



Cover image. Performers from percussion group Tumbarumba get into the spirit during a Hamer Hall Public Open Day in July 2011.

# CONTENTS

President's Report	4
Chief Executive's Report	6
High Performance	8
Diverse Programs	10
Active Participation	11
Exceptional Experiences	12
A Creative Force	14
Vitality	16
Hamer Hall Redevelopment	17
The Trust's Role and Context	18
Organisational Context	19
Administrative Reporting Requirements	29
Attestation under the Victorian Government's Risk Management Framework	34
Summary of Results 2011–12 (F2012)	35
Disclosure Index	77

# PRESIDENT'S REPORT



It has been an excellent year at Arts Centre Melbourne even with Hamer Hall, one of our key venues, closed for redevelopment. Our activities in the Theatres Building and Sidney Myer Music Bowl have continued to attract strong audiences and the level of activity by our major presenters and hirers indicate that predictions of another economic downturn has not impacted too severely on our industry.

This year we attracted 2.3m visitors from a broad range of ages to a wide range of events.

Importantly, during the past 12 months Arts Centre Melbourne has continued to put our own stamp on the programming that appears on our stages. Our exclusive Australian season of The National Ballet of China's extraordinary production of *The Peony Pavilion* continued our commitment to bring the best international artists to Melbourne. Our ground-breaking New Music Theatre Series enabled three distinctive new productions the chance to take to Arts Centre Melbourne stages, while a season of independent theatre productions brought audiences face to face with such emotionally driven subject matters as Alzheimer's disease and gay hate crime while at the other end of the spectrum gave them a musical about netball. Added to this, the return of *The Famous Spiegeltent* and its array of edgy cabaret and music performances in late summer brought many people to Arts Centre Melbourne for the first time.

Concurrent with delivering our own programs, we continued to work closely with our major presenting companies – Melbourne Symphony Orchestra, The Australian Ballet, Opera Australia, Melbourne Theatre Company, Victorian Opera, Bell Shakespeare Company, Bangarra Dance Theatre, The Production Company, Sydney Dance Company and the Australian Chamber Orchestra – to ensure their presence on our stages delighted audiences and artists alike.

During the year we were pleased to announce that Arts Centre Melbourne will host the Australian premiere of the award-winning National Theatre of Great Britain production of *War Horse* at the State Theatre from December 31, 2012 for an exciting 12-week season. Our ability to secure productions like the world-acclaimed *War Horse* adds substantial weight to our international credentials and our goal to be one of the world's leading performing arts centres.

Plans are also well underway to stage *The Melbourne Ring Cycle 2013*, an important new production of Wagner's epic 15-hour opera cycle. An Opera Australia production starring an international cast, this event has already garnered strong interest from Australian and international audiences, and the majority of tickets sold out in hours when they went on sale.

Last December, the Victorian Government announced the provision of \$4m for the expansion of the State Theatre orchestra pit. This will enable us to accommodate the 110 musicians required for *The Melbourne Ring Cycle*. Along with improved flexibility, the pit expansion works will more ably service what is the largest lyric theatre stage in the Southern Hemisphere, and will enable Arts Centre Melbourne to present performances of a scale and variety that cannot be staged anywhere else in Australia.

Without question, the redevelopment of Hamer Hall, stage one of the Southbank Cultural Precinct Redevelopment, has been a major focus for the organisation over the past year, particularly as the \$135.8m project entered the home straight for its re-opening in July 2012. The project, to revitalise Hamer Hall, both externally and internally, has been a team effort. Working with our Alliance partners – architects Ashton Raggatt McDougall, builders Baulderstone, Major Projects Victoria, and Arts Victoria – and with particular interest from the Premier and Minister for the Arts Ted Baillieu, the Minister for Major Projects Denis Napthine, and Arts Victoria Director Penny Hutchinson, this project will be completed on time and on budget.

The chance to better connect Hamer Hall with the city and the community through the carefully managed update of this much-loved 30-year-old building has not been without its challenges. However throughout its two-year closure, the Trust has ensured that the outcomes of the project are in line with our future strategy and that the full benefits to our business are realised.



Key improvements from the Hamer Hall redevelopment are already clear:

A stronger connection with the city, with a new river entrance; the introduction of a new dining precinct overlooking the river (a process involving considerable detail to ensure the operators of these important additional assets were the perfect fit to the organisation and our stakeholders); much-improved traffic flow through the foyers; and a considerable upgrade of both technical and acoustic capability for both audiences and artists in the auditorium and behind the scenes.

In the weeks leading up to the July 2012 re-opening, high public interest in the outcomes of the investment provided by the Victorian Government was reflected in applications for a public ballot for opening night tickets and in the huge support and interest from the media in Australia and further afield.

Plans for the coming year include expansion of the visitor offer in Hamer Hall, including new guided tour offers, free performances and exhibitions. These will be facilitated through the building's extended hours and the attraction of restaurants and other leisure activities centred on the Hamer Hall precinct.

On behalf of all my fellow Trustees – Leon van Schaik, Julian Clarke, Deborah Beale, Graham Smorgon, David Vigo, Terry Bracks and Catherine McClements – I would specifically like to recognise the work of Paul Brasher who retired from the Trust during the year after many years of great service to the organisation. Paul has been a wonderful Trustee and also chaired our Risk and Audit Committee for many years. His wisdom, technical expertise and guidance will be missed. I would also like to thank Graham Smorgon for his work as Chairman of the Arts Centre Melbourne Foundation as he hands the batten to long-term supporter John Haddad AO. I look forward to working with John and the other Governors as we take our fundraising ambitions to new heights.

I would like to acknowledge the continued commitment of our Chief Executive Judith Isherwood, the executive team, management and staff. During the redevelopment of Hamer Hall when the business was under great pressure, Judith's eye for detail and determination to achieve the best results possible have been a major factor in both the success of the Hamer Hall project and our achievements this year.

Arts Centre Melbourne is Australia's largest and busiest performing arts centre and our successes are due to everyone's passion for what they do. Thank you to you all and it is with great excitement that we look forward to the year ahead.



**Janet Whiting**  
President

# CHIEF EXECUTIVE'S REPORT



The success of any great performing arts centre is its ability to present programs which connect to the community, growing the relationship with existing audiences and providing an opportunity to attract first-time visitors to either ticketed or free programs.

As Australia's largest and busiest performing arts centre, Arts Centre Melbourne works hard to achieve these goals and we are privileged to have at our disposal some of Australia's best performance spaces ideally located in a very culturally aware city.

Our programs are chosen for their diversity and their quality, putting the best local, national and international performers before audiences keen to be entertained or challenged during their visit.

Throughout 2011–12 we have entertained and often challenged nearly 2.3m visitors, among them many newcomers to Arts Centre Melbourne. We have done this across a broad range of programming styles, from visiting international artists, to acclaimed national performing companies to local independent ensembles testing new works for the first time.

As well as ticketed performances, we provided the opportunity for visitors to engage with free concerts and exhibitions, public talks, tours and workshop activities across a broad demographic.

And with The Famous Spiegeltent season we again introduced this much-loved temporary performance space for late-summer cabaret and music-lovers on the Forecourt.

A restructure of the Performing Arts business unit and a resultant new emphasis on engagement with younger visitors through our Digital Hub and the opportunities provided by its contemporary technology, as well as our continued engagement with schools and families has produced great results both on-site and off-site around regional centres.

2011–12 saw the launch of six exciting new online and digital learning projects for schools, children and tertiary students to engage with the performing arts, including the innovative *Posti Network*, an online play, and the *Indoor Laneway* media arts project/exhibition for regional Victorian secondary schools. Our *Kids and Families* program presented the interactive *Tangle* by Polyglot for 4000 participants on the forecourt in January, along with superb international productions including *White* by Catherine Wheels Theatre Company (UK), *Angelina Ballerina* (NZ) and London's Klezmer Quartet. International artists Ranjani Shettar (IND) and hiphop pioneer KRS worked with our *Dig Deep* youth crew, with the crew themselves going on the road to do some peer to peer mentoring at the George Fairfax Memorial Festival in October.

Our much acclaimed Performing Arts Collection, now with more than 510,000 items, has been featured in a changing series of exhibitions and displays throughout the year, the most exciting being the international tour of our AC/DC: *Australia's Family Jewels* exhibition to Glasgow and Seattle.

For the first time Arts Centre Melbourne's broad programming offer was combined in a single document which was released in December. Like the annual subscription brochures of our major presenters, this is designed to showcase the diversity and the breadth of our own productions and programs. These were announced under a new, re-focused brand which delivered not only a new name for the organisation – 'the Arts Centre' became 'Arts Centre Melbourne' – but importantly gave us a name which indicates our global location to our international colleagues.

Throughout the year our programs have delivered strong attendances and helped underline and reinforce the role Arts Centre Melbourne plays in spreading the joy and benefits of the performing arts in our community.

That important community role will be further enhanced with the return of Hamer Hall, following its two-year closure for redevelopment.

The redevelopment project, while being a major logistical challenge for the organisation as we continued our regular routine, provided a strong focus for strategic planning right across the business and has generated a whole range of opportunities for future engagement.

At Hamer Hall these opportunities include a more user-friendly and welcoming environment; the introduction of the latest digital technology, with state-of-the-art LCD screens messaging events and other visitor information; extended opening hours; a more diverse program offer; and a range of restaurants supporting visitors throughout the day and into the evening, a key component of the redevelopment providing new connections with the precinct and the city.

To support these physical changes to the organisation and allow us to gain maximum benefit as we move forward, during the year we have taken the opportunity to adapt our internal structures and processes, realigning the performing arts, marketing, commercial and corporate services departments to better suit the needs of the business.

The Trust also determined to bring the food and beverage operations in-house, a complex task which was successfully handled by the Visitor Businesses unit despite the added pressures of the concurrent Hamer Hall re-opening. More flexibility and a better response to stakeholder and audience needs will become the hallmarks of move, which will also provide direct community benefits as profits flow towards programming our stages rather than to an external operator.

A new customer service framework was also created to enable our staff to extend and continually improve our engagement with everyone who visits us, whether it be in person, by telephone or online.

We continue to be supported by a loyal and passionate group of donors and supporters. Without their involvement in our activities we would not be able to achieve success right across the organisation. I thank them for continuing their journey with us.

Janet Whiting has been a stalwart and tenacious President during the past 12 months, leading the Trust through the often complex negotiations around the Hamer Hall redevelopment, helping to achieve the best possible outcomes. The Trust, and the Foundation under Graham Smorgon, have been especially engaged in this process and I thank them all for their passionate involvement.

The following pages describe Arts Centre Melbourne key highlights over the past 12 months aligned with our six key strategic goals. We looking forward to striving ever harder and higher to achieve our goals in our quest to be recognised as one of the world's great performing arts centres.



**Judith Isherwood**  
Chief Executive

# HIGH PERFORMANCE

Goal 1: Create, facilitate, promote and present Australian and international performing arts programs and events that are distinctive and of the highest artistic and technical quality

## Performing Arts

- The annual performance program continued to feature outstanding seasons by our many presenting partners including The Australian Ballet, Opera Australia, Melbourne Theatre Company, Melbourne Symphony Orchestra, Victorian Opera, The Production Company, Bangarra Dance Theatre, Bell Shakespeare and Sydney Dance Company. These organisations play a major role in what we do at Arts Centre Melbourne and their performances enable us to present a truly broad program calendar each year.

The annual performance program also featured an outstanding program of work presented by Arts Centre Melbourne.

- The five-performance season by the outstanding international contemporary dance company Nederlands Dans Theater was a stand-out, sold-out success described by *The Australian* as "... magnificent, exhilarating and unforgettable". The company participated in a number of additional events such as an education workshop with a Q&A session, dance workshops, open ballet classes and a forum in partnership with Ausdance.
- *Meet Me in the Middle of the Air*, featuring Paul Grabowsky and the Australian Art Orchestra, Paul Kelly and friends, returned to the State Theatre and was a critical and commercial success.
- *The Peony Pavilion* from The National Ballet of China was very well received with positive comments on the superb dancing and the enrichment of the experience through hearing the score performed live by the National Ballet of China Symphony Orchestra. The presentation was supported by the Government of The People's Republic of China.
- Terrific international productions presented including *White* by Catherine Wheels Theatre Company (UK), *Angelina Ballerina* (NZ) and London's Klezmer Quartet, along with international artists Ranjani Shettar (India) and hip-hop pioneer KRS One from New York.
- Productions from Windmill, Polyglot, KAGE, Red Stitch and the world premiere of *Starchaser* by Arena Theatre Company were highlights of Australian works presented for schools, families and general audiences.

- Four large exhibitions created during the year in partnership with artists, communities and major presenters attracted 553,862 visitors.
  - *Black Box >< White Cube: Aspects of Performance in Contemporary Australian Art* explored the relationships between visual and performing arts.
  - *Reg Livermore – Take a Bow* celebrated the remarkable career and creative talent of an Australian theatre legend. The exhibition was drawn from a large collection donated by Reg Livermore to the Performing Arts Collection supplemented by material generously lent by Reg himself.
  - *Singing the World* honoured Arts Centre Melbourne's collection of early Indigenous paintings from Papunya in Central Australia, accompanied by a unique and evocative soundtrack of the artists' voices.
  - *Time in Motion: 50 Years of The Australian Ballet* focussed on the enduring style, strength and passion of The Australian Ballet over the past 50 years.

## Development, Corporate Communications and Special Events

- Development contributed \$0.882 million to programming through our Annual Giving Appeal, Special Appeals and First Call Fund.
- Secured three new Official Sponsors – Holding Redlich, Singapore Airlines and the Langham Hotel – providing financial support to our annual performance program and in-kind promotional opportunities for our programs.
- Delivered approximately 150 publicity campaigns for productions, programs and events large and small throughout the year, with the majority achieving desired outcomes.
- Developed and hosted a series of pre-launch and briefings for key supporters and media and staged the successful 2012 Program Launch – the first such event since Arts Centre Melbourne opened nearly 30 years ago – in the Hamer Hall Balcony where attendees saw progress on the Hall first-hand and experienced the comfort of the new seats for the first time.
- Ran a series of events designed to raise the profile of the Performing Arts Collection centred around Geoffrey Rush and Reg Livermore, and tours of the collection by the Premier, State and Federal Ministers, Members of Parliament and other dignitaries.



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## Corporate Services

- Prudently considered the portfolio of programming investment opportunities to achieve a fiscally balanced mix of programming that increase access, reach and engagement with Victorian communities and collaborates with major presenters and other creative partners.
- Implemented new technology infrastructure such as additional network and wireless infrastructure to deliver seamless connectivity and access for visiting hirers and presenters.
- Rebranded the digital platforms including the website to deliver consistent cross-channel messaging and promote the programming activities.

# DIVERSE PROGRAMS

Goal 2: Develop new and existing audiences for a diverse program of activities and events

## Performing Arts

- The Famous Spiegeltent Season 2012 was highly successful, with some 60,000 people attending over 300 performances of music, cabaret, comedy, circus and family entertainment. The program continued to drive a large proportion of new audiences, with 28% not having previously attended shows in The Famous Spiegeltent.
- The Kenneth Myer Asian Theatre series continued to develop new audiences with its 2012 program commencing with a focus on Chinese culture around the National Ballet of China season including free and ticketed events. Audience analysis shows a significantly greater Asian audience for these events than average.
- Audiences at our 27-year-old daytime concert series, *Morning Melodies*, adapted well to using the State Theatre during the Hamer Hall closure. Designed particularly for senior members of our community, the series enjoyed an expanded subscriber base, strong ticket sales and record houses throughout the year.
- The Sidney Myer Music Bowl attracted large and diverse audiences across the Summer Season. The return of large-scale festivals *Park Life* and *Summadayze* attracted large crowds, as did the annual much-loved community events *Carols by Candlelight* and the *Melbourne Symphony Orchestra Free Concerts*. Some of the world's great artists appeared to rapturous response from their large and varied audiences including k.d. lang, Stevie Nicks, Bon Iver, Lenny Kravitz, Sound Garden and Kanye West.
- Our touring exhibition *AC/DC Australia's Family Jewels* completed its national tour at the Western Australia Museum, where it attracted a record 25,462 audiences. It then commenced an international tour to Kelvingrove Art Gallery and Museum Glasgow, Scotland (45,402 attendance), and the Experience Music Project museum in Seattle, Washington, where 59,231 people saw the exhibition.
- Our Participation unit engaged with new audiences through promotion and uptake of the First Call Fund by schools and partner family organisations. Presentation of collaborative indigenous works and projects eg *Big Notes*, *docU Wannik Academy* and Boon Wurrung Ngargee (Spiegel) and the *Dig Deep Refugee Week Concert* were also highlights.
- Six new online projects expanded our outreach to regional and online communities with an innovative, Web 2.0 approach to engaging with the arts.
- The Digital Learning Hub offered new youth programs with a peer-to-peer mentoring focus (*Brimbank RAP21*, *eMotion*), as well as expanded programs for families with special needs.

