS

Aboriginal and Torres Strait Islander culture is the oldest living continuous culture in the world, and we cherish the importance of traditional arts practices and the dynamism of new forms of artistic practice. The Council acknowledges the need for artists, arts organisations and communities to participate in a cultural life, and to conserve and innovate traditional and contemporary artistic expressions for future generations to appreciate and engage with, as they understand their cultural inheritance and identity as Indigenous peoples. Artistic and cultural vibrancy are a key focus of the work produced by Indigenous arts organisations.

In 2014-15 a total of \$10.7 million was invested in arts and cultural activities with a predominantly Indigenous focus, through direct project grants (\$2.3 million), the Major Performing Arts companies, Key Organisations, strategic initiatives, and grants in other areas of practice.

Throughout the year national Indigenous arts forums held about the new grants model and the Strategic Plan engaged some 300 people from metro and regional communities. The introduction of the new grants model resulted in an increased number of Aboriginal and Torres Strait Islander expert peers participating in Council assessment panels. The March 2015 grant round highlighted the creative ambition of Indigenous artists, with projects demonstrating artistic innovation and dynamic international collaborations.



Reko Rennie, *Regalia*, 2015. Aluminium, steel, synthetic polymers 240 x 560 cm.
Image courtesy of the artist and Blackart Projects



Wesley Enoch, Lee Ann Buckskin, Dr Gary Foley, Kahl Wallis and Brenda Croft at the 2015 National Indigenous Arts Awards.

Image credit: Caroline McCredie

The Aboriginal and Torres Strait Islander Arts Strategy Panel, guided by the Indigenous Culture Framework, met in August 2014 and May 2015 to consider the cultural dimension of Indigenous artistic expression in the arts ecology.

The strategic scope of Aboriginal and Torres Strait Islander arts includes music, dance, theatre, literature, visual arts, festivals, community development and organisations at a national and international level. In addition to core grants, the Australia Council delivered strategic investment and capacity building activities which included: forums, workshops and planning sessions with the board and staff of BlakDance; support for the Cairns Indigenous Art Fair, National Indigenous Festivals forum, National Indigenous Theatre forum, Yellamundie Indigenous playwriting festival, the ACCELERATE alumni program delivered in partnership with the British Council, and significant work in Canada with the Native Earth festival, including roundtable discussions with the Canada Council, Ontario Arts and Indigenous festival producers and curators to develop exchanges, collaborations and a partnership for future activity. In May 2015 the Council consulted with 40 national Indigenous arts organisations to identify strategic priorities for a culturally ambitious nation in partnership with the sector.

The Council's National Indigenous Arts Awards were held on 27 May 2015, celebrating excellence and achievement by exceptional Indigenous artists. These prestigious national awards include the Red Ochre Award for lifetime achievement, two year Fellowships for mid-career and established practising artists, and the Dreaming Award for a young artist to produce a major body of work through a mentorship or in partnership with an organisation. The Red Ochre was awarded to prominent writer, activist, actor and educator Dr Gary Foley. The fellowships were granted to artist, curator and scholar Brenda Croft and visual artist Reko Rennie. The Dreaming was awarded to dynamic young musician Kahl Wallis.

SUPPORTING ARTS ORGANISATIONS

The Australian arts sector is a broad and complex ecology comprising artists working independently and in groups with those who produce, present and promote the arts. Their creative endeavours are undertaken with arts companies of all sizes, festivals, publishers, producers, venues, and many other commercial and not for profit entities. The Council has a unique national leadership role which includes direct and indirect engagement with every facet of the sector. Charged with the role of champion and investor, the Council promotes artistic vibrancy, sustainability and excellence through support and strategic development of arts organisations.

Bringing a national perspective to the management of funding for arts organisations, the Council supports and manages the Major Performing Arts (MPA) funding framework and Visual Arts and Craft Strategy; manages funding relationships with the Key Organisations, which are some of Australia's leading small to medium companies; and supports arts organisations of all sizes through project grants, strategic national and international development initiatives, and a suite of capacity building activities.

This range of intersecting activities is designed to stimulate opportunities for artists and build audiences for their work. The Council's work includes:

- Supporting organisations to reflect on their artistic and cultural vibrancy
- Fostering excellence and the development of all areas of arts practice
- Generating national and international market development opportunities
- Encouraging new approaches to audience development, access and engagement
- Supporting pathways to international opportunities for Australian arts
- Building the leadership capacity and sustainability of organisations
- Managing the delivery and governance of Government frameworks
- Brokering partnerships and collaborations
- Strengthening sector knowledge, planning and forecasting through evidence based evaluation and data analysis.



Robyn Nevin (foreground), Eryn Jean Norvill, Paula Arundell (background)
in Sydney Theatre Company's *Suddenly Last Summer*, 2015.
Image credit: Brett Boardman

MAJOR PERFORMING ARTS COMPANIES

GRANT ALLOCATION: \$106.0 MILLION

Australia's Major Performing Arts (MPA) sector includes 28 leading performing arts companies in the fields of dance, theatre, circus, opera, orchestral and chamber music. They are an integral and vibrant part of the Australian arts ecology and play a significant role in the development of artists and audiences across Australia and overseas.

The MPA Framework is a unique aspect of the arts sector in Australia which is fundamental to the stability and sustainability of the MPA sector. The Council manages the funding of MPA companies in accordance with the *National Framework for Governments' Support of the Major Performing Arts Sector* in partnership with state governments.

The MPA companies receive funding to develop and present excellent works, and foster a vibrant and sustainable performing arts sector. In addition to core grants, a small allocation of funding supports the sector through strategic initiatives, company reviews and artistic development.

The Council plays an important leadership role in the management of the Framework, providing specialist services, strategic advice and support, and working closely with the state arts agencies. The Council closely monitors each MPA company against its agreed outcomes and performance indicators, which are reviewed annually with all government partners. The Board of the Australia Council has established an MPA Panel to assist with oversight of the Framework, and to provide advice on key issues. The Council considers the MPA results in a broader context of support to other areas of the sector, providing a critical national perspective on the health of each area of arts practice.

Audiences

In 2014, 3.9 million people attended a paid or unpaid performance, school activity or workshop across Australia presented by an MPA company. This includes over half a million school children and teachers attending performances and intensive workshops in schools. Companies continued to expand access to the arts in 2014, presenting over 5,000 performances across metro, regional and remote communities which reached more than 150,000 Australians.

Creating and presenting work

MPA companies are actively engaged in increasing artistic vibrancy through their programming and presentation. In 2014, the MPA companies delivered a 20% increase in new Australian works and productions. A significant number of new works in 2014 were the result of creative collaboration with small to medium companies and individual artists.

Employment and turnover

MPA companies employed more than 10,000 people in 2014, providing opportunities for more than 7,400 artists, creative and technical people, and a further 2,700 people employed in arts management administration.

In 2014, the MPA companies achieved a record turnover of \$509 million, a 7% increase compared to 2013 due to higher box office and private sector incomes. A total of \$342 million was earned through performances, private sector, interest earnings and other activities, with \$167 million or 33% from combined government support.

Overall the MPA companies leveraged a further \$2.04 for each \$1 of government funding in 2014, an increase of 20% since 2010.

International engagement

The MPA sector makes a significant contribution to the international profile of Australian arts and artists, and our reputation for artistic excellence. In 2014, MPA companies reached more than 130,000 people globally through attendances at 119 performances. International tours included the Australian Chamber Orchestra's performances in the major concert halls of Europe and the US, the Australian Ballet's tour to New York and Los Angeles, the Sydney Symphony Orchestra's seven city tour of mainland China, the Melbourne Symphony Orchestra at the BBC Proms and Edinburgh Festival, and the Melbourne Theatre Company's season at the Kennedy Center in Washington DC.



Othello, 2014, State Theatre Company of South Australia.
Image credit: Shane Reid

KEY ORGANISATIONS AND TERRITORY ORCHESTRAS

GRANT ALLOCATION: \$23.1 MILLION

Through the Key Organisations program the Australia Council provides multi-year funding to leading small to medium companies who are recognised for their national leadership in artistic excellence and the critical role they play in the Australian arts landscape. The Council manages funding relationships with 145 Key Organisations and two Territory Orchestras to promote the highest level of artistic achievement and sustainability.

The hundreds of organisations in the small to medium arts sector occupy the significant territory between individual arts practitioners operating independently and larger scale companies. This part of the sector can be viewed as a leading 'public activator' of Australia's arts and cultural life. It embraces and engages local artists, and is collaborative and highly accessible to audiences nationally and internationally. The small to medium arts sector is responsive and exceptionally diverse, providing an environment for creative risk, innovation and experimentation, and a platform for new and emerging work.

Audiences

Two million people attended a performance, school activity or workshop across Australia presented by a Key Organisation or Territory Orchestra in 2014. This includes 729,000 school children and teachers who attended performances and intensive workshops in schools. In addition to this, 5.1 million people visited an exhibition presented by a Key Organisation in Australia. These organisations reached over a million people in regional and remote Australia.

Creating and presenting work

The small to medium sector is a leader in the creation and presentation of new Australian work. The Council's Key Organisations presented 967 new works, 228 creative developments and a further 434 new productions, arrangements or remounts of existing Australian works. In total these organisations presented 114 world premieres and 145 Australian premieres of work by overseas artists.

Employment and turnover

Key Organisations employed over 14,000 people, including 7,300 artists, 1,400 creatives, 1,700 technicians and a further 3,800 people in education, marketing and arts administration.

Combined turnover of Key Organisations in 2014 was \$192 million, of which 51% was from government sources, including 19% from the Australia Council. Overall these organisations leveraged 95 cents for each \$1 of government funding in 2014.

International engagement

Small to medium organisations are nimble and can be highly responsive to international presentation opportunities as well as artistic collaborations and cultural exchange. Key Organisations increased the global profile of Australian arts by engaging audiences in 47 countries. In 2014, 28 organisations gave over 1,000 performances and workshops reaching a total audience of 352,000. This included Circa who presented to 90,000 people, Snuff Puppets who reached 85,500 people in Asia and Europe, and Shaun Parker and Company who reached 34,000 people in Europe, Asia and North America. A further 766,000 visited an exhibition of a Key Organisation in Europe, Asia, North America and the Pacific region.



Glass Studio workshop with glass artist Tobias Mohl, 2015, Jam Factory.
Image credit: Anna Fenech Harris



Opus, 2015, Circa.
Image credit: Justin Nicholas

ACHIEVING A CULTURALLY AMBITIOUS NATION

The Council's Strategic Plan articulates our leadership role in advocating for the arts and building a vibrant arts sector, by fostering artistic excellence and increasing national and international engagement with Australian art and artists. Our vision for the arts has been developed through sustained dialogue with artists and all those who present, produce and support the arts. As the nation's principal arts body, the Council will champion and invest in Australian arts through the fulfilment of our legislative mandate and the realisation of our strategic goals.

The four strategic goals guide the Council's vision to develop Australia as a culturally ambitious nation - supporting our artists to exercise freedom of expression, be creatively adventurous, and develop inspiring work for audiences across national and international borders.

The Australia Council's Strategic Plan 2014-19 was launched on 18 August 2014.

GOAL 1:

AUSTRALIAN ARTS ARE WITHOUT BORDERS

International presentation and the exchange of arts and cultural works presents Australian artists and arts organisations with an opportunity to work with our global neighbours. This activity enhances the profile of our artists, increases opportunities for leveraging investment, supports artistic development, and generates opportunities for reciprocal exchange.

The Australia Council has provided a range of mobility support including residencies; networking; market development; event travel for individuals and groups to participate in festivals, fairs or showcase events; support for translations and coproduction; short term exploration; and international presentation.



Sydney Symphony Orchestra Concertmaster, Andrew Haveron projected live in concert on the sails of the Sydney Opera House in *Visions of Vienna*, 2015.
Image credit: Ken Butti

**GOAL 1:
AUSTRALIAN ARTS ARE WITHOUT BORDERS**

2014-15 EXAMPLES

**EXPLORATION: ENABLE ARTISTS
TO DISCOVER AND DEVELOP ACROSS BORDERS**

To raise the profile of Australian arts and artists, the Council delivers a number of key initiatives including an increased presence at key international arts and performing arts markets. In 2014-15, the Council initiated the attendance of 115 artists and arts organisations at 59 different international market events.

In November 2014, the Council led a delegation of 20 performing arts producers to the biennial performing arts market CINARS in Montreal, Canada. Complementing this strong presence, the Council supported a delegation of five Indigenous artists and producers to attend CINARS and Canada's pre-eminent Indigenous festival, *Weesageechak Begins to Dance*. These delegates also met with representatives from the Canada Council for the Arts and Ontario Arts Council. The engagement of this delegation in Canada built the capacity for Aboriginal and Torres Strait Islander artists and leaders on the international stage. It also provided an opportunity to explore First Nations exchanges between Canada and Australia.



ACCELERATE recipients Jacob Boehme, Clotilde Bullen, Lucy Simpson and Carly Lane.
Image credit: Casamento Photography

GOAL 1: AUSTRALIAN ARTS ARE WITHOUT BORDERS

2014-15 EXAMPLES

The Council also supports the professional development of artists through leadership initiatives, mentorships, residencies and fellowships. A key leadership program, ACCELERATE, is tailored to provide Aboriginal and Torres Strait Islander people with the skills and networks to excel within the creative industries. In September 2014, the Council announced extended three-year support to expand the ACCELERATE program during 2014-16, an investment totalling \$355,700. Now in its sixth successful year, ACCELERATE has provided leadership development to over 24 talented leaders.

RECIPROCITY: STRENGTHEN COLLABORATION AND PARTNERSHIPS NATIONALLY AND INTERNATIONALLY

The Council supports key networking and exchange programs that increase opportunities for collaboration between Australian and international arts communities. The Council's long term partnership with Dance Info Finland has been a great success story in this area. This partnership supports a cooperation program between Australian and Finnish dance organisations to provide opportunities for dance artists to develop their work via residencies in the two countries. The dance exchange demonstrates a rich collaboration and the artist-to-artist exchanges generated through this partnership have led to presentation and commissioning relationships as well as the development of artistic and choreographic practice.

STIMULATION: CAPTIVATE GLOBAL AUDIENCES WITH DIVERSE AUSTRALIAN WORK

Australian artists and art organisations have a strong presence internationally. In 2014-15, Australian artists and arts organisations presented to over 4.5 million people globally, introducing new markets to Australian work. In October 2014, Malthouse Theatre toured a production of Brecht's *The Good Person of Szechuan* to China. The production is the result of Malthouse Theatre's International Director Exchange, which saw Chinese director Meng Jinghui work with a largely Australian team to create the work. This international cultural endeavour opened to a sold out National Theatre of China, and was well received by an appreciative Chinese audience. Another MPA company creating reciprocal opportunities is the West Australian Symphony Orchestra (WASO). In December 2014, three WASO musicians performed with the China Philharmonic Orchestra (CPO) in Beijing. It was the first time international musicians had played in the Chinese orchestra as 'line members' as opposed to guest conductors or guest artists. This visit initiated a long-term collaboration between WASO and CPO aimed at strengthening ties with one of Australia's most important trade partners.

EXPANSION: GROW THE PROFILE OF AUSTRALIAN ARTS

In 2014-15, the Council supported a number of programs and organisations that showcase excellent Australian work. This strategic investment provides organisations, groups and individuals the opportunity to gain greater international recognition. Circa is a Key Organisation with international status, which in 2014 delivered an extensive national and international touring program of newly commissioned work totalling 375 performances, of which 205 were performed internationally in 16 countries. Through the Major Festivals Initiative, Circa produced the internationally acclaimed new work *Opus* with international commissioning partners including The Barbican in London, Les Nuits de Fourviere in Lyon, the Grec Festival in Barcelona, Perth Festival and Melbourne Festival.

Australian singer-songwriter and guitarist Courtney Barnett received funding in February 2015 to showcase her work at the music festival South by South West (SXSW) in Austin, Texas, and to tour Europe to promote her album. These appearances led to rave reviews worldwide, and her debut album *Sometimes I Sit and Think and Sometimes I Just Sit* gaining significant success on the music charts, peaking at number four in Australia, 19 in New Zealand, 16 in the United Kingdom and 20 in the United States.



