



Annual Report for 2007 for Annual General Meeting on 19 June 2008

Chairperson's Report

by Jim Bitomsky

This past year has been my third year as Chairperson for Arts Nexus, and the twelfth year of operation. This will be my last annual report, as I am standing down as Chairperson. This is partly because I believe a regular turnover in key management committee positions to be healthy for an organisation, bringing with it fresh ideas and new perspectives. Secondly I am likely to be less available to the organisation this coming year, so may not be able to make the contribution it deserves.

During the year, one of our achievements has been the completion of a new strategic plan for 2008-2010. It took quite some time due to pressures on the organisation I will refer to later. In fact due to the gap between what we were led to expect as funding support and what eventuated, the plan represents a grand plan for what the organisation might hope to achieve over the long term.

A key part of that process was to review what Arts Nexus is really about. Previously the byline adopted was the *business of the arts and culture*, in that core business is to assist producers to generate sustainable incomes from their work. We felt a more adequate byline in keeping with the new plan is:

growing creative people, communities and industries

Arts Nexus activities go beyond directly assisting individuals. By aiming to support industry growth, it supports individuals at the same time.

It is no longer just about arts and culture. The cultural life of a region is vital to community well-being and health as Arts Nexus members are well aware. This is especially so in a regional area that relies on attracting and retaining skilled people, and their families, who look to a vibrant cultural life as part of the place where they choose to live.

Now there is another dimension to the importance of our creative industries. It is about diversification of our economy. This is vitally important for a region over-exposed to the cycles of the tourism industry, commodity agricultural prices and price and other pressures on our fishing industry. Options to diversify and so reduce risk are hard to find in a competitive, global world exposed to rising fuel cost pressures.

In our creative industries we have an option ready-made, already vibrant and strong, that has emerged from almost nothing ten years ago. We recently released *The Ideas Economy*, an economic assessment of the value of the industry within the region, which demonstrates its importance, estimated to be worth \$300m annually. It is now up there with fishing, tropical fruits and sugar. The global value of creative industries is estimated at US\$381 billion. It is an industry that does not rely on transport of heavy physical products, but is one that is based on ideas.

When you think of it, our region is a natural for a strong creative industry sector. It is a lifestyle region. Such regions tend to attract creative people, as has been demonstrated globally time and again. We already have a creative industries sector that is the strongest of any outside a metropolitan city in Australia. We have overtaken other regions such as Northern New South Wales and Margaret River in Western Australia for instance.

The potential can be seen by thinking of other lifestyle regions such as San Francisco and Vancouver. Especially with the vibrancy of Aboriginal and Torres Strait Islander cultural outputs and their recognition internationally, one can see a vision for Tropical North Queensland as an important Pacific Rim hub for creative industries.

Very closely linked with achievement of this vision is enabling supporting infrastructure.

As announced last year, the organisation has been steadily developing ideas and advocating the case for master-planning the long term development of cultural facilities that will facilitate the health and growth of the region's creative industries. Such infrastructure of itself does not lead to a vibrant industry. That is about the quality of the people, their interactions and innovation. However it can facilitate and support that process.

Therefore a new performing arts centre, regional museum and other cultural facilities is not just about providing adequate facilities for our community to enjoy, important though this is. They can be the foundations for active industry building, if planned and executed as part of the Creative Cairns Masterplan we have been advocating.

It is now time to back an industry that has grown so far with little support, so that our region can grasp the potential.

We believe two 'precincts' are required. One is for performance and showcasing of our regional creative output. In a region with a strong tourism sector, this will also assist in export development. At the same time such a precinct can add a dimension to tourism, as the Brisbane Southbank demonstrates. We need a 'Southbank effect' of co-located presentation facilities for economies of scale, and as a busy attraction in its own right, as mentioned in last year's report. We would think that such a precinct should be in the CBD and be a long term project which draws together performance and showcasing facilities.

In fact in recognition of the contribution that creative industries output can make to tourism, Arts Nexus has commissioned the development of a cultural tourism strategy, with the support of the Commonwealth Regional Arts Fund and the Queensland Minister

for Tourism Regional Development and Industry. We would expect that this will be developed in collaboration with Cairns Regional Council, Tourism Tropical North Queensland, and other stakeholders in the wider region.

The second precinct needed is one for 'practice and production'. Adequate facilities such as these, perhaps more than anything else, would boost industry development. It would be a place where creative people come together to produce their work and interact. A Production precinct would be a hub where musicians can make noise, performers can practice and artists and other producers can experiment and make a mess. There are presently inadequate facilities in this respect. This is especially since we are talking about making provision for longterm industry development. There are elements of this presently clustered around Greenslopes Street and the Tanks Arts Centre - facilities that could link into this existing precinct would in our view be ideal.

