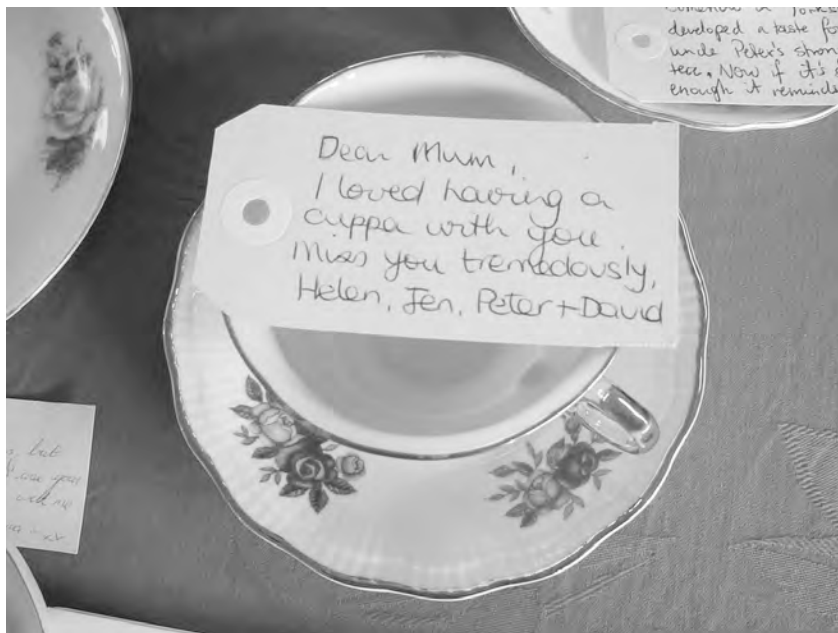


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01

CHAIR'S REPORT

The Generations project gets the green-light

The long gestation of the *Generations* project started to bear fruit in 2006. The Cultural Development Network's collaboration with the councils of City of Greater Geelong, Latrobe City and Rural City of Wangaratta in Victoria, Liverpool City in New South Wales and Dalrymple Shire in North Queensland saw, by the end of the year, active community reference groups established in most centres and artists appointed to start work on the three year projects. RMIT's Globalism Institute came on board in July to provide the important research and data interpretation component of the project.

Our program of public events continued to grow in 2006 with fifteen forums and workshops held in twelve different venues, including seven in outer metropolitan Melbourne and regional Victoria. The implementation of this program depended on partnerships with councils, community groups, arts organisations and universities. Its success bodes well for future collaborations.

In October 2006 we were invited to attend back-to-back international conferences in Barcelona: the United Cities and Local Government (UCLG) convention on cultural policy *Agenda 21 for Culture* and *'Interaccio 06'*, the biennial conference hosted by the City of Barcelona that, this year, addressed issues of community cultural development. 'Culture as the fourth pillar of sustainability' featured strongly at both events. The international impact of this concept has been considerable and it was extremely gratifying to witness the interest that our work has engendered in global arenas.

Jon Hawkes, our cultural researcher, was the invited keynote speaker at *'Interaccio 06'* and CDN's international profile and credibility were considerably enhanced through his contribution to the conference. CDN was asked to present a paper as part of a session on networking and I was funded jointly by the Australia Council and the City of Melbourne to attend and make the presentation.

The City of Barcelona was generous in its hospitality to us as delegates.

Kim Dunphy included a visit to Spain in an overseas trip so she could attend the conference. Having three representatives at the UCLG meeting and the conference contributing at breakout and plenary sessions certainly raised the profile of the CDN internationally and exposed us to a range of new international policy directions.

The Board had to radically revise its current budget in August when it became clear that not all of the projected funding for *Generations* would become available in 2006. It was a difficult decision. We were faced with either withdrawing or delaying the *Generations* project (and thus possibly losing a valuable research project and a practical demonstration in action) or accepting a short-term loss of \$20,000 (which would ensure that the project got going and that the already committed funds of over \$1,000,000 would become accessible and able to flow to the five council projects). We chose the second path and worked closely with our staff over the last quarter of the year to reduce expenses and restructure programs so as to minimise this decision's impact on our budget.

CDN's annual operating deficit was further exacerbated by our Auditor bringing to account accrued annual leave that had not been previously reported. This increased our liabilities by approximately \$5,000 and brought the total deficit for 2006 to \$14,162.

This reduced our accumulated earnings from \$58,000 at the start of the year to \$44,000 at year end.

At the 2006 Annual General Meeting, past Board members Anne Kershaw, Paul Holton, and Kaz Paton joined me in re-nominating and being re-elected to the Board for 2006-2007. Lynda Newton, Malcolm McKinnon and Courtney Collins stood down due to other commitments. Angela Bailey, Hanut Singh Dodd and Daryl Taylor were elected as new members.

Early in the year, we held a special planning meeting to work with the new Director, John Smithies, to review our business plan and strategic objectives.

Thanks to all Board members, past and present, who take the time to read, travel and meet so that the organisation continues to operate with a stable governance structure and the benefit of collective experience and knowledge.

CDN staff John Smithies and Kim Dunphy, had a complex program to manage in a year of change with significant financial constraints. On behalf of the Board and our members, I thank them for their work, the support they provide to the sector and the choice of speakers and subjects covered in the 2006 events. They have performed magnificently, bringing our association through challenging times while continuing to strengthen the Network.

I look forward to working with the Board, the staff and network members into 2007 and recommend this report on behalf of the Board.

Sue Beal
Chair, Cultural Development Network



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02 *Interaccio* conference, Barcelona, Spain.

DIRECTOR'S REPORT

Local government is national and international in 2006

This year was the fourth year of the Network since it became an incorporated association in 2003. By the end of the year knowledge gleaned in my first few weeks of the job was complemented by valuable experience of programs, forums, members meetings and funding body relationships.

We had a very tight year financially once it was realised that funding expected for Generations would not be confirmed in 2006, and that the only way to offset this shortfall was to draw on our modest accumulated reserves. This was disappointing but staff and the Board agreed that getting the Generations project off the drawing board and running in 2006 was worth the cost. We will seek additional project funding in 2007, and continue to monitor expenditure closely so that we return to our preferred financial outcome of a modest surplus in 2007.

DEVELOPING THE NETWORK

Our members are primarily staff from arts and culture departments of local government and artists and arts workers engaged with communities. In 2006 we continued our pro-active networking role by organising several meetings for members and others across the state.

International networks were also developed further in 2006. In June, author and cultural analyst Jon Hawkes presented at *The World Urban Forum* in Vancouver, Canada and in October he gave the key-note address at *Interaccio (Interaction) Conference*, Barcelona, Spain.

Cultural Development Network Chair, Sue Beal, also spoke at the *Interaccio* and CDN Manager Kim Dunphy was also a delegate to the conference.

INITIATING DISCUSSION AND DEBATE

The Cultural Development Network's major activity is the coordination of events in which diverse audiences participate in discussion and debate on many aspects of community arts and cultural development



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Our public program in 2006 provided a diverse range of topics to near capacity audiences, demonstrating a high level of interest and an ongoing demand for quality debate and ideas.

The Manager's report on the following pages describes our 2006 program in detail.

In May 2006 the Cultural Development Network presented our major forum for the year which brought together Arts Victoria, Regional Arts Victoria, Museums Australia (Victoria), Victorian Association of Performing Arts Centres, Hume City Council and Shire of Yarra Ranges to develop an event that considered the potential of cultural facilities to contribute to the strength of their local communities. With assistance from Arts Victoria we presented Paul Reeves, Deputy Head of Education at Royal Opera House, London, who also led discussions with members of Performing Arts Network and staff of Arts Victoria and Museum Victoria.

