

VICTORIAN ARTS CENTRE TRUST

2012 – 2013 ANNUAL REPORT







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 2013.

Judith Isherwood Chief Executive

CONTENTS

PRESIDENT'S MESSAGE	2
CHIEF EXECUTIVE'S MESSAGE	3
HISTORY OF THE ARTS CENTRE MELBOURNE SITE	4
ARTS CENTRE MELBOURNE VENUES	6
STRATEGY FRAMEWORK	7
ACHIEVEMENTS	
HOME OF THE PERFORMING ARTS	8
OUTSTANDING ART + EXPERIENCES FOR AUDIENCES	10
AUDIENCE ENGAGEMENT + DEVELOPMENT	14
GROWTH IN STAKEHOLDER SUPPORT	16
VIBRANT + SUSTAINABLE SITE	17
BUILDING ORGANISATIONAL CAPACITY	18
NEW HAMER HALL	20
THE TRUST'S ROLE AND ORGANISATIONAL CONTEXT	22
SPONSORS AND SUPPORTERS	24
SUMMARY OF RESULTS F2009 – F2013	28
FINANCIAL OVERVIEW OF OPERATIONS	29
FINANCIAL STATEMENTS	30
ADMINISTRATIVE REPORTING REQUIREMENTS	64
DISCLOSURE INDEX	71

PRESIDENT'S MESSAGE



Melbourne is consistently voted as one of the most liveable cities in the world. A key part of our "liveability" is the vitality of our cultural life – its richness, diversity and accessibility. Arts Centre Melbourne is at the core of that offering, Our Arts Centre represents many of Victoria's greatest achievements. Our community has invested an enormous amount emotionally, financially and intellectually in Arts Centre Melbourne - the buildings and more importantly what goes on inside them.

We have, without doubt, the best facilities in the country and some of the best in the world and the Trust literally wants to make them sing and dance for all Victorians.

Being appointed to the role of President of the Victorian Arts Centre Trust is daunting. The Trust has been and still is served by some of the great contributors to our community. My predecessor Janet Whiting contributed an enormous amount of her time and energy as President. The refurbishment of Hamer Hall is a landmark event in the history of the Centre for which she is due enormous credit. Other outgoing Trustees whose contribution we acknowledge include Professor Leon Van Schaik AO who played a critical role in the Hamer Hall redevelopment; and Terry Bracks for her significant contribution over her three year term. All have our gratitude and respect.

Our reputation as the largest performing arts centre in Australia and one of the busiest in the world is borne out by our figures.

Arts Centre Melbourne is proud to be the home of some of Australia's leading performing arts companies who present some of the best of Australian and international performers and performances. In 2012–13, our major presenting partners, the Melbourne Symphony Orchestra, Opera Australia, The Australian Ballet and the Melbourne Theatre Company, together presented some 430 performances to over 424,000 audience members.

On behalf of the Trust, I would like to acknowledge the Victorian Government for supporting critical capital improvement projects during the year, including not only the highly regarded redevelopment of Hamer Hall, but also the State Theatre Orchestra Pit Expansion project, which has made the State Theatre one of the best lyric stages in both Australia and the world. The Government, in a tight financial environment, has helped us in a number of ways for which we are grateful to the Hon. Heidi Victoria MP and her predecessor as Arts Minister the Hon. Ted Baillieu MP.

The financial results for this year reflect the disruptions of the Hamer Hall redevelopment, adverse trading conditions and a number of other factors. The challenge facing Arts Centre Melbourne in the coming years will be to establish a sustainable financial model. The Trust's philosophy is that provided the fabric and infrastructure of the Centre and its core functions are sustained with public funding then it will devote the revenues from the many presenters on our stages, including principally the Melbourne Symphony Orchestra, Melbourne Theatre Company, Opera Australia and The Australian Ballet, to promote, collaborate with and support their activities and community engagement. Specific programming grants from the Victorian Government and philanthropic funds will be used for further investment in the Centre's own programs, education, creative development and youth programming.

The safety of both our staff and visitors to Arts Centre Melbourne remains a high priority for the organisation, with regular reporting and review to the Trustees. This has been a central policy priority for a number of years.

Two new Trustees have been appointed this year. Dana Hlavacek and Sandy Clark have both served as Governors of the Arts Centre Melbourne Foundation and now bring their record of commitment to the Centre to the Trust. John Haddad has accepted appointment as Emeritus Chairman of the Foundation – generously continuing his long support for the Centre. In addition to his new role as a Trustee, Sandy Clark has succeeded John as Chairman of the Foundation. All Trustees, both new and incumbent, bring a strong range of skills and experience gained through many years in roles in the private, public and community sectors.

I also commend our remarkable Chief Executive Judith Isherwood, her executive team and the entire staff for a year of achievements, one which saw more activity and visitors at Arts Centre Melbourne than ever before. Their passion and commitment to both the profession and to the public is both recognised and appreciated.

On behalf of the Trust I would like to acknowledge our valued donors and business partners. Their support enables the Trust to present a wide variety of performances by diverse artists and to develop vital programs for the broader community. I would particularly like to acknowledge the support of Betty Amsden OAM, whose extraordinary generosity enables us to maintain an unwaivering commitment to programs for families and young people.

Our priorities over the next year are to build a sustainable business model for the Centre enabling it to play an even stronger role in the quality of life of Victorians.

TOM HARLEY PRESIDENT

VICTORIAN ARTS CENTRE TRUST

CHIEF EXECUTIVE'S MESSAGE



I am delighted to present this year's Chief Executive's Message after what has been a year of considerable achievement. As Australia's largest and busiest performing arts centre, our focus over the last 12 months has been a continued emphasis on showcasing the best local, national and international performing arts. It's a year that can be measured in numbers – over 2.2 million attendances; over 3,600 events, including performances, exhibitions and public programs; more than 770,000 database subscribers; and an additional 1.0 million visitors and users of our facilities.

But numbers tell only part of the story. Just as important are the unique and memorable experiences that people carry with them long after the last performer has left the stage and the final curtain has come down. What we do truly changes people's lives.

In many ways, the last 12 months have been a watershed year for Arts Centre Melbourne, one in which we have much to celebrate and one in which we have focused on addressing the challenges of the future.

During 2012–13, we re-opened the new look Hamer Hall to wide critical acclaim; we saw the greatest number of visitors in January and February than have ever previously visited in this period; we saw extensive community engagement programs across the length and breadth of the State; we implemented our decision to bring our food and beverage business in house; we saw an increase in the level of support from our growing number of passionate donors and business partners; we delivered nearly 1,700 performances across all our venues attracting more than 1.3 million audience members; and so much more.

And of course, we marked the 30th anniversary of Hamer Hall's original opening, celebrating that historic moment when Arts Centre Melbourne's first building burst onto the scene in 1982 as the Melbourne Concert Hall.

From the beginning, Arts Centre Melbourne has delivered a wide range of public benefits, including being the home for the State's major performing arts companies, and delivering accessible public, family and education programs that provide opportunities for all Victorians to participate in the cultural life of the State

This commitment continued in 2012–13, with an outstanding season by our major presenting partners (Melbourne Theatre Company, The Australian Ballet, Melbourne Symphony Orchestra, and Opera Australia); and 713,000 people visiting the exhibitions drawn from our Performing Arts Collection.

But this year has not been without its challenges, and our financial results highlight the increasing challenge we face in continuing to deliver at the standard expected by the people of Victoria.

The re-opening of Hamer Hall in July 2012 after a two-year major redevelopment program was perhaps the most significant challenge we faced in 2012–13. But it was also one of our greatest highlights.

In planning for the re-opening of Hamer Hall, we wanted to acknowledge the generous contribution from the public purse that funded the redevelopment, while recognising that as the State's leading performing arts centre, we should provide an opportunity for all Victorians to feel part of this very special moment.

Who can forget that magical moment when Melbournians awoke on the morning of the reopening of Hamer Hall on the 26 July, to find our lawn had been transformed into a backdrop for a giant vase of gladioli – a public art installation by Brian Thomson called *Bouquet*? It became an instant hit with the public, with photographs and comments flooding social media sites.

Of course a key focus of the Hamer Hall opening weekend was the two Gala concerts. As a gesture of thanks to the people of Victoria, the Trust provided all Victorian residents with the opportunity to attend one of the two opening

concerts by providing 1,600 free tickets through a system of open ballot. Thousands entered the draw for tickets, helping to create great anticipation for the opening of Hamer Hall. An important part of the re-opening program was a series of wide-reaching community engagement programs, which included the award-winning project *Raise the Roof*. All of these programs are detailed elsewhere in this Report.

But the opening of Hamer Hall was only the beginning of the financial year, and other highlights followed.

Our summer program hit new heights over January and February, with a hugely successful, Australian premiere season of the National Theatre of Great Britain's *War Horse*, attracting more than 116,000 people, many of whom were first time attendees at Arts Centre Melbourne.

Our nationally significant Performing Arts Collection, which currently houses more than 510,000 items, continued to grow and develop throughout the year thanks to donations from companies such as Opera Australia, whose donations included costumes from the Dame Joan Sutherland Archive, and pieces of sets and props from landmark Opera Australia productions, including La Boheme and Batavia.

Whilst there were many highlights and successes this year, the last 12 months have also highlighted a number of inherent challenges in our underlying business model. Since it first opened its doors, Arts Centre Melbourne has been supported by the Victorian Government through financial contributions and this regular financial support has been both valued and appreciated. However, the increasing annual costs of operating and maintaining this facility, coupled with our limited capacity to generate ever increasing levels of revenue, mean that we now have very real limits on our ability to continue to meet the expectations of our many stakeholders.

This year's results required a significant investment of Arts Melbourne reserves associated with the commissioning of the Hamer Hall building.

Our results were further impacted by the initial months of our in-house Food and Beverage operation, which commenced on 1 July.

