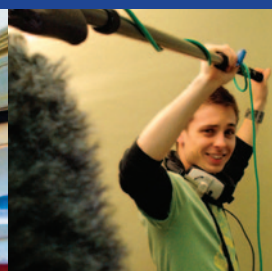
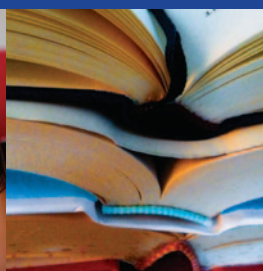


# 2011

ANNUAL REPORT



A portrait of a man with dark, curly hair, looking directly at the camera. He is positioned in front of a vibrant, concentric circular pattern in shades of red, orange, and yellow.



A photograph of a woman with dark hair tied back, smiling and looking to her left. She is wearing a black halter top with a wide, textured brown collar and a red skirt. She is playing a shamisen, a traditional Japanese stringed instrument with a white body and a dark neck. Her hands are visible, one holding the neck and the other plucking the strings. The background is a blurred outdoor setting with a white structure.

*“ Artists have imagined, created and shared their talents to enrich our lives and energize our society. ”*

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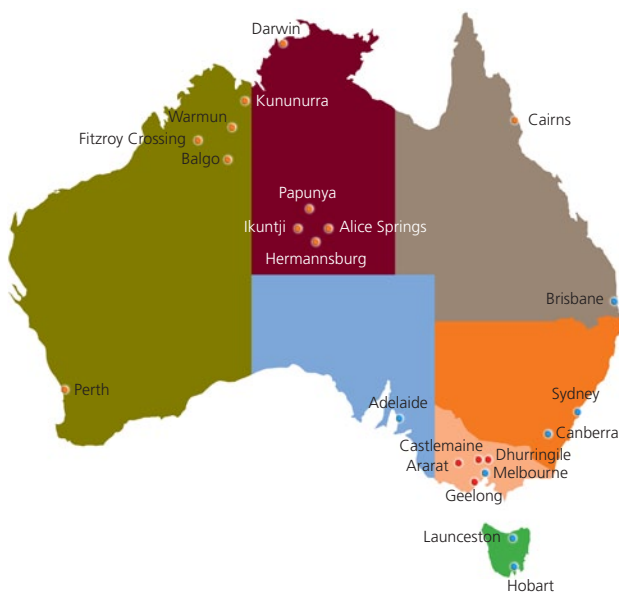




*“Arts Law’s vision is to foster a society that promotes justice for artists and values their creative contribution.”*

# Our Year

2011 was a prolific year for the Arts Law Centre of Australia (Arts Law) as we provided increased legal advice, face-to-face workshops and Artists in the Black (AITB) services to meet expanding national demand. The map below highlights Arts Law's impressive reach and commitment to servicing the national needs of the creative sector and government within a surprisingly small budget. Looking forward a key goal is to have funding accurately reflect the requirements of our diverse client base that represent all art forms.



Arts Law's leading advocacy work continued to advise and influence key stakeholders and inform government on culturally significant issues in 2011.

## Effectiveness

Arts Law aims to equip artists and arts organisations to deal with the various legal issues affecting their professional lives. Arts Law understands the increasing demand for services, advocacy and education in an evolving digital ecosystem. We remain abreast of legal and technological changes and assist through our broad range of services, notably the telephone legal advice, Document Review Service (DRS) and AITB.

Today the creative sector and government are required to manage a changing and complex legal

environment. Arts Law has responded by delivering legal advice of greater depth and dedicating more resources to provide our DRS. In addition Arts Law's extensive professional development program empowers artists to actively protect their work and understand the value of using contracts to enable them to be fairly rewarded for their work. In 2011 the program visited all states and territories reaching 1726 participants including 407 Indigenous people. An increase in funding would enable Arts Law to expand our national reach, advise more clients and further develop our professional development services/resources.

## Indigenous Programs

Demand for Arts Law's AITB service continues to grow with an increased need for legal services (up 30% from 2010) and face-to-face wills project work. Many of AITB's clients reside in the most remote parts of Australia and Arts Law remains committed to delivering quality legal services through the strategic implementation of outreach, dedicated AITB staff, cultural partnerships and a flexible approach. In response to growing demand Arts Law continues to devote considerable resources to delivering the AITB service. We need further resources and financial support to allow this culturally important program to continue and expand.

Building on this work, the Solid Arts project was initiated to focus on respecting and protecting Indigenous intellectual property. It was funded through the Cultural Ministers' Council and was launched in 2011 delivering a dynamic range of resources. These include:

- Solid Arts website, information sheets, case studies and video recordings.
- Audio files in 7 Indigenous languages.
- A promotion kit for Indigenous communities and radio stations.





These resources were developed to address the needs of all key community and industry stakeholders. The following groups were involved in the consultation process:

- Indigenous artists, organisations and art centres.
- Non-indigenous arts organisations, commercial operators and consumers.

## Sustainability and Partnerships

In 2011 Arts Law continued to champion a cohesive national funding model. This partnership-based model would ensure equitable and sustainable funding of our organisation and improve national service delivery. This process has required listening carefully to all States and Territories about the needs of the artists in their jurisdiction and how to accurately tailor our services. We appreciate the willingness of all parties to work with Arts Law in this way. Part of this work has included building Arts Law's board to holistically reflect our organisation with phase one witnessing the welcome addition of Justice Andrew Greenwood from Queensland

## Pro Bono Supporters

Arts Law's achievements are made possible by a rich network of dedicated supporters that represent organisations straddling both the legal and arts worlds. We are extremely proud to have

a strong and diverse pro bono panel of individual lawyers as well as many national, and increasingly international law firms. Through Arts Law's AITB Wills Project we have been able to facilitate cross-cultural engagement, expand our networks and in 2011 attracted the pro bono support of Telstra, our first 'corporate'.

## Special thanks

In 2011 the Hon George Palmer AM QC not only retired from the Supreme Court of NSW but also as Arts Law's president so he could spend more time composing. George Palmer brought not only his passion for the arts, but his ongoing enthusiastic consideration of issues facing Arts Law. We thank him for his contribution as president and his continued support as director of the Board. Subsequently, the President's role has been taken up by the Hon Justice Margaret Beazley AO of the NSW Court of Appeal.

We also thank the other members of the Board for their continuing enthusiasm and thoughtful contributions on how to best develop Arts Law's organisational effectiveness and service delivery to the arts community of Australia especially in view of the limited resources available.

Arts Law also enjoys tremendous support from our daytime volunteers mainly comprised of final year law students including international interns and the very occasional qualified lawyer. In particular the ongoing support of the Sydney office of the Australian Government Solicitor (AGS) through its secondment program with Arts Law.

Finally Arts Law is most fortunate to have a staff comprised of extremely talented individuals so we pay tribute to their outstanding efforts on behalf of Australia's artists.

**Robyn Ayres**  
Executive Director

**The Hon Justice Margaret Beazley AO**  
President

## Mission

*Arts Law envisages an arts community which understands their legal rights, has sufficient business and legal skills to achieve financial security, and carries out their arts practice in a non-exploitative and culturally aware environment.*

*Arts Law will continue to provide low cost, practical, specialist legal advice and services (including advocacy, publications and education) to equip artists and the cultural sector to achieve this vision.*

## About us

The Arts Law Centre of Australia (Arts Law) is the national community legal centre for the arts. Arts Law is a not-for-profit company limited by guarantee which was established in 1983 with the support of the Australia Council for the Arts.

The legal advice and information we provide covers a wide range of arts related legal and business matters including contracts, copyright, business structures, defamation, insurance, employment and taxation to artists and arts organisations across all art forms.

**Arts Law provides a vital service to the entire creative industry and is the only organisation of its kind filling this important marketplace gap.** It exists to provide leadership and enable Australian creators to:

- Understand their legal rights.
- Have sufficient business and legal skills to achieve financial security.

- Carry out their creative enterprises in a non-exploitative and culturally aware environment.
- Provide financial value by delivering service at an accessible cost not available commercially.

Arts Law is a vital resource for individual art practitioners and also provides Government with expert advice on arts law issues to assist in policy development. **Arts Law is often the first stop for Government and the media when seeking information about legal issues affecting the arts.**

In 2004 Arts Law established the Artists in the Black service for Indigenous artists. This service continues to grow in all areas with services delivered in relation to legal advice, document reviews, wills, and casework all increasing.



*“We must always remember  
that the artist remains at the heart  
of everything we do, the reason for  
Arts Law’s existence.”*

## *Achievements*

**4000+** Australian artists and arts organisations who benefitted from our services

**1775** telephone legal advices

**620** Document Review Services (DRS)

**1726** participants in our professional development program for those in the arts community

## *Pro Bono*

**224** **Pro Bono Lawyers who donate their time every year**

Arts Law provides invaluable advice and financial relief to Government through its private practice alliances. The pro bono legal services negotiated by Arts Law provided in excess of \$2million in assistance to the creative industry.

## *Indigenous services*

**447** Legal Advices to Indigenous clients

**293** Document Review Services to Indigenous clients

**31** matters requiring ongoing casework assistance through the Artists in the Black service

**407** Indigenous participants at our Educational Workshops

**7** Indigenous languages that are available to clients on our Solid Arts Website



## Our legal services

Arts Law's mission is to ensure that Australia's artists and arts organisations have access to practical, specialist legal services and resources. Arts Law also wants to ensure that artists are properly rewarded for their creative work and avoid exploitation. We do this through the provision of our legal advice services:

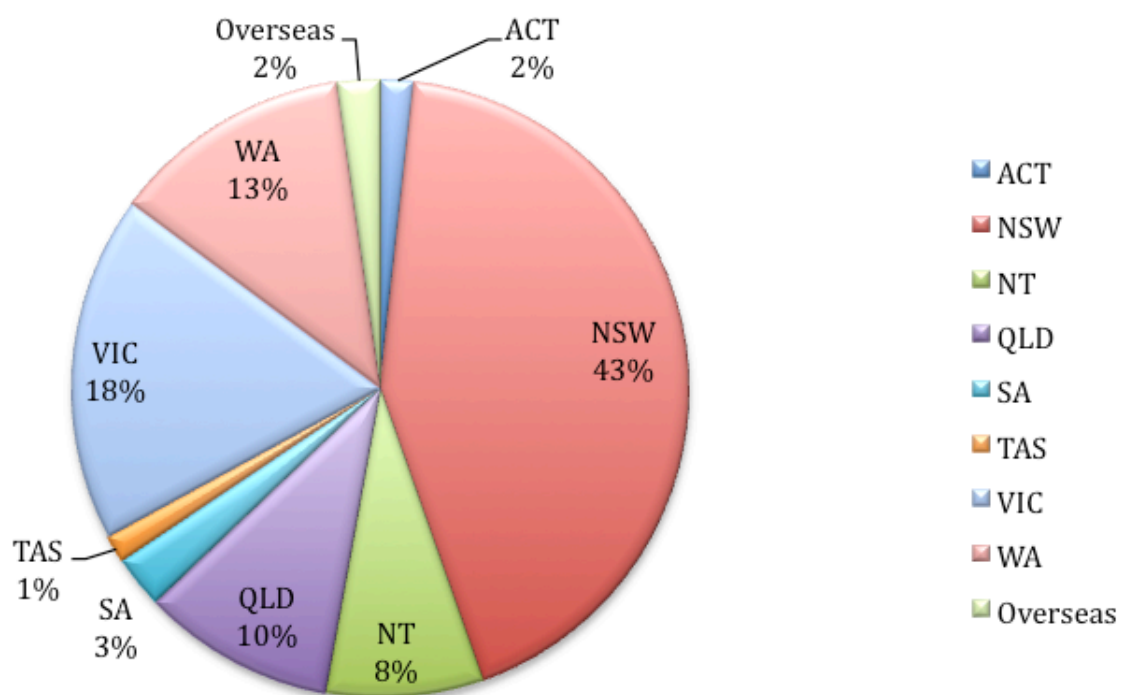
- Telephone legal advice service
- Document review service (DRS)
- Mediation service
- Referral service

It is important to note that there has been a marked increase in the complexity of the legal problems facing our clients and the subsequent depth of advice provided by Arts Law. This has affected our capacity to help all those who require our services. Three factors affect potential reduction in services (without more resources):

- Telephone advice has become more complex;
- DRS has become more complex and requires greater resources;
- AITB clients have a multitude of issues and require more resources.

## Legal Advice by State

Legal Advice	2011	2010
ACT	31	34
NSW	755	901
NT	146	178
QLD	186	194
SA	59	77
TAS	26	35
VIC	320	365
WA	212	204
Overseas	40	12
<b>TOTAL</b>	<b>1775</b>	<b>1999</b>



# Telephone legal advice services

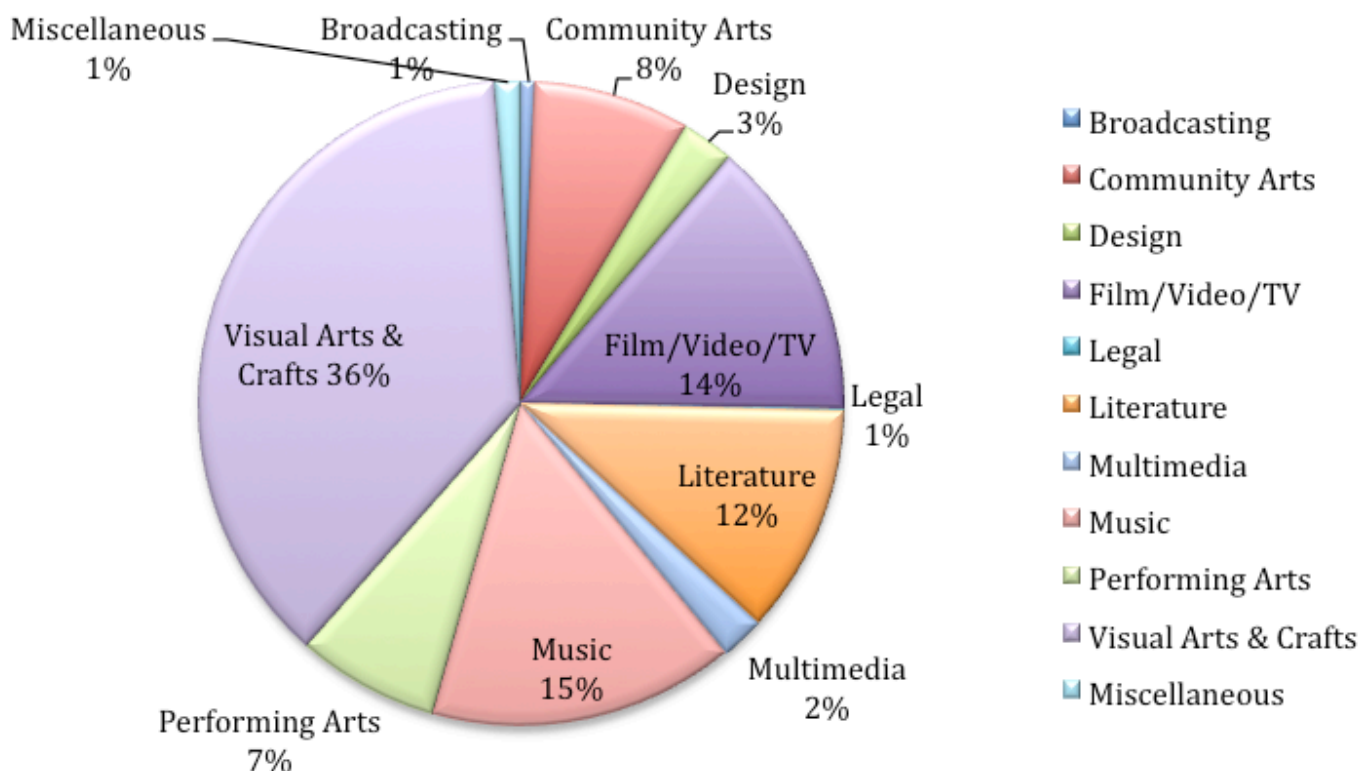
## 1775

The telephone legal advice service is the cornerstone of Arts Law's legal advice services. This is a free service for most Australian artists and available to all subscriber arts organisations.

The telephone advice provided by our team is becoming increasingly complex due to the many legal issues affecting our clients. Demand for this specialised legal service was further stretched with the ongoing success of Artists in the Black as it has resulted in greater numbers of Indigenous artists and arts organisations requiring advice. Providing this caliber of legal advice has resulted in, marginally, fewer clients being advised. To reach our targets without diminishing quality Arts Law needs additional resources.

## Legal Advice by Arts Sector

Legal Advice	2011	2010
Broadcasting	11	2
Community Arts	148	155
Design	62	23
Film/Video/TV	257	217
Legal	4	4
Literature	200	198
Multimedia	50	22
Music	276	322
Performing Arts	134	30
Visual Arts & Crafts	613	635
Miscellaneous	20	33
<b>TOTAL</b>	<b>1775</b>	<b>1999</b>





# Document Review Services

## 620

Subscribers to Arts Law can obtain a document review service (DRS) either face-to-face, or through a telephone consultation for up to two hours with experienced specialist lawyers who are on Arts Law's panel. The DRS is a unique service to Arts Law and it dovetails with our Sample Legal Agreements which clients are able to purchase, adapt them to their requirements and then have the document/s reviewed through the DRS. This service is developed in partnership with:

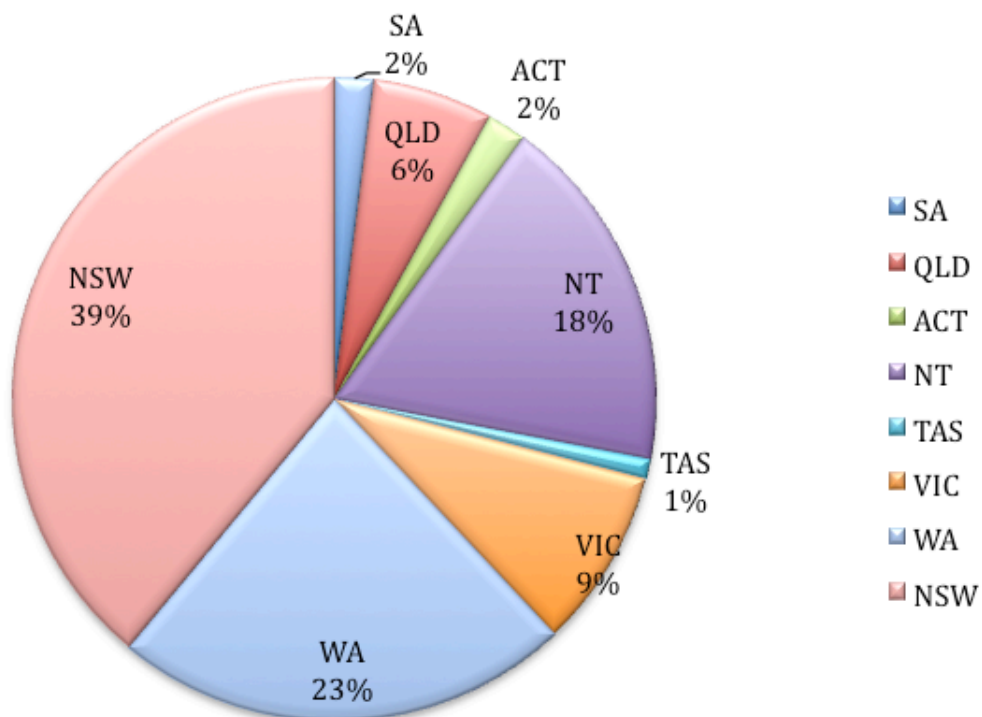
- Lawyers from large corporate and boutique firms.
- Government and in-house lawyers.
- Other volunteers on our national Pro bono panel.

Delivery of the resource intensive DRS has been trending upwards since 2008 with demand rising a further 15% in 2011 on the previous year<sup>1</sup>. These numbers have been bolstered by the inclusion of wills drafted through our AITB wills project, that visits regional and remote communities.

