



Art Gallery
of Western Australia

Annual Report 2008-09



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The Annual Report is presented in PDF format. All sections, except the financial statements, are also available in Word format.

Art Gallery of Western Australia Annual Report 2008-09
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Mission Statement

To increase the knowledge and appreciation of the arts of Australia, the Indian Ocean Rim and beyond for the enjoyment and the cultural, artistic, educational and intellectual enrichment of the people of Western Australia and of its visitors, and to develop, study and present the finest public art collection and the most comprehensive display of Western Australian art in the State.

Message from the Minister

The 2008-09 year has been one of transition for the Art Gallery.

Dr Stefano Carboni was appointed the 11th Director of the Art Gallery of Western Australia, taking the helm in October 2008. Dr Carboni is a distinguished scholar and has been responsible for a large number of highly acclaimed exhibitions and publications. Under his direction we look forward to the Art Gallery continuing to enjoy many achievements and remaining a strong and vibrant contributor to the cultural life of all Western Australians.

The State Government continues to support the Gallery as a pivotal cultural institution. The Government has pledged the Art Gallery of Western Australia Acquisition Fund a further contribution of \$5million when the Gallery matches the Government's previous \$10million contribution with donations from the corporate and private sectors. This fund will support increased purchases of Western Australian, Australian, Indigenous and international contemporary art for the State Art Collection.

In May 2009 the Government also addressed the long-standing issue of the Gallery's decaying façade with an allocation of \$10million over three years to replace the existing block work. This work will reinstate the structural integrity of the building while providing a much needed opportunity to introduce a more exciting and dynamic exterior.

During the year the Gallery again provided an exceptional program of State Art Collection displays and temporary exhibitions, enabling visitors to experience a wide variety of art forms and styles. The year began with the highly successful series of displays *WONDERLUST New journeys Your collection*, featuring a selection of the State Art Collection. The displays were supported by comprehensive visitor information, family activity trails and newly developed public programs. The Art Gallery provided a rich and varied program throughout the year, including the inaugural *Western Australian Indigenous Art Awards* and the *Artist in focus* series of exhibitions showcasing the works of international, Australian and Western Australian artists.

THING beware the material world was a highlight of the exhibition program. The exhibition was a bold new display of furniture, lighting, sculpture and photography from across the globe, including important works by Australian designers and craftspeople. The fact that nearly all the works in the exhibition were from the State Art Collection underlines the strength of the collection at an international level and the significance of the Gallery's acquisitions in these areas.

Year 12 Perspectives again celebrated the work of the extremely talented youth of Western Australia. The 2008 students of Year 12 Art and Art & Design showcased their achievements thanks to the successful partnership between the Art Gallery and generous sponsors.

Under the leadership of its Chair, Helen Cook, the Board continues to set clearly defined objectives for the future. I thank the Board for its efforts in making this a very successful year for the Art Gallery of Western Australia. I also sincerely thank the Gallery staff, whose collective skills continue to deliver outstanding achievements at one of the State's most important cultural institutions.

John Day
Minister for Culture and the Arts

Contents

Message from the Minister	4
Overview	6
Statement of Compliance	6
Executive Summary	7
Chairman's report	7
Highlights	8
Overview	10
Operational Structure	11
Organisational Chart	12
Operating structure	13
Board	13
Committees of the Board	14
Senior officers	15
Partners and sponsors	16
Volunteers	16
Friends of the Art Gallery of Western Australia	16
Art Gallery of Western Australia Foundation	16
Foundation Council	16
Foundation Council Membership 2008-09	17
Foundation Members List	18
Sponsorships	21
Key legislation	22
Performance Management Framework	22
Agency Performance – Report on Operations	23
Report on operations	23
Outcomes, services and performance information	24
Key result area reports	25
State Art Collection	25
Events, Exhibitions and Interpretative Programs	25
Participation and Access	28
Regional Services	29
Sponsorship	29
Significant Issues and Trends	30
Current and Emerging Issues and Trends	30
Looking Ahead – Major Initiatives in 2009-10	31
Disclosures and Legal Compliance	32
Auditor's Opinion	33
Financial Statements	35
Performance Indicators	52
Performance Indicator Information	53
Other financial disclosures	45
Governance disclosures	56
Contracts with Senior Officers	56
Director's Liability Insurance	56
Other Legal Requirements	56
Advertising – Electoral Act 1907 section 175ZE	56
Compliance with Public Sector Standards and Ethical Codes	56
(Public Sector Management Act 1994 Section 31(1))	
Disability Access and Inclusion Plan Outcomes	57
Record-keeping Plan	57
Government Policy Requirements	58
Corruption Prevention	58
Art Gallery Location, Services, Programs and Amenities	59

Overview

STATEMENT OF COMPLIANCE

Hon. John Day, MLA
Minister for Culture and the Arts

In accordance with section 28 of the *Art Gallery Act 1959* and section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of the Art Gallery of Western Australia for the financial year ended 30 June 2009.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act.

To our knowledge, all relevant written law that has a significant impact on the Art Gallery of Western Australia has been complied with during the year.



Helen Cook
Chair, Board of the Art Gallery of Western Australia
02 September 2009



Kieran Kinsella
Member, Board of the Art Gallery of Western Australia
02 September 2009

Executive Summary

CHAIRMAN'S REPORT

The 2008-09 year has seen the establishment of important foundations which will enhance the future of the Art Gallery of Western Australia.

New leadership is being provided by Dr Carboni, who was appointed the Director of the Art Gallery of Western Australia starting in October 2008. Previously he was Curator and Administrator in the Department of Islamic Art at The Metropolitan Museum of Art and lectured and taught at a variety of universities in New York. He brings a wealth of experience, is an award-winning author and has been responsible for a number of internationally acclaimed exhibitions. Under his direction we look forward to the Art Gallery developing further as a strong and dynamic institution, central to the visual arts and cultural sector in this State.

The future ability of the Gallery to enrich the State Art Collection and build a legacy for future generations of Western Australians has been made more secure by the establishment of the Art Gallery of Western Australia TomorrowFund. This initiative launched a significant capital campaign generously supported by BHP Billiton, the National Australia Bank, Wesfarmers and Woodside as lead donors. The example set by these four companies has encouraged steady contributions from other Western Australians. The State Government has pledged a further contribution of \$5 million when the Gallery matches the Government's previous \$10 million contribution with donations from the corporate and private sectors. This fund will support increased purchases of Western Australian, Australian, Indigenous and international contemporary art for the State Art Collection.

The State Government also committed funds in the May 2008 State Budget to address the long-standing problem of the deterioration of the Gallery façade. The funding, an allocation of \$10 million over three years, will enable the Gallery to replace the existing blockwork with a more exciting and dynamic exterior which will rejuvenate the appearance of an iconic architectural landmark.

The Gallery continues to work on its long term plans to enhance the Gallery through opening our rooftop outdoor areas and our vision to develop a new building in our footprint area in the Cultural Centre. We are also working closely with EPRA and the government to support the planned infrastructure and program to improve the Cultural Centre.

During the year, the Gallery again provided a program of State Art Collection displays and temporary exhibitions, outlined in our highlights and events sections of this report, enabling visitors to experience a wide variety of art forms and styles. We are now planning for a series of international exhibitions under the leadership of our director to continue our international program in an environment of further restrictions in raising funds.

The Gallery has a strong and ongoing commitment to providing access to different members of the community. In the last year the Gallery's outstanding disability access and inclusion programs, through the provision of touch tours for sight-impaired visitors and art workshops designed for groups that have special or additional needs was recognised by a *Making A Difference Award* in 2009 from Vision Australia. These prestigious awards recognize best practice for considering the needs of people who are blind or have low vision.

An increasingly important way in which the Gallery engages with people is through the internet. The Gallery embarked on initiatives to improve online information and services, including the introduction of new technologies such as Facebook and Twitter for communicating with Gallery patrons.

The Gallery has continued to partner with a broad range of arts organisations. This includes collaborations with festival organisations such as the Perth International Arts Festival. The Gallery is also developing strategic relationships with a wider range of corporate and private sponsors.

I thank the Board and the Gallery staff for their efforts in making this a very successful year for the Art Gallery of Western Australia.

Helen Cook

Chair, Board of the Art Gallery of Western Australia

HIGHLIGHTS

State Art Collection

- The Government provided \$10 million to establish an acquisition fund, the TomorrowFund, together with an additional pledge of \$5 million when the Art Gallery of Western Australia Foundation raises \$10 million from the corporate and private sectors.
- Income from the TomorrowFund will greatly increase the purchasing capacity of the Art Gallery of Western Australia and will allow the Gallery to acquire significant contemporary works by Australian, Western Australian, Indigenous and international artists to create a rich visual legacy for future generations to experience.
- Significant support received from our lead donor, Wesfarmers Arts.
- The Art Gallery of Western Australia Foundation TomorrowFund purchases this year included two significant contemporary works of art by internationally recognised Australian artists, Callum Morton and Dale Frank.
- The State Art Collection in 2008-09 again was the beneficiary of the enormous generosity of a large group of donors, including outstanding Indigenous works by Rover Thomas and Johnny Warangkula Tjupurrula from Sue and Ian Bernadt; major works by Minnie Pwerle and George Ward Tjungurrayi from Helen and Ben Korman; a group of four Indigenous works from Diane and Dan Mossenson; five linoprints by Bevan Hayward from Marlene and Graham Stafford; and nine works by Frank Hinder from Lin Bloomfield.
- The collection of contemporary Australian art was greatly enhanced this year with the gift of works by Peter Graham, Brent Harris, David Noonan, Dick Watkins and Tom Nicholson donated by John McBride.
- Major purchases of contemporary art included works by Jeremy Kirwan-Ward, Saskia Leek, Susan Norrie, Miles Collyer and a major glass sculpture by one of the world's most significant glass maker, Josiah McElheny, which was supported with funds from the Foundation's Leah Jane Cohen Bequest.
- The collection of Australian glass was enriched again through The Foundation and the Tom Malone Prize which supported the purchase of works by Charles

Butcher and Cobi Cockburn and the Leah Jane Cohen Bequest which supported the purchase of a new work by Brian Corr.

- The Art Gallery of Western Australia Foundation Contemporary Art Group supported the purchase of David Shrigley's *Stick* 1996 which joined 23 drawings in the State Art Collection purchased previously with the support of the Foundation.
- The Foundation's Peter Fogarty Design Fund enabled the Gallery to purchase works by Stefanie Flaubert and Janos Korban.
- The Friends of the Art Gallery of Western Australia generously supported the purchase of Vernon Ah Kee's triptych *Into this skin*.
- Throughout the year the Art Gallery of Western Australia's strong commitment to making the State Art Collection available through our display program resulted in 4.4 percent or 740 works from the Collection being displayed.

Events, exhibitions and interpretative programs

- *WONDERLUST New journeys Your collection*, a major re-presentation of over 500 works of art from the State Art Collection, commenced in refurbished display galleries. The new displays are supported by comprehensive visitor information, access to online digitised images, family activity trails and newly-developed public programs.
- The inaugural *Western Australian Indigenous Art Awards* featured outstanding work by 23 contemporary Indigenous artists.
- *Year 12 Perspectives* offered the public a chance to view students' artistic talent and gain an insight into their perceptions of our society. *Year 12 Perspectives* represents a partnership between the International Foundation for Arts and Culture (IFAC), Healthway Act-Belong-Commit, the Department of Education and Training and the Curriculum Council of Western Australia. IFAC's contribution incorporates an exchange of selected student works with a student exhibition in Japan and two student scholarships, while Healthway's sponsorship extends to a *Year 12 Perspectives* tour and workshops for teachers and students conducted by Gallery Education staff in the Pilbara region.

- The *David Walker: anatomy of the object, Mari Funaki works 1992 – 2009* and *Yirrkala artists Everywhen bark paintings from the State Art Collection* exhibitions in the *Artist in focus* series offered a focused analysis of unique bodies of work and were accompanied by a catalogue. Inspired by works in the Collection, each exhibition brought unique insight to the work of some of Australia's finest artists, making it accessible to a broad audience and creating a forum for critical discussion.
- The Gallery is grateful to have partnered with the Kerry Stokes Collection to present *Larrakitj* an exhibition of ninety-five memorial poles by Yolngu artists from North-East Arnhem Land. Designed to be walked through and experienced as a forest-like installation of hollow log coffins or memorial poles, this exhibition premiere introduced exciting contemporary work to Western Australian audiences for the first time.

Participation and access

- A total of 305,524 people visited the Art Gallery during the year.
- The Art Gallery's Disability Access and Inclusion Programs enabled visitors with sensory, intellectual or physical disabilities to explore the State Art Collection through a variety of customised activities. The program received a prestigious Vision Australia award.

Sponsorship

- The continuity provided by the Art Gallery's annual partners – Wesfarmers Arts (Principal Partner), The West Australian newspaper, the International Foundation for Arts and Culture, Marketforce (to December 2008), 303 (from January 2009), Channel Seven Perth, Mirvac Hotels and Resorts and Ernst & Young – is critical to the delivery of a range of exhibitions and programs and they are commended for their commitment and foresight.
- Principal partner, Wesfarmers Arts, supports the weekly free guided tours provided by volunteer gallery guides.
- *Year 12 Perspectives*, now in its 17th year continued with the ongoing support of the International Foundation for Arts and Culture, the Healthway Act-Belong-Commit campaign, the Department of Education and Training and the Curriculum Council of Western Australia.
- Art Gallery of Western Australia program sponsors include the Water Corporation sponsorship of the *Water Walk* visitor trail and education activities.
- The Indigenous Curatorial Graduate Program completed the final year of a three-year partnership between the Art Gallery of Western Australia, AngloGold Ashanti Australia Limited, Carey Mining and Downer EDI – and Curtin University of Technology.

Philanthropy

- The Art Gallery of Western Australia Foundation enjoyed an almost four percent increase in membership during the year. The Gallery is grateful to donors to the Art Gallery of Western Australia TomorrowFund.

OVERVIEW

The year at a glance

The Gallery:

- received sponsorship and donations totalling \$578,000
- saw the value of the Collection increase by \$10,605,000 to \$197,074,000 during 2008-09
- received Foundation revenue of \$927,000 and interest revenue on trust funds of \$966,000
- recorded a retail shop trading profit of \$360,000, a decrease from the previous year that reflects the economic down-turn and lower visitor numbers in a year without a major exhibition.