## Development, Corporate Communications and Special Events

- Secured support from a large number of new donors through our special appeals and online channels. Our future fundraising success relies on our ability to attract and grow new donors by reinvigorating and creating new member/donor programs.
- Successfully ran a number of well-received special events including several gala opening nights, the 2012 Program Launch, donor appreciation events, a fundraising gala dinner on the stage of Hamer Hall, raising \$285,000 and a series of member engagement events including the *Passion for the Arts* free lecture series and the Reg Livermore exhibition opening luncheon.

## Visitor and Commercial Businesses

- Provided an increased range and number of interpretive services to enable people with disability to attend performances, including captioned, audio described and AUSLAN-interpreted performances. Audio-described performances took place in the three major theatres (Fairfax Studio, Playhouse and State Theatre). Captioning and AUSLAN-interpreted performances were offers in the Fairfax Studio and the Playhouse.

## Corporate Services

- Delivered enhancements to the Customer Relationship Management application that improves quality of data making it easier to analyse past and current data for customer research and analysis.

# ACTIVE PARTICIPATION

Goal 3: Provide opportunities for the artists and audiences of tomorrow through a wide range of creative development, learning and participation programs

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## Performing Arts

- In November we hosted the *Australasian World Music Expo* and *Face the Music*, which drew large crowds of music-lovers, international promoters and music festival directors into our venues. Some young bands we work with received offers to appear in North American and European music festivals as a direct result of these showcases.
- *Carnegie 18*, a creative development project designed to source new Australian music theatre work and offer opportunities for practitioners that was funded by the Australia Council's New Music Theatre Development Program, took place in February. An intensive selection and rehearsal process resulted in three new works: *The New Black*, *Cautionary Tales for Children* and *DreamSong*. Each was highly creative, diverse and often challenging in content, successfully showcasing excellent artistic skill and innovation.
- Also assisted by the Australia Council was a second creative development program, *Full Tilt*, which comprised:
  - o *Contact!* a new musical which evolved from a successful outing in the first *Carnegie 18* program in early 2011. *Contact!* was presented in a simple style and contained endearing, recognisable characters, with excellent operatic singing to a chamber music score. The production then embarked on a successful four-venue regional tour across Victoria – a creative triumph for the program.
  - o *Sundowner* began its evolution at Arts Centre Melbourne in 2009 as part of the residency program of KAGE Physical Theatre. This season was an outstanding creative success and the company achieved accolades for its sensitive and engaging exploration of the difficulties of early onset dementia. Supported by Alzheimer's Australia Vic, this production is embarking on an extensive nationwide regional tour in 2013.
  - o *The Laramie Project – 10 Years Later* is a follow-up to the original story of a community struggling to understand the brutal murder of a young gay student and was successfully remounted in the Fairfax Studio by Red Stitch Theatre following the 2011 season in their own venue.
- Performances, digital learning, access and community programs, youth, families' and special needs' programming was developed and delivered to over 150,000 participants.
- New online projects included access to the Collections in *Page to Stage: The Ultimate Performance-Making Toolkit*; *Revolutions: Australian Music History 1955–Present* and *Quirky McGirkus' Family Circus*. Our *Posti Network* online play has been picked up by Australian Communications and Media Authority's national *CyberSmart* website as a featured resource. The *Careers in the Arts* video packages, *Indoor Laneway* and *CC sMash* audio mash-up projects have also demonstrated inclusive and innovative approaches to engagement for young people.

## Development, Corporate Communications and Special Events

- Arts Centre Melbourne's Endowment fund has \$7.7million in gifts secured so we can enrich future generations.
- Our First Call Fund, which supports schools and families facing barriers to accessing the performing arts, continued to perform very strongly. Funds raised will enable up to 12,200 young people to participate in our much-admired programs for schools, young people and families, continued to attract great financial support. Donations to this fund go directly to the schools and families that need it most.

## Facilities and Services

- Delivered industry-specific accredited training in OHS and Theatre Rigging to staff, as well as safety culture promoting programs to Whitehorse Centre-Nunawading, Princess Theatre (Launceston) and Orchestra Victoria.

# EXCEPTIONAL EXPERIENCES

Goal 4: Attract a wide range of visitors for exceptional experiences in a welcoming, safe and secure environment

## Visitor and Commercial Businesses

- Delivered a range of physical improvements to the Arts Centre Melbourne site for people with disability, including improved signage and provision of tactile ground surface indicators.
- Developed an in-house food and beverage strategy to deliver an improved customer experience.
- Developed a new retail strategy and introduced improved product ranges to extend the customer experience, commencing with Spiegel Season 2012.
- Introduced the Arts Centre Melbourne Customer Service Charter, setting customer service standards and behaviour for all front-line employees.

## Facilities and Services

- Successfully delivered 73 capital works projects with a total budget of \$12m, excluding work being carried out on the State Theatre Orchestra Pit.
- In December 2011, the Victorian Government announced funding of \$4m to expand the State Theatre orchestra pit to accommodate Opera Australia's production of *The Melbourne Ring Cycle 2013*. Preparatory works are complete and new lifting mechanisms are due for installation in August 2012 ahead of the October 2012 shutdown period for the invasive works to be carried out.
- Delivered key hydraulic asset upgrade to Hamer Hall infrastructure to ensure opening and building occupancy was met.
- Re-tuned the Theatres Building controls to reduce both energy consumption and Green House Gas emissions.
- Achieved all KPIs as mandated under the Memorandum of Understanding with the National Gallery of Victoria for our shared infrastructure.
- Our Asset Maintenance team was enhanced to meet both current facilities maintenance obligations within the Theatres Building and Sidney Myer Music Bowl, along with additional commitments in the opening of Hamer Hall and the defect period that accompanies building handover in July.
- Recognising the importance of the first aid services that we regularly provide to our audiences, the Melbourne Symphony Orchestra and Australian Chamber Orchestra engaged us to provide personnel for their Town Hall concerts over the course of the year.

- Health and Safety and Injury Management Policy revised to develop the organisations Health and Safety management systems and align with legislative updates.
- Increased our commitment to WorkSafe Week. 137 staff attended non-compulsory safety activities and lectures during National Safety Week held in October.
- Implemented proactive strategies to ensure safety of staff and contractors in preparation for the re-opening of Hamer Hall.
- Implemented a change in the management and delivery of event security services, resulting in a more streamlined and service-focused approach with hirers providing highly positive feedback.

## Development, Corporate Communications and Special Events

- An extended and enhanced experience of the performing arts was delivered through a range of tailored membership offers. We also trialled a membership program to enhance the visitor experience for a young demographic of members and will use the findings to help develop new members and donor initiatives.
- Targeted regional and niche audiences to extend reach and visitation as part of the publicity campaigns delivered for 150 productions, performances and events.
- Developed and began implementation of a tourism strategy and, as part of this, entered into a formal partnership with Destination Melbourne in an effort to drive visitation, particularly from the Visiting Friends and Relatives market.
- A comprehensive benchmarking customer satisfaction survey revealed that both Arts Centre Melbourne performances and venues were held in high regards by the customer, with an 85% customer satisfaction rating achieved. These findings informed the development of the organisation's customer service charter and tourism strategy.
- As a lead-up to the scheduled reopening of Hamer Hall in July 2012, a concerted marketing plan was created to include comprehensive exposure in print and electronic media across Victoria.
- The decision to offer half of the available Hamer Hall opening concert tickets via a ballot across Victoria resulted in more than 11,000 entries during the June ballot period, many of whom were likely not to have visited the venue previously.



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## Corporate Services

- Developed a digital strategy to improve the performance and reach of Arts Centre Melbourne through re-envisioning the customer experience, operational processes and business models.
- Delivered a series of panorama screens that provide a dynamic point-of-entry into the new Hamer Hall designed to greet guests as they enter the foyer spaces. These will provide a fantastic opportunity to showcase both spectacle and substance for the patrons.
- Delivered free wireless internet for all visitors throughout the Hamer Hall space.
- Delivered an appropriately skilled workforce to deliver the Food and Beverage operation, following insourcing of the operation.
- Delivered enhancements to incident management processes, response and reporting through the development of operating procedures and recovery procedures and processes.

# A CREATIVE FORCE

Goal 5: Consolidate our reputation as a creative force in the performing arts, supported by first-class venues, facilities and services, and exploiting our unique position at the heart of Melbourne's cultural precinct

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## Performing Arts

- Our Performing Arts Collection was developed significantly through the acquisition of major collections from Geoffrey Rush, Chunky Move, Melbourne Workers Theatre, Clifford Hocking, Ashton's Circus, George Sorlie, Bobby Le Brun and Frances Saville.
- Work began on achieving national recognition of our Performing Arts Collection which now comprises over 510,000 items and enjoys international renown and admiration.
- Sixteen displays drawn from this Collection told national stories from circus, dance, music, opera and theatrical performance history. These included *Let's Show The World – Towards an Australian Performing Arts Gallery*; Googie Withers and Geoffrey Rush; *The Play's the Thing: Simon Phillips and Melbourne Theatre Company*; Sunbury Music Festival and the Kristian Fredrickson Scholarship.
- The Public Art Collection commissioned several works for the new Hamer Hall. Australian artist Robert Owen and lighting designer Rachel Burke created two major works, *Silence* and *Falling Light*. This Commission along with Sonic Network #11, a painting by John Aslinidis, was facilitated through the generosity of the Maxwell and Merle Carroll Bequest.
- We actively shared leadership and expertise by presenting professional development seminars, together with a host of artist talks. A highlight was our professional development series, *Effective Program Evaluation*, which was attended by over 27 Victorian cultural organisations.
- As the only performing arts centre in Australia providing professional training as a Registered Training Organisation, we continued to consolidate our technical training programs with a Certificate III in Lighting, Stage and Sound.
- We also up-skilled our staff service capacity in readiness for the new state-of-the-art systems in Hamer Hall.
- Outdoor projects utilised our three venues to great effect. *Tangle* by Polyglot Theatre (January, forecourt) was a summer highlight, with over 4,000 children delighting in getting tangled up in this four-day event.

## Development, Corporate Communications and Special Events

- New or revitalised fundraising programs launched in late 2012 have been well supported and include Seat Endowment in the new Hamer Hall and the Arts Walk, an installation celebrating the performing arts and the donors who support them, which will be located in the public spaces around our venues.
- Arts Centre Melbourne and the Melbourne Recital Centre co-hosted the 15th Annual Conference of the Association of Asia Pacific Performing Arts Centres from October 19–21. It attracted double the number of delegates of any previous conference and raised the benchmark into the future.
- Delivered a media campaign that built towards the re-opening of Hamer Hall, including individual campaigns to locate seat plaque donors, announcements regarding the lighting installations, new restaurants and other key elements.
- Throughout the year specialised information tours took a range of stakeholders through the Hamer Hall redevelopment site to provide a continued update on the progress of the works. These tours were supported by two short documentary films tracing the works to date. A third film was being finalised to coincide with the final six months of work and was due to be released soon after the scheduled July 2012 reopening.
- The Premier announced \$4 million funding for the State Theatre orchestra pit enlargement and Hamer Hall equipment. An event featuring members of Orchestra Victoria and almost 100 members of staff was held in the State Theatre orchestra pit.
- The New Year's Eve fireworks-induced spire fire put our newly developed Crisis Communications Plan to test. Having briefly trumped Sydney's fireworks in the media nationally and internationally, the fall-out was successfully managed and a series of updates issued as already scheduled hailstorm-related repairs commenced.
- Brand roll-out activities were successfully completed, including the re-branding every internal and external document in every department and the development of the style guide and templates for new printed collateral.

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### **Visitor and Commercial Businesses**

- Developed and designed a new uniform for customer service staff in preparation for the reopening of Hamer Hall.
- Provided ticketing and subscription services for a range of partners, including Victorian Opera and The Production Company.
- Continued to develop the in-house CRM and ticketing system.
- Received a record number of unsolicited written customer compliments for our Visitor Services team.

### **Corporate Services**

- 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 management practices.
- Continued recognition as a Registered Training Organisation for a further period of four years, the only performing arts centre in Australia actively providing training.
- Significant progress was made towards achieving Investors in People recognition through implementation of our State of the Art program which is focussed on improvements in the alignment between organisational goals and targets and business unit activities.

### Performing Arts

- The Trust adopted a new Performing Arts strategy to set the future of Arts Centre Melbourne's international and Australian programming both in line with recent departmental restructuring and with the imminent return of Hamer Hall as a programmable venue.

### Development, Corporate Communications and Special Events

- Development increased its revenue from donations and memberships by 12% in 2012.
- Expanded our publicity team to reflect the expansion of Arts Centre Melbourne presents programming.
- Further developed our intranet facility *Centre Stage* as a key resource for staff.
- Introduced a number of internal communications initiatives to improve information flow to staff.

### Visitor and Commercial Businesses

- Generated financial returns from the supply of customer service staff working at off-site venues for hirers, including our major presenters Melbourne Symphony Orchestra, Australian Chamber Orchestra and Victorian Opera.
- Restructured the Visitor Businesses portfolio for increased growth and to improve the commercial focus.
- Prepared for the implementation of in-house Food and Beverage operation on 1 July 2012 requiring the recruitment of 140 staff and development of systems and procedures. This new direction will enable a greater flexibility of the food and beverage offer in terms of stakeholder requirements across all areas.
- Delivered Hamer Hall Restaurant Tenancy agreements including successful commercial negotiations and capital fit-out requirements, resulting in a solid foundation for long-term partnerships.
- Successful catering services implemented at The Famous Spiegeltent and Sidney Myer Music Bowl.
- National retail licensing agreement for *Angelina Ballerina* resulting in retail sales across the country of over \$300,000.
- Successfully tendered for ticketing services for the Sidney Myer Music Bowl.

### Facilities and Services

- Developed a new 25-Year Asset Maintenance Plan.
- Contributed to the planning and implementation plans for Hamer Hall redevelopment, together with master planning for the next phase of redevelopment of Arts Centre Melbourne facilities.

### Corporate Services

- Ongoing engagement with Arts Victoria to ensure sustainability of government funding now and into the future.
- Continued development of a sustainable operating model.
- Management of financial and performance modelling across all business operations.
- Financial management of \$135.8m government grants for Hamer Hall.
- Revised and implemented policies to assist in managing financial risk.
- Agreement in principle reached on Enterprise Agreement. For the first time Arts Centre Melbourne invited all staff to nominate themselves for employee representation in the Enterprise Bargaining process. Individual staff bargaining representatives developed and presented their proposals based on important feedback from staff across the entire organisation. By using this collaborative approach, we were able to see a high degree of alignment of staff and organisational needs to reach an in principle agreement that benefits the majority of Arts Centre Melbourne staff.



# HAMER HALL REDEVELOPMENT

Throughout the year while Arts Centre Melbourne operated with three performance stages running in the Theatres Building, as well as the Sidney Myer Music Bowl in the summer months, much attention was also given to Hamer Hall which was midway through its two-year redevelopment closure.

The Hamer Hall project was 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 could experience the best cultural activities from Australia and around the world.

The State Government provided initial funding of \$128.5 million to undertake the major upgrade of Hamer Hall, this was increased during December 2011 when a further \$7.3m was allocated to assisted with the Hall's digital capability.

Key components of the redevelopment were:

- 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 was delivered by an Alliance between Arts Victoria, Major Projects Victoria, the Victorian Arts Centre Trust, architects Ashton, Raggatt, McDougall (ARM) and builders Boulderstone.

Key milestones during the final year included:

- Finalisation of contracts for two restaurant tenancies – Trocadero and Saké.
- Delivery and installation of the new auditorium seating, which was progressively installed from September 2011.
- The commissioning of new works of art, including significant pieces for the St Kilda Rd foyer and the Velik foyer using funds from the Carroll Bequest.
- The finalisation of the St Kilda Rd terrace, the river promenade and the civic stairs and the gradual opening of these important public thoroughfares in and around the Hamer Hall site.
- Installation and commissioning of the new technical zone above the stage.
- New house lighting.
- A series of tuning concerts which in the final weeks leading up to the re-opening allowed the acousticians opportunity to adjust the acoustic characteristics capable of being delivered across a broad spectrum of music styles.

The final weeks of the closure period allowed gradual return of the site to Arts Centre Melbourne and saw the rollout of a detailed transition program back into the building, including extensive staff training and familiarisation with its new capabilities.