Precincts for live music and entertainment is another aspect of master-planning that has commenced among other music industry folk who have been meeting regularly at Arts Nexus.

Arts Nexus has been and is continuing to raise awareness of these longterm development needs and the industry potential as part of its advocacy role. For instance, you may be aware of the inaugural 'Tropical Innovation Week' hosted by Arts Nexus that brought together a number of regional creative industries forums and activities in May. During that week we obtained good publicity for the importance of the sector and its potential.

We have been having ongoing discussions to advocate an accord between 3 levels of government for such a vision to be master-planned and implemented on a longterm horizon for such a vibrant region that importantly acts as a front door to Australian culture. This includes the new federal Arts Minister and the new federal member for Leichhardt, the State Minister of the Art and the State Minister for Tourism, Regional Development and Industry, and the new Cairns Regional Council. A presentation to Advance Cairns has also been arranged and through this to key organisations in Cairns.

These and the other program activities continue to run on very limited resources.

The organisation went through a very stressful time earlier this year in the process of settling the funding to be provided through the major state and federal funding bodies, Arts Queensland and the Australia Council for the Arts. The process stretched out over several months, during which the future for the organisation was not clear. This uncertainty and the time involved in the negotiation tends to soak up energy and resources and limits the ability of an organisation to focus on its core business.

As a result, it is estimated that at present funding levels, only around one and a half of the goals set out in the new strategic plan can be pursued in any depth at present. In our view this is not a reason for abandoning the rest of the plan as an aspiration. Arts Nexus has always been resourceful in these circumstances and we are quite hopeful of obtaining additional support during the coming months. The management report provides more details.

An issue for many organisations such as this is the difficulty in attracting sufficient support for general administration and overheads. In the absence of this core funding, the temptation is to take on more and more projects for which there is funding. They do make some contribution to these overheads, but the issue is that they never wholly cover these costs. Consequently the dilemma is that resources that should be allocated to administration and management become stretched in trying to undertake extra projects to pay the bills. However, *Festlinx* (FNQ festivals' development) and *AAA - Arts for all Abilities* (arts/ disability) are major projects that have been more than worthwhile.

Closely associated with this is the growth of the industry. Inevitably the volume of its core business, that is, assisting in the growth and development of producer members, has been inexorably increasing. Being victims of our own success in keeping up with this growth has not been recognised in funding support levels

A result, (as reported last year), is that we have had two staff paid part time salaries working more than full time hours. To identify the extent of this problem, the management committee asked that they keep time sheets, which report weekly working hours of up to 80 hours. This of course is a tribute to Eve Stafford and Mellissa Robertson, but hardly sustainable.

Last year we managed to obtain an administration officer to ease this load and this year we have been pleased to welcome Susan Reid as Program Manager. Susan has a wealth of experience in our industry sector and is a valuable addition to the staff. Volunteers continue to play an important role in enabling the organisation to cope and we continue to be in their debt, as we do to our part-time Volunteers Coordinator in 2007, Louise Angel. We have continued with a foreign exchange internship exchange program that saw two successful international creative industries internships in 2007, and now we have Florian Erhardt as the third of these interns through the Hyperwerk Institute in Switzerland. Each intern has brought valuable skills and made a real contribution to both Arts Nexus and our regional creative industry sector.

Another welcome addition of creative industries degree graduate Mema Edwards who is providing some Administration support, and the acquisition of a school-based trainee, Pamika Brischke who is now working in the office one day per week and helping to reduce the administrative load.

A seemingly recurrent issue faced is a suitable home for Arts Nexus that is affordable within the funding received. For some years you may recall the Hilton graciously provided the organisation with office space. Once that facility was sold, we had to find the current accommodation upstairs in City Arcade on a low budget. The Arcade has now been sold and the landlord is keen to renovate and obtain a rental at market rate. The organisation is once again considering its options in order to balance the budget. This process also tends to divert slim resources from core business.

Despite these challenges, I am optimistic about the future for Arts Nexus. The long process of negotiation with funding bodies seems to have had the effect of them now better understanding the organisation, its context and what it is about. Arts Nexus is seen as a pivotal organisation for service delivery and industry development generally through its extensive networks and partnerships which bring so many events and activities to the region to support our creative producers. Arts Nexus also auspices as well as mentors many projects that would otherwise be unlikely to happen.

I thank the management committee for its support and work during the year. After all I am simply the person nominated to deliver this report on their behalf. Of course, as usual, a special thanks is due to the staff, who are the engine room and provide the continuity for the organisation.

I would also thank the organisation for the opportunity to be Chairperson for a time. It has provided me with the opportunity to make a contribution in a sector I believe to be very important for a whole range of reasons. I wish Arts Nexus well for the future.



Jim Bitomsky
Chairperson
19 June 2008