Although this part of our business encountered particular challenges during its initial start-up

phase, I am pleased to report that it is now performing well and we are beginning to see the full revenue potential of this part of our business which will continue to improve well into the future.

The final element that had a negative impact on our financial results this year was the general downturn in the market. As a result of the weakening economy and growing pressure on people's discretionary expenditure, we experienced a marked downturn in the market during the second half of the year, which had impacts across all parts of our business, and in particular on our ancillary income.

Combined, these results delivered a net result from transactions before depreciation of -\$7.17m. Such a result is not sustainable and the Trust is committed to returning the business to a stable, long term financial position.

Arts Centre Melbourne continues to focus on driving efficiency throughout our business and optimising our commercial revenue streams whilst continuing discussions with Government on our core business model.

As we work towards a vibrant, sustainable future, and continue our commitment to enriching the lives of all Victorians, I would like to particularly thank our loyal and passionate group of donors and supporters. Without their involvement in our activities our long term goal of ensuring that every Victorian is able to be part of the Arts Centre Melbourne story would be that much harder to achieve.

I would like to record my sincere thanks to the hard work and dedication of outgoing Trust President Janet Whiting, and Trustees Terry Bracks and Leon Van Schaik AO, whose collective wisdom and guidance proved invaluable through challenging times. I would also like to express a note of welcome to the Trust's new President, Tom Harley, who joins Arts Centre Melbourne at this crucial time as we lay down the foundations for what I am sure will be a truly vibrant future.

JUDITH ISHERWOOD CHIEF EXECUTIVE

ARTS CENTRE MELBOURNE

HISTORY OF THE ARTS CENTRE MELBOURNE SITE

BRIEF CHRONOLOGY

DRIEL GIIRGINGEGGI

Early 1900s

1940

Arts Centre Melbourne site is home to Wirth Brothers' Circus and various outdoor activities including a hippodrome and ice skating rink.

1940s

Post war reconstruction committee is set up to examine new facilities for the Public Library, National Gallery and Museum.

1943

Reconstruction Committee recommends a separate gallery and 1,000 seat auditorium for the Wirth's park site.

1944

Dr Margaret Sutherland initiates interest from music, drama and ballet societies, and a signed petition of 40,000 is presented to the Victorian Government.

1946

Melbourne South Land Act introduced to reserve the site for cultural purposes.

1959

1950

Roy Grounds is appointed as architect for the National Gallery and performing arts centre.

1959

Prime Minister Sir Robert Menzies officially opens the Sidney Myer Music Bowl.

1960

1960

Master plan for the project is approved.

1967

More than 200,000 people attend *The Seekers* concert at the Sidney Myer Music Bowl.

1968

National Gallery of Victoria opens to the public.

Early 1970s

1970

Stage two plans for the Theatres Building and Melbourne Concert Hall undergo major revisions due to costs and geographic difficulties.

1973

Construction begins on the Theatres Building and spire.

1974

Construction commences on Melbourne Concert Hall on the new site known as Snowden gardens that has been donated to the State Government.

1975

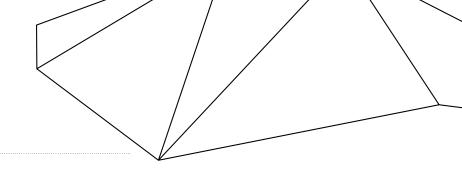
An advertisement appears in the National Gallery Society magazine announcing the Arts Centre is preparing to receive theatrical memorabilia for its new museum.

1979

Sir Roy Grounds reveals a revised spire design, reduced from 140 metres to 115 metres.

1979

The Victorian Arts Centre Act is proclaimed.



1980

1980

The Victorian Arts Centre Building Committee becomes the Victorian Arts Centre Trust.

1980

The Victorian Arts Centre Trust takes over the management of the Sidney Myer Music Bowl.

1981

The spire begins to rise above the roof of the Theatres Building.

108

Sir Roy Grounds dies.

1981

Open Days in October 1981 and July 1982 attract 40,000 people to the Concert Hall and the Theatres Building site.

1982

The Performing Arts Museum opens in July with an exhibition called *They Call Me Melba* showcasing the Melba Collection. The museum attracts 47,000 visitors in its first year.

1982

Melbourne Concert Hall is opened by Sir Rupert Hamer on November 6 with a gala concert and outdoor entertainment.

1983

Princess Diana and Prince Charles attend a gala concert in the Melbourne Concert Hall.

1984

First performances in the Theatres Building (prior to its official opening).

State Theatre: The Australian Opera presented *Fiddler on the Roof*

Playhouse: Melbourne Theatre Company presented *Medea* starring Zoe Caldwell

The Studio: A Stretch of the Imagination starring Los Trios Ringbarkus's Steven Kearney

1984

Theatres Building is officially opened on 29 October.

Playhouse: Melbourne Theatre Company presented Brecht's The Threepenny Opera

State Theatre: The Australian Ballet presented a new production of The Sleeping Beauty

The Studio: Playbox presented David Williamson's *The Removalists*

1985

Industrial action forces Joan Sutherland's only scheduled opera performance in the State Theatre to cancel less than four hours before it is due to start.

1986

Illegal spire climbers advise that during their occupation of the spire they noticed that some components of the structure were cracked.

1986

First Spoleto Melbourne Festival.

1987

The Elizabethan Melbourne Orchestra officially transfers from the Australian Elizabethan Theatre Trust to the Victorian Arts Centre Trust and is renamed the State Orchestra of Victoria.

1989

General Manager George Fairfax and Trust Chairman Kenneth Myer retire. The Studio is renamed the Fairfax Studio.

1995

The Trust determines to build a new spire with a new lighting design.

1996

The last section of the new spire is hauled into position using a helicopter, above an audience of thousands in St Kilda Road.

1997

The new spire is lit up for the first time on Australia Day accompanied by an orchestra and an audience of thousands.

THIS CENTURY SO FAR

2002

The Trust appoints Melbourne firm H2O architects to prepare a site masterplan in consultation with Arts Centre major stakeholders.

2003

Re-branding introduces the Arts Centre brand and a new logo.

2004

Melbourne Concert Hall is renamed Hamer Hall.

2006

The Victorian Government's masterplan for the development of the Southbank Cultural Precinct is announced.

2008

Premier John Brumby unveils the initial concept designs for the precinct redevelopment and announces the first stage of the project, Hamer Hall and its surrounds.

2009

Sidney Myer Music Bowl celebrates 50 years in February.

2009

Architects Ashton, Raggart, McDougall (ARM) and urban designer and architect Peter Elliot are appointed to design the redevelopment of Hamer Hall.

2009

Australian construction company Baulderstone selected as the builders.

2010

Brand is refreshed and name is changed to *Arts Centre Melbourne*.

2010

Hamer Hall redevelopment construction commences.

2012

Hamer Hall re-opens with four days of opening celebrations attended by 50,000 people.

2013

Masterplanning resumes for Theatres Building and Sidney Myer Music Bowl.

2014

Theatres Building to turn 30!

5



ARTS CENTRE MELBOURNE VENUES

Arts Centre Melbourne comprises three main buildings that house the various venues and associated facilities. These buildings are:

Theatres Building

Situated on St Kilda Road, this building houses three theatres:

State Theatre

With one of the world's largest lyric stages, the State Theatre seats 2,085 and plays host to musicals, ballet and dance performances, and grand opera. Annual program highlights include performances by Opera Australia and The Australian Ballet, as well as some of the world's leading performing arts companies. A \$4.0m upgrade to the orchestra pit has recently been completed, increasing the pit accommodation to 110 musicians, in readiness for the *Melbourne Ring Cycle* in 2013.

Playhouse

Designed for drama, the Playhouse can also accommodate an orchestra for dance, musicals and chamber opera. It is used by the Melbourne Theatre Company, Bangarra Dance Theatre, Victorian Opera and Bell Shakespeare Company, among others. It seats 884 people. Its foyer features a renowned collection of Aboriginal artworks.

Fairfax Studio

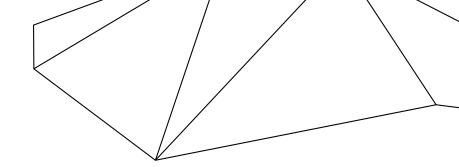
An intimate 376 seat drama space, the Fairfax Studio primarily hosts small contemporary productions by Victoria's performing artists and companies and Arts Centre Melbourne education programs.

Hamer Hall

Located adjacent to the Theatres Building at the junction of St Kilda Road and the Yarra River. This 2,464 seat concert hall underwent a two-year redevelopment as part of a \$135.8m project to re-invigorate the interior and better connect the building to the expanded tourism precinct along the river and to the city. Having re-opened in July 2012, Hamer Hall hosts performances by the Melbourne Symphony Orchestra, Australian Chamber Orchestra, and a range of local and international music acts.

Sidney Myer Music Bowl

Located in the nearby parklands of Kings Domain. The Sidney Myer Music Bowl is Australia's only purpose-built outdoor performance space. Since it opened in 1959, the popular summertime venue has hosted everything from music festivals to international touring acts and free orchestral concerts. It seats more than 2,000 with room for a further 12,000 on its landscaped lawn.



STRATEGY FRAMEWORK

Arts Centre Melbourne Values

- Leadership We will show clear direction and purpose, advocate, set an example, excel, creating confidence
 and motivation.
- · Creativity We will be curious and inventive, flexible and adaptive, always willing to find better ways to do things.
- Inspiration We will be passionate, energetic and committed.
- Inclusivity We will welcome and engage, listen and learn, collaborate for mutual benefit.
- Integrity We will be open, honest and trustworthy; reliable and true to our word; act fairly, ethically and
 respectfully.

Mission

To deliver, encourage and promote the performing arts to stimulate participation and engagement with the community.

Vision

Our vision is to be recognised as one of the world's great performing arts centres.