1. There were 539 DRS's provided in 2010 and 620 DRS's provided in 2011.

## DRS by State

Legal Advice	2011	2010
ACT	10	6
NSW	192	204
NT	123	117
QLD	41	42
SA	11	16
TAS	9	8
VIC	81	74
WA	153	72
<b>TOTAL</b>	<b>620</b>	<b>539</b>



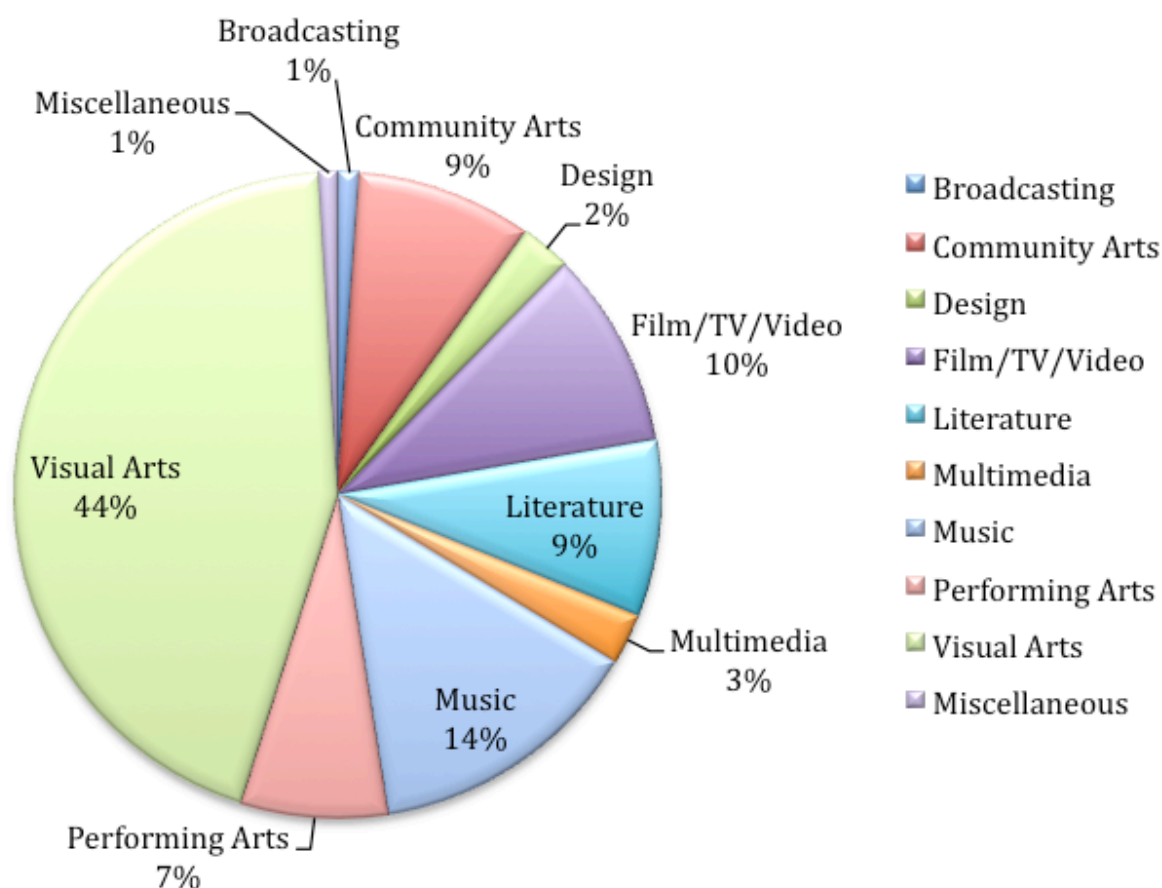
## Feedback

From July – December 2011 Arts Law conducted a monthly survey to all of our clients who accessed the DRS in order to understand their experience of the services and to identify areas of improvement. The survey delivered overwhelmingly positive results, with 91.4% of clients saying that they would refer our services to others. We also asked clients if the information available on the website about the DRS was adequate for their needs. 83.8% of clients responded yes to this and additionally the majority of clients responded that our staff explained the DRS clearly and comprehensively.

*91.4% of clients saying that they would refer our services to others*

## DRS by Arts Sector

Legal Advice	2011	2010
Broadcasting	7	0
Community Arts	56	41
Design	14	3
Film/TV/Video	60	64
Literature	55	46
Multimedia	16	5
Music	83	99
Performing Arts	54	17
Visual Arts	271	261
Miscellaneous	4	3
<b>TOTAL</b>	<b>620</b>	<b>539</b>

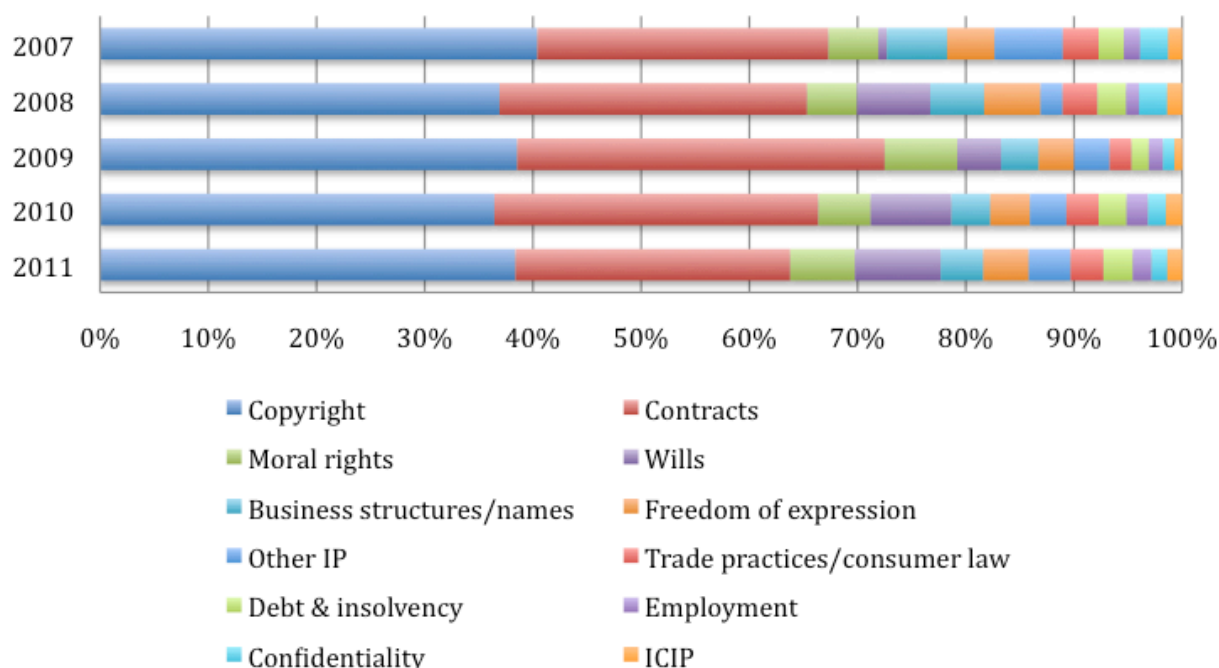




## Range of Problems

Description	Totals
Agency	9
Bailment	4
Business Name	20
Business Structure incl. assns, charities, corps	51
Business Structure: Partnership	29
Censorship & Obscenity	7
Confidentiality	37
Contract: General	334
Contract: Infringement	46
Contract: Review	267
Copyright: Collecting Societies	73
Copyright: General	448
Copyright: Infringement	172
Copyright: Licensing	282
Debt	56
Defamation	87
Employment incl. Discrimination, Superannuation, Workers comp	44
Estate Planning/Wills/Intestacy	201
Funding incl. government, private	17
ICIP	35
Insolvency	13
Insurance	19
IP: Design Registration	8
IP: Patent	9
IP: Trade Mark	58
Local Government	8
Mediation	8
Moral Rights	152
Other	105
Performers' Rights	21
Personal Property	10
Privacy	13
Remedies	5
Sale of Goods incl. droit de suite	3
Sedition	2
Tax incl. GST, income, sales, stamp duty	16
Torts incl. negligence, trespass	4
Trade Practices & Passing Off incl. misleading	77
<b>TOTAL</b>	<b>2851</b>

## Top 12 legal problems 2007 – 2012



Freedom of Expression includes: Defamation/privacy/censorship/classification/sedition.  
Other IP includes: Trade marks, Design, Performers rights, patents, PPCA/Character merchandising.

## Mediation

When legal advice is provided to a client, the Arts Law lawyer will assess whether the matter might be suitable for mediation. Arts Law can set up the process organising a mediator from its panel of mediators. The mediators offer their services for the purpose of providing a low cost mediation service to artists and arts organisations.

## Referral

In some situations, Arts Law cannot advise a client. However, Arts Law can assist by recommending a suitably qualified lawyer from our national referral panel if:

- The artist is not eligible to access Arts Law's services;
- The matter is beyond the limits of Arts Law's advice service;
- The matter requires a solicitor to act on behalf of the artist; or
- Arts Law must decline to advise because of a conflict of interest or a policy conflict.





## *Case study: Elcho Island Arts Centre – when is an export permit required to exhibit artwork overseas.*

For over 18 years, the Elcho Island Arts Centre has been supporting and representing Indigenous artists from the local Yolngu communities on Elcho Island, Northern Territory. Traditionally, the Yolngu artists incorporate local fauna (feathers) and flora species, such as the pandanus plant (*pandanus spiralis*) into their renowned woven artworks.

In 2011, Rebecca Hossack Gallery in London was planning an exhibition of sixty five woven pandanus works, which was to be opened by the Australian High Commissioner. This exhibition provided an excellent platform for cultural promotion, creative exposure and sales. With only weeks to go before opening night, the Department of Sustainability, Environment, Water, Population and Communities informed the Art Centre that the pandanus fibre was protected under Australia's wildlife legislation, namely the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). The Art Centre was informed that only plantation grown pandanus could be used in artworks designated for export and international sale, penalties included up to 10 years imprisonment and large fines. As manager Susan Cochrane observed: "This essentially defeats the whole purpose of the exhibition and the centre's efforts to promote the artwork of Yolgnu women to the fine art market outside Australia."

Elcho Island Arts contacted Arts Law's Artists in the Black (AITB) service for urgent legal advice to keep the exhibition alive. Arts Law immediately contacted law firm DLA Piper, a longtime supporter of Arts Law and our AITB program. Pro bono partner Nicolas Patrick and solicitors Vanessa Walsh and Dwana Walsh posited three options:

1. An application to exempt *pandanus spiralis* from the Act.
2. A permit for commercial export.
3. An exceptional circumstances permit.

Unfortunately options 1 and 2 required lengthy bureaucratic processes and were not feasible solutions within the exhibition timeframe.

Option 3 provided the strongest case. This is where the Minister is satisfied that the export would not be contrary to the objectives of the Act and would have no effect on biodiversity. Arts Law and DLA Piper assisted the Art Centre to apply for such a permit, which was supported by the Australian High Commissioner in London, the Minister for the Arts in the Northern Territory and the Association of Northern, Kimberley and Arnhem Aboriginal Artists. To the elation of the artists the permit was granted and their artworks were on exhibit for opening night at the Rebecca Hossack Gallery on 15 June 2011.

Since the issue of protected species is of ongoing significance Arts Law is currently investigating an application to exempt Indigenous artworks containing non-exempt native flora and fauna specimens made in accordance with traditional methods. Arts Law is also working on amendments to its artwork consignment agreements to deal with these issues.



