



Victorian Arts Centre Trust **Annual Report** **2010-2011**

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Message from the President



From toddlers to nonagenarians, over 2.3 million people visited the Arts Centre during the last 12 months.

The breadth of programming across the range of our venues meant there was truly something for everyone – regardless of whether you were a first time visitor to the Arts Centre or a season subscriber to one (or more) of our major performing companies.

From hip hop to opera, from Sting with the MSO, from The Australian Ballet to Ricky Lee Jones, from Paul Kelly to Bangarra, from Kamahl to *Smoke & Mirrors* or from the kids programs to *Morning Melodies* – the range was extraordinary.

The *Mix-it Up!* program pushes the boundaries, the Kenneth Myer Asian Theatre Series reached out across borders and The Famous Spiegeltent delivered a very beautiful environment for a feast of comedy and burlesque.

It is this program diversity that the community is responding to, making the Arts Centre a destination of choice for a performing arts experience that includes our fantastic customer support services such as knowledgeable front-of-house staff, our accessible car park and our food and beverage offer. Together these elements work to deliver a superior experience and in doing so encourage repeat visitation.

Our Arts Centre is rich in venues – the State Theatre, the Playhouse, the Fairfax Studio and of course the Sidney Myer Music Bowl. We are half way through the redevelopment of our beloved Hamer Hall – it will be rich and vibrant and welcoming when it is completed. The acoustics in the new auditorium will be best in class and visually it will be spectacular. The success of Hamer Hall will be as a result of enormous contributions from a range of stakeholders including architects Ashton Raggatt McDougall, builders Baulderstone, Major Projects Victoria, Arts Victoria and the fantastic executive at the Arts Centre who are managing to keep the business at the Arts Centre running without a hiccup while undergoing a major redevelopment at a key venue.

The redevelopment of Hamer Hall, stage one of the Southbank Cultural Precinct Redevelopment, is creating a facility that will not only enable the venue to take its place as one of the world's great concert halls, but will allow it to become a cultural attraction in its own right. The Trust has worked hard to ensure the outcome of this complex redevelopment will deliver a facility that will enable the organisation to compete confidently on the international stage and deliver a great performing arts experience for Victorians.

The Victorian Arts Centre Trust is acutely aware of the responsibility it has to the people of Victoria and to protect and enhance the assets while offering a breadth of programming. We continue to work closely with government and we are delighted to be working with our Premier, Ted Baillieu. Happily, because of the Premier's personal passion and interest in the arts, he has also taken on the mantle of Minister for the Arts. The Premier is ably assisted by his Parliamentary Secretary, Heidi Victoria, who has been enthusiastic and supportive. The Baillieu Government's vision for the arts sits hand in glove with the Arts Centre's vision for quality, innovative work across all performance types, with such work ranging from traditional to edgy.

We also thank this government's predecessors, in particular the former Premier John Brumby and the former Arts Ministers Peter Batchelor and Lynne Kosky for their advocacy of a range of Arts Centre projects. The bipartisan and support that the Arts Centre enjoys across both State and Federal Governments has never and will never be taken for granted.

We have also enjoyed excellent relationships with our major clients, the key performing arts companies of Australia. Our aim is to partner with Melbourne Symphony Orchestra, The Australian Ballet, Opera Australia, Melbourne Theatre Company, Victorian Opera, Bell Shakespeare, Bangarra Dance Theatre, The Production Company, Sydney Dance Company and the Australian Chamber Orchestra in order to maximise the outcomes for our audiences. I am pleased to say that our relationships with these companies are strong and supportive, which enables different programming choices to emerge.

During the year we announced the very exciting venture with Opera Australia being the performance of The Ring Cycle which will take place in 2013 at the State Theatre. During the year projects such as the presentation of the Nederlands Dans Theater, the presentation of The Famous Spiegeltent by the Arts Centre and the Kenneth Myer Asian Theatre Series have continued to prove the credentials of the Arts Centre. This year, the children's program has gone from strength to strength and has attracted tens of thousands of visitors both on the weekends with families and during the week via the education program.

Our loyal donors continue to support a range of our programs on offer. Particular philanthropic support came through the completion of the first Kenneth Myer Asian Theatre Series and the keen interest from a large group of individuals who assisted our programs targeting young people and their families. The work of the Arts Centre Foundation, led by Trustee Graham Smorgon, provides a strong direction for the Foundation Governors in their roles as ambassadors for what we are seeking to achieve. They are an important component of our ability to present great performances on our stages.

Last but by no means least, the executive team led by our Chief Executive Judith Isherwood has done a wonderful job. The leadership they have shown in the arts community has been strong. Their ability to combine the day to day operations of the business while focussing strategically on the future of the Arts Centre is indeed skilled.

On behalf of my fellow Trustees Leon van Schaik, Julian Clarke, Deborah Beale, Graham Smorgon, David Vigo, Paul Brasher, Terry Bracks and Catherine McClements we present our annual report. We trust you have enjoyed your interaction with the Arts Centre Melbourne over the previous 12 months and look forward to welcoming you, on numerous occasions, during the next 12 months.

Janet Whiting
President, Victorian Arts Centre Trust

Message from the Chief Executive



The 2010-11 financial year has been extraordinary for a number of reasons. In addition to the many wonderful programs and activities that we have continued to deliver, it was also the year in which the long awaited redevelopment of Hamer Hall commenced.

Despite the fact that Hamer Hall was closed throughout the current operating year, total revenues across the whole business increased by \$1.3m while total expenditure, including depreciation, decreased by \$1.4m, resulting in a \$2.7m better result on the previous year. It is worth noting that the business impacts of the Hamer Hall closure were compensated by a Victorian Government Grant of \$6.3m. (See page 34 for further details.)

Much time and thought has gone into planning for the renovation and modernisation of Hamer Hall. One of our main aims has been to literally open up this much-loved building to make more people feel welcome and provide more reasons to visit it; not just people who have been regulars, but locals and visitors alike who may not have ventured there before. We're creating spaces in Hamer Hall where people can relax, whether they're coming to a performance or not, to have a meal, or just a snack and a drink. And we're also doing what some have called an architectural reveal, replacing solid walls with glass so that people can see what has always been hidden from view, until now.

That sense of opening up the Arts Centre and connecting with the community sits at the heart of everything we've done this year – whether it's the return of the much-loved Famous Spiegeltent to our forecourt, an outstanding season at the Sidney Myer Music Bowl, or the establishment of the new multi-media Digital Learning Hub – it's all about creating new experiences and opportunities for the people of Victoria and beyond to become part of the Arts Centre.

This focus on giving people great experiences shows in our results. In a year of continuing global economic uncertainty, we achieved a strong financial operating result. Overall, the attendance figures for our venues saw an increase on the previous year. We have continued to receive an extraordinary amount of positive feedback from our customers on the outstanding service provided by our Visitor Services team. Increasing recognition of the unique value of our Performing Arts Collection is evidenced through the high visitor numbers to our exhibitions program, including the fabulous AC/DC Australia's Family Jewels exhibition which has now embarked on its national and international tour.

An important step this year was the restructure of the organisation and establishing the new Executive team, with four new appointments over the last 12 months. This provides us with an exciting opportunity to bring new energy, ideas and focus and we now have a strong platform from which to continue to build in the coming years. I would like to thank all our staff who have embraced the vision and plans for the future, as without their enthusiasm and commitment, nothing would be possible.

I would also like to sincerely thank our many donors and supporters who make our wide range of programs possible, particularly those that enable families and young people from across Victoria to experience the joy of live theatre.

Finally, I would like to thank the Arts Centre Trust under the leadership of Janet Whiting, and the Arts Centre Foundation, under the chairmanship of Graham Smorgon. The members of both the Trust and the Foundation give us their time, their knowledge and their expertise and provide an invaluable role in leading the organisation's future.

The following pages detail the achievements from throughout the year. These achievements focus not just on those that are highly visible, but equally importantly those that have happened behind the scenes. I believe all of these achievements now provide us with the ideal foundation from which to continue to grow and develop, and to embrace the exciting opportunities of the year ahead.

Judith Isherwood
Chief Executive

Performing Arts

Programming highlights

It has been a significant year for Programming at the Arts Centre. The closing of Hamer Hall as part of the Southbank Cultural Precinct Redevelopment has brought about significant change for the Arts Centre, our presenters and audiences. A gala concert *Goodnight Hamer Hall* and a community open day marked the closing of the venue for redevelopment.

The Arts Centre and its presenters have worked collaboratively to deliver key parts of the Hamer Hall program in other venues. Alternative Arts Centre venues, including the State Theatre and Playhouse, hosted the Melbourne Symphony Orchestra (MSO) Pops, the Australian Chamber Orchestra (ACO), *Morning Melodies*, concerts featuring international artists, and school celebrations. Although the re-opening of Hamer Hall is scheduled for the second half of 2012, an exciting program of performances in the new auditorium and its public spaces is in motion. The redevelopment will enable the Arts Centre precinct to cement its reputation as *the* place to experience the very best productions and performances from around the world.

The Famous Spiegeltent returned as part of the Art Centre's Famous Spiegel Garden project. The project aimed to energise the Arts Centre forecourt across summer months. An outstanding and diverse program of international and local artists attracted capacity audiences and generated great excitement around the Arts Centre.

The organisation continues to deliver outstanding programs to connect with Melbourne's diverse community. The Learning and Participation programs continued to produce high quality and innovative programming that effectively engaged young people of all ages. Toddlers delighted in *Songs From Above*, while pre-teens and teenagers enjoyed the *Dig Deep* hip hop program. The year also saw the establishment of the Digital Learning Hub, which brings together cutting edge music, digital and multimedia facilities in a state-of-the-art learning environment.

The Arts Centre's commitment to engagement with culturally diverse communities was reflected in the success of the *Mix It Up!* program and the delivery of the inaugural *Kenneth Myer Asian Theatre Series* to great critical acclaim.

Major and regular presenters

The Arts Centre is proud to be the home to some of Australia's leading arts companies. Key presenting partners include the Melbourne Theatre Company (MTC), The Australian Ballet, Opera Australia, MSO and the ACO. Regular presenters include Bell Shakespeare, Victorian Opera, Bangarra Dance Theatre, Sydney Dance Company and The Production Company.

The Production Company continues to show strong growth, not only in terms of attendance and supporters, but also in artistic development and achievement. A new production of *The King and I* was a success with both audiences and critics. The show ran for over two weeks instead of the usual one week season.

The Production Company brought to the stage another hit show, *The Boy from Oz*, which starred the show's original lead, Todd McKenney. The success of this show led to two highly successful return seasons over summer 2011. The second of these was co-presented with the Arts Centre.

Victorian Opera enjoyed increased performances and audience attendance at the Arts Centre. Both *The Turn of the Screw* and *The Magic Flute* were very well received. In addition, the company successfully presented a Christmas with Victorian Opera in the Playhouse in December 2010.

The MSO and ACO had limited presence at the Arts Centre due to the closure of Hamer Hall for redevelopment. The MSO presented its annual free concerts at the Sidney Myer Music Bowl with a new entry process successfully managing venue capacity. One of the MSO's Pops programs and its Marvin Hamlisch concert were presented in the State Theatre. The ACO presented its special project, *The Glide*, in the Playhouse.

The MTC successfully presented six productions across the Playhouse and the Fairfax Studio. The world premiere of Joanna Murray-Smith's *Songs for Nobodies* performed by Bernadette Robinson was a major success. The season was extended for a further two weeks.

The Australian Ballet presented a subscription season of six productions. Peter Wright's magical production of *The Nutcracker* and Stanton Welch's *Madame Butterfly* experienced sell-out seasons. Early reports indicate that subscription tickets for the 2011 season are selling extremely well.

Opera Australia had another successful year with attendance slightly up from last year. A number of new productions were presented by the company: *The Marriage of Figaro* directed by Benedict Andrews who made his debut as director; *La bohème* directed by Gale Edwards and designed by Brian Thomson; and Verdi's *Macbeth*, which was a Canadian co-production. Notable also was a beautiful production of Benjamin Britten's *A Midsummer Night's Dream* directed by Baz Luhrmann.

A highly successful weekend of events celebrating the commencement of the stage one redevelopment of Hamer Hall began with a full house gala concert, Goodnight Hamer Hall. The open day attracted more than 6000 visitors giving them a last look at Hamer Hall before the builders moved in. In response to the redevelopment, the Arts Centre has successfully transitioned numerous concerts, including Morning Melodies, into the State Theatre, receiving positive feedback from audiences.

Learning and Participation

The Arts Centre consolidated the Learning and Participation team and its offerings in 2010-11. The program attracted over 100,000 children, students, youth and their carers to the Arts Centre with a range of onsite, offsite and online programs and projects.

The highlight was the launch of the Digital Learning Hub by the Minister for the Arts, Peter Batchelor, in August 2010. This new facility features a world-class vocal booth and recording studio, a state-of-the-art video editing suite, green screen and video conferencing capabilities, as well as three programmable spaces to host a range of learning projects. The Special Needs Access Program expanded its offerings to cater for families with the Siblings in Sync program at the Hub.

Kids at the Arts Centre continued to attract returning visitors. Presentations included the acclaimed international productions of *The Man Who Planted Trees* (Scotland) and *Songs from Above* (Teater My and Teatre Refleksion, Denmark). The program also showcased Victorian artists and companies including Dislocate, Patch Theatre Company and Polyglot Theatre in the 10th anniversary season of *We Built This City* held on the Arts Centre forecourt. This event attracted 4300 participants across five days, using more than 8000 boxes to build an ever-changing cardboard city.

The Arts Centre welcomed over 7000 young first-time visitors to performances through the First Call Fund. The fund addresses barriers to access and participation of schools and communities in Arts Centre programs. This year, the fund supported young Victorians who had special needs or who had experienced difficult circumstances, such as bushfire or flood. Two bushfire-affected schools, Kinglake Primary School and Mirboo North Secondary College, participated in the highly successful docU Digital Storytelling Project. This was made possible through additional support by the Department of Education and Early Childhood Development. The Learning and Participation team also continued to chair the Arts Recovery Working Group, a cross-agency group formed to support artists and arts initiatives in bushfire-affected areas.

The Arts Centre received the summary findings of three formal program evaluations conducted in late 2010 by independent researchers. The evaluations covered the Dig Deep youth mentoring program, the First Call Fund and the docU Project. The results revealed high levels of engagement and audience impact from these three Arts Centre Learning programs. The Arts Centre also supported the inaugural Victorian Youth Arts Market, presented by Young People and the Arts Australia, and welcomed youth delegates from the Singapore National Arts Council.

The Learning and Participation team worked with their Collections colleagues to develop six new digital projects for schools with a go-live date of late June 2011. Three of these projects profile the rich content of the Collections in contemporary music, circus, theatre and design in innovative online resources for teachers and students.

Contemporary Cultures

Recognised as one of Australia's leading multicultural arts programs, Mix It Up! continued to celebrate Victoria's cultural diversity with performances by international, national and local artists from diverse cultural backgrounds, supported by a range of public and community engagement programs. Mix It Up! is presented by the Arts Centre in partnership with Multicultural Arts Victoria. Highlights for the year included an Indonesian cultural program featuring instrumental group Gangsadewa, the return of Cuban music legend Juan Formell with Los Van Van, and a dynamic percussion event featuring the UK based The Dhol Foundation and local percussionists from a range of Asian cultures. The profile of local artists who have featured in Mix It Up! continues to grow. For example, the Visible 2010 concert featured five local African groups in the Australasian World Music Expo.

The biennial Kenneth Myer Asian Theatre Series completed its inaugural program in 2010. Supported by a major endowment of \$5 million, the Kenneth Myer Asian Theatre Series presents Asia's leading contemporary performing arts companies to foster greater understanding and cultural connection between Asia and Australia. Featured productions included *A Midsummer Night's Dream* from Yohangza (Korea), *The Continuum: Beyond the Killing Fields* from TheatreWorks Singapore (Cambodia and Singapore) and *Five Days In March* from Chelfitsch Theatre Company (Japan). These three outstanding examples of contemporary Asian theatre practice were well received critically and attracted positive responses from audiences.

The Arts Centre's Artists in Residence program was established to feature some of Asia's leading artists in short term residencies. To date, residencies have included Pichet Klunchun, a leading Thai dancer and choreographer, I Made Sidia, a Balinese master Wayang puppeteer and Hiroshi Fuji, a leading Japanese visual and installation artist.

Famous Spiegel Garden

The Famous Spiegel Garden season, held in the Arts Centre forecourt from 12 February to 25 April 2011, was a highlight of the Arts Centre's performance calendar. This was a major project involving staff from across the Arts Centre in delivering the Spiegel experience to more than 55,000 visitors across the season.

The project saw the return of The Famous Spiegeltent to the Arts Centre for the first time since 2008. The Spiegeltent formed the heart of a broader open-air precinct designed to reflect a tropical and colonial environment. The precinct included the introduction of a W-class tram as a bar, which quickly became an iconic tourist attraction, and an extended garden area that linked the Arts Centre's forecourt to Curve Bar.

A new management model for the Famous Spiegel Garden project was introduced in 2011; the Arts Centre assumed responsibility for the management, operation and programming of The Famous Spiegeltent.