As the 2011–12 year drew to a close attention turned then to the scheduled 26–27 July 2012 re-opening of the Hall and the much-anticipated return of one of the city's great cultural assets.

A significant calendar of performance over the coming months is designed to bring the venue back into focus for performers and audiences alike.

# 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 Arts Centre Melbourne.
- 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 Arts Centre Melbourne, a business of providing ticketing, inventory management of admissions, marketing and related services.
- To perform any other functions appropriate to Arts Centre Melbourne 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 Arts Centre Melbourne 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 Victorian Arts Centre Trust 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.



## THE VICTORIAN ARTS CENTRE TRUST (THE TRUST)

The Trust met nine times in 2011–12.

Janet Whiting (President)  
Deborah Beale  
Terry Bracks  
Paul Brasher (until 12 March 2012)  
Julian Clarke  
Catherine McClements  
Leon van Schaik AO  
Graham Smorgon  
David Vigo

## TRUST COMMITTEES

### Risk Management and Audit Committee

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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 13 times in 2011–12.

Paul Brasher (Chair)  
Graham Smorgon  
Janet Whiting

#### Message from the Chair, Risk Management and Audit Committee – Paul Brasher

Arts Centre Melbourne 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 restaurant tenancies and the transition of our food and beverage operations in-house 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 Arts Centre Melbourne and the broader community.

## Arts Centre Melbourne Foundation

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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 five times in 2011–12.

Graham Smorgon (Chair)  
Janet Whiting (President of the Trust)  
Carrillo Gantner AO (Vice Chair)  
Betty Amsden OAM  
Sandy Clark  
Debbie Dadon  
John Denton  
Dana Hlavacek  
Mem Kirby OAM  
Jennifer Prescott  
Doug Shears (until 14 June 2012)

### Message from the Chair – Graham Smorgon

Arts Centre Melbourne Foundation Board of Governors has continued its focus this year on cementing relationships with our current donors and supporters and securing gifts for the Endowment Fund. The re-opening of the New Hamer Hall will present many opportunities to help us to continue to build the Endowment Fund and attract and engage new supporters. This imminent catalyst has sharpened our fundraising strategy putting us in the best possible position to meet our vision of one of the world's best performing arts centres.

The work of the Foundation is vitally important to ensuring Arts Centre Melbourne'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**

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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 two times in 2011–12.

Deborah Beale (Chair)  
Catherine McClements  
Leon van Schaik AO

### **Executive Performance and Remuneration Committee**

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

The Committee met once in 2011–12.

Janet Whiting (Chair)  
Paul Brasher

### **Redevelopment Committee**

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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 Arts Centre Melbourne through the Southbank Cultural Precinct Redevelopment project.

The Committee met nine times in 2011–12.

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

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*.

Arts Centre Melbourne Corporate Supporters  
1 July 2011 – 30 June 2012

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OFFICIAL PARTNER

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HOLDING REDLICH

CULTURAL PARTNER

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THE FAMOUS SPIEGEL SEASON SPONSORS

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CORPORATE MEMBERS

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OFFICIAL SUPPLIERS

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## Arts Centre Melbourne'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  
The Gandel Family  
Mr Solomon Lew & Mrs Rosie Lew  
Miss Betty Amsden OAM  
Mr Robert Kirby & Mrs Mem Kirby OAM  
Mr Kevin Bamford & Mrs Colleen Bamford  
Mrs Lyn Williams AM  
Dame Elisabeth Murdoch AC DBE  
Mrs Barbara Haynes OAM

### Arts Angels Corporations

Spotless  
Commonwealth Bank of Australia  
National Australia Bank  
Foster's Group Ltd  
Rio Tinto  
PricewaterhouseCoopers  
Tattersall's  
Australia Post  
ANZ Banking Group

### Luminary – Gifts of \$75,000+

Miss Betty Amsden OAM \* \*\*

### Visionary – Gifts of \$50,000 – \$74,999

Mr Marc Besen AO & Mrs Eva Besen AO  
Mrs Barbara Haynes OAM \*

### Benefactor – Gifts of \$30,000 – \$49,999

Mr Peter Scanlon & Mrs Angie Scanlon \*\*  
The Gandel Family  
Mr Rino Grollo & Mrs Diana Ruzzene Grollo \*\*  
Mirlex Australia Pty Ltd  
Mr Sam Smorgon AO & Mrs Minnie Smorgon \*\*

### Angel – Gifts of \$20,000–\$29,999

Mr Kevin Bamford & Mrs Colleen Bamford  
Mr Neville Bertalli & Mrs Di Bertalli  
Mrs Nancy Butler \*  
Mr Ron Dobell & Mrs Margaret Dobell \*  
The Fox Family  
Ms Dana Hlavacek & Mr Stephen Creese \* \*\*  
Mr Solomon Lew & Mrs Rosie Lew  
Bruce Parncutt & Robin Campbell \*  
The Playking Foundation  
Mr John Prescott AC & Mrs Jennifer Prescott ^  
Mr Gerard Ryan OAM & Mrs Valerie Ryan  
Mr Graham Smorgon & Mrs Annette Smorgon  
Mr Leon Velik & Mrs Sandra Velik  
Ms Janet Whiting & Mr Phil Lukies \*\*  
Village Roadshow

### Premier Patron – Gifts of \$15,000 – 19,999

Brasher Family Foundation  
Mr Robert Kirby & Mrs Mem Kirby OAM

### Patron – Gifts of \$10,000 – \$14,999

Ms Roseanne Amarant  
Mr Chris Begg & Mrs Patricia Begg OAM ^  
Mr Barry Bloom & Mrs Lorraine Bloom  
Michael & Andrew Buxton Foundation \*\*  
Mr Bernard Carp & Mrs Helen Carp  
Dr Leon Carp & Mrs Marlen Carp  
Mr Sandy Clark & Ms Marie McDonald  
Mrs Beryl Crusi & the late Mr Henry Crusi \*  
Mr Albert Dadon AM & Mrs Debbie Dadon \*  
Mr Anthony Gannon  
Mrs Ethel Goldin \*  
Mr Collin Golvan SC & Dr Deborah Golvan  
Mr Robert Green and Mrs Jan Green \*\*  
GSA Industries Pty Ltd  
Mr John M Haddad AO & Mrs Agita Haddad  
Dr Jack Hansky AM & Mrs Paula Hansky OAM  
Mr Jack Joel OAM & Mrs Karen Joel  
Mr Norman Lees & Mrs Betty Lees \*\*  
Mr John Leslie OBE \*\*  
Mr John Magowan & Mrs Dianne Magowan  
Ms Kylie Minogue OBE \*\*  
Ms Naomi Milgrom AO & Mr John Kaldor AM  
Mr Allan Myers AO, QC and Mrs Maria Myers AO \*\*  
Mr Mark Robertson & Mrs Anne Robertson  
The William & Rita Rogers Charitable Foundation  
Mrs Rae Rothfield\*  
Mr Alan Selwyn, Mrs Ahda Selwyn & Ms Evi Selwyn  
Mrs Shirley Strauss  
Mr Derek Young & Mrs Caroline Young

### Inspired Associate – Gifts of \$7,500 – \$9,999

Ms Rosemary Forbes & Mr Ian Hocking

### Premier Associate – Gifts of \$5,000 – \$9,999

Anonymous (1)  
Ms Joanna Baevski ^  
Dr Andrew Buchanan  
Mrs Neilma Gantner ^  
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  
Mr Ralph Ward-Ambler AM & Mrs Barbara Ward-Ambler \*

### Associate – Gifts of \$2,000 – \$4,999

Mr Ern Dawes OBE & Mrs Nola Dawes  
Mr Jost Kaiser & Mrs Dorothee Kaiser  
Dr Richard King & Mrs Andrea King  
Mr Larry Kornhauser\*  
Mr Ian Lawrence & Mrs Shirley Lawrence OAM  
Mr Simon Lubansky & Mrs June Lubansky  
Mr William Montague OAM & Mrs Elaine Montague \*  
Mr Stephen Newton AO\*  
Mr John Ralph & Mrs Barbara Ralph  
Mr Robin Reid & Mrs Liz Reid  
Mr Fergus Ryan AO & Mrs Judy Ryan \*  
Ms Ricci Swart\*

**Donor Associate – Gifts of \$800 – \$1,999**

Anonymous (1)  
 Mrs Wilma Attwood \*  
 Mr Peter Cotter & Mrs Marilyn Cotter  
 The Hon Alan Goldberg AO QC & Mrs Rachel Goldberg  
 Ms Lynette Grigg  
 Mr Hans Henkell & Mrs Petra Henkell  
 Dr Alastair Jackson  
 Dr Michael Jelinek  
 Ms Bettie Kornhauser \*  
 Mr George Krawat  
 Mrs Mary Lipshut \*  
 Mr Graham Ludecke & Mrs Pam Ludecke  
 Mr Kevin Luscombe AM & Mrs Barbara Luscombe  
 Mr Dieter Martin & Mrs Ute Martin \*  
 Mrs Daphne Saltzman and the late Mr Harold Saltzman  
 Mrs Joy Smith & Mr Russell Smith \*  
 Lady Southey AC \*  
 Mr Victor Spitzer & Mrs Fleur Spitzer  
 Dr Christine Thevathasan

**Foundation Associate – Gifts of \$350 – \$799**

Anonymous (2)  
 Dr Simon Bell & Mrs Jennifer Coghlan-Bell  
 Mrs Rosetta Bloom  
 Ms Rene Brown \*  
 Mr Tom Bruce AM & Mrs Beth Bruce  
 Mr Arthur Charlwood \*  
 Ms Min Li Chong  
 Dr George Deutsch & Mrs Kathy Deutsch  
 Mrs Joyce Flowers  
 Ms Jennifer Gross  
 Mr Louis Hamon  
 Mr Rod Harden & Mrs Lesley Harden \*  
 Mr Scott Herron  
 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 Morris Margolis & Mrs Helen Margolis  
 Ms Fiona McConnell & Ms Cecilia Wilkes  
 Mr John Mitcham & Mrs Patricia Mitcham  
 Mr Norman Pinder & Mrs Carolyn Pinder  
 Mr Colin Squires & Mrs Mary Squires  
 Mr Russell Taylor  
 Mr Lyle Thomas & Ms Christina Turner  
 Dr Peter Thorne & Ms Helen Vorrath \*  
 Dr Walter Uhlenbruch AO & Mrs Waltraud Uhlenbruch  
 Worldwide Ticketing  
 Ms Shirley Yeates

**Trusts and Foundations**

Angior Foundation  
 The Helen Macpherson Smith Trust  
 Cassandra Gantner Foundation  
 RE Ross Trust  
 The Telematics Course Development Fund

**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 Albert Dadon AM & Mrs Debbie Dadon  
 Mr John Prescott AC & Mrs Jennifer Prescott

**Gifts of \$5,000 – \$9,999**

Ms Joanna Baevski  
 Dr Milan Kantor OAM & Mrs Anne Kantor  
 Mr Ralph Ward-Ambler AM & Mrs Barbara Ward-Ambler

**Gifts of \$1,500 – \$4,999**

Anonymous (1)  
 The Duggan Foundation  
 Miss Catherine Gray  
 Mrs Barbara Haynes OAM  
 Mrs Jean Healey  
 Mr Peter Hordern & Mrs Jennifer Hordern  
 Mr Michael Hund & Mrs Gillian Hund  
 Mrs Fairlie Nassau  
 Bruce Parncutt & Robin Campbell  
 Mr Arion Pierson & Ms Cherill Pierson

**Gifts of \$350 – \$1,499**

Anonymous (8)  
 Mr Peter Aird & Mrs Catherine Aird  
 Mrs Michal Alfasi  
 Mr Peter Allan  
 The Madame Ashton Memorial Scholarship  
 Mr David L. Bardas  
 Mrs Adrienne Basser  
 Mrs Judith Batrouney  
 Mr John Bell  
 Ms Kirsty Bennett  
 Dr Mark Bryce & Mrs Ann Bryce  
 Mrs Nancy Butler  
 Mrs Shirley Campbell  
 Ms Min Li Chong  
 Caroline & Robert Clemente  
 Ms Melissa Conley-Tyler  
 Ms Audrey Cope  
 Mrs Beryl Crusi & the late Mr Henry Crusi  
 Dr Irene Donohoue Clyne  
 The Lorenzo & Pamela Galli Charitable Trust  
 Ms Nicole Gerling  
 Mrs Ethel Goldin  
 Ms Beryl Hall  
 Mrs Karen Hampton  
 Nereda Hanlon & Michael Hanlon AM  
 Mr Ian Harris & Miss Nance Grant MBE  
 Mr John Harrison CBE AM & Mrs Susan Harrison  
 Ms Meredith Hinze  
 Ms Dana Hlavacek & Mr Stephen Creese  
 Ms Janet Howard Smitti  
 Mr Keith Irvine & Mrs Jo Irvine  
 Ms Helen Jackson  
 Mr Hugh Johnson & Ms Loren Kings-Lynn  
 Ms Nancy Kimpton  
 Ms Bettie Kornhauser  
 Mr Larry Kornhauser  
 Mr Richard Layton & Mrs Silvana Layton  
 Mrs Jenny Leaper  
 Mrs Janet Leckie  
 Ms Rosemary Leffler  
 Ms Rosemary Lloyd  
 Ms Elizabeth Loftus  
 Mrs Iris Lustig-Moar & Mr Geoffrey Burgin  
 Mr Steven Macek  
 Ms Ann Marsh  
 Mr Dieter Martin & Mrs Ute Martin  
 Mr Noel Mason & Mrs Susanna Mason  
 Ms Helen L. Masters  
 Mrs Debora Mendelson & Dr Bryan Mendelson  
 Ms Robyn McKern  
 Mr William Montague OAM & Mrs Elaine Montague  
 Mrs Marie Morton  
 Dame Elisabeth Murdoch AC, DBE  
 Ms Helen Oakes  
 Jeremy Pascoe  
 Mr Nicholas Perkins  
 Mrs Pat Pettit



Ms Mima Piccolo  
 Mr Joshua Pitt & Mrs June Pitt  
 Mrs Maria Rommelaar  
 Mr Jeremy Ruskin QC  
 Mr Fergus Ryan AO & Mrs Judy Ryan  
 Mrs Joy Smith & Mr Russell Smith  
 Mr Gregory Shalit & Ms Miriam Faine  
 Ms Sue Spence  
 Ms Helene Strawbridge  
 Ms Elaine Sutton  
 Mrs Eva Sweet  
 Mr Peter Szabo & Mrs Leonie Szabo  
 Mr Allan Thorne  
 Mrs Ngaire Turner  
 Dr Peter Thorne & Ms Helen Vorrath

gifts received between 1 June 2011– 30 June 2012

^ *annual gift directed to the First Call Fund appeal*

\* *additional gift made to the First Call Fund appeal*

\*\* *includes Arts Walk gift*

### **Chairman's Circle**

Anonymous (12)  
 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  
 Mrs Mia Hall  
 Ms Carol Hay  
 Mr Timothy Hayes & Mr Michael Waugh  
 Mr Richard Heathcote  
 Ms Denise Hughes  
 Mr Max Johnston & Mr Owen White  
 Dr Richard King & Mrs Andrea King  
 Mr Barry Kitcher  
 Ms Helen Kroger  
 Mr Hugo Leschen  
 Mrs Kathy Mapperson  
 Ms Barbara Margetts  
 Mr Don 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  
 Mr John Lee & Mrs Noelle Robb  
 Ms Lynne Robertson  
 Mr Graham Ryles KSJ & Mrs Judith Ryles  
 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

### **Bequests Received June 2011 – June 2012**

Maxwell & Merle Carroll  
 Mr John Metherrall Lee  
 Ms Nita Johns  
 the late Mrs Elgene Matthews

### **Arts Centre Melbourne Seat Endowment Program 2012**

John and Virginia Allen  
 Miss Marilyn Armstrong  
 Ms Perri Cutten and Mr Jo Daniell  
 Mrs Beryl Crusi  
 Ms Filippa Ghanem  
 Ms Mary Hemming  
 Mrs Gillian Hund and Mr Michael Hund  
 Mr Elias Jreissati and Mrs Colleen Jreissati  
 Ms Bettie Kornhauser  
 Mr Solomon Lew and Mrs Rosie Lew  
 Mrs Iris L.Lustig Moar and Mr Geoffrey Burgin  
 Mr Rowan Minson  
 Mr Baillieu Myer AC and Mrs Sarah Myer  
 Ms Mima Piccolo  
 Mr Bill Rogers  
 Mrs Rae Rothfield  
 Ms Geraldine Wallace  
 Mr C Ralph Ward-Ambler AM and Mrs Barbara Ward-Ambler  
 Ms Janet Whiting and Mr Phillip Lukies  
 Dr Elizabeth Xipell

