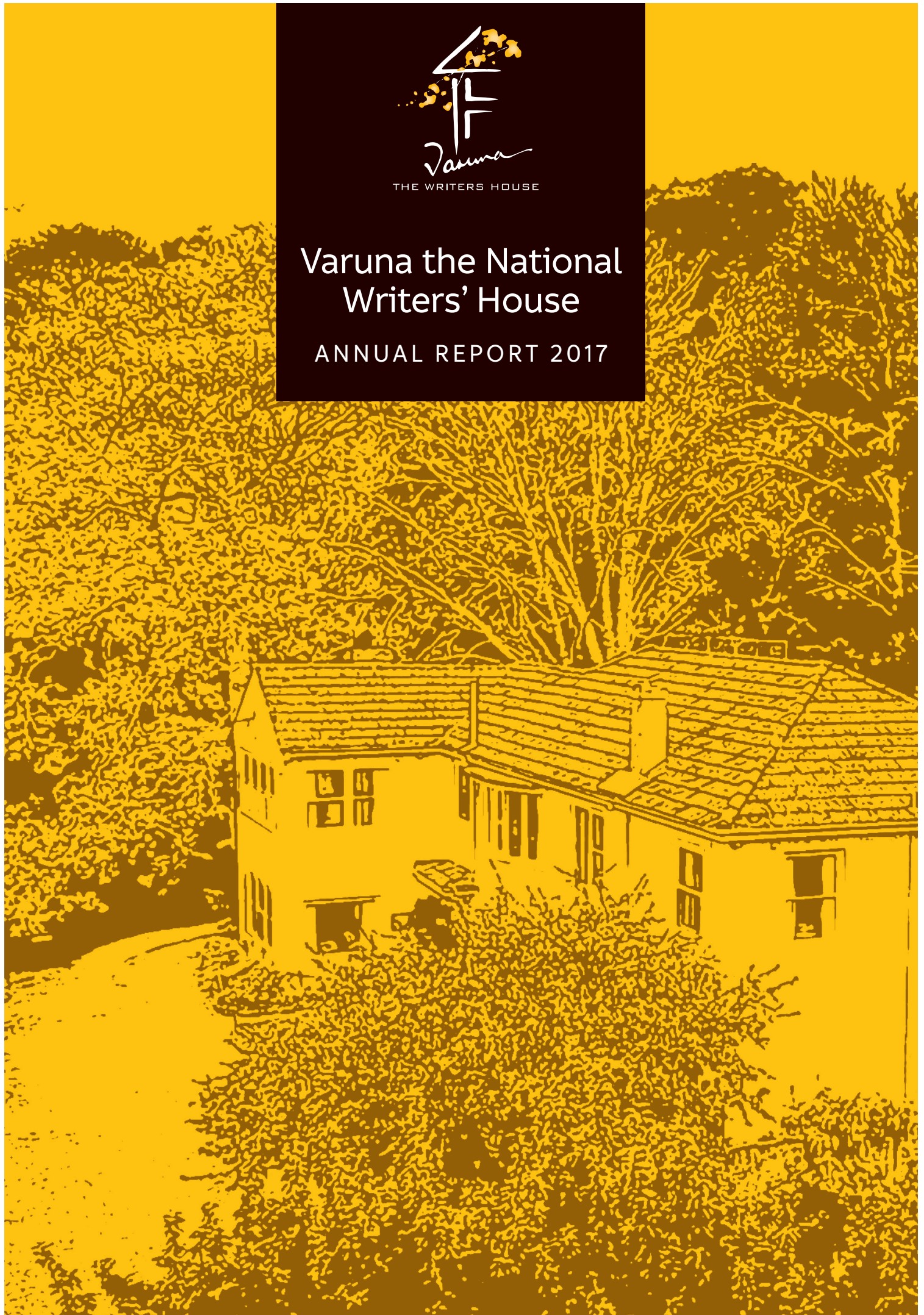




Varuna the National Writers' House

ANNUAL REPORT 2017



Message from the Chair

I was at a book launch recently and said to the author, "I'd have to get you to sign my Kindle, because that's where your book is in my house." Literary times are certainly different.