The key elements of the program included:

- four 'hero' productions, being the best and most exciting cabaret style productions available
- a diverse program of individual music, comedy, cabaret and circus performances featuring some of the most popular artists from around Australia
- the Mix It Up! Saturday sessions, which provided low-cost, accessible performances focused on celebrating the quality and diversity of Melbourne musicians from different cultural backgrounds
- a weekend and school holiday program from Kids at the Arts Centre that included a range of performances and participatory workshops
- a season presented by the Melbourne International Comedy Festival featuring local and international artists.

The program was an outstanding success, achieving attendances in excess of project targets. The Famous Spiegeltent achieved many sell-out performances. Across all Arts Centre-presented events, the average attendance was 81 per cent of capacity. The activation of the Arts Centre's forecourt had a positive impact on community perceptions of the Arts Centre and the positive media coverage increased awareness of the Arts Centre's role in bringing back to Melbourne this much loved venue.

Creative Development

The Creative Development program continued to grow and diversify in 2010. The Full Tilt program, comedy in the Fairfax Studio and the Carnegie 18 new music series enjoyed critical and popular successes.

Partnerships with the Next Wave Festival, Melbourne Fringe Festival, Emerging Writers' Festival and the Green Room Awards continued to evolve and added unique programming to the Arts Centre.

The partnership with the Melbourne International Comedy Festival reached new heights with the Arts Centre becoming a Comedy Festival Hub for the first time. Comedy shows at the Arts Centre Theatres included Daniel Kitson, Fiona O'Loughlin, Danny Bhoy, Josh Thomas, Spontaneous Broadway plus the 25th Anniversary of the Melbourne International Comedy Festival Exhibition. The Famous Spiegeltent also hosted the Comedy Festival with five productions running through the month of April, including Eddie Perfect, Reggie Watts, Caroline Rhea and Dead Cat Bounce.

A major success was the launch of the Carnegie 18 new music series. The Arts Centre partnered with the Australia Council for the Arts, receiving a grant of \$150,000 per annum for two years. Utilising the Full Tilt creative development program, Carnegie 18 supported four new projects from development through to performance in the Fairfax Studio. An industry panel selected four productions from 65 applications to move into development. Ranging from a light opera about netball, a rock musical to a vaudevillian sideshow, the program was a runaway success with sell-out shows in the Fairfax Studio.

As part of the Full Tilt program, two of four projects have been selected to progress to the next stage of development and industry partners are currently being sought. There is a high level of interest in touring one of the projects, the netball light opera Contact! throughout regional Victoria. As one of the Arts Centre's aims is to create and support links between artists and the broader industry, this program is a wonderful example of the impact the Arts Centre's support can have on an artist's career and what the Creative Development program can achieve.

Event Management

The commercial use of Arts Centre venues was strong this year. The demand for venues with the capacity to hold more than 2000 audience members was high given the closure of Hamer Hall.

The Sidney Myer Music Bowl had an extremely successful season with a variety of performances throughout the summer, including, *Paramore*, *Sting*, *Carols by Candlelight*, *Summadayze* and *Tool*.

The Playhouse and Fairfax Studio entered into Multi Commercial Presenter agreements with the Melbourne Comedy Festival. This arrangement generated 66 ticketed performances.

The Arts Centre continues to partner with a range of commercial presenters, exploring, in particular, a range of performances suitable for the Playhouse and Fairfax Studio, venues made available as the MTC schedules some of its performances at its Southbank theatre.

Production Services

This year the Arts Centre demonstrated its commitment to staff development through the creation of a traineeship program in production. Three trainees are undertaking this program through to January 2012. Each trainee will receive a comprehensive learning experience in the areas of staging, sound and lighting, and will work towards achieving a Certificate III in Live Theatre and Events. In addition, the Arts Centre has undertaken Recognition of Prior Learning in Certificate III in Live Theatre and Events for 25 existing full-time and variable-time staff to recognise their skills and knowledge. Looking forward, these programs ensure the continued viability in delivering world class technical staff to service Arts Centre programs and events.

Throughout the year Production Services provided expertise and training in Victorian regional venues. The team delivered handline fly training to staff at Riverlinks WestSide PAC (Shepparton), Latrobe Performing Arts Centre (Traralgon) and the Monash University Academy of Performing Arts. The training program received positive feedback from those who attended.

The Production Services team delivered a broad range of performances and events across all Arts Centre venues in partnership with presenters. Particular highlights included: bringing *Bell Shakespeare* into the Fairfax Studio for the first time; a complex version of *The Magic Flute* for the Victorian Opera; *Seven Songs to Leave Behind* with the Melbourne Festival at the Sidney Myer Music Bowl; the technical challenges of *Next to Normal* for the MTC; the various school shows and one-off performances in the State Theatre; the three shows per night during the Comedy Festival in the Playhouse; and especially the *Famous Spiegel Garden* project on the Arts Centre forecourt. The various technical challenges in these productions and events, along with many others throughout the year, highlight the dedication, resourcefulness and flexibility of the Arts Centre's technical crew.

Production Services will continue to provide excellent service and expertise to presenters throughout the year ahead.

Collections, Research and Exhibitions

The exhibition and touring program attracted 681,000 visitors to the Arts Centre. Highlights drawn from the Collections included: *Rock Chicks: Women in Australian Music*; *Wild Things: Animals on Stage*; and *Black Box <> White Cube: Aspects of Performance in Contemporary Australian Art*. The program also featured the commissioned Melbourne Festival exhibition, *Nyah-Bunyar*, curated by Bindi Cole.

In addition, 16 collection-based displays were completed, supporting major presenters and other stakeholders. Displays helped to celebrate the 20th anniversary of *Bell Shakespeare* and the 25th anniversary of the Melbourne International Comedy Festival. Other displays included *Dame Peggy Van Praagh*, *Dame Nellie Melba*, the *Carroll Bequest* and a memorial display honouring *Dame Joan Sutherland*.

AC/DC Australia's Family Jewels, an exhibition curated by the Arts Centre in partnership with the Western Australian Museum, toured to the Museum and Art Gallery of the Northern Territory, Powerhouse Museum (Sydney) and the Western Australian Museum. The exhibition will travel internationally throughout 2011 and 2012.

Collection development

The Arts Centre's Collections continue to grow through both purchase and gifts. Highlights in 2010-11 included:

- the Chamber Made Opera archives relating to 20 years of productions – gift of Chamber Made Opera
- a dressing gown worn by Dame Joan Sutherland during performances at the Sydney Opera House – gift of Sandy Windon
- Bell Shakespeare material acquired from the exhibition, *Rough Magic: Celebrating 20 Years of Bell Shakespeare*, 2010 – gift of Bell Shakespeare
- costume designs by Richard Prins for the Melbourne Theatre Company 1960–70 – gift of Richard Prins
- acquiring items documenting performers Maggie Fitzgibbon, Clare Moore, Karen Ansel and Andris Toppe
- the purchase of significant works on paper by Judith Wright, Jon Campbell and Angela Cavalieri, enabled by the generosity of the Leon and Sandra Velik Works on Paper Trust.

Collections care

The year began with the removal of 250 works of art from Hamer Hall prior to the start of the redevelopment project. The team removed, dismantled, cleaned, numbered, packed and stored some 900 components of the light sculpture *Arcturus* by Michel Santry. Items are stored offsite in secure facilities in North Melbourne and Spotswood along with other parts of the Performing Arts Collection. Additional offsite space has also been used to reduce overcrowding in the collection storage facility in Hamer Hall.

Extensive conservation treatments were completed on selected costumes from the Dame Nellie Melba Collection. This was part of a two-year conservation project, now complete, designed to improve the condition and housing of the collection. Results achieved from the conservation program allowed one of its great treasures, the *Lohengrin* cloak designed by Jean-Philippe Worth and worn by Melba as *Elsa*, to be included in a display celebrating the 150th anniversary of Melba's birth.

Collections access

The Performing Arts Collection, through the Research Service, has been highly utilised by academics, historians, media outlets, publishers and family historians. There have been 340 inquiries with 21,678 items accessed. Additional online functionality allows web researchers to create their own set of records and email an enquiry directly to the Research Centre for further information. This improved online access to the Collections has resulted in increased international inquiries. As a result of this service, a number of international researchers have travelled to Melbourne to undertake research at the Arts Centre.

Major research outcomes have included a publication celebrating the 50th anniversary of The Australian Ballet, an ANZAC Day ABC Radio National broadcast, a research project funded by ACER on the employment of children in the entertainment industry 1885-1920 and a publication on Australian circus, which included 1900 photographs from the Circus collection.

Marketing, Communications, CRM and Ticketing

Marketing and Online Services

The Marketing and Online team consolidated activities in this financial year to achieve a number of new initiatives. The team engaged and extended new audiences, invested in sector development, and set the foundation for a successful education season.

In combination with a refreshed approach to summer programming, the Famous Spiegel Garden project attracted new audiences to the Arts Centre through an integrated marketing and promotional campaign across print, television, radio, online and publicity. This included a first-time partnership with the *Herald & Weekly Times*.

Regular programs of *Morning Melodies*, *Full Tilt* and *Mix It Up!* all performed strongly with repeat and new attendees secured through effective direct marketing and customer relationship activities. 'Kids and families' marketing continued to achieve early booking targets through the use of electronic direct mail instead of print publications. Marketing efforts for the education program expanded to support a more extensive program and new offerings from the Digital Learning Hub.

Marketing services for major presenters contributed to their successful seasons. The Arts Centre's collaborative working relationship with these presenters was strengthened with new arrangements for the mutual sharing of sales data. Trials of *experience packages* combining dining and performance tickets were received well, with plans underway to implement these regularly as part of sales strategies in the next financial year.

The Arts Centre's approach to market research was overhauled with a new approach to customer feedback surveys. A brand health survey was also conducted as a precursor to the new brand strategy. A re-energised Arts Centre brand, as part of a new naming strategy, was developed and is due for release into the public domain in the second half of 2011.

Work continues on the Arts Centre's digital strategy with the completion of internal consultations and planning for a new website, content management and e-commerce systems. Online social media activity increased, along with healthy visitation numbers to the website and online bookings.

Corporate Communications

This year Corporate Communications was restructured into a dedicated business unit from the marketing team in order to develop more of a key focus on building the reputation of the Arts Centre through communications-related below-the-line activities.

This strategy has proved successful, resulting in increased publicity by leveraging opportunities to boost the organisation's reputation and stakeholder engagement for the Arts Centre. Some key highlights include:

- the generation of over 500 separate media articles for The Famous Spiegeltent season across a variety of local and national print, online and electronic increasing general public awareness of the events and the organisation and creating exposure across a broader audience
- a high level of acceptance of stakeholders undertaking tours of Hamer Hall which has further boosted awareness of the Arts Centre and strengthened key relationships
- initiating a stakeholder engagement plan and hosting numerous VIPs at various events over the year
- developing opportunities for senior Arts Centre representatives to speak at various conferences and events
- developing internal communications initiatives that have assisted in strengthening the organisation's culture by providing an opportunity for all staff to hear directly from the CE and Executive group face-to-face, and reinforcing the organisation's vision, direction and industry insight.

Ticketing and CRM

May 2011 marked the two-year anniversary of bringing the Arts Centre's ticketing in-house with Tessitura. A number of business units, including Philanthropy and Membership, have been migrated from legacy systems into Tessitura and the benefits are being realised with the ability to view all customer touch-points across the organisation in a single database.

A number of customised projects were completed to integrate with other business units. Functionality was improved to include vouchers, packages and car parking. These changes have improved the customer's event experience to ensure the Arts Centre's ticketing systems remain at the forefront of the industry.

Such changes have enabled the Arts Centre to efficiently analyse sales information at both an event and a customer level and produce more tailored communications for customers, while gaining a deeper understanding of the event lifecycle process. Across a number of events, customer behaviour trends were identified that helped drive further strategic development and initiatives.

Ticket sales were strong for the year, despite the closure of Hamer Hall for redevelopment. The inaugural summer season of the Famous Spiegeltent sold more than 50,000 tickets with 30 per cent of the audience new to the Arts Centre. A partnership with the Melbourne International Comedy Festival saw more comedy tickets sold than ever before during the Festival across a range of venues.

Private Giving and Corporate Support

The consolidation of private giving and corporate support during the year enabled the streamlining of operations. This strengthened the Arts Centre's position to attract donors, business partners and members.

The Arts Centre Foundation Board of Governors, comprising Chairman Graham Smorgon and 10 volunteers, including Janet Whiting, President of the Trust, played a key role in keeping long-standing supporters informed about the redevelopment of Hamer Hall.

The endowment corpus currently exceeds \$7.7million, and in 2010–11 it earned more than \$380,000 to support programs and performances at the Arts Centre.

The implementation of the new in-house ticketing and CRM system has meant more opportunities to secure new donors. It has been very encouraging to see the outstanding results, with the number of donors increasing by more than 900 per cent to over 3300 individuals and couples in the past year, specifically as a result of the new gift-for-ticket online functionality. Many of these new donors made gifts to the First Call Fund. As a direct result of these gifts, over 15,000 Victorian students have been able to visit the Arts Centre – many for the first time.

The Arts Centre's Supporters

Arts Angels Major Benefactors

The Smorgon Family
The late Mr Richard Pratt & Mrs Jeanne Pratt AC
The Clemenger Foundation
Mrs Neilma Gantner
The Playking Foundation
The Myer Foundation
Sidney Myer Fund
Miss Betty Amsden OAM

Arts Angels Individuals

The late Mr Richard Pratt & Mrs Jeanne Pratt AC
Mr Baillieu Myer AC & Mrs Sarah Myer
Mr Marc Besen AO & Mrs Eva Besen AO
Mr Leon Velik & Mrs Sandra Velik
Mr Sam Smorgon AO & Mrs Minnie Smorgon
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Mr Robert Kirby & Mrs Mem Kirby OAM
Mr Kevin Bamford & Mrs Colleen Bamford
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Arts Angels Corporations

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Mr Sandy Clark & Ms Marie McDonald
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Mr Ron Dobell & Mrs Margaret Dobell *
The Fox Family
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Mr Peter Scanlon & Mrs Angie Scanlon
Mr Graham Smorgon & Mrs Annette Smorgon
Mr Sam Smorgon AO & Mrs Minnie Smorgon
Mr Leon Velik & Mrs Sandra Velik

Premier Patrons

Brasher Family Foundation
Ms Janet Whiting & Mr Phil Lukies

Patrons

Ms Roseanne Amarant
Mr Barry Bloom & Mrs Lorraine Bloom
Mr Bernard Carp & Mrs Helen Carp
Dr Leon Carp & Mrs Marlen Carp
Mr Albert Dadon AM & Mrs Debbie Dadon *
Mr Anthony Gannon
Mrs Ethel Goldin *
GSA Industries Pty Ltd
Mr John M Haddad AO & Mrs Agita Haddad
Dr Jack Hansky AM & Mrs Paula Hansky OAM
Ms Dana Hlavacek & Mr Stephen Creese*
Mr Jack Joel OAM & Mrs Karen Joel
Mr Robert Kirby & Mrs Mem Kirby OAM
Mr John Magowan & Mrs Dianne Magowan
Ms Naomi Milgrom AO & Mr John Kaldor AM
The William & Rita Rogers Charitable Foundation
Mrs Rae Rothfield*
Mr Alan Selwyn, Mrs Ahda Selwyn & Ms Evi Selwyn
Mr David Southwick
Mrs Shirley Strauss
Mr Derek Young & Mrs Caroline Young

Premier Associates

Anonymous (3)
Ms Joanna Baevski^
Mr Chris Begg & Mrs Patricia Begg OAM^
Dr Andrew Buchanan
Ms Rosemary Forbes & Mr Ian Hocking
Dr Milan Kantor OAM and Mrs Milan Kantor^
Mrs Carolyn Kirby & Mr John Kirby
Mr Ian McKellar & Mrs Margaret McKellar
Mr Saul Same & the late Mrs Lucy Same

Associates

Mr Ern Dawes OBE & Mrs Nola Dawes
Miss Catherine Gray *
Mr Jost Kaiser & Mrs Dorothee Kaiser
Dr Richard King & Mrs Andrea King
Mr Larry Kornhauser
Mr Ian Lawrence & Mrs Shirley Lawrence OAM
Mr Norman Lees & Mrs Betty Lees
Mr William Montague OAM & Mrs Elaine Montague *
Mr Stephen Newton*
Mr John Ralph & Mrs Barbara Ralph
Mr Robin Reid & Mrs Liz Reid
Mr Fergus Ryan & Mrs Judy Ryan *
Lady Southey AC *
Mr Ralph Ward-Ambler Am & Mrs Barbara Ward-Ambler