## **Arts Centre Melbourne As at 30 June 2012\***

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Judith Isherwood *Chief Executive*  
Marilyn Cornally *Executive Assistant*

Tim Brinkman *Executive – Performing Arts*

### **Programming**

Kelli Alred *Program Manager Digital Art*  
David Anderson *Program Manager Music*  
Rebecca Armstrong *Producer (Music)*  
Vicki Dymond *Producer (Theatre & Dance)*  
Robert Gebert *Head of Programming*  
Carla Hartog *Program Manager Theatre*  
Kelly-Anne Gentle *Digital Content Coordinator*  
Glen Hirst *Bowl Manager*  
Clare James *Programming Coordinator*  
Valentina Maxwell-Tansley *Program Manager Special Projects*  
Marshall McGuire *Classical Music Programmer*

### **Participation**

Simon Abrahams *Program Manager Artistic Development*  
Amy Bennett *Digital Educator*  
Hannes Berger *Programming Manager Access and Community*  
Kathryn Chishkovsky *Participation Unit Coordinator*  
Joshua Cowie *Digital Educator Coordinator*  
Alison Darroch *Access and Community Coordinator*  
Emer Harrington *Program Manager Families and Young People*  
Sally McPhee *Producer (Families and Youth Projects)*  
Robin Penty *Head of Participation*  
David Rogers *Digital Educator*  
Natalie Smith *Schools Project Coordinator*  
Daniel West *Youth Programmer*

### **Performing Arts Operations**

Melissa Battersby *Performing Arts Event Manager*  
Maree Daffy *Business Manager Performing Arts*  
Nicholas Dubberley *Performing Arts Event Manager*  
Carmel Duffy *Production Manager*  
Victoria Glasfurd *Business Admin Performing Arts*  
Bernadette Haldane *Head of Performing Arts Operations*  
Tony Harding *Senior Production Manager*  
Katherine Norman *Performing Arts Event Manager*  
Helen Schleiger *Performing Arts Event Manager*

### **Collections**

Margot Anderson *Curator (Dance & Opera)*  
Janine Barrand *Head of Collections*  
Fiona Bennie *Exhibitions Manager*  
Alison Carpenter *Collections and Exhibitions Projects Registrar*  
Rowena Craick *Collections Systems and Documentation Registrar*  
Tim Fisher *Senior Curator*  
Ria Green *Assistant Registrar (Digital Images)*  
Grace Janover *Assistant Registrar*  
Carolyn Laffan *Curator (Music)*  
Bridget Macleod *Project Officer (Collections)*  
Margaret Marshall *Curator (Theatre)*  
Fiona Moore *Project Manager*  
Heather Paterson *Collections Documentation and Loans Registrar*  
Lucinda Spencer *Collections Coordinator Online Research*  
Patricia Stokes *Collections & Information Systems Manager*  
Theo Strasser *Display Coordinator*  
Steven Tonkin *Curator (Contemporary & Live Art)*  
Elyse White *Coordinator, Collections Management*

### **Production**

Timothy Blundell *Supervisor Lighting*  
Helena Boyle *Technician Mechanical*  
Matthew Bush *Technician Lighting (Snr)*  
Nicholas Carroll *Manager Operations Sound*  
Peter Cheevers *Supervisor Mechanical*  
Benjamin Coe *Functions Technician (Snr)*  
Marcus Cook *Technician Sound (Snr)*  
Benjamin Cotton *Technician Mechanical*  
Wayne Crooks *Technician Staging (Snr)*  
Taylor Davey *Technician Mechanical*  
Jason Davidson *Technician Sound (Snr)*  
Stanislaw Debicki *Technician Staging (Snr)*  
Misha Doe *Technician Staging (Snr)*  
Peter Donaldson *Supervisor Mechanical*  
Jason Fordham *Manager Operations Functions*  
Brett Galvin *Technician Sound (Snr)*  
Alex Giroud *Technical Production Trainee*  
Scott Gresham *Technician Mechanical*  
David Hansen *Supervisor Wardrobe*  
Deryk Hartwick *Supervisor Lighting*  
Luke Hawley *Technician Lighting (Snr)*  
Chris Hayes *Manager Ops Safety & Learnin*  
Tayla Ives *Technical Production Trainee*  
Robert Jannke *Technician Staging (Snr)*  
Joel Johnston *Technician Staging (Snr)*  
Peter Kennedy-Ripon *Manager Technical HH/SMMB*  
Matthew King *Supervisor Lighting*  
Julia Knibbs *Technician Lighting*  
Stephen Mackenzie *Technician Mechanical*  
Bernard Manchee *Supervisor Lighting*  
Nicola Matthews *Administrator, Production*  
Kim McMaster *Supervisor Mechanical*  
Nicholas Melvaine *Technician Mechanical*  
Robert Minshall *Supervisor Mechanical*  
Samuel Moxham *Technical Production Trainee*  
Alison Murphy *Functions Technician (Snr)*  
Christopher O'Brien *Technician Sound (Snr)*  
Darren Paine *Manager Operations Staging*  
Andrew Pardy *Technician Staging (Snr)*  
Stephen Perrett *Supervisor Sound Workshop*  
Maija Putans *Supervisor Technical (Mch)*  
Peter Quinn *Supervisor Venue Sound*  
Raymond Rogers *Supervisor Sound*  
Jacob Rogers *Technician Sound*  
Robyn Scholes *Technician Lighting (Snr)*  
Peter Sforcina *Supervisor Sound System*  
Adrian Sterritt *Manager Operations Lighting*  
James Tweeddale *Technician Lighting (Snr)*  
Sean Vournazos *Technician Staging (Snr)*  
Frank Ward *Head of Production*  
Alasdair Watson *Technician Lighting*  
Stephen Webber *Supervisor Mechanical*  
Joshua White *Technician Sound (Snr)*  
Geoffrey Yeomans *Technician Staging (Snr)*  
Joel Zirnsak *Technician Staging (Snr)*

Louise Georgeson *General Manager Development, Corporate Communications and Special Events*

### **Development**

Nicola Barrans *Director, Development*  
Mark Batt *Membership Coordinator*  
Yuh-Min Chong *Database Administrator*  
Michele Hapi *VIP Ticketing Coordinator*  
Olivia Kipman *Sponsorship Coordinator*  
Jacqueline Nguyen *Special Events Coordinator*  
Sarah Penhall *Campaign Manager – Research and Evaluation*  
Jessica Roberts *Manager Private Gifts & Bequests*

### **Corporate Communications**

Jessica Bendell *Senior Publicist*  
Ree Izett *Director, Corporate Communications*  
Jeremy Vincent *Communications Manager*

### **Marketing and Online Services**

Stephanie Bellassai *Social Media Coordinator*  
Nicholas Dent *Online Coordinator*  
Janet Fearnley *Account Manager Marketing*  
Vanessa Fernandez *Graphic Designer*  
Carmen Greenway *Account Manager Marketing*  
Leanne Gunnulson *Research Manager*  
Madhu Malhotra *Manager Online*  
Patrick Marris *Graphic Designer*  
Neil McIrvine *Manager, Graphics Production*  
Kate McKillop *Account Manager Marketing*  
Sandra Ogilvie *Online Account Manager*  
Tania Owen *Account Manager Marketing*  
Teresa Walters, *Marketing Special Projects*

Pippa Croucamp *Executive – Corporate Services/CFO*

### **Finance and Governance**

Peter Benns *Manager Planning and Performance*  
Cat MacGregor *Governance Officer*  
Christine McEwan *Senior Management Accountant*  
Gloria Ng *Senior Management Accountant*  
Katie Parker *Manager, Assurance & Compliance*  
Delise Parton *Treasury Officer*  
Thilini Perera *Accounts Payable Officer*  
Ross Simpson *Event Settlements Officer*  
Sandra Stoklossa *Financial Controller*

### **Human Resources**

Vanessa Elvins *Coordinator Training*  
Craig Gordon *Manager OD & Learning*  
Veronica Hayes *Payroll Administrator*  
Marc Horler *Manager Payroll Operations*  
Michelle Jeffrey *Human Resources Manager*  
Christine Lee *HR Coordinator*  
Bonnie Taylor *Human Resources Manager*  
Frank Twomey *Director, Human Resources*

### **IT Services**

Wayne Abraham *Business Analyst*  
Jodie Bennett *Interim Chief Information Officer*  
Constance Bernard *Network Support*  
Thomas Batten *Telecommunication Technician*  
Harpreet Chadha *Web Interface Designer*  
Victor Chan *App. Support Team Leader*  
Peter Charalambakis *Analyst Programmer*  
Duncan Crawford *Network Administrator Team Leader*  
Max Davison *Enterprise Database Architect*  
Lou Dungca *Application Support*  
Paul Field *Network Administrator*  
Andrew Keese *Service Desk Team Leader*  
Khuram Latif *Web Developer*  
Kimberley Lee *Account Manager*  
Lilly Mitchell *Service Desk Officer*  
Elizabeth Opolski *Account Manager*  
Mardi Osborn *Account Manager*  
Kathleen Smith *Application Support*  
Tobias Strube *Relationship Manager*  
Monic Verma *Application Administrator*  
Ivanka Zebic *Solution Manager*

Michael Burns *Executive – Facilities*

### **Facilities and Services**

Paul Akhurst *Manager Building Strategy & Planning*  
Shane Beals *Team Leader Technical*  
Debbie Beggs *Coordinator Customer Service*  
Sandi Blake *Administration Officer*  
Geoffrey Brace *Manager Asset Maintenance*  
Tony Chiodo *Buildings Officer*  
Steven Cooper *Technical Officer*  
Roza Cvitkovic *Group Administrative Assistant*  
Jon De Bono *Technical Officer*  
Robert Devine *Buildings Officer*  
Neil Finlayson *Manager Asset Planning & Renewal*  
Bruce Fowler *Business Services Coordinator*  
Jim Grayson *Building Engineer*  
Shona Haddock *Facilities & Services Coordinator*  
Troy Hockley *Manager Security*  
Moya Hutchison *Project Manager Facilities & Services*  
Chris King *Manager Theatre Technical Development*  
Vineta Koleska *Manager Health, Safety & Environment*  
Robert Last *Project Manager Theatre Technical Development*  
Ron Lyon *Theatre Maintenance Officer*  
Nick Nicholas *Technical Officer*  
Greg Paul *Team Leader Venue Technical*  
David Rosenbrock *Project Manager Facilities & Services*  
Simon Shaw *Technical Officer*

### **Precinct Redevelopment**

Amalia Dumapias *Hamer Hall Redevelopment Project Support*  
David Harvey *Manager Redevelopment, Venues and Services*  
Jessica Minogue *Hamer Hall Project Manager (Admin)*  
Andrew Moon *Project Leader, Redevelopment*  
Tony Murphy *Project Director*

Andy Avery *Interim Executive – Commercial Business and Visitor Operations*

### **Commercial**

Tara Allsop *Director Commercial*  
David Blackman *Manager Car Park*  
Alan Buckley *Supervisor Car Park*  
Toni Gross *Sunday Market Officer*  
Guy Kable *Sunday Market Officer*  
Annmaree Kealy *Commercial Coordinator*  
Lance Nash *Supervisor Car Park*  
Louise O'Loughlin *Group Sales Manager*  
Linda Wall *Supervisor Car Park*

## **Food and Beverage**

Daniel Bishop *Manager Compliance & Training*  
Helen Boulter *Manager, Food & Beverage*  
Diana Chatfield *Coordinator, Food & Beverage*  
Kellynne Gillman *Manager Canto Espresso*  
Jarrod Hughes *Celebrations + Events Operations Manager*  
Christie Knox *Account Manager, Event Sales*  
Robert Majewski *Sous Chef – Production*  
Janine McKay *Food & Beverage Administrator*  
Jessica Murfitt *Foyer Bars Supervisor*  
Elena O'Brien *Food & Beverage Sales & Development Manager*  
David Parkes *Food & Beverage Contracts Manager*  
Camilla Plummer *Account Manager, Event Sales*  
Matthew Spry *Food & Beverage Operations Manager*  
Duncan Thomson *Director, Food & Beverage*  
Lisa Ting *Account Manager, Internal Event Sales*

## **Visitor Services**

Harry Blackburn *Duty Manager*  
Marlon Brauer *Concierge*  
Amanda Bruce *Concierge*  
Maria Cimino *Admin Officer Rostering*  
Dylan Cole *Concierge*  
Jessica Cull *Duty Manager*  
Ann Darby *Supervisor*  
James Dipnall *Manager Visitor Services*  
Valerie Duthill *Stage Door Keeper*  
Philip Enchelmaier *Stage Door Keeper*  
Jan Evans *Concierge*  
Elizabeth Henderson *Stage Door Keeper*  
Audrey Lamont *Stage Door Keeper*  
David McDonald *Duty Manager*  
Paul McIntyre *Stage Door Keeper*  
David Murray *Receptionist*  
Christine Roberts *Duty Manager*  
Simon Verity *Stage Door Keeper*  
Bruce Wapshott *Supervisor*  
Susan Warner *Concierge*  
Sallyann Wilson *Supervisor*

## **Ticketing/Online**

Sarah Berryman *Customer Ticketing Supervisor*  
Sasha Bradbury *Ticketing Account Manager*  
Cameron Burke *Director, Ticketing & CRM*  
Justine Clear *Ticketing Account Manager*  
Tanya Dimeska *Customer Ticketing Supervisor*  
Diana Fisk *Customer Ticketing Agent*  
Thomas Jaspers *Customer Ticketing Supervisor*  
Vicki London *Customer Ticketing Agent*  
Debra McDougall *Manager Box Office & Groups*  
Simon Moss *Ticketing Account Manager*  
Jennifer Peacock *Manager Contact Centre & Ticketing Services*  
James Quigley *Manager Client & Ticketing Services*  
Christine Robb *Ticketing Account Manager*  
Ingrid Rodger *Customer Ticketing Agent*  
Lois Rolfe *Customer Ticketing Agent*  
Jenefer Williams *Customer Ticketing Agent*

Over and above those listed here, are almost 500 casual workers who provide excellent service in the areas of Participation, Commercial, Visitor Services, Production and Food and Beverage.

\* This listing of Arts Centre Melbourne staff reflects all staff who occupied ongoing roles as at 30 June 2012.

# ADMINISTRATIVE REPORTING REQUIREMENTS

## Workforce Data

The Trust is committed to a merit based recruitment and selection process that ensures all positions are remunerated at salaries that are appropriate to their level of responsibilities and is compliant with the *Equal Opportunity Act*. All employees have been correctly classified in workforce data collections as outlined in the table below:

	ONGOING				VARIABLE TIME*				FIXED TERM & CASUAL EMPLOYEES	
	EMPLOYEES (HEADCOUNT)		FTE		EMPLOYEES (HEADCOUNT)		FTE		FTE	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
<b>Gender</b>										
Male	97.00	88.00	94.96	86.52	30.00	25.00	17.84	14.26	38.34	37.88
Female	121.00	100.00	109.28	91.12	10.00	10.00	5.69	4.98	51.79	48.81
<b>Total</b>	<b>218.00</b>	<b>188.00</b>	<b>204.24</b>	<b>177.64</b>	<b>40.00</b>	<b>35.00</b>	<b>23.53</b>	<b>19.24</b>	<b>90.13</b>	<b>86.69</b>
<b>Age</b>										
Under 25	2.00	1.00	1.54	1.00	6.00	4.00	3.41	2.24	9.31	8.66
25–34	56.00	47.00	51.80	44.77	11.00	8.00	6.32	4.08	35.95	29.89
35–44	74.00	61.00	68.16	56.59	9.00	9.00	5.43	4.77	24.00	29.11
45–54	51.00	47.00	50.20	45.80	6.00	8.00	3.58	4.79	14.03	11.36
55–64	31.00	28.00	29.06	26.60	8.00	6.00	4.79	3.37	4.73	5.49
Over 64	4.00	4.00	3.48	2.88	0.00	0.00	0.00	0.00	2.11	2.18
<b>Total</b>	<b>218**</b>	<b>188#</b>	<b>204.24</b>	<b>177.64</b>	<b>40.00</b>	<b>35.00</b>	<b>23.53</b>	<b>19.24</b>	<b>90.13</b>	<b>86.69##</b>

\* Variable-time employment is distinct from ongoing, fixed term or casual employment. Staff 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 184 full time headcount and 34 part time headcount

# This figure reflects 164 full time headcount and 24 part time headcount

## Corrected figures from those published in 2010–11 annual report

Notes: The increase in ongoing headcount from 2011 to 2012 is due largely to the engagement of staff to manage implementation of the Food and Beverage operation and the implementation of the Performing Arts Strategy.