Courtney Barnett at SXSW, United States of America.
Image credit: Pooneh Ghana

**GOAL 1:
AUSTRALIAN ARTS ARE WITHOUT BORDERS
2014-15 EXAMPLES**

AUSTRALIA AT THE VENICE BIENNALE

The 56th International Art Exhibition of the Venice Biennale marked key milestones for the Council and Australian visual arts. This included the showcasing of one of Australia's finest contemporary artists, Fiona Hall, in her detailed and immersive exhibition *Wrong Way Time*, which at 30 June had been seen by over 70,000 people. The Council also realised the vision of the new Australian Pavilion through a public-private partnership that delivered the first 21st Century building in the historic Biennale gardens.

Australian visual artists were highly celebrated at the Biennale with a record number of Australian artists presenting works in the curated exhibition *All the World's Futures*, at the Australian Pavilion, and in official collateral exhibitions throughout Venice. This international recognition raises Australia's international profile and demonstrates the quality of the Australian visual arts sector.



Fiona Hall in her exhibition *Wrong Way Time*, Venice, 2015.
Image credit: Angus Mordant

GOAL 2:

AUSTRALIA IS KNOWN FOR ITS GREAT ART AND ARTISTS

Increasing the profile of and opportunities for artists is central to the work of the Council, and reflects the primary function of the Australia Council to support the pursuit of excellence in artistic practice.

Artistic excellence is supported through increasing sustainability and resilience across all areas of practice, encouraging the highest level of artistic vibrancy, building capacity to reach the widest audiences, and developing new sources of income. As champion for the arts the Council celebrates the achievements of artists and promotes appreciation and awareness of Australian arts.



Synapse Art/Science Residency program.
Image credit: Deakin Motion.Lab

GOAL 2:

AUSTRALIA IS KNOWN FOR ITS GREAT ART AND ARTISTS

2014-15 EXAMPLES

STRENGTH: BUILD THE CAPACITY OF ARTISTS TO MAKE EXCELLENT WORK

The Council supports targeted programs for artistic cultural leaders, administrators and artists to increase long-term sustainability in the sector.

The biennial contemporary dance festival and conference Dance Massive held in March 2015, saw over 13,500 delegates attend a diverse range of development workshops, master classes, open studios, panel talks and new Australian dance works. The Council invested significantly in the conference to support the organisation in meeting its aims: to develop audiences and excellent new works; build national and international markets; and strengthen networks. One of the strategic initiatives supported was a national and international visitors program that enabled 59 international presenters, producers and agents from Asia, Europe, North and South America and Oceania to engage with the companies and artists throughout the conference.

Another event supporting the development of emerging talent was the National Young Writers' Festival held in October 2014. The Council supported festival focused on young writers extending their practice through programmed events, workshops, networking and mentorship opportunities. The Festival delivered a diverse program with 75 events and 78 artists, reaching a festival audience of around 4,500 people. The festival has become a focal point for young Australian writers, receptive to all aspects of the writing and publishing industries.

ADVENTURE: FOSTER EXPERIMENTATION AND RISK-TAKING IN ALL ART FORMS

The Council supports initiatives for artists and organisations to create and experiment in all art forms, creating a sustainable environment where experimental and emerging arts practice can flourish. For 10 years the Australian Network for Art and Technology has partnered with the Council to deliver the Synapse Art/Science Residency program. The program has supported 31 artists and groups to take up residencies in scientific or technical organisations, leading to long-term research partnerships and artistic works. In 2015 the Council funded three residencies, which included Dr John McCormick in residency at Deakin University's Motion.Lab and the Centre for Intelligent Systems Research. Through the funding Dr McCormick will explore how haptic and robotic technologies can make dance performance more accessible to audience members who otherwise would not be able to experience live performance. The research will focus on deaf-blind, blind or vision impaired experiences.

EXCELLENCE: SUPPORT ARTS ORGANISATIONS TO LEAD IN INNOVATION, COLLABORATION AND DEVELOPMENT OF ORIGINAL WORK

The Council is in regular dialogue with arts organisations to promote cross-sectoral collaboration on projects that result in new work and innovative approaches to development of work. The Council's national focus gives valuable support and knowledge to organisations by fostering rich sector dialogue, partnerships and understanding, often through national forums and networks.

The Council provides specific funding for the development and presentation of new original work. In 2014 Artspace supported 29 Australian and international artists, offering 11 studios for visual artists who represent a mix of generations and practices. The organisation also began an initiative that saw seven of the non-residential studios provided free to artists. This allowed the participating artists to create new work and opened up opportunities for professional development, curatorial feedback and mentorship. The artists selected for the studios were Khadim Ali, Hany Armanious, Kelly Doley, Nick Dorey, Mikala Dwyer, Clare Milledge and Tim Silver, representing artists at various stages of their career.



An impressive space, installation view, Artspace, 2015.
Image credit: Zan Wimberley

**GOAL 2:
AUSTRALIA IS KNOWN FOR ITS GREAT ART AND ARTISTS
2014-15 EXAMPLES**

**DIVERSITY: FUEL DIVERSE PRACTICE
FROM ARTISTS OF MANY DIFFERENT BACKGROUNDS**

Specific funding for works and projects in regional and culturally diverse areas has led to more opportunities for artists with diverse backgrounds to create work. In 2014-15, the Council funded Multicultural Arts Victoria's *Emerge* program for culturally and linguistically diverse emerging and refugee artists and communities. The program supported emerging refugee and Indigenous artists through mentoring programs, creative development for new works, cultural and public platforms and professional development opportunities. The program contributes to improved settlement outcomes for new arrivals and social cohesion within these diverse communities.



Multicultural Arts Victoria's *Emerge in the West*, 2014, Burundi Drummers.
Image credit: DWV Photography

In 2014-15 the Council continued to support professional development opportunities to deepen knowledge within the sector. This included Australia Council Award recipient Alyson Evans undertaking a six-week residency in the western province of Battambang, Cambodia. Ms Evans worked alongside arts organisation Phare Ponleu Selpak to develop her knowledge of and skills in using theatre to engage diverse and disadvantaged communities. She plans to use this knowledge in her community arts practice, particularly through her work with youth in remote Indigenous communities and people from refugee backgrounds.

RECOGNISING THE WORK OF GREAT AUSTRALIAN ARTISTS

For the first time in March 2015, the Council recognised all individual art form awards collectively at the 2015 Australia Council Awards. Paying tribute to the remarkable contributions made by 10 Australians to our arts and cultural landscape, these prestigious national awards combine long-standing lifetime and significant achievement awards in music, literature, community partnerships and visual arts, with new awards in theatre, dance, and emerging and experimental arts.

Artistic excellence, diversity and exceptional leadership were the consistent themes across the distinguished recipients, with the awards being an acknowledgement of the significant achievements and contribution that each artist has made to the vibrancy of the Australian arts sector.

The 2015 Australia Council Award recipients were:

Thomas Keneally (NSW) Australia Council Award for Lifetime Achievement in Literature

Archie Roach (Vic) Australia Council Don Banks Music Award

Judy Watson (Qld) Australia Council Visual Arts Award (Artist)

Will Stubbs (NT) Australia Council Visual Arts Award (Advocate)

Stelarc (WA) Australia Council Award for Outstanding Achievement in Emerging and Experimental Arts

Garry Stewart (SA) Australia Council Award for Outstanding Achievement in Dance

Bruce Gladwin (Vic) Australia Council Award for Outstanding Achievement in Theatre

Tony Doyle (SA) Ros Bower Award (Community Arts and Cultural Development)

Alyson Evans (NSW) Kirk Robson Award (Community Arts and Cultural Development)

Alysha Herrmann (SA) Kirk Robson Award (Community Arts and Cultural Development)



2015 Australia Council Award recipients.
Image credit: Branco Gaica

GOAL 3:

THE ARTS ENRICH DAILY LIFE FOR ALL

The Council is committed to increasing access to excellent art that reflects Australia's rich and diverse culture. This is undertaken through support for the development and delivery of new Australian work in new contexts and fostering new opportunities for the inclusion of the arts in the daily life of our local communities.

Support for diverse practice and audience development is provided through the Council's grants program, multi-year organisation funding and strategic activities.



*White Night Voices, Gondwana Voices, 2014, Gondwana Choir.
Image courtesy of Gondwana Choir*

**GOAL 3:
THE ARTS ENRICH DAILY LIFE FOR ALL
2014-15 EXAMPLES**

**ABUNDANCE: INFUSE EVERYDAY
LIFE WITH ARTS AND CULTURE**

Expanding the opportunities for audience development in diverse communities was a key outcome for the Council in 2014-15. By supporting key arts organisations, the Council has enabled increased audience attendance at arts projects and events. The kind of positive outcomes generated by this activity is demonstrated by Urban Theatre Projects' BANKSTOWN:LIVE for the Sydney Festival. The project saw backyards in Western Sydney transformed into temporary theatres, where residents, locals and visitors were invited to watch performances, film, music and art installations about contemporary suburban Australia. Nearly 1,000 people attended the small site specific production, with a third of the audience coming from greater Western Sydney.

**INCLUSION: ENSURE MORE AUSTRALIANS
HAVE ACCESS TO AND ENGAGE WITH THE ARTS**

Driven by the Council's commitment to cultural engagement, support was given to artists and arts organisations that increased audience participation in specific demographic communities, including Indigenous Australians, people with disability, culturally and linguistically diverse communities, regional and marginalised communities, and young people.

Since late 2013, Queensland Ballet has collaborated with Parkinson's Queensland, Dance for Parkinson's Australia and the New York based Mark Morris Dance Group to deliver weekly dance classes for people around Brisbane affected by Parkinson's disease. The classes are designed to give participants a sense of physical and artistic achievement while helping to combat social isolation and depression. The program was accompanied by a research project with the Queensland University of Technology and University of Queensland's dance, neuroscience and physiotherapy faculties to analyse the social and physical benefits, with findings due to be announced in 2015. In 2014, 500 people attended the program.

Crossroad Arts was supported by the Council to deliver a targeted multi-art event for people with disability. Crossroad Art's Cheek2Cheek program partners with disability and aged care service providers in regional Queensland, and delivered two major dance and photography projects in 2015. Engaging 260 participants, the program created a unique opportunity for participants and their carers, from five disability and aged care services, to work with professional artists to create high quality performances in an area where access has traditionally been limited.

GOAL 3: THE ARTS ENRICH DAILY LIFE FOR ALL

2014-15 EXAMPLES

STRENGTHEN ARTISTIC EXPERIENCES BY, WITH AND FOR CHILDREN AND YOUNG PEOPLE

The Council provides strategic support for projects that empower the artistic voice of young people. MPA companies support the development of young people through targeted education programs, and in 2014-15 over half a million school children and teachers attended their performances and intensive workshops in schools. A highly successful program for young people is Bangarra's youth program, designed to connect young Aboriginal and Torres Strait Islander people to their cultures and communities. One element to the program is Rekindling, which relies on the participation of the local community to provide stories, song, dance and language as the raw material for a piece of contemporary dance that is created by the participants, with the help of Bangarra artists. The intensive dance program sees Aboriginal and Torres Strait Islander secondary students work with elders within their communities to create works that explore perceptions of identity.

The Council also supports collaborations between young people and artists to create relevant new works. 2014-15 included a collaboration between contemporary dance company Shaun Parker & Company and teenage performers from the CAPTIVATE program in Western Sydney to work on a production, *The Yard*, inspired by William Golding's *Lord of the Flies*. The production toured regional NSW and deals with issues like bullying, social exclusion and peer pressure. Since it was established, the company has delivered over 60 youth dance workshops to nearly 6,000 students, mentored emerging indigenous dancers, and toured productions starring young people to regional NSW.

LEVERAGE: INCREASE PUBLIC AND PRIVATE INVESTMENT IN THE ARTS

The biennial Keir Choreographic Award combines private support with a variety of assistance from three tiers of government. The Award is a partnership between the Council, the Keir Foundation, Carriageworks and Dancehouse, dedicated to commissioning new Australian works and promoting innovative, experimental and cross art form practices in contemporary dance across Australia and internationally.

Each edition of the Keir Choreographic Award will also assist: the commissioning of eight new Australian choreographic works; presentation of eight works at Dancehouse, Melbourne; presentation of four finalist works at Carriageworks, Sydney; award of prizes to a jury-selected winner and an audience-selected winner; a public and industry program of activities in Melbourne and Sydney; and an international incoming visitors program.

This partnership is crucial to the success of the award and enables the project partners to leverage further investment and outcomes.

DREAMING SUCCESS FOR THE FUTURE

Queensland songwriter and musician Kahl Wallis received the Council's Dreaming Award for a young artist to create a major body of work through mentoring or partnerships in 2015.

Wallis' project will see him work with family members in Cairns to record his first full-length solo album, infused with his communities' traditional language, songs and stories, and make an accompanying documentary about this journey into his Indigenous heritage. Wallis will act as a mentor to other young Indigenous musicians through the project.



Dreaming Award recipient Kahl Wallis at the 2015 National Indigenous Arts Awards.
Image credit: Caroline McCredie

GOAL 4:

AUSTRALIANS CHERISH ABORIGINAL AND TORRES STRAIT ISLANDER ARTS AND CULTURES

Aboriginal and Torres Strait Islander people are the longest continuous art and culture makers on earth, and the work of Indigenous artists is highly sought after. The Australia Council invests in the creation and presentation of excellent work by Aboriginal and Torres Strait Islander artists, and supports arts organisations to conserve and innovate traditional and contemporary artistic expressions. The Council is committed to increasing access for audiences so more Australians have the chance to engage meaningfully with Indigenous arts and cultures.



Bangarra Dance Theatre, *Patyegarang*.
Image credit: Jess Bialek

**GOAL 4:
AUSTRALIANS CHERISH ABORIGINAL AND
TORRES STRAIT ISLANDER ARTS AND CULTURES
2014-15 EXAMPLES**

**ENRICH: EMBED ABORIGINAL AND TORRES STRAIT ISLANDER
ARTS AND CULTURES INTO AUSTRALIAN ARTS**

The Council supports a number of activities that increase collaborations and presentations of Aboriginal and Torres Strait Islander Arts. In 2014-15 the Council funded a total of \$10.7 million for arts and cultural activities with a predominantly Indigenous focus through direct project grants, the major performing arts sector, key organisations and grants in other areas of practice. 2014-15 collaborations supported by the Council included Corroboree Sydney, a 10 day festival made possible through a partnership with 11 major cultural organisations along Sydney's 'cultural ribbon'. The festival was led by Artistic Director, Hetti Perkins, auspiced by Bangarra Dance Theatre and had a guiding cultural committee comprising of representatives from each of the partner organisations. In 2014 the Festival hosted over 300 events to celebrate Australia's rich cultural heritage. This unique experience of Indigenous culture reached an audience of approximately 50,000.

BRILLIANCE: BOOST INVESTMENT IN ARTISTIC EXCELLENCE

The Council invests in the development and presentation of significant works by Aboriginal and Torres Strait Islander artists through the grants program, funding through the MPA framework and support for Key Organisations. In 2014-15, 49 Indigenous works were produced, exhibited or published by Indigenous organisations.

With Council support, soprano, actor, composer, playwright and Yorta Yorta woman Deborah Cheetham AO is currently writing a new large-scale classical choral work, a War Requiem, for soloists, chorus and symphony orchestra. The work, *Eumeralla*, will honour the Gunditjmarra people who died in conflicts in the mid to late 19th century. The large scale work will add to the canon of Indigenous Australian arts, with several movements inspired by the structure of a traditional Requiem mass. The performance of the work will feature massed choruses, vocal soloists and a large orchestra.

**GOAL 4:
AUSTRALIANS CHERISH ABORIGINAL AND
TORRES STRAIT ISLANDER ARTS AND CULTURES**

2014-15 EXAMPLES

**BELONGING: INCREASE AUSTRALIANS' EXPERIENCE
OF ABORIGINAL AND TORRES STRAIT ISLANDER ARTS
AND CULTURES**

Increasing opportunities for Indigenous artists is a focus of the Council through a number of grants and initiatives aimed at increasing the networks for sharing Indigenous works. In 2014-15, the Council provided \$645,507 in funding for work with a market development focus, enabling more Australians to experience our nation's rich culture.