Donor Associates

Anonymous (1)
 Mrs Wilma Attwood *
 Mrs Adrienne Basser
 Dr Simon Bell & Mrs Jennifer Coghlan-Bell
 Mrs Elizabeth Brown
 Ms Rene Brown*
 Mr Tom Bruce AM & Mrs Beth Bruce
 Mr Arthur Charlwood*
 Mr Peter Cotter & Mrs Marilyn Cotter
 The Hon Alan Goldberg AO QC & Mrs Rachel Goldberg
 Mr Trevor Green & Mrs Noreen Green
 Ms Lynette Grigg
 Mr Hans Henkell & Mrs Petra Henkell
 Mr Scott Herron
 Dr Alastair Jackson
 Dr Michael Jelinek
 Mrs Judy Johnstone
 Ms Bettie Kornhauser*
 Mr George Krawat
 Dr Geraldine Lazarus & Mr Greig Gaily
 Mr John Leslie OBE
 Mrs Mary Lipshut*
 Mr Simon Lubansky & Mrs June Lubansky
 Mr Graham Ludecke & Mrs Pam Ludecke
 Mr Kevin Luscombe AM & Mrs Barbara Luscombe
 Mr Dieter Martin & Ute Martin *
 McMeckan Family Foundation
 Mr Harold Saltzman & Mrs Daphne Saltzman
 Mrs Joy Smith & Mr Russell Smith*
 Mr Victor Spitzer & Mrs Fleur Spitzer
 Ms Anne Wharton and Mr Peter Wharton

Foundation Associates

Anonymous (5)
 Mr Tony Berry
 Mrs Rosetta Bloom
 Mr John Burdett & Mrs Sandra Burdett
 Ms Min Li Chong
 Dr George Deutsch & Mrs Kathy Deutsch
 Mrs Joyce Flowers
 Mr Rod Harden & Mrs Lesley Harden*
 Mr Gil Hoskins & Mrs Sandi Hoskins
 Ms Helen Hunwick*
 Mr Ronald Jones & Mrs Carol Jones
 Dr Geoffrey Knights & Dr Ann Knights
 Mrs Beverly Langsford-Willing
 Mr Maurice Lubansky & Mrs Pearl Lubansky
 Mr Morris Margolis & Mrs Helen Margolis
 Ms Fiona McConnell & Ms Cecilia Wilkes
 Mrs Christine Milton *
 Mr John Mitcham & Mrs Patricia Mitcham
 Mr Norman Pinder & Mrs Carolyn Pinder
 Mrs Maria Rommelaar *
 Mr Max Schultz
 Mr Colin Squires & Mrs Mary Squires
 Mr Russell Taylor
 Mr Lyle Thomas & Ms Christina Turner
 Dr Walter Uhlenbruch AO & Mrs Waltraud Uhlenbruch
 Mrs Sanae Winston
 Ms Shirley Yeates
 Worldwide Ticketing

Bequests Received 2010-2011

Maxwell & Merle Carroll

Trusts and Foundations

The Angior Family Foundation
 The Helen Macpherson Smith Trust
 Cassandra Gatner Foundation
 The Pratt Foundation
 The Telematics Course Development Fund

President's Circle

Confirmed bequestors
 Anonymous (13)
 Ms Elizabeth Alexandra
 Miss Betty Amsden OAM
 Mr Chris Begg & Mrs Patricia Begg OAM
 Mr Tony Berry
 Mr Ken Bullen
 Lyndsey Burton
 Mr Douglas Butler
 Mr Laurie Carew OAM
 Ms Peggy Cole
 Mr Ron Dobell & Mrs Margaret Dobell
 The Hon Alan Egan JP
 Mr Richard Farrar
 Ms Wilma Farrow
 Ms Nola Finn
 Mr Barrie Follows AM JP & Mrs Gail Follows
 Ms Rosemary Forbes & Mr Ian Hocking
 Mr Max Frost & Mrs Glenda Frost
 Mr Peter Game & Mrs Betty Game
 Ms Diane Gardiner
 Mr Peter Gassenheimer
 Mr Andrew Gemmell
 Ms Carol Hay
 Mr Timothy Hayes & Mr Michael Waugh
 Mr Richard Heathcote
 Ms Denise Hughes
 Ms Nita Johns
 Mr Max Johnston & Mr Owen White
 Dr Richard King & Mrs Andrea King
 Mr Barry Kitcher
 Ms Helen Kroger
 Mr John Lee & Mrs Noelle Robb
 Mr Hugo Leschen
 Mrs Kathy Mapperson
 Ms Barbara Margetts
 Mr Don Matthews & the late Mrs Elgene Matthews
 Ms Caroline Molesworth
 Mr Andrew Moon
 Mr Jack Moshakis
 Mr Luke Nestorowicz
 Mr Robert Nixey
 Mr Kenneth Park
 Prof Graham Peirson & Mrs Chris Peirson
 Mr David Pisterman & Mrs Cheryl Pisterman
 Mrs Elaine Pounder-Smith
 Mr David Richards
 Ms Lynne Robertson
 Mr Graham Ryles KSJ & Mrs Judith Ryles
 Miss Sheila Scotter AM, MBE
 Mr Maurice Scott
 Mr John Short
 Mr John Stanistreet
 Mrs Val Stirling
 Mr Graeme Studd
 Mrs Beverley Sutherland Smith
 Mrs Pamela Swansson
 Ms Margot Vaughan & Ms Bernadette Nicholls
 Ms Jill Watson
 Ms Judy Watt
 Mr Ian Watts
 Mrs Dinah Whitaker
 Mrs Pamela Wilson

First Call Fund

Founding Gifts
 Mr Chris Begg & Mrs Patricia Begg OAM
 Mr Martin Carlson OAM
 Mr Carrillo Gantner AO & Mrs ZiYin Gantner
 Mrs Neilma Gantner
 Dr Milan Kantor OAM & Mrs Anne Kantor
 The Myer Foundation

Gifts of \$20,000 or more

Cassandra Gantner Foundation
 Mr John Prescott AC & Mrs Jennifer Prescott

Gifts of \$10,000 - \$19,999

Mr Albert Dadon AM & Mrs Debbie Dadon
 The Pratt Foundation

Gifts of \$5,000 - \$9,999

Anonymous (1)
 Ms Joanna Baeviski
 Mr Chris Begg & Mrs Patricia Begg OAM
 Dr Milan Kantor OAM & Mrs Anne Kantor

Gifts of \$1,500 - \$4,999

Anonymous (2)
 The Duggan Foundation
 Miss Catherine Gray
 Mr John Harrison CBE AM & Mrs Susan Harrison
 Mrs Barbara Haynes
 Mr Michael Hund & Mrs Gillian Hund
 Bruce Parncutt & Robin Campbell
 Ms Joy Selby Smith
 Lady Southey AC
 Mr Ralph Ward-Ambler AM & Mrs Barbara Ward-Ambler

Gifts of \$350 - \$1,499

Anonymous (7)
 Mr Peter Aird & Mrs Catherine Aird
 Mrs Wilma Attwood
 Ms Kirsty Bennett
 Mr David Brownell & Mrs Joanna Brownell
 Dr Mark Bryce and Mrs Ann Bryce
 Mrs Nancy Butler
 Caroline and Robert Clemente
 Ms Melissa Conley-Tyler
 Ms Audrey Cope
 Mrs Beryl Crusi & the late Mr Henry Crusi
 Mrs Ethel Goldin
 Ms Beryl Hall
 Nereda Hanlon & Michael Hanlon AM
 Hord
 Mr Peter Hordern & Mrs Jennifer Hordern
 Ms Janet Howard Smitti
 Mr Keith Irvine & Mrs Jo Irvine
 Ms Nancy Kimpton
 Mr Robert Kirby & Mrs Mem Kirby OAM
 Ms Bettie Kornhauser
 Mr Richard Layton & Mrs Silvana Layton
 Dr Geraldine Lazarus & Mr Greg Gailey
 Mrs Rosemary Llyod
 Elizabeth Loftus
 Ms Catherine Looney
 Mr Steven Macek
 Ms Ann Marsh
 Mr Dieter Martin & Mrs Ute Martin
 Mr Noel Mason & Mrs Susanna Mason
 Ms Helen L. Masters
 Ms Robyn McKern
 Dr Gabriele Medley AM
 Mrs Debora Mendelson and Mr Bryan Mendelson
 Mrs Christine Milton
 Mr William Montague OAM & Mrs Elaine Montague
 Jeremy Pascoe
 Ms Lynette Payne
 Mr Nicholas Perkins
 Mrs Pat Pettit
 Ms Mima Piccolo
 Mr Joshua Pitt & Mrs June Pitt
 Mr Howard Plowright
 Mrs Maria Rommelaar
 Mr Jeremy Ruskin QC
 Mr Fergus Ryan & Mrs Judy Ryan
 Mrs Joy Smith & Mr Russell Smith
 The Madame Ashton Memorial Scholarship
 Miss Jean Stewart
 Ms Helene Strawbridge
 Mrs Eva Sweet
 Mr Peter Szabo & Mrs Leonie Szabo
 Mr Allan Thorne
 Mrs Ngaire Turner
 Prof Barbara Van Ernst
 Dr Peter Thorne & Ms Helen Vorrath

Gifts received between 1 July 2010 - 30 June 2011

^annual gift directed to the First Call Fund

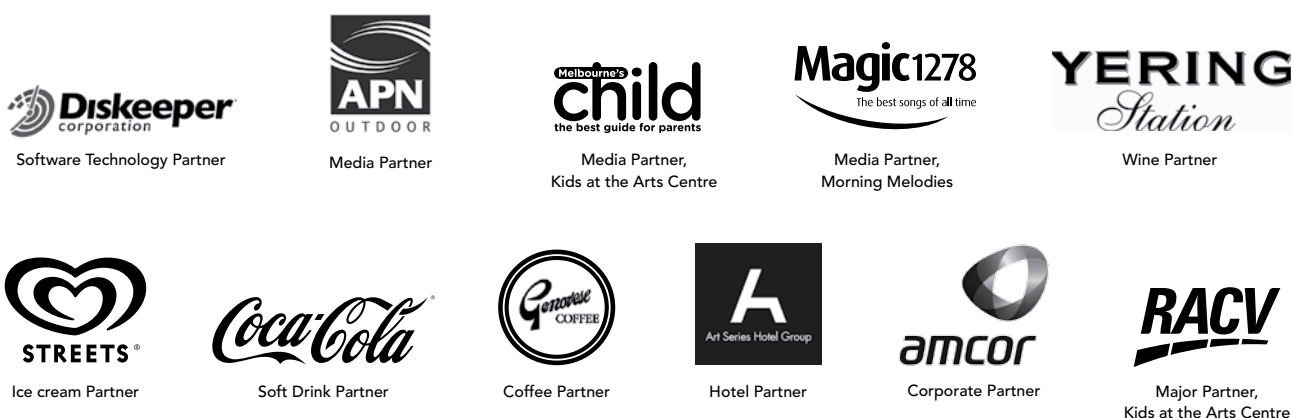
*additional gift made to the First Call Fund

Business Partnerships

The Business Partnerships team continued to focus on strengthening current partnerships while seeking new opportunities. The successful sponsorship of the 2011 Spiegel Garden by Singapore Airlines, Foster's, Treasury Wines, Yarra Trams, *Herald Sun* and other partners demonstrates the Arts Centre's ability to attract new supporters through presenting outstanding facilities and programs.

The team looks forward to building on the successes of the past year through the implementation of the new sponsorship strategy, the retention of current partnerships and securing new business partners.

Corporate Membership continues to attract new participants, particularly through special introductory packages, which provided even greater opportunities to experience the value of the Art Centre's offerings in 2010-11.



CORPORATE MEMBERS



Australia Post
Coca Cola Amatil
Egon Zehnder
RACV
Yering Station
Ogilvy One

Spiegeltent Partners

EXPERIENCE PARTNERS



BEVERAGE PARTNERS



ARTIST PARTNERS



ARTIST PARTNERS



Memberships

The Membership program continued to grow with 35 per cent of members supporting the Arts Centre as donors through a variety of appeals. Members participated in 40 events throughout the year and despite the closure of Hamer Hall, the number of members continued to increase in this financial year.

Commercial Operations

Visitor Businesses

Visitor Businesses continued to drive the financial and operating performance of commercial activities associated with the Arts Centre, producing returns 15 per cent above budget.

This year saw the successful relocation of the Sunday Market from the riverside to the lawn area along St Kilda Road between the Theatres building and Hamer Hall. The Sunday Market continues to offer products from more than 80 of Victoria's finest artisans and attracts thousands of visitors to the Arts Centre precinct each year.

The car park continues to provide excellent service and facilities for visitors. The car park retained its four-star rating, awarded by the City of Melbourne, based on these factors, as well as for the Arts Centre's demonstrated commitment to the safety and security of customers.

Food and beverage operations exceeded budget due to the continued growth of Curve Bar and Cento Espresso. The result can also be attributed to the increase in Sidney Myer Music Bowl events and the focus on continual improvement by the Arts Centre's corporate member and catering supplier, Spotless/Epicure. Reduced wait times at foyer bars, increased packaging of food and beverage offers and stronger marketing contributed to the result.

Planning for the re-opening of Hamer Hall has begun with an Expression of Interest campaign underway to identify and secure quality restaurant operators for the planned tenancies fronting the Yarra River. The chosen operators will be scheduled to open in mid 2012.

Visitor Services

Visitor Services includes the front-of-house functions of concierge, reception, stage door and the large team of ushers, all supported by a visitor-focused administration team. The team continued to provide outstanding service as evidenced by the level of compliments received throughout the year. As well as providing services to visitors in the Arts Centre, ongoing arrangements for the provision of customer services staff at Melbourne Symphony Orchestra and Australian Chamber Orchestra events at the Melbourne Town Hall (the alternative venue during the Hamer Hall closure) also reflected presenter endorsement.

James Dipnall, Manager of the Visitor Services team of over 150 people was nominated for the 2011 SACS Awards for Leadership in the State Government non-executive category. These annual awards recognise outstanding leadership initiatives that make a positive contribution to an organisation's efficiency and effectiveness while enhancing the workplace environment for colleagues. Described as a "pure" leadership award, focusing on the human capabilities of those involved to cause change excellence and motivation through the example of their leadership. (James Dipnall was subsequently awarded runner-up in his nominated category when the award ceremony was held in early July 2011.)

This year 33 new ushers commenced with the Arts Centre. A new recruitment and training process was developed to identify efficiencies that will greatly assist the team in meeting the changing organisational demands, including the re-opening of Hamer Hall.

Visitor Services is also responsible for the implementation of the Arts Centre's Disability Action Plan. The plan underpinned a number of initiatives supported by the Arts Centre's Disability Advisory Group and saw increased communications with and marketing to the disability community, and the creation of the Access Organisation mailing list. Specific achievements included the development of the Arts Centre Access Guide and the commissioning of the Access Audit of theatres and associated priority works. The audit resulted in:

- improved signage for accessible services and seating locations
- improved access from the car park
- the provision of Tactile Ground Surface Indicators (TGSIs) in high traffic areas.

This year the Arts Centre had its first internally-funded, dedicated Access Budget. This funding provided five captioned performances and three Auslan-interpreted performances. In addition, the Arts Centre-presented event, Dislocate's Curiosity, integrated signers into the performance.

The creation of an ongoing survey in June 2009 enabled the monitoring of access satisfaction from patrons using the wide range of accessible services across the Arts Centre, returning an 84 per cent satisfaction level in 2010-11 — a 4 per cent increase on the previous year's figure.

Facilities and Services

Throughout the year, Facilities and Services delivered a number of significant projects and continued to focus on reducing the energy consumption of the organisation. The Services team assumed a more active role in driving environmental initiatives with exceptional success.

The 2011 Asset Condition Index (ACI) report showed that cleaning standards are at the highest they have been since the commencement of the ACI in 1996.

The Arts Centre has received funding through the Water Efficiency Fund for the conversion to dual flush toilets in high-use areas, with further funding applications in progress for a Business Water Grant in 2011-12.

Sustained energy management and savings continues to be an important commitment. Plant and electrical efficiencies have provided more than a three per cent reduction in electrical use for the year. Next year the team will continue to undertake plant and electrical efficiency initiatives to further reduce energy use. This includes the commencement of CO₂ auditing to determine the footprint of the Arts Centre, allowing an abatement process to be accomplished.

Facilities and Services delivered a range of projects through an Asset Management Program. These included: production-based projects with a focus on safety; a production workshop upgrade; the State Theatre wardrobe refurbishment; and Sidney Myer Music Bowl safety improvements.

Plant and infrastructure projects with a focus on increased efficiency and environmental gains included: heating hot water pumps; cathodic protection; the replacement of fill medium in cooling towers; water reduction in front-of-house toilets; and a Building Automation Systems (BAS) upgrade and associated environmental initiatives and improvements.

A major milestone was the procurement and implementation of stage one of the asset management system, which will enable the Arts Centre to better manage its assets and inform future decision-making to improve the quality and condition of the venue.

Working with Arts Victoria and its consulting team, the Facilities team looks forward to harnessing opportunities that have been identified for the next financial year. These will be developed via the Greener Government Buildings program through the Department of Treasury and Finance. These opportunities will improve building controls and infrastructure to reduce energy use and provide operating savings for the Arts Centre.

The Facilities team quantified the carbon footprint of the Arts Centre throughout the year in conjunction with specialist consultants to verify and validate data. In addition, the existing environmental policy is being reviewed. This working document has been central to achieving change over the past six years. The document allows the Arts Centre to focus on new directions and build upon successful outcomes.

The Arts Centre, as a Registered Training Organisation, established and delivered an industry specific, nationally accredited OHS training program for technical operations in 2010-11. This program addresses all operational safety issues and features detailed training to deal with the high risks of team manual handling, characteristic of the industry. The program has been delivered to 75 production staff.

