


2010
ANNUAL REPORT



COMPANY PARTICULARS

Board	<p>President The Hon. Justice George Palmer AM</p> <p>Vice President The Hon. Peter Heerey QC</p> <p>Honorary Treasurer Steven J Miller</p>
Directors	<p>Megan Brownlow</p> <p>Peter Griffin</p> <p>Andrew Wiseman</p> <p>Kimberlee Weatherall</p> <p>Pauline Clague</p>
Company Secretary	<p>Robyn Ayres</p>
Registered Office	<p>The Gunnery</p> <p>43-51 Cowper Wharf Road</p> <p>Woolloomooloo NSW 2011</p>
Accountants	<p>Steven J Miller & Co</p> <p>PO Box 297</p> <p>Leichhardt NSW 2040</p>
Auditors	<p>WalterTurnbull</p> <p>Darling Park Tower 2</p> <p>201 Sussex Street</p> <p>Sydney NSW 2000</p>
	<p>Arts Law Centre of Australia</p> <p>ABN 71 002 706 256 / ACN 002 706 256</p> <p>Level 1, The Gunnery,</p> <p>43-51 Cowper Wharf Road,</p> <p>Woolloomooloo NSW 2011 Australia</p> <p>Phone: +61 2 9356 2566</p> <p>Fax: +61 2 9358 6475</p> <p>artslaw@artslaw.com.au</p> <p>www.artslaw.com.au</p>

CONTENTS

2	Company Particulars
4	Arts Law, Who We Are
5	Mission
6	President's Report
7	Executive Director's Report
9	Supporters
11	Achievements
12	Funding
13	Board
14	Staff
15	Council of Patrons
15	Guardian Angels
16	Artists in the Black Reference Group
17	Legal Advice, Referral and Mediation services
25	Arts Law Subscribers
27	Legal Information and Publications
28	ART+law
29	Website
29	Professional Development Program
30	Advocacy and Law Reform
32	Artists in the Black
36	Volunteer and Pro Bono Assistance
	Financial Report for Year Ended December 31 2010
43	Directors' Report
44	Information on Directors
46	Auditor's Report
49	Directors' Declaration
50	Statement of Comprehensive Income
51	Statement of Financial Position
52	Statement of Changes in Equity
53	Statement of Cash Flows
54	Notes to the Financial Statements

WHO WE ARE

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.

Arts Law provides legal advice and information on 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.

The majority of Arts Law subscribers are individual arts practitioners – including visual artists, authors, new media artists, performers, musicians, composers, writers, film and documentary makers, choreographers, graphic designers and set designers. Arts organisations are also important clients of Arts Law.

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.

PRESIDENT'S REPORT

The Hon. Justice George Palmer AM

President



When I reflect upon Arts Law's achievements in 2010, I am amazed at what the staff can achieve with such considerable under-resourcing and overwhelming demand for the service. Yet despite these limitations Arts Law continued to grow in scope and breadth, which is a testament to the tenacity and commitment of the Arts Law team. This team encompasses not only the full time staff but also the incredible ongoing support of daytime volunteers, as well as the many lawyers and law firms that offer their expertise to Australia's artists and arts organisations.

In 2010 Arts Law took on a number of challenges including increasing funding from all states and territories, a major project funded by the Cultural Minister's Council and a new website for Arts Law. Whilst undertaking these projects Arts Law's continued to grow its core service of legal advice delivery to Australian artists and arts organisations. To achieve all this took strong dedication of Arts Law staff and a strong reliance on the selfless pro bono support received from lawyers and law students across Australia.

As access to the internet continues to increase for artists and arts organisations, Arts Law's new website is a real achievement for helping to increase and improve online education, resources and up to date legal information. The new website aims to increase artists and arts organisations ability to efficiently and easily research legal problems online. As a result, hopefully increasing the overall knowledge and awareness of legal issues within the Australian arts community, as well as helping to inform artists how to better protect themselves.

The continuous support from the legal community is astounding. The outreach from small and large law firms across the country to assist with telephone advice, casework, and education amongst others illustrates the close relationship between these excellent firms and the Arts Law staff. I wish to thank all the legal professionals and firms for this support.

A strong and responsive Board is essential to any organisation and I am privileged to work with such a group of people. I would like to extend my appreciation for the time and commitment given by this volunteer Board. Their insight and enthusiasm continues to infuse Arts Law with fresh ideas and it is my pleasure to work with them.

No organization can truly reach its potential without strong and visionary leadership. The accomplishments of Arts Law under the constraints of the current funding situation are a testament to the guidance and unending dedication of the Executive Director Robyn Ayres. Her enthusiasm and determination ensures the needed focus and accomplishments in the upcoming year. As Arts Law faces the challenges that lie ahead, the successes will be measured through the artists and arts organisations that continue to bring their creativity and uniqueness to all of us.

The Hon. Justice George Palmer AM
President

EXECUTIVE DIRECTOR'S REPORT

Robyn Ayres
Executive Director



In 2010 the financial and legal challenges of being an artist in Australia continue to mount. Artists are being asked to sign contracts that aim to take all their rights, the threats to freedom of expression grow meanwhile artists are encouraged to give it all away for free online. So whilst everyone at Arts Law would agree that we often overstretch ourselves, it is because the needs of the arts community are growing and we continue to say "yes" to artists rather than "no".

In this environment funding for Arts Law continues to be a challenge. With a static funding base from the various Government arts agencies, we continue to look for new opportunities to deliver our services strategically to the arts community. As a result in 2010 Arts Law juggled fifteen different grants. The independent evaluation of Arts Law completed in early 2010 recommended that we work with the Australia Council to establish a more equitable funding model. The aim is for all States and Territories, as well as the Commonwealth, to contribute in accordance with some agreed indicia such as artist population, number of Indigenous artists, their geographic spread and services to be delivered by Arts Law. This is an ongoing project with all Federal State and Territory arts agencies involved. Despite the funding challenges Arts Law ended 2010 on a much stronger financial note than we started thanks largely to the amazing efforts of the Arts Law team.

In 2010 Arts Law received funding from the Cultural Ministers' Council, to develop Solid Arts, a project about protecting and respecting Indigenous intellectual property. This project recognises the expertise developed by Arts Law in delivering to Indigenous arts communities and the arts community more broadly. The first part of this project has been the development of a new website www.solidarts.com.au.

Whilst the development of a strong funding base is essential to the longevity of Arts Law, so too is the commitment of all of our supporters. They are many and varied but include our Patrons, our Guardian Angels, the wonderful band of pro bono lawyers, and the students and interns who come to work at Arts Law throughout the year. We couldn't do it without them. In addition, Arts Law is guided by the terrific work of our volunteer Board of Directors led by Justice George Palmer. This year we also benefited from the support of the Australia Government Solicitor (AGS) who provided Arts Law with a lawyer on secondment for most of the year thereby increasing the capacity of Arts Law to deliver legal advice to the arts community.

With the additional AGS lawyer together with four law firms (Allens Arthur Robinson, Clayton Utz, DLA Phillips Fox and Freehills) helping with the telephone advice service, Arts Law was able to increase the number of advices provided to 2001. The number of Document Review Services (DRS previously known as LANs) also increased significantly with 526 DRS provided. The DRS service is very resource intensive so has placed increased demands on both our staff and the pro bono lawyers who help us to provide this service. It is illustrative of the increasingly complex legal environment in which artists and arts organisations have to operate.

Arts Law is most appreciative of the efforts of the lawyers who volunteer their time to assist Australia's artists. Arts Law estimates the value of pro bono services to the arts community is over \$2 million. On behalf of all our clients, Australia's artists and arts organisations, we thank you wholeheartedly. Arts Law is able to recognise a small number of the 240 lawyers on our volunteer panel through the pro bono award which is a commissioned limited edition print awarded to 29 lawyers who have made the greatest contribution during the year. In 2010 the print was *Safe Haven* by artist, Gwenn Tasker.

EXECUTIVE DIRECTOR'S REPORT



© Gwenn Tasker 2010 Safe Haven

Arts Law continues to grow the Artists in the Black service with increasing numbers of Indigenous artists and arts organisations seeking assistance. Whilst the whole of Arts Law supports the AITB service, the Indigenous staff provide the front line service. In 2010 Trish Adjei rejoined the team albeit briefly before she went to work in Geneva for WIPO and Brad Webb did a great job making Indigenous clients feel welcome at Arts Law. Sadly there was insufficient funding to continue the Indigenous lawyer's position beyond June 2010. Whilst Arts Law's government funding for AITB did not extend to continuing the wills work, some of the art centres and peak arts organisations considered the need was so great that they contributed to Arts Law's expenses to travel to the communities for this purpose. Arts Law was also very pleased to have the pro bono assistance of lawyers from DLA Phillips Fox who travelled with us to the western desert and the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands. This was a significant pro bono commitment amounting to 6 lawyer weeks plus all their expenses.

Arts Law continues to lobby for better protection of Indigenous culture and intellectual property (ICIP). Whilst we lobbied the Minister for the Arts and the Attorney General about better protection nationally, work escalated at WIPO particularly in relation to protection for traditional cultural expressions. After 20 years of lobbying, resale royalty rights finally came into law on 9 June 2010. Whilst the legislation might not be perfect it was a real achievement for the visual arts community with payments starting to be made to a few artists.

Another huge achievement has been the total redevelopment of the Arts Law website, still at the old address (www.artslaw.com.au) but featuring a completely new website. The website developers thINK together with Arts Law's Administration Manager, Fiona Skelton have done an amazing job.

Finally a thank you to the wonderful staff of Arts Law (both paid and volunteers) who do a magnificent job on a fairly minimal budget. Their passion and commitment are unrivalled. Lastly but certainly not least, we would also like to acknowledge Australia's creators who continue to do so much to make our lives richer and more enjoyable.

Robyn Ayres
Executive Director

SUPPORTERS

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



Office for the Arts
(Department of Prime
Minister and Cabinet)



The New South Wales
Government
through Arts NSW



Screen Australia



Arts Victoria



Phonographic
Performers Company
of Australia for funding
support



Copyright Agency Ltd
(CAL)



Government of Western
Australia, Department
of Culture and the Arts



Arts SA



Queensland
Government



SUPPORTERS

Acknowledgement and thanks must go to the following people, organisations and law firms for their significant contribution to Arts Law during the year:

WalterTurnbull for pro bono accounting advice and assistance to Arts Law's legal staff.



Steven J Miller & Co for pro bono advice and the continued provision of assistance to Arts Law legal staff.



Lexis Nexis for sponsoring Arts Law's subscription to their online publications.