BUILDING PARTNERSHIPS

The Cultural Development Network particularly values relationships with its members and partners in bringing together a

diverse range of activities over the year.

The list of supporting partners in 2006 is long and includes Ausdance, DanceHouse, Mornington Peninsula Shire, NACA (National Arts and Cultural Alliance), Regional Arts Victoria, Art Is Festival (Horsham), VicHealth, Globalism Institute (RMIT), Museums Australia (Victoria), Victorian Association of Performing Arts Centres, Hume City Council, Shire of Yarra Ranges, Showcasing Victoria, Corridor One 4 (arts and culture action group of North Geelong), Leadership Wimmera, Berry St Victoria, Jesuit Social Services: Artful Dodgers Studio, Footscray Community Arts Centre, Baw Baw Shire Council, the Cities of Stonnington, Melbourne, Moreland, Maribyrnong, Moonee Valley, Boroondara and Port Phillip, Dalrymple Shire (Queensland), City of Liverpool (New South Wales), Rural City of Wangaratta, City of Greater Geelong and Latrobe City, Meredith Windust from Figures Are Us; Kitka Hiltula from Kitka Web Design; and Jon Hawkes.

03 Jon Hawkes (right), *Interaccio*, Spain.

The Cultural Development Network has, at the heart of its agenda, a role as an advocate for reform of public policy to promote the adoption of the fourth pillar, of cultural vitality, to the accepted triple bottom line of economic viability, social inclusion and environmental sustainability. CDN believes that consideration must be given to all four aspects or 'pillars' of public policy for truly sustainable communities.

In 2006, the Cultural Development Network was supported by funding from commonwealth, state and local governments. VicHealth provided program funding through its CAPS program, while the Australia Council and Arts Victoria provided critical base funding through triennial grants. 2006 was our first year of triennial funding from Arts Victoria, an achievement that is considerable given the relative youth of our organisation. The ability to plan for longer term projects and policy development afforded by triennial funding is considerable and highly valued by staff and the Board.

The City of Melbourne continues to be an exemplary major city through its support for the Network and its active support and promotion of community cultural development. CDN is supported by the City through the provision of valuable office and infrastructure facilities in its Arts and Culture Branch and funds for program support.

In 2006 we continued to work closely with City of Melbourne, developing a major conference for 2007 and co-presenting forums with the Community Cultural Development Team.

The Cultural Development Network is fortunate to have the services of accounting contractors, Meredith Windust, of *Figures Are Us* and web-site manager, Kitka Hiltula of *Kitka Web Design*. Meredith and Kitka both provided excellent services and timely response that keep CDN operating efficiently.

CDN is privileged to have the commitment of Manager Kim Dunphy whose local government experience and deep knowledge of the arts contribute significantly to our ability to be a successful 'network'. I also take

this opportunity to thank the CDN Chair, Sue Beal and the Board for their generosity of time and for their ongoing support.

John Smithies, Director



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MAINTAINING THE VISION

The Cultural Development Network argues that the existence of a cultural artistic expression is more than simply an indicator and a record of a culture, and an end in itself. Our premise is that creative thought and artistic expression is a necessary ingredient for economical, environmental and social sustainability and contribute to the health and well-being of communities and their ability to keep pace with change.

The Network is committed to broadening the understanding of the role that arts plays within community cultures. Art is a key indicator of those cultures and art can also be a potent influence.

A new brochure was published in 2006 to describe the philosophy of Cultural Development Network as an organisation that;

links communities, artists, local government and related organisations to advocate the essential functions of participatory arts and cultural expression in the growth of a healthier, more engaged and sustainable society.

The Cultural Development Network maintains a long-held framework of objectives:

- to encourage the making of art as an everyday activity amongst communities
- that organisations working with communities value the making of art together
- CDN's work contributes to the connectedness and empowerment of communities
- that all spheres of government value the cultural vitality of communities and develop policy and resources to support this

MANAGER'S REPORT

New networks, new partners and a series of successful events

My second full year as Manager of CDN proved to be both interesting and stimulating, with new initiatives and developments of ongoing responsibilities. It was a pleasure to work with our incoming Director, John Smithies and to be challenged by new ways of thinking. At the same time, the ongoing support and stability of a well-established Board, excellent service from our contractors *Figures Are Us* and *Kitka Design* and collegiate support of our City of Melbourne hosts added to an enjoyable working situation.

NETWORKING AND OPERATIONS

Everyday activities for the Manager of CDN in 2006 included co-ordination of membership operations, production of eight editions of our members' e-bulletin and ongoing maintenance and improvement of our web-site that saw nearly 20,000 hits over the year, up about 30% from the previous year. Reports and papers from all our events were published on the web site, adding considerably to the benefits gained from our public programs.

Support for current and emerging regional networks of cultural development workers led to many visits around Melbourne and Victoria, from Footscray and Springvale, and farther afield, including Geelong, Warragul, Yea, Horsham, Warrnambool, Wangaratta, Morwell, Shepparton, Rushworth, Echuca and Swan Hill.

MEMBERSHIP

CDN values the increased commitment from the cultural development field to our organisation, with paid membership up from 97 in 2005, to 126 at the end of 2006. This shows an annual increase over the last two years of roughly 30% per year. However, we continue to attract supporters who share our objectives but may never become members. Our mailing list has grown to beyond 700 and provides a regular channel for the distribution of news and information about events.

DISCUSSION AND DEBATE

The major role of the Manager continues to be the development and co-ordination of the Network's Discussion and Debate Programs. 2006 turned out to be unexpectedly busy in this aspect, with a series of fifteen activities held in metropolitan and regional areas spread throughout the year. Four of these featured international presenters, two interstate presenters and the remainder a diverse range of skilled artists, arts workers and related professionals from across Victoria. These events were all developed in partnership with other organisations, whose support, sharing of resources and networks are essential for our tiny outfit. We note and thank our partners for their co-production of a series of successful events, that all had capacity (or close) audiences and were evaluated highly by the large majority of

participants. Details of all events appear below.

ADVOCACY

Apart from Cultural Development Network initiation of forums and meetings, staff also attend 'round-tables', information meetings and public policy forums when opportunities arise. This included invitations to present at forums and events in Australia and some international conferences.

Advocacy activity in 2006 included;

- Australia Council Scoping Study Public Consultation Meeting. Forty people attended this public meeting hosted by CDN in partnership with National Arts and Cultural Alliance (NACA).
- Representation of CDN on the *Disability and Arts* reference group convened by the Department of Human Services.



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04 *Engaging Communities Through the Arts*, Horsham

05 Peter Sheldrake and panelists at *Working Outside the Box* Forum - 2006

SUMMARY OF PUBLIC PROGRAMS 2006

Artist Talk and workshop with Dr Petra Kuppers, USA
Dance House, Melbourne, February 2006

Community dance artist and disability advocate, Dr Petra Kuppers, was visiting Australia during her stay at the University of Otago, as the first Caroline Plummer Fellow in Community Dance. Petra is also Associate Professor of Performance Studies, Bryant University USA, and Artistic Director of The Olimpias Performance Research Projects (www.olimpias.net), through which she runs community arts and disability culture workshops. 40 artists and artsworkers interested in community dance enjoyed the opportunity to work with Petra, an accomplished and inspiring speaker, performer and academic.