It has been said to me recently, in a slightly wistful tone, that "Varuna is changing." To that I would say, "Of course it is; everything changes." The world of publishing has changed vastly in the last 10 years. The imperatives of our major funders have changed, and we must respond to them. We have to address a writing community which is much more diverse: culturally, linguistically, demographically, geographically. If Varuna doesn't look exactly how it used to, then that is exactly where we need to be.

Mick Dark used to say, "Varuna has a way of finding the people it needs." I am very proud that the people Varuna has found over the past 18 months have been precisely what it needs. Our executive director Veechi Stuart has given new direction and new energy to our work. Our creative director Amy Sambrooke has brought new insights to our programming and events. Our recent board appointments, Claire Corbett and Peter Minter, have given us fresh perspectives on the different milieus in which we operate. For the first time ever, we are planning new accommodation and working facilities on the Varuna site. It is an exciting chapter in the Varuna story.

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The constitution of the Eleanor Dark Foundation which is the custodian of Varuna allows directors a maximum term of 6 years. My time is now up. I've worked in the not-for-profit world for 35 years, as a volunteer, a funder, a consultant, a board member. In all that time, my service as chairman of Varuna

has been the most rewarding. Varuna is a special place, a special institution. I tell people, "This is the best job I've ever had." I am leaving with some sadness, but with great confidence. Our new chair Jennifer Scott brings a wide array of skills and experience. Our directors are talented and committed. Our management team is flying. Our writers are engaged and enthusiastic, and our funders solidly behind us.

Mick, I think you'd be pleased.



David White, April 2018

Message from the Executive Team

For both Amy and myself, writing this report marks the end of our first full working year at Varuna. And what a year it has been! We both feel very privileged to be here in this extraordinary environment at Varuna, Australia's only artist residency devoted exclusively to literature.

We are aware that the legacy of the Dark family is a precious thing indeed, and we are proud that in 2017, Varuna continued to offer a place for Australia's most inspired writing and writers. We want Varuna to be a place that not only discovers the best of Australia's new and emerging writers, but also somewhere that inspires these writers to reach their full potential. We launched our First Nations program, funded generously by the Copyright Agency, and this year we will welcome five Indigenous writers to a mentored residency at Varuna. We partnered with AsiaLink for our very first exchange with the Salihara Institute in Jakarta and Writers'

Our alumni and new Varuna writers form the backbone of our organisation, and in 2017, we were proud to have so many of our alumni as winners or shortlisted in Australia's literary prizes.

Festival in Ubud, and our new program with WestWords welcomed four young writers from Western Sydney.

Our program of events provides opportunities for our alumni to host workshops and speaking panels, and also to connect with our Blue Mountains community. Bob Brown was our speaker at the Mick Dark Lecture, an event

attended by over 400 people at Springwood Hub, and over 1,500 tickets were sold at our annual Sydney Writers' Festival events.

Our alumni and new Varuna writers form the backbone of our organisation, and in 2017, we were proud to have so many of our alumni as winners or shortlisted in Australia's literary prizes, including Mark O'Flynn, shortlisted for the Miles Franklin and winner of the Voss Literary Prize, and Heather Rose, winner of the Stella Prize. We received the highest number of applications ever for our programs this year, and we were proud that 70% of residents rated their residency at Varuna as better or much better than in previous years.

We remain grateful to Create NSW and Australia Council for the Arts for their ongoing financial support. Without this core funding, the support that Varuna offers to writers and to Australian literature would not be possible.



Veechi Stuart, Executive Director
Amy Sambrooke, Creative Director

Our Mission, Pillars, Goals and Values

Our mission is to support the best of new Australian writing



OUR PILLARS
OUR GOALS



OUR VALUES

Goal 1: Artistic practice

To support artistic excellence and the creation of new works through a unique program of fellowships and residencies.