Victoria Law Foundation for support of AITB education program in regional Victoria.



NSW Law and Justice Foundation for support of AITB radio recordings.



Special thanks to the many individuals, organisations and law firms who have made a significant contribution to Arts Law during the year, many of whom are listed later in this report.

ACHIEVEMENTS

2001

telephone legal advices

539

face-to-face document review
session consultations

240

pro bono lawyers willing to provide
advice and other assistance to clients of
the Arts Law

\$2,078,500

in legal assistance provided to
Arts Law's clients

574

legal advice services to Indigenous clients
(including casework)

69

professional development presentations

1961

artists and arts workers received
professional development

538

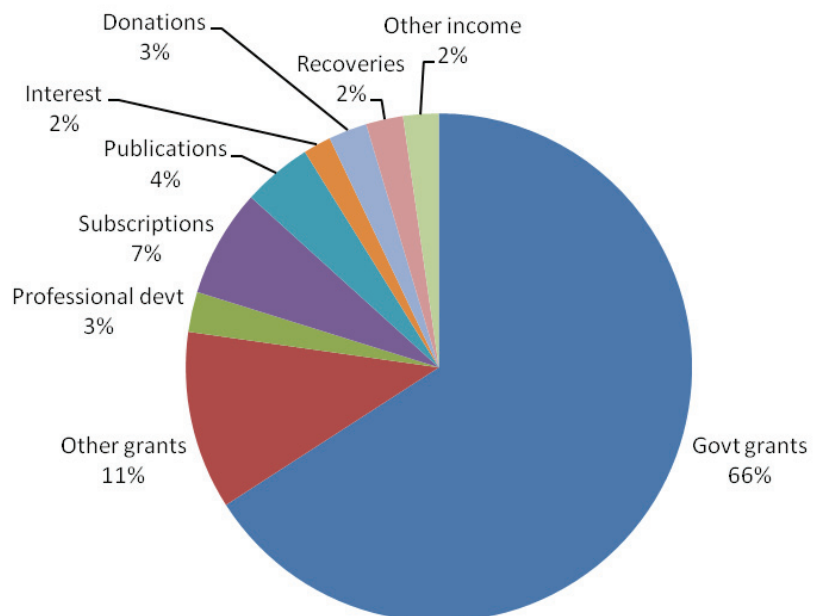
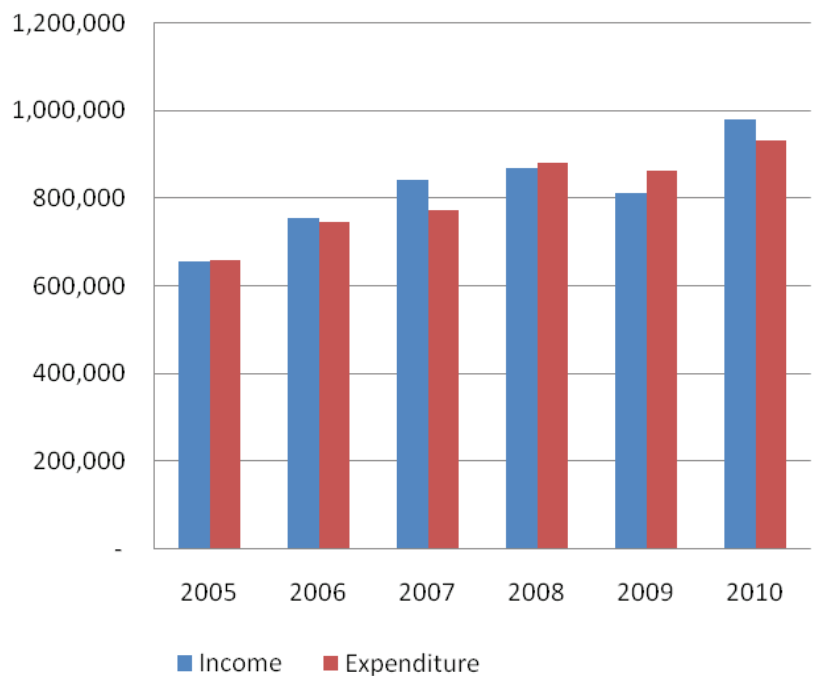
Indigenous participants attended
educational workshops

4,451

artists and arts workers were directly
assisted by Arts Law

FUNDING

Arts Law Income & Expenditure 2005-2010



Sources of Income 2010

BOARD

President
Vice President
Honorary Treasurer

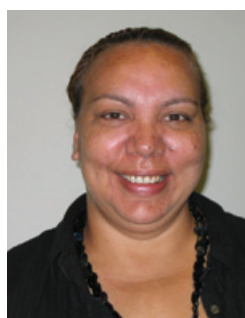
The Hon. Justice George Palmer AM
The Hon. Peter Heerey QC
Steven Miller

Directors

Megan Brownlow
Pauline Clague
Peter Griffin
Kimberlee Weatherall
Andrew Wiseman

Company Secretary

Robyn Ayres



STAFF

Executive Director	Robyn Ayres
Senior Solicitors (Part time)	Delwyn Everard Rebecca Laubi
Solicitor Solicitor Indigenous Solicitor	Suzanne Derry/Meher Gaven Jo Teng Patricia Adjei (Commencing 15 February 2010 until 8 April 2010)
Administration Manager (Part time)	Lynne Guaglione (until 30 July 2010) Fiona Skelton (commencing 2 August 2010)
Financial Manager (Part time) Administration Officer Administration Officer	Mary Egan Ellen Williams Fiona Skelton (until 30 July 2010) Jaye Early (commencing 3 August 2010)
Administration Assistant Aboriginal Information/ Liaison Officer	Rose Ayres/Gemma Williams Brad Webb



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.

CURRENT PATRONS ARE:

Robyn Archer AO
Jan Chapman AO
Deborah Cheetham
Ian David
David Gulpilil AM
Roger Knox
Frank Moorhouse AM
Professor Sally Morgan
Margaret Olley AC
David Page
Rachel Perkins
Peter Sculthorpe AO
William Yang

The Hon David Angel QC
The Hon Justice Terence Buddin
Julian Burnside AO QC
The Hon Jerrold Cripps QC
The Hon Elizabeth Evatt AC
The Hon Justice Malcolm Gray RFD
The Hon Michael Kirby AC CMG
The Hon David Levine AO RFD QC
The Hon Justice John Mansfield AM
The Hon Jane Mathews AO
Shane Simpson
The Hon Antony Whitlam QC

GUARDIAN ANGELS 2010

Charles Alexander
Megan Brownlow
Peter Chalk
Bernard Coles QC
The Hon Peter Heerey QC
Howard Insall SC
Alison Leslie
The Hon David Levine AO RFD QC
David Marr
Michael Naphthali
Barry O'Keefe QC
The Hon Justice George Palmer AM
Robert Poolman
Julian Sexton SC
Shane Simpson
Alida Stanley

VICTORIA ADVISORY COMMITTEE 2010w

The Hon Peter Heerey QC
Peter Chalk
Stephen Stern
Kate Beattie
Prof Andrew Kenyon

ARTISTS IN THE BLACK REFERENCE GROUP

The current members of the group are:

John Harding (Chair)

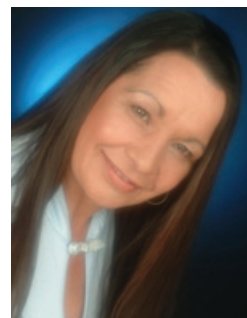
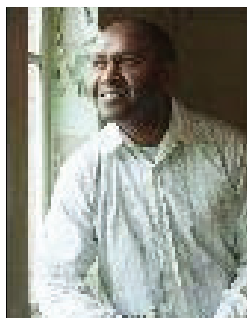
Kev Carmody

Kevin Dolman

Carol Innes

Pauline Clague

Lily Shearer



LEGAL ADVICE, REFERRAL AND MEDIATION 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. This is becoming increasingly difficult in view of the unnecessary demands being placed on artists to assign their copyright and the challenges posed by the online environment.

Arts Law provides legal advice on a wide range of legal and business issues affecting artists and the cultural sector including copyright, contract, moral rights, performers' rights, trade marks, trade practices, confidentiality, employment, business structures, privacy, insurance, censorship and taxation. We do this through our free national telephone legal advice service to the arts community and, for Arts Law subscribers, extended legal advice service, national face-to-face legal advice Document Review Services and pro bono referrals. Arts Law also provides referrals to our panel of mediators on a fee for service basis.

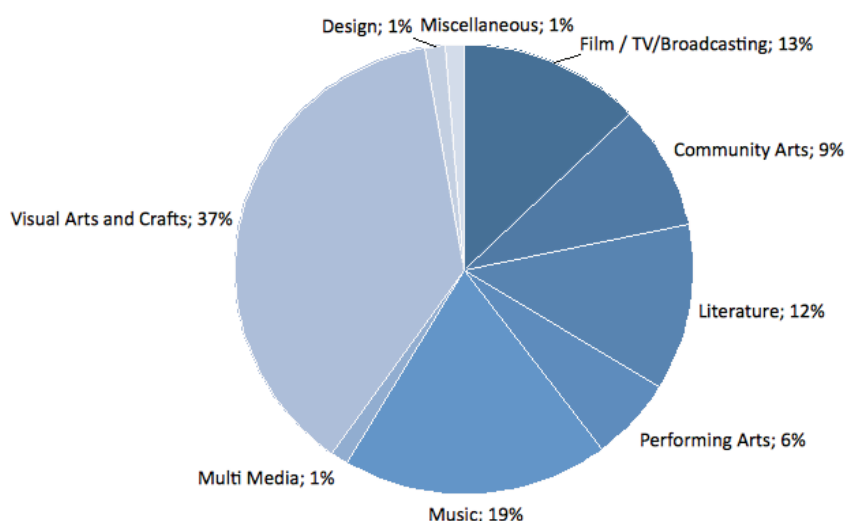
TELEPHONE LEGAL ADVICE

In 2010 the number of occasions in which telephone advice was provided was 2001. Arts Law has found that the advice needed is increasingly complex and that the demand for our Document Review Service has grown significantly. The telephone advice services are nominally valued at \$500 per advice which means that approximately \$1,000,500 worth of free telephone legal advice was provided to Arts Law's clients.