Revenue

The Art Gallery receives revenue from the State Government in the form of a consolidated appropriation. It also generates its own revenue from visitor admissions for some exhibitions, commercial activities and fundraising. In addition, the Gallery receives grants and sponsorships for activities such as special events and putting on the annual *Year 12 Perspectives* exhibition.

A total of 305,524 people visited the Art Gallery during the year. Of these, 291,948 attended temporary exhibitions and 13,576 attended functions.

The commercial activities of the Art Gallery, namely retail, cafe revenue and venue hire, performed reasonably well in light of recent economic conditions.

Non-government revenue amounted to over \$4.9 million in 2008-09, representing 40 percent of the Art Gallery's revenue base in 2008-09. Some of these income sources, such as grants, sponsorships and bequests, are restricted for specific purposes.

State Government funding provided \$7.402 million. The level of government support assists the Gallery in remaining accessible to the wider community and in delivering the majority of its services free of charge.

Expenditure

Total operating expenditure for 2008-09 was \$11.074 million.

Salaries, wages and staffing costs of \$4.426 million accounted for 40 percent of the Gallery's expenditure and reflect the key role staff play in delivering the State Art Collection and Art Gallery services, ranging from the presentation of major international exhibitions to educational programs for families.

Accommodation expenses, including maintenance, utilities and security services, made up 23 percent of expenses. A major proportion of the costs was associated with public access to the displays in the galleries, including both lighting and security. The accommodation costs included continuing work on the Art Gallery's ageing infrastructure to ensure attractive and safe facilities for visitors and staff.

Operational Structure

Enabling legislation

The Art Gallery of Western Australia is established as a Statutory Authority under the *Art Gallery Act 1959*.

Responsible minister

The Hon. John Day, MLA, Minister for Culture and the Arts

Vision and Mission

To be a focal point and a destination of excellence in the visual arts that contributes regionally, nationally and internationally to a dynamic living culture in Western Australia.

The Gallery regards its mission as being to increase the knowledge and appreciation of the arts of Australia, the Indian Ocean Rim and beyond for the enjoyment and the cultural, artistic, educational and intellectual enrichment of the people of Western Australia and of its visitors, and to develop, study and present the finest public art collection and the most comprehensive display of Western Australian art in the State.

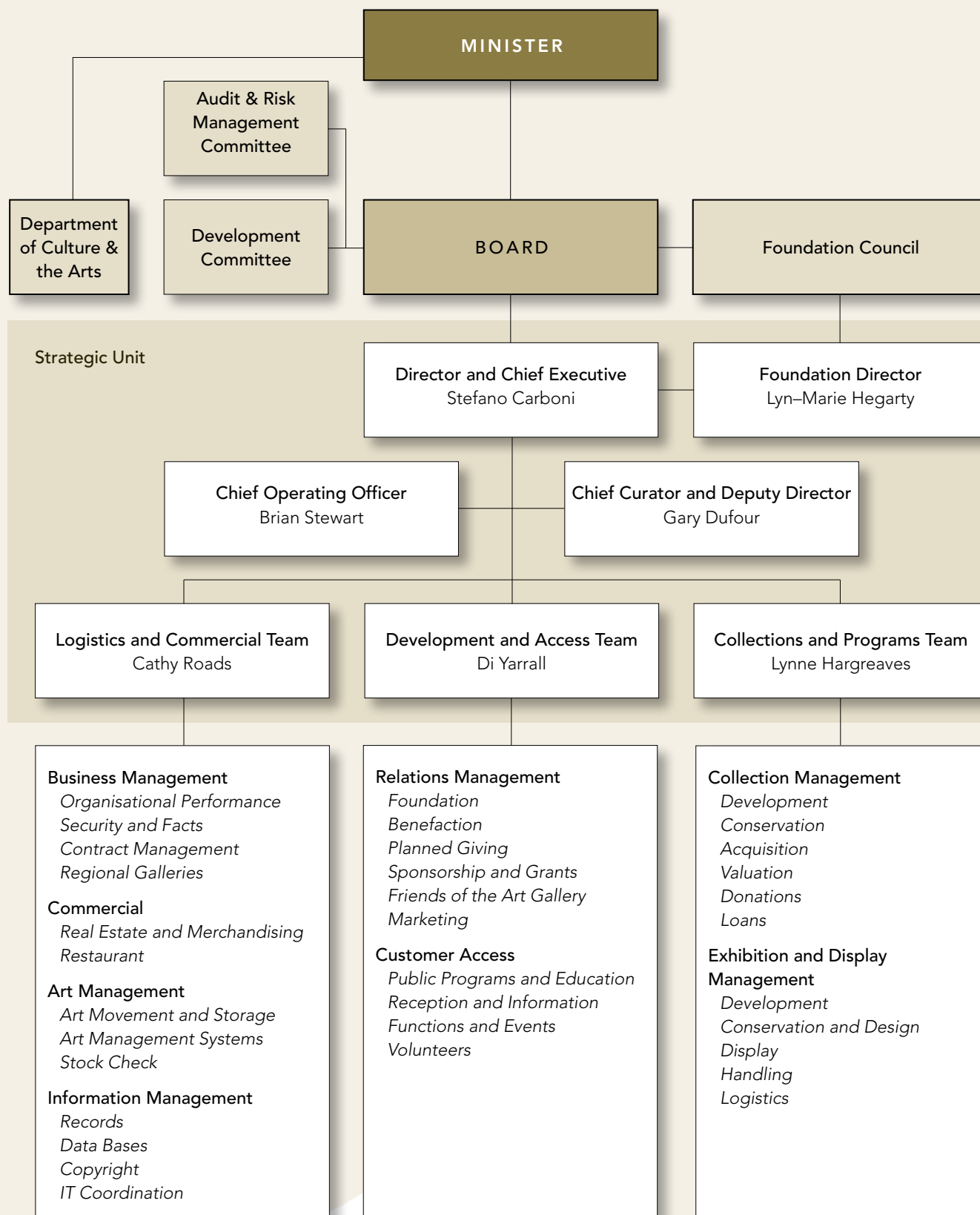
Organisational Values

We strive to:

- Respect**
 - be courteous, cooperative and flexible
 - acknowledge the ideas and opinions of others and understand their needs
- Excellence**
 - be innovative and professional in achieving the Gallery's goals
 - earn the respect of our customers, colleagues and the community
- Ethics**
 - ensure we actively contribute to an ethical organisation
 - nurture fair and open relationships with our customers and colleagues and the public
- Commitment**
 - be loyal to the Gallery and its programs
 - provide the best possible service for our customers.

Organisational chart

as at 30 June 2009



* The Director General is an ex officio member of the Art Gallery Board.

DCA receives the appropriation for all portfolio salary and associated costs. The use and governance of these resources is provided to the Art Gallery.

Operating structure

The Art Gallery's objectives and outcomes are delivered through three teams. The activities and outcomes achieved by the teams are detailed under Agency Performance – Report on Operations. The team leaders report to the Director, who is responsible to the Board for the leadership and operations of the Art Gallery.

To ensure the smooth operations of the Gallery and to help coordinate its various activities relating to acquisitions, conservation, exhibitions, interpretative programs and events, the Gallery has a number of cross-agency committees and groups. These groups meet regularly, or as required, to plan, develop and implement initiatives, address day-to-day matters and deal with more complex issues involving local, interstate and overseas organisations.

The executive group, comprising the Director, Deputy Director, Chief Operating Officer and team leaders, meets weekly to consider key planning and policy matters relating to corporate governance of the Gallery, including financial and human resource management issues, risk management, capital works programs and other key issues central to Gallery operations.

Other standing committees include the Occupational Safety and Health Committee and the Risk Management Committee. Special project groups are established as required to coordinate and oversee specific programs or projects.

Board

The Art Gallery Act states that the Board shall comprise seven members appointed by the Governor. Members are appointed for a term not exceeding four years and are eligible for re-appointment to a maximum of eight years. The Director General of the Department of Culture and the Arts is an ex officio member of the Board.

The Board held six ordinary and one extraordinary meeting during 2008-09. Each Board member's attendance record at meetings is provided following his or her name.

Helen Cook (7/7), Chair, is the Executive Director, Australia, of KPMG's Energy and Natural Resources Group and has more than twenty years experience in the Western Australian professional services sector supporting resources companies. She has been a member of the Art Gallery of Western Australia Board since 2004 and currently sits on the Advisory Board for the UWA Centre for Mining, Energy and Natural Resources Law. Ms Cook graduated from the University of Western Australia with a Bachelor of Science, is an Associate of the Institute of Company Directors, a member of the Financial Services Institute of Australasia and holds an honorary CPA.

Hamish Beck (6/7) is the Owner / Managing Director of Beck Advisory, a property-fund-management business based in St Georges Terrace. Mr Beck is a Division Councillor and Western Australian Treasurer of the Property Council of Australia, Chairman of the Property Education Foundation, Chairman of the Curtin University Advisory Committee, a Board member of the University of Western Australia Planning Advisory Committee and a member of the Rottne Island Marine Advisory Committee. He is also involved with other industry groups.

Kellie Benda (2/5) is the General Manager – Assets & Strategy at the Royal Automobile Club of WA (Inc.). She has had a long career as an investment banker and corporate finance advisor, as well as practicing as a corporate solicitor. Ms Benda has extensive experience advising boards and companies and holds several directorships. She is currently on the boards of Methodist Ladies' College, the WA Forest Products Commission and the charity Youth Focus.

Adrian Fini (5/7) is the Non-Executive Director for the Mirvac Group. He is a current board member of the Art Gallery of Western Australia, Little World Beverages and the University of Western Australia Business School, plus a committee member for the Australian Business Arts Foundation (Western Australia Chapter).

Fiona Kalaf (7/7), Deputy Chair, is a business development, strategic planning and marketing communications professional with experience in commercial, corporate and non-profit environments at general manager level. Ms Kalaf has held senior executive positions at HBF, Asgard Wealth Solutions, the Commonwealth Bank of Australia and Wesfarmers Limited and is currently director of management consulting firm Buro. Ms Kalaf holds a Bachelor of Arts and a Bachelor of Architecture from the University of Western Australia and a Graduate Diploma of Business (Distinction) and a Master of Business Administration (Advanced) from Curtin University of Technology.

Kieran Kinsella (6/7) has held the position of Chief Executive Officer of the Midland Redevelopment Authority since May 2000. Between 1993 and 2000 he held the positions of Director of the Gascoyne Development Commission, Western Divisional Manager of the Indigenous Land Corporation and Project Director at the Western Australian Tourism Commission. He has previously been on the boards of the Gascoyne Arts Council, Country Arts WA and Regional Arts Australia.

Allanah Lucas (6/7) is the Director General of the Department of Culture and the Arts. Ms Lucas has over twenty five years experience in the arts in Australia and the UK. She is a professional arts administrator, a performing arts producer, presenter, researcher, consultant and tutor. She embodies a diversity of business, management, creative, industrial and academic skills and knowledge. She also serves on the Boards of the Western Australian Museum, the State Library Board of Western Australia, ScreenWest, the Perth Theatre Trust and is Chair of the Swan Bells Foundation.

Dr Nikki Miller (3/3) is Managing Director of Niksim Pty Ltd, a land-development company and an art consultant with Art Support Pty Ltd. Dr Miller holds a Doctorate of Philosophy in Communications from Murdoch University and a Bachelor of Arts with First Class Honours in Fine Art from the University of Western Australia. She resigned from the Board in February 2009.

COMMITTEES OF THE BOARD

The Board appoints committees to assist in the performance of its functions. Two of the three committees (Finance & Operations, Audit & Risk Management) include external representation. The committees of the Board, their terms of reference and membership are listed below. The performance of each of the committees is reviewed by the Board on an ongoing basis. After a review of committee terms of reference the Finance and Operations Committee was abolished in December 2008.

Audit & Risk Management

Role:

To assist the Board in fulfilling its responsibilities relating to accounting, reporting, risk management and legal compliance practices.

Members:

Nikki Miller (Chair – until February 2009), Helen Cook (Chair from March 2009), Shane Devitt (PricewaterhouseCoopers member) and Kieran Kinsella.

Ex officio members:

Brian Stewart (Chief Operating Officer) and Brandon Walker (DCA Internal Audit). A representative of the Office of the Auditor General attends as an observer.

Development

Role:

To assist the Board in fulfilling its responsibilities relating to future development.

Members:

Hamish Beck (Chair), Fiona Kalaf and Kieran Kinsella. Ex-officio members: Gary Dufour (acting Director until October 2008), Stefano Carboni (Director) and Lyn-Marie Hegarty (Foundation Director).

Finance & Operations

Role:

To assist the Board in fulfilling its responsibilities relating to the implementation of the business operations plan and budget.

Members:

Kellie Benda (Chair), Angel Barrio (PricewaterhouseCoopers member), Adrian Fini and Allanah Lucas.

Ex officio members:

Gary Dufour (acting Director until October 2008), Stefano Carboni (Director), Renato Sansalone (Finance Business Manager) and Brian Stewart (Chief Operating Officer).

Senior officers

Dr Stefano Carboni, PhD

Director

Dr Carboni was appointed Director starting in October 2008. Previously he was Curator and Administrator in the Department of Islamic Art at The Metropolitan Museum of Art and Visiting Professor at the Bard Graduate Center in New York. He joined the curatorial staff at the Metropolitan Museum in 1992 after completing his graduate studies in Arabic and in Islamic Art at the University of Venice and his Ph.D. in Islamic Art at the University of London. At the Metropolitan Museum he has been responsible for a large number of exhibitions, including the acclaimed Venice and the Islamic World, 828-1797.

Gary Dufour, BFA (Distinction), MFA

Deputy Director | Chief Curator

Mr Dufour was acting Director from December 2007 until October 2008. He has 30 years curatorial and executive management experience in public art museums in Australia and Canada.

Brian Stewart, BA (Hons), GradDipInfoLibStds (Distinction)

Chief Operating Officer

Mr Stewart has extensive curatorial and arts management experience including 25 years experience in public art museums and libraries in Australia and Canada.

Lyn-Marie Hegarty, BA

Foundation Director

Ms Hegarty has more than nine years arts management experience in the public sector and extensive marketing and development experience in the private, public and not-for-profit sectors.

Lynne Hargreaves, BA (Hons), MA

Head Collections & Programs

Ms Hargreaves has 20 years arts-related education and training experience and significant experience of exhibition and program management.

Cathy Roads

Head Logistics & Commercial

Ms Roads has 20 years public sector experience, including substantial experience in change management and art museum practice.