The Arts and Community in the 21st Century, workshop and public forum with Bill Cleveland
Melbourne Town Hall, February 2006

In partnership with City of Melbourne's Community Cultural Development Program, CDN presented two events featuring Bill Cleveland, Director of the Center for the Study of Art and Community, USA; *Common sense survival skills for working in community and institutional settings: a workshop for artists, arts workers and arts organisations* and a public forum on the topic *The Arts and Community in the 21st Century: what is best practice?*

Bill's presentation to a capacity audience of 90, was followed by panel reflection and group discussions about best practice in community-based arts programs in Australia and overseas. Panellists were Maud Clark, Director of Somebody's Daughter Theatre Company, Maria-Lourdes Doronila, Filipino-Australian playwright, community activist and recent Asialink fellow from ACT, Lisa Arnott, Scottish community artist and activist currently working in Melbourne on the Interlock project, Carey Lai, arts worker and Australia Council Fellow and Kim Kruger, audience access project manager, Ilbijerri Theatre Company.

Bill's highly experienced and entertaining presentation style, aug-

mented by his strikingly powerful singing voice, added to the reward of two lively sessions. Issues explored in the day's discussion contributed to CDN's exploration of a Charter for Lead Practice in Community Cultural Development.

Opening the cocoon: arts, culture & community on the Mornington Peninsula

Mornington, April 2006

This forum, hosted by Mornington Peninsula Shire and CDN, aimed to enhance the capacity of community artists and community groups to

PRESENTATIONS AND PUBLICATIONS

World Urban Forum, Vancouver, Canada. June 2006

Jon Hawkes, CDN Resident Cultural Analyst, attended this forum at the invitation of the organisers. His presentation on *The Fourth Pillar of Sustainability* was part of a session entitled *Ideas into Action: The cultural basis of sustainable community planning*.

Agenda 21 for Culture, Barcelona, Spain. October 2006

Cultural Development Network representatives Sue Beal, Chair, Kim Dunphy, Manager and Jon Hawkes, guest speaker, attended this meeting of United Cities and Local Governments - Working Group on Culture held in Barcelona, Spain in October 2006. 'Agenda 21 for Culture is an undertaking by cities and local governments for cultural development, a tool for enhancing the role of culture in local development and a process that stresses the importance of cities in promoting cultural diversity'. We had been invited by the meeting organisers to contribute an Australian perspective and we felt it an ideal opportunity to improve our understanding of the Agenda 21 movement before we began to promote the concept in Australia.

Interaccio (Interaction) Conference, Barcelona, Spain. October 2006

This three day conference hosted by the City Council of Barcelona focused on issues related to cultural development and local government. Jon Hawkes' keynote presentation *Creative Democracy* was well received by an audience of approximately 600 delegates from around the world. Sue Beal, CDN Chair, presented the *Cultural Development Network* in a session entitled *Networks* to an audience of artists, arts workers and local government cultural workers. Cultural Development Network Manager, Kim Dunphy, attended the conference as a delegate.

Visit to Creative City Network, Canada. October 2006

Cultural Development Network Manager, Kim Dunphy, visited Vancouver, Canada, to maintain connections with Creative City Network, a Canada-wide organisation with similar goals and membership profile to CDN.

Visit to Arts Corps, Seattle, USA. October 2006

During an overseas holiday, Kim Dunphy visited Lisa Fitzhugh, CEO and founder of Arts Corps community arts organisation for under-served communities to explore possible synergies, including an invitation to Lisa to be keynote speaker for a future CDN conference focusing on *Arts, Schools and Communities*.

South West Arts and Cultural Development forum, Warrnambool. November 2006

This one day forum presented by Rural Access workers from Warrnambool City Council included a range of presentations and practical workshops. CDN's contribution was a presentation on *Arts Networks*. This event was attended by 60 people, mostly local artists, arts workers, health and community workers, council staff and educators.

Municipal World magazine Canada

The article *Cultural Development in Victoria: Policy and Practice*, by Kim Dunphy was published in September 2006, in Municipal World's edition entitled *Culture: The Heart of a Sustainable Community*.

positively influence the health, hope and happiness of local communities. Sixty arts and community workers from the Peninsula and region met to expand their skills and networks and learn about new ways of engaging with the community through community cultural development. Artists who spoke about their practice with communities included Phil Heuzenroeder from *Club Wild*, Steve Payne of *The Torch Project*, filmmaker Kirsty Baird and indigenous artist Diane Aiello. Catherine Simmonds and her performers from the *Brunswick Women's Theatre* led forum theatre activities on issues around gambling.

Forum: Community dance: working with young people in a community context

Horsham, April 2006

This half day forum was presented by CDN, Ausdance, Regional Arts Victoria and the *Art Is Festival*. It was attended by a diverse group of 16 teachers, community, youth and health workers and teachers from Horsham and district. The session complemented the program of participatory dance workshops for young people and teachers being held concurrently in Horsham by the Youth Dance Festival. Activities included a presentation by CDN about current practice of community dance around the world, hands-on experience creating dance with community dance artists Bec Reid and David McMicken, and informal discussion about the issues and challenges that face dance artists working with young people in community contexts.

The Art and Craft of Research in Communities

VicHealth, Carlton, April 2006

This event, organised by a partnership of CDN and RMIT's Globalism Institute was attended by a packed audience of 140. Attendees were drawn from professional sectors, including academia, with students, researchers and professors from arts and related areas, local government workers mostly from the arts and community departments, health, welfare and disability practitioners and researchers. There were also many artists and artswokers.

The forum addressed issues about the process and application of research through formal presentation



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and discussion including how can our work;

- lead to better outcomes for audiences, participants and communities?
- engage practitioners, arts organisations and local government?
- impact funding priorities and influence policy decisions?

Speakers included Dr. Deborah Warr, Research Fellow, Centre for Health and Society, University of Melbourne, Sue Hartigan, Geelong Arts Alliance and Back to Back Theatre Company and Professor Paul James, Director of the Globalism Institute, who raised issues for further thought and discussion.

Discussion following the presentations was very heated, with differences of opinion about the value of the perspective of a researcher from outside the arts and some challenges about the value of some theoretical constructs such as social capital. Despite the controversy, evaluations received were overwhelmingly positive, with attendees particularly valuing the opportunity to hear perspectives that come from outside the arts and the lengthy and lively discussion.

Working Outside the Box: the role of cultural facilities in community strengthening

Plenty Ranges Arts and Convention Centre, South Morang, May 2006

This one day conference was presented by the Cultural Development Network in partnership with Arts Victoria, Regional Arts Victoria, Museums Australia (Victoria), Victorian Association of Performing Arts Centres, Hume City Council and Shire of Yarra Ranges, in conjunction with Showcasing Victoria. The 160 participants, mostly local government workers with some artists and artswokers, came from metropolitan Melbourne, regional Victoria and interstate.

Presentations explored how cultural facilities (including galleries, museums and performing arts centres) can work with communities to facilitate the expression of local identity. Issues explored included;

- how facilities can develop programming that contributes to community building
- how building design can advance or detract from community engagement
- the challenging balance between artistic and community expectations and celebration of local cultural assets.

The program featured keynote speakers, Paul Reeves (Deputy Head of Education at Royal Opera House, London), John Kirkman (CEO of Joan Sutherland Performing Arts Centre and Lewers Bequest) with Anne Loxley from (Penrith Regional Gallery in western Sydney); case studies from diverse regional and metropolitan facilities, Professor Mike Salvaris on cultural indicators and a Hypothetical facilitated by Professor Peter Sheldrake.