TABLE 1: TELEPHONE ADVICE BY ARTS SECTOR

Telephone Advice	2010	2009
Film/Video/TV/Broadcasting	256	190
Community Arts	180	102
Literature	240	155
Performing Arts	120	79
Music	376	263
Multi Media	24	23
Visual Arts and Crafts	750	480
Design	28	13
Miscellaneous	27	459
TOTAL	2001	1764

2010 Legal advice by art form



LEGAL ADVICE, REFERRAL AND MEDIATION SERVICES

CASE STUDY

Best practice advice benefits the Little Big Shots International Film festival and its participants

Since the first Festival in 2005, Little Big Shots (www.littlebigshots.com.au) has become an iconic annual event. This international children's film festival held in Melbourne is operated by a not-for-profit organisation dedicated to 'enhancing the media literacy of young people, fostering children's creativity and showcasing the very best in filmmaking for, by and about kids'.

In September 2010, festival director Chloe Boulton contacted Arts Law for a document review of the Festival's Participation Agreement which every young budding filmmakers wanting to see their work shown on the big screen had to sign.

Arts Law applies an 'artist first' policy – and for that reason we generally decline to give advice to arts organisations if their request relates to a dispute or contract with an artist. However, where an art organisation wants advice on a standard or template document, we will occasionally give 'best practice' advice if we think that helping the organisation develop a fair and balanced agreement is positive for both the organisation and the artists with which it is dealing.

Chloe told Arts Law that this was exactly what Little Big Shots wanted to achieve – a fair agreement which struck the right balance between ensuring that the Festival secured the rights it needed to stage the Festival and associated events and also protected the rights of the children entering their work into the Festival. Arts Law referred her request to Julian Hewitt of Media Arts Lawyers in Melbourne.

Julian's advice helped Chloe revise the Participation Agreement to outline clearly the respective legal rights of the filmmaker and the Festival, address issues surrounding minors entering films (such as parental consent) and provide relevant intellectual property information to entrants. For example, the agreement makes it clear that the Festival has the world-wide right to screen the films submitted for a period limited to the 12 months commencing with that year's Festival and that for the next two years the Festival can use excerpts, stills and other publicity excerpts for promotional purposes. This can be contrasted with some film festivals where entrants give up all rights in their films once they are submitted, including in circumstances where their film may not be guaranteed of a public screening.

This matter is an example of how best practice advice can lead to a solution which achieves the outcome sought by the arts organization without unduly restricting the rights of the artist. For more information, see our 'Best Practice guidelines'.



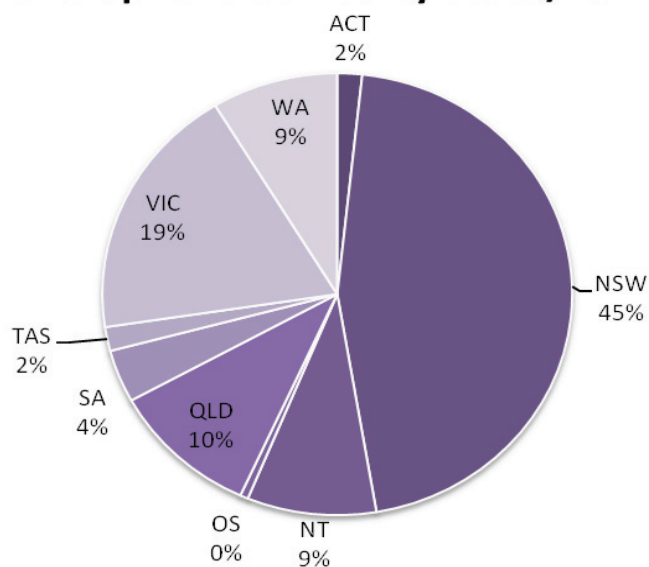
© Little Big Shots

LEGAL ADVICE, REFERRAL AND MEDIATION SERVICES

Table 2: TELEPHONE ADVICE BY STATE

Telephone Advice	2010	2009
ACT	34	28
NSW	913	779
NT	178	91
OS	11	32
QLD	205	227
SA	77	67
TAS	35	20
VIC	374	337
WA	174	183
Total	2001	1764

2010 Telephone advice by State/Territory



LEGAL ADVICE, REFERRAL AND MEDIATION SERVICES

Range of Problems

Arts Law deals with a significant number of legal problems presented by each caller. In 2010, of the 2001 legal advices provided the solicitors dealt with 2776 different legal problems. Table 3 sets out the number and range of legal problems dealt with in 2010.

Description	Totals
Administrative Law	6
Agency	13
Bailment	8
Business Name	19
Business Structure incl. assns, charities, corps	52
Business Structure: Partnership	22
Censorship & Obscenity	8
Character Merchandising	7
Commercial Lease	6
Confidentiality	43
Contract: General	345
Contract: Infringement	62
Contract: Review	368
Copyright: Collecting Societies	48
Copyright: General	463
Copyright: Infringement	180
Copyright: Licensing	252
Debt	56
Defamation	68
Employment incl. discrim, super, workers comp	51
Estate Planning/Wills	9
Funding incl. government, private	6
ICIP	39
Insolvency	11
Insurance	23
IP: Design Registration	13
IP: Trade Mark	45
Local Government	6
Mediation	22
Moral Rights	125
Other	68
Performers' Rights	19
Personal Property	4
PPCA	3
Privacy	19
Remedies	8
Tax incl. GST, income, sales, stamp duty	13
Torts incl. negligence, trespass	10
Trade Practices & Passing Off incl. misleading	77
Wills & Probate	184
Total	2776

LEGAL ADVICE, REFERRAL AND MEDIATION SERVICES

DOCUMENT REVIEW SERVICES (DRS)

Subscribers to Arts Law can obtain a document review service 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. Subscribers are entitled to up to 6 sessions per year. Lawyers from large corporate and boutique firms, as well as government and in-house lawyers, volunteer for the national DRS panel. The number of document reviews provided was 539 (2010) compared to 401 (2009).

The increase in number of document reviews reflects the increasing professionalism of the arts as well as the complexity of the legal issues involved in creators' arts practices. The DRS is a resource intensive service which is valued between \$2000-\$5000 per service. At a minimum, the value of DRS provided to our clients was worth \$1,068,000 in 2010.

The face-to-face Document Review Service operates in Sydney, Melbourne, Adelaide, Brisbane, Hobart, Perth, Darwin, and Canberra. Subscribers in other cities and regional areas can access the service via a telephone consultation with lawyers on our panel.

DEFAMATION CASE STUDY

In mid 2010, Arts Law was contacted by an author who written an autobiographical book about her experience as a victim of domestic verbal and emotional abuse. She contacted Arts Law to obtain legal advice outlining the risks of breaching defamation laws due to her use of real life people and events in the book.

Arts Law referred the case to volunteer lawyer Hugh Bennett who works at the Australian Broadcasting Corporation's Legal Service for a pro bono advice session. For the purpose of the Document Review Session, he read the author's summary and some excerpts from the manuscript she had provided. During the advice session, he asked her a number of questions about her family circumstances and the book and provided clear guidance about defamation and other issues.

The book was dedicated to the author's children and grandchildren. Hugh explained that there are certain statutory restrictions on identifying children involved in Family Court proceedings or in investigations under the Child Protection Act. In this case, the author's children and grandchildren were now adult and such restrictions did not apply.

The other risk for the author was defamation. A story of domestic or emotional abuse is likely to communicate defamatory meanings about the perpetrator and there is a risk that it will amount to defamation if the person responsible can be identified from reading the book.

The author's disclaimer at the beginning of the book noting that it simply contained her views and perspectives would not necessarily protect her in relation to potential legal issues such as defamation.

LEGAL ADVICE, REFERRAL AND MEDIATION SERVICES

DEFAMATION CASE STUDY *continued*

Hugh suggested the author replace real names with pseudonyms in the book and to remove the names of her children from the book.

Given the autobiographical nature of the book, there remained a risk that readers might still identify the characters in the book as certain people from the author's life even if their real names were not used. If the book defamed those people then the author might still be able to rely on a defence of truth. For this reason, the author was advised to be careful to use accurate and clear words to describe her experiences, and to try where possible to ensure that the claims in the book could be backed up by provable evidence.

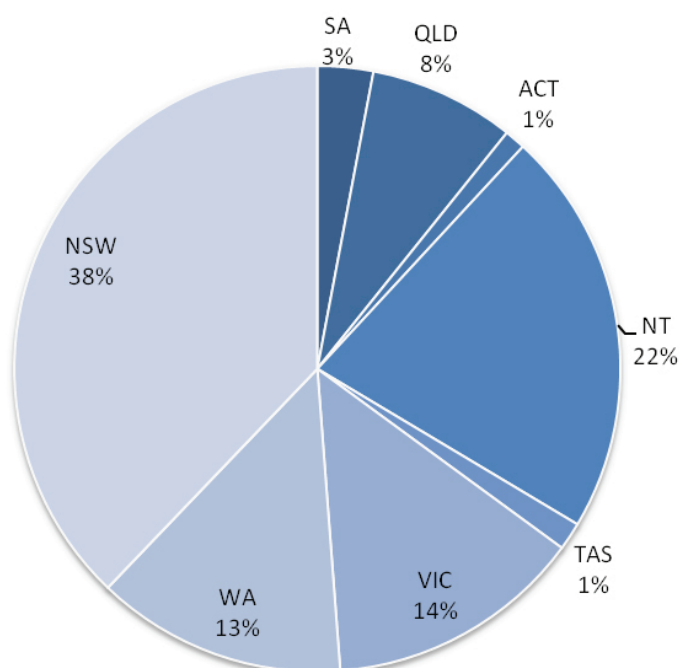
Real life experiences and real people are often the material about which authors wish to write. If a person can be identified from the text, then defamation needs to be considered. This matter is a good indication of how it is always prudent for artists to seek legal advice where they plan on using real life people and personalities in their work.