A commitment from staff has been illustrated through the attendance of non-compulsory safety activities and lectures during National Safety Week. In 2008, the participant head count was 112; in 2009 184; and in 2010, 273.

Hamer Hall Redevelopment

The redevelopment of Hamer Hall, one of the Arts Centre's three performance buildings, became a reality when the building closed its doors on 5 July 2010 for two years.

The Hamer Hall project is stage one of the Southbank Cultural Precinct Redevelopment, an extensive precinct improvement plan designed to reinvigorate Melbourne's arts hub, creating a place where all Victorians and visitors can experience the best cultural activities from Australia and around the world.

The State Government provided funding of \$128.5 million to undertake the major upgrade of Hamer Hall.

The redevelopment will encompass:

- new connections with the city, St Kilda Road and the Yarra River, plus a spectacular new outlook to the city
- better amenities with new stairs, improved disability access, escalators and lifts
- new and expanded foyer spaces
- improved acoustics, new auditorium seating, cutting-edge staging systems and technology
- innovative approaches to sustainability including power generation and waste and water management.

The Hamer Hall redevelopment is being delivered by an Alliance between Arts Victoria, Major Projects Victoria, the Victorian Arts Centre Trust, architects Ashton, Raggatt, McDougall (ARM) and builders Baulderstone. It is the first time a public building has been delivered under the Alliance method in Victoria. The Alliance method, is a construction delivery process where suppliers including the builder, architect and project manager/s work together, sharing risk and reward equally. The Alliance has an agreed set of goals, including budget and delivering projects on time.

Working with our Alliance partners, the Victorian Arts Centre Trust has been able to pinpoint important improvement opportunities for the venue and we are confident that all stakeholders will applaud the significant upgrades made during the substantial redevelopment. The vision for the project is to achieve a world-class concert hall with the best technology and amenities for both visitors and performers.

The works schedule is seeking to achieve five key improvement areas.

Open

With new, expanded foyers, amenities and spectacular city views, the redevelopment of Hamer Hall will provide rich experiences for audiences who can sit, relax and enjoy the comfort of its improved, accessible spaces and surrounds.

Accessible

Traffic flow will be improved and Hamer Hall will be easier to navigate for visitors of all abilities.

Active

Programs, performances, exhibitions and cafés/bars will animate the riverside, foyers and new indoor spaces.

Connected

New connections between the Hamer Hall and the city, St Kilda Road and the Yarra River will create a vibrant interface between the Cultural Precinct and the rest of Melbourne.

World-class facilities

With improved acoustics, air conditioning, lighting and new seating, audiences will experience live performances in a refreshed auditorium. Upgraded back-of-house facilities and new technical and staging features will improve the experience of performers and increase the range of performances that can be staged at Hamer Hall.

At the halfway mark of the two-year project, more than 50 per cent of the work on the redevelopment of Hamer Hall has been completed.

Works completed or well underway through the first 12 months included:

- demolition of the existing terrace to be replaced by a new terrace
- removal of some solid walls to allow for views in and out of the building
- a new 24-hour external lift, currently being built, which will provide access from St Kilda Road to the new river promenade
- removal of existing escalator and reconfiguring internal stairs, plus installation of new escalators through all levels of the building
- reconfigured St Kilda Road entrance to create a more distinctive point of arrival
- acoustic treatment of the auditorium walls
- following the application of the acoustic treatment to the walls, the return of the original scenic artists who worked under interior designer John Truscott, to create the geological effects on the walls and ceilings of the auditorium
- installation of a new technical zone above the stage – removing the previous technical ‘clutter’ in this area – and housing it in a purpose-designed technical zone to incorporate lighting and sound requirements across a variety of music styles, as well as including acoustic reflectors to assist with delivery of sound across the performance platform and to the audience
- improved loading dock access, separating performance, food and beverage and waste disposal requirements
- finalising the new seat design, achieved after completing extensive research into design and acoustic attributes that would reinforce a great audience experience through comfort and style, but also assist with the acoustic properties of the auditorium
- the new river entrance taking shape – a major intervention into the building, creating an improved connection to the river and providing extended audience amenities through ticketing and cloakroom facilities
- expressions of interest called to the food industry for the tenancies in the riverfront dining precinct.

The Arts Centre is the hub of Melbourne’s Cultural Precinct. Its position at the intersection of the sporting, business and tourism precincts adjacent to the important Yarra River corridor provides an ideal opportunity to strengthen our role in the community and to reinforce the Arts Centre as a destination for cultural and social interaction.

As we move towards the scheduled re-opening midway through 2012, construction and interior work will be finalised, performing artists will be booked, and the Arts Centre will move into an exciting new era for Victorians and the organisation.

Corporate Services

The Arts Centre is committed to attracting and developing the best people to work at the best organisation to achieve outstanding results.

The Corporate Services Portfolio supports all aspects of the Arts Centre by developing a creative, capable, responsible and sustainable organisation. The Portfolio encompasses the functions of Human Resources, Information Systems, Financial Planning and Management, and Governance.

This financial year has seen a refocus of the Portfolio which has included the appointment of a new Executive Director and the realignment of the business area to deliver an even greater focus on efficiencies of processes, procedures and financial reporting.

Human Resources

The Arts Centre aims to achieve continuous organisational improvement through the promotion of a learning organisation culture, developing and motivating our people, working in partnerships with our stakeholders and effective workforce planning and management practices.

The quality of the Arts Centre's formal training was recognised through successful completion of an external audit in 2011, demonstrating full compliance against all conditions of the rigorous Australian Quality Training Framework.

As a Registered Training Organisation (RTO), the Arts Centre has been re-registered for a period of five years. This has enabled the organisation to launch a new traineeship program, commencing with three individuals undertaking formal on and off-the-job training over 15 months to achieve a nationally recognised qualification. Thirty-five Production and Visitor Service staff members are also working to achieve a new qualification through further training and recognition of existing skills. This program allows the Arts Centre to develop highly skilled staff in critical service areas and build professional standards in the industry.

Through RTO activities, the Arts Centre is also able to provide national qualifications for young people seeking music technology and interactive media careers via training programs offered through the Digital Learning Hub.

The Arts Centre's reputation continues to grow, as well as demand from other Victorian and interstate venues for RTO services, particularly in the provision of structured training in technical theatre operations. The 2011-12 financial year will provide opportunities to expand training services within and outside the Arts Centre.

The organisation also undertakes comprehensive workforce management and planning that embraces a learning organisation culture of developing staff, encouraging leadership, managing and recognising performance and ensuring availability of the appropriate level and mix of staff skills and resources.

To this end, the Arts Centre launched its own Investors in People (IiP) program this year. IiP is a business improvement tool designed to advance an organisation's performance and realise objectives through the effective management and development of their people.

State of the Art is the Arts Centre's IiP program that introduces, implements and supports the adoption of important management principles and behaviours throughout the organisation. With benefits for staff and the organisation, its three principles are to:

- plan – develop strategies to improve the performance of the organisation
- do – take action to improve the performance of the organisation
- review – evaluate the impact of our investment in people on the performance of the organisation.

Staff benefit from: the alignment of what individuals do in their specific roles with important organisational outcomes; greater involvement in decisions that affect individuals; and greater recognition for good or excellent performance.

The organisational benefits include: significantly greater alignment between business unit and organisational objectives and targets; a consistent set of guidelines and standards for managing people effectively; and ongoing assessment of how the organisation is managing well and where opportunities for improvement exist.

The first organisational assessment against the IiP standard was completed during the year, with the Arts Centre achieving 19 of the 37 evidence requirements. This achievement was standard for an organisation embarking on this improvement process and the results have identified significant areas of opportunity for the coming year.

Finance, Business Planning and Performance

The Finance team's focus on identifying efficiencies in processes has led to the revision of key policies and reporting mechanisms to better streamline activities and simplify reporting and planning across the organisation.

Key highlights included:

- revising and implementing investment management and hedging policies to assist Arts Centre management and Trustees in managing financial risk
- revising and improving reporting methods for the Arts Centre Foundation
- implementing and integrating key Arts Centre business unit needs within the organisation's two main financial systems – Tessitura (industry ticketing system) and the resultant integration with EBMS (our business management and intelligence software system)
- revising reporting frameworks to deliver more succinct and concise processes and planning cycles, better budgetary controls with monthly reforecasting, and development of governance frameworks
- significant financial and performance modelling around Hamer Hall.

Governance

During the last 12 months the Governance business unit has continued to work on key projects that serve to further develop business support and transparency systems. This has included revising risk management processes; reporting and integration into business planning; developing and implementing a new delegations framework; the development of new business continuity and crisis management practices to assist in protecting the Arts Centre's reputation and long-term viability. Tools to assist with programming event risk assessment and budgeting were also developed.

Information Systems

A full review of Information Systems (IS) took place this year to better align the IS strategy with the Arts Centre's overall business plan. The team continues to support the Arts Centre's operations through improved service delivery in a range of departmental areas including the facilitation of shows and events for the public and the Arts Centre's presenters.

Highlights for the 2010-11 financial year included:

- a first-stage redevelopment of the intranet to enhance its relevance and accessibility across all business areas, with an associated awareness and training program rolled out across the organisation
- enhancements to the Arts Centre's ticketing system to improve customers' experiences at the Arts Centre
- introduction of new software on the Arts Centre systems to improve system performance and provide advanced and cost-effective solutions for system efficiency – the suite of changes has reduced the IS carbon footprint at the Arts Centre
- the selection and implementation of a new asset management system in collaboration with the Facilities team.

The Trust's role and context

The Victorian Arts Centre Trust's core purpose is to enrich the lives of Victorians – culturally, educationally, socially and economically (*Victorian Arts Centre Act 1979*, s.5(2)).

Statutory functions

The Trust is a statutory entity subject to the general direction and control of the Minister for the Arts for the Victorian Government.

The functions of the Trust are described in section 5(1) of the *Victorian Arts Centre Act 1979* (as amended), which are:

- to control, manage, operate, promote, develop and maintain the Arts Centre
- to present and produce theatrical performances, operas, plays, dramas, ballets, musicals and other performances and entertainment of any kind at any place
- to promote the use of the theatres, concert hall and other places of assembly by suitable persons and bodies
- to provide leadership in the promotion and development of the performing arts
- to ensure the maintenance, conservation, development and promotion of the State collection of performing arts material
- to oversee the exhibition of performing arts material from the State collection and make any performing arts material from the State collection available on loan to persons or institutions
- to carry on, whether within or outside Victoria, whether alone or in association with any other person or persons and whether or not in relation to the Arts Centre, a business of providing ticketing, inventory management of admissions, marketing and related services
- to perform any other functions appropriate to the Arts Centre as the Minister for the Arts may approve
- to carry out any function conferred on the Trust under the Act.

Vision

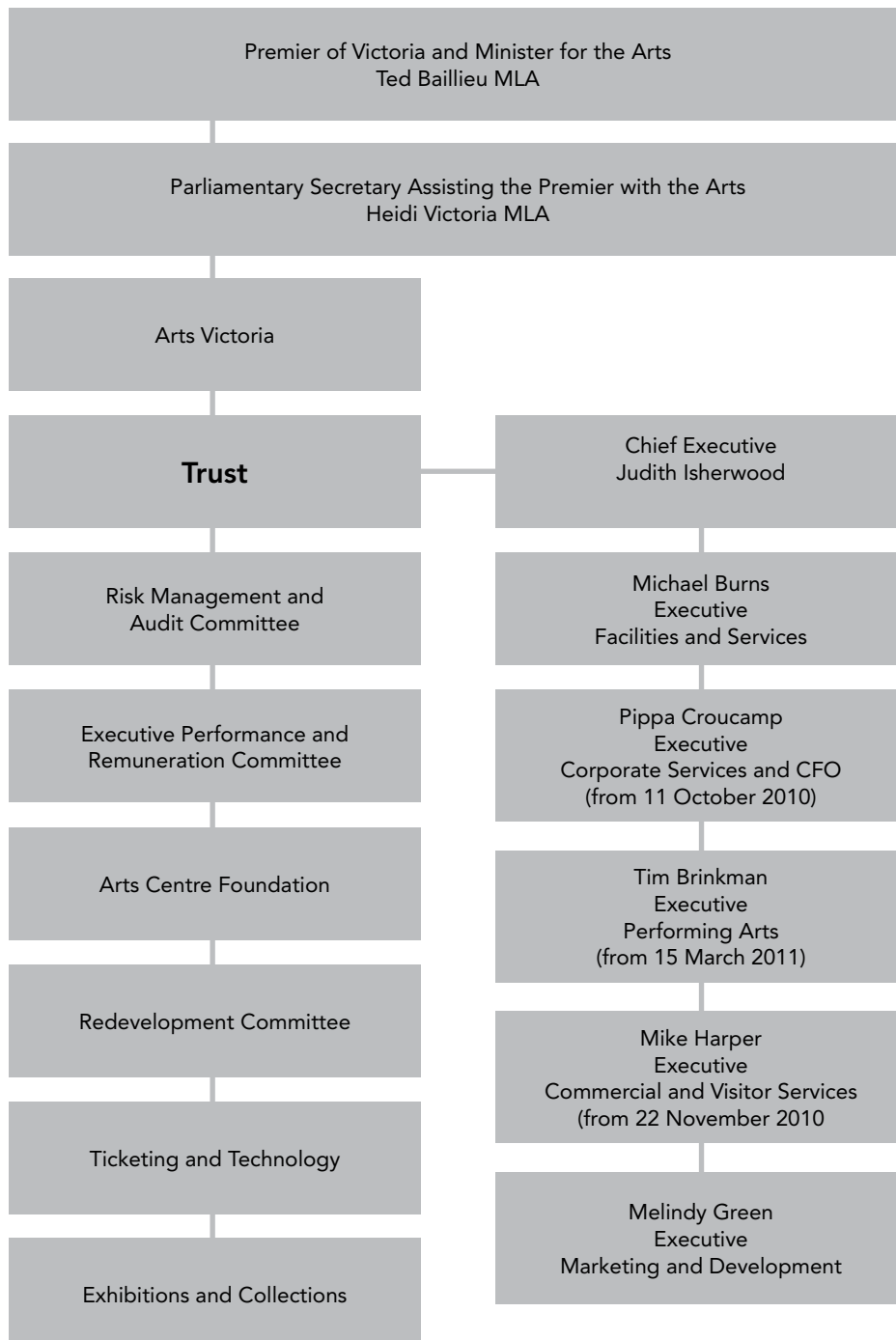
The Trust's vision for the Arts Centre is simple – it is to be recognised as one of the world's great performing arts centres. Achieving this vision will mean that we will be:

- Actively engaging people in exceptional performing arts experiences
- The venue of choice for the world's best performers, performance companies and producers
- An integral part of the arts across Victoria, with deep connections and high levels of engagement
- An innovator, known for ground-breaking programming and presentations
- Accessible to visitors of all ages and backgrounds
- Financially strong and stable.

Organisational context

The Arts Centre is a statutory authority of the Arts portfolio. The Arts portfolio is administered by Arts Victoria, a division of the Department of Premier and Cabinet. The Trustees are appointed by the Governor in Council on recommendation of the Minister for the Arts.

Organisational chart



The Victorian Arts Centre Trust (the Trust)

The Trust met 12 times in 2010–11 (includes one extraordinary meeting).

Janet Whiting (President)

Deborah Beale

Terry Bracks

Paul Brasher

Julian Clarke

Catherine McClements

Leon van Schaik AO

Graham Smorgon

David Vigo

Trust Committees

Risk Management and Audit Committee

The Committee provides advice to the Trust on matters relating to financial management, physical assets, investments, risk management and all aspects of internal and external audit and compliance matters.

The Committee met 11 times in 2010–11.

Paul Brasher (Chair)

Graham Smorgon

Janet Whiting

Message from the Chair, Risk Management and Audit Committee

Paul Brasher

The Arts Centre is undergoing a transformation, both physically with the redevelopment of Hamer Hall, and organisationally with a change program across all parts of the business. In addition to its normal areas of interest, the Risk Management and Audit Committee has played an important role this year in overseeing the many changes that are underway, ensuring the business is operating efficiently and effectively in delivering our core purpose within the context of sound risk management structures. A particular focus of the Committee over the last 12 months has been reviewing the operational impacts of the redeveloped Hamer Hall, from the introduction of a range of new Food & Beverage tenancies to the planned business model with enhanced programming opportunities etc. This focus will continue over the next 12 months, ensuring the full benefits of the redevelopment are realised for the both the Arts Centre and the broader community.

The Arts Centre Foundation

The purpose of the Foundation is to raise funds from individuals and philanthropic organisations, to manage the investment of donated funds and recommend the application of those funds in support of the statutory purpose and strategic priorities of the Trust.

The Foundation met 4 times in 2010-11

Graham Smorgon (Chair)

Betty Amsden OAM

Debbie Dadon

Dana Hlavacek

Jennifer Prescott

Janet Whiting (President of the Trust)

Carrillo Gantner AO (Vice Chair)

Sandy Clark

John Denton

Mem Kirby OAM

Doug Shears

Message from the Chair, The Arts Centre Foundation

Graham Smorgon

The Arts Centre Foundation Board of Governors has maintained its focus this year on cementing relationships with our current donors and supporters and securing gifts for the Endowment Fund. We are all excited at the prospect of the re-opening of Hamer Hall in the coming 12 months as we believe it will present many opportunities to help us to continue to build the Endowment Fund. The work of the Foundation is vitally important to ensuring the Arts Centre's continued ability to deliver a wide range of programs, including those for children, young people and families. With the Endowment corpus currently in excess of \$7.7m, I would like to thank all our long-standing donors and supporters, along with my fellow Governors on the Foundation Board.