Di Yarrall

Head Development & Access

Ms Yarrall has more than 30 years arts-related experience in both the public and private sectors, with a background in broadcasting, marketing and public relations.

Partners and sponsors

VOLUNTEERS

The Art Gallery volunteers contribute thousands of hours of service to the Art Gallery each year and continue to enrich the experience of visitors with guided tours, front-of-house support and research. During the year, volunteers provided 1,812 tours – the equivalent of more than seven tours every day the Gallery is open. In all 11,616 hours were provided.

In 2008-09 five new guides joined the Voluntary Gallery Guides.

The Gallery benefited from the contributions of over 160 volunteers who helped in the delivery of programs to the public and schools.

FRIENDS OF THE ART GALLERY OF WESTERN AUSTRALIA

The Friends of the Art Gallery of Western Australia provides members a range of benefits and privileges which bring them in close touch with the Gallery, its exhibitions, collections and special events. While discovering more about the world of art, members have the chance to participate in an exciting and diverse range of activities which are educational, cultural and creative. The Friends also contribute to the State Art Collection by funding acquisitions. During the year the Friends purchased the Vernon Ah Kee triptych *Into this Skin*.

ART GALLERY OF WESTERN AUSTRALIA FOUNDATION

Since its formation in 1989, the Art Gallery of Western Australia Foundation, the philanthropic arm of the organisation, has provided an opportunity for art lovers to provide their support, both financial and in kind, to the Art Gallery of Western Australia, nurturing and supporting the Gallery while enhancing the cultural well-being of the Western Australian community.

Members provide their support across a number of significant areas including the Contemporary Art Group, the general acquisition fund and more recently the TomorrowFund, established specifically for the acquisition of outstanding works by today's artists. Many donors also provide their support through the donation of works of art through the Commonwealth Government's Cultural Gifts Program.

In return for their generous support, Foundation members enjoy a lifetime association with the Gallery and a close relationship with the Director and Gallery staff.

The Art Gallery of Western Australia Foundation received \$927,000 during the year in bequests and special purpose fund contributions. The growth of the Foundation remained steady with 15 people taking up life membership.

The value of works of art donated to the State Art Collection provides an indication of the high esteem in which the community holds the Art Gallery of Western Australia. During the reporting period the value of gifts of art totalled \$576,000.

The TomorrowFund was launched in June 2008 with a goal to establish a \$25 million endowment fund, the earnings from which will provide a substantial acquisition budget in perpetuity. Recognising the importance of this project to the cultural vitality of our community, the Government contributed the first \$10 million to the fund and pledged a further \$5 million once the Gallery raises \$10 million from the private and corporate sectors.

BHP Billiton, National Australia Bank, Wesfarmers and Woodside made lead gifts of \$1 million each and at year's end a further \$700,000 had been pledged.

The Art Gallery of Western Australia is fortunate to have a strong team driving the success of the TomorrowFund in Michael Chaney, AO, campaign President; Adrian Fini, campaign Chair; Robert Juniper, Arts Patron; Marlene Stafford, Art Gallery of Western Australia Foundation Council Chair; Stefano Carboni, Director, Art Gallery of Western Australia; Lyn-Marie Hegarty, Foundation Director.

FOUNDATION COUNCIL

The Foundation is overseen by the Foundation Council, a voluntary group whose primary role is to develop and continually expand a network of individuals and organisations to provide financial support to the Gallery. The Board Chair and Director are ex-officio members of the Foundation Council.

FOUNDATION COUNCIL MEMBERSHIP 2008-09

Marlene Stafford, Chair from October 2007 (Councillor from October 2004), is the Owner/Director of Stafford Studios, and brings over 22 years arts experience to the Council. Ms Stafford has had many roles, including Art advisor to Rio Tinto/Hamersley Iron Pty Ltd, member of the Association of Western Australian Art Galleries, President of the Art Association of Western Australia and Vice President for the Australian Institute of Art Education. She holds a Diploma of Art and a Fine Arts Degree from Curtin. Her career has seen her invited to China to present an Australian Art exhibition in Beijing in 1996 and be administrator for both the Madorla National Art Award and the Artcenta Annual Art Exhibition. She continues to be involved in the valuations of art works and keeps a sharp eye on current sales, clients, trends and auctions.

Sandra Di Bartolomeo, Councillor from May 2008, is a finance partner at Minter Ellison with specialist expertise in project and structured finance, construction and infrastructure financing, property, resource and corporate financing. She is the chairperson of the Minter Ellison Youth Arts Foundation, created to support and encourage the visual and performing arts by young people within Western Australia. It seeks to partner with youth arts organizations, providing both financial and in-kind support to promote youth arts. Ms Di Bartolomeo has previously been in-house legal counsel to an international financial services group, where she developed vital skills in risk management, limiting exposure to contentious areas and loss.

Marco D'Orsogna, Councillor from March 2009, brings to the council his managerial and business skills from his involvement in the family company D'Orsogna Ltd. He has been a member of the Foundation since 2006 and describes himself as having an innate appreciation for the creative arts, having immersed himself in photography, graphic design, music and fine arts from a very young age.

Peter Eggleston, Councillor from August 2008, is the External Affairs Manager for Chevron Australia and is responsible for policy, government and public affairs including legislative and regulatory advocacy, external communication, workforce communications and community engagement. He has extensive experience with Perilya Limited, as Director Corporate Affairs for GRD Limited, a 10-year career with Rio Tinto and has worked in London with the Global Mining Initiative. Mr Eggleston has completed a Bachelor of Arts degree in geography

and holds numerous postgraduate qualifications. He has been a member of the Australian Institute of Company Directors, the NSW Minerals council, Water and Rivers Commission Board, the Aboriginal Economic Development Council, the State Training Board, the Central Pilbara Region Infrastructure Study Management Committee and a delegate to the International Zinc Association.

Annie Fogarty, Councillor from March 2004 to May 2009, is the Executive Chairperson of The Fogarty Foundation, a not-for-profit organisation involved in education and leadership. After graduating with an arts degree from the University of Western Australia and study in Arts Management at the WA Academy of Performing Arts, Ms Fogarty's career in marketing has been primarily in the tourism and arts sectors. She is a member of The University of Western Australia's Senate Development Committee.

John Hanley, Councillor from December 2005, has worked in the oil and gas industry in Australia for 40 years and is currently the Deputy General Manager of North West Shelf Gas. He has been President of the RAC WA, Vice President of the Chamber of Minerals and Energy, Vice President of the Royal Agricultural Society of WA and Chairman of the Burrup Industries Forum at the Chamber of Commerce and Industry. He is WA's Chief Wine Judge and Chairman of Judges at the Perth Royal Wine Show and he has judged wine in the UK, USA and NZ. Mr Hanley has been awarded several medals for service to the Australian wine industry and an Order of Australia for his contributions to wine and agriculture. He has enjoyed a lifetime interest and participation in the arts, is a keen collector of Australian art and art literature and has served on several committees promoting Australian art participation.

Paul Sullivan, Councillor from September 2007, is a licensed real estate agent and certified practising valuer who provides management and advisory services through his family trust company, Loyola Pty Ltd. Mr Sullivan is the Director of several Sullivan family companies involved with property investment. He is a Fellow of the Australian Property Institute and the Australian Institute of Company Directors and is studying philosophy part-time at the University of Notre Dame Australia. His previous board experience includes numerous industry and not-for-profit organisations as well as the Western Australian Cricket Association and the Committee for Economic Development of Australia. He has been Chairman of the Iona Presentation Primary School Board since 2004.

FOUNDATION MEMBERS LIST 2008-09

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Di Yarrall
Carlos Zerpa
Dr Dolph W. Zink, AM, and Mrs Zink

SPONSORSHIPS

The Gallery continues to receive strong support from organisations that acknowledge the significant benefits of a flourishing arts sector to their businesses and employees as well as to the broader community throughout Western Australia.

Strategically, the focus is on forging long-term industry-exclusive key partnerships. In 2008-09 the Art Gallery of Western Australia was privileged to have the continuing annual support of:

- Wesfarmers Arts – Principal Partner
- The West Australian
- Marketforce (to Dec. 2008)
- 303 (from Jan. 2009)
- The International Foundation for Arts and Culture
- Ernst & Young
- Channel Seven Perth
- Mirvac Hotels and Resorts

Sponsors who supported programs and exhibitions in 2008-09 included:

- Water Corporation
- AngloGold Ashanti
- Carey Mining
- Downer EDI
- Curtin University of Technology

Key legislation

Legislation and regulations administered:

Art Gallery Act 1959

Art Gallery (Common Seal) Regulations 1979

The Art Gallery of Western Australia Foundation Rules 1989

Other key legislation impacting on the

Art Gallery of Western Australia:

Auditor General Act 2006

Corruption and Crime Commission Act 2003

Disability Services Act 1993

Electoral Act 1907

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Industrial Relations Act 1979

Library Board of Western Australia Act 1951

Minimum Conditions of Employment Act 1993

Occupational Safety and Health Act 1984

Public and Bank Holidays Act 1972

Public Interest Disclosure Act 2003

Public Sector Management Act 1994

Salaries and Allowances Act 1975

State Records Act 2000

State Superannuation Act 2000

State Supply Commission Act 1991

Workers' Compensation and Injury Management Act 1981

Performance Management Framework

Relationship to government strategic goals

The Art Gallery is a statutory authority within the Culture and the Arts portfolio. The Gallery provides services in support of the high-level government goal of 'enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services'.¹

Agency-level desired outcomes and services

The desired outcome for the provision of art gallery services is that:

Western Australia's [State Art Collections] are preserved, accessible and sustainable.²

Art gallery services are identified in the State's Budget Statements as:

Delivery of the State Art Collection and access to art gallery services and programs through visual arts advocacy, collection development, facilities and services. Services ensure that primary access to art, heritage and ideas locally, regionally and internationally are preserved and displayed for future generations.³

1 Budget Statements 2008–09, p. 832.

2 Ibid.

3 Ibid., p. 838.

Agency Performance – Report on Operations

REPORT ON OPERATIONS

In 2008-09 the Art Gallery was successful in delivering significant outcomes in the following areas:

- development, preservation and presentation of the State Art Collection
- audience participation
- financial sustainability and operational performance.

The five key result areas that define the Gallery's operations seek to:

- actively develop the State Art Collection to ensure it remains the pre-eminent collection of Western Australian art
- research, develop and present outstanding events, exhibitions and interpretative programs that increase the knowledge and appreciation of the art of the world for the enjoyment and cultural enrichment of the people of Western Australia
- engage the widest possible audience as visitors and as volunteers participating in art gallery services
- maintain effective and efficient infrastructure for the provision of art gallery services
- secure and develop a broad funding base from government and through successful commercial outcomes and sponsorship.

Thanks to the combined efforts of staff, volunteers, supporters and partners, the Art Gallery attracted 305,524 visitors in 2008-09.

In a year that saw the State Government continue its commitment to building the State Art Collection by pledging \$5 million to the Art Gallery of Western Australia Acquisition Fund to support increased purchase, and investment in Western Australian, Australian, Indigenous and international contemporary art for the State Art Collection it was fitting that the year's exhibitions program featured *WONDERLUST New journeys Your collection* as its centerpiece. This major display of works from the State Art Collection is supported by comprehensive public programs. The exhibition highlights the Gallery's strategic focus on developing the State Art Collection with programs and research activities. Exhibition highlights during the year included the inaugural *Western Australian Indigenous Art Awards*.

The Art Gallery continued to foster strategic partnerships with a diverse range of cultural groups, including local festival organisations and to forge long-term industry-exclusive key partnerships. The 2008-09 Annual Gallery Partners were Wesfarmers Arts (principal partner) The West Australian newspaper, Marketforce (to Dec. 2008), 303 (from Jan. 2009), the International Foundation for Arts and Culture, Ernst & Young, Channel Seven Perth and Mirvac Hotels and Resorts. The Gallery also worked closely with program sponsors Water Corporation, AngloGold Ashanti, Carey Mining, Downer EDI and Curtin University of Technology to build mutually-beneficial long-term relationships.

Looking ahead, the Gallery has received funding over three years to replace the Main Building façade. This will begin the renewal and redevelopment of the Art Gallery for the future. The Gallery is working closely with other stakeholders in the Perth Cultural Centre, including the East Perth Redevelopment Authority, to plan a vibrant creative quarter in the heart of Perth.

Changes and developments at the Art Gallery continue to ensure that visitors will have a high-quality and enriching experience, make a connection with the visual arts and better understand the diverse cultures of the world.

Outcomes, services and performance information

Outcome: Western Australia's State Art Collection is preserved, accessible and sustainable.

Indicator 1: The extent to which the part of the State Art Collection that requires preservation is preserved

Key Effectiveness Indicators	2007-08 Actual	2008-09 Actual	2008-09 Target	Reason for significant variance between 2008-09 actual and 2008-09 target
Proportion of time that the storage and display environment has not been breached.	97%	99%	100%	The target represents the optimum. The improvement from 2007-08 results from ongoing measures to improve environment conditions in the Centenary Galleries.

Indicator 2: The extent to which art gallery services are accessible

Key Effectiveness Indicators	2007-08 Actual	2008-09 Actual	2008-09 Target	Reason for significant variance between 2008-09 actual and 2008-09 target
Number of accesses to Australia's State Collection per capita. ⁴	246 per 1000	178 per 1000	198 per 1000	The decrease resulted from lower attendance due to no major exhibition scheduled in 2008-09.
Percentage of clients satisfied with the services associated with accessing the State Art Collection.	91%	93%	91%	

The Art Gallery engages a market research firm to survey customer satisfaction.⁵

Key Efficiency Indicator	2007-08 Actual	2008-09 Actual	2008-09 Target	Reason for significant variance between 2008-09 actual and 2008-09 target
Average cost of art gallery services per access.	\$20.84	\$28.93	\$26.09	Variation results from access rates below estimate.

Indicator 3: The extent to which the State Art Collection and art gallery services are sustainable

Key Effectiveness Indicator Actual	2007-08 Actual	2008-09 Target	2008-09 actual	Reason for significant variance between 2008-09 and 2008-09 target
Value of State Art Collection renewal, content development and/or expansion as a proportion of Collection value.	0.69%	0.73%	0.86%	Variation results from significant rise in collection value.

⁴ Population (per capita) based on ABS data table 3218 (WA): 2006-07 = 2,081,647; 2007-08 = 2,113,911; 2008-09=2,146,000

⁵ Patterson Market Research, 'A Report on the 2008-09 Customer Satisfaction Survey'.