Artivism: the role of arts in regeneration
Melbourne Town Hall, June 2006

This informal seminar, co-presented with City of Melbourne's Community Cultural Development Team was attended by 50 people who were mostly artists and artworkers. It featured international speaker Min Jay Kang, Associate Professor of Architecture from Tamkang University, Taiwan. Associate Professor Kang spoke about his inspiring work with artists and squatter residents of Taipei's Treasure Hill. His research and practice focuses on dialectics in cultural landscape, creative sustainability, identity politics and 'artivism,' representation of landscape in arts and literature, urban design, and landscape narratives. This forum was an extended version of Professor Kang's presentation *Altered Spaces: Squatting and Legitimizing Treasure Hill, Taipei* at Asialink's recent forum *Blind Dates and Foreign Affairs*.

Community Voice Conference,
Corio, June 2006

This conference aimed to strengthen an active model of community and government and services partnerships in *Place Planning* for the north Geelong region. The Cultural Development Network, in partnership with Corridor One 4, arts and culture action group of North Geelong, presented as part of the conference program, *Cups in Corridors: a roundtable discussion about community arts, From the Tea Cup: a presentation about the role of arts in community*, and *Cups In Corridors*, an interactive community arts project incorporating storytelling and tea ceremonies from around the world.

These events were the best attended sessions at the conference,

engendering very active discussion and positive feedback.

Health worker Dale Newman later documented the conference activities in a case study titled *Cups in Corridors community arts project: Increasing community participation in arts and cultural development to impact positively on health*.

Engaging Communities Through the Arts
Horsham, July 2006

This one day forum presented by Regional Arts Victoria and CDN with Leadership Wimmera and VicHealth, explored the opportunities and possibilities of using arts as a medium to engage communities. It was attended by 85 participants, a diverse audience of local artists and arts workers, and workers and managers from sectors including health, environment, education and arts. The event was facilitated with great humour and liveliness by raconteur by Ian Pidd, with speakers including Kim Dunphy from CDN, Bin Dixon-Ward from Regional Arts Victoria and Sue Ball from VicHealth. A panel of regional artworkers spoke about the community impact of projects they had coordinated; Liz Andrews described the 'Social Fabric' weaving and tapestry project in Swan Hill that brought new migrants and long established residents together and Verity Higgins spoke about media projects with indigenous communities in Ballarat.

Group discussions were threaded throughout the formal sessions for the day. They focused on topics of interest to participants including men's sheds, young people, environmental sustainability, older adults, health and well-being. Participants brainstormed ideas for possible arts projects to engage local communities, as well as suitable partnerships and possible funding sources. By the end of the day each group had come up with an interesting idea for a project, some specific partners and likely funding bodies. Ian and Marion Matthews, Regional Arts Development Officer, then offered these projects to interested organisations and individuals with the intention that they be developed to fruition. Overall feedback indicated that participants found the day very valuable, with new ideas developed and some excellent new connections made.

Meet, Meld, Merge: art bringing people together

Yea, September 2006

This one day forum for artists, arts workers, and those interested in the possibilities for arts in their communities was presented by Berry St Victoria with CDN. The forum was a resounding success, providing the opportunity for very diverse group of people to explore the concepts of cultural development and community art together. Local organisations represented included *Yea Men's Shed, University of the Third Age, Yea Historical Society, Alexandra Singers, St. Luke's Church, Yea Steiner Playgroup, Buds and Blossoms, Berry Street Victoria* and *Integral Evolution*. Many artists and musicians from across the Shire of Murrindindi and beyond also provided a wealth of interesting ideas and experiences.

Evaluations indicated that people found the day valuable, especially the opportunity to meet like minded others from the area, and dream up new projects. As one participant said "I walked away from the day having learnt a lot, but more importantly I felt really excited and good in myself. It was great to be able to talk at the forum and know that people were genuinely interested in what I had to say". Since the event, strong networks have been established and some groups attending the forum have already started making plans for future arts based projects.

Conversations at the Watch House
Melbourne Watch House
 September 2006

This series of informal conversations were presented as part of the Melbourne Fringe Festival by the Artful Dodgers Studio, Jesuit Social Services and supported by the CDN and the City of Yarra. Topics were

- *Alternate Voices* - A conversation about the complexities associated with facilitating community arts programs in prisons and community justice settings.
- *Speaking Honestly* - The professional artist in the CCD Studio - How does one process affect the other?
- *Other Voices* - What we make - our art in a broader context. Young people involved in CCD projects talk about their own art.

A publication summarizing the discussion at these events is in the planning stages.

Artists Talk: The relationship between Community Cultural Development and popular culture
Footscray, November 2006

This informal event was presented by Footscray Community Arts Centre in partnership with CDN. Artist and CCD practitioner Tom Cho led a lively discussion enjoyed by 26 participants (mostly artists, with some education professionals, academics, local government youth and arts workers) Topics considered included:

- What attention should artists pay to popular icons, idols, styles and fashions?
- Should CCD practice challenge popular culture and therefore exist outside of it?
- Can engagement with popular culture be a way into involving communities in the creative?
- Could that engagement lead to more subversive and broad based arts practice?

Tom Cho's reflection on this topic, *'Inserting myself into the story: Artistic explorations of popular culture... and identity'* is available from CDN's web-site.

Making research interesting and engaging: exploring arts-based methodologies
VicHealth, Carlton, November 2006

This half day forum was presented by CDN, RMIT's Globalism Institute and VicHealth. It focussed on lessons learnt about relationships between research and practice in the broad field of community arts and the challenges involved in making these relationships really work. This event was attended by a group of 40 community-based, artists, arts workers, local government workers and those from health, welfare and community organisations interested in the relationships between research and their work.

Lead speaker Dr. Martin Mulligan described the research project he had recently led in four Victorian communities. Other speakers who reflected on their response and experience of this research process were Ilke Tampke, health and community development project worker, City of Port Phillip, speaking from a local government perspective and

Rebecca Lister, community theatre worker, Daylesford who described her experience as an artist/arts worker research participant. Mandy Press, social researcher and former local government manager as final speaker summarised salient points from the day. Feedback from the audience indicated that the session was really valuable, with almost all rating the event 'excellent' or 'very good'.

Connect! How to Use Art to Build Better Communities
Warragul, November 2006

This full day workshop presented by Baw Baw Shire Council, Regional Arts Victoria, CDN and Creative Gippsland was attended by 36 people, mostly local artists, arts workers and council staff. Themes for the day were *Investigating innovative ways to engage your community, beautify your surroundings, breathe life into new ideas and have some fun along the way.*

The international context: community based arts initiatives overseas
North Melbourne, December 2006

Our final public event for 2006 was an informal talk and Christmas drinks held at the Meat Market in North Melbourne. Guest speakers were three artists and arts workers who had recently travelled overseas to develop their skills and understanding of arts practice with communities. Liss Gabb is a community artist who works primary with the Arts and Culture Program at North Richmond Community Health Centre, Ana Vrantzis is Arts and Cultural Development Officer with Brimbank City Council and Marcela Nieves is an Australian Argentinian CCD practitioner from Victoria, who is also a photographer, performer and educator.