To increase access to Aboriginal and Torres Strait Islander arts the Council also supported the development of an anthology of more than 23 diverse Indigenous authors telling their own stories. This important and unique piece of work is currently being coordinated by IndigenousX and will be available at no cost to all Australians as an eBook. The literary pieces are being written by some of Australia's best known Indigenous artists and critical thinkers, and will include topics such as Indigenous excellence, self-determination and solidarity.

**JOURNEY: SUPPORT ABORIGINAL AND TORRES STRAIT
ISLANDER YOUNG PEOPLE TO PRACTICE AND EXPERIENCE
THEIR CULTURE**

The Council supports a number of programs and mentorships that increase collaboration and participation of young people with older master artists. One program supported by the Council is the Archie Roach Professional Development Program. Through the program the Australia Council 2015 Don Banks Music Award recipient, Archie Roach, will mentor Indigenous arts practitioners in the areas of artistic and musical direction and production. In 2015, the inaugural mentee of the program Jessie Lloyd was supported by Archie Roach and his team to develop her networks and practice, while being guided by Mr Roach artistically and culturally.

KEEPING CULTURE STRONG

The Kimberley Aboriginal Law and Cultural Centre Festival continues to be one of the most important festivals supporting Aboriginal and Torres Strait Islander arts in Australia. The Festival, supported by the Council, focuses on cultural knowledge transfer through youth programs, visual arts, men's and women's business, as well as dance and song from Kimberley communities. In September 2014, the Festival brought together 30 language groups from over 45 remote communities to one place to learn the stories, songs and dances that connect Aboriginal and Torres Strait Islander people to the land.

In addition to the festival, The Kimberley Aboriginal Law and Cultural Centre began implementing a program of eight intergenerational cultural exchange youth workshops in two remote Kimberley communities for Indigenous elders to pass on specific dance and cultural material skills.



Three Gooniyandi dancers performing at the KALACC festival, September 2014.
Image credit: Joe Fox

GOVERNMENT INITIATIVES

In 2014-15, the Council managed the following Australian Government initiatives:

- Artists in Residence
- ArtStart
- Australian Fellowships, New Work and Presentation Initiative
- Creative Communities Partnerships Initiative
- Major Festivals Initiative
- National Regional Programs
- Sounds Australia
- Visual Arts and Craft Strategy

ARTISTS IN RESIDENCE*

Grants allocation: \$1.3 million

The Artists in Residence program exposes Australian students to the benefits of creative practice by supporting professional practising artists to work in schools. The program is delivered in partnership with the arts agency and education department in each state and territory in Australia. It expands the creative and professional opportunities for artists to earn income from their creative practice.



Toby Martin performing in the front garden of a Bankstown resident for Sydney Festival, 2015, Urban Theatre Company.

Image credit: Catherine Cranston

ARTSTART*

Grants allocation: \$1.9 million

ArtStart grants provide an initial business start up to enable recent graduates to focus on their career, build business acumen and generate income in Council supported art forms. ArtStart provides grants for services, resources, skills development and equipment that help graduates to build an income-generating career in the art form they have studied. To date, ArtStart has distributed over \$12 million to more than 1,200 recent graduates. In 2014-15, the program supported 195 aspiring artists at the beginning of their careers.

AUSTRALIAN FELLOWSHIPS, NEW WORK AND PRESENTATION INITIATIVE*

Grants allocation: \$2.6 million

The Australian Fellowships, New Work and Presentation Initiative supports artists to create and present new Australian works of scale across all art forms. This five year \$10 million program provides funding for artists, including young and emerging practitioners. It has supported the creation of more than 150 artistic projects, presentations and fellowships for outstanding artists working across all art forms.

CREATIVE COMMUNITIES PARTNERSHIP INITIATIVE*

Grants allocation: \$4.0 million

The Creative Communities Partnership Initiative encourages innovation and supports opportunities which increase access for more Australians to participate in meaningful arts and cultural development activities in their own communities. These important projects extend over multiple years with committed funding.

MAJOR FESTIVALS INITIATIVE

Grants allocation: \$0.8 million

The Major Festivals Initiative has led to the development of high quality performing arts productions which have gone on to have critical and audience success both nationally and internationally. Members of the initiative include Adelaide Festival, Brisbane Festival, Darwin Festival, Melbourne Festival, Perth International Arts Festival, Sydney Festival and Ten Days on the Island (Tasmania). From July 2015, the Major Festivals Initiative will be delivered by the Ministry for the Arts.

* In the 2015-16 Budget context, these programs will no longer be offered.

NATIONAL REGIONAL PROGRAMS

Grants allocation: \$11.6 million

Through the National Regional Programs, the Council supports arts events at festivals, the development and presentation of performing arts and public exhibitions. These programs support and promote the work of artists and arts organisations as well as provide access to the arts and building audiences throughout Australia, with a particular focus on regional and remote communities. Funding includes a range of sector development initiatives (\$0.3 million) that support the development of regional and remote audiences.

The National Regional Programs include:

PLAYING AUSTRALIA

Grant allocation: \$6.2 million

Playing Australia assists professionally produced performing arts to tour for the benefit of regional and remote audiences.

FESTIVALS AUSTRALIA

Grant allocation: \$1.5 million

Festivals Australia supports regional and remote festivals to present quality arts projects that enhance their regular program of activities. From July 2015, Festivals Australia will be delivered by the Ministry for the Arts.

VISIONS OF AUSTRALIA AND CONTEMPORARY TOURING INITIATIVE

Grant allocation: \$3.2 million

The Visions of Australia program supports the development and touring of public exhibitions of Australian cultural material throughout Australia with a particular focus on regional and remote areas. The Contemporary Touring Initiative supports the development and touring of contemporary visual arts and crafts exhibitions to regional and remote locations. From July 2015, Visions of Australia will be delivered by the Ministry for the Arts.

CONTEMPORARY MUSIC TOURING

Grant allocation: \$0.4 million

The Contemporary Music Touring Program assists emerging and established musicians to take their music on tour to Australia's regional and remote areas.

SOUNDS AUSTRALIA

Grants allocation: \$0.8 million

Sounds Australia is Australia's export music market development initiative, initiated by the Council to provide a cohesive and strategic platform to assist the Australian music industry access international business opportunities.

Sounds Australia is a successful industry partnership, with funding provided by the Council and copyright collecting society APRA AMCOS who also manage the project. Further support is provided by the Commonwealth Government together with State Government Agencies and Peak Industry Associations.

Now a globally recognised brand, Sounds Australia delivers a suite of targeted export enhancing activities such as showcases, networking events and industry meetings as part of an overall Australian music export strategy. The program also includes the National Live Music Office which works to increase opportunities for live music in Australia by identifying and advocating for better policy, regulation and strategy, and promotes audience access to live music across Australia.

VISUAL ARTS AND CRAFT STRATEGY

Grants allocation: \$5.7 million

The Visual Arts and Craft Strategy (VACS) is delivered jointly with all state and territory governments. In 2014-15, the VACS completed the third instalment of its funding.

In partnership with the states and territories, the Commonwealth Government renewed its commitment to this national strategy at the Meeting of Cultural Ministers on 9-10 October 2014 in Alice Springs. This renewed VACS package will be delivered from 2015-16 to 2018-19.

VACS funding supports individual artists, visual arts organisations, arts events and artist run initiatives. VACS continues to have a significant impact on the ongoing sustainability of Australia's contemporary visual arts sector by assisting organisations to leverage increased private sector support. The data collected by the Council from organisations shows that 4.7 million Australians attended an exhibition, workshop or school activity presented by a VACS supported organisation in 2014.

ARTS RESEARCH

The Council plays a national leadership role in building the evidence base for the arts, evaluating arts investment, and informing policy and program development. This is delivered through original research, evaluation, analysis and data collection.

KEY RESEARCH PROJECTS IN 2014-15

Arts Nation: an overview of Australian arts

The inaugural *Arts Nation* report builds consolidated and meaningful knowledge about the arts in Australia and its place in the lives of Australians. The report used a new analysis technique, the internationally recognised wellbeing valuation approach. Key facts from the report include:

- 85% of Australians think the arts make for a richer and more meaningful life.
- Geography does not impact attendance levels as much as might be expected. Residents in major cities were slightly more likely to attend arts events than those in inner regional, outer regional and remote areas (74%, compared with 69%, 65% and 67%).
- The cultural sector contributes \$50 billion towards Australia's GDP, including over \$4.2 billion from the arts.
- 2.4 million international arts tourists visited Australia in 2013-14, up 19% over the past four years.

Australian participation in the arts

The *Arts Participation* survey gives robust and detailed information on how Australians participate in the arts and their attitudes towards the arts. The survey measured public attitudes and participation in the arts, both as consumers and creators in the areas of visual arts and crafts, music, theatre, dance and literature, as well as community and Aboriginal and Torres Strait Islander arts.

The research is based on interviews with a nationally representative sample of 3,000 people from around the country, continuing on from two previous surveys published by the Australia Council in 2009 and in 2013.

Exploring audience development for Indigenous arts

This research is designed to help build audience development strategies for Aboriginal and Torres Strait Islander arts. Research conducted by Deakin University and Melbourne Business School in 2014-15 identifies challenges faced throughout the Aboriginal and Torres Strait Islander arts sector with a focus on drivers and barriers to audience engagement.

The research approach includes interviews with people in the sector, focus groups with members of the public, and analysis of the existing literature.



Brisbane Writers Festival, 2015.
Image credit: Industrial Arc Photography



Conduct your own ASO, 2015, Adelaide Symphony Orchestra.
Image courtesy of Adelaide City Council

report on performance outcomes



REPORT ON PERFORMANCE OUTCOMES

In 2014-15, the Council supported the Australian arts sector by providing assistance to Australian artists and making their works accessible to the public.

The Council achieves this by:

- Investing in the artistic production and development of Australian artists;
- Supporting the presentation of Australian art, nationally and internationally;
- Recognising and rewarding significant contributions to the arts in Australia;
- Promoting appreciation, knowledge and understanding of the arts;
- Supporting and promoting the development of markets and audiences of the arts; and
- Conducting research, undertaking evaluation and providing advisory services.

The Council's performance was measured against the goals and the targets set out in the Portfolio Budget Statements 2014-15.

VISITOR INTERACTIONS

	TARGET	TARGET ACHIEVEMENT
Total number of attendances at Australia Council supported arts activities	15.5 million	17.7 million This includes some high attendance figures for a small number of funded projects. Attendance figures of this nature will fluctuate from year to year.
Total number of visits to the Australia Council website	0.73 million	0.63 million Australia Council website visit rates were slightly under target. This decrease is a reflection of the efficiency of the new grants model and due to the reduced number of closing dates throughout 2014-15. Website analytics show a decrease in bounce rates by 2%, indicating that visitors were easily able to find the information they needed.

SUPPORT FOR CULTURALLY DIVERSE PROJECTS AND EVENTS

	TARGET	TARGET ACHIEVEMENT
Number of projects/events funded	300	310
Total funding provided	\$11.5 million	\$14.3 million

SUPPORT FOR NEW AUSTRALIAN ART WORK

	TARGET	TARGET ACHIEVEMENT
Number of new Australian art work projects supported	7,000	8,855
Total funding for new Australian art work projects	\$7.5 million	\$9.0 million

RESEARCH AND DEVELOPMENT PROJECTS

Projects supported in this area are for the main purpose of research and/or development across all Council funding.

	TARGET	TARGET ACHIEVEMENT
Total funding for research and development projects	\$1.5 million	\$1.4 million

During the financial year fewer applications were funded having a focus on research and development.



Amanda Palmer performs with the Tasmanian Symphony Orchestra, 2015.
Image courtesy of the Tasmanian Symphony Orchestra

EXPENDITURE MIX

Actual operational expenditure for programs, labour and other expenses are in line with targets. Capital expenditure reflects the new Australian Pavilion redevelopment project in Venice. The program was completed in 2014-15, with \$5.0 million in build cost added in the year entirely funded from private donation income.

	TARGET	TARGET ACHIEVEMENT
Expenditure on programs/projects (as a % of total expenditure)	88.4%	88.1%
Expenditure on capital items (as a % of total expenditure)	2.6%	2.8%
Expenditure on other labour costs (as a % of total expenditure)	5.4%	5.4%
Other expenses (as a % of total expenditure)	3.6%	3.7%



The new Australian Pavilion.
Image credit: Alessandra Bello

AUSTRALIA COUNCIL SPECIFIC KEY PERFORMANCE INDICATORS

In 2014-15, the Council met the majority of its specific key performance indicators. In most cases the Council matched or exceeded the target published in the Portfolio Budget Statements 2014-15.

	TARGET	TARGET ACHIEVEMENT
Number of artistic works exhibited, performed and published	6,400	6,130
		The varied timelines and outputs for projects funded means that the number of works exhibited, performed and published in any given financial year can fluctuate.
Number of initiatives that strengthen ties with other countries	30	35
Number of grants and projects	2,200	1,964
		Due to the reduction in the number of organisations funded, fewer grants and projects were funded.
Number of individual artists funded	900	989
Number of organisations funded	1,200	975
		This financial year was a transition year between grant models. During this transition fewer grants were awarded and those awarded under the new model were larger than in previous years, resulting in fewer organisations being funded.
Number of countries presented in	60	63
Number of grants supporting Australian artists internationally	450	554



What Rhymes with Cars and Girls, 2015, Melbourne Theatre Company.
Image credit: Jeff Busby

management and accountability



THE AUSTRALIA COUNCIL BOARD

MANAGEMENT

In 2014-15, pursuant to the Act, the Council was overseen by the Board. Its membership comprises a range of expertise across artistic practice, arts management, business, management, public policy, corporate governance and administration, regional issues, gender, multicultural and Indigenous community participation in the arts, finance, philanthropy, legal affairs, corporate strategy and research.

For the year 2014-15, the Board had eleven (11) members, not including the Chief Executive Officer (CEO) who is a member of the Board (Ex-Officio). Board members who served during the year are as follows:

- Chair, Mr Rupert Myer AO (Vic)
- Deputy Chair, Ms Robyn Archer AO (SA)
- Chief Executive Officer, Mr Tony Grybowski (NSW)
- Mr Waleed Aly (Vic)
- Ms Lee-Ann Buckskin (SA)
- Mr Adrian Collette AM (Vic)
- Mr Khoa Do (Vic)
- Professor Matthew Hindson AM (NSW) (term concluded on 26 March 2015)
- Ms Mary-Ellen King (WA) (term concluded on 30 June 2015)
- Ms Sophie Mitchell (Qld)
- Ms Samantha Mostyn (NSW)
- Mr Tim Orton (Vic)

Terms of appointment for members of the Board are generally three years. Members are eligible for re-appointment, however, appointments are limited to a total of nine years.

BOARD GOVERNANCE

The Board and Council staff are guided by internal policies and guidelines. Key to ensuring good corporate governance is Council's Governance Manual. All Board members were provided with a copy of the current Governance Manual in 2014-15.

The Governance Manual outlines the expected and appropriate ethical standards for Board members and staff to uphold including:

- directors' obligations
- confidentiality and disclosure of the Council's business
- conflicts of interest
- political activity
- sponsored travel and acceptance of gifts or benefits.

A Code of Conduct, with which every member of the Council, its Board and committees, are expected to comply, is provided with the Governance Manual. It outlines the responsibility entrusted to these members and the fundamental principles and values that guide the work of the Council.

If a Board member requires legal advice on any matter, the Chair advises the CEO to make arrangements for obtaining this advice. There were no requests for legal advice by a Board member for 2014-15.

AUSTRALIA COUNCIL BOARD MEMBERS



Mr Rupert Myer AO

Chair (Vic)

Mr Myer is Deputy Chair Myer Holdings Ltd; Director of AMCIL Limited; Healthscope Limited; The Myer Foundation; Creative Partnerships Australia; eCargo Holdings Limited; Member of the University of Melbourne Faculty of Business and Economics Advisory Board; Board Member of Jawun Indigenous Corporate Partnerships; Australian International Cultural Foundation; Board Member, The Yulgilbar Foundation; Emeritus Trustee National Art Gallery of Victoria; Member, International Advisory Board of the Hong Kong Arts Development Council; Chairman, The Aranday Foundation; and Member, Felton Bequests' Committee.