Key result area reports

STATE ART COLLECTION

The Gallery's purpose is to acquire, preserve, interpret and display visual art from the past and the present, with an emphasis on the art of Western Australia and Indigenous art. The State Art Collection comprises 16,954 works in a range of media including paintings, sculptures, craft and design, watercolours, drawings, photographs and prints. Indigenous art is a highlight, providing an extensive overview of traditional and contemporary art from Western Australia, the Central Desert and Arnhemland. The Collection also has pre-eminent holdings of Western Australian art, craft and design from 1829 to the present.

The reporting period 2008-09 was the third year of the 2007-2011 five-year acquisition plan. In this plan, a priority has been placed on developing the principal strength of the Collection – art with a central theme of human habitation in the environment. Through these 'Stories of Habitation' the Gallery is building dialogues to support visitor engagement with the art of Western Australia and the art of the world.

The emphasis for acquisitions, through purchase and donation, is to acquire major works, or significant bodies of works, in the following main areas over the five-year period 2007-2011, international historical and contemporary art, Indigenous art with a particular focus on Western Desert, Kimberley and South West artists and communities, and exemplary historical and contemporary works of art by Western Australian and Australian artists.

In meeting the 2008-09 acquisition targets, 99 works of art were introduced into the Collection. Of these, 52 were purchased with support from the State Government, the Sir Claude Hotchin Art Foundation, the Leah Jane Cohen Bequest, the Sarah and Baillieu Myer Family Foundation and the Art Gallery of Western Australia Foundation. Significant gifts included works by Rover Thomas and Johnny Warangkula Tjupurrula and major works by Minnie Pwerle and George Ward Tjungurrayi. Gifts were of contemporary Australian art works by Peter Graham, Brent Harris, David Noonan, Dick Watkins and Tom Nicholson were received and the Friends acquired and donated a triptych painting by Indigenous artist Vernon Ah Kee.

Preservation continues through an ongoing program of assessing the condition of works in the collection. In 2008-09 the Gallery completed its program of condition assessments. Where required it made works display-ready through treatments, varying in scale from professional surface cleaning and dusting to minor repairs and significant restoration or framing.

EVENTS, EXHIBITIONS AND INTERPRETATIVE PROGRAMS

The Gallery highlighted the State Art Collection with the *WONDERLUST* displays, showcasing the strength and diversity of the permanent collections in a series of dynamic thematic presentations. The temporary exhibitions program ranged from displays of modern Australian artists to an exceptional program of Indigenous exhibitions including the inaugural *Western Australian Indigenous Art Awards*.

The Gallery continued to provide broad access to the community, with 30,757 people participating in a diverse calendar of functions and events, together with a very successful schools program, attracting 22,880 students during the reporting period.

EXHIBITIONS

2008

Grace Crowley: being modern

14 June – 21 September 2008

A National Gallery of Australia touring exhibition *Grace Crowley: being modern* was an important retrospective exhibition of paintings and drawings by one of Australia's most influential modern artists.

The first exhibition of Grace Crowley's work since 1975, it included important works from public and private collections and traced her remarkable artistic journey from traditional landscapes to avant-garde experimentation and pure abstraction. The exhibition included several recently rediscovered paintings and the largest number of Crowley's abstract paintings ever assembled, enabling a new appraisal of her achievement.

Artist in focus Frank Hinder: A study in dynamic symmetry

14 June – 21 September 2008

This exhibition presented a selection of pencil sketches, watercolours and finished paintings by Frank Hinder drawn exclusively from the State Art Collection. The exhibition set out to explore the key interests of Hinder who, with contemporaries like Grace Crowley, Ralph Balson and Rah Fizelle, contributed significantly to the development of modernist theories in Australian art. Hinder had been exposed to the theory of dynamic symmetry – the geometric and organic ordering of space

– during a formative period in the US and upon his return to Australia set out to explore this in his artistic practice. This exhibition investigated these ideas through a study of works in the Collection.

WONDERLUST New journeys Your collection

27 June 2008 onwards

WONDERLUST is a dynamic new presentation of the State Art Collection, featuring Indigenous, Australian and international art, craft and design acquired since the Gallery's inception in 1895.

This exhibition brings together painting, sculpture, photography, works on paper, craft and projections. These range from one of the earliest Western Australian works in the Collection, Frederick Garling's 1827 views of the Swan River, to recent works of 2006-2007 such as Julie Dowling's painting of Indigenous resistance fighter, Yagan, contemporary sculpture by James Angus and Pru Venables ceramics.

Composed of the cream of the Collection, *WONDERLUST* is presented in five themes – *Story, Home, Mapping, Presence, Material Gesture* – as an engaging, often enriching experience that opens up the Collection to fresh interpretation and appreciation.

Culture Warriors

National Indigenous Art Triennial

20 September – 23 November 2008

This was a National Gallery of Australia travelling exhibition. As the inaugural National Indigenous Art Triennial, the exhibition will become a permanent event on the Australian and international art calendar as a snapshot of Aboriginal and Torres Strait Islander contemporary Indigenous art practice.

The exhibition presented thirty of Australia's most innovative contemporary Indigenous artists whose respective careers span the four decades since the 1967 Referendum. The national tour included all major state venues.

Gordon Bennett

20 December – 22 March 2009

This was a National Gallery of Victoria touring exhibition being presented at the National Gallery of Victoria, Queensland Art Gallery and the Art Gallery of Western Australia.

This exhibition was a comprehensive retrospective of Gordon Bennett. Since his first major solo exhibition in 1989, Bennett has achieved international critical acclaim for the complex ways in which his work engages with historical and contemporary questions of cultural and personal identity, with a specific focus on Australia's colonial past and its postcolonial present.

Bennett's distinctive work has consistently challenged conventional representations and racial prescriptions for both Indigenous and non-Indigenous Australians, focusing particularly on connections to place and nationhood, concepts of citizenship and the articulation of histories alternative to the Anglo-European construction of Australian history.

Western Australian Indigenous Art Awards 2008

1 November 2008 – 11 January 2009

The *Western Australian Indigenous Art Awards* is a newly-established national art award designed to celebrate the diversity and richness of Indigenous art practice. The 2008 Awards exhibition featured a selection of works by approximately 16 finalists with Patrick Tjungurrayi the winner of the \$50,000 Western Australian Indigenous Art Award and June Walkutjukurr Richards winner of the \$10,000 Western Australian Artist Award. A third \$5000 People's Choice Award was presented to Shane Pickett.

2009

Larrakitj

Kerry Stokes Collection

13 February 2009 – 31 May 2009

The exhibition presented approximately 100 Yirrkala memorial poles from the Kerry Stokes Collection. Memorial poles have been produced in north-east Arnhem Land for over 40,000 years to honour the dead. They are part of the mortuary rites ceremony where the use of a pole was to help guide a person's spirit to their country and help ancestral spirits recognise spirits of the dead. Memorial poles continue to hold major significance to the people of Arnhem Land but have also found a place in the Western art market and can be found in many collections.

The exhibition was presented by the Art Gallery of Western Australia and Australian Capital Equity and was a highlight of the 2009 Perth International Arts Festival. It was supported by a public program of ceremonial performances and presentations by the Yirrkala Community during the festival opening weekend.

Artist in focus Yirrkala artists Everywhen bark paintings from the State Art Collection

31 January – 31 March 2009

The exhibition showcased Yirrkala bark paintings from the State Art Collection adjacent to the exhibition of Yirrkala memorial poles from the Kerry Stokes Collection.

The bark paintings were sourced primarily from the *Louis Allen Collection* part of the State Art Collection. The works were predominantly made during the 1960s and many of the artists are the direct relatives of those whose work was exhibited in the Kerry Stokes exhibition.

The project was curated by Chad Creighton, the Indigenous Curatorial intern, as the culmination of his 3 year curatorial internship at the Gallery. The project included collection and community research which was documented in a small publication.

Black O wall 1-6 Kerry Polliness wall drawings

2 February 2009 – 17 January 2010

The installation of six wall drawings is on permanent display in the linkway access to the Gallery's Administration and Education offices.

Black Manor House and White Orchid wall works Helen Smith and Jeremy Kirwan-Ward

4 April 2009 – 31 January 2010

Contemporary Western Australian artists Jeremy Kirwan-Ward and Helen Smith have been working collaboratively on a range of large scale projects over the past two years. This has included a large wall piece for MOP Sydney, in 2008. These works combine their individual soft-edged abstraction to dynamically engage with existing architectural situations.

In this project the pair created an abstract wall-based painting within the rest area between Galleries 1 and 2 functioning both to enliven this space and as a directional marker between the main gallery building and Centenary Galleries.

Year 12 Perspectives 2008

8 April – 10 July 2009

An exhibition of art by Year 12 students graduating in 2008, *Year 12 Perspectives* is one of the Gallery's most popular exhibitions providing audiences with a unique opportunity to see the world through the eyes of today's youth. The exhibition displays and recognises the magnificent achievements of Year 12 TEE Art and Art & Design students from across Western Australia. Each November, a vast collection of work is presented for consideration to a panel of experts.

Part of a cultural exchange, the exhibition also features works by Japanese students. A selection of work by West Australian students is, in turn, exhibited Japan. This year the exhibition also toured to the Karratha Library and the Geraldton Regional Galleries.

THING beware the material world

18 April – 5 July 2009

Over the last fifteen years the borders between design and craft have been endlessly tilted. *THING beware the material world* is a uniquely different exhibition. Beginning and ending with the physical object, it presents works from late 1800s to the present day as a celebration of the multiple uses of materials and approaches to object making including designs from found materials to those made from the most intricate and complex contemporary technologies.

2008-2009 TOURING EXHIBITIONS

Year 12 Perspectives 2007

Japan 29 July – 1 August 2008

Karratha Library 10 September – 17 October 2008

A selection of work from the 2007 *Year 12 Perspectives* exhibition toured regionally to Japan as part of an international cultural exchange and then to the Karratha Library.

The tour is made possible by partners:

Japan – International Foundation for Arts and Culture
Regional – Healthway Act Belong Commit.

Artist in focus Roger Ballen Photography: Brutal Tender Human Animal

National Library of Australia

26 November 2008 – 29 March 2009

This *Artist in focus* exhibition presented a range of work by South African photographer Roger Ballen, a major figure of the international photographic scene. Born in New York in 1950, Ballen is a geologist by training and has lived and worked in Johannesburg, South Africa, for the last thirty years.

This exhibition included a range of material from the late 1970s through to 2005, centring on the series *Shadow Chamber* and supported by earlier works from the *Outland*, *Platteland*, *Dorps* and *Boyhood* series that present humans, animals and inanimate objects in taut arrangements that comment on the animism running through all things.

INTERPRETATIVE PROGRAMS

All displays and exhibitions were accompanied by a variety of interpretative programs. The *WONDERLUST* displays are supported by comprehensive visitor information, online Collection access, family activity trails and newly-developed public programs.

The temporary exhibitions presented by the Art Gallery during the year were accompanied by exhibition catalogues. The catalogues produced for the *Artist in focus* series provided audiences with additional interpretative information about key holdings within the State Art Collection.

PARTICIPATION AND ACCESS

A total of 305,524 people visited the Art Gallery during the year. Visitor satisfaction with services remained high, with 93 percent satisfied with their visit.

The Gallery continued to provide outstanding disability access and inclusion programs through the provision of touch tours for sight-impaired visitors and art workshops designed for groups that have special or additional needs. This contribution was recognised by a *Making A Difference Award* in 2009 from Vision Australia for a project which enabled sight-impaired visitors to the *Sculpture by the Sea* exhibition to take touch-tours led by the Gallery's volunteer guides. This prestigious award is presented to organisations or individuals who have shown outstanding support for people in the community who are blind or have low vision and, in particular, have developed a practical solution for an everyday challenge, enabling better access and participation. The award recognises best practice for considering the needs of people who are blind or have low vision.

An increasingly important way in which people access visual art information is through the internet and the Gallery embarked on new initiatives to improve online information and services. These initiatives have included regular improvements to the Gallery website and the introduction of new technologies such as Facebook and Twitter for Gallery patrons. The changes and new services have attracted increased visitation with 77,290 website visitors. The regular e-newsletter continues to attract a growing list of subscribers.

Volunteer Gallery Guides continued to make a significant contribution to visitor experience, enjoyment and understanding of the State Art Collection and temporary exhibitions. Volunteers provided the equivalent of an additional eight full-time staff during the year.

REGIONAL SERVICES

Through direct funding and the provision of corporate and creative resources, the Gallery continued its support of the Bunbury and Geraldton Regional Art Galleries. In his first year in office, the Director visited both galleries, officiating at an opening and meeting with key stakeholders.

On the resignation of the Manager at the Geraldton Regional Art Gallery, an acting manager was employed and the position of Director was advertised. Valuable relationships with local communities have been further developed particularly through the opening of an exhibition by Aboriginal artists from or residing in the Mid-West Region, *Ilgarijiri – things belonging to the sky*. The official opening of this exhibition saw a record attendance of more than 480 people.

With the creation of the Creative Communities Directorate at the City of Geraldton-Greenough, the staff at the Geraldton Regional Art Gallery are enjoying strong support that has resulted in initial conversations regarding a Mid-West Award style exhibition for 2011 and an increased understanding of the role the Gallery plays in the local community.

The Chief Curator has provided ongoing advice regarding the development of the *Survey 2010*, a new project that will be the highlight of the Bunbury Regional Art Galleries exhibition program. At request of the artist, the Associate Curator of Contemporary Art opened the exhibition, *Tracing the Steps of the Last Day* by Michael Wise. The Curator of Indigenous Art assisted the Indigenous Art Development Officer at Bunbury with the selection of Nyoongar works for the City of Bunbury Collection. These works were selected from the exhibition *Noongar Country*.

Curatorial staff also assisted with exhibitions and art prizes in Albany, Busselton and Northam.

The Gallery continued to provide on and off-site conservation support for the Antony Gormley installation at Lake Ballard in the Shire of Menzies.

With the assistance of Healthway, public programs staff conducted workshops in Karratha and Roebourne under the banner of *Act, Belong, Commit*. Fifty-two secondary and primary school students and teachers attended the workshops.

SPONSORSHIP

With its aim of maintaining a high calibre of programs and exhibitions that engage the public of Western Australia and visitors to the State, the Art Gallery of Western Australia is grateful for the generous financial and in-kind support received from individuals and organisations.