07

Event proceedings

Presentations, papers, reports and photos from all events noted in this report are available for download from CDN's web-site

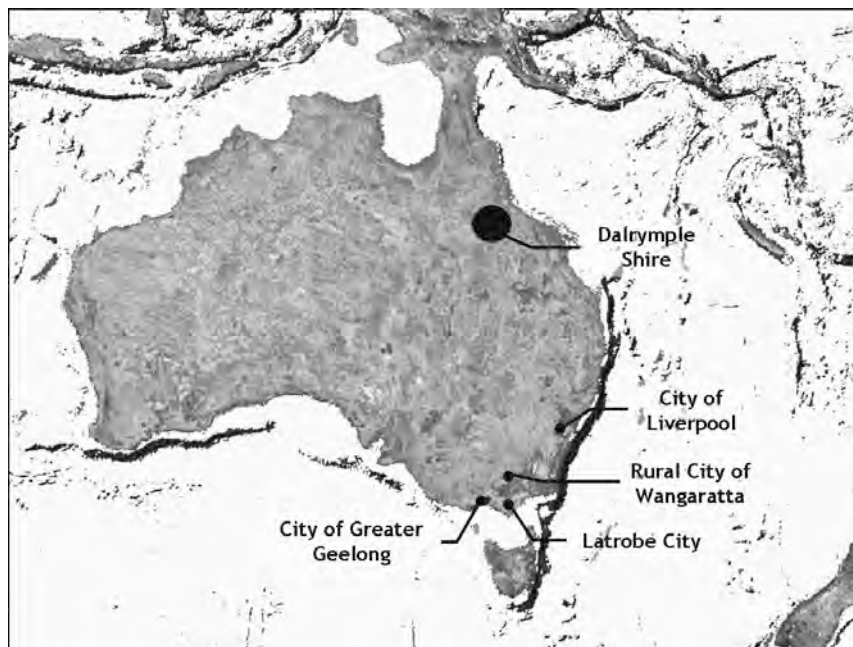
www.culturaldevelopment.net.au

Navigate to *CDN Events*, then to *CDN Past Events and Papers* and then scroll by descending date order.

The *Generations* project has been developed to explore the links between engagement in community based arts activities and active civic engagement. There is a growing literature around the correlation between involvement in creative or 'artistic' activity and improved health and well-being, but the links between creative communities and civic engagement are less well documented. The *Generations* project will contribute to research data on this topic through a significant research component. Demonstration of this link could have significant effects on the development of public policy and the targeting of resources to community-based arts projects. The research project is being led by Dr Martin Mulligan from RMIT's Globalism Institute, with researcher Pia Smith engaged in data collection with communities and artists. The first stages of this research began at the end of 2006.

In preparation for the project, each of the five participating councils worked with the Cultural Development Network to identify issues of serious concern for their municipalities. Five community projects addressing these local issues got underway in 2006 in councils across Australia; Dalrymple Shire (Queensland); City of Liverpool (New South Wales); Rural City of Wangaratta (Victoria); City of Greater Geelong (Victoria); and Latrobe City (Victoria). The projects will run for three years between September 2006 and December 2009.

Generations is a test of the belief that truly sustainable communities need the addition of fourth dimension, or pillar, of cultural vitality to the accepted triple bottom line indicators of a viable economy, a healthy environment and good social policies. The *Generations* project will build on existing research data to explore the contribution of cultural vitality to the sustainability of local communities. Five councils are participating in the project.



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Connecting Through Three Generations of Time Dalrymple Shire, Queensland

Dalrymple Shire will work with three generations of pastoralists and Aboriginal families who have traditional association or ownership of the land. The first step is bringing the families together through informal gatherings on country. Over a series of social encounters and gradually more creative activities, the project aims to build the bonds of trust that could eventually lead to Aboriginal families building new businesses and new lives on land shared with the pastoralists.

ReFILL City of Liverpool, NSW

Sydney's south western urban fringe has grown rapidly over the past ten years. A higher than average proportion of culturally diverse young people from this area, specifically those of Aboriginal and Arab backgrounds, experience challenges in engaging positively with schools. Liverpool Council will

work with local communities and young people to develop alternative activities to address young people's disengagement with the school system. Access to Council facilities and resources will be used to build the confidence of otherwise neglected young people and support them to take on projects that engage and inspire them.

Still Life Rural City of Wangaratta, Victoria

Changing demographics of longer life, decreasing birth-rate and the 'bubble' of baby-boomers slowly reaching the older adult age bracket is predicted to put economic pressure on rural communities where education and employment are insufficient to keep or attract young families. This generational change is starting to impact negatively on the aging citizens and the youth of Wangaratta. Through development of a community performance over three years, the Wangaratta Council aims to build community confidence and change perceptions of the aging

population, as well as building support for strategies to adapt the economy and services to an 'older' community.

Green Expectations
City of Latrobe, Victoria

Latrobe City links key townships along the vast brown coal reserves of the Latrobe Valley. This council faces an internationally common problem of an increased political resistance to the burning of coal while it still has largely untapped coal reserves. The community is faced with the negative image of a polluting city while the Council has to plan long-term to respond to potential major changes.

Latrobe City will focus its Green Expectations project on the task of engaging local communities around issues of sustainability.

Geelong Trilogy
City of Greater Geelong

Geelong is the largest regional city in Victoria and one of the largest cities in Australia, yet is still viewed by many as a country town. Geelong is also a transit city with the fast train and freeway making it a commuter city linked to the state capital of Melbourne. Geelong is a large and diverse regional community that is coming to terms with a new urbanity and sophistication associated with larger cities. This expanding urbanization along with increasing percentage of sea-change residents, have created some interesting tensions, particularly in the smaller towns in outlying areas. The City of Greater Geelong is using the Generations project to strengthen the identities of these diverse communities as well as increase the links between them.

The Research

RMIT's Globalism Institute will monitor and measure the impact of these projects on the communities' civic engagement and well-being, especially changes in attitudes to the issues that each council is addressing. The Globalism Institute has been monitoring and developing data about changing communities over some time. The inclusion of the Generations projects into their research portfolio provides new possibilities for data collection about community projects aimed at active civic engagement.

Funding

The model of funding for the Generations project is unique, as it involves the three spheres of government, (local, state and national), and has a three year life, which includes a lengthy funded development period. This contrasts with models of funding more common in community arts, in which projects are funded for short periods, usually relying on unfunded development periods.

The Australia Council has played an exemplary role by taking the lead in funding *Generations*. In demonstrating its commitment to a partnership with local government, (with projects like *Generations*) it is opening up new opportunities for artists and their local communities.

Funding sources:

- Australia Council
- City of Greater Geelong
- City of Liverpool
- City of Melbourne (host of CDN)
- Dalrymple Shire
- Department of Premier and Cabinet (Arts Victoria)
- Department for Victorian Communities (Community Support Fund)
- Latrobe City
- NSW Department for the Arts
- Regional Arts Fund
- Rural City of Wangaratta
- VicHealth

Generations has a component of **Regional Arts Funding** from the **Department of Communications, Information, Technology and the Arts**, which the Australia Council for the Arts manages on behalf of the Department.



OPERATIONS REPORT

Balancing growth with available resources

The Cultural Development Network is an incorporated association whose membership comprises arts and cultural workers mostly based in local government. As an entity it has the same list of operational tasks as other organisations. It is required to manage its accounts to Australian Accounting Standards, service a Board and membership under the Incorporated Associations Act and follow all regulated employment process such as Work Choices, Australian Taxation Office and Australian Superannuation Guarantee. It has to manage its own files and organisational data and archives on behalf of its members and to maintain office processes that are responsible and scaled befitting a small publicly funded body. Achieving the best balance between these obligations and the program objectives is an ongoing challenge. The Cultural Development Network continues to contract out accounting, payroll, web-management, archiving and design work to enable the core team to focus on program and organisational development.

The following reports briefly describe these aspects of the organisation's activities in 2006.

Marketing

In 2006 Cultural Development Network produced a new tri-fold brochure to promote the Network and our activities.

CDN distributed a regular e-bulletin to members and maintains a dynamic web-site that provides current and forward program information as well as a growing archive of past forums and presentations.