LEGAL ADVICE, REFERRAL AND MEDIATION SERVICES

Table 4: Document Review service by State

Document Review Service	2010	2009
SA	16	6
QLD	42	30
ACT	6	3
NT	117	58
TAS	8	7
VIC	74	45
WA	72	56
NSW	204	165
TOTAL	539	370

**2010 Document Review Services by
State/Territory**

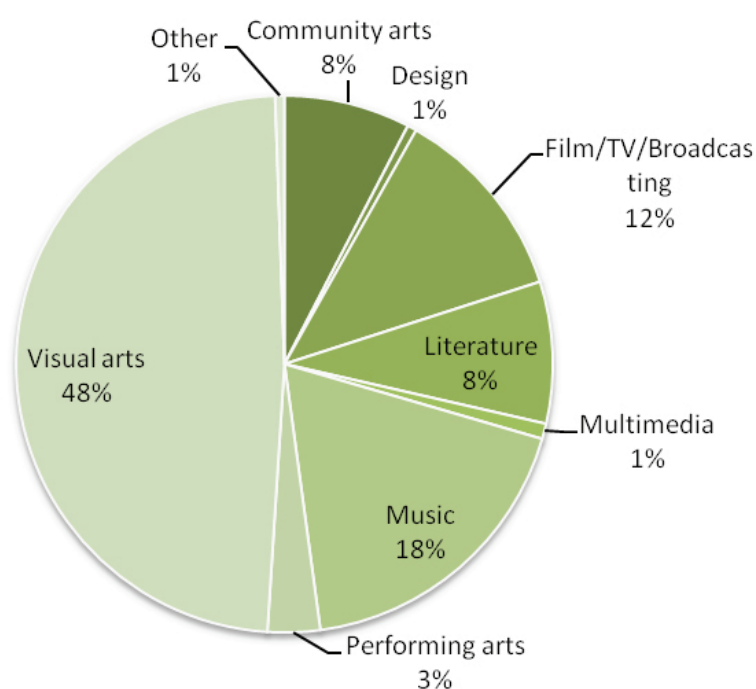


LEGAL ADVICE, REFERRAL AND MEDIATION SERVICES

Table 5: DOCUMENT REVIEW SERVICE by Arts Sector

Document Review Service	2010	2009
Film/Video/TV	64	39
Community Arts	41	27
Design	3	0
Literature	46	38
Performing Arts	17	14
Music	99	77
Multi Media	5	4
Visual Arts and Crafts	261	166
Miscellaneous	3	5
TOTAL	539	370

2010 Document Review Services



ARTS LAW SUBSCRIBERS

In 2010 Arts Law introduced a new subscription requirement for organisations to access legal advice services. Previously the telephone advice was free to all artists and arts organisations (subject to a means test). However, due to funding constraints, in 2010 Arts Law reluctantly introduced subscription for all organisations. Individual artists continued to receive free telephone advice but have to subscribe to use the Document Review Service. Table 6 below sets out subscriptions in 2010. Overall there was a significant increase to the total number of subscribers 749 (compare to 435 in 2009). Increases were attributable to both individuals 620 (338 in 2009) and organisations 129 (97 in 2009). In addition to access to the DRS, subscribers are also entitled to discounts on all of Arts Law's publications, free entry to selected Arts Law seminars and receive the quarterly newsletter, ART+/aw.

TABLE 6: ALCA SUBSCRIBERS 2010 BY STATE & TYPE

State	Totals	Individual Artist	Individual Legal/Other Professional	Arts Organisation	Legal/Other Professional Org
OS	4	4			
ACT	13	8		5	
NSW	284	224	3	51	6
NT	49	41		8	
QLD	95	80	3	11	1
SA	37	29	1	5	2
TAS	11	8	2	1	
VIC	111	88	2	19	2
WA	145	127		17	1
Total	749	609	11	117	12

The vast majority (81%) of Arts Law subscribers are individual arts practitioners – including visual artists, new media artists, performers, musicians, composers, writers, choreographers, graphic designers, film and documentary makers, and set designers.

ARTS LAW SUBSCRIBERS

MUSICIAN CASE STUDY

Justine Eltakchi (www.justineeltakchi.com) is an upcoming Indie and Blues musician rapidly gaining popularity on the Australian music scene.

In October 2010 Justine contacted Arts Law regarding an agreement she had entered into with a music production company to record two songs and mix and master an album and music video. The agreement did not address the ownership of copyright in the recordings and contained several confusing terms. Justine contacted Arts Law. She had not yet received the masters or paid the final installment of fees. As a subscriber she was entitled to have a volunteer lawyer review her agreement and advise her.



Arts Law referred the matter to Stephen Digby of Digby Law who has been on Arts Law's volunteer panel for several years. He provided advice to Justine in relation to the agreement. He concluded that it did not accurately reflect the real intention of the parties and was unclear. The main problem was the failure to deal with the ownership of the masters. Because Justine had come to Arts Law before making her final payment or taking delivery of the masters, Stephen suggested that Justine had an opportunity to negotiate with the music producer to fix that problem. He and Justine came up with a strategy to approach the music producer to negotiate a short supplementary agreement confirming her ownership and creative control of the masters. That strategy was successful and Justine's debut single and music video "Autumn Love" (www.youtube.com/watch?v=N53Z3DDWByM) has now been released.

A critical element of any recording agreement is how it treats ownership of the masters. We recommend that you get legal advice before you sign any such agreement. It's not always possible to 'fix' up problems in the way Justine was able to do. However, even if you have already signed your agreement, it is still useful to get legal advice to understand your position and whether there are any avenues to resolve problems which exist.

LEGAL INFORMATION AND PUBLICATIONS

PUBLICATIONS

Arts Law's has an extensive range of publications which provide information on a broad range of legal issues affecting the arts community nationally. These resources supplement our legal advice service and we encourage the arts community to go to our website given the wealth of materials available there.

Not only does Arts Law maintain the currency of all our publications but we also continue to add to the range of publications each year. The publications include information sheets, checklists and guides, sample agreements and seminar papers. In addition we publish a quarterly newsletter *ART+law*.

With the new websites developed in 2010 (www.artslaw.com.au and www.solidarts.com.au) and the Artists in the Black website due by mid 2011, Arts Law continues to add to the current content with illustrative case studies and audio and audio visual materials.

INFORMATION SHEETS

Arts Law's information sheets are made available on the website for no cost, enabling arts practitioners throughout Australia to easily access up-to-date information. There are currently 51 information sheets available. These can be accessed at <http://www.artslaw.com.au/legal/information-sheets/>.

Checklists and Guides

In addition there are 12 comprehensive checklists and guides available free to Arts Law subscribers and for a small fee to others:

- Answers for Artists (English, Chinese, Arabic and Spanish)
- Artist-Gallery Checklist
- Business Partnership Checklist
- Displaying Visual Arts on the Internet
- Live Music Performance: Booking gigs
- Music Management Checklist
- Music Publishing Checklist
- Music Recording Agreements Guide
- Musicians Gig Booking Guide
- Organising a Festival
- Short Film Competition – Producer's guide
- Sponsorship Agreements Guide

SAMPLE AGREEMENTS

Arts Law produces a range of sample agreements, which come with explanatory notes. There are 45 sample agreements available, covering a 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. These are updated on an ongoing basis.

New sample agreements and documents developed in 2010 included an interviewee's short form release; website terms and conditions; performer's release; and a will for Indigenous musicians.

ART+law

Arts Law produces a quarterly newsletter providing information on current legal issues affecting arts practitioners.

In 2010 ART+law covered topics including:

- Scrapping the artistic purpose defence in NSW (Suzanne Derry)
- FAQ Classification and Censorship (Brooke Elliston and Alana Kushnir)
- 'Authentic' Aboriginal Art: ACCC v Australia Dreamtime Creations (Meher Gaven)
- Access Denied – artists under Australia's mandatory internet filter (Jo Teng)
- Appropriation Art: an overview of copyright and consumer protection for artists (Dan Posker & Cameron Patience)
- E-Clauses in Publishing Agreements (Andrea Allan)
- Nothing Like Australia Competition: just unAustralian (Suzanne Derry)
- This Is Us: Establishing Your Performing Name (Joanne Teng)
- Artists & the New Unfair Contract Terms Legislation (Sally Whiteman)
- Fake 'Aboriginal' souvenirs (Robyn Ayres)
- Laugh, Kookaburra Laugh (Benji Kramer)
- Snapping In The Street (Joanne Teng)
- RE)Introducing Creative Commons (Jackie Emery)
- Cameras in Public (Delwyn Everard)
- Legal issues for artists to consider when occupying premises (Nic Giannantonio)
- Moral Rights Preserve Public Art for Melbourne Artist ((Mark Williams)
- New Laws To Better Protect Performers In Dealings With Agents (David Chau)
- The artists' resale royalty scheme: the first six months (Libby Baulch)

Arts Law subsequently places many of the articles from ART+law on its website.

EXTERNAL PUBLICATIONS

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

WEBSITE

In 2010 Arts Law completely rebuilt its website and whilst retaining the old address www.artslaw.com.au and much of the information contained within it, is a completely new website. The website is reorganised to make it easier to search for information (eg can search by art form or legal issue) and much of the information is hyperlinked both internally and to external resources. The new website also contains case studies providing practical examples of how issues affect artists and arts organisations.

In 2010, Arts Law had over 319,260 visits to the website, and 610,120 page views.

TABLE 7: WEBSITE STATISTICS

2010	Quarterly Visits	Number of Page views
Jan - March	81,206	155,231
April - June	84,474	160,875
July - September	82,168	158,742
October - December	71,412	135,272
TOTAL	319,260	610,120

PROFESSIONAL DEVELOPMENT PROGRAM

In 2010 Arts Law continued its professional development program for the arts community. In all 69 sessions were delivered nationally with a total of 1961 participants of whom 538 were Indigenous. The primary aim of this program is to increase awareness and understanding of the basic legal and business issues affecting the arts community.

In 2010 we held a series of seminars at The Gunnery building where Arts Law is located in Woolloomooloo, New South Wales. These Gunnery Seminars were well attended and Arts Law aims to continue this program in 2011.

Another successful event was the seminar held in partnership with IPSANZ in Victoria targeting the lawyers practising in the intellectual property area, whereby we encouraged them to join the Arts Law pro bono panel.

Much of the professional development work is delivered with the assistance of other organisations, which help with promotion to their target audiences. Most were provided for free or at a very low cost.

Arts Law continued to run its seminar and lecture program, presenting at a range of universities and art schools during the year. Lectures covered topics such as copyright, contracts, moral rights, design law and online issues. Most of these lectures were provided on a fee-paying basis.

ADVOCACY AND LAW REFORM

In 2010, the advocacy work was a combination of proactive work and reactive work that responded to issues as they arose.

HOW WE WORK

Arts Law seeks to have input into law and policy debates through a variety of strategies. These include providing submissions, writing articles, commenting in the media, working in partnership with people and organisations with similar aims, meeting with politicians and Government staff, participating in public hearings and encouraging and assisting artists and art organisations to also participate in the process.

ISSUES ON WHICH WE WORKED

1. Freedom of expression

Throughout 2010, Arts Law continued to monitor and react to potential incursions on artists' right to freedom of expression. Arts Law made a submission to the NSW Department of Justice and Attorney General on proposed changes to the Crimes Act 1900 (NSW) concerning the removal of the artistic purpose defence in NSW (and associated amendments). Our submission focused on the legislation achieving the right balance between a well administered scheme which accurately classifies legitimate artwork and creates a clear separation between art (which might incorporate children and nudity), and child pornography.