The Gallery continued to receive strong support from organisations that acknowledge the significant benefits of a flourishing arts sector to their businesses and employees as well as to the broader community. The corporate sector partnered with the Gallery in 2008-09 to provide \$324,000 in cash and an additional \$235,000 in in-kind support. Strategically, the Gallery will continue to focus on long-term industry-exclusive partnerships.

Significant Issues and Trends

CURRENT AND EMERGING ISSUES AND TRENDS

- The Art Gallery operates in an environment of reduced Government appropriation, escalating costs and increasing competition for audience, philanthropic support and corporate sponsorship.
- The Gallery manages its operations within an environment of perpetual budgetary constraints and increasing Government funding reductions.
- The Gallery will focus on a reduced suite of key outcomes and savings strategies, including closing the Gallery to the public one day per week and reducing the 2009-10 exhibition program.
- The Gallery will focus on the State Art Collection and dedicate resources to Collection development, care, interpretation and display. This underscores our commitment to infrastructure renewal, staffing and programming delivery to provide public access to this unique heritage asset.
- The current economic conditions impact on cultural and artistic events. Consequently, the Gallery will review its business operations to identify efficiencies programs and service levels that respond to these changing circumstances.
- The current global financial climate is reducing benefaction and sponsorship. The Gallery will review strategies to engage potential and existing supporters.
- The Gallery's facilities are thirty years old and the need to maintain and update existing building services (including heritage buildings) is critically important to the future of the Gallery. Significant maintenance issues impact on the operations of these buildings and the Gallery is committed to working with the Department of Culture and the Arts to develop sustainable approaches to funding the Gallery asset investment program.
- Inadequate and insufficient storage for the State Art Collection is now a major risk in relation to capacity to manage the 16,894 current works and impacts on new acquisitions.
- New technologies are changing the way art is created, distributed, presented and preserved. The acquisition and program policy and priorities are developing to meet this challenge and capture new opportunities.
- Demand for online services and collection access will require significant investment in technology. The Gallery will undertake a comprehensive review of current online presence and seek appropriate resources beyond what is currently available to develop and improve these services.
- The Gallery has a role in fostering success for Western Australian Indigenous artists through the *Western Australian Indigenous Art Award* exhibition and international partnerships for the presentation of Indigenous exhibitions developed from the State Art Collection.
- The Art Gallery will allocate resources to planning for the future development of the Gallery within the context of EPRA, the Perth Cultural Centre and Northbridge Link.

LOOKING AHEAD – MAJOR INITIATIVES IN 2009-10

- The Director to lead the Art Gallery, influence stakeholders and build brand profile through a renewal of program and the new strategic plan and the implementation of organisational change.
- A major capital fund-raising campaign, the *TomorrowFund*, with the goal to match the \$10 million contribution from the State Government.
- Implement new acquisition policy with purchases of significant works of contemporary art and design with the income from the Special Acquisition Fund.
- Manage short-term storage risks to the State Art Collection and develop a long-term storage solution business case for capital funding.
- Relocate the State Art Collection on the ground floor with new displays and increased public programs.
- Develop and deliver a program of exhibitions and public programs including the Masterpiece series exhibitions from major international museums to commence in 2010.
- Present the *Western Australian Indigenous Art Award 2009*.
- Deliver new public program events and activities for families and children.
- Secure sponsorship and improve provision of an online presence and multi-media experience for visitors, equivalent to that provided by equivalent-sized institutions in Australia and internationally.
- Implement major capital works to upgrade the Art Gallery's main building façade.
- Progressively upgrade the infrastructure of all Gallery buildings to maintain their physical and aesthetic integrity for the protection and display of the State Art Collection and support the delivery of Gallery services.
- Develop an architectural master plan, business case and advocate for the renewal and expansion of the Gallery as part of the redevelopment of the Perth Cultural Centre and beyond.
- Develop a plan and business case to secure funding for the proposed development of the rooftop.
- Increase revenue through commercial activities and sponsorship.

Disclosures and Legal Compliance

FINANCIAL STATEMENTS

Certification of Financial Statements

for the year ended 30 June 2009

The accompanying financial statements of the Board of the Art Gallery of Western Australia have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2009 and the financial position as at 30 June 2009.

At the date of signing we are not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.



Renato Sansalone
Chief Finance Officer
21 August 2009



Helen Cook
Chair, Board of the Art Gallery of Western Australia
21 August 2009



Kieran Kinsella
Member, Board of the Art Gallery of Western Australia
21 August 2009



Auditor General

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

THE BOARD OF THE ART GALLERY OF WESTERN AUSTRALIA FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009

I have audited the accounts, financial statements, controls and key performance indicators of The Board of the Art Gallery of Western Australia.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Board for the year then ended, a summary of significant accounting policies and other explanatory Notes.

The key performance indicators consist of key indicators of effectiveness and efficiency.

Board's Responsibility for the Financial Statements and Key Performance Indicators

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf.


An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements and key performance indicators.

**The Board of the Art Gallery of Western Australia
Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of The Board of the Art Gallery of Western Australia at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Board provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended 30 June 2009.


COLIN MURPHY
AUDITOR GENERAL
26 August 2009

Income Statement for the year ended 30 June 2009

	Note	2009 \$000	2008 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	6	4,426	4,115
Supplies and services ^(a)	7	2,314	2,131
Depreciation and amortisation expense	8	789	775
Accommodation expenses	9	2,596	2,702
Grants and subsidies	10	180	175
Cost of sales	13	647	826
Loss on disposal of non-current assets	19	-	2
Other expenses	11	122	89
Total cost of services		11,074	10,815
Income			
Revenue			
User charges and fees	12	264	914
Sales	13	1,007	1,500
Sponsorship	14	559	513
Donated works of art	15	576	291
Bequest trust and special purpose funds contributions	16	927	267
Bequest trust and special purpose funds interest	17	966	538
Interest revenue	17	172	155
Other revenue	18	462	253
Total Revenue		4,933	4,431
Total income other than income from State Government		4,933	4,431
NET COST OF SERVICES		6,141	6,384
INCOME FROM STATE GOVERNMENT	20		
Service appropriation		3,673	3,607
Assets assumed		14	21
Resources received free of charge		3,715	3,514
Total income from State Government		7,402	7,142
SURPLUS FOR THE PERIOD		1,261	758

(a) Includes administrative expenses

The Income Statement should be read in conjunction with the accompanying notes

Balance Sheet as at 30 June 2009

	Note	2009 \$000	2008 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	32	2,998	3,052
Restricted cash and cash equivalents	21, 32	14,947	3,902
Inventories	22	884	644
Receivables	23	402	638
Amounts receivable for services	24	217	326
Total Current Assets		19,448	8,562
Non-Current Assets			
Restricted cash and cash equivalents	21, 32	3,923	3,923
Amounts receivable for services	24	2,283	1,933
Property, plant and equipment	25	46,699	47,195
Works of art	26	203,574	192,969
Intangible assets	27	20	36
Total Non-Current Assets		256,499	246,056
TOTAL ASSETS		275,947	254,618
LIABILITIES			
Current Liabilities			
Payables	29	719	619
Other current liabilities	30	6	12
Total Current Liabilities		725	631
Total Liabilities		725	631
NET ASSETS		275,222	253,987
EQUITY			
	31		
Contributed equity		71,209	60,603
Reserves		202,032	191,037
Accumulated surplus		1,981	2,347
TOTAL EQUITY		275,222	253,987

The Balance Sheet should be read in conjunction with the accompanying notes

Statement of changes in Equity for the year ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
Balance of equity at start of period	31	253,987	218,633
CONTRIBUTED EQUITY			
	31		
Balance at start of period		60,603	52,837
Capital contribution		10,606	1,266
Other contributions by owners		-	6,500
Balance at end of period		71,209	60,603
RESERVES			
	31		
Asset Revaluation Reserve			
Balance at start of period		167,970	141,140
Gains from asset revaluation		9,368	26,830
Balance at end of period		177,338	167,970
Bequest, trust and special purpose reserve			
Balance at start of period		7,971	7,844
Transfers from retained earnings		1,051	127
Balance at end of period		9,022	7,971
Donated works of art reserve			
Balance at start of period		15,096	14,805
Transfers from retained earnings		576	291
Balance at end of period		15,672	15,096
ACCUMULATED SURPLUS			
	31		
Balance at start of period		2,347	2,007
Surplus for the period		1,261	758
Transfers to reserves		(1,627)	(418)
Balance at end of period		1,981	2,347
Balance of equity at end of period		275,222	253,987
Total income and expense for the period^(a)		10,629	27,588

(a) The aggregate net amount attributable to each category of equity is: surplus \$1,261 plus gains from asset revaluation of \$9,368 (2008: surplus \$758 plus gains from asset revaluation of \$26,830)

The Statement of Changes in Equity should be read in conjunction with the accompanying notes

Cash Flow Statement for the year ended 30 June 2009

	Note	2009 \$000	2008 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		3,106	3,040
Capital contributions		10,606	1,266
Holding account drawdowns		326	311
Net Cash provided by State Government		14,038	4,617
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(729)	(1,080)
Supplies and services		(2,969)	(2,602)
Accommodation		(2,615)	(2,649)
Grants and subsidies		(180)	(175)
GST payments on purchases		(616)	(569)
Other payments		(112)	(57)
Receipts			
Sale of goods and services		1,009	1,500
User charges and fees		478	655
Interest received		1,163	632
GST receipts on sales		171	243
GST receipts from taxation authority		424	343
Other receipts		1,716	783
Net cash used in operating activities	32	(2,260)	(2,976)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(787)	(861)
Net cash used in investing activities		(787)	(861)
Net increase in cash and cash equivalents		10,991	780
Cash and cash equivalents at the beginning of period		10,877	10,097
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	32	21,868	10,877

The Cash Flow Statement should be read in conjunction with the accompanying notes

Notes to the Financial Statements

1. Australian equivalents to International Financial Reporting Standards

General

The Board's financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Board has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Board cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Board for the annual reporting period ended 30 June 2009.

2. Summary of significant accounting policies

a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and works of art which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

The judgements that have been made in the process of applying the Board's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies'.

c) Reporting Entity

The reporting entity comprises the Board of the Art Gallery of Western Australia.

d) Contributed Equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangements, in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by owners by Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See Note 31 'Equity'.

e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Interest

Revenue is recognised as the interest accrues.

Service Appropriations

Service Appropriations are recognised as revenues at nominal value in the period in which the Board gains control of the appropriated funds. The Board gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the holding account held at Treasury. (See note 20 'Income from State Government').

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Board obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non current assets and some revaluations of non current assets.

f) Property, Plant and Equipment and Works of Art

Capitalisation/Expensing of assets

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

No capitalisation threshold is applied to works of art items. Items of works of art are considered to form part of a collection and are disclosed separately in the Balance Sheet.

Notes to the Financial Statements

Initial recognition and measurement

All items of property, plant and equipment and works of art are initially recognised at cost.

For items of property, plant and equipment and works of art acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the revaluation model is used for the measurement of land, buildings and works of art and the cost model for all other property, plant and equipment. Land, buildings and works of art are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

The Gallery's works of art collection is subject to full revaluation every five years, using a sampling methodology. The methodology is based upon certain criteria which enables the collection to be valued at a reasonable estimate of its fair value. Revaluations resulting from general curatorial activity, research and stewardship are recorded at the time of the activity. As a part of curatorial activity, qualified curatorial staff of the Art Gallery monitor art auction results and should an artist's item be sold at auction and the Art Gallery owns work by that artist then those works of art owned by the Art Gallery are assessed for revaluation to reflect any material increase or decrease in the market movement.

Refer to note 25 'Property, plant and equipment' and note 26 'Works of art' for further information on revaluations.

Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and artwork, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

Asset Revaluation Reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets as described in note 25 'Property, plant and equipment'.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	50 years
Office equipment	3 to 20 years
Plant, equipment and vehicles	4 to 20 years

Refer also to 'Changes in accounting estimates' at Note 5.

Works of art controlled by the Board are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and no depreciation has been recognised.

g) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Board have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software ^(a)	4 to 10 years
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(a) Software that is not integral to the operation of any related hardware.

Licences

Licences have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses.

Computer Software

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Web site costs

Web site costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

h) Impairment of Assets

Property, plant and equipment, works of art and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying

Notes to the Financial Statements

amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Board is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost. The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet date.

Refer to note 28 'Impairment of assets' for the outcome of impairment reviews and testing.

Refer also to note 2(o) 'Receivables' and note 23 'Receivables' for impairment of receivables.

i) Leases

The Board holds operating leases for vehicles and office equipment. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

j) Financial Instruments

In addition to cash, the Board has two categories of financial instrument:

- Loans and receivables; and
- Financial liabilities measured at amortised cost.

These have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

Financial Liabilities

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

k) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value, and bank overdrafts.

l) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. All staff of the Culture and the Arts portfolio agencies, including the Board of the Art Gallery of Western Australia, are employees of the Department of Culture and the Arts. Therefore, the Board has no liabilities in relation to employee entitlements and accrued salaries. Accrued salaries are offset against resources received free of charge in the Income Statement. Refer to note 3 'Department of Culture and the Arts'.

m) Amounts Receivable for Services (Holding Account)

The Board receives funding on an accrual basis that recognises the full annual cash and non cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 20 'Income from State Government' and note 24 'Amounts receivable for services'.

n) Inventories

The Board's inventories relate to stock held at the Art Gallery Shop. Inventories are measured at the lower of cost and net realisable value. Costs are assigned on an average cost basis.

See note 22 'Inventories'.

o) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Board will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(j) 'Financial Instruments' and note 23 'Receivables'.

p) Payables

Payables are recognised at the amounts payable when the Board becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(j) 'Financial Instruments' and note 29 'Payables'.

q) Provisions

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date.

(i) Provisions - Employee Benefits

Annual leave and long service leave

All staff of the Culture and Arts portfolio agencies, including the Board of the Art Gallery of Western Australia, are employees of the Department of Culture and the Arts. Employee resources are received free of charge by the Board, the value of which is recognised as both a revenue and expense in the Income Statement. The Department of Culture and the Arts retains all liabilities in relation to employee benefits and accrued salaries. Therefore, the Board has no liabilities in relation to employee entitlements.

Notes to the Financial Statements

Annual leave and long service leave liability are recognised by the Department of Culture and the Arts. See note 3 'Department of Culture and the Arts'.