The growth in the organisation's profile is important to better represent its members and to better advo-

cate on its objectives. The success of the Network's marketing activities is evidenced by key indicators of;

- steadily increasing membership (40% increase since 2005)
- increasing requests for advice and expertise from range of organisations and individuals including funding bodies, local governments, arts workers
- request for our publications from local, interstate and overseas

Evidence of the quality of our marketed service includes;

- all events run in 2006 were well attended with nearly all at capacity
- evaluations undertaken at all events provided feedback

generally rating quality of events 'Excellent' or 'Very good'

Details of attendance numbers and composition, advertising and promotional material, media articles and evaluation responses are kept by the organisation.

Governance

Cultural Development Network is a membership based incorporated association and is governed by a Board of seven members. The Board holds its annual forward planning day mid-way through the year following the Annual General Meeting. The Board approves its budget for the coming year in November prior to the commencement of its calendar based financial year in January.



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The Board meets a minimum of four times a year and the full Board acts as the Finance Committee. CDN contracts *Figures Are Us* as its accountants and bookkeepers, and annual audit for 2006 has been carried out by Eric Townsend Co Pty Ltd.

The Board established a Recruitment and Remuneration Committee in 2006 to oversee the pay structure and terms of employment for staff.

Cultural Development maintains a cash balance suitable to cover cash flow, some modest growth and suffi-

cient funds in the event of a wind-up of the Association.

The CDN staff report to the Board on financial performance and program performance against the key headings of Discourse and Debate, Networking, Projects and Partnerships, and Advocacy.

Management and Administration

Cultural Development Network is managed by 2 staff (equivalent full-time 1.8 positions). The organisation contracts specialist services such as accounting, design, web-site management and project

management as required. Postage, communications (telephone and data), vehicle pool, IT support and meeting rooms are provided under a resource agreement with the City of Melbourne and the organisation is associated, structurally, with the Cultural Development Team of the Arts & Culture Branch of the City of Melbourne.

This agreement enables Cultural Development Network to focus its grants and funded resources on public programs and activities.



CULTURAL DEVELOPMENT NETWORK BOARD

We welcome new Board members

The Network has a seven member Board appointed by members at the Annual General Meeting. Board members returned in 2006 were Sue Beal, Chair, Paul Holton, Treasurer, Kaz Paton, Secretary and Board member Anne Kershaw. New members elected to the Board in 2006 were Angela Bailey, Daryl Taylor and Hanut Singh Dodd

All current Board members are active workers in the cultural field and bring to the organisation a wealth of expertise; with local government in regional and metropolitan areas, and as artists with a diversity of artform experience.

Sue Beal (Chair) is the Manager of Arts House with the City of Melbourne and is responsible for the curated programs at the North Melbourne Town Hall, the Meat Market and Horti Hall. Sue has a long and distinguished record in the arts and local government sectors. She has been the Assistant Federal Secretary for Actors Equity; member of the Australia Council's Theatre Board; Australian representative for Cirque Du Soleil, and General Manager of Sidetrack Theatre.



Paul Holton (Treasurer) is Manager, Arts and Leisure for the Latrobe City Council. His role encompasses overall management of Latrobe City's cultural and leisure facilities and programs. He has worked in arts administration and cultural development for eighteen years and was part of the team that initiated the highly successful Wangaratta Festival of Jazz. Paul is a former member of the Australia Council's Community Cultural Development Board.

Kaz Paton (Secretary) is Co-ordinator of the City of Greater Geelong's Arts and Cultural Development Unit. Previously she had a similar position with the Colac Otway Shire and was responsible for establishing the Colac Otway Performing Arts and Cultural Centre. Prior to Colac Otway, Kaz worked with the City of Port Phillip with a focus on people with special needs in the arts. Kaz has worked extensively in community theatre, spending several years as an actor, producer and drama teacher in Australia and overseas. Kaz is also on the Board of Management for Regional Arts Victoria.



Anne Kershaw is the Arts and Cultural Planner with the Hume City Council. She has worked in local government at Hume, Whittlesea City Council and Greater Dandenong Council. Her work in local government has focused on the engagement of communities from CALD backgrounds and initiatives aimed at building local cultural identity. Anne comes from a higher education/museum and gallery background, having lectured at Deakin and Manchester Universities.

Angela Bailey is a photographic artist with diverse experience in community-based work, including projects with housing estate tenants, textile workers, older adults, young people, asylum seekers and women prisoners. Her current and recent activities include Artist in Residency at Carlton Public Housing Estate, City of Melbourne, Photographic Coordinator Feltex Workers Exhibition - Textile Clothing and Footwear Union of Australia, Curator of Legends, Places and Faces exhibition at the Incinerator Arts Complex, Moonee Ponds to coincide with the 2006 Melbourne Commonwealth Games. Angela's photographic work is represented in major national and state collections. In addition to her role on the CDN Board, Angela is also a Life Member of the Midsumma Festival Board and the Brisbane Lesbian and Gay Pride Festival.



CULTURAL DEVELOPMENT NETWORK BOARD



Daryl Taylor is a personal, organisational and community development coach and public health planner specialising in community engagement, community planning, community and township development, community health and health promotion policy and planning, project management, partnership facilitation, action research and participatory evaluation. Daryl teaches Social and Environmental Determinants of Health, Human Ecology and Health Sociology in the Public Health program at Latrobe University.



Hanut Singh Dodd is a highly experienced cultural, heritage and tourism manager with skills including museum management, cultural and environmental tourism, event management, exhibition development, public program management, architectural conservation, moveable cultural heritage and collection management. Hanut has more than ten years experience as a freelance curator and architectural conservator and in community and cultural development in local government.

Thanks to Board Member stepping down in 2006



Malcolm McKinnon joined Cultural Development Network Board when it incorporated in 2003 and held the position of Deputy Chair throughout that time. Malcolm stepped down in 2006 to pursue his own arts and community work after a great contribution to the Board and the organisation. The Cultural Development Network Board and staff thank Malcolm for the tenacity and focus that he brought to his role on the Board.

CULTURAL DEVELOPMENT NETWORK STAFF

John Smithies came to the Cultural Development Network with a background and career in arts and education. He began working with community artists at the Adelaide Festival Centre before studying overseas and returning to Australia as Co-Director of Student Arts Activities at RMIT University Union. John was founding Director of Experimenta (previously Modern Image Makers Association) before moving to the State Film Centre of Victoria to establish its Education Unit. He went on to become Director of the Film Centre and in this role led the development and eventual opening of the Australian Centre for the Moving Image at Federation Square in March 2002. John has worked as a consultant for community organisations, and continues to work on creative development projects in media and as an artist.



Kim Dunphy joined the Network in 2004 and continued her role as Manager in 2005. Kim's interest in community cultural development stems from her initial training and career in performing arts education. She has worked as a community artist and educator in primary, secondary, tertiary and community sectors, distilling her work in the area of movement and dance for people with intellectual disabilities into the book *Freedom to Move*. She has been a dance critic for *The Age*, managed community centres in Hampton and Altona North and worked in community cultural development with the City of Melbourne. Most recently, Kim was Arts and Culture Officer at Hobsons Bay Council. Kim is past-President of Ausdance Victoria and currently a Board member of Arts Management Advisory Group and the Dance Therapy Association of Australia.

BUSINESS OBJECTIVES

The Cultural Development Network is an independent non-profit group that links communities, artists, local government through its membership and programs.

In 2006 the Cultural Development Network began the first year of a new Business Plan developed for the triennium 2006-2008. This plan forms the basis for submissions to the Australia Council and Arts Victoria for ongoing funding. In 2006 the Board refined the organisation's mission:

To advocate the essential function of participatory arts and cultural expression in the growth of a healthier, more engaged and sustainable society in which local communities, in all their diversity, have the resources and support they need to make and express their own culture.