In 2017, Varuna:

- ➔ Provided 185 writers from around Australia over 230 weeks as an artist-in-residence at Varuna
- ➔ Received and professionally assessed over 775 fellowship applications across 10 different programs, an increase of almost 100 applications from the previous year.
- ➔ Initiated new partnerships with AsiaLink, HarperCollins, KSP Writers' Centre, Magabala Books, MYST, SA Writers' Centre, the University of Sydney and WestWords.
- ➔ Directly facilitated the submission of 30 draft works to 8 reputable publishers, and submitted 14 finalised manuscripts complete with consultants' reports and recommendations.
- ➔ Co-ordinated 88 separate manuscript consultations.
- ➔ Provided speaking or workshop presenter opportunities for 65 writers.

Our residency survey for 2017 reported:

- ➔ 70% of residents who had previously stayed at Varuna reported that their stay was better or much better than previous years
- ➔ 86% rated both the catering and customer service as either 9/10 or 10/10
- ➔ 149 out of 150 writers said that they would recommend Varuna residencies to other writers.

Our alumni's successes were many, but highlights included alumni Heather Rose winning the Stella Prize, Mark O'Flynn and Emily Maguire being shortlisted for the Miles Franklin award and Mark O'Flynn winning the Voss Literary Prize.

Goal 2: Diversity

To cultivate, encourage and promote diverse writing and writers.

In 2017, Varuna:

- ➔ Initiated a new fellowship with WestWords to support four young, emerging culturally diverse writers from Western Sydney to spend a week at Varuna with a writing mentor.
- ➔ Initiated a new fellowship with Katherine Susannah Pritchard Writers' Centre in Western Australia to support a residency for a culturally diverse Western Australian writer.
- ➔ Initiated a new fellowship with SA Writers' Centre to support a residency for a South Australian writer under the age of 25.
- ➔ Reviewed and updated our selection processes to increase diversity awareness among selectors.
- ➔ Continued our partnerships with the Henry Handel Richardson Society and the NSW Writers' Centre to support two residency fellowships for young writers.
- ➔ Provided judging and support for the Blue Fringe literature program, supporting 36 writers with mental health difficulties.
- ➔ Reviewed the diversity composition of staff, volunteers and Board members, appointing Indigenous academic Peter Minter to our Board.
- ➔ Partnered with Mountains Youth Services Team to initiate our new Youth Program for young writers across eight schools in the Blue Mountains (program to go live in 2018).



Omar Sakr, WestWords fellowship



Blue Fringe Arts

Our new programs and fellowship initiatives are designed to encourage all writers, no matter their cultural background, age or educational background, to reach their full potential.

Goal 3: Indigenous writing

To support excellence and innovation in the development of Aboriginal and Torres Strait Islander writers and literature.

In 2017, Varuna:

- Partnered with Magabala Books to successfully secure funding for our First Nations fellowship program.
- Worked with Indigenous advisers to formulate the guidelines and applications for this fellowship, and facilitated a nationwide call out to Indigenous writers.
- Received an impressive 32 submissions from Indigenous writers, and facilitated assessments for each one.
- Invested in staff education on cultural protocols for Indigenous writing.
- Provided individual feedback to 20 submissions from Indigenous writers.
- Partnered with Overland Literary Journal to provide two Indigenous writers the opportunity to appear at our Sydney Writers' Festival event.
- Invited Indigenous academic Peter Minter to join the Varuna Board.
- Welcomed two Indigenous writers to residencies at Varuna.
- Awarded the Eleanor Dark fellowship to an Indigenous writer.

We believe that our new First Nations Fellowship program is one of the strongest new initiatives of 2017.



Sydney Writers' Festival event



Goal 4: Community engagement

To create a hub for writers and skills development that is well loved by our local community, and which brings economic benefits to our local region.