(ii) Provisions - Other Employment On-costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Board's 'Employee benefits expense'. See note 11 'Other expenses'.

r) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

s) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

3. Department of Culture and the Arts

The Department of Culture and the Arts provides staff and other support to agencies in the Culture and Arts portfolio. The Department receives an appropriation for salary costs, superannuation and fringe benefits tax expense. These resources, provided to the Board, but paid for by the Department, have been treated as 'Resources received free of charge' in the Income Statement. See note 20 'Income from State Government'.

In addition, the Department of Culture and the Arts provides shared corporate services to the Board which are not recognised in the Income Statement.

4. Judgements made by management in applying accounting policies

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Operating Lease Commitment

The Board has entered into commercial leases rather than finance leases for motor vehicles. The Board has determined that the lessor retains all the significant risks and rewards of ownership of the vehicles. Accordingly, the leases have been classified as operating leases.

5. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Board has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Board:

Review of AAS 27 'Financial Reporting by Local Governments', AAS 29 'Financial Reporting by Government Departments' and AAS 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 'Contributions';

AASB 1050 'Administered Items';

AASB 1051 'Land Under Roads';

AASB 1052 'Disaggregated Disclosures';

AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]; and

Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance, otherwise there is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Board cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Board has not applied early the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Board but are not yet effective. Where applicable, the Board plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after
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AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Board does not expect any financial impact when the Standard is first applied.	1 January 2009
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AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]'. This Standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Board where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Board does not expect any financial impact when the Standard is first applied prospectively.	1 July 2009
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AASB 2009-2 'Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]'. This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. The Board does not expect any financial impact when the Standard is first applied.	1 January 2009
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Changes in accounting estimates

The Board reassessed the remaining useful life of its main building asset from 1 July 2008 to 50 years. The effect on the current and future periods of the change in useful life of the main building is a slightly lower depreciation expense as the consumption of service potential of the building will now occur over a greater length of time. The estimated useful lives of the Board's three building assets will continue to be reassessed on an annual basis.

Notes to the Financial Statements

	2009 \$000	2008 \$000
6. Employee benefits expense		
Wages and salaries(a)	3,613	3,424
Superannuation - defined contribution plans(b)	352	324
Long service leave(c)	51	83
Annual leave(c)	292	248
related expenses	118	36
	4,426	4,115

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid)

(c) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 11 'Other expenses'.

7. Supplies and services

Advertising	412	494
Consultants and contractors	325	151
Travel	229	107
Repairs and maintenance	205	86
Freight and cartage	153	194
Materials	149	95
Insurance premiums	138	128
Consumables	94	117
Printing	80	127
Communications	73	76
Exhibition construction costs	63	45
Motor vehicles	62	56
Exhibition fees	55	40
Licences, fees and registrations	54	66
Minor equipment	37	67
Photographic services	33	39
Entertainment expenses	25	67
Lease and hire costs	9	14
Bank charges	9	13
Other	109	149
	2,314	2,131

8. Depreciation and amortisation expense

Depreciation		
Buildings	611	611
Plant, equipment and vehicles	95	91
Office equipment	67	57
Total depreciation	773	759
Amortisation		
Intangible assets	16	16
Total amortisation	16	16
Total depreciation and amortisation	789	775

9. Accommodation expenses

Security services	1,159	1,058
Electricity and gas	676	634
Accommodation maintenance	526	831
Cleaning	110	102
Facilities management	86	56
Water	24	10
Other	15	11
	2,596	2,702

10. Grants and subsidies

	2009 \$000	2008 \$000
Recurrent		
Bunbury Regional Art Galleries	170	165
Other grants	10	10
	180	175

11. Other expenses

Prizes paid	80	20
Audit fees ^(a)	38	32
Other expenses	5	3
Workers' compensation insurance	(1)	3
	-	22
Write-off - bad debts	-	9
	122	89

(a) See also note 39 'Remuneration of auditor'

12. User charges and fees

Exhibition revenue	19	629
Venue hire	101	123
Rent	65	63
Public programs	30	44
Hire of works of art	6	18
Parking revenue	33	32
ARTBAR	9	-
Other	1	5
	264	914

13. Trading profit

Sales	1,007	1,500
Cost of sales:		
Opening inventory	(644)	(635)
Purchases	(887)	(835)
	(1,531)	(1,470)
Closing inventory	884	644
Cost of Goods Sold	(647)	(826)
Trading profit	360	674

See note 2(n) 'Inventories' and note 22 'Inventories'.

14. Sponsorship

Cash sponsorship	324	285
Sponsorship in kind	235	228
	559	513

15. Donated works of art

Donated works of art	576	291
	576	291

Donations of works of art, which contribute to the development of the State art collection, are received from various individuals and brought to account as income at their estimated fair value. See also note 26 'Works of art'.

Notes to the Financial Statements

	2009 \$000	2008 \$000
16. Bequest trust and special purpose funds contributions		
Bequest contributions	-	74
Trust and special purpose funds contributions	927	193
	927	267

Contributions are received from various parties for special purpose funds administered by the Board. In addition, bequest contributions are, from time to time, received from individuals as a result of long-term relationships with the Art Gallery of Western Australia.

17. Interest revenue

Interest revenue	172	155
Bequest, trust and special purpose funds interest revenue	966	538
	1,138	693

18. Other revenue

Grants and contributions – State/local government and private	387	181
Donations	19	3
Commissions received	18	39
Recoups of expenditure	17	24
Insurance revenue	15	-
Recoup of prior year expenses	4	3
Other revenue	2	3
	462	253

19. Net loss on disposal of non-current assets

Costs of Disposal of Non-Current Assets		
Office equipment	-	2
Proceeds from Disposal of Non-Current Assets		
Office equipment	-	-
Net loss	-	2

See also note 25 'Property, plant and equipment'.

20. Income from State Government

Appropriation received during the year:		
Service appropriation ^(a)	3,673	3,607

The following property has been assumed from the Department of Culture and the Arts during the financial year: ^(b)

Consumables – computing hardware	14	21
Total assets assumed	14	21

Resources received free of charge^(c)

Determined on the basis of the following estimates provided by agencies:

Services provided by the Department of Culture and the Arts:		
Salaries, wages, allowances and employee reimbursements	3,328	3,168
Superannuation	352	324
Fringe benefits tax	34	20
	3,714	3,512

State Solicitors Office – legal services	1	2
Total resources received free of charge	3,715	3,514
Total Income from State Government	7,402	7,142

- (a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) Discretionary transfers of assets between State Government agencies are reported as assets assumed/(transferred) under Income from State Government. Non-discretionary non-reciprocal transfers of net assets, other than those resulting from a restructure of administrative arrangements, have been classified as Contributions by Owners (CBOs) under TI 955 and are taken directly to equity.
- (c) Where assets or services have been received free of charge or for nominal cost, the Board recognises revenues equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contribution of assets or services are in the nature of contributions by owners, the Board makes an adjustment direct to equity.

	2009 \$000	2008 \$000
21. Restricted cash and cash equivalents		

Current		
Bequest, trust and special purpose accounts ^(a)	14,947	3,902
	14,947	3,902
Non-current		
Bequest, trust and special purpose accounts ^(b)	3,923	3,923
	3,923	3,923

- (a) Cash held in these accounts can only be used in accordance with the requirements of the individual bequest or fund.
- (b) The Board cannot spend cash held in these accounts. The requirements of the individual bequests allow the Board to only spend interest earned on these accounts.

22. Inventories

Current		
Inventories held for resale:		
- Finished goods		
At cost	884	644
	884	644

See also note 2(n) 'Inventories' and note 13 'Trading profit'.

23. Receivables

Current		
Receivables	116	356
Allowance for impairment of receivables	-	-
Accrued interest	181	207
GST receivable	85	51
	382	614
Prepayments	20	24
Total current	402	638

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	-	-
Doubtful debts expense recognised in the income statement	-	9
Amounts written off during the year	-	(9)
Amount recovered during the year	-	-
Balance at end of year	-	-

The Board does not hold any collateral as security or other credit enhancements relating to receivables.

See also note 2(o) 'Receivables' and note 37 'Financial Instruments'.

Notes to the Financial Statements

	2009 \$000	2008 \$000
24. Amounts receivable for services		
Current	217	326
Non-current	2,283	1,933
	2,500	2,259

Represents the non-cash component of service appropriations. See note 2(m) 'Amounts receivable for services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

	2009 \$000	2008 \$000
25. Property, plant and equipment		
Land		
At fair value(a)	15,100	16,900
Accumulated impairment losses	-	-
	15,100	16,900
Buildings		
At fair value(a)	30,264	28,921
Accumulated depreciation	-	-
Accumulated impairment losses	-	-
	30,264	28,921
Plant, equipment and vehicles		
At cost	2,162	2,167
Accumulated depreciation	(1,133)	(1,090)
Accumulated impairment losses	-	-
	1,029	1,077
Office equipment		
At cost	744	668
Accumulated depreciation	(438)	(371)
Accumulated impairment losses	-	-
	306	297
	46,699	47,195

(a) Land and buildings were revalued as at 1 July 2008 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2009 and recognised at 30 June 2009. In undertaking the revaluation, fair value of land and buildings was determined on the basis of depreciated replacement cost. See note 2(f) 'Property, Plant and Equipment and Works of Art'.

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

	Land \$000	Buildings \$000	Buildings under construction \$000	Plant equipment and vehicles \$000	Office equipment \$000	Total \$000
2009						
Carrying amount at start of year	16,900	28,921	-	1,107	297	49,195
Additions	-	40	-	47	76	163
Disposals	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Revaluation increments/ (decrements)	(1,800)	1,914	-	-	-	114
Impairment losses	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-
Depreciation	-	(611)	-	(95)	(67)	(773)
Carrying amount at end of year	15,100	30,264	-	1,029	306	46,699

	Land \$000	Buildings \$000	Buildings under construction \$000	Plant equipment and vehicles \$000	Office equipment \$000	Total \$000
2008						
Carrying amount at start of year	12,000	18,117	6	1,107	284	31,514
Additions	-	-	-	61	72	133
Disposals	-	-	-	-	(2)	(2)
Transfers	-	-	(6)	-	-	(6)
Revaluation increments	4,900	11,415	-	-	-	16,315
Impairment losses	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-
Depreciation	-	(611)	-	(91)	(57)	(759)
Carrying amount at end of year	16,900	28,921	-	1,077	297	47,195

Notes to the Financial Statements

	2009 \$000	2008 \$000
26. Works of art		
At fair value	192,969	174,991
Additions	775	672
Donations at fair value	576	291
Revaluations ^(a)	9,254	10,515
Contribution by owners (transfer of work from State Government)	-	6,500
	203,574	192,969

(a) The Gallery's works of art collection is subject to full revaluation every five years, using a sampling methodology. The methodology is based upon certain criteria which enables the collection to be valued at a reasonable estimate of its fair value. Revaluations resulting from general curatorial activity, research and stewardship are recorded at the time of the activity. As a part of curatorial activity, qualified curatorial staff of the Art Gallery monitor art auction results and should an artist's item be sold at auction and the Art Gallery owns work by that artist then those works of art owned by the Art Gallery are assessed for revaluation to reflect any material increase or decrease in the market movement.

See note 2(f) 'Property, Plant and Equipment and Works of Art' and note 31 'Equity'.

27. Intangible assets

Computer software		
At cost	190	190
Accumulated amortisation	(170)	(154)
Accumulated impairment losses	-	-
	20	36

Reconciliation:

Computer software		
Carrying amount at start of year	36	52
Additions	-	-
Disposals	-	-
Amortisation expense	(16)	(16)
Carrying amount at end of year	20	36

28. Impairment of assets

There were no indications of impairment of property, plant and equipment, works of art and intangible assets at 30 June 2009.

The Board held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2009 have either been classified as assets held for sale or written off.

29. Payables

Current		
Trade payables	431	549
Payables for works of art acquisitions	235	37
Accrued expenses	53	33
	719	619

See also note 2(p) 'Payables' and note 37 'Financial Instruments'.

30. Other current liabilities

Current		
Income received in advance	6	12
	6	12

31. Equity

Equity represents the residual interest in the net assets of the Board. The Government holds the equity interest in the Board on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

	2009 \$000	2008 \$000
Contributed equity		
Balance at start of the year	60,603	52,837
Contribution by owners		
Capital contribution(a)	10,606	1,266
Other contributions by owners: - "Inside Australia" – Antony Gormley sculptures at Lake Ballard	-	6,500
Total contributions by owners	10,606	7,766
Balance at end of the year	71,209	60,603

(a) Under the Treasurer's instruction TI 955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' Capital Contributions (appropriations) have been designated as contributions by owners in accordance with AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities'.

Reserves

Asset revaluation reserve:		
Balance at start of year	167,970	141,140
Net revaluation increments/(decrements):		
Land	(1,800)	4,900
Buildings	1,914	11,415
Works of art	9,254	10,515
Balance at end of year	177,338	167,970
Bequest, trust and special purpose reserve^(b):		
Balance at start of year	7,971	7,844
Bequests/contributions*	927	267
Other income*	8	4
Interest received*	966	538
Bequest, trust and special purpose funds distributions* (850)	(850)	(682)
Balance at end of year	9,022	7,971

(b) The bequest, trust and special purpose reserve is used to record increments and decrements to bequest, trust and special purpose funds.

Donated works of art reserve(c):		
Balance at start of year	15,096	14,805
Donated works of arts for the year*	576	291
Balance at end of year	15,672	15,096
Total Reserves	202,032	191,037

(c) The donated works of art reserve is used to record donations of works of art received by the Art Gallery of Western Australia.

Accumulated surplus		
Balance at start of year	2,347	2,007
Result for the period	1,261	758
Transfers to above reserves (sum of items marked * above)	(1,627)	(418)
Balance at end of year	1,981	2,347

Notes to the Financial Statements

	2009 \$000	2008 \$000
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32. Notes to the Cash Flow Statement

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	2,998	3,052
Restricted cash and cash equivalents (see note 21 'Restricted cash and cash equivalents')	18,870	7,825
	21,868	10,877

Reconciliation of net cost of services to net cash flows used in operating activities

Net cost of services	(6,141)	(6,384)
Non-cash items:		
Depreciation and amortisation expense	789	775
Bad debts expense	-	9
Resources received free of charge	3,715	3,514
Assets assumed – consumables (minor equipment)	14	21
Net loss on sale of property, plant and equipment	-	2
Donated works of art	(576)	(291)
Adjustment for other non-cash items		6
(Increase)/decrease in assets:		
Current receivables	236	(290)
Current inventories	(240)	(9)
Increase/(decrease) in liabilities:		
Current payables	(99)	(288)
Other current liabilities	6	(59)
Net GST receipts/(payments)	(21)	26
Change in GST in receivables/payables	57	(8)
Net cash used in operating activities	(2,260)	(2,976)

33. Commitments

Lease commitments

Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:

Within 1 year	43	26
Later than 1 year and not later than 5 years	52	11
	95	37

The six motor vehicle leases are all cancellable operating leases with lease expenditure payable monthly in advance. These lease commitments are all inclusive of GST.