## Occupational Health and Safety (OH&S)

A number of KPIs have been identified to enable the measurement of OH&S effectiveness at Arts Centre Melbourne 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	1.0% of total remuneration compared to 1.9% which is the industry average.
	Average days lost per worker's compensation claim	3.3 days lost
	Return to work	87.5% of injured staff returned to work in under 10 days.
OHS Management Systems Compliance	Achieve compliance to AS4801	89% achieved on internal audit of Occupational Health and Safety Management Systems.

## Environmental performance

KEY MEASURABLE		2012–11	2010–11	2009–10	2008–09	2007–08	2006–07
Electricity Total Consumption	Kilowatt Hr (kWh)	21,997,133	24,254,591	27,542,133	29,328,081	31,044,422	31,207,378
Natural Gas Total Consumption	Gigajoules (Gj)	60,588	70,713	77,986	76,419	69,678	70,485
Water Total Consumption	Kilolitres (kL)	67,461	75,020	77,729*	99,676*	101,280	98,925
Total Green House Gas Emissions	Tonnes of Co2-e	32,199	35,686	42,144	40,652	44,660	44,920

Figures include services supplied to National Gallery of Victoria

<sup>1</sup> Figures provided in years 2010–11 and 2011–12 reduction to the normal trend are due to Hamer Hall being refurbished.

\* Figures adjusted from correction published in 2008–09 & 2009–10 Annual Report.

## Budget Paper 3 Output Reporting

	2011–12	2010–11	2009–10	2008–09
Access – visitors/users <sup>1</sup>	2,298,103	2,313,670	2,642,401	2,813,403
Number of members & friends <sup>2</sup>	1,152	1,194	1,518	1,941
Number of volunteer hours	2,264	1,641	1,627	1,415
Number of students participating in education programs	59,259	70,288	81,709	66,011
% of collections stored to industry standard	67	67	60	60
% of visitors satisfied with visit overall <sup>3</sup>	85	98	98	99
Access – online visitors to website <sup>4</sup>	1,486,482	1,371,784	2,710,491	1,573,090

<sup>1</sup> Access – visitors/users represent number of attendances as well as visitors to F&B and Sunday market (this excludes carpark). Reduced access numbers for 2011–12 reflect the closure of Hamer Hall.

<sup>2</sup> From F2011, number of members & friends represents number of paid memberships at the agency.

<sup>3</sup> The measure of this KPI has been reviewed and amended from previous years. The new customer satisfaction survey has been used to measure customer satisfaction across the various touch point chains within Arts Centre Melbourne operations, which replace the previously more generic assessment.

<sup>4</sup> From F2011, online visitation is counted by browser based web analytical tools. The figure for 2010–11 was stated incorrectly in the prior year. This figure has been restated to the correct figure in the current year.



## 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 Arts Centre Melbourne'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 2012 is \$25.10 (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](http://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 Arts Centre Melbourne'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 Arts Centre Melbourne about Arts Centre Melbourne and how these can be obtained.
- Details of any major external reviews carried out on Arts Centre Melbourne.
- Details of major research and development activities undertaken by Arts Centre Melbourne.
- Details of changes in prices, fees, charges, rates and levies charged by Arts Centre Melbourne.
- 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 Arts Centre Melbourne to develop community awareness of Arts Centre Melbourne 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 Arts Centre Melbourne and details of lost time lost through industrial accidents and disputes.

- Details of Trust committees, the purposes of each committee and the extent to which the purposes have been achieved.
- Details of all consultancies and contractors including:
  - o Consultants/contractors engaged;
  - o Services provided; and
  - o Expenditure committed to for each engagement

There were no research and development activities undertaken by Arts Centre Melbourne 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 2011–2012 there were no works completed in Trust buildings, with the exception of Hamer Hall, that required certification and no works subject to mandatory inspections. In addition, one building permit was issued to undertake works to the handrails on the refurbished Dragonfly stage State Theatre Orchestra Pit.

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

## 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 Arts Centre Melbourne's website [www.artscentremelbourne.com.au](http://www.artscentremelbourne.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.

The following table presents the number and types of disclosures made during the year in respect of the *Whistleblowers Protection Act 2001*.

	2011-12 NUMBER	2010-11 NUMBER
The number and types of disclosures made by/to Arts Centre Melbourne during the year:		
– Public interest disclosures	1	0
– Protected disclosures	1	0
The number of disclosures referred during the year by Arts Centre Melbourne to the Ombudsman for determination as to whether they are public interest disclosures	0	0
The number and types of disclosed matters referred to Arts Centre Melbourne by the Ombudsman for investigation	0	0
The number and types of disclosures referred by Arts Centre Melbourne to the Ombudsman for investigation	0	0
The number and types of investigations taken over from Arts Centre Melbourne by the Ombudsman	0	0
The number of requests made by a whistleblower to the Ombudsman to take over an investigation by Arts Centre Melbourne	0	0
The number and types of disclosed matters that Arts Centre Melbourne has declined to investigate	0	0
The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation	0	0
Any recommendations made by the Ombudsman that relate to Arts Centre Melbourne:		
– Recommendation regarding record keeping practices related to procurement to ensure consistency with Public Record Office Victoria's standards	1	N/A
– Recommendation regarding ongoing procurement training courses to ensure compliance with Arts Centre Melbourne procurement policy	1	N/A

## 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 2011-12 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.

## Subsequent events

- (i) As part of the Southbank Cultural Precinct Redevelopment project, Hamer Hall closed on 5 July 2010. \$135.8m has been allocated by the Victorian Government for the redevelopment of Hamer Hall and its surrounds. As at 30 June 2012, Construction in Progress assets of \$126.3 million were transferred to the Victorian Arts Centre Trust. The project was completed in July 2012.
- (ii) The Local Authorities Superannuation Fund (LASF), known as Vision Super since 2002, is a not-for-profit industry fund for Victorian local government. Vision Super is the Trustee of both the Defined Benefit Plan (closed since 1993) and the Super Saver (accumulation) fund.

In accordance with regulations, Trustees are required to complete an actuarial review of superannuation funds at least every three years to ensure the current assets are adequate to meet the benefits that have previously been promised to members. A significant unfunded liability was identified on the plan as a result of an actuarial assessment for the period ended 31 December 2011. Employer sponsors are required to account for this shortfall. In August 2012 it became apparent that the share of the liability relevant to the Victorian Arts Centre Trust was \$3.007m inclusive of contributions tax.

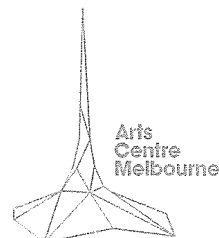
Consistent with AASB 110 Events after the reporting period, the information and shortfall amount to be provided to Vision Super after the balance sheet date constitutes an adjusting event as the shortfall represents the settlement of a present obligation at the end of the reporting period. As such, these financial statements have been adjusted to record the above amount as both a liability on the balance sheet and an expense in the comprehensive income statement.

## Details of individual consultancies

CONSULTANT	PURPOSE OF CONSULTANCY	EXPENDITURE (EXCLUDING GST) \$000S	FUTURE EXPENDITURE (EXCLUDING GST) \$000S
Jonathan Mills	Programming advice	100	96
Rider Levett Bucknall NSW Pty Ltd	Assurance & Compliance	80	–
Leo Burnett (Vic) Pty Ltd	Re-Branding advice	78	–
City Software Pty Ltd	IT Software installation and network advice	66	–
CBRE	Tenancy leasing advice	65	–
Sinclair Knight Merz Pty. Limited	Facilities costing and planning advice	62	–
AKA (Promotions) Australia Pty Ltd	Marketing review	45	2
AEA Consulting LLC	Performing Arts Collection Significance Assessment	36	–
AEA Consulting LLC	Australian Performing Arts Collection Project	35	–
Mildenhall Consulting Pty Ltd	Australian Performing Arts Collection Project	32	2
DWS Advanced Business Solutions	Advice on software integration	26	–
Robbins Group Pty Ltd	EDA Review	21	–
Generation-E Pty Ltd	System infrastructure review	20	–
ELMO Learning Services Pty Ltd	Online safety training	19	–
Stage Electrics Pty Ltd	Network cabling service	17	–
nSynergy	Intranet stability review	16	–
Stratsec.Net Pty Ltd	IT Security Assessment	16	–
Fit Sponsorship Marketing Pty Ltd	Advice on potential sponsors	15	–
Encore Communications (AUST) Pty Ltd	Re-Branding advice	15	–
Treecreds Pty Ltd	Sustainability auditing	11	–
Crowd Dynamics	Crowd dynamic software development	10	–
Bender, Lin	AAPPAC Conference	10	–
Immerse Agency Unit Trust	Sidney Myer Music Bowl Strategy & Policy advice	10	–

In 2011–12, Victorian Arts Centre Trust engaged 31 consultancies where the total fees payable to the consultants were less than \$10 000, with a total expenditure of \$110,743 (excl GST).

# ATTESTATION UNDER THE VICTORIAN GOVERNMENT'S RISK MANAGEMENT FRAMEWORK



## Risk Management Attestation at 30 June 2012

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 Arts Centre Melbourne has been critically reviewed within the last 12 months.

A large, stylized handwritten signature in black ink, appearing to be "Janet Whiting".

Janet Whiting, President of the Victorian Arts Centre Trust  
21 August, 2012

**ARTS  
VICTORIA**



100 St Kilda Road  
Melbourne 3004  
Australia  
PO Box 7585  
St Kilda Road Vic 8004

T +61 3 9281 8000  
F +61 3 9281 8282  
info@artscentremelbourne.com.au  
artscentremelbourne.com.au  
ABN 63 295 983 059

# SUMMARY OF RESULTS 2011–12 (F2012)

FINANCIAL PERFORMANCE	F2012	F2011	F2010	F2009	F2008
	\$M	\$M	\$M	\$M	\$M
Total Revenue	60.4	57.8	56.5	53.5	62.5
Less Total Expenses	61.4	51.7	53	52.2	51
Net Operating Result	-1.0	6.1	3.5	1.3	11.5
Less Depreciation	13.4	13.3	13.3	12.8	13
Net deficit from transactions	-14.4	-7.2	-9.8	-11.5	-1.5
Total Assets	549.7	481.8	403.4	412.3	421.8
Less Total Liabilities	31.3	18.6	18.2	18	16.2
Total Equity	518.4	463.2	385.2	394.3	405.6
PATRONAGE PROFILE	F2012	F2011	F2010	F2009	F2008
	(000S)	(000S)	(000S)	(000S)	(000S)
Attendances at Performances <sup>1</sup>	823	847	985	1,115	1,278
Attendances at Public Programs	271	236	288	284	316
Attendances at Exhibitions	653	681	616	601	834
Total Attendances*	1,747	1,764	1,889	2,000	2,428
Other Visitors & Facility Users <sup>2</sup>	1,266	1,337	1,473	1,447	1,336
EVENTS PROFILE	F2012	F2011	F2010	F2009	F2008
Performance Events <sup>3</sup>	1,074	1,017	975	1,260	1,360
Public Program Events	3,301	3,529	3,659	3,407	3,624
Exhibitions & Displays	19	21	22	27	29
Total Events	4,394	4,567	4,656	4,694	5,013
VENUE UTILISATION	F2012	F2011	F2010	F2009	F2008
	%	%	%	%	%
State Theatre	82	90	86	85	93
Playhouse	95	87	88	93	97
Fairfax Studio	99	98	92	99	97
Average mainstage utilisation	92	92	89	92	96
Hamer Hall	–	1	70	71	76
Sydney Myer Music Bowl	19	21	16	25	26
Spiegeltent	85	82	–	–	–
FACILITIES MANAGEMENT	F2012	F2011	F2010	F2009	F2008
	%	%	%	%	%
Asset Condition Index Venue	74	74	73	76	78
Asset Condition Index Infrastructure	55	55	51	54	63

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 include visitors to car park, food & beverage outlets and Sunday market.

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

\* Total attendances of 1,746,960 is for all attendances at Arts Centre Melbourne performances, programs and exhibitions. The BP3 Access – visitor/user figure of 2,298,103 on page XX includes these attendances plus visitors to Arts Centre Melbourne'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 2012 (F2012).

## Operating Result:

The reported operating result for the year is a loss of \$15.1m (F2011: \$38.1m loss). This result has been impacted by Arts Centre Melbourne's share of the defined pension superannuation call identified as a result of an actuarial assessment of the fund as at 31 December 2011. The amount recognised as an expense in F2012 is \$3.0m.

Total revenues increased by \$2.6m while total expenditure including depreciation increased by \$9.9m from \$64.9m in F2011 to \$74.9m in F2012 resulting in a \$7.3m higher loss result from transactions in F2012 to F2011.

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 shows the comparable 'net cash operating result' for the last five years.

	F2012 (\$m)	F2011 (\$m)	F2010 (\$m)	F2009 (\$m)	F2008 (\$m)
Total revenues as per audited financial statements	60.4	57.8	56.5	53.5	62.5
Less capital endowment receipts and income received in advance	0.4	0.6	0.9	-0.9	6.6
<b>Total net operating revenues</b>	<b>60.0</b>	<b>57.2</b>	<b>55.6</b>	<b>54.4</b>	<b>55.9</b>
Less total expenses as per audited financial statements (excluding depreciation and the derecognition of Hamer Hall)	61.4	51.7	53	52.2	51
<b>Net operating result</b>	<b>-1.4</b>	<b>5.5</b>	<b>2.6</b>	<b>2.2</b>	<b>4.9</b>
Less capital projects funded from operating revenues and reserves	2.0	2.4	1.1	0.9	3.1
<b>Net cash operating result</b>	<b>-3.4</b>	<b>3.1</b>	<b>1.5</b>	<b>1.3</b>	<b>1.8</b>

F2012 saw a \$2.6m increase in net operating revenues with operating expenses increasing by \$9.7m and capital expenditure funded from operating revenues and reserves decreasing by \$0.4m, resulting in an overall decrease in the net cash operating deficit from F2011.

## Revenues:

The 5% increase in total revenues from F2011 is the result of an increase in Arts Centre Melbourne Presents shows in the current year. Ticket sales and therefore box office revenue increased by \$3.4m. This increase is included in programming revenue in the financial statements.

## Expenditure:

Total expenditure excluding depreciation increased by 19% from F2011. The increase is largely due to the corresponding costs associated with the increased number of Arts Centre Melbourne Presents shows and also additional costs associated with the re-opening of Hamer Hall.



## Balance Sheet

### Equity:

Two main factors impacted the \$55.2m increase in total equity.

- The increase in contributed capital of \$70.2m 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 \$15.1m, which is primarily due to the depreciation and amortisation of fixed assets and intangible assets of \$13.5m.

### Asset & Liabilities:

The significant movements in financial assets and liabilities are largely due to higher box office ticket income held for future shows. The contractual obligation to settle payments to box office creditors occurs at the date of the relevant event.

The \$60.3m increase in non-financial assets from \$446.3m in F2011 to \$506.6m in F2012 is largely due to the transfer of assets totalling \$70.2m from the Department of Premier and Cabinet in respect of the Southbank Cultural Precinct Redevelopment project, capital additions of \$2.0m less depreciation and amortisation of \$13.5m.

### Cash Flows:

Net cash inflows of \$6.1m from operating, investing and financing activities reflect endowment fund and capital contribution receipts of \$10.1m, other net operating receipts of \$6.6m less investment in fixed and intangible assets of \$9.7m and a transfer of \$0.9m cash to the managed investment fund.

### Patronage, Events & Venue Utilisation

The closure of Hamer Hall for redevelopment since early July 2010 has continued to cause a lower number of performance and public program attendances in F2012. Other visitors and facility users have also decreased as a result, impacting car park and food and beverage usage. The attendance decrease has been partially offset by the continuation of the famous Spiegeltent to Arts Centre Melbourne's forecourt in late summer.

Increased venue utilisation in the Playhouse and Fairfax Studio, offset by decreased utilisation in the State Theatre resulted in constant average mainstage utilisation rates year on year.

### Asset Condition

There was no movement on the venue asset condition of 74% or the infrastructure asset condition of 55%. This measurement represents the condition of assets as a percentage of "as new condition" in accordance with Whole of Government reporting framework. 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 2012.