Ms Robyn Archer AO FAHA

Deputy Chair (SA)

Ms Archer is Chevalier de l'Ordre des Arts et des Lettres; Officer of the Crown (Belgium); Strategic Advisor, Arts and Culture, City of Gold Coast; Artistic Director, The Light in Winter (Federation Square); Patron, Brink Productions (Adelaide); Australian Script Centre (Hobart); Australian Art Orchestra (Melbourne); Arts Law Society (Sydney); Institute of Post-Colonial Studies (Melbourne); Arts Health Foundation; Mildura Print Triennial; Chair of the National Institute of Dramatic Arts Master of Fine Arts in Cultural Leadership; Ambassador Adelaide Football Club; International Women's Development Agency; Member, The European House of Culture; Council on Australia Latin America Relations. Ms Archer was the Creative Director, Centenary of Canberra 2013 and won the Helpmann Award for Best Cabaret Performer 2013. She holds Honorary Doctorates from Flinders and Griffith Universities, and from the Universities of Sydney, Canberra and Adelaide, and is an Honorary Fellow of the Australian Academy for the Humanities.



Mr Tony Grybowski

Chief Executive Officer (NSW)

Ex-Officio Board Member.



Mr Waleed Aly (Vic)

Mr Aly is an award-winning author, broadcaster, academic and lecturer in politics at Monash University; Director, Tigers in the Community Foundation; Director, Macent Pty Ltd (Trading as Salam Café); Ambassador, Possible Dreams International. Mr Aly is also a practising musician.



Ms Lee-Ann Buckskin (SA)

Ms Buckskin is one of seven national champions for the Barangaroo redevelopment site in Sydney; Co-Chair of a new International Aboriginal Visual Arts Festival in South Australia; and part-time manager at Carclew in Adelaide. Ms Buckskin is a Narungga, Wirangu, Wotjobaluk woman.



Mr Adrian Collette AM (Vic)

Mr Collette was the former CEO, Opera Australia for 16 years; currently Vice-Principal (Engagement), University of Melbourne; Executive Board Member, Committee for Melbourne; former Member, Victorian Council for the Arts; Life Member, Australian Entertainment Industry Association's Executive Council; previously Managing Director, Reed Books.



Mr Khoa Do (Vic)

Mr Do is a filmmaker, international keynote speaker and community and youth worker. He has worked extensively with refugees, former prisoners and at-risk youths across Western Sydney and Melbourne. Mr Do was Young Australian of the Year in 2005. In 2014, he won the Australian Director's Guild Award for Best Direction in a TV Mini Series.



Professor Matthew Hindson AM (Vic)

Term concluded 26 March 2015

Professor Hindson is a renowned composer and Chair, Composition and Music Technology Unit, Sydney Conservatorium of Music. His music is performed extensively by orchestras and music organisations nationally and internationally, most recently by such diverse ensembles as the Australian String Quartet, Tasmanian Symphony Orchestra at MONA, the Elias String Quartet on a national tour presented by Musica Viva Australia, the Phoenix Symphony, the National Ballet of Japan, and a recent commission for Bernadette Harvey. Professor Hindson is a represented member of the Australian Music Centre.



Ms Mary-Ellen King (WA)

Term concluded 30 June 2015

Ms King is Board Member, Perth International Arts Festival and also of Juniper Aged Care. She was a recent Director of Leading Aged Services Australia (WA); previously Chief Operating Officer Community, The Bethanie Group; General Manager, Melbourne International Arts Festival; Executive, Victorian Arts Centre; Managing Director, Melbourne Symphony Orchestra; Melbourne Manager, Opera Australia; and Assistant Manager, Perth Concert Hall.



Ms Sophie Mitchell (Qld)

Ms Mitchell is Trustee, Queensland Performing Arts Trust; Director, Morgans; Director, Silver Chef Limited; Director, Flagship Investments Limited; Director, MTQ Insurance Limited; Director, Morgans Foundation; and Member, Australian Government Takeovers Panel.



Ms Samantha Mostyn (NSW)

Ms Mostyn is the President of the Australian Council for International Development (ACFID) and sits on the boards of Virgin Australia, Transurban Group, Mirvac, Citibank Australia, Australian Volunteers International, Reconciliation Australia and CoverMore; and has previously held senior executive roles at Insurance Australia Group, Optus Communications and Cable & Wireless Communications plc. Ms Mostyn was the first woman appointed to the AFL Commission, and has served on the Chief of the Defence Force's Womens Advisory Group, and was a member of the Human Rights Commission Review of the Treatment of Women in the Australian Defence Force. Ms Mostyn is currently the Deputy Chair of the Diversity Council of Australia. Ms Mostyn previously served for 10 years on the Board of Sydney Theatre Company, and currently serves on the Board of Carriageworks.



Mr Tim Orton (Vic)

Mr Orton is Chair, Rhodes Scholarships in Australia; Executive Board Member, Committee for Melbourne; Managing Director, Nous Group; Director, Jianguo Pty Ltd; and a former Chair of Geelong Performing Arts Centre.

CORPORATE GOVERNANCE

Corporate governance is the process by which the Council is directed and controlled. It encompasses authority, accountability, stewardship, leadership, direction and control of the organisation.

In 2014-15, the primary role of the governing Board was to guide the implementation of the Council's strategic objectives. To fulfil this role and to ensure sound governance of the organisation the Board was responsible for:

- establishing and monitoring management's performance outcomes
- overseeing changes to the organisation's structure and grants program
- ensuring the integrity of internal control and management information systems
- approving and monitoring financial and other reporting.

During 2014-15 the Board met six (6) times:

26 August 2014	Geelong, Vic
22 October 2014	Brisbane, Qld
11 December 2014	Sydney, NSW
4 March 2015	Perth, WA
23 April 2015	Sydney, NSW
17 June 2015	Sydney, NSW

Changes to Board membership for 2014-15

Board members who completed their terms in 2014-15 are:

- Professor Matthew Hindson AM concluded his term on 26 March 2015
- Ms Mary-Ellen King concluded her term on 30 June 2015.

Schedule of attendance at Board meetings from 2014-15

NAME	ELIGIBLE TO ATTEND MEETINGS	MEETINGS ATTENDED
Mr Rupert Myer AO	6	6
Ms Robyn Archer AO	6	6
Mr Tony Grybowski	6	6
Mr Waleed Aly	5	5
Ms Lee-Ann Buckskin	6	6
Mr Adrian Collette AM	5	5
Mr Khoa Do	4	4
Professor Matthew Hindson AM*	4	4
Ms Mary-Ellen King**	6	6
Ms Sophie Mitchell	6	6
Ms Samantha Mostyn	5	5
Mr Tim Orton	6	6

*Term concluded on 26 March 2015.

**Term concluded on 30 June 2015.

BOARD EDUCATION AND PERFORMANCE REVIEW PROCESSES

During 2014-15 the Board undertook a self-evaluation process, overseen by the Chair, to ensure the Board and each of committees are functioning effectively, and discharging their obligations, and identify any areas for further improvement. The results of the self-evaluation were reported to the full Board.

MINISTRY FOR THE ARTS AND GOVERNMENT POLICIES

Responsible Minister

The Minister responsible for the Council during the 2014-15 financial year was Senator the Hon. George Brandis QC, Attorney-General and Minister for the Arts.

Ministry for the Arts, Attorney-General's Department

The Ministry for the Arts has observer status on the Board. Ms Sally Basser, Executive Director of the Ministry for the Arts, held observer status for 2014-15.

Ministerial directions and rules

The Council is bound by the *Australia Council Rule 2013* issued for the purpose of section 48(1)(a),(b) and (c) of the Act.

Section 48(1) of the Act provides for restrictions on financial transactions and requires that ministerial approval is sought in writing for an amount prescribed by the rules. The *Australia Council Rule 2013* prescribes the amount of \$1,000,000 for the purposes of section 48(1)(a), (b) and (c) of the Act.

No ministerial directions were received in 2014-15.

General Policy Orders and government policies

No General Policy Orders or government policies affecting the Council were issued in 2014-15.

Previously issued General Policy Orders and government policies continued to be noted.

COMMITTEES

Pursuant to section 31 of the Act, the following committees and panels provided specialist advisory services and recommendations to the Board for approval:

- Audit and Finance Committee
- Nominations and Appointments Committee
- Strategy Committee
- Appeals Committee
- Rescission of Decisions Committee
- Decisions Review Committee
- Peer Assessment Panels
- Arts Practice Chairs and Strategy Panels

AUDIT AND FINANCE COMMITTEE

The Audit and Finance Committee was chaired by Board member Ms Sophie Mitchell during 2014-15. The committee provides oversight of Council's financial reporting and budgeting functions, internal and external audit processes, risk management, the system of internal controls and compliance with legal and regulatory requirements.

The Chair of Council, the Chief Executive Officer, the Chief Financial Officer and the Legal and Governance Manager have a standing invitation to attend committee meetings. The committee met six (6) times during the year.

Attendance at Audit and Finance Committee meetings

NAME	ELIGIBLE TO ATTEND MEETINGS	MEETINGS ATTENDED
Ms Sophie Mitchell (Chair)	6	6
Mr Adrian Collette AM	6	5
Professor Matthew Hindson AM*	4	4
Ms Mary-Ellen King**	6	6

*Term concluded on 26 March 2015

**Term concluded on 30 June 2015

The Audit and Finance Committee reviews its Charter annually and during 2014-15 the Charter was updated to reflect the introduction of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) which came into effect on 1 July 2014. The committee's Charter was approved by the Board.

Representatives from the Council's internal and external auditors were invited to attend the committee meetings. Minutes of the committee meetings were made available to all Board members and the Chair of the committee reported on relevant matters at the Board meetings.

NOMINATIONS AND APPOINTMENTS COMMITTEE

The Nominations and Appointments Committee was chaired by the Deputy Chair of the Board, Ms Robyn Archer AO during 2014-15. The committee facilitates and oversees the nominations process in consultation with senior management. The committee considers all nominations at its meetings and then makes recommendations to the Board for appointment of the endorsed nominees. The Board considers each recommendation and approves the relevant appointments. The committee met seven (7) times in 2014-15.

Attendance at Nominations and Appointments Committee

NAME	ELIGIBLE TO ATTEND MEETINGS	MEETINGS ATTENDED
Ms Robyn Archer AO	7	7
Ms Lee-Ann Buckskin	7	6
Mr Khoa Do	7	6
Professor Matthew Hindson AM*	5	5

*Term concluded on 26 March 2015

STRATEGY COMMITTEE

The Strategy Committee was chaired by Board member Mr Tim Orton during 2014-15. The committee oversaw the development and implementation of the five-year Strategic Plan and Corporate Plan for the Council which commenced in 2014-15. The committee met four (4) times in 2014-15.

Attendance at Strategy Committee meetings

NAME	ELIGIBLE TO ATTEND MEETINGS	MEETINGS ATTENDED
Mr Tim Orton	4	4
Ms Robyn Archer AO	4	4
Mr Waleed Aly	4	4
Ms Lee-Ann Buckskin	4	2
Ms Samantha Mostyn	4	2

APPEALS COMMITTEE

The Board empowered the Appeals Committee, under the Council's Authorisations Framework 2014 and the Act, to consider and determine any appeal from a Board, committee or senior officer of the Council against a decision by the Chair and CEO to rescind a previously approved decision.

The Appeals Committee consists of the Chair (or the Deputy Chair where the Chair has participated in the decision to rescind or confirm the subject of the appeal) and three (3) Board members, as elected by the Chair (or Deputy Chair) providing that the Board members have not been involved in the decision under appeal. At least one committee member is to have experience as an arts practitioner.

The Appeals Committee did not meet in 2014-15.

RESCISSION OF DECISIONS COMMITTEE

The Board has empowered the Rescission of Decisions Committee to:

- Suspend a decision by a Panel, Committee, Officer(s) or Employee(s) approving a grant or loan of money or the provision of a scholarship, fellowship, award, or other benefits, until such time as a decision is made whether to rescind or confirm it; and
- Rescind or confirm a decision by a Panel, Committee or Officer(s) or Employee(s) approving a grant or loan of money or the provision of a scholarship, fellowship, award, or other benefits.

The Rescission of Decisions Committee consists of the Deputy Chair and the CEO. The Chair may exercise the power in unison with the CEO when the Deputy Chair is absent. The authority shall only be exercised where the project outcomes contemplated in a grant application or funding decision under review may not comply with all applicable laws, or could reasonably be deemed to have the effect of bringing the Council into disrepute.

The Rescission of Decisions Committee did not meet in 2014-15.

DECISIONS REVIEW COMMITTEE

The Board empowered the Decisions Review Committee, under the Council's Authorisations Framework 2014 and the Act, to determine requests for review of grant related decisions. To meet the requirements for review, the applicant must establish a relevant administrative ground to dispute decision procedures.

The Decisions Review Committee does not assess the artistic merit of applications. Its purpose, under the Council's direction, is to ensure the committees and senior officers have followed procedural fairness in making decisions. The membership comprises the CEO, the Chair of the Audit and Finance Committee, a member of the Nominations and Appointments Committee and one additional Board member. As at 30 June 2015, Mr Tony Grybowski was Chair of the committee. Further information is available at www.australiacouncil.gov.au/funding/appealing-a-grant-decision/

The Decisions Review Committee did not meet in 2014-15.

PEER ASSESSMENT PANELS

A peer is a practising artist, arts worker or industry expert with knowledge and experience of the Australian arts sector. Decision making on funding based on the assessment of artistic merit by a panel of peers is a core principle of the Council.

Council convenes assessment panels across a range of arts practices, with membership changing between assessment meetings rather than remaining static. This reflects strong sector feedback about the need for a larger and more diverse group of peers to be involved in grant assessments, and enables panels to be formed in response to the applications in each grant round.

The Council now has a larger and more diverse pool of nearly 650 peers to select from when forming assessment panels. This pool is approved by the Board following self-nomination by peers and a rigorous review process through the Nominations and Appointments Committee. Peers are chosen for their experience and knowledge, which enables them to make an informed assessment about the work in a particular art form or area within the arts sector. Close monitoring ensures there is an appropriate mix across a number of diversity characteristics.

The Australia Council has a robust governance structure for the peer assessment process. Peers must declare an actual, potential or perceived conflict of interest in accordance with the Council's Conflicts of Interest Policy (which is included in the Peer Assessment Handbook) and is discussed during their induction to the role.

Recommendations made by peers are considered by certain senior officers of the Council who are authorised to make grants and pursue particular purposes already approved by the Board or its committees. The senior officers concerned consider assessment reports by peer experts or panels of peer experts.

345 peers participated in assessments during 2014–15.

ARTS PRACTICE CHAIRS AND STRATEGY PANELS

The Chairs of Arts Practice and Strategy Panels provide objective, strategic and expert advice to the Board and Council on arts sector issues. They are an important avenue through which the Council maintains direct engagement and ongoing dialogue with the arts sector. This ensures that the Australia Council and its Board are informed through a range of avenues on art form practice and sector issues. All Arts Practice Chairs and Strategy Panel members were given the opportunity to attend an induction day at Council, were provided with induction materials including the Governance Manual and participate in a range of meetings and activities with Council throughout the year.

The Chairs and Strategy Panel members for the 2014-15 year are listed below.

ARTS PRACTICE CHAIRS

Arts Practice Chairs of each art form attended Council assessment meetings as observers and met with Council staff to provide important arts sector advice. This included advice across Visual Arts, Theatre, Emerging and Experimental Arts, Dance and Music and other arts sector areas including Capacity Building, Community Arts and Cultural Development, and Marketing and Audience Development.

Arts Practice Chairs as at 30 June 2015

Dr Danie Mellor	NSW	Visual Arts
Mr Stephen Armstrong	Vic	Theatre
Ms Julianne Pierce	SA	Emerging and Experimental Arts
Ms Elizabeth Walsh	Tas	Dance
Ms Deborah Conway	Vic	Music
Ms Charlotte Wood	NSW	Literature
Prof Brad Haseman	Qld	Capacity Building
Mr Lockie McDonald	WA	Community Arts and Cultural Development
Ms Nerrilee Weir	NSW	Market and Audience Development

STRATEGY PANELS

Aboriginal and Torres Strait Islander Arts Strategy Panel

The Aboriginal and Torres Strait Islander Arts Strategy Panel assists Indigenous people to claim, control and enhance their cultural inheritance by supporting the development and promotion of traditional and contemporary arts practices. The panel encourages new forms of cultural expression by Aboriginal and Torres Strait Islander people who practise any art form and live in urban, regional and remote areas.