Outcomes

Realising our vision means achieving our six outcomes, as described in our draft strategic plan 2014–24:

1: Home of the Performing Arts

To provide the platform for exceptional productions through hosting the leading national and Victorian music, opera, theatre and dance companies, together with local companies and other touring productions and artists. To be the preferred stage for local, national and international performers, performance companies, producers and all those connected with the performing arts.

2: Outstanding Art + Experiences for Audiences

To develop and present programming activities that draw on a vivid palette of music, drama, dance, opera, comedy, cabaret and festivals and that create opportunities for broad-based public attendance and participation. To enhance the experience through a diverse offering of customer experiences including free events, fine dining, tours, festivals, installations and exhibitions.

3: Audience Engagement + Development

To create opportunities for the community to be engaged, informed and entertained through innovative marketing and communication initiatives through the multitude of existing and future channels.

4: Growth in Stakeholder Support

To secure a broad and committed funding base and nurture relationships with our stakeholders to ensure the performing arts continue to flourish.

5: Building Organisational Capacity

To develop the right people, systems and processes and to balance our ambitions with responsible fiscal management.

6: Vibrant + Sustainable Site

To provide custodianship and development of the landmark performing arts centre to provide outstanding venues and visitor facilities ensuring the centre remains an attractive cultural destination for audiences and visitors alike.

HOME OF THE PERFORMING ARTS

189
PRESENTATIONS
1,105
PERFORMANCES

As the home of the performing arts in Victoria and the largest performing arts centre in the Southern Hemisphere, Arts Centre Melbourne provides one of the biggest and most prominent platforms for exceptional productions, events, activities and experiences. Annual programming draws on a vivid palette of music, drama, dance, opera, comedy, cabaret and festivals. Arts Centre Melbourne is proud to be host and partner with the national and state music, opera, theatre and dance companies, together with leading local companies and a multitude of other touring productions and artists. With its scale and reach, Arts Centre Melbourne is proud of the important leadership role it plays within the arts and community domains. Arts Centre Melbourne strives to provide opportunities for Australian talent and aspires to be the preferred stage for local, national and international performers, performance companies, producers and all those connected with the performing arts.

MAJOR PRESENTING COMPANIES

Melbourne Symphony Orchestra 32 PRESENTATIONS, 71 PERFORMANCES

After a two-year absence from Hamer Hall during the redevelopment closure, the Melbourne Symphony Orchestra returned triumphantly to their home venue with a series of concerts conducted by former Chief Conductor Markus Stenz, with the new acoustics finding favour with both musicians and audiences. In April, the orchestra welcomed its new Chief Conductor Sir Andrew Davis. The MSO performed a total of 71 concerts across 32 programs at Arts Centre Melbourne, including the four popular Sidney Myer Free Concerts at the Sidney Myer Music Bowl and two performances of Secret Symphony, a collaboration with Arts Centre Melbourne as part of the 2013 Spiegeltent Season that played to full houses.

Melbourne Theatre Company 6 PRESENTATIONS, 233 PERFORMANCES

The Melbourne Theatre Company continued its strong presence at the Playhouse and Fairfax Studio with six productions featuring a total of 233 performances across the two venues. In addition to the MTC's own subscription presentations, one of the highlights of the year was the successful partnership with Arts Centre Melbourne in the internationally acclaimed production One Man, Two Gurnors from the National Theatre of Great Britain as part of a world tour. The laugh-aminute comedy was performed 51 times to delighted audiences.

The Australian Ballet 8 PRESENTATIONS, 77 PERFORMANCES

Arts Centre Melbourne was delighted to work with The Australian Ballet as they celebrated 50 glorious years of dance in 2012, including a golden Anniversary Gala. The company then leapt into its 29th year on the stage of the State Theatre with two different productions of Swan Lake, a selection of ballets at the Vanguard of dance, and a dazzling Don Quixote. The popular Telstra Ballet at the Bowl attracted a strong family audience to enjoy a program of popular ballet excerpts.

Opera Australia

8 PRESENTATIONS, 49 PERFORMANCES

Opera Australia enjoyed two seasons in the State Theatre, with the popular *Madama Butterfly* seen 10 times in the Spring Season alongside *Lucia di Lammermoor* and *Salome*. Their Autumn season featured the first-time Melbourne outing for a new production of Verdi's *A Masked Ball*, featuring an impressive set which showcased the generous proportions of the State Theatre stage. In May, ahead of the forthcoming season of the *Melbourne Ring Cycle*, the company was in-house to rehearse technical components and test the new expanded orchestra pit.

OTHER REGULAR PRESENTERS

Australian Chamber Orchestra 7 PRESENTATIONS, 14 PERFORMANCES

The Australian Chamber Orchestra revelled in their return to the Hamer Hall concert platform, presenting one of the catalogue's most popular symphonic pieces, a performance of Beethoven's *Ninth Symphony*. The ACO's creative programming edge was particularly evident in *Barry Humphries' Weimar Cabarret* (with songstress Meow Meow) and *The Reef*, a performance using music and film to further delve into the links between surfing, the ocean, landscape and music.

The Production Company 3 PRESENTATIONS, 25 PERFORMANCES

Short seasons of *The Producers, Chess* and *Promises Promises* performed in the State Theatre kept The Production Company front of mind for lovers of classic musical theatre. Particularly successful was the season of *Chess*, which scored 10 performances and became the hot ticket item among Melbourne's musical theatre lovers.

Bell Shakespeare Company 2 PRESENTATIONS, 33 PERFORMANCES

John Bell's larger than life interpretation of Sir John Falstaff – which The Australian declared "one of the best performances of his long and distinguished career" – lit up the Playhouse stage in March with Bell Shakespeare's presentation of Henry 4. The production was preceded earlier in the year with School for Wives, a fresh new translation from Justin Fleming of Molière's comedic train-wreck of a love story that tangled innocence with arrogance.

Sydney Dance Company 1 PRESENTATION, 10 PERFORMANCES

The internationally acclaimed Sydney Dance Company brought 2 One Another to the Playhouse for 10 performances. The exuberant, high-octane fusion of dance, language, sound and light from Artistic Director Rafael Bonachela featured a driving, baroque-meets-electronica soundtrack by composer Nick Wales.

Bangarra Dance Theatre 2 PRESENTATIONS, 16 PERFORMANCES

True to its internationally acclaimed reputation, Bangarra Dance Theatre created some memorable imagery with their season of *Blak* in the Playhouse. Artistic Director Stephen Page and dancer/choreographer Daniel Riley McKinley peeled back the layers, crossing the worlds of ancient and modern in their celebration of the world's oldest living culture. The company's 2012 production *Terrain*, which crossed two reporting years, was similarly received.



Melbourne Festival

6 PRESENTATIONS, 23 PERFORMANCES

In his final program as Artistic Director of the Melbourne Festival, Brett Sheehy staged a range of events at Arts Centre Melbourne. The program also featured five associate presentations (a total of 44 performances) under the Festival umbrella. A highlight of the season was *An Act of Now*, which presented the Sidney Myer Music Bowl in an audacious new light. The production, an arresting premiere from contemporary dance company Chunky Move, had audiences seated on-stage with the performers and listening to music on headphones. Supported by Arts Centre Melbourne, it won The Age Critics Award.

Victorian Opera

5 PRESENTATIONS, 21 PERFORMANCES

The diversity of Victorian Opera's annual program included events at three Arts Centre Melbourne venues. In his final year as Artistic Director, Richard Gill conducted Mozart's *The Marriage of Figaro* in the Playhouse and his contribution was saluted in a gala farewell concert. Coinciding with the city-wide celebration, White Night Melbourne, the company welcomed the arrival of new Artistic Director Richard Mills at a second gala concert in Hamer Hall. In addition to these presentations, the company also partnered with Arts Centre Melbourne to present nine performances of *Puss in Boots* in the Fairfax Studio to younger audiences and schools.

COMMERCIAL PRESENTERS

107 PRESENTATIONS, 393 PERFORMANCES

Arts Centre Melbourne prides itself on the diverse range of performing activity that is delivered in our venues each year. An important and valued component of this program is delivered by a wide range of regular and one-off presentations by some of Australia's leading commercial presenters.

CREATIVE COLLABORATIONS

The National Theatre of Great Britain 2 PRESENTATIONS, 140 PERFORMANCES

The first of two partnerships with the National Theatre of Great Britain this year, War Horse, set a new benchmark for State Theatre programming in summer. Produced jointly by Global Creatures and the National Theatre, War Horse took more than \$13 million over an 11-week season and broke all Arts Centre Melbourne box office records. The impact of War Horse went far beyond the main stage with the successful War Horse Public and Learning Programs delivered by Arts Centre Melbourne in both Melbourne and Bendigo to families, students and artists. The show was also supported with a major exhibition, War Horse and the Breath of Life, which ran from 10 November 2012 to 10 March 2013 in Gallery 1. The exhibition brought together the best elements of the National Theatre's exhibition Staging War Horse, alongside elements from the Performing Arts Collection and loan items, the latter including the five-metre long raptor from local heroes, The Creature Technology Company. The second coproduction with the National Theatre – and first with Melbourne Theatre Company – One Man, Two Guvnors played to packed houses and an audience of more than 35,000 throughout its highly successful seven-week run.

Playking Productions and the National Theatre of China

1 PRESENTATION, 5 PERFORMANCES PERFORMED IN CHINA

Cho Cho, an important international collaborative project between Arts Centre Melbourne, Playking Productions and the National Theatre of China, has been developed over the past two years. Billed as the world's first bilingual musical theatre production, it opened at the National Theatre of China with four performances in Beijing in January and was the finale of the Shenzhen International Arts Festival in March. The new production of this ground-breaking work transports it to 1930s Shanghai with a new script, score and design, and will be in Sydney in September and at Arts Centre Melbourne Playhouse in October 2013.