# Artists in the Black

The Artists in the Black (AITB) service continues to grow with increasing numbers of Indigenous artists and art organisations seeking assistance. This demand demonstrates the need for reform and action to ensure that the rights and cultural sensibilities of Indigenous artists are protected and advocated for.

## In 2011 we provided:

- **436 legal advices** (350 in 2010).
- **232 document review services** (195 in 2010).
- Ongoing casework assistance in **31 matters**.

The AITB service provides:

- Direct legal advice to individual Indigenous artists, art centres and other Indigenous arts organisations on their arts law problems;
- Information and education about arts law issues to ensure Indigenous artists are informed about their legal rights; and
- Advocacy on the need for Australian laws to provide better protection of Indigenous cultural heritage.

Arts Law is pleased to announce we are now a member of the Indigenous Art Code that aims to ensure fair trade with Indigenous artists. We have ensured that our AITB agreements are code compliant, setting a best practice standard for commercial dealing with Indigenous visual artists and providing a benchmark for ethical behaviour.

## AITB Highlights

- 1 Wills Project
- 2 Musicians in the Black (MITB) program
- 3 Prison workshops

In 2011 the AITB **Wills Project** received a great deal of media attention promoting the importance of wills for Indigenous artists. Delivering this service requires flexible and experienced team coordination as there are many linguistic, cultural and logistical obstacles to grapple with. Arts Law staff and several of our pro bono lawyers travelled to remote areas of central Australia and the Kimberleys as part of the program.

Artists at BulaBula Art Centre, Arnhemland – photo by Delwyn Everard, reproduced with permission.







Bush Bands Business photo by Oliver Eclipse, reproduced with permission.

AITB's **Musicians in the Black (MITB)** program was further developed this year. This program has been specifically geared towards Indigenous musicians and is based upon our workshop program and includes online information sheets covering:

- Moral rights and Music .
- Music and Indigenous Cultural & Intellectual Property.
- Performers' Rights – Music.

We also delivered workshops to Indigenous musicians at:

- The 2011 Bush Bands Bash in Alice Springs.
- The WAMi Music Festival in Perth and many remote communities including Balgo, WA.

AITB also ran a series of **workshops** for Koori artists in Victoria's prisons focusing on basic legal rights for artists, business and contract advice. The feedback and knowledge gained by the participants proved the program to be highly successful.

## Case Study highlight

One of the key areas of focus for AITB in 2011 was a continuation of the work we did in 2010 regarding the controversial Katoomba stone sculpture depicting a Wandjina. The Aboriginal people of the area as well as the custodians from the Kimberleys were upset by the unauthorized and disrespectful appropriation of the sacred spirit.

In 2011 Arts Law acted for several of the Indigenous groups who made submissions in support of the Blue Mountains City Council's decision requiring the sculpture to be removed on the grounds that its display had an adverse social impact. In ordering the sculpture's removal the Land & Environment Court accepted evidence of the consequential social harm felt within the community.

## Wandjina case win



Woorarra Elder Donny Woolagoodja and local Dharug man from Katoomba Chris Tobin with the Wandjina sculpture. Photo by Rein Van de Ruit



# Legal Information and Publications

## Publications

Arts Law has an extensive range of publications that provide information on a broad range of legal issues affecting the arts community nationally. These resources supplement our legal advice service and are accessible via our websites. We actively promote these publications to the arts, education and legal community through social media, seminars and direct marketing.

Arts Law is committed to maintaining the currency of all our publications and we update and expand the range yearly. Our publications include information sheets, checklists and guides, sample agreements and seminar papers. In addition we publish a 'hot topics' quarterly newsletter for our subscribers, ART + law.

With our new websites up and running ([www.artslaw.com.au](http://www.artslaw.com.au); [www.solidarts.com.au](http://www.solidarts.com.au) and [www.aibt.com.au](http://www.aibt.com.au)) , Arts Law continues to add to the content with illustrative case studies, audio and audio visual materials.

In 2011 Arts Law commenced work on a completely revised edition of Shane Simpson's Visual Artists and the Law. We aim to make this third edition available in 2012.

## Information Sheets

Arts Law's information sheets are available on the website free of charge, enabling arts practitioners throughout Australia to easily access up-to-date legal information. We currently have 55 information sheets published online which can be accessed at [www.artslaw.com.au/legal/information-sheets](http://www.artslaw.com.au/legal/information-sheets). We have 12 new information sheets in development to be published in 2012.

## Checklists and Guides

In addition to our information sheets, there are 10 comprehensive checklist and guides packages that are available at no cost to Arts Law subscribers and for a small fee to others. The topics covered are:

- Artist- Gallery Checklist
- Business partnership checklist
- Music management checklist
- Music publishing checklist
- Organising a festival checklist
- Displaying visual art on the internet
- Live music performance: Booking gigs guide
- Music recording agreements guide
- Short film competitions: Producer's guide
- Sponsorship agreements guide

## Sample Agreements

Arts Law produces a range of sample agreements, with explanatory notes that are available for a small fee to download and may be adapted to the user's requirements. There are currently 48 sample agreements published, covering a broad range of arts sectors including a suite of agreements for the visual arts and crafts, for low budget film/video, for community broadcasting and for music.








THE ARTS LAW CENTRE OF AUSTRALIA
ISSUE 2 - JUNE 2011

In this issue we follow-up on Arts Law's work the Senate Inquiry into classification, give an introduction to trade marks, update on the latest changes to the business name system and meet a volunteer lawyer. There are two court matters, one in the High Court about music royalties - also explained in a separate article - the other about a culturally offensive sculpture. Finally for our Artists in the Black clients we highlight the need to protect art both ancient and new and give you the latest on our program Musicians In The Black.

Please note that you will need to be a current subscriber and signed in to the Arts Law website to access the full text of the feature articles.

If you are not currently signed in please [click here](#) (the login page will open in a new window; please return to this page after signing in).

ARTFORM INDEX

craft  
 film & tv  
 photography

design  
 performance  
 music

digital  
 literature  
 visual arts

FEATURE ARTICLES

**Classification Review and the Arts**


**Robyn Ayres**


The media coverage of the Senate inquiry into the classification scheme resulted in some interesting headlines, including the call for artworks to be classified in the same way as movies. This article looks at the Senate Committee's approach, the final report and some of its recommendations.

**PPCA takes Radio Cap to the High Court**


**PPCA**


On Tuesday 10 May, the High Court of Australia heard an appeal from the Phonographic Performance Company of Australia Ltd (PPCA) against the current 1% cap on royalties payable by radio for the use of sound recordings. The PPCA hopes to remove the statutory cap that has had Australian artists subsidising the provision of content to the highly profitable commercial radio sector for over forty years.

**Musicians' Copyright Royalties in the Face of a Changing Industry**


**David Szental**


Copyright is an essential part of making money in the music industry. By and large, recordings have been the main source of copyright royalties, however in today's climate of declining record sales, and with digital sales still yet to truly prove themselves, are artists losing their main source of income? Here we will look at the different types of copyright that exist in music, and discuss how songwriters and other musicians can earn royalties from exploiting them.

**A Quick Introduction to Trademarks**


**Lara Gunn**


The Arts Law Centre of Australia recently secured the registration of its trade marks, namely 'ARTS LAW CENTRE OF AUSTRALIA', 'ART + LAW' and 'ART + LAW' together with its logo. This article highlights the importance of securing protection of brands for any business and outlines the process of registering a trade mark, which is not necessarily a straight forward process.

**A New National Business Name Registration System**


**Meher Gaven**


Businesses currently need to register their business name within each of the States or Territories that they operate within. To institute a national business name registration system, the Australian government has

NEWS & EVENTS

**New publications**

Interviewee's Release  
Read more

**Staff comings and goings**

Arts Law welcomes Jasmine McHenry, and farewells Ellen Williams.  
Read more

**Arts Law Intern**

Arts Law Intern Stacy Adelman - visiting from Columbia Law School.  
Read more

**Meet the Lawyer**

Harold Littler, Senior Consultant at McKays Solicitors in Brisbane.  
Read more

**Staff Profiles**

**Board Profiles**

**Arts Law Patrons**

Arts Law is on Facebook! Click on the icon to find us!

 Arts Law

Arts Law is on Twitter! Click on the icon to find us!

 Arts Law

## ART + law

Arts Law produces a quarterly newsletter providing information on current legal issues affecting arts practitioners. ART + law is now provided as a dynamic online publication, allowing us to cost effectively distribute, maintain and archive the newsletter.

In 2011 ART + law covered a broad range of topics including:

- The Orphan Works Problem (Sally McCausland)
- Musicians' Copyright Royalties in the Face of Changing Industry (David Szental)
- A Quick Introduction to Trademarks (Lara Gunn)
- A New National Business Name Registration System (Meher Gaven)
- Protecting the sacred Wandjina: The Land and Environment Court goes to the Blue Mountains (Delwyn Everard)
- Don't get the blues when your gallery is in the red (Rebecca Laubi)
- The Parody and Satire defence – what do we make of it so far? (Kate Gilchrist and Katherine Giles)
- Don't overlook the books! (Brian Tucker)
- "It's not a copyright infringement, I'm reporting the news!" (Meher Gaven)
- From WIPO, Geneva: IGC 19 Report (Trish Adjei and Louise Buckingham)
- Prizes and Competitions (Suzanne Derry)
- Register or Perish: the Personal Property Securities Act and its impact on art dealings (Rebecca Laubi)
- If a song plays and no one hears it does it make a sound? (Arts Law Centre Australia)
- Tattoos and copyright (Melanie Bouton)

## External publications

Arts Law regularly contributes articles to various legal and arts periodicals.

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## Website

Following the total overhaul of the Arts Law website in 2010, in 2011 we created a new website for Artists in the Black and launched the Solid Arts website. The feedback in relation to the website we received over the past year has been incredibly positive, in particular the user-friendly design and the clarity with which the services are explained.

We recently added audio recordings that cover 5 different arts law topics in 7 Indigenous languages on topics such as copyright, contracts, moral rights and Indigenous intellectual property rights.