In 2017, Varuna:

- ➔ Hosted a four-day writers' festival, delivering 14 events and attracting an audience of 1,500.
- ➔ Held the annual Mick Dark lecture with Bob Brown as our speaker, attracting an audience of over 400.
- ➔ Facilitated three book launch events for local writers and poets.
- ➔ Held three week-long masterclasses focusing on poetry, short stories and memoir.
- ➔ Programmed two creative writing workshops, both held at Varuna.
- ➔ Held a lively Open Day with more than 150 people attending, including a children's program, poetry circle and author panel.
- ➔ Commenced bush regeneration activities on our two-acre property, involving local volunteers and long-term unemployed.
- ➔ Provided opportunity for 29 volunteers to be involved in our programs.



Our volunteers form the heart of Varuna, the social glue that bonds our special Blue Mountains community together.

Goal 5: Finance and systems

To establish resilience through diversification of funding sources, manage expenditure prudently, and leverage technology to ensure wise use of limited staff resources.

In 2017, Varuna:

- ➔ Increased revenue by 5%, attracting project funding of \$16,000 from Arts NT, and securing funding for 2018 from new sources, including the Copyright Agency and Blue Mountains City Council.
- ➔ Upgraded our office hardware and telecommunication systems.
- ➔ Implemented important savings in certain areas of administration, including insurance and utility bills.
- ➔ Changed accounting systems from MYOB to QuickBooks online, enabling more efficient use of staff time and online access to our accounts.
- ➔ Upgraded our alumni and community email software and mailing systems.
- ➔ Implemented a formal risk management plan, and initiated a Risk and Audit Committee.
- ➔ Finalised the terms for a future \$350,000 bequest.

New funding sources in 2017 contribute not only to our organisational resilience, but also to our programming reach and diversity.



Goal 6: Infrastructure and heritage

Our goal is to value and nurture our heritage, while consolidating our future viability through the construction of additional buildings.

In 2017, Varuna:

- Conducted a stakeholder survey regarding future building and infrastructure needs for Varuna.
- Commissioned an architect to create preliminary drawings for two new buildings, the first being a new community/meeting building in the Varuna car park, the second being a new residency studio that is accessible for artists in wheelchairs.
- Drew up budgets and cost analysis for proposed building projects.
- Upgraded the upholstery in the downstairs living areas.
- Had the front façade of Varuna's main building painted.
- Completed the cataloguing of Varuna's library in digital form.

28 years on, the generous legacy of Mick Dark continues.



The Varuna Way

Each of our four core values is demonstrated by a set of behaviours that bring the Varuna culture to life.

Our values	Our behaviours
Making writing and creativity matter	<ul style="list-style-type: none"> → We provide developmental opportunities to authors from across the nation and at all stages of their careers → We always prioritise the creative process for writers in residence → We broaden our reach by working in partnership with other leading organisations
Bringing rigour and commitment to the writing craft	<ul style="list-style-type: none"> → We continually review the selection process to ensure the highest standards, including regular rotation of all assessors → We look outside of our organisation to establish best practice → We award residencies and fellowships on a competitive basis only
Building a respectful and inclusive community	<ul style="list-style-type: none"> → We proactively seek diversity at all levels within our organisation → We treat all stakeholders with empathy and respect → We are actively involved in our Blue Mountains community
Valuing heritage and place	<ul style="list-style-type: none"> → We formally acknowledge the Dark's legacy at public occasions → We consider carefully the heritage implications of any building alterations or improvements → We continually innovate and seek ways to further support the work of Aboriginal and Torres Strait Islander writers

Summarised Financial Statements

THE ELEANOR DARK FOUNDATION LIMITED

STATEMENT OF PROFIT & LOSS AND COMPREHENSIVE INCOME

for the year ended 31 December 2017

	2017	2016
	\$	\$
Revenue	539,725	513,858
Expenses		
Employee benefits expense	191,685	169,317
Depreciation and amortisation expenses	8,042	7,293
Administration expenses	60,950	50,324
Facility expenses	89,929	98,392
Program and fellowship expenses	185,219	185,006
	<hr/> 535,825	<hr/> 510,332
Net surplus for the year	3,899	3,526
Other comprehensive income		
Items which will not be reclassified subsequently to surplus or deficit		
Revaluation of property assets	-	485,267
Total comprehensive income for the year	<hr/> 3,899	<hr/> 488,793