OUTSTANDING ART + EXPERIENCES FOR AUDIENCES

235
PRESENTATIONS
591
PERFORMANCES
1,570
PROGRAM
EVENTS
19
EXHIBITIONS
+ DISPLAYS

For the past 30 years, Arts Centre Melbourne has played a leading role in Australia's performing arts calendar.

To complement the works presented by the major presenting companies and other regular presenters, Arts Centre Melbourne also curates its own program that features great performances from around Australia and around the world, and activities that make it a remarkable place of discovery for people of all ages. This programming is structured to fulfil four key areas: Community, Collections, International and Australian. This year, Arts Centre Melbourne Presents provided 591 performances across 235 presentations.

Arts Centre Melbourne believes that for audiences, outstanding art must be accompanied by outstanding experiences. The Arts Centre Melbourne experience begins with the customer's very first touch point – whether this be purchasing tickets online, dining at the restaurants, using the car park or making an enquiry at the concierge desk. Arts Centre Melbourne understands a strong and positive experience is pivotal to delivering outstanding performing arts to all Victorians.

Outstanding Art

Community

102 PRESENTATIONS, 303 PERFORMANCES, 1,570 PROGRAM EVENTS

Arts Centre Melbourne is a stage for everyone, from first-timers to the world's greatest stars, whether they are being showcased in one of the venues, in the public areas or off-site. These opportunities reflect not only the breadth and depth of its performance calendar, but also engage audiences from all walks of life. It is proud to have Australia's largest performing arts learning and participation program for families and children, one which reflects the diversity of the community and provides learning and participation opportunities on-site, off-site and online.

Following the re-opening of Hamer Hall, a series of free and low-cost events provided opportunities for artists and visitors alike. These included *Riverside Live*, a weekly program from October to March which provided a platform for more than 200 artists and attracted more than 7,500 participants and attendees. *Bellisimo!*, a collaborative project for families and schools, connected the City of Melbourne with the Digital Learning Hub and taught participants how to compose for Melbourne's Federation Bells at Birraruna Marr.

The 2012–13 Families and Youth program was the biggest year-round program to date with 65,795 attendances. Workshops and activities varied from large-scale to intimate, with some planned around school holiday periods, forming part of the schools offer, or presented in collaboration with organisations such as Victorian Opera, Melbourne Festival and Melbourne International Comedy Festival. Highlights included international shows Oh Suivant! and The Man Who Planted Trees, Windmill Theatre's School Dance, Victorian Opera's Puss in Boots and Big Horse on the forecourt to coincide with War Horse. As part of the Blaze season, a free Bring It! hip-hop festival took place around Hamer Hall, and the online collaborative media art project for young people, Indoor Laneway, culminated in a four-week pop-up free exhibition with more than 170 students participating and 20,690 people attending the four week exhibition.

The Schools programs support deeper engagement with performances or are stand-alone projects, providing a diversity of arts learning experiences and aligning to the curriculum. In 2012–13 these programs were based around international and Australian performances and other in-house activities, accessed online or conducted in the Digital Learning Hub. Highlights included *Big Notes*, two indigenous urban music performances; and a continued association with the annual Fairfax Festival in Swan Hill, providing the principal teaching artist an opportunity to work with students in schools before and during the festival.

The First Call Fund Partner Schools initiative began in January, a partnership with 18 eligible schools over the coming three years to measure the impact of regular exposure to the arts on student learning and well-being.

Collections

19 EXHIBITIONS + DISPLAYS, 713,000 ATTENDEES

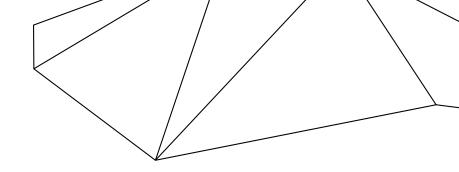
Arts Centre Melbourne is home to the country's national Performing Arts Collection – Australia's largest and most important collection of performing arts history and traditions, charting 200 years of performances in Australia, across theatre, music, dance, circus and opera and comprising more than 510,000 items donated by some of Australia's most important artists, companies and passionate donors. It continues to grow in stature, both within Australia and overseas. Exhibitions and displays are presented either at Arts Centre Melbourne, or on national or international tours.

Connections with Australia's leading performing arts companies enables Arts Centre Melbourne to delve further into the history of Australian performance. This year, the Opera Australia Collection was established, beginning with costumes worn by Dame Joan Sutherland and Joan Carden, as well as props from important past productions. Acquisitions also included costumes designed by John Truscott for the 1964 stage version of Camelot; material associated with the careers of Googie Withers and John McCallum, generously donated by their children Joanna McCallum, Nicolas McCallum and Amanda Archibald; material donated by director and actor Bruce Myles; and costumes and scrapbooks from the estate of rock'n'roll pioneer Betty McQuade.

Key to the Performing Arts Collection's international profile has been the on-going Icon exhibition series. During the year, AC/DC: Australia's Family Jewels exhibition concluded its international tour in Seattle after a stint in Glasgow, bringing global visitation to almost 700,000 people. The exhibitions are also aligned to stage performances: War Horse and the Breath of Life accompanied the Melbourne season of War Horse and explored the art of puppetry, including loans from the National Theatre of Great Britain and Melbourne's Creature Technology Company.

The interest in the Performing Arts Collection is also reflected in requests to the Research Centre, which this year attracted 276 public enquiries and provided access for a range of projects including *Raising the Curtain: A Celebration of Australian Theatre*, a three-part SBS Studio series; and *The Two Frank Thrings*, a biography by Peter Fitzpatrick.

Arts Centre Melbourne's Art Collection is one of the largest collections of works by leading 20th Century Australian visual artists and is on display in the foyers. The ongoing acquisition program included a linoprint by Alick Tipoti, Ngay, commissioned for the



Performative Prints from the Torres Strait exhibition; and a photographic print by Darren Siwes, Silver Puella, 2009, acquired through the Carroll Fund.

International

36 PRESENTATIONS, 105 PERFORMANCES

As its contribution to Melbourne's vibrant cultural life, Arts Centre Melbourne continues to bring globally significant performing arts events to its stages. These programs showcase performances that audiences would otherwise not see and they are often exclusive to Melbourne. To enable the best outcomes from international programming, collaborations are forged with leading performing arts organisations around the world. During the past year, two collaborations with the National Theatre of Great Britain enabled award-winning productions War Horse and One Man, Two Guvnors to be part of Arts Centre Melbourne's performance calendar. Details of the relationship with the National Theatre of Great Britain are further outlined in an earlier section of this document under 'Creative Collaborations'.

The opening season of Hamer Hall also afforded the opportunity to bring some of the world's best music events to Arts Centre Melbourne to present the new technical capabilities created during the redevelopment, while the Sidney Myer Music Bowl and the Theatres also attracted international acclaim.

International highlights across Arts Centre Melbourne's venues included Philip Glass and The Philip Glass Ensemble who performed the soundtrack live for the renowned trio of films, The Qatsi Trilogy; Czech Philharmonic Orchestra with conductor Jakub Hrůša: four epic performances of Robert Lepage's Lipsynch; War Horse (with Global Creatures and the National Theatre of Great Britain); One Man, Two Guvnors (a National Theatre of Great Britain production, copresented with the Melbourne Theatre Company); American singers David Byrne and Macy Gray; and New York glam pop band Scissor Sisters. Highlights also featured a range of performances inspired by Arts Centre Melbourne's Asian connections and presented with assistance from the Kenneth Myer Asian Theatre Series Endowment Fund, including Drought and Rain by Ea Sola from Vietnam; Sayonara, produced by Seindendan Theatre Company and Ishiguro Laboratory (Japan); British-Indian DJ Nitin Sawhney; and a collaboration between Kodo, Japan's leading taiko group, and Australia's own TaikOz.

Australian

97 PRESENTATIONS, 183 PERFORMANCES

Paramount to Arts Centre Melbourne's role as a community leader is to foster Australian talent and nurture the industry's growth. In 2012–13 Arts Centre Melbourne continued engagement with Australian artists and companies alike to showcase the work of leading Australian companies, as well as working with independent artists and small companies.

The Famous Spiegettent returned to the Arts Centre Melbourne forecourt in February, with Australian acts dominating the international line-up. Highlights included Katie Noonan's Love Song Circus, Casus' Knee Deep, Lior, Trevor Ashley's I'm Every Woman, The Trip from Berlin and ever popular Jazz High Teas. The Famous Spiegettent featured a total of 284 performances of which 224 were presented by Arts Centre Melbourne including international presentations.

The long-running Morning Melodies program continued its success among senior members of the community, returning to Hamer Hall to an extraordinary response and record sales. The new Digital Arts Program delivered an outstanding series of films commissioned for the new super-wide-format Hamer Hall screens, including The Old Man and the River, The Flooding of the Bay and Proscenium. A newly commissioned digital artwork by Gabriella and Silvana Mangano, Hidden Spaces, Ready Stages was developed during a two-month residency for presentation as part of the Winter Season in July.

To extend the opportunity for engagement with professional and emerging artists, *Critical Conversations* with visiting companies, masterclasses and a producer mentorship program (established in partnership with Melbourne Fringe) were introduced and attracted more than 270 artists. Twenty-three creative development projects were supported, including an extended residency by independent collective Sans Hotel, the outcome of which will be part of the 2013 Melbourne Festival, while an early career artists' residency and mentorship program was set up with support from the Australia Council.

The Arts Centre Melbourne Arts Industry Card was launched in March to supports local artists by providing access to special ticket offers, food and beverage discounts, as well as the opportunity to apply for workshops, masterclasses, mentorships, forums and other special industry-only events.

CONTINUED ON PAGE 12

DELIVERED OVER 1 MILLION FOOD + BEVERAGE TRANSACTIONS

INCLUDING
318,650
COFFEES SOLD
225,093
MEALS SERVED
375,256
BEER, WINE &
SPIRITS POURED

Outstanding Experiences

Arts Centre Melbourne is not just about watching a performance as a member of an audience. The performing arts experience begins well before the curtain goes up in the theatre and long after the applause has finished at the end of the show.