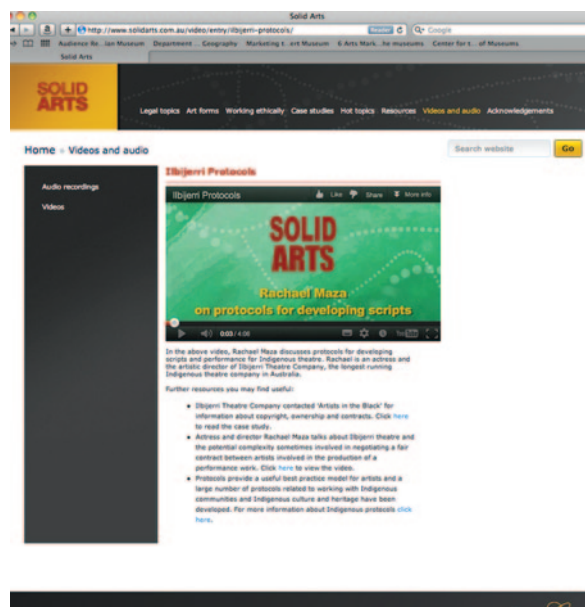
2011	Quarterly Visits	Number of Page views
January-March	34,667	102,141
April-June	39,891	109,437
July-September	42,171	108,473
October-December	41,565	98,238
<b>TOTAL</b>	<b>158,294</b>	<b>418,289</b>

## Social media networks

In 2011 we implemented a social media campaign with daily updates on Facebook and Twitter. This has proved to be an excellent communication vehicle, connecting us to clients, stakeholders and potential clients with information, events and news at Arts Law.

*In 2011 490 people “liked” Arts Law and 66 “liked” AITB on Facebook and we had 525 followers of Arts Law on Twitter. The number of Arts Law followers grows daily.*

## Solid Arts



In 2010 the Arts Law Centre of Australia (Arts Law) was contracted through the Cultural Ministers Council to further develop the Indigenous intellectual property toolkit resource over three years (2010-2012). We called the project Solid Arts and it includes:

- The Solid Arts website at [www.solidarts.com.au](http://www.solidarts.com.au) which includes case studies and provides a portal for users wanting information about IIP;
- Short audio recordings (MP3s) suitable for radio play in Indigenous languages about various IIP issues. These are also be available for download through the website;



- A DVD dealing with a range of IIP issues using various case studies. The DVD was filmed by Indigenous filmmaker Pauline Clague in 2011 and some of the edited segments are now available on the website prior to release as a DVD in 2012;
- Posters for Indigenous artists on IIP issues;
- An Avant postcard was distributed in arts and cultural precincts nationally;
- Information for commercial operators on key issues; and
- A face-to-face education program for key stakeholder groups (2012).

Prior to developing the Solid Arts resources, we engaged in a consultation process to ensure that all the relevant IIP issues were identified. The consultation also looked at what were the most effective methods for communicating IIP information to Indigenous Artists, consumers of Indigenous art and commercial operators working in Indigenous arts. Arts Law continues to keep stakeholders informed of the progress of the project and seeks feedback on new resources as they are developed.

Image courtesy of Koskela and Elcho Island Artists



## *Education/ Professional Development Program*

2011 was another busy and productive year for Arts Law's professional development program for the arts community. We delivered 69 sessions nationally which were attended by 1726 participants, of whom 407 were Indigenous. The aim of this program is to increase awareness and understanding of the many legal and business issues affecting the creative community.

This year the program covered issues such as copyright, moral rights, contracts, digital issues, business structures, Indigenous intellectual property and a series of film law sessions which were delivered across Australia.

*1726 participants  
attended our  
professional  
development program*

## *Arts Law Subscribers*

In 2011 continued with our subscription program for organisations to access legal services due to funding constraints. We have continued to provide free telephone legal advice to artists but they are required to subscribe to use the Document Review Service.



# Advocacy and Law Reform

Arts Law seeks to have input in law and policy debates and to provide targeted advocacy on law and policy reform for the benefit of the creative sector. This is achieved through a variety of strategies including identification and prioritisation of issues affecting the arts community; research and providing submissions; development of relationships with the government, media outlets and organisations with similar aims to us; lobbying to influence the decision making of government and other bodies; as well as assisting artists and art organisations to participate in these processes. We also provide informed advocacy work on Indigenous Cultural and Intellectual Property issues (ICIP) and other arts law issues which affect the Indigenous community.

2011 has been a very successful year for advocacy and strategic alliances. Arts Law achievements and highlights include:

- **Advocacy work in relation to prizes and competitions** and we discussed issues with IP Australia, Tourism Australia and Tropfest to make these competitions fairer for Australian artists.
- **Australian Law Reform Commission's review on the National Classification Scheme (NCS)**  
Arts Law made a submission and participated in the consultation process as part of the Commission's review on the NCS. The submission proved successful as the approach that we proposed was endorsed by several of Australia's major cultural institutions and ALRC agreed with some of our key suggestions in its final report and recommendations.
- **Greater Transparency in Fees charged by Copyright Collection Agencies**  
Another success for Arts Law in 2011 was our successful lobbying of Copyright Agency Limited, Screenrights and Viscopy to make changes to the information available on their websites concerning the fees charged by them to administer the collection and distribution of copyright royalties. Arts Law found that many artists were confused about collecting societies' schemes of fees and the financial consequences of using one collecting society as an agent in relation to royalties collected by another.

Jasmine McHenry conducting advocacy research – Photo by Tom Groves, reproduced with permission.



Arts Law suggested ways in which such information could be made more accessible to members and we made a submission to the Code Reviewer who reports annually on the copyright collecting societies' compliance with their Code of Conduct. In his 2010/2011 report released in January 2012, the Code Reviewer reinforced the critical importance of transparency in all dealings with collecting society members.

- **National Cultural Policy**

Arts Law provided submissions as part of the consultation process of the Australian Government's development of a National Cultural Policy. We look forward to the final policy which is scheduled for release in 2012.

- **WIPO's Intergovernmental Committee on Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions (IGC)**

We were pleased that two of Arts Law's pro-bono lawyers, Trish Adjei and Louise Buckingham were able to participate in the Indigenous Caucus and act as observers for Arts Law at the 19th session of WIPO's Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions in Geneva in July 2011.

- **National Human Rights Action Plan (the NHRAP)**

Arts Law made a submission to the Attorney General's Department in relation to its Background Paper on the National Human Rights Action Plan.

## Media

*In 2011 Arts Law was featured, interviewed or asked for commentary in 13 different press articles.*

*The executive director of the Arts Law Centre, Robyn Ayres, said:*

*"Copyright will be infringed if the other artist uses a substantial amount of the work without the permission of the creator of the work."*

Andrew Taylor, A. (2011, May 8). *Appropriated, or just inappropriate?* Sun Herald.

*Robyn Ayres, director of the Arts Law Centre, says the laws inhibit indigenous communities from carrying out traditional cultural activities and their ability to make money from it....*

*"It's yet another example of indigenous people not having rights in using their cultural heritage in the way that they should," she says.*

Don, S. (2011, August 30). *Island artists fight pandanus export ban.* The Australian.



# Volunteers and Pro Bono Assistance

Volunteers and pro bono lawyers are integral to the provision of Arts Law services. Pro bono assistance received in 2011 was valued at over \$2 million. Arts Law celebrates the enormous contribution our pro bono supporters make and as a show of appreciation in recent years we have been awarding the top 29 contributors with the Arts Law Print Commission. In 2011 this event was held at Allens Arthur Robinson's fabulous Sydney function rooms.

- Co-presenting seminars with, or on behalf of Arts Law and we single out Darren Sanicki, Michael Tucak and Joan Peters.
- 9 firms provided casework assistance to our Indigenous clients (Herbert Smith Freehills, Minter Ellison, DLA Piper, Allens Linklaters, Ashurst, Gadens, Bowden McCormack, Michael Paterson & Associates, Workplace Resolve Lawyers, Wrays, Gilbert & Tobin).

## Volunteer Lawyers

Arts Law receives considerable pro bono assistance from the legal profession in addition to the national document review service. Some of the services provided by our volunteer lawyers include the provision of advice to our lawyers when a matter is outside our expertise; writing articles for ART+law, as well as assisting in the development and review of our sample contracts and other publications. Other ways firms assisted were:

- 4 firms assisted in the delivery of Arts Law's free telephone advice service: Allens Linklaters, Clayton Utz, DLA Piper and Herbert Smith Freehills.

## Pro Bono Lawyers

In 2011 Arts Law maintained its panel of 224 lawyers throughout Australia ranging from large corporate law firms, government and in-house counsel, boutique law firms and individual practitioners. The Document Review Service is an important part of the legal services provided by Arts Law and we acknowledge the significant contribution made by the legal profession to the arts community in this regard.

Arts Law thanks the law firms and legal practitioners who participated in the Arts Law Document Review Service program and other pro bono work and advice.

Arts Law Pro Bono Awards night 2011



## Pro Bono Lawyers

ACT	Paul	Armarego	Strategic Legal Services
	Adam	Flynn	National Film & Sound Archive
	Jasmine	Morris	Australian National University
NSW	Charles	Alexander	Minter Ellison
	Morris	Averill	
	Dianne	Banks	Gilbert and Tobin
	Ben	Kay	Digby Law
	Hugh	Bennett	ABC Legal Services
	Kate	Berry	Clarke Kann
	Sydney	Birchall	Birchall Legal
	Elizabeth	Blackford	CBA
	Greg	Bodulovic	Griffith Hack
	Melanie	Bouton	Herbert Smith Freehills
	Stephen	Boyle	Stephen Boyle Media & Entertainment Lawyers
	Adrian	Cannon	Cannon Lawyers
	Chris	Chow	Chris Chow Creative Lawyers
	Alec	Christie	DLA Piper
	Julian	Cooke	Wentworth Chambers
	Khai	Dang	Ashurst
	Mark	Davidson	Davidson & Associates
	Stephen	Digby	Digby Law
	Deborah	Doctor	ABC Legal Services
	Frances	Drummond	Herbert Smith Freehills
	Michael	Easton	Michael Easton Legal
	Kate	Erman	Bravura Solutions Limited
	John	Fairbairn	Minter Ellison
	Adrian	Fisher	Allens & Linklaters
	Simone	Flanigan	CSC Group Limited
	Marie	Foyle	Turner International Australia Pty Ltd
	Rebekah	Gay	Shelston IP Lawyers
	Alexandra	George	UNSW Law School
	Kate	Gilchrist	ABC Legal Services
	Rob	Glass	Simpsons Solicitors
	Time	Gole	Gilbert+Tobin
	Adrian	Goss	ACP Magazine
	Katherine	Gregor	Herbert Smith Freehills