Exhibition and Collections Committee

The primary objective of the Exhibitions and Collections Committee is to oversee the future development, policies and advocacy of the Trust's collections.

The Committee met 2 times in 2010-11.

Deborah Beale (Chair)
Catherine McClements
Leon van Schaik AO

Message from the Chair, Exhibition and Collections Committee

Deborah Beale

The Trust has long recognised the importance and significance of its Performing Arts Collection and Art Collection. The Performing Arts Collection in particular has grown enormously over the last 3 decades and the Trust is now focused on increasing the Collection's profile and reputation both within the State, nationally and internationally. This Committee is working with management and other stakeholders to achieve our goal of national recognition of the Performing Arts Collection and I am delighted to report that we have received numerous letters of endorsement in support of this goal from major performing arts companies, individual performers, and national and international museums including London's Victoria & Albert Museum. In the coming year, we will continue to pursue this goal and to ensure the continued development of this truly special Collection.

Executive Performance and Remuneration Committee

The Committee provides advice to the Trust on Executive remuneration, Executive performance and general remuneration policy matters.

The Committee met 2 times in 2010-11.

Janet Whiting (Chair)
Paul Brasher

Redevelopment Committee

The primary objective of the Redevelopment Committee is to assist the Trust in fulfilling its corporate governance and oversight responsibilities. This is achieved through monitoring, reporting to and acting for the Trust (when delegated) for all matters pertaining to the redevelopment of the Arts Centre through the Southbank Cultural Precinct Redevelopment project.

The Committee met 10 times in 2010-11.

Leon van Schaik AO (Chair)
Janet Whiting
Barry O'Callaghan (co-opted)

Ticketing and Technology Committee

The primary objective of the Ticketing and Technology Committee is to assist the Trust with recommendations relating to the management direction of the Arts Centre's digital and ticketing strategies.

The Committee met 7 times in 2010-11.

Julian Clarke (Chair)
Paul Brasher

The Trust complies with all relevant legislation and regulations, and responds to Government policies and guidelines that may apply to public entities from time to time.

Further to its own Act, the statutes having particular relevance to the Trust's role and operations are:

- the *Financial Management Act 1994*
- the *Public Administration Act 2004*.
- the *Disability Act 2006*
- the *Information Privacy Act 2000*

Administrative reporting requirements

Workforce data

	Ongoing				Variable-time*				Fixed term & casual employees	
	Employees (Headcount)		FTE		Employees (Headcount)		FTE		FTE	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Gender										
Male	88.00	101.00	86.52	92.45	25.00	28.00	14.26	16.47	27.39	40.20
Female	100.00	94.00	91.12	94.28	10.00	9.00	4.98	4.62	29.83	48.75
Total	188.00	195.00	177.64	186.73	35.00	37.00	19.24	21.09	57.22	88.95
Age										
Under 25	1.00	3.00	1.00	3.00	4.00	2.00	2.24	1.18	8.66	12.17
25-34	47.00	55.00	44.77	53.00	8.00	9.00	4.08	5.02	19.81	35.13
35-44	61.00	55.00	56.59	51.60	9.00	11.00	4.77	5.98	13.72	24.44
45-54	47.00	50.00	45.80	49.40	8.00	9.00	4.79	5.68	8.36	10.87
55-64	28.00	28.00	26.60	26.85	6.00	5.00	3.37	2.84	4.49	4.42
Over 64	4.00	4.00	2.88	2.88	0.00	1.00	0.00	0.39	2.18	1.92
Total	188.00**	195***	177.64	186.73	35.00	37.00	19.24	21.09	57.22	88.95

*Variable-time employment is distinct from ongoing, fixed term or casual employment. Staff members are engaged for a specific number of hours in a year, which may range from 624 to 1560. The actual hours worked in a week may vary depending on demand, with the total number of hours worked over the year equating to the amount in the staff member's variable-time contract.

** This figure reflects 164 full-time headcount and 24 part-time headcount.

*** This figure reflects 176 full-time headcount and 19 part-time headcount.

Occupational Health and Safety (OH&S)

A number of KPIs have been identified to enable the measurement of OH&S effectiveness at the Arts Centre and provide a valuable tool in the strategic management of these issues. Results for the year are outlined in the following table.

Measure	KPI	Result
Workers Compensation	Premium Rate	0.6% of total remuneration compared with 1.5%, which is the industry average
	Average days lost per workers compensation claim	3.2 days as compared with 6 days in 2009-10
	Return to work	100% of injured staff returned to work in under 10 days
OH&S Management Systems Compliance	Achieve compliance with AS4801	94% achieved on internal audit of Occupational Health and Safety Management Systems. This is measured against the requirements set out in AS 4801. The results is an improvement on 91% in 2009-10.

Environmental performance

Key measurables		2010-11	2009-10	2008-09	2007-08	2006-07
Electricity Total consumption	Kilowatt-hours (kWh)	24,292,708	27,542,133	29,328,081	31,044,422	31,207,378
Natural gas Total consumption	Gigajoules (GJ)	70,760	77,986	76,419	69,678	70,485
Water Total consumption	Kilolitres (kL)	85,100	77,729*	99,676*	101,280	98,925
Total carbon emissions	Tonnes of CO2-e	43,259	42,144	40,652	44,660	44,920

Figures include services supplied to National Gallery of Victoria

*Corrected figures from those published in 2008-09 and 2009-10 Annual Report.

¹ Provisional usage for 2010-11

Budget Paper 3 Output Reporting

	2010-11	2009-10	2008-09	2007-08
Access - visitors / users ¹	2,313,670	2,642,401	2,813,403	2,966,000
Number of members & friends ²	1,194	1,518	1,941	1,873
Number of volunteer hours	1,641	1,627	1,415	1,293
Number of students participating in education programs	70,288	81,709	66,011	89,900
% of collections stored to industry standard	67	60	60	66
% of visitors satisfied with visit overall	98	98	99	98
Access - online visitors to website ³	2,297,296	2,710,491	1,573,090	1,222,413

¹ Access - visitors / users represent number of attendances + visitors to F&B and Sunday market. (this excludes carpark).

² From F2011, as per advised by Arts Victoria, number of members & friends represents number of paid memberships at the agency.

³ From F2011, as per advised by Arts Victoria, online visitation is counted by browser based web analytical tools.

Freedom of Information

The Trust is an 'agency' for the purposes of the *Freedom of Information Act 1982 (the Act)* and is therefore subject to the Act. Freedom of Information (FOI) arrangements followed by the Trust are in accordance with procedures established under the Act.

The Trust received no requests under the *Freedom of Information Act* in the year.

All requests for FOI access must be made in writing to the Arts Centre's Freedom of Information Officer; Katie Parker, PO Box 7585, St Kilda Road, VIC 8004. The subject and date range of the information sought should be indicated as precisely as possible, and the request should be accompanied by the application fee which from 1 July 2011 is \$24.40 (waived in certain circumstances). Apart from the application fee, certain other charges such as search fees and photocopying charges might apply in relation to the provision of documents as stipulated in the Freedom of Information (Access Charges) Regulations 2004.

Further information on *the Act* may be obtained from www.foi.vic.gov.au

Financial and other information retained by the accountable officer

The following additional information is retained by the Trust for the period covered by the Annual Report and can be accessed subject to a request in accordance with the provisions of the *Freedom of Information Act 1982*, to the Arts Centre's Freedom of Information Officer as detailed above.

- A statement that Declarations of pecuniary interests have been duly completed by all relevant officers of the Trust.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority.
- Details of publications produced by the Arts Centre about the Arts Centre and how these can be obtained.
- Details of any major external reviews carried out on the Arts Centre.
- Details of changes in prices, fees, charges, rates and levies charged by the Arts Centre
- Details of overseas visits undertaken, including a summary of objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by the Arts Centre to develop community awareness of the Arts Centre and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- A general statement of industrial relations within the Arts Centre and details of lost time lost through industrial accidents and disputes, and
- Details of Trust committees, the purposes of each committee and the extent to which the purposes have been achieved.

There were no research and development activities undertaken by the Arts Centre during the reporting period, and there were no significant changes in prices or services during the period.

Competitive Neutrality Policy compliance

Competitive Neutrality requires Government businesses to ensure where services compete or potentially compete with the private sector, that any advantages arising from their Government ownership are removed if they are not in the public interest.

The Trust is committed to the ongoing compliance with the requirements of the competitive neutrality principles and is satisfied that its activities comply with the Victorian Government's Competitive Neutrality Policy.

Statement of compliance with the *Building Act 1993*

The Trust continues to comply with the relevant guidelines, pursuant to Section 220 of the *Building Act 1993*. To ensure compliance, third party surveyors are engaged prior to commencement of any works where planning permits are required and also following construction on all works, to certify compliance with building regulations.

During 2010-11 there were no works completed in Trust buildings that required certification and no works subject to mandatory inspections. In addition, one building permit has been required to undertake works to the handrails on the refurbished Dragonfly stage.

All buildings of the Trust were compliant with the *Building Act 1993* throughout the period.

Implementation of the Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003* which required public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). The Trust is required to apply the VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

In 2010-11 the Trust did not commence or complete any contracts with a value in excess of \$3m in metropolitan Melbourne or \$1 million in regional Victoria. Major Projects Victoria have responsibility for ensuring compliance with the requirements of the VIPP in respect of the Southbank Cultural Precinct Redevelopment.

Whistleblowers Protection Act 2001

This section of the report contains information that is required to be published annually under the *Whistleblowers Protection Act 2001*, Section 104.

The Trust has established written procedures for handling disclosures made under the Act in accordance with the guidelines issued by the Ombudsman Victoria. A full copy of the procedures is available on the Arts Centre's website www.theartscentre.com.au.

The procedures include detailed information about:

- roles and responsibilities of the Disclosure Officer and the Disclosure Coordinator;
- confidentiality provisions;
- procedures for the conduct of investigations;
- action to be taken after an investigation;
- managing the welfare of the whistleblower;
- management of the person against whom a disclosure had been made.

In respect of *Whistleblowers Protection Act 2001*:

- The Trust has not received any disclosures during the year, consequently, the Trust has not referred any disclosures to the Ombudsman for determination as to whether they are public interest disclosures, or for the Ombudsman to investigate, and there have been no investigations of disclosed matters taken over by the Ombudsman from the Trust during the year.
- There have been no investigations of disclosed matters referred from the Ombudsman to the Trust.
- The Trust has made no request under section 74 of the Act to the Ombudsman to investigate disclosed matters during the year.
- The Trust has not declined to investigate a disclosed matter during the year.

Subsequent events

As part of the Southbank Cultural Precinct Redevelopment project, Hamer Hall closed on 5th July 2010. \$128.5m has been allocated by the Victorian Government for the redevelopment of Hamer Hall and its surrounds. As at 30 June 2011, Construction in Progress assets of \$56.5 million were transferred to the Victorian Arts Centre Trust. The remaining assets are expected to be transferred at the completion of the project, which is scheduled to be July 2012.

Attestation under the Victorian Government's Risk Management Framework

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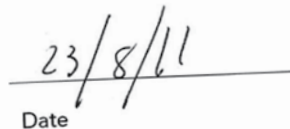
the Arts Centre

Risk Management Attestation at 30 June 2011 *Direction 4.5.5 – Risk Management Compliance*

I, Janet Whiting, certify that the Victorian Arts Centre Trust has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Risk Management and Audit Committee verify this assurance and the risk profile of the Arts Centre has been critically reviewed within the last 12 months.


Signed


Date



Summary of results 2010-11 (F2011)

Financial Performance	F2011	F2010	F2009	F2008	F2007	F2006
	\$m	\$m	\$m	\$m	\$m	\$m
Total Revenue	57.8	56.5	53.5	62.5	47.0	42.4
Less Total Expenses	51.7	53.0	52.2	51.0	44.8	43.1
Net Operating Result	6.1	3.5	1.3	11.5	2.2	-0.7
Less Depreciation	13.3	13.3	12.8	13.0	19.3	18.9
Net Result For Period	-7.2	-9.8	-11.5	-1.5	-17.1	-19.6
Total Assets	481.8	403.4	412.3	421.8	419.9	504.7
Less Total Liabilities	18.6	18.2	18.0	16.2	15.5	14.7
Total Equity	463.2	385.2	394.3	405.6	404.4	490.0
Patronage Profile	F2011	F2010	F2009	F2008	F2007	F2006
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
Attendances at Performances ¹	847	985	1,115	1,278	1,250	1,249
Attendances at Public Programs	236	288	284	316	242	399
Attendances at Exhibitions	681	616	601	834	693	808
Total Attendances*	1,764	1,889	2,000	2,428	2,185	2,456
Other Visitors & Facility Users ²	1,337	1,473	1,447	1,336	1,209	na
Events Profile	F2011	F2010	F2009	F2008	F2007	F2006
Performance Events ⁴	1,017	975	1,260	1,360	1,378	1,425
Public Program Events	3,529	3,659	3,407	3,624	4,294	4,212
Exhibitions & Displays	21	22	27	29	38	43
Total Events	4,567	4,656	4,694	5,013	5,710	5,680
Venue Utilisation	F2011	F2010	F2009	F2008	F2007	F2006
	%	%	%	%	%	%
State Theatre	90	86	85	93	99	99
Playhouse	87	88	93	97	98	90
Fairfax Studio	98	92	99	97	98	98
Average mainstage utilisation	92	89	92	96	98	96
Hamer Hall	1	70	71	76	81	73
Sidney Myer Music Bowl	21	16	25	26	24	30
Spiegeltent	21					
Facilities Management	F2011	F2010	F2009	F2008	F2007	F2006
	%	%	%	%	%	%
Asset Condition Index Venue	74	73	76	78	na	76
Asset Condition Index Infrastructure	55	51	54	63	na	74

¹ Attendances at Performances do not include attendances at education performances and community engagement related performances, which are included in the Attendances at Public Programs below.

² Other Visitors & Facility Users includes visitors to car park, food & beverages outlets and Sunday market.

³ From F2011, as per advised by Arts Victoria, online visitation is counted by browser based web analytical tools.

⁴ Performance events do not include education performances and other community engagement related performances, which are included in Public Program Events below.

* Total attendances of 1,764,000 is for all attendances at Arts Centre performances, programs and exhibitions. The BP3 Access - visitor / user figure of 2,313,670 on page 27 includes these attendances plus visitors to the Arts Centre's food & beverage outlets, Sunday Market and tours but excludes car park visitors.

Financial overview of operations

This review of operations and the financial statements in this report relate to the activities of the Victorian Arts Centre Trust ('the Trust') for the year ended 30 June 2011 (F2011).

Operating Result

The reported operating result for the year is a loss of \$38m (F2010: \$9.8m). This result has been impacted by the de-recognition of a proportion of Hamer Hall (\$30.6m). Hamer Hall was closed for the whole of the current operating year and Arts Centre was compensated for the business impacts of this closure by a Victorian Government Grant of \$6.3m.

Hamer Hall is undergoing a \$128.5m redevelopment which is scheduled for completion in mid 2012. As part of the redevelopment, a proportion of the existing building structure and building fit out has been demolished, replaced or enhanced, the written down value of which has been estimated at \$30.6m. Accounting standards require this to be treated as a loss on disposal of non-financial assets in the comprehensive operating statement. Given that Hamer Hall was previously revalued, the accounting standards permit this amount to be transferred from the revaluation reserve to accumulated funds. There is no overall impact on accumulated funds arising from the de-recognition of a proportion of the Hamer Hall building.

Total revenues increased by \$1.3m while total expenditure including depreciation decreased by \$1.4m from \$66.3m in F2010 to \$64.9m in F2011 resulting in a \$2.7m better result in F2011 to F2010.

In accordance with the relevant accounting standards, the audited financial statements include capital and endowment receipts and income received in advance that is to be applied against future expenditure. Excluding these revenues and the unfunded annual depreciation expense presents a more accurate record of the annual operating performance of the Trust.

The following adjusted operating statement show the comparable 'net cash operating result' for the last four years and demonstrates that in recent years the Trust has consistently delivered a positive cash surplus from its operating activities.

	F2011 (\$m)	F2010 (\$m)	F2009 (\$m)	F2008 (\$m)	F2007 (\$m)
Total revenues as per audited financial statements	57.8	56.5	53.5	62.5	47
Less capital and endowment receipts and income received in advance	0.6	0.9	-0.9	6.6	1
Total net operating revenues	57.2	55.6	54.4	55.9	46
Less total expenses as per audited financial statements (excluding depreciation and the derecognition of Hamer Hall)	51.7	53	52.2	51	44.8
Net operating result	5.5	2.6	2.2	4.9	1.2
Less capital projects funded from operating revenues and reserves	2.4	1.1	0.9	3.1	0.4
Net cash operating result	3.1	1.5	1.3	1.8	0.8

F2011 saw a \$1.3 million increase in net operating revenues with operating expenses reducing by \$1.3 million and capital expenditure funded from operating revenues and reserves increasing by \$1.3m, resulting in an overall increase in the net cash operating surplus from F2011.