34. Contingent liabilities and contingent assets

At the balance sheet date, the Board of the Art Gallery of Western Australia had no contingent liabilities or assets.

35. Events occurring after the balance sheet date

The Board has no subsequent events (other than those events whose financial effects have already been brought to account) to report.

36. Explanatory Statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variations are considered to be those greater than 10% and \$100,000.

Significant variances between estimated and actual result for 2009

	2008 Estimate \$000	2008 Actual \$000	Variation Over/(Under) \$000
Expenses			
Depreciation and amortisation expense	567	789	222
Accommodation expenses	2,905	2,596	(309)
Cost of sales	503	647	144
Income			
Donated works of art	400	576	176
Interest revenue/Bequest trust and special funds interest	1,280	1,138	(142)
Other revenue	50	462	412

Depreciation and amortisation expense

Estimates for depreciation are based on the level of funding (accrual appropriation) provided by Government for the purpose of asset replacement. The level of funding remained unchanged from the prior year while depreciation expense increased as a result of a material adjustment to the fair value of the three Art Gallery buildings in June 2008.

Accommodation expenses

Accommodation expenses were below estimates in 2009, due mainly to the deferral of three building maintenance projects to 2009/10 offset by a higher than anticipated increase to gas usage charges.

Cost of sales

The increase to cost of sales is primarily due to shop sales revenue for the year being higher than originally estimated. The increase is also attributed to the purchase and sale of items with greater unit costs than originally estimated.

Donated works of art

The estimate for donated works of art is based on an average of past contributions. The level of donated works from year to year does not necessarily follow trends, as these works are donated at irregular intervals and are often the result of long-standing relationships between the donors and the Art Gallery of Western Australia.

Interest revenue/Bequest trust and special purpose funds interest

Interest revenue earned fell below estimates due to the unanticipated decrease to interest rates over the year as a result of the global financial crisis. From June 2008 to June 2009, the interest rate has decreased from 7.6% to 3.2%.

Other revenue

The favourable variance is mainly due to the receipt in 2009 of two grants from the Department of Culture and the Arts that were not included in original estimates. The majority of the grant income was provided to the Art Gallery to fund the 2008 Indigenous Art Awards.

Significant variances between actual results for 2008 and 2009

	2008 Estimate \$000	2008 Actual \$000	Variation Over/(Under) \$000
Expenses			
Cost of sales	647	826	(179)
Income			
User charges and fees	264	914	(650)
Sales	1,007	1,500	(493)
Donated works of art	576	291	285
Bequest, trust and special purpose funds contributions	927	267	660
Interest revenue/Bequest trust and special funds interest	1,138	693	445
Other revenue	462	253	209

Notes to the Financial Statements

Cost of sales

The decrease to cost of sales is due to greater shop activity experienced in 2008 during the major exhibition *Egyptian Antiquities from the Louvre: Journey to the Afterlife*.

User charges and fees

User charges and fees were much higher in 2008 due to revenue raised in that year in connection with the major exhibition *Egyptian Antiquities from the Louvre: Journey to the Afterlife*, namely exhibition admissions, venue hire and school art activities.

Sales

The decrease in shop sales is mainly attributed to greater shop activity in 2008 during the major exhibition *Egyptian Antiquities from the Louvre: Journey to the Afterlife*.

Donated works of art

The greater level of donated works in 2009 is mainly due to the donation of four works with a total estimated value of \$337,500 (a total of 46 items were donated during the year). The level of donated works from year to year, however, does not necessarily follow trends as these works are donated at irregular intervals and are often the result of long-standing relationships between the donors and the Art Gallery of Western Australia.

Bequest, trust and special purpose funds contributions

2009 trust fund contributions were greater than 2008 due to an increase in fundraising from the private sector towards the TomorrowFund, a legacy fund for the acquisition of new works for the Art Gallery of WA.

Interest revenue/Bequest trust and special purpose funds interest

Interest revenue earned in 2009 was greater than the prior year primarily due to interest earned on the TomorrowFund.

Other revenue

The increase in other revenue is mostly due to the receipt in 2009 of a grant from the Department of Culture and the Arts to fund the 2008 Indigenous Art Awards offset by the receipt in 2008 of other one-off grant income.

37. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Board are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables and payables. The Board has limited exposure to financial risks. The Board's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Board's receivables defaulting on their contractual obligations resulting in financial loss to the Board.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at Note 37(c) 'Financial Instrument Disclosures' and Note 23 'Receivables'.

Credit risk associated with the Board's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Board trades only with recognised, creditworthy third parties. The Board has policies in place to ensure that sales of products and services are made

to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Board's exposure to bad debts is minimal. At the balance sheet date there were no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 37(c) 'Financial Instrument Disclosures'.

Liquidity risk

Liquidity risk arises when the Board is unable to meet its financial obligations as they fall due. The Board is exposed to liquidity risk through its trading in the normal course of business.

The Board has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Board's income or the value of its holdings of financial instruments. The Board does not trade in foreign currency and is not materially exposed to other price risks. The Board is not significantly exposed to market risk. The Board has no borrowings or finance leases. Some cash and cash equivalents are interest bearing and restricted cash and cash equivalents are interest bearing however the exposure to market risk for changes in interest rates is minimal as the Board does not rely on interest income for its principal operating activities. Refer to interest rate sensitivity analysis table at Note 37(c).

(b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	2009	2008
	\$000	\$000
Financial Assets		
Cash and cash equivalents	2,998	3,052
Restricted cash and cash equivalents	18,870	7,825
Loans and receivables (a)	2,797	2,822
Financial Liabilities		
Financial liabilities measured at amortised cost	719	619

(a) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

(c) Financial Instrument Disclosures

Credit Risk and Interest Rate Exposures

The following table discloses the Board's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Board's maximum exposure to credit risk at the balance sheet date is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Board.

The Board does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Board does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

Notes to the Financial Statements

Interest rate exposures and ageing analysis of financial assets ^(a)

	Weighted Average Effective Interest Rate %	Interest Rate exposure			Past due but not impaired							
		Carrying Amount \$000	Variable interest rate \$000	Non- interest bearing \$000	Up to 3 months \$000	3-12 months \$000	1-2 years \$000	2-3 years \$000	3-4 years \$000	4-5 years \$000	More than 5 years \$000	Impaired financial assets \$000
Financial Assets												
2009												
Cash and cash equivalents	5.4	2,998	2,794	204	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	5.4	18,870	18,870	-	-	-	-	-	-	-	-	-
Receivables(a)	-	297	-	297	7	1	-	-	-	-	-	-
Amounts receivable for services	-	2,500	-	2,500	-	-	-	-	-	-	-	-
		24,665	21,664	3,001	7	1	-	-	-	-	-	-
2008												
Cash and cash equivalents	6.9	3,052	2,798	254	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	6.9	7,825	7,825	-	-	-	-	-	-	-	-	-
Receivables(a)	-	563	-	563	6	1	-	-	-	-	-	-
Amounts receivable for services	-	2,259	-	2,259	-	-	-	-	-	-	-	-
		13,699	10,623	3,076	6	1	-	-	-	-	-	-

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

Liquidity Risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities

	Weighted Average Effective Interest Rate %	Interest Rate exposure			Maturity dates						
		Carrying Amount \$000	Variable interest rate \$000	Non- interest bearing \$000	Up to 3 months \$000	3-12 months \$000	1-2 years \$000	2-3 years \$000	3-4 years \$000	4-5 years \$000	More than 5 years \$000
Financial Liabilities											
2009											
Payables	-	719	-	719	-	-	-	-	-	-	-
		719	-	719	-	-	-	-	-	-	-
2008											
Payables	-	619	-	619	-	-	-	-	-	-	-
		619	-	619	-	-	-	-	-	-	-

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

Notes to the Financial Statements

Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Board's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

2009	Carrying amount \$000	-1% change		+1% change	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
<i>Financial Assets</i>					
Cash and cash equivalents	2,794	(27.94)	(27.94)	27.94	27.94
Restricted cash and cash equivalents	18,870	(188.70)	(188.70)	188.70	188.70
Total Increase/(Decrease)		(216.64)	(216.64)	216.64	216.64

2008	Carrying amount \$000	-1% change		+1% change	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
<i>Financial Assets</i>					
Cash and cash equivalents	2,798	(27.98)	(27.98)	27.98	27.98
Restricted Cash and cash equivalents	7,825	(78.25)	(78.25)	78.25	78.25
Total Increase/(Decrease)		(106.23)	(106.23)	106.23	106.23

Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

	2009 \$000	2008 \$000
--	---------------	---------------

38. Remuneration of members of the Board and senior officers

Remuneration of Members of the Board

The number of members of the Board, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$0 - \$10,000	8	8
The total remuneration of the members of the Board is:	5	7

The total remuneration includes the superannuation expense incurred by the Board in respect of members of the Board.

No members of the Board are members of the Pension Scheme.

Remuneration of Senior Officers

The number of senior officers, other than senior officers reported as members of the Board, whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$30,001 - \$40,000	-	1
\$90,001 - \$100,000	1	1
\$100,001 - \$110,000	1	1
\$110,001 - \$120,000	1	2
\$120,001 - \$130,000	2	1
\$130,001 - \$140,000	1	-
\$150,001 - \$160,000	-	1
\$230,001 - \$240,000	1	-
The total remuneration of senior officers is:	930	760

The total remuneration includes the superannuation expense incurred by the Board in respect of senior officers other than senior officers reported as members of the Board.

No senior officers are members of the Pension Scheme.

	2009 \$000	2008 \$000
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39. Remuneration of auditor

Remuneration payable to the Auditor General in respect to the audit for the current financial year is as follows:

Auditing the accounts, financial statements and performance indicators	33	32
--	----	----

The expense is included at note 11 'Other expenses'.

40. Related bodies

At the balance sheet date, the Board of the Art Gallery of Western Australia had no related bodies.

41. Affiliated bodies

At the balance sheet date, the Board of the Art Gallery of Western Australia had no affiliated bodies.

42. Special Purpose Accounts

The Art Gallery of Western Australia Foundation

The purpose of the trust account is to hold funds, comprising contributions and donations received from the community at large, for the purpose of maintaining, improving and developing the State collection of works of art and the facilities and well-being of the Art Gallery.

Balance at the start of the year	4,975	4,751
Receipts:	11,716	566
Payments:	(599)	(342)
Balance at the end of the year	16,092	4,975

Notes to the Financial Statements

	2009	2008
	\$000	\$000
43. Supplementary financial information		
<i>Write-Offs</i>		
Debts written off by the Board during the financial year	-	9
<i>Losses Through Theft, Defaults and Other Causes</i>		
Losses of public moneys and public and other property through theft	-	-
Amounts recovered	-	-
	-	-
<i>Gifts of Public Property</i>		
Gifts of public property provided by the Board	-	22

44. Income and Expenses by Service

For the financial year ended 30 June 2009, the Art Gallery of Western Australia operated under one service titled 'Art Gallery Services' and therefore service information is reflected in the Income Statement.

Performance Indicators

CERTIFICATION OF PERFORMANCE INDICATORS *for the year ended 30 June 2009*

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Board of the Art Gallery of Western Australia's performance, and fairly represent the performance of the Board of the Art Gallery of Western Australia for the financial year ended 30 June 2009.



Helen Cook
Chair, Board of the Art Gallery of Western Australia
22 August 2008



Kieran Kinsella
Member, Board of the Art Gallery of Western Australia
22 August 2008

PERFORMANCE INDICATOR INFORMATION

Government Goal

The Art Gallery contributes to the achievement of the Government Goal:

Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.⁶

Government Desired Outcome

The Government Desired Outcome for the Gallery is that: Western Australia's [State Art Collections] are preserved, accessible and sustainable.⁷

Achievement of the Government Desired Outcome for the Gallery will facilitate the achievement of the Government goal for outcomes based service delivery and a greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.

Art gallery services

The Art Gallery is a statutory authority within the Culture and Arts portfolio, and art gallery services are listed in the 2008-09 Budget Papers under the portfolio. Key performance indicators have been developed in accordance with Treasurer's Instruction 904 to evaluate the Gallery's performance in achieving the Government Desired Outcome and provide an overview of the critical and material aspects of service provision.

Preservation

Indicator 1: The extent to which the part of the State Art Collection that requires preservation is preserved.

An indicator of the level of preservation is the proportion of time that the storage and display environment is not breached.

Key Effectiveness Indicators	2006-07 Actual	2007-08 Actual	2008-09 Actual	2008-09 Target
Proportion of time that the storage and display environment has not been	93.5%	97%	99%	100%

Explanatory notes

The environment within which artworks are stored and displayed is a principal indicator of the effort being taken to preserve them for future generations. Indicators of the storage and display environment are temperature and relative humidity. The Gallery uses the generally agreed international standards for temperature of 21° C ± 2° C and relative humidity of 50% ±5% as the benchmarks. In calculating the proportion of time that the storage and display environment has not been breached, that is, the proportion of time temperature and humidity have been within the accepted standards, the Gallery uses a composite average of the environmental data from the three principal storage and display environments within the Art Gallery: the main Gallery, the Centenary Galleries and the Collection Stores. Averages for these are calculated at 99.5%, 98.3% and 99.8% respectively. On average the Gallery maintained the storage and display environment within the standards for 99.8% of operational hours.

⁶ 2008-09 Budget: Budget Statements, vol. 3, part 10, p.832.

⁷ Ibid.

Accessibility

Indicator 2.1: The extent to which art gallery services are accessible.

An indicator of accessibility is the number of visitors to the Gallery per head of population of Western Australia.