Customer Experience

The frontline teams are especially chosen for their skills to enhance the customer experience across the important ancillary areas of visitor services, ticketing, parking and food and beverage. To this end, new multi-skilling roles were introduced in January to enhance service at peak periods and offer frontline staff opportunities to work as both an usher and bar attendant to broaden their skills.

Disability access remains key in dealing with all customer needs. The Hamer Hall redevelopment has enabled Arts Centre Melbourne to greatly improve this element of visitor experience and continually seek improvement opportunities for the ageing Theatres Building. During the year Arts Centre Melbourne hosted a secondment of a staff member with a disability from Arts Access, resulting in recruitment to an ongoing casual position. Arts Centre Melbourne continued to offer high quality access services, together with captioned and audio-described performances and the introduction of Auslan interpretative performances and delivery.

Among the new initiatives were a successful expansion of the Sunday Market during the Christmas season, a concerted effort to promote the tours which attracted more than 6,000 visitors, and the introduction of free public wi-fi across a range of public spaces.

Special opportunities were provided for behind-the-scenes tours on designated occasions, such as the Hamer Hall Opening Celebrations, Melbourne Open House and White Night Melbourne. Alongside tourism industry professionals, more than 27,000 people experienced Arts Centre Melbourne this way.

Food and Beverage Experience

To allow Arts Centre Melbourne to be able to respond to greater customer needs and to support a contemporary environment for the performing arts, the Trust took the food and beverage operations in-house at the start of the financial year. This created 190 new jobs and aligned the organisation with a critically acclaimed cast of Victoria's best chefs, including Nicolas Poelart.

With direct control over supplier arrangements, Arts Centre Melbourne renewed its focus on Victorian produce and wine, establishing partnerships with local providores such as Fresh Generation, Convent Bakery, Calendar Cheese Co, Phillipa's Bakery, Southern 360 Degrees, Tip Top Butchers and many more. Furthermore, Arts Centre Melbourne was able to work with preferred suppliers such as Genovese Coffee, Yering (Rathbone Wine Group) and Yarra Valley Chocolates to create a Signature Series portfolio, unique to our venues.

The re-opening of Hamer Hall introduced a new riverside dining precinct where visitors and audiences welcomed new restaurants Trocadero and Saké.

Other innovations included the introduction of in-theatre beverages at selected performances; the conversion of Café Vic to à la carte-style with reservations accepted and the delivery of a main meal every 60 seconds at peak times; and a new bar service at the Sidney Myer Music Bowl which reduced service times from an average of 14 minutes down to a speedy three minutes, enabling over 260,000 beverages to be sold over the six-month season.

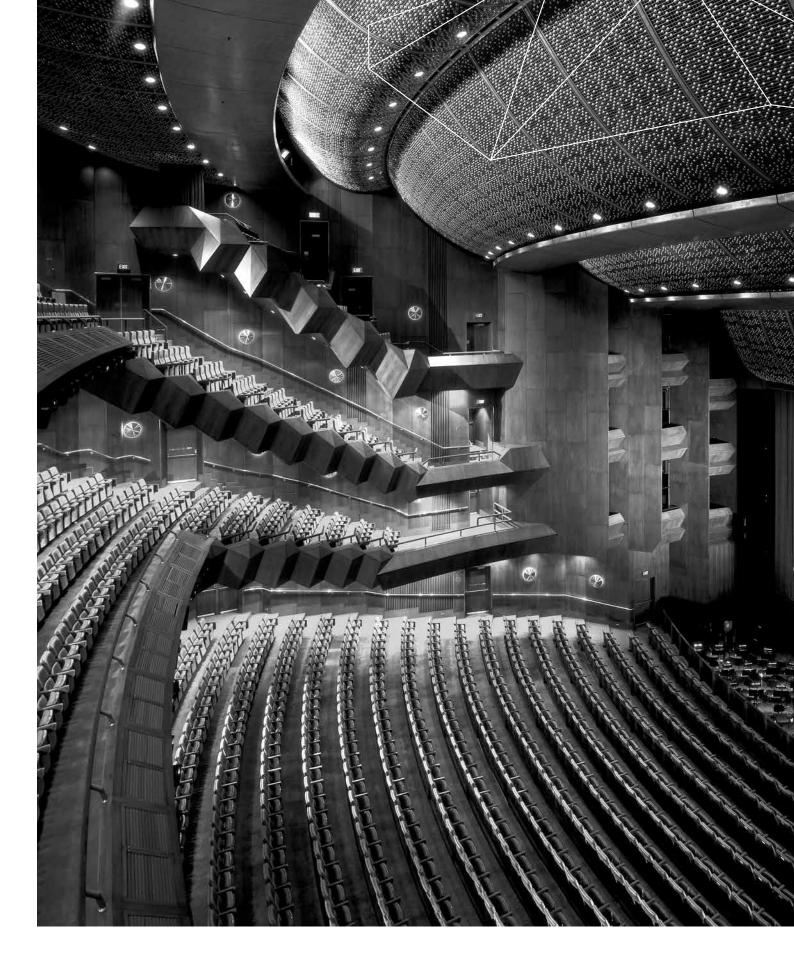
Melbourne Food & Wine Festival 8 EVENTS, 1,214 ATTENDEES

Arts Centre Melbourne developed a new strategic partnership with Melbourne Food and Wine Festival delivering six special events during the festival, while the new Hamer Hall tenancies also joined with the Festival for two further special events. More than 1,000 people attended these events, which incorporated the theatrical with food and wine. Highlights included an international wine maker dinner with the United Kingdom's world-renowned wine expert Jancis Robinson OBE; Dessert in Six Acts at ANZ Pavilion; Fashion and Food is Art; Samurai and Saké (Saké) and Melbourne's Six Sister Cities (Trocadero).

White Night Melbourne

12 EVENTS, 23,000 ATTENDEES

Arts Centre Melbourne played an important role in the Victorian Government's new initiative White Night Melbourne on the evening of Saturday 23 February, when 300,000 people turned out for 12 hours of overnight entertainment in the city from 7pm to 7am. The spaces were all well primed with audiences attending scheduled performances - including War Horse in the State Theatre, a free MSO concert at the Sidney Myer Music Bowl, and the Victorian Opera's Gala in Hamer Hall – and the opportunity to engage with the additional activities after the shows proved a popular late-night activity for many people. Additional activities included the appearance of Joey the equine star of War Horse on the forecourt, Sound Lounge in the Riverside Foyer at Hamer Hall, Ghost Tours in the Theatres Building, a contemporary avant-garde music installation and Club Spiegel at The Famous Spiegeltent until dawn.



AUDIENCE ENGAGEMENT + DEVELOPMENT

Extraordinary performances need extraordinary marketing ideas. Arts Centre Melbourne identifies and creates opportunities for the community to be engaged, informed and entertained through an integrated platform of innovative marketing and communication initiatives. It engages a multi-channel approach to reach existing and loyal followers while attracting new audiences in new markets.

Marketing and communication is integral to success as an arts leader and a passionate community advocate. Arts Centre Melbourne has the customer at the heart of all it does and understands the importance of an ongoing conversation with customers, that is relevant and meaningful in an ever-changing market place.

2,130,984
WEBSITE VISITORS
72,229
FACEBOOK FANS
8,203
TWITTER FOLLOWERS

Arts Centre Melbourne Brand

At the cornerstone of its marketing framework is the Arts Centre Melbourne brand. In the 30 years since inception, Arts Centre Melbourne has earned its position as a trusted authority in the arts and its brand has become synonymous with exceptional performances and experiences.

The Arts Centre Melbourne brand inherently communicates a clear and distinct value proposition not only in the arts domain but in the wider entertainment space. This translates into a continued loyal customer following for its annual programming milestones such as Families & Youth programming during school holidays and at the highly popular Sidney Myer Music Bowl season of events.

As the universal definition of an arts centre changes and expands, right alongside market expectations, Arts Centre Melbourne is adapting swiftly to capitalise on new opportunities for growth – and it is the strength of the brand that enables this to happen.

Increasing Visitation and Building New Audiences

Underpinning marketing is a growth strategy framed by a commitment to nurturing relationships with existing audiences while building and developing a new customer base.

Digital & Online

Digital and online success is pivotal in an audience engagement and development strategy. The digital platform enables Arts Centre Melbourne to converse with existing customers in a regular and timely manner while enabling a communications net to be cast far and wide.

Corporate website visits increased by 644,000 year on year resulting in a total of 2.1 million visits – with new visitors making up 53% of website traffic.

Facebook is now the second highest delivery channel for traffic to the website. It is helping to facilitate regular dialogue with customers while driving exposure across multiple Facebook pages. 72,229 Facebook fans represent a 753% increase, the Twitter following increased from 3,259 to 8,203 followers, and the YouTube presence is growing year on year.

Blogging is integral to an online presence and the 2013 Spiegel Season campaign added 10,806 customers to Spiegel Season website. Digital prowess grew in the 2012–13 year with POSTi Network, an interactive online play about digital citizenship for upper primary students. The POSTi Network – which has now been used by over 7,700 students and young people nationally – was recognised by the Australian Communications & Media Authority as a valuable resource in cyber-education and is now featured on their Cybersmart website.

The Social Gaming Project with Amitesh Grover (Delhi), in partnership with the Victorian College of the Arts, brought together artists and players from Melbourne Australia and Delhi India allowing them to exchange ideas via network technology and online projects. This trans-global theatres game project, involving 60 participants in Delhi and 58 in Melbourne, was produced as part of the Kenneth Myer Asian Theatre Series.