We also put a submission to the Australia Council about the changes needed to the Working with Children protocols to minimise the impact the protocols have on artists' freedom of expression. Our submission highlighted how the protocols place an unnecessary burden on artists and art organisations.

2. National Cultural Policy

Arts Law provided a submission to Peter Garrett, who was then the Minister for the Arts, about the National Cultural Policy. This submission traversed a number of broad policy issues that are important for artists and the creative sector at large. In doing so, we also provided practical suggestions for policy and legislative reform.

3. Resale royalty rights

After years of lobbying by Arts Law and others, resale royalty rights finally came into law on 9 June 2010. This was an excellent achievement for the visual arts community.

4. Competitions

In response to a complaint about a competition run by Tourism Australia called 'Nothing Like Australia', Arts Law reviewed the terms and conditions of the competition and recommended that changes be made to the terms. Arts Law (in collaboration with other bodies) were successful in having the most objectionable terms amended, including the assignment of copyright term. Following this experience, Arts Law created an information sheet for artists about the importance of reviewing competition terms.

5. Indigenous Australian Art Commercial Code of Conduct

Another achievement in 2010 was the commencement of the Indigenous Australian Art Commercial Code of Conduct (the Code), with a Code company being established and opening for registrations. Arts Law provided significant input to discussions regarding the form of the Code.

ADVOCACY AND LAW REFORM

6. Indigenous Intellectual Property and Cultural Heritage

Arts Law continued to lobby for better protection of Indigenous culture and intellectual property (ICIP). Arts Law met with Peter Garrett (the then Minister for the Arts) and Robert McClelland, the Attorney General and outlined the basic problems which exist for Indigenous communities in protecting ICIP.

Arts Law became aware of an issue in this area as a result of the erection of a large public sculpture in Katoomba featuring wandjinas. This sculpture was made by a non-Indigenous artist and there was resulting outcry from a large number of Indigenous people. Arts Law assisted Mowanjum art centre and the elders from the Kimberley oppose a development application to the Blue Mountains Council concerning the sculpture. The Blue Mountains Council took into consideration the relevant cultural factors and refused the Development Application.



2010 Mowanjum Festival



2010 APY Lands Wills Trip Stanley Young & Nikki Dwyer at Ninuku Art, Photo by Iain Morton courtesy Ananguku Arts

ARTISTS IN THE BLACK

2010 was a time of change for Artists in the Black (AITB). Trish Adjei rejoined the AITB team briefly, in the Indigenous solicitor position, but then left to take up a position at WIPO in their Traditional Knowledge section. Whilst Arts Law was successful in obtaining triennial funding for AITB from Office for the Arts, Prime Minister and Cabinet (formerly DEWHA), it was less than as needed. Arts Law then had to take the difficult decision to employ only one Indigenous staff member in the Information Liaison Officer position (Brad Webb) and to reduce aspects of service delivery under this program eg any new casework.

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.

LEGAL SERVICE PROVISION

The AITB staff member works closely with the other Arts Law staff to provide legal advice services to the Indigenous community. In 2010 AITB provided 349 legal advices, 197 Document Review Services and provided casework services in 30 matters. To maintain the level of service delivery entailed the whole Arts Law team working to support the Indigenous staff and clients.

Casework assistance

Unique to AITB has been the provision of limited casework to clients where their matter involves a public interest aspect. AITB was unable to take on any new casework after 30 June 2010. The case work assistance is primarily provided where pro bono support of a major law firm is available. The following firms provided pro bono assistance to AITB in 2010:

- Allens Arthur Robinson (in VIC, NSW)
- Blake Dawson
- Freehills (in WA, NSW)
- Gilbert +Tobin
- DLA Phillips Fox (in WA, NSW, QLD)
- Clayton Utz (in QLD, NSW)
- Minter Ellison (in SA, QLD + WA)
- Baker & McKenzie (NSW)
- Jackson McDonald (WA)

Arts Law is extremely grateful to the firms that provide this assistance as it empowers the artists and arts organisations to address the legal issues affecting them. This assistance is worth approximately \$500,000 per year to Artists in the Black and the clients we assist.

EDUCATION

In 2010 AITB delivered 32 seminars and workshops to 538 Indigenous participants in a wide range of geographical locations (25 locations nationally). In addition AITB had a presence at several major Indigenous arts events including Cairns Indigenous Art Fair (CIAF) QLD, The Dreaming QLD, and Yabun (Sydney NSW).

ARTISTS IN THE BLACK

ADVOCACY

The AITB work demonstrates profoundly the changes that are needed to give Indigenous artists a better deal and the extent to which Indigenous cultural heritage needs better protection. The following areas need to be addressed by Governments as soon as possible:

1. Need for protection of Indigenous cultural heritage at both national and international levels

Arts Law continues to lobby all levels of government to legislate to implement Australia's obligations under the United Nations' Declaration on the Rights of Indigenous Peoples. For example, in December 2009, Arts Law made public submissions in response to the Federal governments Indigenous Heritage Law Reform Discussion Paper examining protection of traditional Indigenous areas and objects. Arts Law also continues to monitor developments at the international level by World Intellectual Property Organisation (WIPO) through the Intergovernmental Committee meetings on the protection of traditional cultural expressions and traditional knowledge.

2. Code of Conduct for Commercial Dealers in Indigenous Art

With the finalisation of the Indigenous Australian Art Commercial Code of Conduct and the establishment of the Code Committee to oversee its implementation, Arts Law's efforts have focused on the development of simple agreements which will enable Indigenous art centres to sign up to, and support the Code, and which will effectively communicate its benefits to Indigenous artists.

3. Misleading and Deceptive Conduct

During 2010, Artists in the Black assisted three Indigenous language groups from Kimberley to oppose the unauthorized use of the sacred wandjina name and imagery by a non-Indigenous business on the basis that the use falsely suggested an association with those groups. The failure of the ACCC and the Fair Trading Office to act demonstrates the inadequacies of the current laws to protect Indigenous culture and has provided a coherent example to support Arts Law's broader lobbying efforts to secure sui generis legislative protection for Indigenous cultural heritage. Arts Law's ongoing efforts on behalf of the Worrora, Wunumbal and Ngarinyin peoples, in association with the Environmental Defenders Office, did lead to a landmark local council ruling refusing development approval to the business' proposed public display of a sculpture embodying wandjina imagery. This decision is being appealed.

4. Intestacy laws in Western Australia

Arts Law continues to work with Freehills acting pro bono to achieve amendments to the problematic provisions of the Aboriginal Affairs Planning Authority Act (WA). The provisions require the estate of a deceased Aboriginal person in WA who dies without a will, to vest in the Public Trustee rather than allowing for a family member to apply to administer the estate. The provisions are disempowering and result in unnecessary delays in the administration of intestate estates.

PUBLICATIONS

AITB continues to distribute the AITB information packs which contain the 4 comic information sheets which deal with copyright, moral rights, contracts and Indigenous culture and intellectual property (ICIP) as well as 4 other information sheets on governance, certificates of authenticity, licensing and business structures.

In view of the introduction of the Indigenous Australian Art Commercial Code of Conduct, AITB has also redeveloped the contract for Indigenous artists and art centres and for art centres dealing with galleries. Work commenced on the wills and intestacy kit which will provide information for artists and their families on a state by state basis. An Indigenous Band Partnership agreement is being developed as well as new music resources for Indigenous musicians as part of the Musicians in the Black project. All of the AITB publications are freely available on the Arts Law website (and the AITB website due in early 2011).

ARTISTS IN THE BLACK

FUNDING AND SUPPORT

The AITB service is funded by the Office for Arts Prime Minister and Cabinet, and formerly the Department of Environment Water Heritage and the Arts (DEWHA). In 2010 Arts Law was successful in getting a triennial grant for AITB and whilst much welcomed still falls short of what is needed for AITB given the size, location and disadvantage of the client base.

In 2010 AITB continued to work on projects funded through the NSW Law and Justice Foundation (to develop radio programs on AITB issues); the Myer Foundation (to work with Indigenous musicians) and from the Victoria Law Foundation (to provide education to artists in regional Victoria), CAL for the development of a wills and intestacy kit. Arts Law is buoyed by the significant philanthropic and pro bono support for AITB given the level of recurrent funding received.

CASE STUDY

COPYRIGHT INFRINGEMENT ON EBAY: LETTERS OF DEMAND ACHIEVE A RESULT FOR A FAMOUS ARNHEM ARTIST

A well known and respected artist, the artwork of Wamud Namok AO is held in almost every major public collection in Australia. In 2010, a major retrospective of his works was held at the Museum of Contemporary Art in Sydney. In 2004 he was awarded the Order of Australia for his contribution to Aboriginal art and culture. A long time member of Injalak Art Centre (www.injalak.com), he passed away in 2009.

In 2005, reproductions of his "Kangaroo" painting were offered for sale on the internet accompanied by statements that any sales would result in royalties being paid to the artist. Sadly, the reproductions were unauthorised and the artist had never received any royalties.

Artists in the Black enlisted the assistance of pro bono lawyers at Gilbert + Tobin. They secured the services of Rumore Associates, a firm of private investigators, who also acted on a pro bono basis. The investigators tracked down the identity of the person behind the eBay sales and Gilbert & Tobin sent him a strong letter of demand requiring that all internet sales immediately cease. The seller removed the reproductions from sale but claimed to have a copyright licence provided by a gallery which had had dealings with the artist. He agreed to deliver up the remaining prints and a copy of the 'licence'.

The 'licence' was a short document which appeared to have been signed by the artist and his daughter. When it was shown to them, they said that they thought it was no more than a receipt for the sale of the original painting to the gallery and never understood that it dealt with copyright or licensing. The artist did not read or write English and had not been provided with any explanation. His daughter merely witnessed his mark and was not given an opportunity to read the document or ask questions.

Gilbert & Tobin wrote a further letter to the eBay seller warning him that the licence was invalid and could not be relied upon.

ARTISTS IN THE BLACK

The next step was to deal with the gallery. Sadly during this time the artist passed away however his family wished this matter to be finalised. Another letter of demand was sent to the gallery making it clear that the so-called 'licence' had been signed under a mistaken belief as to what it meant and was invalid. The letter made it clear that the gallery had no rights whatsoever in the artist's copyright and threatened legal proceedings if the gallery made or authorised any reproductions of the Kangaroo artwork in the future.

This case study highlights the type of problems which can arise when unscrupulous dealers take advantage of artists with limited English. In this case, letters of demand were successful in stopping further unauthorised reproductions of the artist's work.