Judith Isherwood  
Chief Executive

Victorian Arts Centre Trust  
**Comprehensive operating statement**  
for the financial year ended 30 June 2012

	Notes	2012 \$'000s	2011 \$'000s
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Programming	2	15,709	12,295
Marketing and visitor experience	2	16,394	16,302
Facilities management	2	2,784	2,860
Corporate services	2	118	63
Investment income	2	1,979	1,653
Government grants	2	23,457	24,638
<b>Total income from transactions</b>	<b>2</b>	<b>60,441</b>	<b>57,811</b>
<b>Expenses from transactions</b>			
Programming	3	(19,425)	(16,778)
Marketing and visitor experience	3	(13,463)	(12,300)
Facilities management	3	(14,758)	(13,829)
Corporate services	3	(10,701)	(8,136)
Finance costs	3	(64)	(93)
Depreciation and amortisation	3	(13,472)	(13,281)
Defined pension superannuation call	3	(3,007)	(531)
<b>Total expenses from transactions</b>	<b>3</b>	<b>(74,890)</b>	<b>(64,948)</b>
<b>Net deficit from transactions</b>	<b>4</b>	<b>(14,449)</b>	<b>(7,137)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on non-financial assets	5(a)	6	(30,867)
Net gain/(loss) on financial assets	5(b)	(236)	15
Other gain from other economic flows	5(c)	-	3
<b>Total other economic flows included in net result</b>		<b>(230)</b>	<b>(30,849)</b>
<b>Net result</b>		<b>(14,679)</b>	<b>(37,986)</b>
<b>Other economic flows - other non-owner changes in equity</b>			
Changes to financial assets available-for-sale	19	(381)	(134)
<b>Total other economic flows included in net result</b>		<b>(381)</b>	<b>(134)</b>
<b>Comprehensive result</b>		<b>(15,060)</b>	<b>(38,120)</b>

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Victorian Arts Centre Trust  
**Balance sheet**  
as at 30 June 2012

	Notes	2012 \$'000s	2011 \$'000s
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6	31,957	25,832
Receivables	7	4,842	4,094
Investments	8	6,291	5,606
<b>Total financial assets</b>		<b>43,090</b>	<b>35,532</b>
<b>Non-financial assets</b>			
Inventories	9	124	99
Property, plant and equipment	10	503,848	444,471
Intangible assets	11	1,007	1,319
Other non-financial assets	12	1,654	436
<b>Total non financial assets</b>		<b>506,633</b>	<b>446,325</b>
<b>Total assets</b>		<b>549,723</b>	<b>481,857</b>
<b>Liabilities</b>			
Payables	13	26,005	13,393
Provisions	14	4,441	4,273
Other liabilities	15	871	955
<b>Total liabilities</b>		<b>31,317</b>	<b>18,621</b>
<b>Net assets</b>		<b>518,406</b>	<b>463,236</b>
<b>Equity</b>			
Contributed capital		475,935	405,703
Donation and endowment reserve		9,830	9,652
Asset revaluation reserve		161,991	161,991
Available-for-sale revaluation deficit		(854)	(473)
Accumulated deficit		(128,496)	(113,637)
<b>Total equity</b>		<b>518,406</b>	<b>463,236</b>
Commitments for expenditure	16 & 17		
Contingent assets and liabilities	26		

The balance sheet should be read in conjunction with the notes to the financial statements.

Victorian Arts Centre Trust  
**Statement of changes in equity**  
for the financial year ended 30 June 2012

	Contributed capital \$'000s	Donation and endowment reserve \$'000s	Asset revaluation reserve \$'000s	Available- for-sale revaluation deficit \$'000s	Accumulated deficit \$'000s
<b>Balance at 1 July 2010</b>	<b>348,692</b>	<b>9,058</b>	<b>133,434</b>	<b>( 339)</b>	<b>( 105,651)</b>
Net result for the year	-	-	-	-	( 37,986)
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 from accumulated deficit	-	-	( 30,597)	-	30,000
Capital appropriations	57,011	-	-	-	-
<b>Balance at 30 June 2011</b>	<b>405,703</b>	<b>9,652</b>	<b>161,991</b>	<b>( 473)</b>	<b>( 113,637)</b>
Net result for the year	-	-	-	-	( 14,679)
Endowment funds received	-	440	-	-	-
Net donations and investment income received	-	1,927	-	-	-
Donations and endowment income accessed	-	( 2,189)	-	-	-
Other comprehensive income for the year	-	-	-	( 381)	-
Transfer from accumulated deficit into reserve (i)	-	-	-	-	( 180)
Capital appropriations (ii)	70,232	-	-	-	-
<b>Balance at 30 June 2012</b>	<b>475,935</b>	<b>9,830</b>	<b>161,991</b>	<b>( 854)</b>	<b>( 128,496)</b>

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

- (i) During the year \$0.18m was transferred from the accumulated deficit to the donation and endowment reserve. This amount represents the net revenue and expenses incurred by the Foundation, a sub committee of the Trust.
- (ii) Work in progress assets totalling \$60.5m (F2011: \$56.5m) in respect of the Hamer Hall redevelopment were transferred to the Trust from the Department of Premier and Cabinet during the year ended 30 June 2012. In addition, the Department also provided capital funding of \$6.8m (F2011: nil) for Hamer Hall equipment, \$1.3m (F2011: nil) in relation to the Arts and Cultural Facilities Maintenance fund, \$0.5m (F2011: \$0.5m) for minor maintenance and \$1.1m (F2011: nil) was provided for the State Theatre Orchestra Pit. These transfers are designated as a contribution from the owners (contributed capital).

**Cash flow statement**

for the financial year ended 30 June 2012

		2012	2011
	Notes	\$'000s	\$'000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Receipts from customers		35,262	27,697
Proceeds from endowments		440	600
Government grants received		23,212	24,784
Interest and dividends received		1,551	1,620
<b>Total receipts</b>		<b>60,465</b>	<b>54,701</b>
<b>Payments</b>			
Payments to suppliers		(25,497)	(21,805)
Payments to employees		(27,807)	(26,659)
GST paid to the Australian Taxation Office		(191)	(589)
<b>Total payments</b>		<b>(53,495)</b>	<b>(49,053)</b>
<b>Net cash from operating activities</b>	18(c)	<b>6,970</b>	<b>5,648</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(9,650)	(3,077)
Payment for investments		(875)	(3,945)
<b>Net cash used in investing activities</b>		<b>(10,525)</b>	<b>(7,022)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Owner contributions by State Government		9,680	500
<b>Net cash provided by financing activities</b>		<b>9,680</b>	<b>500</b>
Net (decrease)/increase in cash and cash equivalents		6,125	(874)
Cash and cash equivalents at the beginning of the financial year		25,832	26,706
<b>Cash and cash equivalents at the end of the financial year</b>	18(a), 6	<b>31,957</b>	<b>25,832</b>

The above cashflow statement should be read in conjunction with the notes to the financial statements.

**Notes to the financial statements – table of contents**

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<b>Note</b>	<b>Note Description</b>	<b>Page</b>
Note 1.	Summary of significant accounting policies	43
Note 2.	Income from transactions	54
Note 3.	Expenses from transactions	55
Note 4.	Net result from transactions	55
Note 5.	Other economic flows included in net result	56
Note 6.	Cash and deposits	56
Note 7.	Receivables	57
Note 8.	Investments	58
Note 9.	Inventories	58
Note 10.	Property, plant & equipment	59
Note 11.	Intangible assets	61
Note 12.	Other non financial assets	61
Note 13.	Payables	61
Note 14.	Provisions	62
Note 15.	Other current liabilities	63
Note 16.	Operating leases	63
Note 17.	Commitments for expenditure	63
Note 18.	Cash flow statement	64
Note 19.	Financial instruments	65
Note 20.	Superannuation	72
Note 21.	Responsible persons	72
Note 22.	Remuneration of responsible persons	72
Note 23.	Remuneration of auditors	73
Note 24.	Remuneration of executives and accountable officer	73
Note 25.	Related party transactions	74
Note 26.	Contingent assets and liabilities	74
Note 27.	Subsequent events	74



### **Note 1: Summary of significant accounting policies**

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The annual financial statements represent the audited general purpose financial statements for the Victorian Arts Centre Trust for the period ended 30 June 2012. The purpose of the report is to provide users with information about the Trust's stewardship of resources entrusted to it.

#### **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 accounting preparation and measurement**

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.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. 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. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- The fair value of property, plant and equipment (refer to Note 1(I));
- Provisions (refer to Note 1(J)).

These financial statements are presented in Australian dollars, and 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. The fair value of an asset is generally based on its depreciated replacement value. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value;
- Available-for-sale investments which are measured at fair value with movements reflected in "Other economic flows – other non-owner changes in equity"; and
- Provision for long service leave is calculated at net present value

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

#### **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

A description of the nature of the Trust's operations and principle activities is included in the report of operations on pages 8–17, which does not form part of these financial statements.

#### *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 the Victorian Government and Federal Government grants and commercial sources such as ticketing, retail and food and beverage operations.

## **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 and Amendments to Australian System of Government Finance Statistics 2005* (ABS Catalogue 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-financial physical and intangible assets;
- 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 (non current being 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 non-owner and owner changes in equity from 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 economic flows – other movements in equity' related to 'Transactions with owner in its capacity as owner'.

### *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 \$1,000, 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 at fair value.

### *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 when the Trust obtains control over the contribution.

#### *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 income areas are as follows:

- Arts Centre programming income comprises ticket sales from Arts Centre Melbourne presented and produced events.
- Marketing and visitor experience income comprises the recovery of event production costs, ticketing commissions, food and beverage income and car park income.
- Facilities management income comprises the recovery of facilities management services from third parties.
- Corporate services income comprises 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 includes interest received on bank term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

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.

#### *Assets and services received free of charge or for nominal consideration*

Resources received free of charge or for nominal consideration are recognised at fair value when control is obtained 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 received as a donation.

#### *Other income*

Donations are recognised when received and are appropriated to a designated donation or endowment fund, with the exception of corporate sponsorships that specifically relate to activities occurring after the year end, which are recognised with reference to the timing of the underlying expenditure.

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

## **F. Expenses from transactions**

Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

#### *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 assets) 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 F2011 and assessed as reasonable by management in the current year, are as follows:

Asset class	Useful life
Buildings	105 to 139 years
Building fit outs	3.7 to 45 years
Furniture and equipment	3.7 to 7.7 years
Motor vehicles	4.4 years
Software intangible assets	3.7 years
Works of art and performing arts collection assets	non-depreciable

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*

Refer to the section in Note 1(J) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

#### *Superannuation*

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

Expenses 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 benefit plan under the terms of the plan, contributions to the plan are expensed when incurred.

#### *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 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:

#### 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 of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

#### Amortisation of non-produced intangible assets

Intangible non produced assets with finite lives are amortised as an other economic flow on a systematic (typically straight line) basis over the asset's useful life. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

#### Gain/(loss) arising from transactions in foreign exchange

Refer to Note 1(Q) Foreign currency.

#### Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (as described below) and whenever there is an indication that the asset may be impaired.

All other 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.

If there is an indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction 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 amounts for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(I) in relation to the recognition and measurement of non-financial assets.

#### *Net gain/(loss) on financial assets*

Net gain/(loss) on financial assets includes disposals of financial assets, the allowance for doubtful debts and realised gains and losses from revaluations of financial assets at fair value.

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:

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

## **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 with an original maturity of three months or less, 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 Melbourne Foundation.

#### *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.

Receivables are subject to impairment testing as described below. 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*

At the end of each reporting period, the Trust assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

Receivables are assessed for bad and doubtful debts on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as other economic flows in the net result.

### **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-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred from a government department are transferred at their carrying amount.

Cultural assets, collections and heritage assets that the Trust 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 assets, 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 increases or decreases 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, using discount rates that reflect the time value of money and risks specific to the provision.

#### *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**

##### *Contributions by owners*

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 for future expenditure include operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources. These commitments are disclosed by way of a note (refer to note 17) at their nominal value inclusive of goods and services tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

#### **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 (refer to Note 26) 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.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

**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 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.

Foreign currency translation 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 2012 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 required.

As at 30 June 2012, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2012. 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 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12)	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.

**Notes to the financial statements**

for the financial year ended 30 June 2012

AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i> (AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127)	These consequential amendments are in relation to the introduction of AASB 9.	Beginning 1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 13 <i>Fair Value Measurement</i>	This standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	Beginning 1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 2011-8 <i>Amendments to Australian Accounting Standards arising from AASB 13</i> (AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132)	This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	Beginning 1 Jan 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.

**Notes to the financial statements**

for the financial year ended 30 June 2012

<p>AASB 2011-9 <i>Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income</i> (AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 &amp; 1049)</p>	<p>The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.</p>	<p>Beginning 1 July 2012</p>	<p>This amending Standard could change the current presentation of 'Other economic flows-other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.</p>
<p>2011-13 <i>Amendments to Australian Accounting Standard – Improvements to AASB 1049</i></p>	<p>This Standard aims to improve the AASB 1049 <i>Whole of Government and General Government Sector Financial Reporting</i> at the operational level. The main amendments clarify a number of requirements in AASB 1049, including the amendment to allow disclosure of other measures of key fiscal aggregates as long as they are clearly distinguished from the key fiscal aggregates and do not detract from the the information required by AASB 1049. Furthermore, this Standard provides additional guidance and examples on the classification between 'transactions' and 'other economic flows' for GAAP items without GFS equivalents.</p>	<p>Beginning 1 July 2012</p>	<p>No significant impact is expected from these consequential amendments on entity reporting.</p>

		2012	2011
Note 2: Income from transactions	Notes	\$'000s	\$'000s
<b>Programming</b>			
Arts Centre programming		5,870	2,576
Presenter services		3,966	4,169
Venue rental		5,383	5,273
Performing arts collection		490	277
		<b>15,709</b>	<b>12,295</b>
<b>Marketing and visitor experience</b>			
Visitor businesses		8,598	8,117
Ticketing & visitor services		4,802	5,528
Philanthropy and corporate sponsorship	(i)	2,938	2,603
Marketing and communications		56	54
		<b>16,394</b>	<b>16,302</b>
<b>Facilities management</b>			
Facilities management		1,838	1,893
Safety & security services		946	967
		<b>2,784</b>	<b>2,860</b>
<b>Corporate services</b>		<b>118</b>	<b>63</b>
<b>Investment income</b>			
Interest and distributions received	(ii)	1,979	1,647
Dividends received		-	6
		<b>1,979</b>	<b>1,653</b>
<b>Grants</b>			
Victorian government appropriation		16,542	18,175
Other Victorian government grants	(iii)	6,645	6,263
Other government grants	(iv)	220	200
Other grants	(v)	50	-
		<b>23,457</b>	<b>24,638</b>
<b>Total income</b>		<b>60,441</b>	<b>57,811</b>

- (i) Philanthropy and corporate sponsorship income includes \$0.44m of endowment funds received (F2011: \$0.6m). Endowments are invested in order to provide a permanent source of income for approved Arts Centre Melbourne programs. The endowment corpus cannot be spent, only the income arising from the investment of these endowments.
- (ii) Interest received includes \$0.425m of managed fund income distributions re-invested in the fund (F2011: \$0.077m).
- (iii) Other Victorian government grants comprise \$6.614m (F2011: \$6.252m) from Arts Victoria and Major Projects Victoria in respect of the business and revenue impacts of the Southbank Cultural Precinct Redevelopment and \$0.031m (F2011: \$0.011m) from the Department of Education.
- (iv) Other government grants include \$0.145m (F2011: \$0.064m) from Australia Council in respect of Mix It Up and Full Tilt programming and \$0.075m (F2011: \$nil) from the Department of Prime Minister and Cabinet for the performing arts collections.
- (v) Other grants include \$0.05m (F2011: \$nil) from Telematics and Angior Trust for education programmes.

Victorian Arts Centre Trust  
**Notes to the financial statements**  
for the financial year ended 30 June 2012

		<b>2012</b>	<b>2011</b>
<b>Note 3: Expenses from transactions</b>	<b>Notes</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Programming</b>			
Arts Centre programming		10,632	8,228
Presenter services		6,081	5,964
Venue rental		790	768
Performing arts collection		1,922	1,818
		<b>19,425</b>	<b>16,778</b>
<b>Marketing and visitor experience</b>			
Visitor businesses		3,356	2,737
Ticketing and visitor services		5,905	6,065
Philanthropy and corporate sponsorship		1,370	1,234
Marketing and communications		2,832	2,264
		<b>13,463</b>	<b>12,300</b>
<b>Facilities management</b>			
Facilities management		12,256	11,497
Safety & security services		2,502	2,332
		<b>14,758</b>	<b>13,829</b>
<b>Corporate services</b>			
Executive services		3,089	2,100
Finance services		1,890	1,784
People & culture		1,734	1,194
Information services		3,988	3,058
		<b>10,701</b>	<b>8,136</b>
<b>Finance costs</b>		<b>64</b>	<b>93</b>
<b>Depreciation and amortisation</b>			
Depreciation	(i)	12,802	12,595
Amortisation		670	686
		<b>13,472</b>	<b>13,281</b>
<b>Defined pension superannuation call</b>		<b>3,007</b>	<b>531</b>
<b>Total expenses</b>		<b>74,890</b>	<b>64,948</b>

(i) The State Government does not fund the Trust for depreciation.