Partnerships & Collaborations

Formulating collaborations and alliances with other organisations to help build brand awareness to new audiences and drive ticket sales are pivotal in the growth strategy. This year marked a first partnership with the Melbourne Theatre Company for One Man, Two Guvnors, which was a success for both organisations. Arts Centre Melbourne's presenting partner relationships are important, and Arts Centre Melbourne was pleased to work with the Victorian Opera and The Production Company to provide their ticketing subscription services, enabling both organisations to increase their ticket sales capability.

Collaborations with nightclubs and shopping centres enabled younger audiences to be reached for events *Blaze* and *School Dance*.

Database Marketing/CRM

The free Public Ballot for Victorians to attend the Hamer Hall Opening Concerts attracted over 11,000 people, and expanded the database for other events. Arts Centre Melbourne has a substantial CRM capability and through other major productions such as War Horse, One Man, Two Guvnors and the successful Sidney Myer Music Bowl season, continued growth in the database has been achieved, reaching over 770,000 customers.

Events & Engagement The highly successful government, industry and media communications strategy for the final 12 months of the two-year \$135.8 million redevelopment of Hamer

communications strategy for the final 12 months of the two-year \$135.8 million redevelopment of Hamer Hall was planned and delivered, maintaining 100% positive and extensive national and international media coverage and attracting 50,000 people to the Opening Celebrations. The re-opening of Hamer Hall was leveraged to extend reach into regional markets via print media (e.g. Bendigo, Warrnambool, Albury, Wodonga, Ballarat, Leongatha) as well as into multicultural communities via 21st Century Chinese Weekly, Milliyet (Turkish), Neos Kosmos, Ta Nea (Greek), il Globo (Italian), An Nahar, Future (Arabic).

For the first time, a comprehensive Summer Season marketing campaign that combined the local and international events presented by Arts Centre Melbourne, stage partners and commercial hirers was created. This new approach resulted in one of the busiest January/February periods in memory, with more than 326,000 people attending ticketed performances, including the theatrical epic *War Horse*, and a further 80,000 attending free participation events and exhibitions.

The recognition of the Education program was elevated with a 2013 program launch to educators and donors by the Victorian Minister for Education Martin Dixon. Earlier publication and delivery of the 2013 Schools Brochure enabled lead times for teachers to be extended and resulted in a 35% increase in initial schools bookings.

The wider community was engaged through involvement in international events such as World AIDS Day and Earth Hour, and local events such as Open House Melbourne, White Night Melbourne and Hamer Hall's 30th Birthday. Leading figures in the arts industry were also honoured by hosting the Helpmann Awards Melbourne media launch, the Sue Nattrass Leading Light dinner and the Nigel Triffet Celebration, and working with the John Truscott Design Foundation on the dedication event for the new Truscott Lounge at Hamer Hall.



GROWTH IN STAKEHOLDER SUPPORT

\$1,945,983 DONATIONS \$321,593 CORPORATE REVENUE 1,830 MEMBERS The performing arts matter. They awaken curiosity, encourage debate, compel growth as individuals, help form connections with the community, and drive cultural exchange. Growth in fundraising will ensure the performing arts continue to matter

Although a government entity, Arts Centre Melbourne operates as a not-for-profit organisation. The important role stakeholders play, from donors to corporate partners to the Victorian Government, is acknowledged and valued. Each and every dollar invested in Arts Centre Melbourne makes a difference to programming and its impact on the community.

Arts Centre Melbourne has enjoyed a long tradition of community support and can attribute much of its growth to the generosity of many proud Victorians. It is committed to growing the funding base by nurturing existing relationships and extending the supporter network. It is also embarking on a new sponsorship strategy and seeking to develop a larger network of corporate partnerships. It has begun to reap the rewards of these increased networks and, in turn, they are benefiting from such a unique and highly engaging alignment.

Private Giving

It is the choice of programming that brings life to the three iconic buildings and their theatres, galleries and public spaces. With the community at its heart, programming creates a distinct point of difference, both here in Australia and across the world.

Private giving campaigns are purpose-built to support and enhance the programming offer. Funds raised from the extraordinary generosity of donors support this offer across four key programming streams:

- Community: Arts Centre Melbourne continually strives to remain a stage for everyone, from first-timers to the world's greatest stars. It is committed to growing this cultural showcase, delivering the largest performing arts learning and participation program for families and children, and increasing accessibility and assistance to those who have difficultly accessing the arts.
- Collections: As home to Australia's largest and most important collection of performing arts history and traditions, Arts Centre Melbourne aims to increase the profile, stature and size of it and more widely share it.
- International: The ambitions in this
 programming stream are to bring the world's
 best to Melbourne, to attract large-scale
 productions to the stages. Arts Centre
 Melbourne seeks to grow collaborations with
 local and international producers to launch
 ground-breaking initiatives all the while
 building Melbourne's reputation as one of
 the world's great cultural destinations.
- Australian: Arts Centre Melbourne is devoted to growing opportunities for Australia's young ambition and building new platforms for local aspiring talent. It aims to increase opportunities to showcase Australian productions and cast the spotlight proudly on the next generation of leading Australian talent.

Private giving programs delivered during 2012–13 included the Arts Angels annual giving program, First Call Fund, seat endowment, Melbourne Arts Walk, gift with ticket online donations, the Chairman's Circle bequests program as well as work with Trusts and Foundations. Significant work was undertaken to refresh and update supporter messaging and communications.

This year significant philanthropic support was generated through the Arts Angels annual giving program contributing approximately \$1.0m. Income generated through this stream will be invested in future Arts Centre Melbourne programming activity.

The First Call Fund's revenue was over \$180k. The First Call Fund enabled over 4,000 children to gain access to Arts Centre Melbourne and benefit from the arts. Stronger connections were built with Trust and Foundations. Sincere thanks and gratitude to the Gordon Darling Foundation for their support of the *Performative Prints from the Torres Strait* exhibition, as well as to the Lorenzo and Pamela Galli Charitable Trust and the Cassandra Gantner Foundation. The focus of these gifts is to extend the reach of Arts Centre Melbourne's programs for those with special needs, complementing ongoing work to extend the impact of the First Call Fund.

A long-standing and very special relationship continued with Miss Betty Amsden OAM. In 2012–13, Miss Amsden pledged an additional \$1.0m to support the development and delivery of four flagship participation programs to be delivered from 2014 to 2017.

The Kenneth Myer Asian Theatre Series, with the generous support of the Kenneth Myer Endowment Fund, continued to provide a unique opportunity to gain a greater understanding of and appreciation for a cultural connection with geographic neighbours. It is a shining illustration of cultural co-operation and collaboration.

Melbourne Arts Walk was launched and received an overwhelmingly positive response. The Walk will feature a series of striking plaques inlaid into the walkways around Melbourne's cultural precinct. Each plaque celebrates the people who have made a lasting contribution to the arts and recognise those that support the industry.

Online gift with ticket giving grew by 63% with 11,591 donors contributing to the First Call Fund as they purchased tickets.

Arts Centre Melbourne would like to extend heartfelt thanks to all our supporters, whose generosity, loyalty and commitment play a crucial role in ensuring as many Victorian children and adults as possible have the opportunity to experience the joy of the performing arts here in Melbourne. The vision and dedication of all our supporters have a profound and lasting impact on the quality, accessibility and relevance of Arts Centre Melbourne's programs and facilities.

Corporate Partnerships & Memberships

It is an exciting time for corporate partnerships. With new programming initiatives backed by powerful marketing and communication strategies, Arts Centre Melbourne is a powerhouse of opportunity. With much preparatory groundwork accomplished in 2012–13, it is looking forward to securing new partnerships in the coming financial year.

Highlights of 2012–13 include welcoming new Official Partner agreements with two leading, nationally recognised brands: HOSTPLUS (five years) and Honda (one year). Arts Centre Melbourne is thrilled to be working with HOSTPLUS and Honda and very much look forward to working together in the coming years.

The partnership with esteemed law firm Holding Redlich continued into its second year of a three-year agreement and Arts Centre Melbourne is grateful for this ongoing relationship with Melbourne's great arts supporter.

The corporate membership program continues to thrive and grow. Members this year included Ticketmaster, HP, Coca Cola and Yering Station.

Membership Program

Members are loyal, active patrons who are highly engaged and passionate about the arts and all that Arts Centre Melbourne does.

This year a number of new components were incorporated into the membership program including a new two-year membership option and a new, interactive events program including seminars, forums and discussions. A net retention of 113 members was recorded while 302 new members were acquired.

Members are among the most active users of Arts Centre Melbourne across all services and amenities such as performance, dining and car park. A highly engaged audience, members are also proving to be philanthropic in nature. More than \$170k was donated by Arts Centre Melbourne members to the Arts Angels annual giving program and First Call Fund in the 2012–13 year. Arts Centre Melbourne is extremely grateful and proud of this special relationship it has with each and every member.



VIBRANT + SUSTAINABLE SITE

Arts Centre Melbourne has a responsibility to provide custodianship and development of the landmark performing arts centre to provide outstanding venues and visitor facilities, ensuring the centre remains an attractive cultural destination for audiences and visitors alike.

This public purpose ethos is exemplified in the redeveloped Hamer Hall. Opening its doors and embracing the city of Melbourne through its multiple new interfacing entry points facing the city is just one important indication of a commitment to providing a vibrant and contemporary portal to culture and the arts for the state and all of its residents.

Master Planning

Arts Centre Melbourne's journey towards becoming a great 21st century place began in earnest in 2010 with the redevelopment of Hamer Hall. Plans to extend this vision to encompass the rest of the Arts Centre Melbourne site, including the Theatres Building, the public spaces and the Sidney Myer Music Bowl, have commenced.

A team commenced reviewing the condition of the existing buildings and the ageing infrastructure. In addition, consultation is occuring with key stakeholders to make recommendations to improve access and amenities across the whole site while addressing the important physical connection between Arts Centre Melbourne and the broader arts precinct.

Arts Centre Melbourne is represented on the Victorian Government's Southbank Precinct Working Group to ensure development cohesion across the wider arts precinct. This group, which includes representatives from a range of cultural organisations, has developed a broad future strategy to guide the precinct's development.