To achieve this mission the Cultural Development Network operates in four action areas and aspires to impact on four outcomes;

ACTIONS

DISCOURSE AND DEBATE

Stimulating interaction between diverse perspectives

NETWORKING

Facilitating the growth of useful connections

PROJECTS AND PARTNERSHIPS

Demonstrating the value of community-based arts activities by example

ADVOCACY

Promoting the need for public support

ASPIRATIONS

The flourishing of diverse and authentic community cultures

ARTS PRACTICE

The making art becomes an everyday activity among communities

COMMUNITY UNDERSTANDING

The value of making art together is embraced by agencies and organisations that work with communities

EFFECTIVE SERVICE

The Cultural Development Network responds to this growing enthusiasm with initiatives that connect and empower communities

GOVERNMENT COMMITMENT

All levels of government develop policy, support and resources that nurture independent community cultural activities



TREASURER'S REPORT

CDN takes on responsibility for a major fund for *Generations* projects

The financial position of the Cultural Development Network at the end of 2006 is stable. Despite the need to draw on reserves to cover the commencement of *Generations*, the balance sheet is healthy, given triennial funding from key arts bodies Arts Victoria and the Australia Council and funding support from VicHealth for programs.

In 2006 the Cultural Development Network contracted with the Australia Council to project manage over \$750,000 of funding for *Generations* projects across five councils and a research program over three years. CDN takes on this responsibility with a good record on financial management.

The City of Melbourne maintained their critical support to the Cultural Development Network through the provision of office space and infrastructure and cash support for our public programs in the City of Melbourne. Other income was generated by forum participation fees, book sales and membership. A deficit of -\$14,161 was projected part way through the year as the balance of funds required to fully fund the *Generations* was not available in 2006.

At 31 December 2006 the Cultural Development Network held around \$80,000 in auspice funds for the five participating *Generations* project councils, contributing to the higher than normal cash on hand of over \$120,000.



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11 Moira Walton and Dale Newman at *From the Tea Cup* presentation about the role of arts in communities

12 Min Jay Kang, *Artivism: the role of arts in regeneration*

FINANCIAL STATEMENTS

INCOME STATEMENT For Year Ended 31 December 2006

INCOME	2006 \$	2005 \$
GRANTS		
Australia Council Triennial	61,380.00	60,000.00
Australia Council - Generations	0.00	34,461.91
Vic Health	30,000.00	40,000.00
Arts Victoria Triennial	30,000.00	22,000.00
Arts Vic - Project	5,000.00	0.00
City of Melbourne	17,000.00	17,000.00
Department for Victorian Communities	13,636.36	13,636.36
Transfer to Grants in Advance	0.00	-13,636.36
→ Total Grants	157,016.36	173,461.91
AUSPICE GRANTS		
NACA Auspice	500.00	500.00
Transfer NACA to inc in advance	0.00	-500.00
Australia Council - Travel	0.00	10,684.00
Australia Council Auspice - Generations	53,868.73	0.00
→ Total Auspice Grants	54,368.73	10,684.00
FEES AND SERVICES		
Book Sales	1,954.10	1,404.95
Membership	3,315.45	2,940.38
Public Event Registrations	7,239.09	1,523.27
Conference Registrations	0.00	1,227.03
→ Total Fees and Services	12,508.64	7,095.63
OTHER EARNED INCOME		
Interest	6,846.30	3,623.04
Reimbursements and Recoveries	0.00	2,533.50
→ Total Other Income	6,846.30	6,156.54
TOTAL INCOME	230,740.03	197,398.08

INCOME STATEMENT For Year Ended 31 December 2006

EXPENSES	2006 \$	2005 \$
INFRASTRUCTURE COSTS - ADMINISTRATION		
NACA Auspice Expenses	500.00	0.00
Conference Expenses	0.00	11,172.12
Office Running Costs		
General Office Running Costs	0.00	0.00
Postage and Delivery	425.39	136.23
→ Total Infrastructure Costs - Administration	425.39	136.23
OFFICE CONSUMABLES AND RESOURCES		
Computer Consumables	11.72	0.00
Stationery	735.80	863.75
→ Total Office Consumables and Resources	747.52	863.75
COMMUNICATIONS		
On-Line expenses	191.14	0.00
Telephone and Fax	279.53	277.15
→ Total Communications	470.67	277.15
INSURANCE	763.64	1,075.46
TRAVEL	1,389.74	1,522.76
LEGAL, FINANCIAL AND GOVERNANCE		
Audit	2,500.00	1,500.00
Annual Report	5,517.36	192.95
Bank Service Charges	421.94	807.74
Board Planning and Meeting	708.27	1,406.75
Financial Management	5,922.50	9,320.00
→ Total Legal, Financial and Governance	15,070.07	13,227.44
TOTAL INFRASTRUCTURE COSTS - ADMIN	19,367.03	28,274.91

INCOME STATEMENT For Year Ended 31 December 2006

EXPENSES Continued	2006 \$	2005 \$
BUSINESS DEVELOPMENT		
Conference & Seminar Attendance	1,633.03	0.00
Memberships and Subscriptions	472.54	560.00
Professional Library Purchases	0.00	477.77
→ Total Business Development	2,105.57	1,037.77
MARKETING PROMOTION AND DOCUMENTATION		
Design and Printing	600.00	1,562.99
Book Purchases for resale	2,017.99	545.46
Web-site & contractor Fees	1,935.68	2,673.15
Advertising	0.00	955.00
Marketing	0.00	1,688.00
→ Total Marketing and Promotion	4,553.67	7,424.60
PUBLIC EVENTS COSTS		
Sundry Project Expenses	141.58	0.00
Catering	7,706.37	2,376.31
Consultants	0.00	9,360.00
Design and Printing - Public Events	3,167.81	0.00
Project Management	0.00	8,000.00
Performers' Fees	600.00	716.82
Travel Expenses	3,775.94	2,025.95
Speaker Fees	7,087.19	1,680.91
Venue Costs	1,493.41	2,450.18
→ Total Public Events Costs	23,972.30	26,610.17
GENERATIONS PROJECT		
Catering	1,304.94	0.00
Consultants	33,868.73	0.00
Project Management	72.87	0.00
Travel	9,488.12	0.00
Grant Disbursement	20,000.00	0.00
→ Total Generations Project	64,734.66	0.00
PAYROLL EXPENSES		
Annual Leave	5,851.85	0.00
Director	67,093.73	67,351.63
Manager	46,040.55	40,153.92
Superannuation	10,214.68	9,606.56
Workcover	549.80	1,737.13
Professional Development	418.18	563.64
→ Total Payroll Expenses	130,168.79	119,412.88
TOTAL EXPENSES	244,902.02	182,760.33
NET ORDINARY INCOME	(14,161.99)	14,637.75
NET INCOME	(14,161.99)	14,637.75