Detail from "Kanagroo" by Wamod Namok

VOLUNTEERS AND PRO BONO ASSISTANCE

Volunteers and pro bono lawyers are integral to the provision of Arts Law services. Pro bono assistance received in 2010 was valued at over \$1 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 2010 this event was held at Artspace Visual Arts Centre.



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 Arthur Robinson, Clayton Utz, DLA Phillips Fox and Freehills.
- Co-presenting seminars with, or on behalf of Arts Law and we single out Andrew Wiseman, Stephen Burley SC, Kate Haddock, Ian McDonald, Stephen Boyle, Darren Sanicki, Michael Tucak and Joan Peters.
- 9 firms provided casework assistance to our Indigenous clients (Allens Arthur Robinson, Blakes Dawson Waldron, Clayton Utz, DLA Phillips Fox, Freehills, Gilbert+Tobin, Jackson MacDonald, Minter Ellison, Spruson & Ferguson Lawyers).

Secondment of lawyers from the Australian Government Solicitor

The Sydney office of the Australian Government Solicitor continued its secondment program with Arts Law in 2010, providing us with a lawyer from their team for approximately six months. This was of great benefit to us in considerably increasing our capacity to deliver services to the arts community.

VOLUNTEERS AND PRO BONO ASSISTANCE

PRO BONO LAWYERS

The lawyers who provide pro bono advice to Arts Law's subscribers at our Legal Advice Nights are referred to as Panel lawyers. In 2010 Arts Law maintained its panel of 240 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 national face-to-face Document Review Service program and other pro bono work and advice.

ACT	Adam Flynn	National Film and Sound Archive
	Durham Grigg	Tres d'Marque IP
	William McCarthy	Bradley Allen Lawyers
	Bill McCarthy	Bradley Allen Lawyers
	Jasmine Morris	Australian National University
NSW	Jonathan Adamopoulos	Allens Arthur Robinson
	Pouyan Afshar	Allens Arthur Robinson
	Andrew Ailwood	Allens Arthur Robinson
	Mathew Alderson	Alderson Campbell
	Charles Alexander	Minter Ellison
	Troy Anderson	Barrister
	Cameron Andrews	Gilbert and Tobin
	Morris Averill	Morris Averill - Solicitor
	Matthew Baillie	Allens Arthur Robinson
	Joel Barret	Allens Arthur Robinson
	Sarah Beaman	Clayton Utz
	Garry Beath	Minter Ellison
	Hugh Bennett	ABC Legal Services
	Philippa Bergin	Freehills
	Kate Berry	ClarkeKann wth Gray & Perkins
	Valeska Bloch	Allens Arthur Robinson
	Courtney Booth	Clayton Utz
	Melanie Bouton	Freehills
	Stephen Boyle	Stephen Boyle
	Stephanie Bragg	Clayton Utz
	Elizabeth Caldwell	Baker McKenzie
	Peter Callaghan	Clayton Utz
	Adrian Cannon	Cannon Lawyers
	Tim Cardiff	Allens Arthur Robinson
	Christopher Chow	Brett Oaten Solicitors
	Alec Christie	DLA Phillips Fox
	John Collins	Clayton Utz
	Celia Cotan Cognard	Allens Arthur Robinson
	Daryl Cox	Clayton Utz
	David Cross	Norton Rose
	Robert Cutler	Clayton Utz
	Mark Davidson	Davidson & Associates
	Stephen Digby	Digby Law
	Deborah Doctor	ABC Legal Services
	Fiona Doyle	Clayton Utz
	Michael Easton	Michael Easton Legal
	Jackie Emery	Screen Australia
	Kate Erman	Bravura Solutions Limited
	John Fairbairn	Clayton Utz
	Adrian Fisher	Allens Arthur Robinson

VOLUNTEERS AND PRO BONO ASSISTANCE

NSW cont

Jim Fitzsimmons	Clayton Utz
Henry Fraser	Allens Arthur Robinson
Kate Gilchrist	ABC Legal Services
Katherine Giles	ABC Legal Services
Gene Goodsell	Navitas Legal
Adrian Goss	ACP Magazines
Chris Govey	Allens Arthur Robinson
Alison Graham	Holding Redlich
Maya Greenberg	Allens Arthur Robinson
Troy Gurnett	Middletons
Matthew Hall	Swaab Attorneys
Brett Hatfield	Barrister
Brett Hatfield	Garfield Barwick Chambers
Emily Hawcroft	Clayton Utz
Geogina Hey	Freehills
Rohan Higgins	Barrister
Graeme Hodgkinson	Herbert Geer
Korina Hui	Clayton Utz
Stuart Irvine	Freehills
Stephen Iu	Henry Davis York
Deborah Jackson	Allens Arthur Robinson
Catherine Jouguelet	Freehills
Peter Karcher	ClarkeKann Lawyers
Mark Krenzer	Clayton Utz
Richard Lancaster	Barrister
Diana Lawrance	Freehills
Peter Le Guay	Thomson Playford Cutlers
Ju Young Lee	Baker & McKenzie
Jim Lennon	Middletons
Elaine Leong	The Benevolent Society
Justin Li	Blake Dawson
David Lloyd	Blake Dawson
Gary Lo	Allens Arthur Robinson
Donny Low	Holman Fenwick Willan
Sarah Lux	Allens Arthur Robinson
Susannah Macdonald	Baker & McKenzie
Evan Manolios	Clayton Utz
Emily Martin	ABC Legal Services
Sally McCausland	SBS
Scott McDonald	DLA Phillips Fox
Andrew McGovern	Allens Arthur Robinson
Sarah McKeith	Freehills
Naomi Messenger	Swaab Attorneys
Judith Miller	DLA Phillips Fox
Clare Mirabello	TressCox Lawyers
Simone Mitchell	Clayton Utz
Jules Munro	Simpsons Solicitors
Guy Narburgh	Freehills
Andrew Nolan	John Holland Group Pty Ltd
Brett Oaten	Brett Oaten Solicitors
Alex Parker	DLA Phillips Fox
Tom Payten	Allens Arthur Robinson
Janine Pearce	JP Media Law
Kim Pettigrew	Vividwireless Pty Limited
Daniel Posker	Freehills
Michele Riviere	Clayton Utz
Elizabeth Rowland	Clayton Utz
Alexandra Salib	Allens Arthur Robinson

VOLUNTEERS AND PRO BONO ASSISTANCE

NSW cont

Melissa Sanghera	Freehills
Mary Saywell	Baker McKenzie
Siabon Seet	Gilbert & Tobin
Jessica Selby	Freehills
Nathan Shepherd	Herbert Geer
Natalie Shoolman	Clayton Utz
Peter Sise	Clayton Utz
Nicholas Smith	Mallesons Stephen Jaques
Roderick Smith	Sparke Helmore
Mark Steele	Selbourne Chambers
Miriam Stiel	Allens Arthur Robinson
Orana Swan	Freehills
Matthew Tracey	Allens Arthur Robinson
Caroline A Verge	Verge Whitford and Co AFTRS
Matt Vitins	Allens Arthur Robinson
Stephen Von Muenster	Von Muenster Solicitors & Attorneys
Ash Von Schwan	Freehills
Laurie Ward	DLA Phillips Fox
Hamish Watson	Hamish Watson
Timothy Webb	Clayton Utz
Hector West	Swaab Attorneys
Chris Williams	Gilbert & Tobin
Simon Williams	Spruson & Ferguson
Nicole Winton	Allens Arthur Robinson
Andrew Wiseman	Allens Arthur Robinson
Nicole Wiseman	Allens Arthur Robinson
Mark WK Davidson	Davidson & Associates
Steve Wong	Freehills
Merridy Woodroffe	Gilbert and Tobin
Hannah Wright	Freehills
Rachel Wright	Clayton Utz
Sandy Wu	Allens Arthur Robinson
Anja Yencken	Allens Arthur Robinson

NT

Lyn Bennett	Minter Ellison
-------------	----------------

QLD

Nadia Braad	Bennett & Philp
Toby Boys	Holding Redlich
Andrew Cardell-Ree	Herbert Geer
Elliot Dalglish	Barrister
Jamie Doran	Clayton Utz
Donnie Harris	Roberts Nehmer McKee Lawyers
Harold Littler	McKays Solicitors

SA

Liam Gaunt	Minter Ellison
Robert Lempens	Camatta Lempens Pty Ltd
Anthony S. Lisacek	Lisacek & Co
Bill Morrow	Norman Waterhouse
Richard Pash	Minters Ellison
John Vozzo	Camatta Lempens Pty Ltd

TAS

Susan Larsen-Scott	Dobson Mitchell & Allport
Michael O'Farrell	Malthouse Chambers
Andrew Walker	Dobson Mitchell Allport

VOLUNTEERS AND PRO BONO ASSISTANCE

VIC

Andrea Allan	Rockwell Bates Lawyers
Romani Benjamin	Media Arts Lawyers
Sarah Cameron	MDP McDonald Partners
Krystil Carter	
David Curtain	International Power Australia
Andrew Fuller	Shock Records
Tim Golder	Allens Arthur Robinson
Jerry Gomez	Gomez Partners Lawyers and Consultants
Julian Hewitt	Media Arts Lawyers
David Jackson	Freehills
Leslie Ngui	Media Arts Lawyers
Zero Partos	Barrister
Stephen Rebikoff	Barrister
Warwick Rothnie	Barrister
James Samargis	Barrister
Darren Sanicki	Darren Sanicki Music & Entertainment Lawyers
Campbell Thompson	Freehills
Kimberley Trainor	Davies Collison Cave
Michael Tucak	Creative Legal
David Vodicka	Media Arts Lawyers
Frances Wheelahan	Corrs Chambers Westgarth
Mark Williams	Williams Solicitors
Gillian Wong	Optus
Tracey Wren	Orica Australia

WA

Jarod Benson	Minter Ellison
Nicoletta Ciffolilli	East Street Law Office
Scott Ellis	Francis Burt Chambers
Susan Fielding	Jackson MacDonald
Carmel Galati	Edwards Wallace
Jarrad Karasinski	Minter Ellison
Jessica Karasinski	Minter Ellison
June Kenny	Dwyer Durack
Adam Levin	Jackson McDonald Barristers & Solicitors
Jamie Lyford	Elevation Partners Pty Ltd
Michael Paterson	Michael Paterson & Associates
Stephen Penglis	Freehills
Stephanie Quan Sing	Rio Tinto
Delara Sarban	Edwards Wallace
Gemma Stabler	DLA Phillips Fox
Maree van der Kwast	Dwyer Durack

VOLUNTEERS AND PRO BONO ASSISTANCE

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 Miller & Co
Bob Poolman	Accountant	PSZ Tax

DOCUMENT REVIEW SERVICE Assistants

Arts Law plays a key developmental role via our volunteer legal assistant program. In Melbourne, Canberra and Sydney legal assistants sit in and take notes at the Legal Advice Night sessions, benefiting from the expertise of the panel lawyers and gaining a better understanding of the legal issues facing the creative sector.