THE ELEANOR DARK FOUNDATION LIMITED
STATEMENT OF FINANCIAL POSITION

as at 31 December 2017

	2017	2016
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	395,639	364,414
Trade and other receivables	452	6,137
Other current assets	2,992	3,839
Total current assets	<u>399,082</u>	<u>374,390</u>
Non-current assets		
Intangibles	-	-
Property, plant and equipment	1,546,685	1,554,727
Total non-current assets	<u>1,546,685</u>	<u>1,554,727</u>
TOTAL ASSETS	<u>1,945,768</u>	<u>1,929,117</u>
LIABILITIES		
Current liabilities		
Trade and other payables	22,148	17,806
Provisions	5,594	3,914
Other current liabilities	44,535	41,922
Government grants	65,500	56,001
Total current liabilities	<u>137,777</u>	<u>119,643</u>
Non-current liabilities		
Provisions	44,992	50,375
Total non-current liabilities	<u>44,992</u>	<u>50,375</u>
TOTAL LIABILITIES	<u>182,769</u>	<u>170,019</u>
NET ASSETS	<u>1,762,998</u>	<u>1,759,098</u>
FUNDS		
General funds	545,358	541,458
Reserves	1,217,640	1,217,640
TOTAL FUNDS	<u>1,762,998</u>	<u>1,759,098</u>

THE ELEANOR DARK FOUNDATION LIMITED
STATEMENT OF CHANGES IN FUNDS

for the year ended 31 December 2017

	Asset Revaluation Reserve	General Funds	Total
At 1 January 2016	732,373	537,933	1,270,306
Net surplus	-	3,526	3,526
Other comprehensive income			
Net gain on revaluation of property assets	410,271	-	410,271
Net gain on revaluation of Library	74,996	-	74,996
At 31 December 2016	<u>1,217,640</u>	<u>541,459</u>	<u>1,759,099</u>
Net surplus	-	3,899	3,899
At 31 December 2017	<u><u>1,217,640</u></u>	<u><u>545,358</u></u>	<u><u>1,762,998</u></u>

THE ELEANOR DARK FOUNDATION LIMITED
STATEMENT OF CASH FLOWS

for the year ended 31 December 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Receipts		
Receipts from customers	251,030	253,759
Receipts from donors	10,911	6,723
Receipts from sponsorships	10,720	14,779
Cash flows from government		
Receipts from appropriations/grants	280,852	262,566
Payments		
Suppliers and employees	(526,297)	(495,794)
Net cash inflow/(outflow) from operating activities	<u>27,216</u>	<u>42,032</u>
Cash flows from investing activities		
Interest received	4,009	4,959
Payments for plant and equipment	-	(9,528)
Proceeds on disposal of plant and equipment	-	-
Net cash outflow from investing activities	<u>4,009</u>	<u>(4,568)</u>
Net increase/(decrease) in cash and cash equivalents held	31,225	37,463
Cash and cash equivalents at the beginning of the financial year	<u>364,414</u>	<u>326,951</u>
Cash and cash equivalents at the end of the financial year	<u><u>395,639</u></u>	<u><u>364,414</u></u>

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE ELEANOR DARK FOUNDATION LIMITED (Cont'd)

Opinion

In our opinion, the financial report of The Eleanor Dark Foundation Limited has been prepared in accordance with Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1, and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the responsible entities' financial reporting responsibilities under the Australian Charities and Not-for-profits Commission Act 2012. As a result, the financial report may not be suitable for another purpose.

**Trumans
Chartered Accountants**

Jeffrey Partridge
Partner
Katoomba

Dated *I* *I*

OUR SPONSORS AND FUNDERS

We have received an incredible level of support from individual donors, community members and local businesses this year.

Thank you to Create NSW and the Australia Council for the Arts, who provide the core funding so essential to our ongoing support of Australian writers.

Thank you also to our program partners who include Arts NT, the Australia-Indonesia Institute, Blue Mountains Library, Blue Mountains Cultural Centre and the Copyright Agency Cultural Fund.



3P Learning Corporation



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