25-Year Asset Maintenance Strategy

Arts Centre Melbourne is 30 years old and inevitably numerous assets are simply out-dated for a 21st century performing arts centre or have reached the end of their life. Although Hamer Hall has now been updated, the Theatres Building which opened in 1984, is largely unchanged since then.

The Central Plant provides air conditioning and emergency power to Arts Centre Melbourne and the National Gallery of Victoria. In reality most of the plant is at the end of its effective life and it is essential that it is replaced or upgraded. Sidney Myer Music Bowl was refurbished in 2000, however, several critical assets are showing considerable degradation and are in need of repair or replacement. Hamer Hall, though just redeveloped, retains a number of original assets in poor

Arts Centre Melbourne has now completed a 25-year asset management strategy which identifies all the assets and provides an assessment of performance together with recommendations for renewal/replacement. The strategy is being used as a basis for prioritising expenditure across all the assets and forming the business case for future investment.

In the 2012–13 reporting period, critical asset replacement in the backstage areas of Hamer Hall was undertaken in conjunction with the redevelopment works. In addition Arts Centre Melbourne has undertaken the initial phase of replacement of key infrastructure in the Theatres Building, including lift upgrades.



BUILDING ORGANISATIONAL CAPACITY

To achieve a vision of being recognised as one of the world's great performing arts centres, the right people, systems and processes are needed, and ambitions balanced with responsible fiscal management. The need to take risks and dream big in order to realise the vision is understood, but these measures need to be balanced and backed by considered and calculated decisions. Growth and ability to lead and influence innovation and best practice are underpinned by robust governance and oversight.

People

As part of a commitment to ensuring an ethical and fair working environment, a number of key human resources policies were refreshed this year and new policies introduced. The code of conduct was refreshed and embedded within a redesigned Performance Development Program for staff

Diversity and equal opportunity are integral to the work culture. Recruitment practices were enhanced this year with the introduction of independent assessment centres for casual roles. The representation of women at all levels has been maintained at an average of 54.5% over the last two years. In 2012–13 the Senior Executive comprised of at least 50% women at any point throughout the year.

People Training

A commitment to continuous improvement is supported by a commitment to people and their professional growth. Offering industry practiced project management methodologies courses to staff is one such example. Over 60 members of staff completed the course this last financial year.

Customer Service Charter training workshops were attended by a large number of employees over the past 12 months. The workshops have helped to shape the customer experience strategy and empowered staff to influence the customer experience. This training was also delivered to the Melbourne Recital Centre, Monash University and the Museum of Australian Democracy at Eureka, Ballarat.

Bringing the food and beverage operation in-house required induction training for food and beverage new staff members. Over 40 of these new food and beverage staff members were trained in Responsible Service of Alcohol and a similar number of Food Handling Safety Certificates were issued over the year.

WorkSafe accreditation was attained to offer the Construction Induction Card for staff in a tailored format, and Arts Centre Melbourne is now offering this training to others in the live performance and film sectors.

In addition to providing Learning and Development opportunities for staff, Arts Centre Melbourne has been working with WISE Employment and Arts Access Victoria to offer work experience opportunities to people with a disability. This year, a number of placements were made.

Safety and security remains an absolute focus. The Emergency Management Plan for all buildings has been revised and training on the new plan was delivered across the organisation. In addition an online health and safety induction for all employees, contractors and presenters has been implemented.

Registered Training Organisation

Leadership in the performing arts industry is strongly reflected in Arts Centre Melbourne's classification as a Registered Training Organisation. During the year, Certificate IIIs in Live Production, Theatre and Events; Certificate IIIs Venues and Events; and Statements of Attainment for the units Apply a General Knowledge of Theatrical Rigging and Operate Flying Systems were issued to various staff members.

Through the Digital Learning Hub, students from various schools in the Inner Melbourne Cluster were issued Certificate IIIs Music Technical Production and Certificate IIIs Interactive Digital Media.

Leadership & Awards

Arts Portfolio Leadership Awards

The e-Motion project, which won the Leadership in Community Award, was conducted with Western Region Health through the Barkly Arts Centre and enabled 100 young people from Ballarat to Footscray to participate in a six-month program of real and virtual street dance. The Hamer Hall Opening Season Community Projects won the award for Leadership in Public Programs, recognising four large-scale projects that encouraged culturally and linguistically diverse, regional, disadvantaged and younger audiences to discover or rediscover the Hall. One of them, Raising the Roof, worked with community groups in the months leading up to the July re-opening and culminated with a 500-strong community music performance. Together, the four projects involved over 32,712 attendances. The Collections On Cue project, the first mobile-optimised website featuring a self-guided tour of objects from the Public Art Collection and Performing Arts Collection, was highly commended.

Drama Victoria Awards

Arts Centre Melbourne won the Best Multimedia Presentation Specifically Designed for Drama and Theatre Education for the *Page to Stage* project in the Participation program.

The Betty Amsden Scholarship for Leadership in Arts Management

Open exclusively to full-time permanent members of staff with more than 12 months continuous employment at Arts Centre Melbourne, the Betty Amsden Scholarship for Leadership in Arts Management offers an opportunity to participate in one of the best learning and development programs available anywhere in the arts. The Scholarship is made possible through the extraordinary generosity of Miss Betty Amsden OAM, and includes a grant



of up to \$10,000 to undertake a project that is professionally significant, personally enriching and which can benefit Arts Centre Melbourne and the broader industry, as well as a further grant of up to \$5,000 for additional learning and development opportunities. In 2012 the Scholarship was awarded to explore emerging approaches in arts impact evaluation in the US and the UK.

Standing Ovation Awards

The staff recognition program, the Standing Ovation Awards, is an important part of the commitment to recognising and rewarding staff for exceptional work. They recognise and reward employees who demonstrate behaviour that reflects core values and ultimately contribute to the corporate culture, reinforcing the work ethic and encouraging employees to "live the brand." During the year, 19 staff members received an Award, with the inaugural HOSTPLUS Employee of the Year, to be voted by staff and announced in September.

Sharing Facilities

As Australia's largest performing arts centre, Arts Centre Melbourne regularly attracts interest from visiting industry colleagues and governments from around the world, keen to see its facilities and operations. There was significant interest from a large number of visitors in the changes to Hamer Hall as it emerged from its two-year closure, and the Theatres Building, despite being nearly 30 years old, continued to be a drawcard. Among these visitors were: artists k.d. lang, Geoffrey Rush and Barry Humphries; Michael Lynch, West Kowloon Cultural Centre; Federal and State politicians, including Senators Simon Crean and George Brandis, Premier Ted Baillieu, Major Projects Minister Dr Denis Napthine, Victorian Opposition Arts Spokesperson Lisa Neville; a delegation from the People's Republic of China, led by Ms Zhao Shaohua, Vice Minister, Ministry of Culture; the Vice-President of the European Commission, Mr Joaquín Almunia; and a range of international media.

Gaining and Sharing Knowledge

Knowledge was gained and shared in a number of ways in various forums during the year. Key among these was in Hong Kong, where Chief Executive Judith Isherwood was keynote speaker at the 2013 Cultural Leadership Summit, Arts Entrepreneurship. She also attended the International Arts Management Symposia, Building and Managing a World-Class Cultural Institution at the DeVos Institute of Arts Management at the Kennedy Center in Washington DC. In London, she explored the provision of training with Pauline Tambling, Joint CEO and Managing Director at the UK's leading training venue in Purfleet, The Backstage Centre.

Executive Performing Arts, Tim Brinkman, spoke on International Touring and Relationship Management in the Performing Arts Industry at the 2013 OZPAC conference in Auckland, New Zegland.

Having developed and piloted an organisationwide self-evaluation framework to measure the social, cultural and economic impact of performing arts programs, it was presented in a number of public forums including the international conference Making Culture Count sponsored by Melbourne University and VicHealth, a seminar run by Deakin University's Arts Participation Incubator, and a professional development session for the Department of Education and Early Childhood Development's Strategic Partnerships Program arts network.

Information Management

A complex organisation working across three sites and with a significant part of the operations underground needs a smooth-running and efficient communications network to be able to respond to customers in a timely fashion. Hamer Hall has made great technological steps forward as a result of its redevelopment. Projects completed during the year included a major design and implementation of the network communications infrastructure, which delivered an improved communications platform and wireless network; implementation of all customer-facing technology at Hamer Hall; an upgrade of the standard desktop environment, including an organisationwide replacement of 350 computers to bring significant improvements in workplace productivity; added new technology to better manage and assess results from the newly in-sourced food and beverage business; a new online banking system which meets the business requirement of continuous enhancements to payment security and compliance; and an upgrade of the ticketing and customer relationship management system which drove improvements in the payment process for customers and data quality.



NEW HAMER HALL

One of the most extraordinary achievements of the year was the re-opening of Hamer Hall on 26 July 2012, following a two-year period of closure for major renovations. The new-look Hall has received a wonderfully positive response from both audiences and performers alike, and is now widely acknowledged as Australia's premier concert hall, of world standing.

The success of the renovation has also been reflected through three major architectural awards to architects Ashton Raggatt McDougall (ARM) from the Australian Institute of Architects (Victoria) – Public Buildings (Alterations); the John George Knight Award for Heritage Architecture; and the Marion Mahony Award for Interior Architecture.

Changes to both the interior and the exterior of the Hall have resulted in a brighter, more audience-friendly venue that now takes full advantage of its riverside setting. Whilst the integrity of the original Roy Grounds monumental architecture and John Truscott theatrical interiors have been retained, changes include a dramatic new façade on the northern side of the building, foyers that are more accessible and easier to navigate, and an auditorium with improved acoustics, technical capability and public amenity.