<b>Note 4: Net result from transactions</b>	<b>2012</b>	<b>2011</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Net result from transactions includes the following expenses:		
Operating lease rental expenses	1,021	561
Defined pension superannuation call	3,007	531
	<b>4,028</b>	<b>1,092</b>



		2012	2011
<b>Note 5: Other economic flows included in net result</b>	<b>Notes</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>(a) Net gain/(loss) on non financial assets</b>			
Impairment of property plant and equipment		-	(130)
Net gain/(loss) on disposal of property plant and equipment		6	(30,737)
<b>Total net loss on non-financial assets</b>		<b>6</b>	<b>(30,867)</b>
<b>(b) Net gain/(loss) on financial assets</b>			
Realised loss on financial assets		(235)	-
Bad debts written off/recovered		(1)	15
<b>Total net gain/(loss) on financial assets</b>		<b>(236)</b>	<b>15</b>
<b>(c) Other gains/(losses) from other economic flows</b>			
Net gain/(loss) arising from revaluation of long service liability		-	3
<b>Total other gains/(losses) from other economic flows</b>		<b>-</b>	<b>3</b>
<b>Note 6: Cash and deposits</b>		<b>2012</b>	<b>2011</b>
		<b>\$'000s</b>	<b>\$'000s</b>
Cash on hand and in bank	(i)	19,627	3,249
Cash held in box office bank account	(ii)	12,330	5,683
Term deposits	(i)	-	16,900
<b>Total cash assets</b>	<b>18a</b>	<b>31,957</b>	<b>25,832</b>

- (i) Cash and deposits include \$2.763m (F2011: \$3.934m) of Arts Centre Melbourne Foundation funds. This consists of the cash in the donation bank account and the Foundation's share of the online investment account. The Foundation's share of the online investment account forms part of the endowments received. Actual endowments received are retained by the Foundation to generate income through investing activities.
- (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.

		2012	2011
<b>Note 7: Receivables</b>	<b>Notes</b>	<b>\$'000s</b>	<b>\$'000s</b>
<u>Contractual current receivables</u>			
Trade debtors	(i)	2,622	2,764
Less provision for doubtful debts	7(a)	(6)	(1)
Other receivables		1,750	1,261
<u>Statutory current receivables</u>			
Net GST receivable		476	70
<b>Total receivables</b>	<b>19</b>	<b>4,842</b>	<b>4,094</b>

(i) The average credit period for sales of goods and services and for other receivables is 43 days (F2011: 44 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 increase was recognised in the net result for the current financial year.

	2012	2011
<b>(a) Doubtful debts</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>Balance at beginning of the year</b>	<b>1</b>	<b>28</b>
Reversal of unused provision recognised in the net result	-	(18)
Increase in provision recognised in the net result	5	-
Previously provided for receivables written off as uncollectible	-	(9)
<b>Balance at end of the year</b>	<b>6</b>	<b>1</b>

**(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.

		<b>2012</b>	<b>2011</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>Note 8: Investments</b>			
<b>Long term investments</b>			
Managed funds		6,291	5,606
<b>Total investments</b>	19	<b>6,291</b>	<b>5,606</b>

Investments represent Arts Centre Melbourne Foundation endowment funds. Endowment funds received are recognised as income in the year in which they are received. Only a portion of income generated by these funds is used to fund programming activities. Actual endowments received are retained by the Foundation to generate income through investing activities

**(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.

		<b>2012</b>	<b>2011</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>Note 9: Inventories</b>			
<b>Current inventories</b>			
Theatre lamps, gels and tapes		65	66
Central plant		53	28
Merchandise		6	5
<b>Total inventories</b>		<b>124</b>	<b>99</b>

Victorian Arts Centre Trust  
**Notes to the financial statements**  
for the financial year ended 30 June 2012

<b>Note 10: Property, plant &amp; equipment</b>	<b>Notes</b>	<b>2012 \$'000s</b>	<b>2011 \$'000s</b>
<b>Land</b>			
At valuation	(i)	126,676	126,676
<b>Buildings</b>			
At valuation		117,670	117,670
Less accumulated depreciation		(7,240)	-
	(ii)	110,430	117,670
<b>Building fit outs</b>			
At valuation		83,552	83,552
At cost		2,389	1,302
Less accumulated depreciation		(4,038)	(70)
	(ii)	81,903	84,784
<b>Other assets</b>			
Furniture and equipment at cost		11,912	11,043
Less accumulated depreciation		(7,493)	(5,904)
		4,419	5,139
Motor vehicles at cost		132	110
Less accumulated depreciation		(94)	(88)
		38	22
Works of art at cost		107	107
Works of art at valuation		28,067	27,873
	(iii)	28,174	27,980
Performing arts collection at cost		155	-
Performing arts collection at valuation		25,360	25,360
	(iv)	25,515	25,360
Work in progress	(v)	126,693	56,840
<b>Total property, plant and equipment</b>		<b>503,848</b>	<b>444,471</b>

- (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.
- (v) Work in progress additions of \$69.8m is in respect of work in progress assets for the Hamer Hall redevelopment of \$68.7m and \$1.1m for the State Theatre Orchestra Pit. These work in progress assets have been designated as contributions by owners and are recognised as contributed capital.

**Note 10: Property, plant & equipment (continued)**

	Land \$'000s	Buildings \$'000s	Building Fit Out \$'000s	Furniture \$'000s	Motor Vehicles \$'000s	Works of Art \$'000s	Performing Arts Collection \$'000s	Work in Progress \$'000s	Total \$'000s
<b>2012</b>									
Carrying amount at start of year	126,676	117,670	84,784	5,139	22	27,980	25,360	56,840	444,471
Additions	-	-	1,087	868	21	194	155	69,853	72,178
Depreciation expenses	-	(7,240)	(3,968)	(1,588)	(5)	-	-	-	(12,801)
<b>Carrying amount at end of year</b>	<b>126,676</b>	<b>110,430</b>	<b>81,903</b>	<b>4,419</b>	<b>38</b>	<b>28,174</b>	<b>25,515</b>	<b>126,693</b>	<b>503,848</b>
<b>2011</b>									
Carrying amount at start of year	99,750	137,920	98,095	5,975	-	15,649	11,901	-	369,290
Additions	-	-	1,237	1,134	25	110	156	56,840	59,502
Disposals & write offs	-	(11,925)	(18,672)	(124)	-	-	-	-	(30,748)
Revaluation	26,926	(6,878)	13,580	-	-	12,221	13,303	-	59,152
Depreciation expense	-	(1,420)	(9,456)	(1,716)	(3)	-	-	-	(12,595)
Impairment	-	-	-	(130)	-	-	-	-	(130)
<b>Carrying amount at end of year</b>	<b>126,676</b>	<b>117,670</b>	<b>84,784</b>	<b>5,139</b>	<b>22</b>	<b>27,980</b>	<b>25,360</b>	<b>56,840</b>	<b>444,471</b>

Victorian Arts Centre Trust  
**Notes to the financial statements**  
for the financial year ended 30 June 2012

	Software \$'000s	WIP \$'000s	Total \$'000s
<b>Note 11: Intangible assets</b>			
<b>2012</b>			
Opening cost	5,133	-	5,133
Additions	358	-	358
<b>Closing cost</b>	<b>5,491</b>	<b>-</b>	<b>5,491</b>
Opening accumulated depreciation	( 3,814)	-	( 3,814)
Charge for the period	( 670)	-	( 670)
<b>Closing accumulated depreciation</b>	<b>( 4,484)</b>	<b>-</b>	<b>( 4,484)</b>
Carrying amount at start of year	1,319	-	1,319
<b>Carrying amount at end of year</b>	<b>1,007</b>	<b>-</b>	<b>1,007</b>
<b>2011</b>			
Opening cost	4,588	219	4,807
WIP transferred	219	( 219)	-
Additions	326	-	326
<b>Closing cost</b>	<b>5,133</b>	<b>-</b>	<b>5,133</b>
Opening accumulated depreciation	( 3,128)	-	( 3,128)
Charge for the period	( 686)	-	( 686)
<b>Closing accumulated depreciation</b>	<b>( 3,814)</b>	<b>-</b>	<b>( 3,814)</b>
Carrying amount at start of year	1,460	219	1,679
<b>Carrying amount at end of year</b>	<b>1,319</b>	<b>-</b>	<b>1,319</b>

	2012 \$'000s	2011 \$'000s
<b>Note 12: Other non financial assets</b>		
Prepayments	1,654	436
<b>Total other non financial assets</b>	<b>1,654</b>	<b>436</b>

	Notes	2012 \$'000s	2011 \$'000s
<b>Note 13: Payables</b>			
<u>Contractual current payables</u>			
Trade creditors	(i)	1,709	1,126
Sundry creditors and accruals		8,840	4,309
Box office creditors		11,874	7,027
<u>Contractual non current payables</u>			
Defined pension superannuation call		3,582	931
<b>Total payables</b>	<b>19</b>	<b>26,005</b>	<b>13,393</b>

(i) The average credit period is 66 days (F2011: 38 days).

**(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.

		2012	2011
		\$'000s	\$'000
<b>Note 14: Provisions</b>			
<b>(a) Current employee provisions</b>			
Annual leave entitlement expected to settle within 12 months	(i)	1,387	1,413
Unconditional long service leave entitlement	(i)		
Unconditional and expected to settle within 12 months	(ii)	214	214
Unconditional and expected to settle after 12 months	(iii)	1,677	1,657
		<b>3,278</b>	<b>3,284</b>
<b>Non current employee provisions</b>			
Conditional long service leave entitlement	(i) & (iii)	<b>545</b>	<b>396</b>
<b>Total employee benefits</b>		<b>3,823</b>	<b>3,680</b>
Current on costs		527	527
Non-current on costs		91	66
<b>Total on costs</b>		<b>618</b>	<b>593</b>
<b>Total provisions</b>		<b>4,441</b>	<b>4,273</b>
<b>(b) Movement in provisions</b>			
	<b>On-cost</b>	<b>Other</b>	<b>Total</b>
	<b>2012</b>	<b>2012</b>	<b>2012</b>
	<b>\$000's</b>	<b>\$000's</b>	<b>\$000's</b>
<b>Opening balance</b>	593	3,680	4,273
Additional provisions recognised	276	1,715	1,991
Reductions arising from payments	(264)	(1,649)	(1,913)
Unwind of discount and effect of changes in the discount rate	13	77	90
<b>Closing balance</b>	<b>618</b>	<b>3,823</b>	<b>4,441</b>
Current	527	3,278	3,805
Non-current	91	545	636
<b>Total</b>	<b>618</b>	<b>3,823</b>	<b>4,441</b>

- (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  
**Notes to the financial statements**  
for the financial year ended 30 June 2012

		2012	2011
	Notes	\$'000s	\$'000s
<b>Note 15: Other current liabilities</b>			
Venue hire income received in advance		487	424
Other income received in advance		384	531
<b>Total other current liabilities</b>		<b>871</b>	<b>955</b>
		2012	2011
		\$'000s	\$'000s
<b>Note 16: Operating leases</b>			
Payable no later than one year		956	809
Longer than one year and not longer than five years		1,171	1,516
<b>Total leases</b>		<b>2,127</b>	<b>2,325</b>
		2012	2011
		\$'000s	\$'000s
<b>Note 17: Commitments for expenditure</b>			
<b>Operating commitments</b>			
Not longer than one year		7,601	4,264
Longer than one year and not longer than five years		4,053	1,341
<b>Total operating commitments</b>		<b>11,654</b>	<b>5,605</b>
<b>Programming commitments</b>			
Not longer than one year		1,142	361
<b>Total programming commitments</b>		<b>1,142</b>	<b>361</b>
<b>Capital commitments</b>			
Not longer than one year		1,130	-
<b>Total capital commitments</b>		<b>1,130</b>	<b>-</b>
<b>Total commitments</b>		<b>13,926</b>	<b>5,966</b>

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.

		2012	2011
<b>Note 18: Cash flow statement</b>	<b>Notes</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>(a) Reconciliation of cash and cash equivalents</b>			
Cash balance comprises:			
Cash at bank and on hand		31,957	8,932
Cash on short term deposits		-	16,900
<b>Closing cash balance</b>	<b>6</b>	<b>31,957</b>	<b>25,832</b>
<b>(b) Financing facilities available</b>			
At balance date, the following financing facilities had been negotiated and were available:			
Facilities with the ANZ Banking Group		9,800	9,800
<b>Facility in use as at year end</b>		<b>-</b>	<b>-</b>
<b>(c) Reconciliation of net result from operating activities to net cash used in operating activities</b>			
<b>Net result for the period</b>		<b>(14,679)</b>	<b>(37,986)</b>
<b>Non-cash movements:</b>			
Depreciation of non-current assets		13,472	13,281
(Gain)/loss on disposal of non-current assets		(6)	30,737
Impairment of non-current assets		-	130
Investment income re-invested		(425)	(77)
Other non cash gains		(111)	(185)
<b>Movement in assets and liabilities</b>			
(Increase) in receivables		(748)	(294)
(Increase)/decrease in inventories		(25)	26
(Increase)/decrease in other current assets		(1,218)	(367)
Increase/(decrease) in payables		10,627	(425)
Increase/ (decrease) in other current liabilities		(85)	271
Increase/ (decrease) in employee benefits		168	537
<b>Net cash from operating activities</b>		<b>6,970</b>	<b>5,648</b>

## 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 includes 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 is 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 investments in managed funds include Arts Centre Melbourne Foundation funds. Arts Centre Melbourne Foundation is a sub-committee of the Trust, responsible for managing Arts Centre Melbourne'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

		2012	2011
Contractual financial assets	Category	\$'000s	\$'000s
Cash and term deposits (< 12 months)	Contractual financial assets - loans and receivables	31,957	25,832
Receivables:			
Trade debtors	Contractual financial assets - loans and receivables	2,616	2,763
Other receivables		1,750	1,261
Investments in:	Contractual financial assets - available for sale		
Equity managed fund		4,971	5,606
Fixed income managed funds		1,320	-
<b>Total contractual financial assets</b>		<b>42,614</b>	<b>35,462</b>

### Contractual financial liabilities

Payables: (i)

Trade creditors		1,709	1,126
Box office creditors	Contractual financial liabilities at amortised cost	11,874	7,027
Other payables		8,840	4,309

### Non-contractual financial liabilities

Defined pension superannuation call		3,582	931
<b>Total contractual financial liabilities</b>		<b>26,005</b>	<b>13,393</b>

(i) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing to Victorian Government).

**Note 19: Financial instruments (continued)**

	Net holding gain / (loss)	Total interest income / (expense)	Total
Net holding gain / (loss) on financial instruments by category	\$'000s	\$'000s	\$'000s
<b>2012</b>			
<b>Contractual financial assets</b>			
Financial assets - loans and receivables	-	1,979	1,979
Financial assets - available for sale recognised in net result	-	-	-
Financial assets - available for sale recognised in other comprehensive result	(381)	-	(381)
<b>Total contractual financial assets as at 30 June 2012</b>	<b>(381)</b>	<b>1,979</b>	<b>1,598</b>
<b>2011</b>			
<b>Contractual financial assets</b>			
Financial assets - loans and receivables	-	1,647	1,647
Financial assets - available for sale recognised in net result	-	6	6
Financial assets - available for sale recognised in other comprehensive result	(134)	-	(134)
<b>Total contractual financial assets as at 30 June 2011</b>	<b>(134)</b>	<b>1,653</b>	<b>1,519</b>

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**

	Financial institutions (AA credit ratings) \$'000s	Other (Min BBB credit ratings) \$'000s	Total \$'000s
<b>2012</b>			
Cash and cash equivalents	31,957	-	<b>31,957</b>
Receivables	380	3,986	<b>4,366</b>
Investments and other financial assets	6,291	-	<b>6,291</b>
<b>Total contractual financial assets</b>	<b>38,628</b>	<b>3,986</b>	<b>42,614</b>
<b>2011</b>			
Cash and cash equivalents	25,832	-	<b>25,832</b>
Receivables	607	3,417	<b>4,024</b>
Investments and other financial assets	5,606	-	<b>5,606</b>
<b>Total contractual financial assets</b>	<b>32,045</b>	<b>3,417</b>	<b>35,462</b>

The Department of Treasury and Finance approved Arts Centre Melbourne's Investment Management Policy for the financial year 2011-12. This policy permits Arts Centre Melbourne to invest with financial institutions with a credit rating greater than AA.