In 2010 there were 4 assistants, and our gratitude extends to:

Mandy Chapman
Stephanie Luhrs
Marg Willis
Jamie O'Brien

DAYTIME VOLUNTEERS

Arts Law would not be able to function without the assistance of dedicated 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 2010 there were 11 volunteers, and our thanks go to:

Jessica Arnup
Jessica Azzi
Hannah Belnick
Vincent Floro
Rosemary Listing
Siddarth Mylavarapu
Jessica Radburn
Catherine Ryan
Anika Valenti
Linda Jane Vanhear
Jacqueline Winters

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 come from a number of institutions around the world and we are honoured to have them choose to do their internship with Arts Law.

In 2010 Arts Law had the following student placements and interns:

Sam Hatfield (Practical Legal Training)
Noemie Arimoto (Paris Bar School, France)
Matt Vittone (Harvard Law School, USA)

ARTS LAW CENTRE OF AUSTRALIA LTD
ABN 71 002 706 256

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2010



DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2010.

DIRECTORS

The names of each person who has been a director during the year and to the date of this report are:

The Hon. Peter Heerey QC	Mr Steven J Miller
Ms Megan Brownlow	The Hon. Justice George Palmer AM
Mr Peter Griffin	Ms Kimberlee Weatherall (commenced 15th November 2010)
Mr Andrew Wiseman	Ms Pauline Clague (commenced 15th November 2010)
Professor Jill McKeough (retired 19th April 2010)	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

The following person held the position of company secretary at the end of the financial year: Robyn Ayres – Bachelor of Arts, Bachelor of Laws. Ms Ayres has worked for the Arts Law Centre of Australia Ltd for the past 8 years as the Executive Director.

OBJECTIVES OF THE COMPANY

To provide low cost, practical, specialist legal advice and services (including advocacy, publications and education) to equip artists and the cultural sector with sufficient business and legal skills and an understanding of their legal rights to achieve financial security.

COMPANY STRATEGY

In order to meet the objectives of the company, the company provides the following services:

- Legal advice
- Legal resource materials
- Referrals to legal professionals
- Advocacy on law and policy reform for artists
- Legal resources to Indigenous communities and artists

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the provision of legal services to artists and arts organisations.

There were no significant changes in the nature of the Company's activity during the financial year.

OPERATING RESULT

The profit of the Company amounted to \$105,181. (2009: deficit of \$51,955).

DIVIDENDS AND OPTIONS

The company is limited by guarantee and is not permitted to pay dividends or issue options.

REVIEW OF OPERATIONS

The 2010 financial year brought positive results for the many users of the Arts Law Centre of Australia's services. The level of services provided to customers increased significantly and a profit of \$105,181 was recognised for the year.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant changes in the company's state of affairs occurred during the financial year.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

DIRECTORS' REPORT

FUTURE DEVELOPMENTS

The company expects to maintain the present status and level of operations.

OPTIONS

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

INFORMATION ON DIRECTORS

Peter Cadden Heerey

Qualifications	BA LLB
Experience	Federal Court Judge
Special Responsibilities	Chair of the Victorian Advisory Council, Vice President

Professor Jill McKeough

Qualifications	BA LLB LLM
Experience	Dean, Faculty of Law, University of Technology Sydney
Special Responsibilities	Advocacy and marketing subcommittees

Steven John Miller

Qualifications	B Bus CA
Experience	Chartered accountant
Special Responsibilities	Honorary Treasurer and Finance subcommittee

The Hon Justice George Palmer AM

Qualifications	BA LLB
Experience	Supreme Court Judge
Special Responsibilities	President

Megan Brownlow

Qualifications	BA(Hons) MBA
Experience	Strategy, Technology, Information, Communications and Entertainment, PricewaterhouseCoopers.
Special Responsibilities	Fundraising & Marketing subcommittee

Peter Gerard Griffin

Qualifications	BBus
Experience	Divisional Manager, Corporate Affairs Strategy and Environment, Toyota Australia
Special Responsibilities	Fundraising & Marketing subcommittee

Andrew Wiseman

Qualifications	LLB(Hons) LLM
Experience	Partner, Allens Arthur Robinson

Kimberlee Weatherall

Qualifications	BA LLB(Hons) BCivLaw LLM
Experience	Academic, TC Beirne School of Law, University of Queensland
Special Responsibilities	Advocacy subcommittee

Pauline Clague

Experience	Film Producer, AFTRS
Special Responsibilities	Indigenous issues including service Artists in the Black

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

During the year, 4 meetings of the Board of Directors were held. Attendances by each director were as follows:

DIRECTORS MEETINGS		
	Number attended	Eligible to attend
The Hon. Justice George Palmer AM	4	4
The Hon. Peter Heerey QC	4	4
Professor Jill McKeough	0	1
Mr Peter Griffin	3	4
Ms Megan Brownlow	3	4
Mr Steven J Miller	4	4
Mr Andrew Wiseman	3	4
Ms Kimberlee Weatherall	2	2
Ms Pauline Clague	2	2

INDEMNIFICATION OF OFFICERS OR AUDITOR

The company has not, during or since the year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings;

with the exception that the company has paid premiums to insure each director against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium for this cover was \$683.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings, to which the Company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

The Company was not party to any such proceedings during the year.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 31 December 2010 has been received and can be found on page 5 of the directors' report.

Signed in accordance with a resolution of the directors.



Steven Miller Sydney, NSW
Director Dated this 28th day of March 2011

AUDITORS'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE ARTS LAW CENTRE OF AUSTRALIA LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.



MARK DRIESSEN
Registered Company Auditor
WalterTurnbull

Sydney, NSW

Dated this 25th day of March 2011

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW CENTRE OF AUSTRALIA LTD ABN 71 002 706 256

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Arts Law Centre of Australia Ltd which comprises the statement of financial position at 31 December 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

THE RESPONSIBILITY OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. The responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards required that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

ADDITIONAL SCOPE PURSUANT TO THE CHARITABLE FUNDRAISING ACT 1991

In addition, our audit report has been prepared for the members of the Company in accordance with Section 24(2) of the Charitable Fundraising Act (NSW) 1991. Accordingly we have performed additional work beyond that which is performed in our capacity as auditors pursuant to the Corporations Act 2001. These additional procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the Charitable Fundraising Act (NSW) 1991 and Regulations.

It should be noted that the accounting records and data relied upon for reporting on fundraising appeal activities are not continuously audited and do not necessarily reflect after the event accounting adjustments and the normal period end financial adjustments for such matters as accruals, prepayments, provisioning and valuation necessary for period end financial statement preparation.

The performance of our audit included a review of internal controls for the purpose of determining the appropriate audit procedures to enable an opinion to be expressed on the financial statements. This review is not a comprehensive review of all those systems or of the system taken as a whole and is not designated to uncover all weaknesses in those systems.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ARTS LAW CENTRE OF AUSTRALIA LTD ABN 71 002 706 256

The audit opinion expressed in this report pursuant to the Charitable Fundraising (NSW) Act 1991 and regulations has been formed on the above basis.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of the Company on 25 March 2011 would be in the same terms if provided to the directors as at the date of this auditor's report.

QUALIFICATION

It is not always practicable for the Company to establish accounting control over unsolicited donations prior to receipt of these funds and accordingly it is not possible for our examination to include procedures which extend beyond the amounts of such income recorded in the accounting records of the Company.

In respect to the qualification above, based on our review of the internal controls, nothing has come to our attention, which would cause us to believe that the internal controls over income from fundraising and donations by the Company are not appropriate.

QUALIFIED AUDIT OPINION PURSUANT TO THE CORPORATIONS ACT 2001

In our opinion, except for the effects, if any of the qualification set out above, the financial report of Arts Law Centre of Australia Limited is in accordance with the Corporations Act 2001, including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2010 and of its financial performance and cash flows for the year ended on that date; and
- ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

QUALIFIED AUDIT OPINION PURSUANT TO THE CHARITABLE FUNDRAISING (NSW) ACT 1991

In our opinion, except for the effects, if any of the qualification set out above:

- i. The financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 31 December 2010;
- ii. The financial report has been properly drawn up, and the associated records have been properly kept for the period from 1 January 2009 to 31 December 2010, in accordance with the Charitable Fundraising (NSW) Act 1991 and its regulations;
- iii. Money received as a result of fundraising appeal activities conducted during the period from 1 January 2009 to 31 December 2010 has been properly accounted for and applied in accordance with the Charitable Fundraising (NSW) Act 1991 and its regulations; and
- iv. There are reasonable grounds to believe that Arts Law Centre of Australia Ltd will be able to pay its debts as and when they fall due.



Mark Driessen
Registered Company Auditor
WalterTurnbull

Sydney, NSW
Dated this 28th day of March 2011

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. the financial statements and notes, as set out on pages 10 to 30, are in accordance with the Corporations Act 2001, and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 December 2010 and of the performance for the year ended on that date of the Company;
2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
3. 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 2010 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 2010 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 2010; 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 28th day of March 2011

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
Revenue	2	965,507	811,246
Employee benefits expense		(653,902)	(661,728)
Administration and overheads		(206,424)	(201,473)
Profit/(deficit) before income tax		105,181	(51,955)
Income tax expense	1(a)	-	-
Profit/(deficit) for the year		105,181	(51,955)
Other comprehensive income		-	-
Total comprehensive income for the year		105,181	(51,955)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

as at 31 DECEMBER 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	4	576,523	277,899
Trade and other receivables	5	9,704	3,136
Inventories	6	17,680	20,818
TOTAL CURRENT ASSETS		603,907	301,853
NON-CURRENT ASSETS			
Leasehold improvements, plant and equipment	7	10,594	15,627
Intangible assets	8	47,750	-
TOTAL NON CURRENT ASSETS		58,344	15,627
TOTAL ASSETS		662,251	317,480
CURRENT LIABILITIES			
Trade and other payables	9	400,516	170,634
TOTAL CURRENT LIABILITIES		400,516	170,634
NON-CURRENT LIABILITIES			
Provisions	10	24,319	14,615
TOTAL NON-CURRENT LIABILITIES		24,319	14,615
TOTAL LIABILITIES		424,835	185,249
NET ASSETS		237,412	132,239
EQUITY			
Retained earnings		237,412	132,231
TOTAL EQUITY		237,412	132,231

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Retained Earnings	Total
Equity as at 1 January 2009		184,196	184,196
Deficit attributable to the Company		(51,955)	(51,955)
Other comprehensive income		-	-
Equity as at 31 December 2009		132,231	132,231
Profit attributable to the Company		105,181	105,181
Other comprehensive income		-	-
Equity as at 31 December 2010		237,412	237,412

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government and customers		1,221,852	738,524
Payments to suppliers and employees		(891,587)	(889,700)
Interest received		18,287	12,389
Net cash generated from by operating activities	11	348,552	(138,787)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(49,928)	(8,250)
Net cash (used in) investing activities		(49,928)	(8,250)
Net increase in cash held		298,624	(147,037)
Cash at the beginning of the financial year		277,899	424,936
Cash at the end of the financial year	4	576,523	277,899

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

NOTE 1: Statement of Significant Accounting Policies

The financial report is for the Arts Law Centre of Australia Limited (the Company) as an individual company, incorporated and domiciled in Australia. The Arts Law Centre of Australia Limited is a public company limited by guarantee.