Revenues

The 2.3% increase in total revenues from F2010 is the result of a strong season at the Sidney Myer Music Bowl, the re-introduction of the Spiegeltent at the Arts Centre and a \$0.6m increase in investment income received. The closure of Hamer Hall resulted in a decrease of \$4.5m in programming income but this was offset by the \$5.8m increase in government grants.

Expenditure

Total expenditure excluding depreciation decreased by 2.5% from F2010. The decrease is largely due to the closure of Hamer Hall and this has offset any inflationary impacts on expenditure.

Balance Sheet

Equity

Three main factors impacted the \$78m increase in total equity.

- The revaluation reserve increased by \$28.6m due to the net impact of the revaluation of land, buildings, works of art and the performing arts collection (increase of \$59.2m) and the derecognition of a proportion of the Hamer Hall building (decrease of \$30.6m).
- The increase in contributed capital (\$57m) was largely due to the transfer of 'work in progress' assets from the Department of Premier and Cabinet in respect of the Southbank Cultural Precinct Redevelopment and
- The net loss of \$7.4m excluding the impacts of the Hamer Hall derecognition of \$30.6m (F2010: net loss of \$9.8m), which is primarily due to the depreciation and amortisation of fixed assets and intangible assets (\$13.3m).

The de-recognition of a proportion of the Hamer Hall building has no impact on the accumulated deficit.

Asset & Liabilities

The significant movements in financial assets and liabilities are largely due to the \$2.9m increase in net cash from operating activities.

The \$75.2m increase in non-financial assets from \$385.2m in F2010 to \$463.2m in F2011 is largely due to the revaluation of land, buildings, works of art and the performing arts collection (\$59.2m), the transfer of assets totalling \$56.5m from the Department of Premier and Cabinet in respect of the Southbank Cultural Precinct Redevelopment project, capital additions of \$3.4m less depreciation and amortisation of \$13.3m and the de-recognition of a proportion of the Hamer Hall building (\$30.6m).

Cash Flows

Net cash outflows of \$0.9m from operating, investing and financing activities reflect endowment fund and capital contribution receipts of \$1.1m, other net operating receipts of \$5.0m less investment in fixed and intangible assets of \$3.1m and a transfer of \$3.9m cash to the managed investment fund.

Patronage, Events & Venue Utilisation

The closure of Hamer Hall for redevelopment since early July 2010 has led to a lower number of performance and public program attendances in F2011. Other visitors and facility users also decreased by 9% as a result, impacting car park and Food and Beverage usage. The attendance decrease has been partially offset by the re-introduction of the famous Spiegeltent to the Arts Centre forecourt, generating over 55,000 new attendees, while attendances at exhibitions have also increased by over 10%.

Significant increased utilisation in the State Theatre, Fairfax & the Sidney Myer Music Bowl, as well as the introduction of the Spiegeltent, adding 217 performance events, have meant that despite Hamer Hall closing, overall events have only decreased by 2% in F2011.

Continued next page

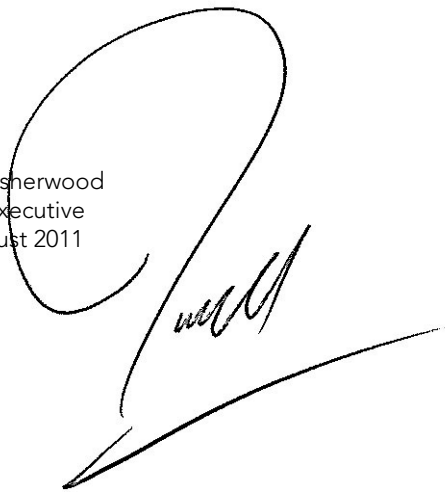
Asset Condition

Prioritisation of several key facilities infrastructure projects have led to the venue asset condition rising by 1% to 74% in F2011, while the infrastructure asset condition has risen by 4% to 55%. We continue to closely monitor the condition of the assets.

Accountable Officer's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Arts Centre Trust's Annual Report for the year ending 30 June 2011.

Judith Isherwood
Chief Executive
30 August 2011

A large, stylized handwritten signature in black ink, likely belonging to Judith Isherwood, positioned to the right of her printed name and title.

Victorian Arts Centre Trust
Comprehensive operating statement
For the financial year ended 30 June 2011

	Notes	2011 \$'000s	2010 \$'000s
Continuing operations			
Income from transactions			
Programming	2	12,295	16,772
Marketing and Visitor Experience	2	16,302	17,028
Facilities Management	2	2,860	2,709
Corporate Services	2	63	97
Investment income	2	1,653	1,052
Government grants	2	24,638	18,831
Total income from transactions	2	57,811	56,489
Expenses from transactions			
Programming	3	16,778	17,976
Marketing and Visitor Experience	3	12,300	12,061
Facilities Management	3	13,829	14,570
Corporate Services	3	8,667	8,361
Finance costs	3	93	27
Depreciation and amortisation	3	13,281	13,314
Total expenses from transactions	3	64,948	66,309
Net deficit from transactions (net operating balance)	4	(7,137)	(9,820)
Other economic flows included in net result			
Net loss on non-financial assets	5(a)	(30,867)	-
Net gain/(loss) on financial assets	5(b)	15	(11)
Other gain/(loss) from other economic flows	5(c)	3	(17)
Total other economic flows included in net result		(30,849)	(28)
Net result		(37,986)	(9,848)
Other economic flows - other non-owner changes in equity			
Changes to financial assets available-for-sale	19	(134)	136
Total other economic flows included in net result		(134)	136
Comprehensive result		(38,120)	(9,712)

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 41 to 71.

Victorian Arts Centre Trust
Balance sheet
as at 30 June 2011

	Notes	2011 \$'000s	2010 \$'000s
Assets			
Financial assets			
Cash and deposits	6	25,832	26,706
Receivables	7	4,094	3,800
Investments	8	5,606	1,762
Total financial assets		35,532	32,268
Non-financial assets			
Inventories	9	99	125
Property, plant and equipment	10	444,471	369,290
Intangible assets	11	1,319	1,679
Other non-financial assets	12	436	69
Total non financial assets		446,325	371,163
Total assets		481,857	403,431
Liabilities			
Payables	13	12,462	12,886
Provisions	14	5,204	4,667
Other liabilities	15	955	684
Total liabilities		18,621	18,237
Net assets		463,236	385,194
Equity			
Contributed capital		405,703	348,692
Donation and endowment reserve		9,652	9,058
Asset revaluation reserve		161,991	133,434
Available-for-sale revaluation deficit		(473)	(339)
Accumulated deficit		(113,637)	(105,651)
Total equity		463,236	385,194
Commitments for expenditure	16 & 17		
Contingent assets and liabilities	26		

The balance sheet should be read in conjunction with the accompanying notes included on pages 41 to 71.

Victorian Arts Centre Trust
Statement of changes in equity
for the financial year ended 30 June 2011

	Contributed capital	Donation and endowment reserve	Asset revaluation reserve	Available- for-sale revaluation deficit	Accumulated deficit
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Balance at 1 July 2009	348,101	8,039	133,434	(475)	(94,784)
Net result for the year	-	-	-	-	(9,848)
New endowment funds received	-	750	-	-	-
Net donations and investment income received	-	1,713	-	-	-
Donations and endowment income accessed	-	(1,444)	-	-	-
Other comprehensive income for the year	-	-	-	136	-
Transfer to accumulated surplus	-	-	-	-	(1,019)
Capital appropriations	591	-	-	-	-
Balance at 30 June 2010	348,692	9,058	133,434	(339)	(105,651)
Net result for the year	-	-	-	-	(37,986)
New endowment funds received	-	600	-	-	-
Net donations and investment income received	-	1,482	-	-	-
Donations and endowment income accessed	-	(1,488)	-	-	-
Revaluation increment	-	-	59,154	-	-
Other comprehensive income for the year	-	-	-	(134)	-
Transfer to accumulated surplus (i)	-	-	(30,597)	-	30,000
Capital appropriations (ii)	57,011	-	-	-	-
Balance at 30 June 2011	405,703	9,652	161,991	(473)	(113,637)

The statement of changes in equity should be read in conjunction with the accompanying notes included on pages 41 to 71.

- (i) Hamer Hall is undergoing a \$128.5m redevelopment which is scheduled for completion in mid 2012. As part of the redevelopment, a proportion of the existing building structure and building fit out has been either demolished, replaced or enhanced, the written down value of which has been estimated at \$30,597,000. Accounting standards require this to be treated as a loss on disposal of non-financial assets in the comprehensive operating statement. This does not impact the net operating loss which has improved by \$2.7m from the prior year. Given that Hamer Hall was previously revalued, the accounting standards permit this amount to be transferred from the revaluation reserve to accumulated funds. There is no overall impact on accumulated funds arising from the de-recognition of a proportion of the Hamer Hall building.
- (ii) Work in progress assets totalling \$56.5m in respect of the Hamer Hall redevelopment were transferred to the Trust from the Department of Premier and Cabinet as at 30 June 2011. This transfer is designated as a contribution from owners (contributed capital).

Victorian Arts Centre Trust

Cash flow statement

for the financial year ended 30 June 2011

		2011	2010
	Notes	\$'000s	\$'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Receipts from customers		27,697	31,848
Proceeds from endowments		600	750
Government grants received		24,784	18,831
Interest and dividends received		1,620	1,005
Total receipts		54,701	52,434
<i>Payments</i>			
Payments to suppliers		(21,805)	(23,193)
Payments to employees		(26,659)	(26,011)
GST paid to the Australian Taxation Office		(589)	(512)
Total payments		(49,053)	(49,716)
Net cash from operating activities	18c	5,648	2,718
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(3,077)	(2,107)
Payments for investments		(3,945)	-
Net cash used in investing activities		(7,022)	(2,107)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital contributions by the Victorian Government		500	591
Net cash provided by financing activities		500	591
Net (decrease)/increase in cash and cash equivalents		(874)	1,203
Cash and cash equivalents at the beginning of the financial year		26,706	25,503
Cash and cash equivalents at the end of the financial year	18a, 6	25,832	26,706

The above cashflow statement should be read in conjunction with the accompanying notes included on pages 41 to 71.

Note 1: Statement of accounting policies

The annual financial statements represent the audited general purpose financial statements for the Victorian Arts Centre Trust.

A. Statement of compliance

These general purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

B. Basis of preparation

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

These financial statements are presented in Australian dollars, the functional and presentation currency of the Trust.

In the application of AASs, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgments made by management in the application of AASs that have significant effects on the financial statements and estimates, with a risk of material adjustments in the subsequent reporting period, are disclosed throughout the notes to the financial statements.

The report has been prepared in accordance with the historical cost convention, except for:

- non financial physical assets which, subject to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- the fair value of an asset other than land is generally based on its depreciated replacement value;
- available-for-sale investments which are measured at fair value with movements reflected in equity until the asset is derecognised; and
- certain liabilities that are calculated with regard to actuarial assessments.

Historical cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2011 and the comparative information presented for the year ended 30 June 2010.

C. Reporting entity

The reporting entity is the Victorian Arts Centre Trust ("the Trust") and the financial statements include all the controlled activities of the Trust. Its principal address is:

Victorian Arts Centre Trust
100 St Kilda Rd
Melbourne VIC 3004

Objectives and funding

The core objective of the Trust is to enrich the lives of Victorians – culturally, educationally, socially and economically - by enabling people to enjoy and value the performing arts.

The Trust is a public entity and as such derives its funding from both Victorian Government and Federal Government grants and from entrepreneurial sources.

D. Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of financial statements*.

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods* 2005 Cat. No. 5514.0 published by the Australian Bureau of Statistics.

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities, by mutual agreement. Transactions also include flows within an entity, such as depreciation, where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets and fair value changes of financial instruments.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of cash flows*.

Rounding of amounts

Amounts in the financial statements (including the notes) have been rounded to the nearest thousand dollars, unless otherwise stated.

E. Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured for each of the Trust's major activities as follows:

Grants

State Government appropriation and other Government grants are recognised on receipt in accordance with AASB 118 *Revenue*. Grants from other third parties are recognised as income in the reporting period to the extent to which economic benefits will flow to the Trust.

Sales of goods and services

a. Income from the provision of services

Income from the provision of services is recognised by reference to the stage of completion when:

- the amount of income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Trust.

Key revenue areas are as follows:

- Programming revenues comprise ticket sales from Arts Centre presented and produced events.
- Presenter Services and Visitor Services revenues comprise the recovery of event production costs.
- Performing Arts Collection revenues comprise research fees and donations to the Cultural Gifts Program.
- Facilities Management revenues comprise the recovery of Facilities Management services from third parties.
- Corporate Services revenues comprise the recovery of IT related event costs.

b. Income from the sale of goods

Income from the sale of goods is recognised when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- the Trust retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income and the costs incurred or to be incurred in respect of the transaction can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Trust.

Interest and investment income

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Dividends are recognised when the right to receive payment is established.

Net realised and unrealised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as part of income from other economic flows in the net result or as unrealised gains and losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

Resources received free of charge

Resources received free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Other income

Donations are recognised when received and are appropriated to a designated donation or endowment fund, with the exception of donations that specifically relate to activities occurring after the year end, which are recognised with reference to the timing of the underlying expenditure. Donation funds and income from endowment funds are used to fund the programming and exhibition activities of the Trust.

Donated works of art or performing arts assets are recognised when the gift is accepted by the Trust and is recorded at fair value at the time of the donation. Fair value is determined by either an average of independent valuations for works donated under the Cultural Gifts Program or by a curatorial assessment by the Trust.

F. Expenses from transactions

Depreciation and amortisation

Depreciation is calculated on the straight line method to write off the value of non current physical assets (excluding land, works of art and performing arts collection) to its residual value over its expected useful life to the Trust.

Estimates of the remaining useful lives for all assets are reviewed at least annually. The expected useful lives, as assessed by the Valuer General in 2011 and assessed as reasonable by management, are as follows:

- (i) Buildings: **105 to 139** years
- (ii) Building fit outs: **3.7 to 45** years
- (iii) Furniture and equipment: **3.7 to 7.7** years
- (iv) Motor vehicles: **4.4** years
- (v) Software intangible assets: **3.7** years

Major spare parts purchased for plant are capitalised and depreciated on the same basis as the plant to which they relate.

The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed at least annually.

Employee expenses

Employee expenses include superannuation expenses which are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

- Defined contribution plans - contributions to defined contribution plans are expensed when incurred.
- Multi-employer plans - where a multi-employer plan is a defined contribution plan under the terms of the plan, contributions to the plan are expensed when incurred.
- Defined benefit plan - where a plan is a defined benefit plan under the terms of the plan, it is accounted for as a defined benefit plan; that is the Trust's share of the defined benefit obligation, plan assets and costs associated with the plan are accounted for in the financial statements of the Trust.

Other operating expenses

Other operating expenses generally represent the day to day running costs incurred in normal operations.

Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Bad and doubtful debts

Bad and doubtful debts are assessed on a regular basis and written off when appropriate.

Fair value of assets and services provided free of charge or for nominal consideration

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

G. Other economic flows included in the net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

- Revaluation gains/(losses) of non-current physical assets – refer to Note 1(I) Non-financial assets.
- Disposal of non-financial assets - any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.
- Amortisation of non-produced intangible assets - refer to Note 1(I) Non-financial assets.
- Gain/(loss) arising from transactions in foreign exchange - refer to Note 1(Q) Foreign currency.
- Impairment of non-financial assets – all assets are assessed annually for indications of impairment, except for inventories.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell.

Net gain/(loss) financial assets

Net gain/(loss) on financial assets includes disposals of financial assets and the allowance for doubtful debts.

The revaluation gain/(loss) on financial assets at fair value excludes dividends or interest earned on financial assets, which is reported as part of income from transactions.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

- transfer of amounts from the reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification; and
- the revaluation of the present value of the long service leave liability due to changes in the bond interest rates

H. Financial assets

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash assets include donations and endowments received by the Arts Centre Foundation. The Arts Centre Foundation is a sub-committee of the Trust.

Receivables

Receivables consist predominantly of debtors in relation to goods and services and accrued investment income. Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less an allowance for impairment.

A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

Investments and other financial assets

Investments held by the Trust comprise equity and debt securities held as part of a Managed Fund. Investments are recognised and de-recognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Investments are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is reclassified to the net result as an other economic flow for the period.

Impairment of financial assets

The Trust assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

I. Non financial assets

Inventories

Inventories are measured at the lower of cost or net realisable value. Net realisable value is determined on the basis of the Trust's normal selling pattern.

Property, plant and equipment

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Cultural assets, collections and heritage assets that the State intends to preserve because of their unique historical, cultural or environmental attributes are measured at their replacement cost. Cultural collections are non-depreciable.

The fair value of furniture, equipment and motor vehicles is determined by reference to the asset's depreciated replacement cost. Existing depreciated cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Plant and equipment controlled by the Trust is required to be maintained on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are expensed as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated.

Restrictive nature of cultural and heritage assets and Crown land

During the reporting period, the Trust held cultural assets, heritage assets, and Crown land.