Key Effectiveness Indicators	2006-07 Actual	2007-08 Actual	2008-09 Actual	2008-09 Target
Number of accesses	397,000	519,091	382,814	420,000
Number of accesses to Western Australia's State Art Collection per capita. ⁸	191 per 1000	246 per 1000	178 per 1000	198 per 1000

Explanatory notes

Accesses are determined by the number of attendances, Internet user sessions (website hits) and attendances at venue hire functions. Accesses are expressed per capita, based on the population of WA. The Gallery visitation was 305,524, including function attendance, and website hits totalled 77,290. The number of accesses was considerably higher in the previous year because of the success of the major international exhibition *Egyptian Antiquities from the Louvre; journey to the Afterlife*. The actual accesses were less than the target due to a greater decline in attendance than anticipated and a delay in the re-design and re-launch of the website.

Indicator 2.2: The extent to which art gallery services are accessible.

An indicator of the effectiveness of the Gallery in providing for the enjoyment and cultural enrichment of the people of Western Australia is shown by client satisfaction with Gallery art services. The Gallery engages a market research firm to survey customers.

Key Effectiveness Indicators	2006-07 Actual	2007-08 Actual	2008-09 Actual	2008-09 Target
Percentage of clients satisfied with the services associated with accessing Western Australia's State Art Collection.	91%	91%	93%	91%

Explanatory notes

Client satisfaction with art gallery services is primarily measured by surveying visitors to the Gallery to determine how satisfied they have been with the displays and programs. Satisfaction is measured by a statistically valid survey. The market research consultants have advised that the sample used 'provides a maximum survey error of ±4.9% at the 95% confidence level'. The customer satisfaction survey is conducted by Patterson Market Research. Of the questions answered by customers, the prime response is to the question 'What was your overall satisfaction with your visit to the Gallery today?'

Overall satisfaction was high with 48% 'very satisfied' with their visit to the Art Gallery and 45% were 'satisfied' (so net satisfaction of 93%). The 2008-09 result shows a slight overall increase in satisfaction rates and dissatisfaction remaining the same at 2%.

⁸ Population (per capita) based on ABS data table 3218

(WA): 2006-07 = 2,081,647; 2007-08 = 2,113,911; 2008-09=2,146,000

Sustainability

Indicator 3: The extent to which the State Art Collection and art gallery services are sustainable.

The sustainability measure has moved from 0.69% in 2007-08 to 0.73% in 2008-09.

Key Effectiveness Indicators	2006-07 Actual	2007-08 Actual	2008-09 Actual	2008-09 Target
Value of State Art Collection renewal, content development and/or expansion as a proportion of Collection value.	0.39%	0.69%	0.73%	0.86%

Explanatory notes

The Gallery is sustainable if, on an ongoing basis, it has the capacity to build its Collection, develop content for publications, displays and exhibitions and maintain the physical integrity of the State Art Collection. A gauge of this sustainability is represented by the direct costs associated with these activities as a proportion of the total value of the State Art Collection. As the value of the Collection increases, if the funds available to maintain these activities remain stagnant or are reduced, the sustainability indicator decreases. The sustainability indicator is based on a 5-year rolling average of the annual direct costs as a proportion of the value of the State Art Collection.

Efficiency indicators

Indicator: The average cost of art gallery services per Art Gallery access.

Key Effectiveness Indicators	2006-07 Actual	2007-08 Actual	2008-09 Actual	2008-09 Target
Average cost of art gallery services per Art Gallery access.	\$23.24	\$20.84	\$28.93	\$26.09

Explanatory notes

The average cost relates to the level of resource input to the services provided. This indicator is arrived at using the following formula:

$$\frac{\text{Total cost of services}^*}{\text{Number of accesses}}$$

*Note. The total cost of services excludes DCA overheads.

Ministerial directives

No ministerial directives were received during the year.

OTHER FINANCIAL DISCLOSURES

Pricing policies

Most Gallery exhibitions are presented free of charge to the public. When major exhibitions are mounted as a joint venture with another institution, the ticket cost for such exhibitions is based on a contractual negotiation with the joint venture partner. Typically the cost of ticket entry is \$12, which contributes towards the cost of the exhibition.

Capital works

The Art Gallery's capital works program includes projects that are funded from Government capital appropriations. Details of the major completed works and purchases are outlined below.

Completed capital projects

As with most organisations, commissioning minor works in the current economic climate, sourcing reasonable quotes and completing projects has been problematic. The Gallery has, however, continued with its capital works and maintenance program during 2008-09 as follows:

The special maintenance fund allocated to the main gallery exterior block-work was used to perform a complete structural investigation and report on the Gallery Main Building façade.

Significant purchases included PC replacement, associated equipment and conservation equipment including a fume cupboard and suction table.

Capital works in progress

There were no major capital works commenced during the year that remained in progress at the end of the financial year.

Employment and industrial relations

Staff profile

	2007-08	2008-09
FTEs at 30 June	63.77	58.8
	2007-08	2008-09
Permanent – full-time	37	36
Permanent – part-time	13	14
Fixed term – full-time	9	7
Fixed term – part-time	3	5
Casual	18	11
Other*	2	3
	82	76

*Employees seconded in or out of the organisation or not being paid for reasons such as leave without pay / parental leave, etc.

	2007-08	2008-09
Women	52	51
Men	30	25
	82	76

The FTE figure represents the number of full-time-equivalent positions as at the end of the financial year. (One FTE is defined as one full-time job for one financial year on the basis of hours worked to normal award/agreement hours provisions. ⁹)

⁹ MOIR data provided by the DCA.

Staff development and recruitment

The diversity of skills and experience of the Art Gallery of Western Australia's employees provides the foundation on which to further develop the resources required to deliver a wide range of art gallery services.

In 2008-09 staff took advantage of professional development opportunities in areas such as conservation practices, leadership, fundraising and sponsorship development, customer service, information management and risk management. Staff also were funded to attend conferences focusing on art-museum practices.

The Art Gallery's recruitment and selection policies and procedures aim to attract and retain the most suitably-qualified and experienced people. During the year the Gallery, in conjunction with the Department for Culture and the Arts, upgraded its web-based recruitment information to help promote the benefits of employment and celebrate the Gallery as an employer of choice; successfully achieved the final year of a three-year Indigenous internship program sponsored by mining companies AngloGold Ashanti Australia Limited, Carey Mining and Downer EDI and Curtin University of Technology; reviewed the Gallery's approach to succession planning.

Workers' compensation

	2007-08	2008-09	2008-09 Targets
Number of fatalities or severe claims	0	0	0
Number of lost time injuries (LTI)	1	0	0 or 10% reduction on previous year
Lost time injury severity rate	0	0	0 or 10% reduction on previous year

The most common injuries in 2008-09 were minor.

The Art Gallery's Occupational Safety and Health Committee met regularly during 2008-09 to discuss and resolve issues raised by staff, review hazard reports, discuss injury trends and identify preventative measures to promote a safe working environment.

In 2008-09, as part of its commitment to safety and health in the workplace, the Gallery:

- received for inclusion in the Gallery's overall risk management program, a comprehensive Chemical Hygiene Plan developed by an OS&H Representative/Conservator
- commissioned a comprehensive OS&H report on exhibition processes, specifically work practices in the areas of handling and installing works of art
- purchased a purpose-built construction site screen from the USA, greatly reducing potential hazards associated with non-authorised and unprotected personnel entering exhibition spaces under construction
- contracted an ergonomic consultant to review work stations and associated issues
- conducted an election of OS&H representatives for all work areas
- trained emergency wardens and undertook scheduled evacuation exercises.

Governance disclosures

CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment of service, no senior officers or firms of which senior officers are members or entities in which senior officers have substantial interests, had any interests in existing or proposed contracts with the Art Gallery of Western Australia.

DIRECTOR'S LIABILITY INSURANCE

Through RiskCover the Art Gallery takes out a Directors and Officers Liability Policy to cover Board members against liability incurred under sections 13 and 14 of the *Statutory Corporations (Liability of Directors) Act 1996*. The Gallery contributed \$10,450 to the annual premium.

Other Legal Requirements

ADVERTISING – ELECTORAL ACT 1907 SECTION 175ZE

In compliance with section 175ZE of the *Electoral Act 1907*, the Art Gallery reports that it incurred the following expenditure during the financial year in relation to advertising agencies, market research organisations, polling organisations and media advertising organisations:

	\$
Expenditure with advertising agencies	
303	53,447
Marketforce	111,479
Marketforce Express	347
AdCorp	6,509
Expenditure with market research agencies	
Synovate	25,000
Patterson Market Research	12,420
Expenditure with polling agencies	-
Expenditure with direct mail agencies	-
Expenditure with media advertising agencies	
Media Decisions	73,681
Total expenditure	282,883

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

(Public Sector Management Act 1994 Section 31(1))

Art Gallery staff are employees of the Department of Culture and the Arts. Human resource services are provided by the Human Resource Unit of the Department of Culture and the Arts. They provide specific advice on compliance with the Standards in regard to recruitment, transfer, secondment, redeployment, termination, discipline, temporary deployment and grievance resolution. Shared services to support the processing of human resource functions are also provided.

Compliance with the Public Sector Standards and Ethical Codes is assessed by several different methods, including regular internal and external reviews of related procedures and staff feedback. No compliance issues arose during 2008-09 in regard to Public Sector Standards, the WA Code of Ethics or the Department of Culture and the Arts Code of Conduct.

Initiatives in 2008-09 to prevent non-compliance included:

- support attendance of Art Gallery management at forums on human resource management standards, particularly those pertaining to recruitment, selection and appointment.

- maintaining information on standards and codes of conduct, including on the departmental intranet and continuing to promote it as an important part of the induction program for new staff.

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

In 2008-09, the Art Gallery continued to implement the *Disability Access and Inclusion Plan 2007 to 2012* as part of the ongoing process to ensure that all visitors, including people with disabilities, can access Gallery services and facilities. The plan is subject to review and will be amended as priorities and needs change.

In the last year the Gallery's outstanding disability access and inclusion programs, through the provision of touch tours for sight-impaired visitors and art workshops designed for groups that have special or additional needs, was recognised by a *Making A Difference Award* in 2009 from Vision Australia. These prestigious awards recognize best practice for considering the needs of people who are blind or have low vision.

Gallery activities and initiatives in 2008-09 that relate to the six desired Disability Access and Inclusion Plan outcomes included:

Outcome 1: Visitors to the Art Gallery with disabilities have the same opportunities as other people to access our services and events:

- quarterly meetings of the Gallery Disability Services Group to look at specific accessibility issues and incorporate these into the Disability Access and Inclusion Plan
- assessment of exhibitions and displays to address access issues for visitors with disabilities
- wheelchair access/area at events
- school holiday activities for children with different levels of ability including written material
- ongoing programs for people with disabilities, including such activities as the award-winning touch tours for sight-impaired visitors and customised programs for specific group needs.

Outcome 2: Visitors to the Art Gallery with disabilities have the same opportunities as other people to access our buildings and facilities:

- planning for new exhibitions and displays to ensure issues related to access are considered
- provision of two standard wheelchairs and a motorised wheelchair, plus a walking frame with seat – all provided free of charge - to individuals requiring mobility assistance during their visit

Outcome 3: People with disabilities receive information at or from the Art Gallery in a format that will enable them to access the information as readily as other people are able to access it:

- provision of essential product information, including signs and didactic materials, in various forms including print, website (graphic and text-only) and recorded information line
- provision of education experiences for students with disabilities.

Outcome 4: Visitors with disabilities receive the same level and quality of service from Art Gallery staff as other people who do not have a disability:

- continued development of staff skills to promote a positive and inclusive service culture
- in-service training on disability awareness for Gallery staff and volunteers.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to a public authority:

- provision of various feedback options including in person, telephone, email and written correspondence.

Outcome 6: People with disabilities have the same opportunities as others to participate in any public consultation by the Art Gallery:

- inclusion of a random sample of the community as part of formal market research
- ensuring that any consultation process targets representatives from the disability sector.

RECORD-KEEPING PLAN

During 2008-09 the Gallery maintained the delivery of a cohesive record-keeping program bound by policy, procedure and a planned approach to improving record-keeping at the Art Gallery of Western Australia. A particular focus has been the supporting of a record-keeping culture within the organisation.

The quality of recordkeeping has been tested as part of various audits which have included an evaluation of the record-keeping. The Gallery has had no significant findings in relation to record-keeping.

Staff training, including induction programs that address employee roles and responsibilities in regard to the Gallery's record-keeping plan, continue to be an important part of the Gallery focus to maintain a strong record-keeping culture.

Government Policy Requirements

CORRUPTION PREVENTION

The Art Gallery has a comprehensive risk management program and addresses fraud and corruption issues as part of its annual sectional risk assessment process.

The Art Gallery Board has an Audit and Risk Management Committee to oversee risk management and corporate governance improvements.

All Gallery staff were trained in the Department of Culture and the Arts code of conduct in the second half of 2008 and signed a form acknowledging that they had received and understood their responsibilities under the code. The training sessions for Gallery staff covered particular areas of potential issues relating to Art Gallery operations, for example, the acquisition of works of art and relationships with artists or commercial art galleries. The Gallery staff also receive guidance from the Museums Australia Code of Ethics and The International Council of Museums – ICOM Code of Ethics for Museums.

As part of corruption prevention, the new Director received training on his responsibilities in this area.

Art Gallery Location, Services, Programs and Amenities

For further information concerning the Art Gallery of Western Australia, its programs and facilities, please contact:

Art Gallery of Western Australia

Perth Cultural Centre, Perth WA 6000
PO Box 8363, Perth Business Centre, Perth WA 6849
Telephone 08 9492 6600
Infoline: 08 9492 6622
Facsimile: 08 9492 6655
Internet: www.artgallery.wa.gov.au
Email: admin@artgallery.wa.gov.au

Opening Hours (from 1 July 2009):

10am–5pm Closed Tuesdays, Anzac Day,
Good Friday and Christmas Day

Admission: General admission is free.
Admission fees apply to some exhibitions.

Art Gallery Shop

For Gallery publications and gifts, please contact the Gallery Shop.
Telephone: 08 9492 6766.

Art Gallery Café

Telephone: 08 9228 3100.

Art Gallery of Western Australia Foundation

For information on how you can become involved with the Gallery, including membership and bequests, please telephone 08 9492 6761 or email foundation@artgallery.wa.gov.au.
Gifts to the Foundation of \$2 or more are tax deductible.

Friends of the Art Gallery of Western Australia

Membership and general enquiries can be made by telephone (08 9492 6750), email (friends@artgallery.wa.gov.au) or facsimile (08 9492 6755).

Sponsorship

For information on becoming a Gallery partner please contact the Partnership Manager by telephoning 08 9492 6693.

Information on donations to the Gallery, including the Cultural Gifts Program and the Cultural Bequest Program, is available on request.