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 non-current assets, financial assets and financial liabilities.

(a) 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.

(b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, term deposits and bank overdrafts.

(c) Inventories

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

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) Leasehold Improvements, Plant and Equipment

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:

<i>Class of Non Current Asset</i>	<i>Depreciation Rate</i>
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.

(f) 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. Intangibles are assessed annually for impairment.

(g) Revenue

Grant revenue is recognised in the statement of comprehensive income when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

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).

(h) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(i) 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.

(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.

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.

(j) 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 or in the case of specific project grants where the project has not yet been completed.

(k) Provisions

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.

(l) Comparative Figures

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

(m) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(n) Leases

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.

(o) Adoption of New and Revised Accounting Standards

During the current year the company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The implementation of these standards did not materially affect the accounts of the company.

(p) New Accounting Standards for Application in Future Periods

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.

(q) Critical Accounting Estimates and Judgments

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.

(r) Economic Dependence

Arts Law Centre of Australia Limited is dependent on the Australia Council for the Arts (the Council) 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 the Council will not continue to support Arts Law Centre of Australia Limited.

	2010 \$	2009 \$
Note 2: Revenue		
<i>Revenue</i>		
- Government grants	747,009	600,173
- Membership subscriptions	70,240	64,465
- Publication sales	41,123	31,632
- Interest	19,749	13,732
- Donations ¹	20,460	13,511
- Other	66,926	87,733
	<hr/> 218,498	<hr/> 211,073
Total Revenue	<hr/> 965,507	<hr/> 811,246

¹ Donations from fundraising were unsolicited non-reciprocal contributions and as such no direct costs of fundraising have been attributed.

	2010 \$	2009 \$
Note 3: Profit for the Year		
(a) Expenses		
Depreciation and amortisation:		
- plant and equipment	4,835	4,484
- leasehold improvements	2,376	2,376
Total depreciation and amortisation	7,211	6,860
Total employee benefits expense	633,664	619,232
Rental expense on operating leases		
- minimum lease payments	6,391	6,929
Auditor remuneration:		
- audit services	9,550	6,500
- other services	-	-
Total audit remuneration	9,550	6,500
(b) Significant Revenue and Expenses		
Net gain/(loss) on disposal of non-current assets		
Property, plant and equipment:		
- Proceeds on disposal	-	-
- Disposals at costs	-	400
Net gain/(loss) on disposal as at 31 December 2010	-	(400)
Note 4: Cash and Cash Equivalents		
Cash at bank and on hand	422,569	123,945
Term deposits	153,954	153,954
	576,523	277,899
Note 5: Trade and Other Receivables		
CURRENT		
Trade receivables	8,243	1,980
Accrued revenue	1,461	1,156
	9,704	3,136

(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 2010.

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	\$
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

	Gross Amount	Past Due and Impaired	Past Due but not impaired (days overdue)				Within initial Trade Terms
	\$	\$	< 30	31 - 60	61 - 90	>90	\$
2009							
Trade Receivables	1,980	-	-	-	-	1,980	-
Other Receivables	1,156	-	-	-	-	-	1,156
Total	3,136	-	-	-	-	1,980	1,156

	2010	2009
	\$	\$
Note 6: Inventories		
CURRENT		
Finished goods at cost:		
- held for sale	11,608	12,205
- held for distribution	6,072	8,613
	<u>17,680</u>	<u>20,818</u>

	2010	2009
	\$	\$
Note 7: Leasehold Improvements, Plant and Equipment		
<i>Plant and equipment</i>		
At cost	84,601	80,537
Less accumulated depreciation	(78,158)	(71,437)
Total plant and equipment	<u>6,443</u>	<u>9,100</u>
<i>Leasehold improvements</i>		
At cost	21,390	21,390
Less accumulated amortisation	(17,239)	(14,863)
Total leasehold improvements	<u>4,151</u>	<u>6,527</u>
Total leasehold improvements, plant and equipment	<u>10,594</u>	<u>15,627</u>

(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	15,627	14,637
Additions at cost	2,178	8,250
Disposals	-	(400)
Depreciation expense	<u>(7,211)</u>	<u>(6,860)</u>
Carrying amount at the end of year	<u>10,594</u>	<u>15,627</u>

Note 8: Intangible Assets

Website development, at cost	47,750	-
Accumulated amortisation	<u>-</u>	<u>-</u>

Net Carrying Value	<u>47,750</u>	<u>-</u>
--------------------	---------------	----------

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

Carrying amount at the beginning of the year	-	-
Additions	47,750	-
Disposals	-	-
Depreciation during the year	<u>-</u>	<u>-</u>
Carrying amount at the end of the year	<u>47,750</u>	<u>-</u>

The website did not "go live" until after the balance date and as such no amortisation was charged during the reporting period.

	2010	2009
	\$	\$
Note 9: Trade and other payables		
CURRENT		
Trade payables	65,780	53,637
Employee benefits	48,568	43,157
Unexpended grants	254,114	45,883
Unearned membership income	32,054	27,957
	<u>400,516</u>	<u>170,634</u>

(a) Financial liabilities at amortised cost classified as trade and other payables

Trade and Other Payables		
- Total current	400,516	170,630
- Total non-current	-	-
	<u>400,516</u>	<u>170,630</u>
Less short-term employees benefits	(48,568)	(43,157)
Less unexpended grants	(254,114)	(45,883)
Less unearned membership income	(32,054)	(27,957)
Less GST payable	(18,273)	(2,801)
Financial liabilities as trade and other payables	<u>47,507</u>	<u>50,832</u>

Note 10: Provisions

	Long Term Employee benefits	
	\$	
Opening balance at 1 January 2010		14,615
Additional provisions raised during the year		9,704
Amounts used		-
Balance at 31 December 2010		24,319
Analysis of Total Provisions		
Current	-	-
Non-Current	24,319	14,615

	2010	2009
	\$	\$
Note 11: Cash Flow Information		
(a) Reconciliation of cash flow from operations with comprehensive income		
Comprehensive income for the year	105,181	(51,955)
<i>Non-cash flows:</i>		
- Depreciation and amortisation	7,211	6,860
- Loss on Disposal of Non current asset	-	400
<i>Changes in assets and liabilities:</i>		
- (Increase)/decrease in receivables	(6,568)	24,434
- Decrease/(increase) in inventories	3,138	(3,258)
- Increase in payables	12,138	7,464
- Increase/(decrease) in unexpended grants	208,231	(125,898)
- Increase in unearned income	4,105	825
- Increase in provisions	15,116	2,341
	<u>348,552</u>	<u>(138,787)</u>

Note 12: Capital and Leasing Commitments
(a) Operating Lease Commitments

Payable – minimum lease commitments		
- no later than 12 months	6,391	6,600
- later than 12 months but no later than 5 years	-	6,050
- greater than 5 years	-	-
	<u>6,391</u>	<u>12,650</u>

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

Note 13: 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 2010 which require disclosure in this report.

Note 14: 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 15: Key Management Personnel Compensation

	Short-term benefits		Post Employment Benefits		
	Salary & Fees	Superannuation	Bonus	Other	Total
	\$	\$	\$	\$	\$
2010					
Total Compensation	95,204	8,522	-	-	103,726
2009					
Total Compensation	97,972	8,370	-	-	106,342

Note 16: 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:

	2010	2009
	\$	\$
<i>Financial Assets</i>		
Cash and Cash equivalents	576,523	277,899
Trade and other receivables	9,704	3,136
Total Financial Assets	586,227	281,035
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	47,507	50,832
Total Financial Liabilities	47,507	50,832

(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 2010.

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 2010 the Arts Law Centre of Australia Ltd 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 Ltd might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Arts Law Centre of Australia Ltd 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.

Financial liabilities due for payment

	Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Trade and other payables	400,516	170,634	-	-	-	-	400,516	170,634
Financial liabilities	-	-	-	-	-	-	-	-
	400,516	170,634	-	-	-	-	400,516	170,634

Financial assets are expected to be realised as follows

	Within 1 year		1 to 5 years		Over 5 years		Total contractual cash flow	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	576,523	277,899	-	-	-	-	576,523	277,899
Trade & other receivables	9,704	3,136	-	-	-	-	9,704	3,136
	586,227	281,035	-	-	-	-	586,227	281,035
Net inflows on financial instruments	192,207	110,405	-	-	-	-	192,207	110,405

(iii) Credit Risk

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

(iv) Price risk

The Arts Law Centre of Australia Ltd 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 Ltd 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.

Note 18: Prior-Year Adjustments

A minor adjustment (due to an immaterial rounding error) has been made to the opening balance comparatives relating to the Unearned Membership Income account. The effects of the adjustment to the 2009 comparative figures were as follows:

	2009 \$
Balance Sheet	
Trade and other payables	4
Retained earnings	(4)
Statement of Changes in Equity	
Equity as at 1 January 2009	(4)
Equity as at 31 December 2009	(4)

Note 19: Related Party Transactions

There have been no transactions with related parties that require disclosure in this financial report.

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 limited by guarantee. If the company is wound up, the

Constitution states that each member of the company is required to contribute a maximum of \$100 each towards meeting any outstanding obligations of the company. At 31 December 2010 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 2010. 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
Registered Company Auditor
WalterTurnbull

Sydney, NSW
Date this 28th day of March 2011