## Pro Bono Lawyers

### NSW

Troy	Gurnett	Middletons
Brett	Hatfield	Garfield Barwick Chambers
Peter	Karcher	ClarkeKann
Ben	Kay	Digby Law
Richard	Lancaster	St James Chambers
Diana	Lawrence	Herbert Smith Freehills
Peter	Le Guay	Thomsons Lawyers
Raena	Lea Shannon	Entertainment Media Technology
Jim	Lennon	Middletons
Kenneth	Li	Phang Legal
Pamela	Madafiglio	Minter Ellison
Mark	Matulich	John Carmody & Co
William	McCarthy	Bradley Allen Lawyer
Sally	McCausland	SBS
Naomi	Messenger	Swaab Attorneys
Michael	Montgomery	HWL Ebsworth
Jasmine	Morris	Australian National University
Jules	Munro	Simpsons Solicitors
Justine	Munsie	Addisons Lawyers
Michael	Napthali	The Premium Partnership
Guy	Narburgh	Herbert Smith Freehills
Jose	Perez	Perez Varela Lawyers
Kim	Pettigrew	Vividwireless Pty Ltd
Melissa	Sanghera	Herbert Smith Freehills
James	Samargis	Barrister
Scott	Smalley	Herbert Smith Freehills
David	Stewart	Wrays Lawyers
Jeremy	Storer	Storers Legal
Kenneth	Ti	Phang Legal
Caroline	Verge	Verge Whitford & Co

### NT

Peggy	Cheong	Law Society of Northern Territory
Robert	Gibson	Fairfax Media
Mandy	Vandanelshout	ABC Legal Services
Peter	Bolam	Bolam Legal

## Pro Bono Lawyers

QLD	Nadia	Braad	Bennett & Philip Lawyers
	Andrew	Cardell-Ree	Herbert Geer
	Krystil	Carter	Clayton Utz
	Elliott	Dalglish	Northpoint Chamber
	Michele	De Bonis	Bottoms English Lawyers
	James	Doran	Clayton Utz
	Donnie	Harris	Roberts Nehmer McKee Lawyers
	Amanda	Leong	Corrs Chambers Westgarth
SA	Harold	Littler	McKays Solicitors
	Tom	Abbott	Camatta Lempens Pty Ltd Lawyers
	Franco	Camatta	Camatta Lempens Pty Ltd Lawyers
	Nick	Cole	DLA Piper
	Robert	Lempens	Camatta Lempens Pty Ltd Lawyers
TAS	John	Vozzo	Camatta Lempens Pty Ltd Lawyers
	Susan	Larsen-Scott	Dobson Mitchell Allport
VIC	Andrew	Walker	Dobson Mitchell Allport
	Elizabeth	Beal	Herald and Weekly Times
	Romani	Benjamin	Media Arts Lawyers
	Sarah	Cameron	MDP lawyers
	David	Curtain	International Power Australia
	Katherine	Giles	ABC Legal
	Jerry	Gomez	Gomez Partners Lawyers & Consultants
	Julian	Hewitt	Media Arts Lawyers
	Ryan	Loewy	Sole Practitioner
	Ross	Macaw QC	Owen Dixon Chambers
	Taryn	McCamley	Mallesons Stephen Jaques
	Zero	Partos	Isaac Chambers
	Stephen	Rebikoff	Barrister
	Peter Dominic	Robinson	Allens >< Linklaters
	Warwick	Rothnie	List A Barristers
	Peter	Ryan	Allens >< Linklaters
	James	Samargis	Barrister
	Chaman	Sidhu	Lonely Planet
	Rod	Smith	Evescourt Legal



## *Pro Bono Lawyers*

### **VIC**

Michael	Tucak	Creative Legal
Jennifer	Tutty	GI & Sanicki Lawyers
David	Vodicka	Media Arts Lawyers
Hamish	Watson	Hamish Watson Lawyers
Frances	Wheelahan	Corre Chambers Westgarth
Mark	Williams	Williams Solicitor
Tracey	Wren	Orica Australia

### **WA**

Jarod	Benson	Minter Ellison
David	Cross	Norton Rose
Stephanie	Faulkner	Sole Practitioner
Carmel	Galati	Edwards Wallace Lawyers (Jocelyn Nicholson to assist)
Stephen	Kemp	Jackson McDonald
Jessica	Krasinski	Minter Ellison
Adam	Levin	Jackson McDonald
Jamie	Lyford	Elevation Partners Pty Ltd
Cameron	Moore	Banco Chambers
Jocelyn	Nicholson	Edwards Wallace Lawyers
Stephanie	Quan Sing	Herbert Smith Freehills

# *Referral Services and other Pro Bono Assistance*

In addition to referrals to Arts Law panel lawyers (on both fee for service and pro bono basis), we also provide referrals to other professionals where Arts Law is unable to assist further. Arts Law maintains panels for referrals to Accountants, Insurers and Mediators. These professionals provide services on a paid basis but often at a reduced rate for Arts Law's subscribers. Arts Law gratefully acknowledges the support of the following:

- Michael Dean, Accountant, Walter Turnbull
- Steven Miller, Accountant, Steven J Miller & Co
- Bob Poolman, Accountant, PSZ Tax
- Brian Tucker, Accountant, Brian Tucker CPA

## *DRS Assistants*

Arts Law plays a key developmental role via our volunteer legal assistant program. Legal assistants benefit from the expertise of the lawyers and gain a better understanding of the legal issues facing the creative sector.

## *Daytime Volunteers*

Arts Law would not be able to function without the assistance of dedicated and enthusiastic volunteers. Daytime volunteers at Arts Law are law students and graduates who perform a variety of tasks: assisting with the provision of legal advice, research, general administration, note taking of legal advice sessions, and writing articles for the ART+law newsletter.

In 2011 there were 24 volunteers, and our thanks go to:

- Anika Valenti
- Annabel Clemens
- Camille Coste
- Capucine Hague
- Conor McNair
- Daniela Lai
- Hannah Belnick
- Jenny Arnup
- Justin Levy
- Katie Jameson
- Lily Wu
- Linda Jane Vanhear

- Maddie Frith
- Mathisha Panagoda
- Mel Cheng
- Michael Jones
- Oskar Mezgailis
- Sam Hatfield
- Sarah Kelshaw
- Scott Maxwell
- Shannon Longhurst
- Siddharth Mylavarapu
- Stephanie Dietz
- Tammy Claire-Liew

## *Student Placements and Interns*

Arts Law has a well-established student placement program with a number of law schools including the University of Sydney and University of New South Wales. Generally, students are required to work at least one day a week as part of their course requirements. Depending on capacity Arts Law also accepts law graduates completing their College of Law requirement for practical legal training prior to admission to the New South Wales Supreme Court.

Arts Law has also played host to a number of international students as interns. These students study at renowned universities from around the world and we are honoured to have them complete their internships with Arts Law.

In 2011 Arts Law had the following student placements and interns:

- Stacy Adelman
- Mel Cheng
- Camille Coste
- Marie-Christin Stenzel
- Jane Vejmelka



# Our Organisation

## Board



### President

The Hon Justice Margaret Beazley AO



### Directors continued

Peter Griffin



### Vice President

The Hon Peter Heerey AM QC



The Hon George Palmer AM QC



### Honorary Treasurer

Steven J Miller



Kimberlee Weatherall

### Directors



Megan Brownlow



Andrew Wiseman



Pauline Clague

### Company Secretary



Robyn Ayres



The Hon Justice Andrew Greenwood

## Staff

Executive Director	Robyn Ayres
Senior Solicitors	Delwyn Everard Rebecca Laubi
Solicitors	Meher Gavan until Sept 2011 Suzanne Derry returned from leave on Sept 2011 Joanne Teng
Administration Manager	Fiona Skelton
Financial Manager	Mary Egan
Administration Officers	Jaye Early Ellen Williams until June 2011 Jasmine McHenry from June 2011
Administration Assistants	Gemma Williams Rose Ayres





## Council of Patrons

Patrons of Arts Law are eminent persons in the law and the arts, and reflect the standing Arts Law enjoys in the community.

Robyn Archer AO

Jan Chapman AO

Deborah Cheetham

Ian David

David Gulpilil AM

Roger Knox

Shane Simpson AM

Frank Moorhouse AM

Professor Sally Morgan

David Page

Rachel Perkins

Peter Sculthorpe AO OBE

William Yang

The Hon. Antony Whitlam QC

The Hon. David Angel QC

Julian Burnside AO QC

The Hon. Elizabeth Evatt AC

The Hon. Michael Kirby AC CMG

The Hon. Acting Justice  
Jane Mathews AO

The Hon. Justice John Mansfield AM

The Hon. Justice Terence Buddin

The Hon. Jerrold Cripps QC

The Hon. Justice Malcolm Grey RFD

The Hon. David Levine AO RFD QC

## Guardian Angels 2011

Eve Abby

Charles Alexander

Elizabeth Beal (Herald and Weekly  
Times)

Luca and Anita Belgiorno-Nettis  
Foundation

Sonia Borella

Megan Brownlow

Stephen Burley SC

Gregory Burton SC

Peter Chalk

Bernard Coles QC

Electra Frost (Electra Frost Taxation  
Services)

Virginia Gordon

Shauna Jarrett

The Hon. Peter Heerey AM QC

Howard Insall SC

Alison Leslie

The Hon. David Levine AO RFD QC

Professor Jill McKeough

David Marr

Michael Napthali

The Hon. Barry O'Keefe AM QC

The Hon. George Palmer AM QC

Robert Poolman

David Robb

Julian Sexton SC

Shane Simpson AM

Simpson Solicitors

Alida Stanley

## Artists in the Black Reference Group

The Indigenous Reference Group provided guidance and support to Arts Law on issues relating to the delivery and promotion of the Artists in the Black service. The Reference Group is made up of Indigenous people from across the nation. Members of the Reference Group are not representative of any particular Indigenous nation or area, but rather contribute their expertise, advice and feedback to help assist Arts Law staff in delivering an effective Indigenous service. In 2011 Artists in the Black determined that AITB needed a different type of support structure and moved to establish a support network rather than a discrete AITB Reference Group. This work will continue in 2012.



Anne Dixon buried in Tjanpi Baskets ©  
Tjanpi Desert Weavers, 2010,  
reproduced with permission.

## Our Supporters

Arts Law receives funding from various sources, the primary source being the Australia Council for the Arts. In addition, Arts NSW, Office for the Arts, Department of Regional Australia, Local Government, Arts and Sport (DRALGAS), Screen Australia, Arts WA, and Arts SA provide recurrent funding.

Arts Law gratefully acknowledges the financial assistance and investment of:



The Commonwealth Government through the Australia Council for the Arts, its arts funding and advisory body



**Trade &  
Investment**  
Arts NSW

The New South Wales Government through Arts NSW



**Australian Government**

Office for the Arts, Department of Regional Australia, Local Government, Arts and Sport (DRALGAS)

**ARTS  
VICTORIA**



Arts Victoria



**Australian Government**



Screen Australia



**Government of South Australia**  
Arts SA

The State of South Australia through Arts SA



**Government of Western Australia**  
Department of Culture and the Arts



The State of Western Australia through Arts WA in association with the Lotteries Commission



**LexisNexis™**

Lexis Nexis



Phonographers Performance Company of Australia Ltd.