Cultural and heritage assets are held for performance, exhibition, education, research and/or historical interest. Such assets, including Crown land, are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

Revaluations of non current assets

Non-current physical assets are measured at fair value in accordance with FRD 103D. This revaluation process normally occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in value. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increments or decrements arise from differences between carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus. This does not include assets that are de-recognised.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes.

Intangible assets

Intangible assets comprise software assets and are measured initially at cost. Software has a finite useful life and therefore these assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Trust. The Trust assesses at the end of each reporting period whether there is objective evidence that intangible assets are impaired.

Other non-financial assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

J. Liabilities

Payables

Payables consist predominantly of accounts payable and other sundry liabilities (contractual payables). Accounts payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid, and arise when the Trust becomes obliged to make future payments in respect of the purchase of those goods and services.

Other liabilities included in payables mainly consist of unearned/prepaid income (contractual), goods and services tax and fringe benefits tax payables (statutory).

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

Provisions

Provisions are recognised when the Trust has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Wages, salaries and annual leave - Liabilities for wages and salaries, including non-monetary benefits and annual leave which are expected to be settled within 12 months of the reporting period, are recognised in the provision for employee benefits. These liabilities are classified as current liabilities and measured at their nominal values.

Long service leave - Liability for long service leave (LSL) is recognised in the provision for employee benefits.

- (i) Current liability – unconditional LSL is disclosed in the notes to the financial statements as a current liability even where the Trust does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The components of this current LSL liability are measured at nominal value (component that the Trust expects to settle within 12 months) and present value (component that the Trust does not expect to settle within 12 months).
- (ii) Non-current liability – conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow.

Employee benefits on-costs - Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

K. Leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

The Trust is not party to any finance leases.

L. Equity

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

M. Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value inclusive of GST payable.

N. Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value inclusive of GST receivable or payable.

O. Goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

P. Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Trust and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Disclosure is made in the notes about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

Q. Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognised in other economic flows in comprehensive income and accumulated in a separate component of equity, in the period in which they arise.

R. AASs issued that are not yet effective

Certain new AASs have been published that are not mandatory for the 30 June 2011 reporting period. The Department of Treasury and Finance (DTF) assesses the impact of these new standards and advises the Trust of their applicability and early adoption where applicable.

As at 30 June 2011, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2011. The Trust has not early adopted these standards.

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Trust's financial statements
AASB 9 <i>Financial instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 124 <i>Related Party Disclosures (Dec 2009)</i>	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 Jan 2011	Preliminary assessment suggests the impact is insignificant. However, the Trust is still assessing the detailed impact.
AASB 1053 <i>Application of Tiers of Australian Accounting Standards</i>	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

Note 2: Income from transactions	Notes	2011 \$'000s	2010 \$'000s
Programming			
Arts Centre Programming		2,576	5,898
Presenter Services		4,169	4,397
Venue Rental		5,273	6,356
Performing Arts Collection		277	121
		12,295	16,772
Marketing and Visitor Experience			
Visitor Businesses		8,117	8,744
Ticketing and Visitor Services		5,528	5,225
Philanthropy and Corporate Sponsorship	(i)	2,603	2,984
Marketing and Communications		54	75
		16,302	17,028
Facilities Management			
Facilities Management		1,893	2,117
Safety and Security Services		967	592
		2,860	2,709
Corporate Services		63	97
Investment income			
Interest and distributions received	(ii)	1,647	891
Dividends received		6	161
		1,653	1,052
Government grants			
Victorian government appropriation		18,175	16,026
Other Victorian government grants	(iii)	6,263	2,506
Other government grants	(iv)	200	299
		24,638	18,831
Total income		57,811	56,489

- (i) Philanthropy and Corporate Sponsorship income includes \$600,000 of endowment funds received (F2010: \$750,000). Endowments are invested in order to provide a permanent source of income for approved Arts Centre programs. The endowment corpus cannot be spent, only the income arising from the investment of these endowments.
- (ii) Interest received includes \$77,000 of Managed fund income distributions re-invested in the fund (F2010: \$47,000).
- (iii) Other Victorian government grants include \$6,252,000 from Arts Victoria and Major Projects Victoria in respect of the business and revenue impacts of the Southbank Cultural Precinct Redevelopment.
- (iv) Other government grants include \$64,000 from Australia Council in respect of the Mix it up and Full Tilt programs and \$94,000 from Vision of Australia to support the touring of ACDC exhibition.

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

		2011 \$'000s	2010 \$'000s
Note 3: Expenses from transactions	Notes		
Programming			
Arts Centre Programming		8,228	9,226
Presenter Services		5,964	6,568
Venue Rental		768	494
Performing Arts Collection		1,818	1,688
		16,778	17,976
Marketing and Visitor Experience			
Visitor Businesses		2,737	2,834
Ticketing and Visitor Services		6,065	6,137
Philanthropy and Corporate Sponsorship		1,234	1,190
Marketing and Communications		2,264	1,900
		12,300	12,061
Facilities Management			
Facilities Management		11,497	12,516
Safety and Security Services		2,332	2,054
		13,829	14,570
Organisation			
Executive Services		2,100	1,935
Finance Services		1,784	1,673
People and Culture		1,725	1,231
Information Services		3,058	3,522
		8,667	8,361
Finance costs		93	27
Depreciation and amortisation	(i)		
Buildings		1,420	1,421
Building fit outs		9,456	9,416
Other depreciable assets		1,719	1,768
Amortisation		686	709
Total depreciation and amortisation		13,281	13,314
Total expenses		64,948	66,309

(i) The Victorian Government does not fund the Trust for depreciation and amortisation.

Note 4: Net result from transactions

Net result from transactions includes the following expenses:

Operating lease rental expenses		561	519
Consultants	(ii)	731	476
		1,292	995

(ii) The Trust engaged 30 consultants in total during F2011 (2010: 16). None was paid in excess of \$100,000.

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

		2011	2010
Note 5: Other economic flows included in net result	Notes	\$'000s	\$'000s
(a) Net loss on non financial assets			
Impairment of property plant and equipment		(130)	-
Net loss on disposal of property plant and equipment	(i)	(30,737)	-
Total net loss on non-financial assets		(30,867)	-
(b). Net gain/(loss) on financial assets			
Bad debts recovered		15	(11)
Total net gain/(loss) on financial assets		15	(11)
(c). Other gains/(losses) from other economic flows			
Net gain/(loss) arising from revaluation of long service liability	(ii)	3	(17)
Total other gains/(losses) from other economic flows		3	(17)

(i) Refer to the Statement of Changes in Equity for disclosure on the net loss on disposal of property, plant and equipment.

(ii) Revaluation gain due to change in bond rates.

Note 6: Cash and deposits			
Cash on hand and in bank	(i)	3,249	7,144
Cash held in box office bank account	(ii)	5,683	6,974
Term deposits	(i)	16,900	12,588
Total cash assets	18a	25,832	26,706

(i) Cash and deposits include \$3,934,000 of Arts Centre Foundation funds. The Arts Centre Foundation is a sub-committee of the Trust.

(ii) Cash held in the box office bank account is held in trust for the ticket purchaser and can only be made available to the Presenter (ticketing receipts) and the Trust (ticketing fees) after the relevant event has occurred.

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

Note 7: Receivables	Notes	2011 \$'000s	2010 \$'000s
Current receivables			
Trade debtors	(i)	2,764	2,171
Less provision for doubtful debts	7a	(1)	(28)
Other receivables		1,261	1,657
Net GST receivable		70	-
Total receivables	19	4,094	3,800

(i) The average credit period for sales of goods and services and for other receivables is 14 days. A provision has been made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The decrease was recognised in the net result for the current financial year.

a. Doubtful debts

Balance at beginning of the year	28	43
Reversal of unused provision recognised in the net result	(18)	(17)
Increase in provision recognised in the net result	-	28
Previously provided for receivables written off as uncollectible	(9)	(26)
Balance at end of the year	1	28

b. Ageing analysis of contractual receivables

Refer to Note 19 for the ageing analysis of contractual receivables.

c. Nature and extent of risk arising from contractual receivables

Refer to Note 19 for the nature and extent of risks arising from contractual receivables.

Note 8: Investments

Current investments		
Managed funds	5,606	1,582
Australian listed equity securities	-	180
Total investments	19	5,606

Investments represent Arts Centre Foundation funds. The Arts Centre Foundation is a not-for-profit entity, established as a sub-committee of the Trust.

a. Ageing analysis of investments and other financial assets

Refer to Note 19 for the ageing analysis of investments and other financial assets.

b. Nature and extent of risk arising from investments and other financial assets

Refer to Note 19 for the nature and extent of risks arising from investments and other financial assets.

Note 9: Inventories

Current inventories		
Theatre lamps, gels and tapes	66	74
Central plant	28	36
Merchandise	5	15
Total inventories	99	125

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

Note 10: Property, plant & equipment	Notes	2011 \$'000s	2010 \$'000s
Land	(i)		
At valuation		126,676	99,750
Buildings	(ii)		
At valuation		117,670	142,185
Less accumulated depreciation		-	(4,265)
		117,670	137,920
Building fit outs	(ii)		
At valuation		83,552	121,899
At cost		1,302	4,717
Less accumulated depreciation		(70)	(28,521)
		84,784	98,095
Other assets			
Furniture and equipment at cost		11,043	11,144
Less accumulated depreciation		(5,904)	(5,169)
		5,139	5,975
Motor vehicles at cost		110	98
Less accumulated depreciation		(88)	(98)
		22	-
Works of art at cost		107	249
Works of art at valuation		27,873	15,400
	(iii)	27,980	15,649
Performing arts collection at cost		-	1,827
Performing arts collection at valuation	(iv)	25,360	10,074
		25,360	11,901
Work in progress		56,840	-
Total property, plant and equipment		444,471	369,290

(i) Land was revalued to fair value by the Valuer General Victoria, as at 30 June 2011 using the best estimate of the price reasonably obtainable in the market at reporting date.

(ii) Buildings and Building Fit Outs were valued at fair value as at 30 June 2011 by the Valuer General Victoria, which under FRD103D is based on the depreciated replacement cost.

(iii) Works of art were revalued to fair value by Reeder Fine Art as at 30 June 2011 using the best estimate of the price reasonably obtainable in the market at reporting date. No depreciation is charged on works of art.

(iv) The performing arts collection was revalued to fair value as at 30 June 2011 by Ian Armstrong (OAM) at fair value using the best estimate of the price reasonably obtainable in the market at reporting date.

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

Note 10: Property, plant & equipment (continued)
Movement in carrying amount
2011

	Opening carrying amount	Additions	Disposals & write offs	Depreciation	Revaluation	Impairment	Closing carrying amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Land	99,750	-	-	-	26,926	-	126,676
Buildings	137,920	-	(11,952)	(1,420)	(6,878)	-	117,670
Building Fit Out	98,095	1,237	(18,672)	(9,456)	13,580	-	84,784
<u>Other Assets</u>							
Furniture & equipment	5,975	1,134	(124)	(1,716)	-	(130)	5,139
Motor vehicles	-	25	-	(3)	-	-	22
Works of art	15,649	110	-	-	12,221	-	27,980
Performing arts collection	11,901	156	-	-	13,303	-	25,360
Work In progress	-	56,840	-	-	-	-	56,840
Total	369,290	59,502	(30,748)	(12,595)	59,152	(130)	444,471

Refer to the Statement of Changes in Equity for disclosure on the net loss on disposal of property, plant and equipment and Work in Progress.

2010

	Opening carrying amount	WIP transferred	Additions	Disposals & write offs	Depreciation	Revaluation	Closing carrying amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Land	99,750	-	-	-	-	-	99,750
Buildings	139,340	-	-	-	(1,420)	-	137,920
Building Fit Out	106,483	-	1,029	-	(9,417)	-	98,095
<u>Other Assets</u>							
Furniture & equipment	6,999	38	705	-	(1,767)	-	5,975
Motor vehicles	1	-	-	-	(1)	-	-
Works of art	15,607	-	42	-	-	-	15,649
Performing arts collection	11,812	-	89	-	-	-	11,901
Work In progress	38	(38)	-	-	-	-	-
Total	380,030	-	1,865	-	(12,605)	-	369,290

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

		2011	2010
Note 11: Intangible assets	Notes	\$'000s	\$'000s
Software at cost		5,133	5,977
Less accumulated depreciation		(3,814)	(4,517)
Total software		1,319	1,460
Work in progress		-	219
Total Intangibles		1,319	1,679

Movement in carrying amount

2011

	Opening carrying amount	WIP transferred	Additions	Disposals & write offs	Depreciation	Revaluation	Closing carrying amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Software	1,460	219	326	-	(686)	-	1,319
Work In progress	219	(219)	-	-	-	-	-
Total	1,679	-	326	-	(686)	-	1,319

2010

	Opening carrying amount	WIP transferred	Additions	Disposals & write offs	Depreciation	Revaluation	Closing carrying amount
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Software	2,150	-	19	-	(709)	-	1,460
Work In progress	-	-	219	-	-	-	219
Total	2,150	-	238	-	(709)	-	1,679

		2011	2010
Note 12: Other non financial assets	Notes	\$'000s	\$'000s
Prepayments		436	69
Total other non financial assets		436	69

Victorian Arts Centre Trust
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Note 13: Payables	Notes	2011 \$'000s	2010 \$'000s
Current payables			
Trade creditors	(i)	1,126	789
Sundry creditors and accruals		4,309	5,363
Box office creditors		7,027	6,520
Net GST payable		-	214
Total payables	19	12,462	12,886

(i) The average credit period is 30 days. No interest is charged on the other payables for the first 30 days from the date of the invoice.

a. Maturity analysis of contractual payables

Please refer to Note 19 for the maturity analysis of contractual payables

b. Nature and extent of risk arising from contractual payables

Please refer to Note 19 for the nature and extent of risks arising from contractual payables.

Note 14: Provisions

a. Current employee provisions

Annual leave entitlement expected to settle within 12 months	(i)	1,413	1,350
Unconditional long service leave entitlement	(i)		
Unconditional and expected to settle within 12 months	(ii)	214	138
Unconditional and expected to settle after 12 months	(iii)	1,657	1,762
		3,284	3,250

Non current employee provisions

Conditional long service leave entitlement	(i) & (iii)	396	303
Superannuation - unfunded liability	20	931	535
		1,327	838

Total employee benefits

		4,611	4,088
Current on costs		216	207
Non-current on costs		377	372
Total on costs		593	579
Total provisions		5,204	4,667

b. Movement in provisions

	On-cost 2011 \$'000s	Other 2011 \$'000s	Total 2011 \$'000s
Opening balance	579	4,088	4,667
Additional provisions recognised	283	2,324	2,607
Reductions arising from payments	(270)	(1,803)	(2,073)
Unwind of discount and effect of changes in the discount rate	1	2	3
Closing balance	593	4,611	5,204
Current	216	3,284	3,500
Non-current	377	1,327	1,704
Total	593	4,611	5,204

(i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts

(iii) The amounts disclosed are discounted to present values

Victorian Arts Centre Trust
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		2011	2010
	Notes	\$'000s	\$'000s
Note 15: Other current liabilities			
Venue hire income received in advance		424	487
Other income received in advance		531	197
Total other current liabilities		955	684

Note 16: Leases

Payable no later than one year	809	783
Longer than one year and not longer than five years	1,516	2,072
Total leases	2,325	2,855

Note 17: Commitments for expenditure

Operating commitments		
Not longer than one year	4,264	4,131
Longer than one year and not longer than five years	1,341	3,158
Total operating commitments	5,605	7,289
Programming commitments		
Not longer than one year	361	890
Total programming commitments	361	890
Total commitments	5,966	8,179

Commitments for expenditure exclude capital commitments which are associated with the redevelopment of Hamer Hall as such commitments are reflected by the Department of Premier and Cabinet.

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

		2011	2010
Note 18: Cash flow statement	Notes	\$'000s	\$'000s
a. Reconciliation of cash and cash equivalents			
Cash balance comprises:			
Cash at bank and on hand		8,932	14,118
Cash on short term deposits		16,900	12,588
Closing cash balance	6	25,832	26,706
b. Financing facilities available			
At balance date, the following financing facilities had been negotiated and were available:			
Facilities with the ANZ Banking Group		9,800	9,800
Facility in use as at year end		-	-
c. Reconciliation of net result from operating activities to net cash used in operating activities			
Net result for the period		(37,986)	(9,848)
Non-cash movements:			
Depreciation of non-current assets		13,281	13,314
Loss on disposal of non-current assets		30,737	-
Impairment of non-current assets		130	-
Investment income re-invested		(77)	(47)
Other non cash gains		(185)	-
Movement in assets and liabilities			
Increase in receivables		(294)	(1,222)
Decrease in inventories		26	4
(Increase)/decrease in other current assets		(367)	288
(Decrease)/increase in payables		(425)	625
Increase/ (decrease) in other current liabilities		271	(246)
Increase/ (decrease) in employee benefits		537	(150)
Net cash used in operating activities		5,648	2,718

Note 19: Financial Instruments

a. Financial risk management objectives and policies

The Trust's principal financial instruments comprise:

- cash assets;
- term deposits;
- receivables (excluding statutory receivables);
- investments in managed funds; and
- payables (excluding statutory payables).