Aboriginal and Torres Strait Islander Arts Strategy Panel at 30 June 2015

Mr Wesley Enoch	Qld	Chair
Mr Tristan Schultz	Qld	Member
Ms Jeannette James	Tas	Member
Ms Franchesca Cubillo	ACT	Member
Ms Terri Janke	NSW	Member
Mr Peter White	ACT	Member

Major Performing Arts Panel

The Major Performing Arts Panel is authorised by the Board to maintain the National Framework for Governments' Support of the MPA sector; and to monitor the performance of the MPA companies and provide strategic advice on critical sector issues.

Major Performing Arts Panel at 30 June 2015*

Mr Julian Knights	NSW	Chair
Ms Helen Cook	WA	Member
Mr Chris Freeman AM	Qld	Member
Ms Kate Brennan	Vic	Member
Ms Rachel Healy	NSW	Member
Mr Derek Young AM	Vic	Member
Ms Larissa Behrendt	NSW	Member

* Mr Chum Darvall AM concluded his term on 15 May 2015 and Mr Tim Cox AO concluded his term on 23 May 2015.

Research Strategy Panel

The Research Strategy Panel provides guidance to the Council's research program in line with the Strategic and Corporate Plan. The panel provides recommendations on applications of research across Council. The panel also monitors research outcomes of the Research and Strategic Analysis team.

Research Strategy Panel at 30 June 2015

Prof John Daley	NSW	Chair
Mr Andrew Middleton	SA	Member
Prof David Throsby AO	NSW	Member
Ms Megan Brownlow	NSW	Member
Mr David Ansell	WA	Member
Dr Hilary Glow	Vic	Member

ACCOUNTABILITY

Service charter

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

The Council's service charter reflects its commitment to quality client service. It describes the service standards that clients and other stakeholders can expect. In 2014-15, the Council did not receive any formal complaints.

The Council service charter can be found at: www.australiacouncil.gov.au/about/service-charter/

Freedom of information

The Council is an agency subject to the *Freedom of Information Act 1982*. As such, it is required to publish information for the public as part of the Information Publication Scheme. The Council website provides details of the information published in accordance with the Information Publication Scheme requirements. The information can be found at www.australiacouncil.gov.au/about/freedom-of-information/

Risk management

The Council has a Risk Management Policy Framework that provides a comprehensive approach to managing risk in a systematic and transparent manner. The framework aims to provide principles and guidelines to assist staff to identify, evaluate and effectively manage all significant risks. The framework also requires that Council prepare a Risk Management Report every six months, which is an essential component to ensure that the framework's principles are being implemented and this is reviewed by the Board.

The Council also has a Fraud Control Policy, which provides guidance on what constitutes fraud, the Council's responsibility for managing fraud and the process for addressing and reporting suspected incidents of fraud.

Both policies are reviewed and updated annually to ensure alignment with current legislation and best practice. Each year Council also produces a Risk Management Annual Plan and a Fraud Control Annual Plan, which detail specific activities to be performed under these areas such as internal audit reviews. These plans are approved by the Board.

The principles outlined in these documents are embedded in the diverse decision making processes across the organisation. Training on subjects such as good decision making, fraud, contracts and procurement, record management and compliance with the PGPA Act were provided to staff during 2014-15.

The current Risk Management Policy Framework and Fraud Control Policy and their respective annual plans are available on the Council's intranet.

Internal Audit

In October 2014, Council engaged O'Connor Marsden as its internal auditors for a term of three (3) years. Since commencement, the auditors have conducted four internal audits covering the areas of fraud control, IT and security, contracts and procurement.

Grants

Information on awarded grants is available online at:
<https://online.australiacouncil.gov.au/ords/GrantsList>

Project Control Group

In 2014-15, Council established a Project Management Office (PMO) and Project Control Group (PCG) to ensure a consistent organisation wide approach towards the management of projects which significantly contribute to the achievement of the Council's strategic goals and corporate objectives.

The PCG comprises members of the Executive team, and it approves, endorses, monitors and provides guidance for strategic project activity, which has an impact across the entire organisation. The PCG also shapes the following year's budget and forward estimates in relation to project work.

Workplace Forum staff representatives

A Workplace Forum staff representative is an observer at Board meetings and presents the staff report, which contains information on current staff issues. The representative may be invited to participate in discussion about the staff report at the discretion of the Chair.

The Workplace Forum staff representatives participated in an initial induction to understand the nature of the role and the confidentiality required to perform it. The Workplace Forum staff representatives are subject to the Workplace Forum Charter in carrying out their roles.

Attendance by Workplace Forum staff representatives at Board meetings during 2014-15 was either in person or teleconference by invitation of the Chair.

Mr Ian Whitney and Ms Meredith Okell were nominated and fulfilled the role of Workplace Forum staff representatives for 2014-15, continuing from nomination in May 2014. Ms Karen Le Roy concluded her term as a Workplace Forum staff representative in June 2015.

EXTERNAL REVIEW

Changes affecting the Council

No significant external changes affected the Council in 2014-2015.

The Council undertook an internal restructure in 2014-15 in response to the 2012 Australia Council Review. A new grants model was also introduced which is open to Australian artists and arts organisations across all arts practice and disciplines. The new model reduced the number of grant categories and established new, simplified eligibility criteria.

Judicial decisions and reviews by outside bodies

During 2014-15, there were no judicial decisions or decisions of administrative tribunals that have had, or may have, a significant impact on the Council's operations. There were no reports on the operations of the Council by the Auditor General (other than the report on the financial statements) or by a parliamentary committee.

External Audit

Under section 7 of the *Auditor General Act 1997* the Auditor General acts as the external auditor for the Commonwealth. The Australian National Audit Office (ANAO) supports the Auditor-General, whose primary client is the Australian Parliament.

The ANAO did not conduct any performance audits of Council during 2014-15.

Insurance

The Council's insurance policies for 2014-15 included cover for directors' and officers' liability. The premium paid for this insurance cover was \$34,697.47 (excluding GST and discounts). This covered a liability limit of \$100 million.

Significant events

No significant events in the context of section 19 of the PGPA Act occurred during 2014-15. This section requires the Council to notify the responsible Minister of events such as proposals to form a company, partnership or trust, to acquire or dispose of a significant shareholding in a company or commence or cease business activities or to make other significant changes.

MANAGEMENT OF HUMAN RESOURCES

INDUSTRIAL RELATIONS AND WORKPLACE CONSULTATION

The Australia Council Enterprise Agreement reached its nominal expiry date on 15 November 2014 and will continue to provide the current terms and conditions for employees until it is renewed. The Enterprise Agreement covers all employees, other than the Senior Management and Executive teams. Bargaining for a new Enterprise Agreement is being undertaken in accordance with the Australian Government Public Sector Workplace Bargaining Policy.

In addition to consultative obligations upheld under our Enterprise Agreement, our Workplace Forum provides a forum for effective communication within the organisation. The forum's objectives are to foster a healthy working environment and positive workplace culture; encourage active participation by all staff in the work of the organisation; and develop and promote positive workplace relations across all levels of the organisation. In 2014-15 the forum comprised three staff and two management representatives, including the Director Human Resources and the CEO.

WORK HEALTH AND SAFETY (WHS)

In 2014-15, the Council continued to ensure the workplace health, safety and welfare of its employees and contractors, with no lost time injuries, and three minor incidents.

Our workplace safety is monitored by our WHS Committee and two Health and Safety Representatives. In April 2015, the WHS Committee finalised its Constitution which was endorsed by the Executive team. The WHS Committee is chaired by an Executive Director until June 2015, following which an employee on the WHS Committee will Chair. WHS Committee representatives come from each floor and division of the organisation with a member of the First Aid Support Team also sitting on the committee. The Committee meets at least quarterly with workplace inspections conducted prior.

WHS activities and measurement are undertaken through the Human Resources team, along with the Building and Facilities team where appropriate. There are systems in place for staff to quickly and easily report any hazards, injuries or incident, including First Aid assistance. Identified hazards and risks have corrective action applied when reasonably practicable to do so, and are acted on in a timely manner.

Training for staff is recognised as one of the key elements in achieving and maintaining a high standard of workplace safety.

STAFF PROFILE

The Council's staff profile reflects the diversity, flexibility and skills required to meet the changing needs of a dynamic arts sector. On 30 June 2015 there were 113.9 full-time equivalent (FTE) employees, a decrease from 131.4 in 2013-14 (see Figure 9). The average staffing level (ASL) for the year was 119.5 compared with the previous year's 126.4. The Council underwent a transformational change program and restructure in late 2014, with effect from 5 January 2015.

Employees are appointed under section 43 of the Act with terms and conditions set out in the Enterprise Agreement. Members of the Council’s Executive and Senior Management teams are employed on individual employee agreements (common law contracts), and are regarded as equivalent to the Australian Public Service Senior Executive Service (SES).

The representation of employees in targeted equal opportunity groups at 30 June 2015 is shown as a percentage of total employees in Figure 8. Representation of women at Council remained consistent at approximately 68% of staff (including the Senior Management team) and 50% of our Executive team.

FIGURE 8
Representation of employees in equal employment opportunity groups as at 30 June 2015

GROUP	2012-13	2013-14	2014-15
Women	66.4%	70.9%	67.5%
Aboriginal and Torres Strait Islander People	4.3%	4.6%	5.1%
People with disability	1.7%	3.7%	3.4%
Non-English speaking background	11.2%	11.9%	15.4%

FIGURE 9
Number of Staff (FTE) by division at 30 June 2015

DIVISION	2012-13	2013-14	DIVISION	2014-15
Aboriginal and Torres Strait Islander Arts*	7.0	9.0		
Office of the CEO	12.0	14.0	Office of the CEO* including Aboriginal and Torres Strait Islander Arts	19.0
Arts Development	22.8	29.8	Arts Strategy	30.4
Arts Funding	46.2	46.8	Grants	25.6^
Arts Organisations	10.0	11.8	Arts Infrastructure	13.0
Corporate Resources	15.8	20.0	Corporate Resources	25.9^
Total	113.8	131.4	Total	113.9

* Aboriginal and Torres Strait Islander Arts division merged into the Office of the CEO.

^ Figure does not include a staff member who is on maternity leave without pay.

DEVELOPING OUR PEOPLE

Staff who undertook a secondment or received a promotional opportunity remained consistent at over 15% when compared to last year, with opportunities for higher duties also provided during leave absences or short-term vacancies, and during the preparation for organisational restructure. Human Resources implemented a number of key programs addressing organisational development requirements, alongside identified training and development needs of staff.

Mandatory compliance training for all staff in the year covered:

- procurement and contract management
- records management
- fraud and risk management
- anti-discrimination, harassment and bullying prevention
- elearning compliance modules for all new starters.

RECOGNISING OUR PEOPLE

In addition to Council's formal annual performance review process and recognition of achievements at all staff presentations, four staff award categories were presented to recipients on 11 December 2014. Seven awards were nominated by management and confirmed via the Executive team, with an eighth award determined through staff nomination and confirmed by the Workplace Forum Staff Representatives.

ADVERTISING

The Council uses advertising for a limited range of purposes: to recruit staff, publicise initiatives and grant program closing dates, to invite clients to public information sessions and to call for tenders. The total cost of staff recruitment advertising was \$21,859 in 2014-15 compared to \$33,367 in 2013-14. The cost of advertising for all other purposes was \$48,359 in 2014-15 compared to \$13,133 in 2013-14.

ECOLOGICALLY SUSTAINABLE DEVELOPMENT

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

ENERGY CONSUMPTION	KWH
2012-13	685,965
2013-14	707,828
2014-15	737,242

PAPER CONSUMPTION	REAMS PER YEAR (A4 80 GSM PAPER)
2012-13	685,965
2013-14	707,828
2014-15	737,242

RECYCLED PAPER/CARDBOARD	WEIGHT (KG)
2012-13	15,750kg*
2013-14	1,470kg
2014-15	12,786kg*

* This increased figure is due to the disposal of a significant volume of out of date publications in 2012-13 and 2014-15.

EXECUTIVE TEAM AT 30 JUNE 2015



Tony Grybowski

Chief Executive Officer

Mr Grybowski's twenty-five year career in the arts has included leadership roles with a broad range of arts organisations and arts policy work in state and federal government bodies. Mr Grybowski has previously held management roles at the Australian Youth Orchestra, the Sydney Symphony Orchestra and Musica Viva Australia. With over a decade working in government bodies Mr Grybowski's experience includes arts policy development and program delivery in the Victorian Government and five years as Executive Director Arts Organisations with the Australia Council, before taking on the role of Chief Executive in May 2013.



Tim Blackwell

Executive Director, Corporate Resources

Mr Blackwell has extensive experience in finance and business administration. Mr Blackwell has previously held the roles of Chief Financial Officer at Macquarie Telecom; Managing Director, Asia Pacific for Brinks Inc; and 10 years of experience in professional practice at Price Waterhouse. Mr Blackwell was appointed Executive Director in September 2012.



Lydia Miller

Executive Director, Aboriginal and Torres Strait Islander Arts

Ms Miller has extensive experience in the arts, health, justice and community sectors, with over twenty years experience as a performer, artistic director, producer, administrator and advocate. Ms Miller has previously held the roles of Executive Officer at the Aboriginal Justice Advisory Council; and many Council, Board and Committee appointments. Ms Miller is a Kuku Yalanji woman. Ms Miller was appointed Executive Director in July 2005.



Lissa Twomey

Executive Director, Arts Infrastructure

Ms Twomey has over 20 years of experience in arts management, as an artistic director, producer and administrator and has a passion for assisting artists to realise their personal artistic goals and ambitions. Ms Twomey has previously held the roles of Artistic Director of the New Zealand International Arts Festival; Artistic Director of Wellington Jazz Festival; Associate Director of Sydney Festival; and internationally with Harrison Parrott International Artists' Management, UK. Ms Twomey was appointed Executive Director in September 2013.



Frank Panucci

Executive Director, Grants

Mr Panucci has over 20 years of experience in community, cultural development and human rights. Mr Panucci has previously held the roles of Director Community Partnerships at Australia Council; Chief Executive Officer at Community Cultural Development NSW; and General Manager at Carnivale Festival. Mr Panucci was appointed Acting Executive Director in May 2013, and was confirmed in the position in December 2013.



Wendy Were

Executive Director, Arts Strategy

Dr Were has extensive and wide ranging experience in arts management, curation and business development. Dr Were has previously held the roles of Artistic Director and Chief Executive at Sydney Writers' Festival; Program Producer at the Perth International Arts Festival; Chief Executive Officer at West Australian Music; and Business Advisor with the Creative Industries Innovation Centre. Dr Were also holds a PhD in Literature, awarded with Distinction. Dr Were was appointed Executive Director in January 2014.