# Our Supporters



Australian Government



## Solid Arts Supporters

- The Cultural Ministers Council
- Copyright Agency Limited
- World Intellectual Property Organisation

## Artists in the Black Supporters

- Victoria Law Foundation
- Copyright Agency Limited
- The Commonwealth Government through the Office for the Arts, Department of Regional Australia, Local Government, Arts and Sport (DRALGAS)
- The Myer Foundation & Sidney Myer Fund
- The Australian Prudential Regulation Authority (APRA)
- Law and Justice Foundation of NSW
- The Government of Western Australia, Department of Culture and the Arts

# FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2011




ARTS LAW CENTRE OF AUSTRALIA LTD  
ABN 71 002 706 256

## **DIRECTORS' DECLARATION**

The directors of the Company declare that in their opinion:

1. The attached financial statements and notes thereto comply with accounting standards.
2. The attached financial statements and notes thereto give a true and fair view of the financial position and performance of the company.
3. The attached financial statements and notes thereto are in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.
4. There are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.
5. pursuant to Schedule 1, Section 7(3) of the NSW Charitable Fundraising Regulations 2008;
  - (a) the income statement is drawn up so as to give a true and fair view of income and expenditure of the Company for the year ended 31 December 2011 with respect to fundraising appeals;
  - (b) the balance sheet and statement of cash flows are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2011 with respect to fundraising appeals;
  - (c) the provisions of the *Charitable Fundraising Act 1991* and the regulations under the Act and the conditions attached to the Company have been complied with for the year ended 31 December 2011; and
  - (d) the internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied by the Company from any of the fundraising appeals.

This declaration is made in accordance with a resolution of the Board of Directors.

  
.....  
Steven Miller  
Director

Sydney, NSW  
Dated this 4<sup>th</sup> day of April 2012



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
Revenue	2	995,818	965,507
Employee benefits expense		(678,917)	(653,902)
Administration and overheads		(316,730)	(206,424)
<b>Net Surplus</b>		<b>171</b>	<b>105,181</b>
Other comprehensive income		- -	
<b>Total comprehensive income for the year</b>		<b>171</b>	<b>105,181</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2011

	Note	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	555,860	576,523
Trade and other receivables	5	15,218	9,704
Prepayments	6	2,414	-
Inventories	7	15,110	17,680
<b>TOTAL CURRENT ASSETS</b>		<b>588,602</b>	<b>603,907</b>
<b>NON-CURRENT ASSETS</b>			
Leasehold improvements, plant and equipment	8	32,672	10,594
Intangible assets	9	60,946	47,750
<b>TOTAL NON CURRENT ASSETS</b>		<b>93,618</b>	<b>58,344</b>
<b>TOTAL ASSETS</b>		<b>682,220</b>	<b>662,251</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	379,596	400,516
Borrowings	11	9,554	-
Provisions	12	19,160	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>408,310</b>	<b>400,516</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	20,690	-
Provisions	12	15,633	24,319
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>36,323</b>	<b>24,319</b>
<b>TOTAL LIABILITIES</b>		<b>444,633</b>	<b>424,835</b>
<b>NET ASSETS</b>		<b>237,587</b>	<b>237,416</b>
<b>EQUITY</b>			
Retained earnings		237,587	237,416
<b>TOTAL EQUITY</b>		<b>237,587</b>	<b>237,416</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 \$	2010 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government and customers		917,992	1,151,526
Payments to suppliers and employees		(957,578)	(822,723)
Interest received		24,565	19,749
<b>Interest paid</b>		<b>(613)</b>	<b>-</b>
<b>Net cash generated from by operating activities</b>	<b>13</b>	<b>5,651</b>	<b>348,552</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(56,558)	(49,928)
<b>Net cash (used in) investing activities</b>		<b>(56,558)</b>	<b>(49,928)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		31,730	-
Repayment of borrowings		(1,486)	-
<b>Net cash provided by financing activities</b>		<b>30,244</b>	<b>-</b>
Net (decrease) / increase in cash held		(20,663)	298,624
Cash at the beginning of the financial year		576,523	277,899
<b>Cash at the end of the financial year</b>	<b>4</b>	<b>555,860</b>	<b>576,523</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Retained Earnings	Total
Equity as at 1 January 2010		132,235	132,235
Net surplus		105,181	105,181
Other comprehensive income		-	-
Equity as at 31 December 2010		237,416	237,416
Net surplus		171	171
Other comprehensive income		-	-
Equity as at 31 December 2011		237,587	237,587

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Arts Law Centre of Australia (the Company) were authorised in accordance with the resolution of directors on 4th April 2012. The Arts Law Centre of Australia is a public company by guarantee, incorporated and domiciled in Australia.

#### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected noncurrent assets, financial assets and financial liabilities.

#### **(a) Taxation**

---

##### *Income Tax*

No provision for income tax has been raised as the company is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

##### *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows.

#### **(b) Cash and Cash Equivalents**

---

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

#### **(c) Inventories**

---

Inventories comprise goods for resale and goods for distribution at no or nominal consideration as part of the Company's activities.

Inventories held for sale are measured at the lower of cost and net realisable value.

Inventories held for distribution are measured at the lower of cost and current replacement cost.

#### **(d) Employee Benefits**

---

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

#### **(e) Trade and other Receivables**

---

Trade receivables, which comprise amounts due from sales of merchandise and from services provided to residents, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Normal terms of settlement vary from seven to 90 days. The carrying amount of the receivable is deemed to reflect fair value.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

#### **(f) Trade and other payables**

---

Trade payables and other payables represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid. These amounts are usually settled in 30 days. The carrying amount of the creditors and payables is deemed to reflect fair value.

#### **(g) Leasehold Improvements, Plant and Equipment**

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Each class of plant and equipment is carried at cost or fair value less, where applicable, any amount of accumulated depreciation and impairment loss.

##### **Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment loss.



The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### **Depreciation**

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Class of Non Current Asset	Depreciation Rate
Computer equipment	33.33%
Office furniture	10.0%
Office equipment	10.0% to 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### **(h) Intangibles**

Expenditure on website development activities is capitalised if the product is technically and commercially feasible and adequate resources are available to complete the development. The expenditure capitalised comprises all directly attributable costs, including costs of material, services, direct labour and an appropriate proportion of overheads. Capitalised website development expenditure has a finite useful life and is carried at cost less accumulated amortisation, it has an estimated useful life of 3 years. Trademark registration expenditure was capitalised in 2011. The period of registration is deemed to be the effective useful life of the trademarks.

Intangibles are assessed annually for impairment.

#### **(i) Revenue**

Grants are received on the condition that specified services are delivered, or conditions are fulfilled, and are considered reciprocal. Such grants are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled. Revenue from non-reciprocal grants is recognised when the company obtains control of the funds.

Donations and bequests are recognised as revenue when received.

Royalties are recognised as revenue when the amount received from the agency collects the royalties.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised upon the delivery of goods and services to the client.

All revenue is stated net of the amount of goods and services tax (GST).

#### **(j) Financial Instruments**

##### *Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

##### *Classification and subsequent measurement*

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- i. the amount at which the financial asset or financial liability is measured at initial recognition;
- ii. less principal repayments;
- iii. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, or where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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**(k) Financial Instruments (continued)**

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire held-to-maturity investment would be tainted and reclassified as available-for-sale.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

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**(l) Financial Instruments (continued)**

**Impairment**

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Income Statement.

## Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability, which is extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## **(m) Unexpended Grants**

---

The company receives grant monies to fund projects either for contracted periods of time or for specific projects irrespective of the period of time required to complete those projects. It is the policy of the company to treat grants monies as unexpended grants in the balance sheet where the company is contractually obliged to provide the services in a subsequent financial period to when the grant is received, where the project has not yet been completed or where the grant provider is able to request repayment of all unspent funds upon notice.

## **(n) Provisions**

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Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

## **(o) Comparative Figures**

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When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## **(p) Leases**

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Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

## **(q) New Standards and Interpretations not yet adopted**

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The company has not decided when to adopt the following standards:

- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

Both these standards are mandatory for accounting periods beginning on or after 1 July 2013, with early adoption permissible. As a not-for-profit entity, the company will be eligible to apply the Tier 2 reporting requirements that are provided in these standards. If the company should decide to do so, this will reduce some disclosure in the notes to the financial statements but will not affect the statements of financial position or comprehensive income.

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. It is not anticipated that these future standards and interpretations will materially affect the company's accounts.

## **(r) Critical Accounting Estimates and Judgments**

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The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

### *Provisions for employee benefits*

Provisions for employee benefits payable after 12 months from the reporting date are based on salary levels as at 31 December 2011, experience of employee departures and periods of service. The amount of these provisions would change should any of these factors change in the next 12 months.

## **(s) Economic Dependence**

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Arts Law Centre of Australia is dependent on grant funding for the majority of its revenue used to operate the business. At the date of this report the Board of Directors has no reason to believe that the level of grant funding expected to be received in 2012 will not be able to support Arts Law Centre of Australia.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<b>NOTE 2: REVENUE</b>		
Revenue		
- Government grants	790,594	747,009
- Membership subscriptions	66,087	70,240
- Publication sales	31,947	41,123
- Interest	24,565	19,749
- Donations <sup>1</sup>	37,550	20,460
- Other	45,075	66,926
	205,224	218,498
<b>Total Revenue</b>	<b>995,818</b>	<b>965,507</b>

<sup>1</sup> Donations from fundraising were unsolicited non-reciprocal contributions and as such no direct costs of fundraising have been incurred or attributed. No other direct fundraising activities were conducted during the financial year.

## NOTE 3: PROFIT FOR THE YEAR

### (a) Expenses

Depreciation and amortisation:		
- plant and equipment	6,194	4,835
- leasehold improvements	2,376	2,376
- Trademarks	563	-
- Website development	12,152	-
<b>Total depreciation and amortisation</b>	<b>21,285</b>	<b>7,211</b>
<b>Total employee benefits expense</b>	<b>678,917</b>	<b>633,664</b>
Rental expense on operating leases		
- minimum lease payments	6,348	6,391
Auditor remuneration:		
- audit services	10,000	9,550
- other services	-	-
<b>Total audit remuneration</b>	<b>10,000</b>	<b>9,550</b>

### (b) Significant Revenue and Expenses

Net gain/(loss) on disposal of non-current assets		
Property, plant and equipment:		
- Proceeds on disposal	-	-
- Disposals at costs	-	-
<b>Net gain / (loss) on disposal as at 31 December 2011</b>	<b>-</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<b>NOTE 4: CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	401,906	422,569
Term deposits	153,954	153,954
	555,860	576,523

## NOTE 5: TRADE AND OTHER RECEIVABLES

<b>CURRENT</b>		
Trade receivables	13,730	8,243
Accrued revenue	1,488	1,461
	15,218	9,704

### (i) Provision for Impairment of Receivables

Current trade receivables are generally on 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. No provision for the impairment of receivables is recorded at 31 December 2011.