BALANCE SHEET As at 31 December 2006

ASSETS	2006 \$	2005 \$
CURRENT ASSETS		
NAB Account	7,710.94	12,439.61
ING Business account	92,040.70	67,366.24
Investment Account 57-561-1101	22,177.99	6.55
→ Total Current/Savings	121,929.63	79,812.40
ACCOUNTS RECEIVABLE	18,700.00	18,700.00
OTHER CURRENT ASSETS		
Sundry Debtors	0.00	2,533.50
Pre-payments	4,549.80	0.00
→ Total Other Current Assets	4,549.80	2,533.50
→ Total Current Assets	145,179.43	101,045.90
TOTAL ASSETS	145,179.43	101,045.90
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	3,034.34	2,168.00
→ Total Accounts Payable	3,034.34	2,168.00
OTHER CURRENT LIABILITIES		
Sundry Creditors	5,954.47	6,198.14
Annual Leave	5,851.85	0.00
Superannuation Liability	0.00	1,875.87
PAYG Liability	5,371.19	8,986.19
Tax Payable	(3,829.72)	853.32
Australia Council Auspice grant in advance	76,131.27	0.00
Sundry Grants received in advance	0.00	500.00
City of Melbourne income received in advance	8,500.00	8,500.00
Department for Victorian Communities Grant in advance	0.00	13,636.36
→ Total Other Current Liabilities	97,979.06	40,549.88
TOTAL LIABILITIES	101,013.40	42,717.88
NET ASSETS	44,166.03	58,328.02
EQUITY		
Opening Bal Equity	0.00	23,139.00
Retained Earnings	58,328.02	20,551.27
Net Income	(14,161.99)	14,637.75
TOTAL EQUITY	44,166.03	58,328.02

STATEMENT OF January through December 2006
CASH FLOWS Ordinary Income and Expenses

INCOME	2006 \$	2005 \$
FUNDING		
City of Melbourne	17,000	17,000
Australia Council	61,380	94,462
Vic Health	30,000	40,000
Arts Victoria	35,000	22,000
Department for Victorian Communities - <i>Generations</i>	13,636	-
Auspice Grant - Australian Council	53,869	-
NACA - Auspice	500	10,684
→ Total Grants	211,385	184,146
OTHER INCOME		
Book sales	1,954	1,382
Membership	3,316	2,940
Registration Fees	7,239	2,750
Interest	6,846	3,623
Reimbursements & Returns	-	2,534
→ Total Other Income		
TOTAL CASH INCOME	230,740	197,375
Payments to Suppliers & Employees	88,622	167,047
NET CASH PROVIDED BY OPERATING ACTIVITIES		
Cash flows from investing activities	42,118	30,328
Payment for equipment & leasehold improvements	-	-
NET CASH USED FROM FINANCIAL ACTIVITIES		
Net Increase (Decrease) in Cash Held	42,118	30,328
Cash at Beginning of Financial Year	79,812	49,484
Cash at the End of the Financial Year	121,930	79,812
RECONCILIATION OF CASH	31 Dec 2006	31 Dec 2005
Cash at Bank	99,752	79,806
Investment account	22,178	6
→ Total Cash	121,930	79,812
RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING SURPLUS AFTER INCOME TAX		
Operating surplus after income tax	(14,162)	14,637
Changes in Assets & Liabilities (Decrease) Increased in current creditors & accruals	984	(1,322)
(Increase) Decrease in prepayments	(4,549)	646
(Increase) Decrease in receivables	2,533	10,088
(Increase) in GST collected/paid net	(4,683)	3,104
Increase (Decrease) in grants in advance	61,995	3,175
NET CASH PROVIDED BY OPERATING ACTIVITIES	42,118	30,328

STATEMENT OF CHANGES IN EQUITY For the year ended
31 December 2006

	RETAINED EARNINGS \$	TOTAL \$
BALANCE AT 31 DECEMBER 2005	58,328	58,328
Loss attributable to equity members	14,162	14,162
BALANCE AT 31 DECEMBER 2006	\$44,166	\$44,166

NOTES TO THE FINANCIAL STATEMENTS For the year ended
31 December 2006

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

This general purpose financial report has been prepared accordance with Accounting Standards other authoritative pronouncements of Australian Accounting Standards Board and the requirements of the Associations Incorporation Act.

The financial report is for an entity known as Cultural Development Network Inc. as an individual entity. The association was incorporated in Victoria under the Associations Incorporation Act.

The financial report complies with all Australian equivalents to International Financial Reporting Standards (AIFRS).

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. Unless otherwise stated, the accounting policies have been consistently applied.

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of financial assets, financial liabilities and selected non-current assets for which the fair value basis of accounting has been applied.

b) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Association operates in one business segment Cultural Development and one geographical segment (Victoria).

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Government Grant contributions are received on an annual or specified time period basis and are recognised as revenue in the period to which the contribution relates. Government Grant contributions are recognised as deferred revenue in

Current Liabilities due to the funding agreement being for a specific time.

Interest Revenue is recognised on a time proportion basis using the effective interest method.

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

d) Income tax

Cultural Development Network Inc. is exempt from income tax under current legislation. As such, no provision for current or deferred income taxes has been made for the year ended 31st December 2006.

e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

f) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units).

g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

NOTE 1. Continued

i) Property, Plant and Equipment

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

Plant and Equipment

Plant and equipment are carried at either cost or at independent or association's valuation, less any accumulated depreciation or amortisation applicable. This is an acceptable method for the value in use of an asset for a Not for Profit entity. An annual impairment review is conducted for property.

Depreciation

Property, plant and equipment, other than freehold land, are depreciated at rates calculated to allocate the cost less the estimated residual value over the estimated useful life of each asset.

The assets carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying account is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Profit and loss on disposal are determined by comparing proceeds with the carrying amount. These amounts are included in the income statement.

j) Employee Benefits

Provision is made for the liability due to employee benefits arising from services rendered by employees to the reporting date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, sick leave and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee benefits payable later than one year have been measured at the present value. Inventories are measured at the present value of the estimated future cash outflows to be made for those benefits.

NOTE 2. FINANCIAL RISK MANAGEMENT

The Association's activities expose it to a variety of financial risks; market risk (including currency risk, fair value, interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Association's overall risk management program focuses to minimise potential adverse effects on the financial performance of the Association.

Market Risk

The association has no exposure to foreign exchange risk at this point in time.

Credit Risk

The association does not have any material credit risk exposure to any single debtor or group of debtors

Economic Dependency

The association receives its revenue from government grant funding which requires specific performance reporting. The continuation of this funding is dependent on the association complying with the grant funding agreements.

NOTE 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The association does not have any critical accounting estimates or judgements.

NOTE 4. MORTGAGES, CHARGES OR SECURITIES AFFECTING THE ASSETS OF THE ASSOCIATION

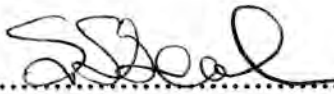
There are no mortgages, charges or securities affecting the assets of the association.

STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial report as set out on pages 1 to 10

1. Presents fairly the financial position of the Cultural Development Network Inc. as at 31st December 2006 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of the statement, there are reasonable grounds to believe that the Cultural Development Network Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:



.....

Dated this 29th day of March 2007

SCOPE

The Financial Report and Committee's Responsibility

The financial report compares the balance sheet, income statement, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the statement by members of the committee for the Cultural Development Network Inc. (the association), for the year ended 31 December 2006.

The committee of the Association is responsible for the preparation and true and fair presentation of the financial report in accordance with the Associations Incorporations Act. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit Approach

I conducted an independent audit in order to express an opinion to the members of the Association. My audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Associations Incorporations Act, including compliance with Australian Auditing Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the association's financial position.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, my audit was not designed to provide assurance on internal controls.

Independence

In conducting my audit, I followed applicable independence requirements of Australian ethical pronouncements.

AUDIT OPINION

In my opinion, the financial report of the Cultural Development Network Inc. presents a true and fair view in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Cultural Development Network Inc. as 31 December 2006 and the results of its operations for the year then ended.



ERIC TOWNSEND

E TOWNSEND & CO.

**35 MEREWEATHER AVE
FRANKSTON VIC 3199**

Dated this

29th

day of

March

2007