Erin Coates, *Bouldering Wall* in *KINOSPHERE*, Perth Institute of Contemporary Arts.
Photo by Alessandro Bianchetti

financial statements





INDEPENDENT AUDITOR'S REPORT

To the Minister for the Arts

I have audited the accompanying annual financial statements of the Australia Council for the year ended 30 June 2015, which comprise:

- Statement by the Board, Chief Executive and Chief Financial Officer
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Board Members' Responsibility for the Financial Statements

The Board Members of the Australia Council are responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Board Members of the Australia Council are also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members of the Australia Council, 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 my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

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

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australia Council as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly
Executive Director
Delegate of the Auditor-General

Canberra

26 August 2015

STATEMENT BY THE BOARD, CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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



Rupert Myer AO

Chair



Antony Grybowski

Chief Executive Officer



Timothy Blackwell

Executive Director

Corporate Resources (CFO)

Date: 26 August 2015

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	(13,502)	(13,378)
Suppliers	3B	(10,834)	(13,080)
Grants	3C	(191,503)	(199,228)
Depreciation and amortisation	3D	(629)	(652)
Finance costs	3E	(29)	(22)
Losses from asset disposal	3F	(45)	(366)
Other expenses	3G	(35)	(264)
Total expenses		(216,577)	(226,990)
OWN-SOURCE INCOME			
Own-source revenue			
Interest - Deposits		3,029	3,147
Rental income - sublease		53	70
Other revenue	4A	3,328	6,224
Total own-source revenue		6,410	9,441
Total own-source income		6,410	9,441
Net cost of services		(210,167)	(217,549)
Revenue from Government	4B	211,764	218,786
Surplus attributable to the Australian Government	4C	1,597	1,237
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		(66)	(16)
Total comprehensive income/(loss)		(66)	(16)
Total comprehensive income		1,531	1,221
Total comprehensive income attributable to the Australian Government		1,531	1,221

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents	6A	21,376	18,738
Trade and other receivables	6B	4,180	7,509
Total financial assets		25,556	26,247
Non-financial assets			
Land and buildings	7A,D	8,646	3,653
Property, plant and equipment	7B,D	320	388
Other	7C,D	770	917
Intangibles	7E,F	1,453	782
Other non-financial assets	7G	471	476
Total non-financial assets		11,660	6,216
Total assets		37,216	32,463
LIABILITIES			
Payables			
Suppliers	8A	(2,945)	(1,633)
Grants	8B	(4,509)	(1,897)
Deferred Revenue	8C	(24)	(79)
Other payables	8D	(811)	(917)
Total payables		(8,289)	(4,526)
Provisions			
Employee provisions	9A	(2,091)	(1,995)
Other provisions	9B	(3,589)	(4,226)
Total provisions		(5,680)	(6,221)
Total liabilities		(13,969)	(10,747)
Net assets		23,247	21,716
EQUITY			
Parent entity interest			
Reserves		7,886	6,834
Retained surplus/(Accumulated deficit)		15,361	14,882
Total parent entity interest		23,247	21,716
Total equity		23,247	21,716

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

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2015

	Retained earnings		Asset revaluation surplus		Other reserves		Total equity	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	14,882	15,459	1,691	1,707	5,143	3,329	21,716	20,495
Adjusted opening balance	14,882	15,459	1,691	1,707	5,143	3,329	21,716	20,495
Comprehensive income								
Surplus/(Deficit) for the period	1,597	1,237	-	-	-	-	1,597	1,237
Other comprehensive income	-	-	(66)	(16)	-	-	(66)	(16)
Total comprehensive income	1,597	1,237	(66)	(16)	-	-	1,531	1,221
Transfer (from)/to Reserves								
Transfer (from)/to Asher Estate Bequest Reserve	27	9	-	-	(27)	(9)	-	-
Transfer (from)/to Visual Arts Craft Strategy Reserve	-	37	-	-	-	(37)	-	-
Transfer (from)/to Orchestra Review Reserve	-	12	-	-	-	(12)	-	-
Transfer (from)/to Venice Biennale Pavilion Reserve	(1,145)	(1,872)	-	-	1,145	1,872	-	-
Sub-total transfers (from)/to Reserves	(1,118)	(1,814)	-	-	1,118	1,814	-	-
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance as at 30 June	15,361	14,882	1,625	1,691	6,261	5,143	23,247	21,716

CASH FLOW STATEMENT

for the period ended 30 June 2015.

		2015	2014
	Notes	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		211,764	218,786
Receipts from Government		645	665
Interest		3,072	3,094
Other		2,837	4,629
Total cash received		218,318	227,174
Cash used			
Employees		(13,329)	(13,127)
Suppliers		(10,426)	(10,427)
Net GST (paid)/received		3,154	(4,863)
Grants and Programs		(188,891)	(199,400)
Total cash used		(209,492)	(227,817)
Net cash from/(used by) operating activities	10	8,826	(643)
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(6,188)	(2,588)
Total cash used		(6,188)	(2,588)
Net cash from/(used by) investing activities		(6,188)	(2,588)
Net increase/(decrease) in cash held		2,638	(3,231)
Cash and cash equivalents at the beginning of the reporting period		18,738	21,969
Cash and cash equivalents at the end of the reporting period	6A	21,376	18,738

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

SCHEDULE OF COMMITMENTS

as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
BY TYPE			
Commitments receivable			
Sublease rental income		50	65
Net GST recoverable on commitments		17,426	33,029
Total commitments receivable		17,476	33,094
Commitments payable			
Capital commitments			
Land and buildings		-	4,724
Total capital commitments		-	4,724
Other commitments			
Operating leases		13,751	15,963
Grant and programs commitments		179,250	316,525
Total other commitments		193,001	332,488
Total commitments payable		193,001	337,212
Net commitments by type		175,525	304,118
BY MATURITY			
Commitments receivable			
Within 1 year		14,001	15,662
Between 1 to 5 years		3,475	17,365
More than 5 years		-	67
Total commitments receivable		17,476	33,094
Commitments payable			
Capital commitments			
Within 1 year		-	4,724
Total capital commitments		-	4,724
Operating lease commitments			
Within 1 year		3,710	3,337
Between 1 to 5 years		9,967	11,682
More than 5 years		74	944
Total operating lease commitments		13,751	15,963
Grants and programs Commitments			
Within 1 year		150,834	153,518
Between 1 to 5 years		28,416	163,007
More than 5 years		-	-
Total Grants and programs commitments		179,250	316,525
Total commitments payable		193,001	337,212
Net commitments by maturity		175,525	304,118

SCHEDULE OF COMMITMENTS *(continued)*

as at 30 June 2015

Note: Commitments are GST inclusive where relevant.

Capital commitments in 2014 related to construction of the new Venice Pavilion. The construction was completed in 2015.

Sublease rental commitments receivable relates to the sublease of office space at 372 Elizabeth Street, Surry Hills.

Operating lease commitments payable include commitments for IT leases and related services, overseas studios and the office lease at 372 Elizabeth Street, Surry Hills, NSW. Property lease payments are subject to an annual increase in accordance with contractual terms. Grant and program commitments payable comprise \$141.888m (2014: \$210.025m) to Major Performing Arts companies and \$37.362m (2014: \$106.5m) of support for the arts funding under grant agreements in respect of which the recipient is yet to comply with certain requirements or meet eligibility. The quantum of commitments for the Major Performing Arts Companies will be determined by the point in time at which the balance date falls within the three year funding agreement cycle for these companies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 OBJECTIVES OF THE ENTITY

The Australia Council (the Council) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of the Council is to champion and invest in Australian arts.

The Council 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 general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a. Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- b. Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position 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 executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the contingencies note.

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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The fair value of land and buildings, musical instruments and works of art have been taken to be the market value of similar assets as determined by independent valuers. In some instances, Council buildings are purpose built and may in fact realise more or less in the market.

The quantum of the makegood provision is based on management's assessment of the cost to make good the premises at the end of the lease.

A provision for surplus lease has been made for the premises at 372 Elizabeth St Surry Hills where the contracted space is in excess of Council's operating requirements. The unavoidable costs of meeting the lease obligations have been offset by estimated income from subleasing surplus space.

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 AASB 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 that have been issued by the AASB are not expected to have a material impact on the Council.

1.5 REVENUE

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

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

Revenue from Government

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

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

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

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

1.6 EMPLOYEE BENEFITS

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

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

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

Leave

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The liability for long service leave is an estimate of the present value of the liability at 30 June 2015 taking 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 in the Department of Finance's administered schedules and notes.

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.

The liability for superannuation recognised at 30 June 2015 represents outstanding contributions for the final fortnight of the year.

1.7 LEASES

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

1.8 GRANTS AND PROGRAMS EXPENSE AND PAYABLES

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

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

Grants and program liabilities are recognised at the amounts approved by Council for disbursement as contractually payable.

1.9 CASH

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

1.10 FINANCIAL ASSETS

The Council has financial assets only in the nature of 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.

Receivables

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'Receivables'. 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.

1.11 FINANCIAL LIABILITIES

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

The foreign exchange option contract is a financial liability recognised at fair value through income and expense.

Other Financial Liabilities

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

A foreign exchange option contract to hedge foreign exchange exposure is recognised at fair value. This is to hedge exchange rate risk due to the Euro-denominated construction contract for the Venice Pavilion.

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

1.12 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.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.13 PROPERTY, PLANT & EQUIPMENT AND OTHER

Asset Recognition Threshold

Purchases of property, plant & equipment and other assets are recognised initially at cost in the statement of financial position, 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

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

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

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

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

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

WIP - Assets Under Construction

Work continued in 2015 on the construction of a new pavilion to house the Australian Exhibitions at the Venice Biennale from 2015. The amounts expended to balance date were in the nature of construction costs, legal and architectural design fees and were recorded as WIP - Assets Under Construction. The construction phase finished in time for the 2015 Venice Biennale, and the completed asset has been transferred to a depreciable category.

Depreciation

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

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

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

Asset Class	2015	2014
Buildings on freehold land	40-50 years	40 years
Buildings on leasehold land	50-75 years	50-75 years
Leasehold improvements	Lease term	Lease term
Plant and equipment	3-50 years	3-50 years
Other - library	3-50 years	3-50 years
Other - musical instruments	15-100 years	15-100 years
Other - works of art	50-250 years	50-250 years

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

Derecognition

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

1.14 INTANGIBLES

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's internally developed softwares are 7 years (2013-14: 3 years). The useful lives of the entity's purchased softwares are 3 years (2013-14: 3 years).

All software assets were assessed for indications of impairment as at 30 June 2015.

1.15 TAXATION

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

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

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

1.16 PROVISIONS

Provisions are recognised when the Council has a present obligation (legal or constructive) as a result of a past event, it is probable that the Council will be required to settle the obligation, and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provision for Surplus Lease Space

Surplus lease space is considered to exist at 372 Elizabeth St Surry Hills, where the contracted space is in excess of the Council's ongoing operating requirements. Consequently, the Council has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. A provision has been raised for this amount.

Provision for Restoration

Council has an obligation under the premises lease at 372 Elizabeth St Surry Hills to make good the premises at the end of the lease term. A provision has been made for the present value of expected costs to settle the obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of comprehensive income as a finance cost. The estimated future costs of making good the premises are reviewed annually and adjusted as appropriate.

Orchestra Victoria Transition Support

Council has agreed to provide support to Orchestra Victoria in relation to Orchestra Victoria's transition in ownership to The Australian Ballet. In the year 2013-14 the Council committed to make available \$1.434m for transition costs and support for loss of proficiency payments required under the agreement which Orchestra Victoria has with its employees. The Council's obligations in this regard have been recognised and measured as a provision. The provision is adjusted on payments made under the obligation or on recognition of a change in the obligation during the year.

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

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

NOTE 3: EXPENSES

	2015	2014
	\$'000	\$'000
NOTE 3A: EMPLOYEE BENEFITS		
Core		
Wages and salaries	(10,514)	(10,360)
Superannuation		
Defined contribution plans	(280)	(319)
Defined benefit plans	(202)	(227)
Other private schemes	(799)	(751)
Leave and other entitlements	(82)	(340)
Separation and redundancies	(74)	-
Total employee benefits - core	(11,951)	(11,997)
Programs		
Wages and salaries	(1,355)	(1,185)
Superannuation		
Defined contribution plans	(84)	(54)
Defined benefit plans	(11)	-
Other private schemes	(87)	(110)
Leave and other entitlements	(14)	(32)
Total employee benefits - programs	(1,551)	(1,381)
Total employee benefits	(13,502)	(13,378)
NOTE 3B: SUPPLIERS		
Core		
Goods and services supplied or rendered	(5,729)	(4,637)
Total goods and services supplied or rendered - Core	(5,729)	(4,637)
Other suppliers - Core		
Operating lease rentals in connection with		
External parties		
Minimum lease payments	(2,231)	(2,218)
Provision for surplus lease space	393	(1,951)
Workers compensation expenses	(129)	(112)
Total other suppliers - Core	(1,967)	(4,281)
Total suppliers - Core	(7,696)	(8,918)
Programs		
Goods and services supplied or rendered	(3,138)	(2,881)
Orchestra Victoria Transition Support	-	(1,281)
Total suppliers - Programs	(3,138)	(4,162)
Total Supplier Expenses	(10,834)	(13,080)

	2015	2014
	\$'000	\$'000
NOTE 3C: GRANTS		
Council Grants and Initiatives	(33,725)	(45,284)
Government Initiatives	(28,622)	(28,049)
Key Organisations	(23,120)	(22,779)
Major Performing Arts	(106,036)	(103,116)
Total grants	(191,503)	(199,228)
NOTE 3D: DEPRECIATION AND AMORTISATION		
Depreciation		
Property, plant and equipment	(174)	(151)
Buildings	(45)	(47)
Total depreciation	(219)	(198)
Amortisation		
Intangibles	(410)	(454)
Total amortisation	(410)	(454)
Total depreciation and amortisation	(629)	(652)
NOTE 3E: FINANCE COSTS		
Unwinding of discount	(29)	(22)
Total finance costs	(29)	(22)
NOTE 3F: LOSS ON DISPOSAL OF ASSETS		
Land and Buildings		
Carrying value of old Venice Pavilion	-	(356)
Property and equipment and other		
Carrying value of disposal furniture and equipment	-	(10)
Carrying value of disposal Library	(45)	-
Total loss on disposal of assets	(45)	(366)
NOTE 3G: OTHER EXPENSES		
Fair value loss on forward options contract	-	(200)
Realised foreign exchange losses	(239)	(33)
Unrealised foreign exchange losses	204	(31)
Total other expenses	(35)	(264)

NOTE 4: INCOME

	2015	2014
	\$'000	\$'000
Own-Source Revenue		
NOTE 4A: OTHER REVENUE		
Returned grants	500	884
Income from fund raising:		
Venice Biennale	513	689
Venice Pavilion	1,144	1,872
Attorney General's Department:		
Get Reading!	32	1,213
Sounds Australia	645	665
Department of Foreign Affairs and Trade:		
IETM Asian Satellite	-	23
Visiting International Publishers	21	-
Electronic Music Conference	20	-
Arts NSW:		
Biennale review	-	30
Get Market Ready	-	5
MAPS project	-	50
Arts QLD:		
Get Market Ready		5
MAPS project	50	50
Arts SA:		
MAPS project	50	100
Arts VIC:		
IETM Asian Satellite	-	20
MAPS project	-	50
Get Market Ready	-	4
Contributions from other non-government entities:		
Biennale Review	20	-
IETM Asian Satellite	-	15
Philanthropy mentoring	-	100
Recording initiative	75	75
Samstag ISCP residency program	-	50
Venice Biennale sponsorship	75	125
Venice Biennale PD programme	25	40
Other	158	159
Total other revenue	3,328	6,224

	2015	2014
	\$'000	\$'000
NOTE 4B: REVENUE FROM GOVERNMENT		
Departmental appropriations	211,764	218,786
Total revenue from Government	211,764	218,786

NOTE 4C: SURPLUS ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT

The surplus attributable to the Australian Government includes \$1,144,000, which relates to philanthropic donations in respect of the Venice Pavilion capital rebuild project (2014: \$1,872,000), as shown in Note 4A above.

NOTE 5: FAIR VALUE MEASUREMENTS

The following tables provide an analysis of assets and liabilities that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

FAIR VALUE MEASUREMENTS, VALUATION TECHNIQUES AND INPUTS USED

	Fair value measurements at the end of the reporting period		Category (Level 1, 2 or 3)	For Levels 2 and 3 fair value measurements	
	2015 \$'000	2014 \$'000		Valuation technique(s) ¹	Inputs used
Non-financial assets					
Land	149	149	Level 2	Market comparables	Price per square metre Market rate of interest
Freehold Property	339	402	Level 2	Market comparables	Price per square metre Market rate of interest
Buildings on Leasehold land	610	508	Level 2	Market comparables	Price per square metre Market rate of interest
Venice Pavilion (Leasehold Property)	7,398	-	Level 2	Depreciated Replacement Cost	Current Replacement Cost
Leasehold improvements	150	175	Level 3	Depreciated replacement cost	Cost, estimated obsolescence and service capacity
Work in Progress (construction of Venice Pavilion)	-	2,419	Level 2	Replacement Cost	Current Replacement Cost
Property, Plant and Equipment	320	388	Level 2	Market comparables	Market Selling Price
Library	-	48	Level 2	Market comparables	Professional appraisals of similar books and journals
Musical Instrument	388	392	Level 2	Market comparables	Professional appraisals of similar instruments
Works of Art	382	477	Level 2	Market comparables	Professional appraisals of similar artworks
Total non-financial assets	9,736	4,958			

	Fair value measurements at the end of the reporting period		For Levels 2 and 3 fair value measurements		
	2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3)	Valuation technique(s) ¹	Inputs used
Total fair value measurements of assets in the statement of financial position	9,736	4,958			
Financial liabilities					
Foreign Exchange Options Contract	-	(200)	Level 2	Income approach	Foreign exchange spot and forward rates, quoted prices
Total financial liabilities	-	(200)			

1. No change in valuation technique occurred during the period.
2. The highest and best use of all non-financial assets are the same as their current use.