All receivables have been assessed as fully recoverable and no impairment has been raised.

### (ii) Credit Risk – Trade and Other Receivables

The company does not have any material credit risk exposure to any single receivable or group of receivables.

The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counter party to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Past Due and Impaired	Past Due but not impaired (days overdue)				Within initial Trade Terms
	\$	\$	< 30 \$	31 - 60 \$	61 - 90 \$	>90 \$	\$
2011							
Trade Receivables	13,730	-	-	-	305	250	13,175
Other Receivables	1,488	-	-	-	-	-	1,418
Total	15,218	-	-	-	305	250	14,663

	Gross Amount	Past Due and Impaired	Past Due but not impaired (days overdue)				Within initial Trade Terms
	\$	\$	< 30 \$	31 - 60 \$	61 - 90 \$	>90 \$	\$
2010							
Trade Receivables	8,243	-	-	2,750	2,420	2,530	543
Other Receivables	1,461	-	-	-	-	-	1,461
Total	9,704	-	-	2,750	2,420	2,530	2,004

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<b>NOTE 6: PREPAYMENTS</b>		
Prepayments	2,414	-
	2,414	-

## NOTE 7: INVENTORIES

### CURRENT

#### Finished goods at cost:

- held for sale	11,068	11,608
- held for distribution	4,042	6,072
	15,110	17,680

## NOTE 8: LEASEHOLD IMPROVEMENTS, PLANT AND EQUIPMENT

### Plant and equipment

At cost	72,890	84,601
Less accumulated depreciation (41,993) (78,158)		
Total plant and equipment	30,897	6,443
Leasehold improvements		
At cost	21,930	21,390
Less accumulated amortisation	(19,615)	17,239)
Total leasehold improvements	1,775	4,151
Total leasehold improvements, plant and equipment	32,672	10,594

### (a) Movements in Carrying Amounts

Movements in leasehold improvements, plant and equipment between the beginning and end of each financial year.

Balance at the beginning of the year	10,594	15,627
Additions at cost	30,648	2,178
Disposals	-	-
Depreciation expense	(8,570)	(7,211)
Carrying amount at the end of year	32,672	10,594

## NOTE 9: INTANGIBLE ASSETS

Website development, at cost	66,791	47,750
Accumulated amortisation	(12,152)	-
Net Carrying Value	54,639	47,750
Trademarks, at cost	6,870	-
Accumulated amortisation	(563)	-
Net Carrying Value	6,307	-
Total leasehold improvements, plant and equipment	60,946	47,750

Movements in intangibles between the beginning and end of each financial year.

Carrying amount at the beginning of the year	47,750	-
Additions	25,911	47,750
Disposals	-	-
Amortisation during the year	(12,715)	-
Carrying amount at the end of the year	60,946	47,750



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade payables	67,247	65,780
Employee benefits	73,924	48,568
Unexpended grants	206,768	254,114
Unearned membership income	31,657	32,054
	<b>379,596</b>	<b>400,516</b>
<b>(a) Financial liabilities at amortised cost classified as trade and other payables</b>		
<b>Trade and Other Payables</b>		
- Total current	379,596	400,516
- Total non-current	-	-
	<b>379,596</b>	<b>400,516</b>
Less short-term employees benefits	(73,924)	(48,568)
Less unexpended grants	(206,768)	(254,114)
Less unearned membership income	(31,657)	(32,054)
Less GST payable	(10,090)	(18,273)
Financial liabilities as trade and other payables	<b>57,157</b>	<b>47,507</b>
<b>NOTE 11: BORROWINGS</b>		
Current	9,554	-
Non-current	20,690	-
	<b>30,244</b>	<b>-</b>
Chattel Mortgage was entered into which in 2011 to enable the capital purchase of IT equipment.		
<b>NOTE 12: PROVISIONS</b>		
	Long Term	Employee benefits
Opening balance at 1 January 2011		24,319
Additional provisions raised during the year		10,474
Amounts used		-
Balance at 31 December 2011		<b>34,793</b>
<b>Analysis of Total Provisions</b>		
Current	19,160	-
Non-Current	15,633	24,319
	<b>34,793</b>	<b>24,319</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
<b>NOTE 13: CASH FLOW INFORMATION</b>		
(a) Reconciliation of cash flow from operations with comprehensive income		
Comprehensive income for the year	171	105,181
Non-cash		
- Depreciation and amortisation	21,285	7,211
Changes in assets and liabilities:		
- (Increase) in receivables	(5,514)	(6,568)
- Decrease in inventories	2,570	3,138
- (Increase) in prepayments	(2,414)	-
- Increase in payables	1,471	12,138
- (Decrease) / increase in unexpended grants	(47,346)	208,231
- (Decrease) / increase in unearned income	(401)	4,105
- Increase in provisions	35,829	15,116
	5,651	348,552

## NOTE 14: CAPITAL AND LEASING COMMITMENTS

### (a) Operating Lease Commitments

Payable – minimum lease commitments		
- no later than 12 months	6,348	6,391
- later than 12 months but no later than 5 years	20,631	-
- greater than 5 years	-	-
	26,979	6,391

The photocopier lease commitment is a non-cancellable operating lease contracted for but not capitalised in the financial statements with a five-year term.

## NOTE 15: CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets or liabilities that would have a material impact on the financial statements as at 31 December 2011 which require disclosure in this report.

## NOTE 16: EVENTS AFTER BALANCE SHEET DATE

There were no events after balance sheet date that would have a material impact on the financial statements which require disclosure in this report.

## NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term benefits			Post Employment	Total
	Salary & Fees	Superannuation	Bonus	Benefits Other	
	\$	\$	\$	\$	\$
<b>2011</b>					
Total Compensation	98,096	8,660	-	-	106,756
<b>2010</b>					
Total Compensation	95,204	8,522	-	-	103,726

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 \$	2010 \$
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### NOTE 18: FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and leases

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

<b>Financial Assets</b>		
Cash and Cash equivalents	555,860	576,523
Trade and other receivables	15,218	9,704
<b>Total Financial Assets</b>	<b>571,078</b>	<b>586,227</b>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	57,157	47,507
<b>Total Financial Liabilities</b>	<b>57,157</b>	<b>47,507</b>

#### (a) Financial Risk Management Policies

The Finance Committee's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are reviewed on a yearly basis. These include credit risk policies and future cash flow requirements.

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The company does not have any derivative instruments at 31 December 2011.

#### Specific Financial Risks Exposures and Management

##### (i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At 31 December 2011 the Arts Law Centre of Australia is not exposed to any material interest bearing liabilities and therefore is not materially impacted by fluctuations in interest rates.

##### (ii) Liquidity Risk

Liquidity risk arises from the possibility that the Arts Law Centre of Australia might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Arts Law Centre of Australia manages liquidity by monitoring forecast cash flows and ensuring that adequate cash reserves are maintained.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

#### (b) Financial Instrument Composition and Maturity Analysis

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

							2011	2010
							\$	\$
Financial liabilities due for payment								
Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow		
2011	2010	2011	2010	2011	2010	2011	2010	
\$	\$	\$	\$	\$	\$	\$	\$	
Trade and								
other payables	379,596	400,516	-	-	-	-	379,596	400,516
Financial liabilities	7,883	-	22,361	-	-	-	30,244	-
	387,479	400,516	22,361	-	-	-	409,840	400,516

### Financial assets are expected to be realised as follows

	Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	555,860	576,523	-	-	-	-	555,860	576,523
Trade & other receivables	15,218	9,704	-	-	-	-	15,218	9,704
	571,078	586,227	-	-	-	-	586,227	281,035
Net inflows/outflows on financial instruments	183,599	192,207	(22,361)	-	-	-	161,238	192,207

#### (iii) Credit Risk

The Arts Law Centre of Australia does not have any material credit risk exposure to any single receivable under financial instruments entered into by the Arts Law Centre of Australia.

#### (iv) Price risk

The Arts Law Centre of Australia is not exposed to any material commodity price risk.

### (c) Net Fair Values

The net fair values of all financial assets and financial liabilities approximate their carrying amounts. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and notes to the financial statements.

### (d) Sensitivity analysis

No sensitivity analysis has been performed for interest rate risk as the Arts Law Centre of Australia is not materially exposed to fluctuations in interest rates.

No sensitivity analysis has been performed for foreign exchange risk, as the company is not exposed to fluctuations in foreign exchange.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	\$	\$

### NOTE 19: RELATED PARTY TRANSACTIONS

During the financial year, the Company paid \$60,000 to Core Films Pty Ltd for the production of DVDs. The production company engaged to complete this work is affiliated with Pauline Clague, Arts Law Director.

There are no other related party transactions that

### NOTE 20: COMPANY DETAILS

The registered office and principal place of business of the company is 43-51 Cowper Wharf Road, Woolloomooloo, NSW, 2011.

### NOTE 21: MEMBERS GUARANTEE

The company is a company by guarantee. If the company is wound up, the Constitution states that each member of the company is required to contribute a maximum of \$120 each towards meeting any outstanding obligations of the company. At 31 December 2011 the number of members was 456.

**DISCLAIMER**

The additional financial data presented on pages 32 to 33 is in accordance with the books and records of the company, which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2011. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors of omissions therein however caused.



Mark Driessen  
WalterTurnbull

Sydney, NSW  
Date this 4<sup>th</sup> day of April 2012



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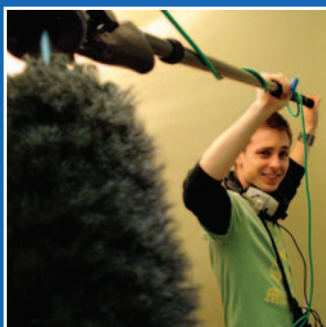


Photo of Metro Screen Graduate Jimmy Sear,  
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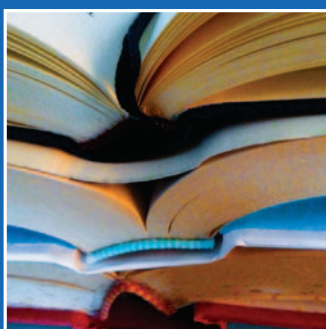


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## Arts Law Centre of Australia

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