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudently manage the Trust's financial risks which include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk.

The Trust uses different methods to measure and manage the different risks to which it exposed. Primary responsibility for identification and management of financial risks rests with the Risk, Management and Audit Committee of the Trust.

Cash assets include funds held in trust in the box office bank account for the ticket purchaser and can only be made available to the Presenter (ticketing receipts) and the Trust (service fees) after the relevant event has occurred.

Term deposits and investment in managed funds include Arts Centre Foundation funds. The Arts Centre Foundation is a sub-committee of the Trust, responsible for managing the Arts Centre's donation and endowment funds.

The carrying amounts of the Trust's financial assets and financial liabilities by category are shown in the table below:

Categorisation of financial instruments

		2011	2010
Contractual financial assets	Category	\$'000s	\$'000s
Cash and term deposits (< 12 months)	Contractual financial assets - loans and receivables	25,832	26,706
Receivables:			
Trade debtors	Contractual financial assets	2,763	2,143
Other receivables	- loans and receivables	1,261	1,657
Investments in equities and managed funds	Contractual financial assets - available for sale	5,606	1,762
Total contractual financial assets		35,462	32,268
Contractual financial liabilities			
Payables: (i)			
Trade creditors	Contractual financial	1,126	789
Box office creditors	liabilities at amortised cost	7,027	6,520
Other payables		4,309	5,363
Total contractual financial liabilities		12,462	12,672

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

Note 19: Financial Instruments (continued)

Net holding gain / (loss) on financial instruments by category						
	2011			2010		
	Net holding gain / (loss)	Total interest income / (expense)	Total	Net holding gain / (loss)	Total interest income / (expense)	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Contractual financial assets						
Financial assets - loans and receivables	-	1,647	1,647	-	891	891
Financial assets - available for sale recognised in net result	-	6	6	-	161	161
Financial assets - available for sale recognised in other comprehensive result	(134)	-	(134)	136	-	136
Total contractual financial assets	(134)	1,653	1,519	136	1,052	1,188

For cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the assets minus any impairment recognised in the net result.

b. Credit risk

Credit risk arises from the contractual financial assets of the Trust, which comprise cash and deposits, non-statutory receivables and available-for-sale financial assets. The Trust's exposure to credit risk arises from the potential default of counter parties on their contractual obligations resulting in financial loss to the Trust. Credit risk is measured at fair value and is monitored on a regular basis.

It is the Trust's policy to only deal with entities with high credit ratings. Provision for impairment of contractual financial assets is recognised when there is objective evidence that the Trust is not able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue and changes in debtor credit ratings.

Maximum exposure to credit risk

Except as otherwise detailed in the following table, the carrying amount of financial assets recorded in the financial report, net of any allowances for losses, represents the Trust's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Note 19: Financial Instruments (continued)

Credit quality of contractual financial assets that are neither past due nor impaired

2011	Financial institutions (AA credit ratings)	Other (Min BBB credit ratings)	Total
	\$'000s	\$'000s	\$'000s
Cash and cash equivalents	25,832	-	25,832
Receivables	607	3,418	4,025
Investments and other financial assets	5,606	-	5,606
Total contractual financial assets	32,045	3,418	35,463

2010			
Cash and cash equivalents	26,706	-	26,706
Receivables	1,400	2,428	3,828
Investments and other financial assets	1,762	-	1,762
Total contractual financial assets	29,868	2,428	32,296

The Department of Treasury and Finance approved the Arts Centre's Investment Management Policy for the financial year 2010-11. This policy permits the Arts Centre to invest with financial institutions with a credit rating greater than AA.

Ageing analysis of contractual financial assets

2011	Carrying amount	Not past due and not impaired	Past due but not impaired		Impaired financial assets
	\$'000s	\$'000s	Less than 1 month	1 - 3 months	\$'000s
Receivables:					
Trade debtors	2,764	2,603	160	-	1
Accrued investment income	279	279	-	-	-
Other receivables	982	982	-	-	-
Total	4,025	3,864	160	-	1

2010					
Receivables:					
Trade debtors	2,171	2,026	102	15	28
Accrued investment income	292	292	-	-	-
Other receivables	1,365	1,365	-	-	-
Total	3,828	3,683	102	15	28

Note 19: Financial Instruments (continued)

Currently the Trust does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired.

c. Liquidity risk

Liquidity risk is the risk that the Trust would be unable to meet its financial obligations as and when they fall due. The Trust continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets.

The Trust's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of short term deposits or available-for sale investments.

The maximum exposure to liquidity risk is the carrying amount of financial liabilities. The following table discloses the contractual maturity analysis for the Trust's financial liabilities:

Maturity analysis of contractual financial liabilities

	Carrying amount	Less than 1 month	1 - 3 months	3 months - 1 year
	\$'000s	\$'000s	\$'000s	\$'000s
2011				
Payables:				
Trade creditors	1,126	1,126	-	-
Box office creditors	7,027	3,316	2,231	1,480
Other payables	4,309	4,309	-	-
	12,462	8,751	2,231	1,480
2010				
Payables:				
Trade creditors	789	789	-	-
Box office creditors	6,520	2,387	2,865	1,268
Other payables	5,363	5,363	-	-
	12,672	8,539	2,865	1,268

The carrying amounts disclosed exclude statutory amounts (e.g. GST payable)

The contractual obligation to settle payments to box office creditors occurs at the date of relevant event.

Note 19: Financial Instruments (continued)

d. Market risk

The Trust's exposure to market risk is primarily through interest rate risk and price risk with only insignificant exposure to foreign currency risk. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Foreign currency risk

The Trust is exposed to insignificant foreign currency risk through payments in respect of international artists and international software companies. The Trust's exposure is monitored through regular monitoring of movements in exchange rates against the principal currencies.

Interest rate risk

Exposure to interest rate risk arises primarily through cash held at bank and short term deposits. The Trust manages this risk by mainly undertaking fixed rate financial instruments with relatively even maturity profiles.

Note 19: Financial Instruments (continued)

Interest rate exposure of financial instruments					
2011	Weighted average interest rate	Carrying amount	Floating interest rate	Fixed interest rate	Non- interest bearing
Financial assets	%	\$'000s	\$'000s	\$'000s	\$'000s
Cash at bank and on hand	4.4%	3,249	3,249	-	-
Cash held in box office bank account	4.4%	5,683	5,683	-	-
Term deposits < 12 months	5.7%	16,900	-	16,900	-
Investments		5,606	-	-	5,606
Receivables - trade debtors		2,763	-	-	2,763
Receivables - other debtors		1,261	-	-	1,261
		35,462	8,932	16,900	9,630
Financial liabilities					
Trade creditors		1,126	-	-	1,126
Box office creditors		7,027	-	-	7,027
Other creditors		4,309	-	-	4,309
		12,462	-	-	12,462
2010					
Financial assets					
Cash at bank and on hand	3.9%	7,144	7,144	-	-
Cash held in box office bank account	3.4%	6,974	6,974	-	-
Term deposits < 12 months	5.0%	12,588	-	12,588	-
Investments		1,762	-	-	1,762
Receivables - trade debtors		2,143	-	-	2,143
Receivables - other debtors		1,657	-	-	1,657
		32,268	14,118	12,588	5,562
Financial liabilities					
Trade creditors		789	-	-	789
Box office creditors		6,520	-	-	6,520
Other creditors		5,363	-	-	5,363
		12,672	-	-	12,672

Note 19: Financial Instruments (continued)

Equity price risk

Exposure to price risk arises primarily through shifts in the unit prices of investments held as available for sale financial assets. The carrying value at year end reflects the fair value.

Sensitivity disclosure analysis

The Trust's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five year period, with all variables other than the primary risk variable held constant. The Trust's fund managers cannot be expected to predict movements in market rates and prices, sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 50 basis points up and down (2010: 50 down and 50 up) in market interest rates (AUD);
- a movement of 10 per cent up and down (2010: 10 per cent) for the top ASX 200 index.

The table below discloses the impact on the Trust's net result and equity for each category of financial instrument held by the Trust if the above movements were to occur.

Market risk exposure - interest rate risk

		-0.5%	-0.5%	+0.5%	+0.5%
	Carrying amount	Net result	Available for sale revaluation surplus	Net result	Available for sale revaluation surplus
2011					
Financial assets	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Cash at bank and on hand	8,932	(69)	-	69	-
Term deposit < 12 months	16,900	(95)	-	95	-
Investments	5,606	-	-	-	-
	31,438	(164)	-	164	-
2010					
Financial assets					
Cash at bank and on hand	14,118	(59)	-	59	-
Term deposit < 12 months	12,588	(69)	-	69	-
Investments	1,762	-	-	-	-
	28,468	(128)	-	128	-

Note 19: Financial Instruments (continued)

Market risk exposure - price risk

2011	Carrying amount	-10% Net result	-10% Available for sale revaluation surplus	+10% Net result	+10% Available for sale revaluation surplus
Financial assets	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Cash at bank and on hand	8,932	-	-	-	-
Term deposit < 12 months	16,900	-	-	-	-
Investments	5,606	-	(561)	-	561
	31,438	-	(561)	-	561

2010	Carrying amount	-10% Net result	-10% Available for sale revaluation surplus	+10% Net result	+10% Available for sale revaluation surplus
Financial assets	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Cash at bank and on hand	14,118	-	-	-	-
Term deposit < 12 months	12,588	-	-	-	-
Investments	1,762	-	(176)	-	176
	28,468	-	(176)	-	176

e. Fair value

The fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices.

The Trust considers the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

Note 20: Superannuation

Employees of the Trust are entitled to receive superannuation benefits and the Trust contributes to both defined benefit and defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

A. Vision Superannuation Fund (defined benefit fund)

As at 30 June 2011 Vision Superannuation Fund (the Scheme) was carrying total liabilities, including liabilities for members' benefits, in excess of the value of the Scheme's assets. The notional share of the Scheme's unfunded liabilities attributable to the Trust included in the Balance Sheet is \$931,000 (2010: \$535,000) based on figures supplied by the Scheme as at 30 June 2011 (Refer to Note 14). During the year the Trust's contributions to the above scheme totalled \$115,000 (2010: \$116,000) for employer SGL contributions. The policy adopted for calculating employer contributions is based on the advice of the Scheme. The Scheme has advised that it expects the rate of earnings on existing rates of contribution will be sufficient to ultimately discharge future liabilities. Employer contribution rates represent 9% for accumulation and guarantee fund members, 9.25% for defined benefit members (2010: 9% and 9.25%) of employee gross salary.

The Fund and the Scheme referred to above are multi-employer sponsored defined benefit plans with a number of different membership categories. The assets and liabilities of the former funds are pooled and are not allocated by employer. Whilst the Actuaries make notional allocations of benefit liabilities, assets and costs between employers for the purpose of determining contribution rates, these allocations are not done in a way which would satisfy the requirements of AASB119 for defined benefit plans. As provided under Paragraph 32 (b) of AASB119 the Trust does not use defined benefit accounting for this Scheme.

The Trust makes employer contributions to the Schemes at rates determined on the advice of the Actuaries.

The contributions to the Fund and the Scheme are expected to be sufficient to fund future benefits accruing to the Trust's employees. Whilst the Trust is not currently required to make additional contributions in respect of past service benefits it may be required to do so in the future.

B. Other superannuation funds

The remainder of the superannuation funds are defined contribution funds. The Trust does not make contributions to these funds other than at the superannuation guarantee levy rate of 9% or as per enterprise development agreements.

Note 21: Responsible persons

The names of persons who were responsible persons at any time during the financial year were:

Responsible minister

The Hon. Peter Batchelor MP (until 1 December 2011)

The Hon Ted Baillieu MLA, Premier of Victoria and Minister for the Arts (appointed 2 December 2011)

Responsible persons

Ms Janet Whiting

Ms Deborah Beale

Ms Terry Bracks (appointed 1 July 2010)

Mr Paul Brasher

Mr Julian Clarke

Ms Catherine McClements

Mr Graham Smorgon

Professor Leon van Schaik AO

Mr David Vigo

Accountable Officer

Ms Judith Isherwood

Note 22: Remuneration of responsible persons

All members of the Trust are appointed by the Governor in Council. They do not receive remuneration for services provided to the Trust in their role as Trustees, although they are eligible to be reimbursed for out of pocket expenses. See Note 25 for related party transactions.

The remuneration of the accountable officer was in the range of \$300,000 - \$309,999 (2010: \$540,000 - \$549,999). This is not included in the table within Note 24. The decrease from F2010 represents the payment on retirement of previously accrued annual leave and long service leave entitlements in the prior year, earned in accordance with the former Accountable Officer's executive contract.

	2011	2010
Note 23: Remuneration of Auditors	\$'000s	\$'000s
Victorian Auditor-General's Office		
Audit of the financial statements	48	48

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for the financial year ended 30 June 2011

Note 24: Remuneration of executives and accountable officer

The total number of executives who received remuneration in connection with the management of the affairs of the Trust is shown in the following bands. For 2011 the number of males represented in the following table is 2 (2010: 3) and females is 3 (2010: 2). In 2011 the Chief Executive and 5 executives (2010: 5) were employed under Executive Employment Contracts. Base remuneration is exclusive of bonus payments, long service leave payments and retirement benefits.

A number of executive officers resigned during the year. Refer to Note 22 for the remuneration of the accountable officer which is not shown in the table below.

	Total Remuneration		Base Remuneration	
	2011	2010	2011	2010
\$110,000 - \$119,999	-	1	-	-
\$120,000 - \$129,999	1	-	1	-
\$130,000 - \$139,999	1	-	-	-
\$150,000 - \$159,999	1	-	1	1
\$160,000 - \$169,999	-	-	-	1
\$170,000 - \$179,999	1	1	2	-
\$180,000 - \$189,999	1	1	-	-
\$200,000 - \$209,999	-	1	-	2
\$210,000 - \$219,999	-	1	-	-
Total number of reportable executives	5	5	4	4
	\$'000s	\$'000s	\$'000s	\$'000s
The aggregate remuneration paid to executives	\$1,047	\$1,031	\$954	\$967

Note 25: Related party transactions

Ms Deborah Beale is a director of The Production Company (Australia) Limited for which related party transactions in venue rental and associated services received by the Trust amounted to \$1,520,000.

Mr David Vigo is a Director of HVK Productions for which related party transactions in venue rental and associated services received by the Trust amounted to \$182,000.

Donations and endowments totalling \$670,000 were received from Arts Centre Trustees and Arts Centre Foundation Governors.

Note 26: Contingent assets and liabilities

The Trust is not aware of any contingent liabilities.

As part of the Southbank Cultural Precinct Redevelopment project, Hamer Hall closed on 5th July 2010. \$128.5m has been allocated by the Victorian Government for the redevelopment of Hamer Hall and its surrounds. As at 30 June 2011, Construction in Progress assets of \$56.5 million were transferred to the Victorian Arts Centre Trust. The remaining assets are expected to be transferred at the completion of the project, which is scheduled to be July 2012.

Victorian Arts Centre Trust
Notes to the financial statements
for the financial year ended 30 June 2011

Accountable officer's and chief financial officer's declaration

We certify that the attached financial statements for the Victorian Arts Centre Trust have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian accounting standards, including interpretations and other mandatory professional reporting requirements.

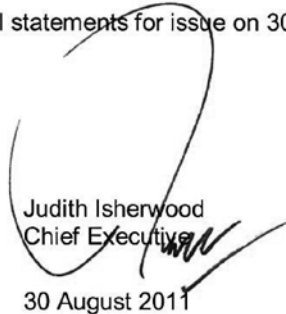
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes presents fairly the financial transactions during the year ended 30 June 2011 and the financial position of the Trust as at 30 June 2011.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 30 August 2011.



Janet Whiting
President
30 August 2011



Judith Isherwood
Chief Executive
30 August 2011



Pippa Croucamp
Chief Finance and Accounting
Officer
30 August 2011



Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Trustees, Victorian Arts Centre Trust

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of the Victorian Arts Centre Trust which comprises the operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration has been audited.

The Trustees' Responsibility for the Financial Report

The Trustees of the Victorian Arts Centre Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Level 24, 35 Collins Street, Melbourne Vic. 3000
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Auditing in the Public Interest

VAGO

Victorian Auditor-General's Office

Independent Auditor's Report (continued)

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victorian Arts Centre Trust as at 30 June 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victorian Arts Centre Trust for the year ended 30 June 2011 included both in the Victorian Arts Centre Trust's annual report and on the website. The Trustees of the Victorian Arts Centre Trust are responsible for the integrity of the Victorian Arts Centre Trust's website. I have not been engaged to report on the integrity of the Victorian Arts Centre Trust's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
31 August 2011


D D R Pearson
Auditor-General

Level 24, 35 Collins Street, Melbourne Vic. 3000
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Auditing in the Public Interest

Disclosure Index

The Annual Report of the Victorian Arts Centre Trust is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate identification of the organisation's compliance with statutory disclosure requirements.

Ministerial Directions

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* FRD is a Financial Reporting Direction issued by the Minister for Finance pursuant to s8 of the Financial Management Act 1994. Compliance with FRDs is mandatory.

** SD is a Standing Direction under the Financial Management Act 1994. Compliance with SDs is mandatory.

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**ARTS
VICTORIA**