NOTE 6: FINANCIAL ASSETS

	2015	2014
	\$'000	\$'000
NOTE 6A: CASH AND CASH EQUIVALENTS		
Cash on hand or on deposit	21,376	18,738
Total cash and cash equivalents	21,376	18,738
NOTE 6B: TRADE AND OTHER RECEIVABLES		
Goods and services receivables in connection with		
External parties	18	174
Total goods and services receivables	18	174
Other receivables		
GST receivable from Australian Taxation Office	4,118	7,248
Interest	39	83
Other	5	4
Total other receivables	4,162	7,335
Total trade and other receivables (net)	4,180	7,509
Trade and other receivables (net) expected to be recovered		
No more than 12 months	4,180	7,509
Total trade and other receivables (net)	4,180	7,509
Trade and other receivables (gross) aged as follows		
Not overdue	4,177	7,494
Overdue by:		
0 to 30 days	-	12
31 to 60 days	-	3
61 to 90 days	2	-
More than 90 days	1	-
Total trade and other receivables (gross)	4,180	7,509

Credit terms for goods and services were within 30 days (2014: 30 days).

NOTE 7: NON-FINANCIAL ASSETS

	2015	2014
	\$'000	\$'000
NOTE 7A: LAND AND BUILDINGS		
Land		
Fair value	149	149
Total land	149	149
Buildings on freehold land		
Fair value	339	402
Accumulated depreciation	-	-
Total buildings on freehold land	339	402
Leasehold improvements		
Fair value	3,897	3,894
Accumulated depreciation	(3,747)	(3,719)
Total leasehold improvements	150	175
Buildings on leasehold land		
Fair value	8,008	508
Accumulated depreciation	-	-
Total buildings on leasehold land	8,008	508
Work in progress		
Building assets under construction	-	2,419
Total work in progress	-	2,419
Total land and buildings	8,646	3,653

No indicators of impairment were found for leasehold improvements.

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

NOTE 7B: PROPERTY, PLANT AND EQUIPMENT

Fair value	928	924
Accumulated depreciation	(608)	(536)
Total heritage and cultural	320	388

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

No indicators of impairment were found for plant and equipment.

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

NOTE 7: NON-FINANCIAL ASSETS

(continued)

	2015	2014
	\$'000	\$'000
NOTE 7C: OTHER		
Fair value	778	935
Accumulated depreciation	(8)	(18)
Total other property, plant and equipment	770	917

Other' includes the Library, musical instruments and works of art. The Library was decommissioned in 2015 and has been written off. The violoncello was valued at 30 June 2015 based on its highest and best use, reflecting market conditions and restrictions on sale.

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

Revaluations of non-financial assets in 7A and 7C

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.13. Land & Buildings (excluding leasehold improvements at 372 Elizabeth Street Surry Hills NSW Australia) were revalued at 30 June 2015 by independent valuers.

A revaluation decrement of \$56,000 for buildings on freehold land (2014: increment of \$36,000), increment of \$79,000 for leasehold properties in Venice and Paris (2014: increment of \$35,000) and a decrement of \$89,000 for Works of Arts included in Other Assets (2014: nil) were debited or credited to the asset revaluation surplus by asset class and included in the equity section of the Statement of Financial Position; no decrement was expensed in 2015 (2014: nil).

The aggregate of increments and decrements to the asset revaluation reserve is shown in the statement of comprehensive income as a net decrement of \$66k (2014: net decrement of \$16k).

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

NOTE 7D: RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the opening and closing balances of property, plant and equipment for 2015

	Land	Buildings	Total land and buildings	Plant & Equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014						
Gross book value	149	7,222	7,371	924	935	9,230
Accumulated depreciation and impairment	-	(3,718)	(3,718)	(536)	(18)	(4,272)
Total as at 1 July 2014	149	3,504	3,653	388	917	4,958
Additions						
By Purchase	-	5,015	5,015	92	-	5,107
Revaluations and impairments recognised in other comprehensive income	-	23	23	-	(89)	(66)
Depreciation	-	(45)	(45)	(159)	(14)	(218)
Other movements (restatement on revaluations)						
Cost		(17)	(17)		(20)	(37)
Accumulated depreciation		17	17		20	37
Disposals						
Cost	-	-	-	(87)	(48)	(135)
Accumulated depreciation	-	-	-	86	4	90
Total as at 30 June 2015	149	8,497	8,646	320	770	9,736
Total as at 30 June 2015 represented by						
Gross book value	149	12,243	12,392	929	778	14,099
Accumulated depreciation and impairment	-	(3,746)	(3,746)	(609)	(8)	(4,363)
Total as at 30 June 2015	149	8,497	8,646	320	770	9,736

NOTE 7: NON-FINANCIAL ASSETS

(continued)

Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Land	Buildings	Total land and buildings	Plant & Equipment	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013						
Gross book value	149	5,670	5,819	733	1,051	7,603
Accumulated depreciation and impairment	-	(3,697)	(3,697)	(432)	(21)	(4,150)
Total as at 1 July 2013	149	1,973	2,122	301	1,030	3,453
Additions						
By Purchase	-	1,863	1,863	222	-	2,085
Revaluations and impairments recognised in other comprehensive income	-	71	71	-	(87)	(16)
Depreciation	-	(47)	(47)	(125)	(26)	(198)
Other movements (restatement on revaluations)						
Cost	-	(16)	(16)	-	(29)	(45)
Accumulated depreciation	-	16	16	-	29	45
Disposals						
Cost	-	(366)	(366)	(31)	-	(397)
Accumulated depreciation	-	10	10	21	-	31
Total as at 30 June 2014	149	3,504	3,653	388	917	4,958
Total as at 30 June 2014 represented by						
Gross book value	149	7,222	7,371	924	935	9,230
Accumulated depreciation and impairment	-	(3,718)	(3,718)	(536)	(18)	(4,272)
Total as at 30 June 2014	149	3,504	3,653	388	917	4,958

	2015	2014
	\$'000	\$'000
NOTE 7E: INTANGIBLES		
Computer software		
Internally developed - in use	5,067	3,985
Purchased	11	11
Accumulated amortisation	(3,625)	(3,214)
Accumulated impairment losses	-	-
Total computer software	1,453	782
Total intangibles	1,453	782

No indicators of impairment were found for intangible assets.

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

NOTE 7F: RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF INTANGIBLES

Reconciliation of the opening and closing balances of intangibles for 2015

	Computer software internally developed	Computer software purchased	Other intangibles internally developed	Other intangibles purchased	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014					
Gross book value	3,985	11	-	-	3,996
Accumulated amortisation and impairment	(3,203)	(11)	-	-	(3,214)
Total as at 1 July 2014	782	-	-	-	782
Additions					
Purchase or internally developed	1,081	-	-	-	1,081
Amortisation	(410)	-	-	-	(410)
Total as at 30 June 2015	1,453	-	-	-	1,453
Total as at 30 June 2015 represented by					
Gross book value	5,066	11	-	-	5,077
Accumulated amortisation and impairment	(3,613)	(11)	-	-	(3,624)
Total as at 30 June 2015	1,453	-	-	-	1,453

NOTE 7: NON-FINANCIAL ASSETS

(continued)

Reconciliation of the opening and closing balances of intangibles for 2014

	Computer software internally developed	Computer software purchased	Other intangibles internally developed	Other intangibles purchased	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2013					
Gross book value	3,482	11	-	-	3,493
Accumulated amortisation and impairment	(2,749)	(11)	-	-	(2,760)
Total as at 1 July 2013	733	-	-	-	733
Additions					
Purchase or internally developed	503	-	-	-	503
Amortisation	(454)	-	-	-	(454)
Total as at 30 June 2014	782	-	-	-	782
Total as at 30 June 2014 represented by					
Gross book value	3,985	11	-	-	3,996
Accumulated amortisation and impairment	(3,203)	(11)	-	-	(3,214)
Total as at 30 June 2014	782	-	-	-	782

	2015	2014
	\$'000	\$'000
NOTE 7G: OTHER NON-FINANCIAL ASSETS		
Prepayments	471	476
Total other non-financial assets	471	476
Other non-financial assets expected to be recovered		
No more than 12 months	460	429
More than 12 months	11	47
Total other non-financial assets	471	476

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

NOTE 8: PAYABLES

	Notes	2015 \$'000	2014 \$'000
NOTE 8A: SUPPLIERS			
Trade creditors and accruals		(1,684)	(319)
Operating lease rentals		(1,261)	(1,314)
Total suppliers		(2,945)	(1,633)
Suppliers expected to be settled			
No more than 12 months		(1,826)	(356)
More than 12 months		(1,119)	(1,277)
Total suppliers		(2,945)	(1,633)
Settlement was usually made within 30 days. Payments to suppliers include GST Payable.			
NOTE 8B: GRANTS AND PROGRAMS			
Private sector			
Other		(4,509)	(1,897)
Total grants and programs		(4,509)	(1,897)
Grants and Programs expected to be settled			
No more than 12 months		(4,509)	(1,897)
Total grants and programs		(4,509)	(1,897)
Settlement was usually made according to the terms and conditions of each grant. This was usually within 30 days of performance or eligibility.			
NOTE 8C: DEFERRED REVENUE			
Get Reading! Government Initiative		(24)	(79)
Total deferred revenue		(24)	(79)
NOTE 8D: OTHER PAYABLES			
Wages and salaries		(628)	(551)
Foreign exchange options contract		-	(200)
Other		(183)	(166)
Total other payables		(811)	(917)
Other payables expected to be settled			
No more than 12 months		(811)	(917)
Total other payables		(811)	(917)

NOTE 9: PROVISIONS

	2015	2014
	\$'000	\$'000
NOTE 9A: EMPLOYEE PROVISIONS		
Leave	(2,091)	(1,995)
Total employee provisions	(2,091)	(1,995)
Employee provisions expected to be settled		
No more than 12 months	(1,419)	(1,411)
More than 12 months	(672)	(584)
Total employee provisions	(2,091)	(1,995)
NOTE 9B: OTHER PROVISIONS		
Provision for Orchestra Victoria transition support	(1,161)	(1,434)
Provision for surplus lease space	(1,559)	(1,951)
Provision for restoration	(869)	(841)
Total other provisions	(3,589)	(4,226)

	Provision for restoration	Provision for surplus lease space	Provision for Orchestra Victoria	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2014	(841)	(1,951)	(1,434)	(4,226)
Amounts used	-	-	243	243
Amounts reversed	-	392	30	422
Unwinding of discount or change in discount rate	(28)	-	-	(28)
Total as at 30 June 2015	(869)	(1,559)	(1,161)	(3,589)

Provision for Restoration

Council has an obligation under the premises lease at 372 Elizabeth St Surry Hills to make good the premises at the end of the lease term. A provision has been made for the present value of expected costs to settle the obligation. The unwinding of the discount is expensed as incurred and recognised in the statement of comprehensive income as a finance cost.

Provision for Surplus Lease Space

A provision for surplus lease space at 372 Elizabeth St, Surry Hills, was created as at 30 June 2014, as the contracted space is considered to be in excess of the Council's ongoing operating requirements. Consequently, the Council was deemed to have a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. \$392,000 of this provision has been reversed this year to reflect the change in the intention to vacate and sublease only two levels, while the initial provision was on the basis of vacating and subleasing three levels.

Orchestra Victoria Transition Support

In the prior year, Council agreed to provide support to Orchestra Victoria, in relation to Orchestra Victoria's transition in ownership to The Australian Ballet. As at 30 June 2014 the Council committed to make available \$1.434m for transition costs and support for loss of proficiency payments required under the agreement which Orchestra Victoria has with its employees. The Council's obligations in this regard have been recognised and measured as a provision. Payments of \$243,000 have been made against transition costs in the current year and the small surplus provision for this component has been reversed.

NOTE 10: CASH FLOW RECONCILIATION

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement		
Cash and cash equivalents as per		
Cash flow statement	21,376	18,738
Statement of financial position	21,376	18,738
Discrepancy	-	-
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net (cost of)/contribution by services	(210,167)	(217,549)
Revenue from Government	211,764	218,786
Adjustments for non-cash items		
Depreciation/amortisation	629	652
Loss on disposal of assets	45	366
Other non-cash items	29	-
Movements in assets and liabilities		
Assets		
(Increase)/Decrease in net receivables	3,328	(5,004)
(Increase)/Decrease in prepayments	4	(230)
Liabilities		
Increase/(Decrease) in deferred income	(54)	(1,213)
Increase/(Decrease) in employee provisions	174	268
Increase/(Decrease) in suppliers payables	1,106	(286)
Increase/(Decrease) in other payables	24	332
Increase/(Decrease) in other provisions	(667)	3,408
Increase/(Decrease) in grants payable	2,611	(173)
Net cash from/(used by) operating activities	8,826	(643)

NOTE 11: CONTINGENT ASSETS AND LIABILITIES

as at 30 June 2015

There were no contingent assets or liabilities as at 30 June 2015 (2014: Nil).

NOTE 12: SENIOR MANAGEMENT PERSONNEL REMUNERATION

	2015	2014
	\$'000	\$'000
Short-term employee benefits		
Salary	1,191,176	1,074,042
Performance bonuses	150,273	102,730
Total short-term employee benefits	1,341,449	1,176,772
Post-employment benefits		
Superannuation	122,209	106,554
Total post-employment benefits	122,209	106,554
Other long-term employee benefits		
Annual leave	101,030	90,815
Long-service leave	45,463	40,687
Total other long-term employee benefits	146,493	131,502
Total senior executive remuneration expenses	1,610,151	1,414,828

The total number of senior management personnel that are included in the above table are 6 (2014: 8). The remuneration in 2014 was lower due to two personnel leaving the Council early in the year and the positions being vacant for some time during that year.

NOTE 13: REMUNERATION OF AUDITORS

Financial statement audit services were provided by the Australian National Audit Office (ANAO).

	2015	2014
	\$'000	\$'000
Fair value of services provided		
Financial statement audit services	50	46
Total fair value of services received	50	46

No other services were provided by the ANAO.

The ANAO has appointed Moore Stephens to assist with the audit assignment.
In 2014 Deloitte Touche Tohmatsu had assisted ANAO with the audit assignment.

NOTE 14: RELATED PARTY DISCLOSURES

Board Membership

Board Members during the financial year were:

- Mr. Rupert Myer AO, Chair - (1 July 2012 - 30 June 2018)
- Ms. Robyn Archer AO, Deputy Chair - (1 July 2012 - 30 June 2015)
- Mr. Tony Grybowski, Chief Executive Officer (15 May 2013 - 23 October 2018)
- Mr. Waleed Aly (appointed 1 July 2013 - 30 June 2016)
- Ms. Lee-Ann Buckskin (appointed 1 July 2013 - 30 June 2016)
- Mr. Adrian Collette AM (appointed 1 July 2013 - 30 June 2016)
- Mr. Khoa Do (appointed 1 July 2013 - 30 June 2016)
- Prof. Matthew Hindson AM (appointed 1 July 2013 - 26 March 2015)
- Ms. Mary-Ellen King (appointed 1 July 2013 - 30 June 2015)
- Ms. Sophie Mitchell (appointed 1 July 2013 - 30 June 2016)
- Ms. Samantha Mostyn (appointed 1 July 2013 - 30 June 2016)
- Mr. Tim Orton (appointed 1 July 2013 - 30 June 2016)

Other Transactions with Directors or Director-Related Entities

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

Mr Rupert Myer, AO is the Chairman, The Aranday Foundation, Chairman, Nuco Pty Ltd, Deputy Chair, Myer Holdings Ltd, Director, AMCIL Limited, Director, Creative Partnerships Australia, Director, eCargo Holdings Ltd, Director, Healthscope Ltd, Director, The Myer Foundation, Board Member, Australian International Cultural Foundation, Board Member, Jawun - Indigenous Corporate Partnerships, Board Member, The Yulgilbar Foundation, Board Member, The Myer Foundation Arts and Humanities Committee, Member, The University of Melbourne, Faculty of Business and Commerce Advisory Board, Member, Felton Bequests' Committee, Member, International Advisory Board of the Hong Kong Arts Development Council (from January 2015), Emeritus Trustee, National Gallery of Victoria.