**Ageing analysis of contractual financial assets**

	Past due but not impaired				
	Carrying amount \$'000s	Not past due and not impaired \$'000s	Less than 1 month \$'000s	More than 1 month \$'000s	Impaired financial assets \$'000s
<b>2012</b>					
<b>Receivables:</b>					
Trade debtors	2,622	1,805	597	214	6
Accrued investment income	-	-	-	-	-
Other receivables	1,750	1,750	-	-	-
<b>Total</b>	<b>4,372</b>	<b>3,555</b>	<b>597</b>	<b>214</b>	<b>6</b>
<b>2011</b>					
<b>Receivables:</b>					
Trade debtors	2,764	2,603	160	-	1
Accrued investment income	279	279	-	-	-
Other receivables	982	982	-	-	-
<b>Total</b>	<b>4,025</b>	<b>3,864</b>	<b>160</b>	<b>-</b>	<b>1</b>

#### 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, and they are stated at the carrying amount as indicated.

#### (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 cash on hand 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:

<b>Maturity analysis of contractual financial liabilities</b>					
	<b>Carrying amount \$'000s</b>	<b>Less than 1 month \$'000s</b>	<b>1 – 3 months \$'000s</b>	<b>3 months – 1 year \$'000s</b>	<b>Greater than 1 year \$'000s</b>
<b>2012</b>					
<b>Payables:</b>					
Trade creditors	1,709	1,640	69	-	-
Box office creditors	11,874	2,718	4,820	4,336	-
Other payables	8,840	8,840	-	-	-
Defined pension superannuation call	3,582	-	-	53	3,529
	<b>26,005</b>	<b>13,198</b>	<b>4,889</b>	<b>4,389</b>	<b>3,529</b>
<b>2011</b>					
<b>Payables:</b>					
Trade creditors	1,126	1,126	-	-	-
Box office creditors	7,027	3,316	2,231	1,480	-
Other payables	4,309	4,309	-	-	-
Defined pension superannuation call	931	-	-	356	575
	<b>13,393</b>	<b>8,751</b>	<b>2,231</b>	<b>1,836</b>	<b>575</b>

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.

#### (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 to 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)**

<b>Interest rate exposure of financial instruments</b>					
<b>2012</b>	<b>Weighted average interest rate</b>	<b>Carrying amount</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non- interest bearing</b>
<b>Financial assets</b>	<b>%</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
Cash at bank and on hand	4.10%	19,627	19,627	-	-
Cash held in box office bank account	4.10%	12,330	12,330	-	-
Term deposits < 12 months	4.90%	-	-	-	-
Investments in equity managed funds		4,971	-	-	4,971
Investments in fixed income income funds		1,320	-	-	1,320
Receivables - trade debtors		2,616	-	-	2,616
Receivables - other debtors		1,750	-	-	1,750
		<b>42,614</b>	<b>31,957</b>	<b>-</b>	<b>10,657</b>
<b>Financial liabilities</b>					
Trade creditors		1,709	-	-	1,709
Box office creditors		11,874	-	-	11,874
Other creditors		8,840	-	-	8,840
Defined pension superannuation call	3.87%	3,582	-	3,582	-
		<b>26,005</b>	<b>-</b>	<b>3,582</b>	<b>22,423</b>
<b>2011</b>					
<b>Financial assets</b>					
Cash at bank and on hand	4.40%	3,249	3,249	-	-
Cash held in box office bank account	4.40%	5,683	5,683	-	-
Term deposits < 12 months	5.70%	16,900	-	16,900	-
Investments in equity managed funds		5,606	-	-	5,606
Receivables - trade debtors		2,763	-	-	2,763
Receivables - other debtors		1,261	-	-	1,261
		<b>35,462</b>	<b>8,932</b>	<b>16,900</b>	<b>9,630</b>
<b>Financial liabilities</b>					
Trade creditors		1,126	-	-	1,126
Box office creditors		7,027	-	-	7,027
Other creditors		4,309	-	-	4,309
Defined pension superannuation call		931	931	-	-
		<b>13,393</b>	<b>931</b>	<b>-</b>	<b>12,462</b>

**Note 19: Financial instruments (continued)**

*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 preceeding 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 (F2011: 50 up and down) in market interest rates (AUD);
- A movement of 10 per cent up and down (F2011: 10 per cent up and down) 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 at year-end as presented to key management personnel, if the above movements were to occur.

**Market risk exposure – interest rate risk**

		-0.50%	-0.50%	0.50%	0.50%
	Carrying amount	Net result	Available for sale revaluation surplus	Net result	Available for sale revaluation surplus
2012	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>Financial assets</b>					
Cash at bank and on hand	31,957	(96)	-	96	-
Term deposit < 12 months	-	-	-	-	-
Investments in:					
Equity managed fund	4,971	-	-	-	-
Fixed income managed funds	1,320	-	-	-	-
	<b>38,248</b>	<b>(96)</b>	<b>-</b>	<b>96</b>	<b>-</b>
<b>2011</b>					
<b>Financial assets</b>					
Cash at bank and on hand	8,932	(69)	-	69	-
Term deposit < 12 months	16,900	(95)	-	95	-
Investments in:					
Equity managed fund	5,606	-	-	-	-
	<b>31,438</b>	<b>(164)</b>	<b>-</b>	<b>164</b>	<b>-</b>

**Note 19: Financial instruments (continued)**

**Market risk exposure – price risk**

		-10%	-10%	+10%	+10%
	Carrying amount	Net result	Available for sale revaluation surplus	Net result	Available for sale revaluation surplus
2012	\$000s	\$000s	\$000s	\$000s	\$000s
<b>Financial assets</b>					
Cash at bank and on hand	31,957	-	-	-	-
Term deposit < 12 months	-	-	-	-	-
Investments in:					
Equity managed fund	4,971	-	(497)	-	497
Fixed income managed funds	1,320	-	(132)	-	132
	<b>38,248</b>	-	<b>(629)</b>	-	<b>629</b>

**2011**

<b>Financial assets</b>					
Cash at bank and on hand	8,932	-	-	-	-
Term deposit < 12 months	16,900	-	-	-	-
Investments in:					
Equity managed fund	5,606	-	(561)	-	561
	<b>31,438</b>	-	<b>(561)</b>	-	<b>561</b>

**(e) Fair value**

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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.

**Financial assets measured at fair value**

2012	Carrying amount	Level 1	Level 2	Level 3
Financial assets	\$000s	\$000s	\$000s	\$000s
Investments in:				
Equity managed fund	4,971	-	4,971	-
Fixed income managed funds	1,320	-	1,320	-
	<b>6,291</b>	-	<b>6,291</b>	-
<b>2011</b>				
<b>Financial assets</b>				
Investments in:				
Equity managed fund	5,606	-	5,606	-
	<b>5,606</b>	-	<b>5,606</b>	-

#### **Note 20: Superannuation**

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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)**

The local authorities superannuation fund latest 31 December actuarial investigation identified an unfunded liability of \$406 million excluding the contribution tax in the defined benefit fund of which we are a member. The Trust was made aware of the expected shortfall through the year and was informed of their share of the shortfall on 31 July 2012 which amounted to \$3.007m (including contribution tax). The Trust has not yet confirmed the repayment terms of this shortfall. The Trust has accounted for this shortfall in the Comprehensive Income Statement as a defined pension contribution shortfall (see Note 3) and in the balance sheet in payables (see Note 13).

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 Scheme 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**

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

##### **Responsible minister**

The Hon Ted Baillieu MLA, Premier of Victoria and Minister for the Arts

##### **Responsible persons**

Ms Janet Whiting  
Ms Deborah Beale  
Ms Terry Bracks  
Mr Paul Brasher (until 12 March 2012)  
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**

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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 \$320,000 – \$329,999 (F2011: \$300,000 – \$309,999. This is not included in the table within Note 24.

	2012 \$000's	2011 \$000's
<b>Note 23: Remuneration of auditors</b>		
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statements	52	48

**Note 24: Remuneration of executives and accountable officer**

**(a) 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 2012 the number of males represented in the following table is 3 (F2011: 2) and females is 2 (F2011: 3). In 2012 the Chief Executive and 5 executives (F2011: 5) were employed under Executive Employment Contracts. Base remuneration is exclusive of bonus payments, long service leave payments and retirement benefits.

Refer to Note 22 for the remuneration of the accountable officer which is not shown in the table below.

	Total Remuneration		Base Remuneration	
	2012	2011	2012	2011
\$50,000 - \$100,000	-	-	-	1
\$120,000 - \$129,999	-	1	-	1
\$130,000 - \$139,999	-	1	2	-
\$140,000 - \$149,999	1	-	-	-
\$150,000 - \$159,999	-	1	-	1
\$170,000 - \$179,999	-	1	1	2
\$180,000 - \$189,999	2	1	-	-
\$210,000 - \$219,999	1	-	1	-
\$230,000 - \$239,999	-	-	1	-
\$240,000 - \$249,999	1	-	-	-
Total number of reportable executives	5	5	5	5
Total annualised employee equivalent (AEE) (i)	4.6	4.2	4.6	4.2
	\$000's	\$000's	\$000's	\$000's
<b>The aggregate remuneration paid to executives</b>	<b>\$972</b>	<b>\$1,047</b>	<b>\$889</b>	<b>\$954</b>

(i) Annualised employee equivalent is based on working 38 ordinary hours per week over the reporting period.

**(b) Payments to other personnel**

The number of contractors charged with significant management responsibilities is disclosed within the \$10,000 expense band. These contractors are responsible for planning, directing or controlling, directly or indirectly, the entity's activities.

	Total expenses (exclusive of GST)	
	2012	2011
\$160,000 - \$169,000	1	-
	\$000's	\$000's
<b>Total expenses (exclusive of GST)</b>	<b>\$163</b>	<b>-</b>

#### **Note 25: Related party transactions**

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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 \$648,565.

Ms Janet Whiting is a partner of Corrs Chambers Westgarth for which related party transactions in function services provided by the Trust amounted to \$2,070.

Mr Julian Clarke is a director of Herald & Weekly Times for which related party transactions in venue rental and associated services received by the Trust amounted to \$1,728. During the year, media sponsorship in-kind to the value of \$322,999 was also exchanged between the Trust and Herald & Weekly Times and newspaper subscriptions totalling \$11,378 were paid to Herald & Weekly Times by the Trust.

Donations and endowments totalling \$351,500 (F2011: \$670,000) were received from Arts Centre Melbourne Trustees and Arts Centre Melbourne Foundation Governors.

#### **Note 26: Contingent assets and liabilities**

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The Trust is not aware of any contingent assets or liabilities.

#### **Note 27: Subsequent events**

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- (i) The Local Authorities Superannuation Fund (LASF), known as Vision Super since 2002, is a not-for-profit industry fund for Victorian local government. Vision Super is the Trustee of both the Defined Benefit Plan (closed since 1993) and the Super Saver (accumulation) fund.

In accordance with regulations, Trustees are required to complete an actuarial review of superannuation funds at least every three years to ensure the current assets are adequate to meet the benefits that have previously been promised to members. A significant unfunded liability was identified on the plan as a result of an actuarial assessment for the period ended 31 December 2011. Employer sponsors are required to account for this shortfall. In August 2012 it became apparent that the share of the liability relevant to the Victorian Arts Centre Trust was \$3.007m inclusive of contributions tax.

Consistent with AASB 110 Events after the reporting period, the information and shortfall amount to be provided to Vision Super after the balance sheet date constitutes an adjusting event as the shortfall represents the settlement of a present obligation at the end of the reporting period. As such, these financial statements have been adjusted to record the above amount as both a liability on the balance sheet and an expense in the comprehensive income statement.

- (ii) As part of the Southbank Cultural Precinct Redevelopment project, Hamer Hall closed on 5 July 2010. \$128.5m was allocated by the Victorian Government for the redevelopment of Hamer Hall and its surrounds. As at 30 June 2012, Construction in Progress assets of \$126.3m were transferred to the Victorian Arts Centre Trust. The project was completed in July 2012.

#### **Accountable officer's and chief financial officer's declaration**

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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 2012 and the financial position of the Trust as at 30 June 2012.

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 24 September 2012.




Janet Whiting  
President

24 September 2012



Judith Isherwood  
Chief Executive

24 September 2012



Jodie Bennett  
Chief Finance and Accounting Officer

24 September 2012



# INDEPENDENT AUDITOR'S REPORT

**VAGO**

Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000  
Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010  
Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au)  
Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## INDEPENDENT AUDITOR'S REPORT

### To the Trustees of Victorian Arts Centre Trust

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2012 of the Victorian Arts Centre Trust which comprises the comprehensive 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 financial 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, 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 Trustees, 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.

*Auditing in the Public Interest*

### Independent Auditor's Report (continued)

#### *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.

#### *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 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, 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 2012 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  
25 September 2012

  
D D R Pearson  
Auditor-General

# DISCLOSURE INDEX

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

## Ministerial Directions

Legislation	Requirement	Page Reference
<b>REPORT OF OPERATIONS – FRD Guidance</b>		
<b>Charter and purpose</b>		
FRD 22C*	Manner of establishment and the relevant Ministers	18–21
FRD 22C	Objectives, functions, powers and duties	18
FRD 22C	Nature and range of services provided	8–17
<b>Management and structure</b>		
FRD 22C	Organisational structure	19
<b>Financial and other information</b>		
FRD 10	Disclosure index	77–78
FRD 12A	Disclosure of major contracts	63
FRD 15B	Executive officer disclosures	73
FRD 22C SD4.2K	Operational and budgetary objectives and performance against objectives	4–17, 35–37
FRD 22C	Employment and conduct principles	9–16
FRD 22C	Occupational health and safety	29
FRD 22C	Summary of the financial results for the year	35
FRD 22C	Significant changes in financial position during the year	35–37
FRD 22C	Major changes or factors affecting performance	35–37
FRD 22C	Subsequent events	33
FRD 22C	Application and operation of <i>Freedom of Information Act 1982</i>	31
FRD 22C	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	31
FRD 22C	Statement on National Competition Policy	31
FRD 22C	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	32
FRD 22C	Details of consultancies over \$10,000	33
FRD 22C	Details of consultancies under \$10,000	N/A
FRD 22C	Statement of availability of other information	31
FRD 24C	Reporting of office-based environmental impacts	30
FRD 25A	Victorian Industry Participation Policy disclosures	32
FRD 29	Workforce Data disclosures	29
SD 4.5.5	Risk management compliance attestation	34
SD 4.2(g)	Specific information requirements	8–17
SD 4.2(j)	Sign-off requirements	37, 74
<b>FINANCIAL STATEMENTS</b>		
<b>Financial statements required under Part 7 of the FMA</b>		
SD4.2(b)**	Operating Statement	38
SD4.2(b)	Balance Sheet	39
SD4.2(a)	Statement of Changes in Equity	40
SD4.2(b)	Cash Flow Statement	41
<b>Other directions under Standing Direction 4.2</b>		
SD4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	43
SD4.2(c)	Compliance with Ministerial Directions	43
SD4.2(d)	Rounding of amounts	44
SD4.2(c)	Accountable officer's declaration	74

Legislation	Requirement	Page Reference
<b>Other disclosures as required by FRDs in notes to the financial statements</b>		
FRD 9A	Departmental disclosure of administered assets and liabilities	N/A
FRD 11	Disclosure of ex-gratia payments	N/A
FRD 13	Disclosure of parliamentary appropriations	N/A
FRD 21B	Responsible person and executive officer disclosures	72–73
FRD102	Inventories	48, 58
FRD 103D	Non-current physical assets	48–49, 58–61
FRD104	Foreign currency	51, 68
FRD 106	Impairment of assets	48
FRD 107	Investment properties	N/A
FRD 109	Intangible assets	49, 61
FRD 110	Cash flow statement	41
FRD 112C	Defined benefit superannuation obligations	72
FRD 113	Investments in subsidiaries, jointly controlled entities and associates	N/A
FRD 114A	Financial Instruments – General government entities and public non-financial corporations	65–71
FRD 119	Contributions by owners	40, 50

## Legislation

Legislation	Page Reference
<i>Freedom of Information Act 1982</i>	31
<i>Building Act 1993</i>	31
<i>Whistleblowers Protection Act 2001</i>	32
<i>Victorian Industry Participation Policy Act 2003</i>	32
<i>Financial Management Act 1994</i>	43
<i>Audit Act 1994</i>	75–76
<i>Information Privacy Act 2000</i>	21
<i>Public Administration Act 2004</i>	21
<i>Disability Act 2006</i>	21

\* 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.