Ms Robyn Archer, AO is the Artistic Director, The Light in Winter (Federation Square), Chair, Arts Advisory Group, Adelaide College of the Arts, Strategic Advisor, Arts and Culture, City of Gold Coast, Patron, Brink Productions (Adelaide), Patron, Australian Script Centre (Hobart), Patron, Australian Art Orchestra (Melbourne), Patron, Arts Law Society (Sydney), Patron, Institute of Post-Colonial Studies (Melbourne), Patron, Arts Health Foundation, Co-Patron, Mildura Print Triennial, Ambassador, Adelaide Football Club, Ambassador, International Women's Development Agency, Ambassador, 2012 National Year of Reading, Member, European House of Culture, Member, Council on Australia Latin America Relations.

Mr Tony Grybowski is the Chief Executive Officer, Australia Council for the Arts.

NOTE 14: RELATED PARTY DISCLOSURES

(continued)

Ms Lee-Ann Buckskin is the Manager, Aboriginal Arts Development Program, Carlew, Adelaide (until December 2014), Member, Indigenous Champions Group, Barangaroo, Co-chair, South Australia's 2015 International Aboriginal Visual Arts Festival, Consultant, Aboriginal Art Centre Hub Western Australia (AACHWA), Guest Speaker and Leadership Program (from December 2014).

Mr Adrian Collette AM is employed by The University of Melbourne as Vice-Principal (Engagement). He is Executive Board Member, Committee for Melbourne, Board Member, The Ian Potter Museum of Art, Board member, Melbourne University Sport, Life Member, Australian Entertainment Industry Association's Executive Council.

Mr Khoa Do is a Board Member, Advertising Standards Board (until March 2014).

Prof Matthew Hindson AM (until 26 March 2015) is employed by the Sydney Conservatorium of Music as Chair, Composition and Music Technology Unit. He has a Commission for Australian String Quartet 2015 and Commission for Bernadette Harvey in 2015. He is a Represented Member of Australian Music Centre and employed Ensemble Offspring for residency at Sydney Conservative.

Ms Mary-Ellen King is a Director, Perth International Arts Festival.

Ms Sophie Mitchell is employed as Director, Morgans. She is Trustee, Queensland Performing Arts Trust, Director, Silver Chef Limited, Director, Flagship Investments Limited, Director, MTQ Insurance Limited (until December 2014), Director, Morgans Foundation, Member, Takeovers Panel.

Ms Samantha Mostyn is Commissioner, Australian Football League, President, Australia Council for International Development, Deputy Chair, Diversity Council of Australia, Director, Australian Volunteers International, Director, Transurban group, Director, Virgin Australia Holdings Ltd, Director, Citigroup Pty Limited, Director, Carriageworks, Director, Covermore Group Limited.

Mr Tim Orton is employed by Nous Group as Managing Director. He is Chair, Rhodes Scholarships in Australia Pty Ltd, Executive Board Member, Committee for Melbourne, Director, Jianguo Pty Ltd.

NOTE 15: FINANCIAL INSTRUMENTS

	2015	2014
	\$'000	\$'000
NOTE 15A: CATEGORIES OF FINANCIAL INSTRUMENTS		
Financial Assets		
Held-to-maturity:		
Cash on hand/at bank	21,376	18,738
Total	21,376	18,738
Loans and receivables		
Receivables for goods and services	61	261
Total loans and receivables	61	261
Total financial assets	21,437	18,999
Financial Liabilities		
Other Financial liabilities measured at amortised cost		
Trade creditors	(1,845)	(485)
Other payables	(652)	(551)
Grants and programs	(4,509)	(1,897)
Total financial liabilities measured at amortised cost	(7,006)	(2,933)
Financial liabilities at fair value through profit or loss (designated)		
Foreign exchange options contract	-	(200)
Total financial liabilities at fair value through profit or loss (designated)	-	(200)
Total financial liabilities	(7,006)	(3,133)
NOTE 15B: NET GAINS OR LOSSES ON FINANCIAL ASSETS		
Held-to-maturity investments		
Interest revenue	3,029	3,147
Net gains/(losses) on financial assets	3,029	3,147

NOTE 15: FINANCIAL INSTRUMENTS

(continued)

NOTE 15C: FAIR VALUE OF FINANCIAL INSTRUMENTS

	Carrying amount	Fair value	Carrying amount	Fair value
	2015	2015	2014	2014
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Cash at Bank	21,376	21,376	18,738	18,738
Receivables for goods and services	61	61	261	261
Total financial assets	21,437	21,437	18,999	18,999
Financial Liabilities				
Trade and other creditors	(2,497)	(2,497)	(1,036)	(1,036)
Grants and programs	(4,509)	(4,509)	(1,897)	(1,897)
Foreign exchange options contract	-	-	(200)	(200)
Total financial liabilities	(7,006)	(7,006)	(3,133)	(3,133)

NOTE 15D: CREDIT RISK

The Council is exposed to minimum credit risk as the receivables are cash in nature and departmental appropriation payments made under law (which guarantees fixed amounts of funding that the entity can drawdown as required). All amounts owed by Australian Taxation Office are in the form of goods and services tax refunds. The maximum exposure to credit risk is the risk that arises from potential default of debtors. This amount is equal to the total amount of goods and services trade receivables and loans (2015: \$61,000 and 2014: \$261,000). The Council holds no collateral to mitigate against credit risk.

Maximum exposure to credit risk (excluding any collateral or credit enhancements)

	2015	2014
	\$'000	\$'000
Financial assets carried at amount not best representing maximum exposure to credit risk		
Cash at bank	21,376	18,738
Receivables for goods and services	61	261
Total financial assets carried at amount not best representing maximum exposure to credit risk	21,437	18,999
Financial liabilities carried at amount not best representing maximum exposure to credit risk		
Trade and other creditors	(2,497)	(1,037)
Grants and programs	(4,509)	(1,897)
Total financial liabilities carried at amount not best representing maximum exposure to credit risk	(7,006)	(2,933)

Credit quality of financial assets not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	21,376	18,738	-	-
Receivables for goods and services	58	246	3	15
Total	21,434	18,984	3	15

Ageing of financial assets that were past due but not impaired in 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	-	-	2	1	3
Total	-	-	2	1	3

Ageing of financial assets that were past due but not impaired in 2014

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	12	3	-	-	15
Total	12	3	-	-	15

NOTE 15: FINANCIAL INSTRUMENTS

(continued)

NOTE 15E: LIQUIDITY RISK

The Council's financial liabilities are trade creditors and grant payables. The exposure to liquidity risk is based on the notion that the Council will encounter difficulty with regard to obligations associated with financial liabilities. This is highly unlikely due to liabilities being budgeted and adequately covered by the appropriation received by the Council.

Maturities for non-derivative financial liabilities in 2015

	On demand	within 1 year	between 1 to 2 years	between 2 to 5 years	more than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	(2,497)	-	-	-	(2,497)
Grants and programs	-	(4,509)	-	-	-	(4,509)
Total	-	(7,006)	-	-	-	(7,006)

Maturities for non-derivative financial liabilities in 2014

Trade creditors	-	(1,036)	-	-	-	(1,036)
Grants and programs	-	(1,897)	-	-	-	(1,897)
Total	-	(2,933)	-	-	-	(2,933)

Maturities for derivative financial liabilities 2015

Forward Foreign exchange option contract	-	-	-	-	-	-
Total	-	-	-	-	-	-

Maturities for derivative financial liabilities 2014

Forward Foreign exchange option contract	-	(200)	-	-	-	(200)
Total	-	(200)	-	-	-	(200)

NOTE 15F: MARKET RISK

Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Australia Council is exposed to foreign exchange currency risk primarily through undertaking certain transactions denominated in foreign currency.

Australia Council is exposed to foreign currency denominated in EURO, USD, Pound sterling, NZD, Indian Rupee, Canadian dollar, Renminbi and Yen.

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 in accordance S 59 (1) of the *PGPA Act 2013* with its investment policy.

NOTE 16: FINANCIAL ASSETS RECONCILIATION

		2015	2014
	Notes	\$'000	\$'000
Total financial assets as per statement of financial position		25,556	26,247
Less: Non-financial instrument components			
Other receivables	6B	(4,118)	(7,248)
Total non-financial instrument components		(4,118)	(7,248)
Total financial assets as per financial instruments note		21,438	18,999

NOTE 17: BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES

NOTE 17A: DEPARTMENTAL BUDGETARY REPORTS

Statement of Comprehensive Income

for the period ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	(13,502)	(13,963)	461
Suppliers	(10,834)	(10,726)	(108)
Grants	(191,503)	(189,839)	(1,664)
Depreciation and amortisation	(629)	(700)	71
Losses from asset sales	(45)	-	(45)
Other expenses	(64)	-	(64)
Total expenses	(216,577)	(215,228)	(1,349)
Own-source income			
Own-source revenue			
Interest ^a	3,029	1,300	1,729
Rental income	53	69	(16)
Other revenue ^{3,b}	3,328	3,581	(253)
Total own-source revenue	6,410	4,950	1,460
Net cost of services	(210,167)	(210,278)	111
Revenue from Government ³	211,764	211,764	-
Surplus/(Deficit) attributable to the Australian Government	1,597	1,486	111
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus	(66)	-	(66)
Total comprehensive income/(loss) attributable to the Australian Government	1,531	1,486	45

1. The Australia Council's original budgeted financial statement that was first presented to Parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided in Note 17B as per the alphabetical superscripts against the line items.
3. Revenue from Government includes only the departmental appropriation. The budget of \$645k for Sounds Australia, shown in Revenue from Government in the PBS has been moved to Other Revenue budget to align with the financial reporting requirements.

Statement of Financial Position

as at 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
ASSETS			
Financial assets			
Cash and cash equivalents ^{c,d}	21,376	16,070	5,306
Trade and other receivables	4,180	2,505	1,675
Total financial assets	25,556	18,575	6,981
Non-financial assets			
Land and buildings	8,646	8,948	(302)
Property, plant and equipment	1,090	1,755	(665)
Intangibles	1,453	1,078	375
Other non-financial assets	471	246	225
Total non-financial assets	11,660	12,027	(367)
Total assets	37,216	30,602	6,614
LIABILITIES			
Payables			
Suppliers ^c	(2,945)	(1,490)	(1,455)
Grants ^d	(4,509)	(2,070)	(2,439)
Other payables	(835)	(1,014)	179
Total payables	(8,289)	(4,574)	(3,715)
Provisions			
Employee provisions	(2,091)	(1,727)	(364)
Other provisionse	(3,589)	(818)	(2,771)
Total provisions	(5,680)	(2,545)	(3,135)
Total liabilities	(13,969)	(7,119)	(6,850)
Net assets	23,247	23,483	(236)
EQUITY			
Parent entity interest			
Reserves	7,886	8,379	(493)
Retained surplus/(Accumulated deficit)	15,361	15,104	257
Total parent entity interest	23,247	23,483	(236)
Total equity	23,247	23,483	(236)

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided in Note 17B as per the alphabetical superscripts against the line items.

NOTE 17: BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES

(continued)

Statement of Changes in Equity for the period ended 30 June 2015

	Retained earnings			Asset revaluation surplus		
	Actual	Budget estimate		Actual	Budget estimate	
		Original ¹	Variance ²		Original ¹	Variance ²
	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance						
Balance carried forward from previous period	14,882	15,104	(222)	1,691	1,707	(16)
Adjusted opening balance	14,882	15,104	(222)	1,691	1,707	(16)
Comprehensive income						
Surplus/(Deficit) for the period	1,597	1,486	111	-	-	-
Other comprehensive income	-	-	-	(66)	-	(66)
Total comprehensive income	1,597	1,486	111	(66)	-	(66)
Transfers between equity components	(1,118)	(1,486)	368	-	-	-
Closing balance as at 30 June	15,361	15,104	257	1,625	1,707	(82)
Less: Non-controlling interests	-	-	-	-	-	-
Closing balance attributable to Australian Government	15,361	15,104	257	1,625	1,707	(82)

	Other reserves			Total equity		
	Actual	Budget estimate		Actual	Budget estimate	
		Original ¹	Variance ²		Original ¹	Variance ²
	2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance						
Balance carried forward from previous period	5,143	5,186	(43)	21,716	21,997	(281)
Adjusted opening balance	5,143	5,186	(43)	21,716	21,997	(281)
Comprehensive income						
Surplus/(Deficit) for the period	-	-	-	1,597	1,486	111
Other comprehensive income	-	-	-	(66)	-	(66)
Total comprehensive income	-	-	-	1,531	1,486	45
Transfers between equity components	1,118	1,486	(368)	-	-	-
Closing balance as at 30 June	6,261	6,672	(411)	23,247	23,483	(236)
Less: Non-controlling interests	-	-	-	-	-	-
Closing balance attributable to Australian Government	6,261	6,672	(411)	23,247	23,483	(236)

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided in Note 17B as per the alphabetical superscripts against the line items.

NOTE 17: BUDGETARY REPORTS AND EXPLANATIONS OF MAJOR VARIANCES

(continued)

Cash Flow Statement

for the period ended 30 June 2015

	Actual	Budget estimate	
		Original ¹	Variance ²
	2015	2015	2015
	\$'000	\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	211,764	211,764	-
Receipts from Government	645	645	-
Interest ^a	3,072	1,300	1,772
Other	2,837	3,005	(168)
Total cash received	218,318	216,714	1,604
Cash used			
Employees	(13,329)	(13,963)	634
Suppliers	(10,426)	(10,726)	300
Other	(185,737)	(189,839)	4,102
Total cash used	(209,492)	(214,528)	5,036
Net cash from/(used by) operating activities	8,826	2,186	6,640
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment	(6,188)	(5,666)	(522)
Total cash used	(6,188)	(5,666)	(522)
Net cash from/(used by) investing activities	(6,188)	(5,666)	(522)
Net increase/(decrease) in cash held	2,638	(3,480)	6,118
Cash and cash equivalents at the beginning of the reporting period	18,738	19,550	(812)
Cash and cash equivalents at the end of the reporting period	21,376	16,070	5,306

1. The entity's original budgeted financial statement that was first presented to parliament in respect of the reporting period (i.e. from the entity's 2014-15 Portfolio Budget Statements (PBS)).
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided in Note 17B as per the alphabetical superscripts against the line items.

NOTE 17B: DEPARTMENTAL MAJOR BUDGET VARIANCES FOR 2015

Explanations of major variances

- a. **Interest income** is higher than budget by \$1,729k due to the timing of income and expenditure resulting in cash balances higher than expected. Funds surplus to immediate requirements are invested in accordance with the *PGPA Act 2013*.
- b. **Other revenue** is lower than budget by \$285k overall. Donations received for the Venice Pavilion rebuild project and the Venice Biennale Exhibition 2015 were \$529k under budget due to the earlier receipt of expected funds in 2013-14. Returned grants were \$250k less than budget and offset by \$494k miscellaneous revenue (as per Note 4A), which was unbudgeted.
- c. **Supplier Payables** are higher than budget by \$1,455k largely due to the final payments for the Venice Pavilion construction project being made in July 2015 rather than as budgeted prior to 30 June 2015. The Pavilion was completed in 2014-15.
- d. **Grants Payables** at 30 June 2015 are above budget by \$2,439k due to the late timing of the final grants round for 2014-15 (which was announced in June 2015) and some minor delays to the disbursements of payments to some arts organisations.
- e. **Other Provisions** are above budget by \$2,771k as the budget, when set, did not include, the provision for surplus lease space (\$1,559k) and Orchestra Victoria transition support (\$1,160k).

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