The success of the Hamer Hall redevelopment is all the more remarkable given the complexities of the project, including the building's heritage status, a tight budget and a severely constrained site. The project was delivered under an Alliance method, with Alliance partners comprising Arts Victoria, Major Projects Victoria, Arts Centre Melbourne, architects ARM and construction company Baulderstone. Delivered on time and on budget, the project was funded through a Victorian Government investment of \$135.8 million.

Marshall Day Acoustics (Melbourne) & Kirkegaard Associates (Chicago) were commissioned for the improvement of the acoustics. The changes included a new acoustic reflector above the stage to improve conditions on stage for performers, a new architecturally integrated sound system, new wall geometry at stalls level to improve acoustic communication between stage and audience, reduction of the balcony side arms to improve the flow of acoustic energy in the room and a new substantial wall construction around the stage to achieve a richer tonal audiffy.

Upgraded back-of-house facilities were also designed to improve the experience of performers and increase the range of performance styles that can be staged in Hamer Hall

The Hall's capability has also been enhanced with the introduction of new technologies, including state-of-the-art recording and broadcast facilities. Large-scale digital screens have been installed throughout the public spaces offering a variety of creative, way-finding, informational and promotional material.

The foyer spaces have been greatly enhanced to better accommodate audience numbers and provide improved facilities that reflect contemporary audience expectations. New restaurants on the northern side of the building take full advantage of the unique outlook onto the Yarra River and beyond.

Significant improvements have been made to make Hamer Hall more accessible and to reinforce the connection between the city, the river and Southbank. A new entrance at river level, a 24-hour lift and a civic stairway that links St Kilda Road with the river level support these improved connections.

Inside, escalators now take patrons from the St Kilda Road foyer to all of the lower levels, while improved stairs provide additional access to the circle and balcony.

In the auditorium, acoustic treatment of the walls, new seating and a new technical zone incorporating acoustic reflectors and housing equipment to support a diverse range of performances have provided significant improvements for both audiences and artists.

In addition to the building works, Arts Centre Melbourne has undertaken an upgrade of sound, lighting and other technical systems to ensure that we deliver to the expectations of our audiences, presenters and performers.



The Re-Opening & Beyond

Re-opening Hamer Hall after a two-year closure was never going to be a quiet affair. The moment was marked with a four-day program of celebrations, which was attended by over 50,000 people and generated extensive local, national and international media coverage. The celebrations were designed to reach out beyond the boundaries of the city and provide an opportunity for all Victorians to feel part of this special moment.

There were a number of key components to the re-opening celebrations, including:

- A series of four significant community participation projects which ran both in the months leading up to the opening, and continued after the opening;
- Two Opening Concerts (26 and 27 July);
- Two Tina Arena concerts (28 and 29 July);
- Free performances in the foyers, activation of the exterior spaces; and
- Two Open Days which not only incorporated public tours of Hamer Hall, but also the Theatres Building and the Sidney Myer Music Bowl (28 and 29 July).

The centrepiece of the celebrations was the stunning Opening Concert, staged twice over two nights. The concept for the concert was to highlight the outstanding acoustics and capability of the auditorium and deliver a night to be remembered. The concert was created and produced in-house, with the creative team including Stuart Maunder (Director), Benjamin Northey (Musical Director and Conductor) and Dan Potra (Set and Costume Designer). The concert line-up featured Canadian songstress k.d. lang, New York-based soprano Rachelle Durkin, Broadway and West End star Caroline O'Connor, local hero Eddie Perfect, elder statesmen Archie Roach and Jack Charles, IDJA Dance Theatre, indie singer Lior, and an outstanding opera octet comprising Jacqueline Dark, Antoinette Halloran, Deborah Humble, Rosamund Illing, Liane Keegan, Sian Pendry, Sally-Anne Russell and Nicole Youl. The concert also featured the Australian National Academy of Music Orchestra and leading MSO players.

A major exterior public art installation, *Bouquet* by Brian Thomson, delivered on its main aim – to be a show stopper! This giant vase of gladioli on the lawn outside Hamer Hall achieved huge media exposure during its set up and once revealed by Barry Humphries created a sense of 'attraction' to the opening weekend celebrations.

The challenge to highlight the new Hamer Hall on the city

landscape map was achieved with a dramatic exterior light show created by Martin Kinnane.

A strong presence from our collection was available to the public across the celebrations period. One highlight for the weekend was the delightful exhibit *Dressing Room 34* which captured the imagination of the public, with queues wrapping around corridors in order to catch a glimpse of the display.

Films composed specifically for the unusually formatted screen in the stalls foyer explored historical documents held in Arts Centre Melbourne's Performing Arts Collection. They celebrated the fascinating architectural features of Hamer Hall, and included messages from our iconic Australian artists talking about Arts Centre Melbourne and Hamer Hall.

The Hamer Hall Open Day activities, which coincided with the popular city-wide event Open House Melbourne, included roving entertainers (Snuff Puppets, Suitcase Royale, Born in a Taxi), foyer entertainment (Vardos, The Shuffle Club, Melbourne Youth Music), Polyglot (Kylie 25: Believe in You and Dame Edna Face Furniture Workshops), a public talk series (Ian McDougall, Brian Thomson and Martin Kinnane, Robert Owen & Rachel Burke and Hiroshi Fuji), Be Your Own Rockstar (Sidney Myer Music Bowl), guided and self-guided tours and our Weekend Markets on the Theatres Forecourt.

The first of the community participation, eMotion was a partnership with Western Region Health Centre (Barkly Arts Centre). eMotion engaged around 200 culturally diverse young people from Footscray to Ballarat in a collaborative process, over a four-month period, with three professional dance artists. A series of free dance workshops delivered online created a unique interpretation of urban dance that culminated in four public performances over the opening weekend.

Raising the Roof and Kaeru delivered performances and activities that generated much interest in their public outcomes in August and September. Raising the Roof, in particular, was an extraordinary community music event, connecting a range of Victorian music groups with Arts Centre Melbourne on an unprecedented scale. The culmination of six months of outreach workshops, it featured almost 500 performers, including 250 singers from regional Victorian choirs. Including audience participation, the event involved 10,717 attendance, including 151 supported by our First Call Fund.

In the year since it opened, Hamer Hall has hosted some 354 concerts enjoyed by almost 400,000 people and has been hailed a great success by musicians and audiences alike.

THE TRUST'S ROLE + 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.

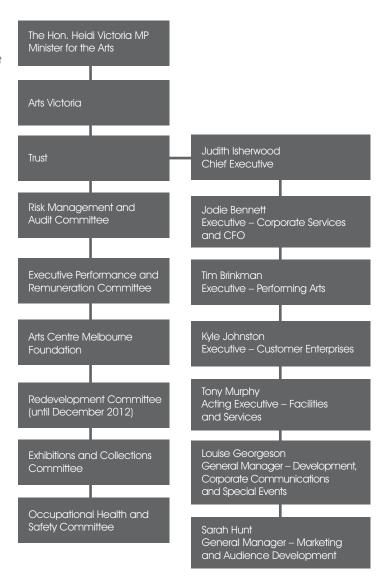
The Trust complies with all relevant legislation and regulations, and responds to Government policies and guidelines that may apply to public entities from time to time.

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; and
- the Information Privacy Act 2000.

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.



COMMITTEES

The Victorian Arts Centre Trust (The Trust)

The Trust met eight times in 2012–13.

Janet Whiting, President (until 31 October 2012) Tom Harley, President (from 11 December 2012) Deborah Beale

Terry Bracks AM (until 12 March 2013) Sandy Clark (from 26 March 2013) Julian Clarke

Dana Hlavacek (from 25 June 2013) Catherine McClements Leon van Schaik AO (until 12 March 2013) Graham Smorgon AM David Vigo

Trust Committees

Risk Management and Audit Committee

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

The Committee met 11 times in 2012–13.

Graham Smorgon AM, Chair Deborah Beale (from 19 September 2012) Sandy Clark (from 26 March 2013) Tom Harley (from 11 December 2012) Dana Hlavacek (from 25 June 2013) Janet Whiting (until 31 October 2012)

Message from the Chair, Risk Management and Audit Committee – Graham Smorgon AM

The Risk Management and Audit Committee has played an important role this year in overseeing the many changes that are underway in moving toward a sustainable business model. In particular the Risk Management and Audit Committee oversaw the re-opening of Hamer Hall and the significant undertaking of in sourcing the Food and Beverage operations, ensuring that the business is operating efficiently and effectively in delivering our core purpose in context of sound risk management principles. In addition to these substantial business changes the Committee oversaw the adequacy of the accounting system, internal control environment and compliance with relevant laws, standards and codes; the effectiveness of risk management systems; the integrity and quality of financial information; the internal and external audit functions and the effectiveness of financial delegations, including programming approval delegations and commercial business cases.

The Committee met eleven times this year, reflecting the importance of the foundations that have been built for the future sustainability of the organisation. I would like to thank my fellow Trustees for their commitment and insights throughout this year.

Arts Centre Melbourne Foundation

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

The Foundation met five times in 2012-13.

Sandy Clark, Chair (Chair from 9 May 2013)
John Haddad AO (Chair from 20 July 2012 until 8 May 2013, Emeritus Chair from June 2013)
Graham Smorgon AM (Chair until 19 July 2012)
Betty Amsden OAM
Debbie Dadon
John Denton
Carrillo Gantner AO
Tom Harley (from 11 December 2012)
Dana Hlavacek
Mem Kirby OAM
Jennifer Prescott
Janet Whiting (until 31 October 2012)

Message from the Chair – Sandy Clark

I was delighted to take on the role of Chairman of the Arts Centre Melbourne Foundation in May. The Foundation is responsible for establishing, growing and managing the Endowment Fund and provides strategic vision and leadership for the organisation's vital fundraising efforts.

Our work over the last year has focused on consolidating our approach to fundraising, setting priorities for the future and, importantly, refining the way in which we communicate the essential role that private and corporate support plays at Arts Centre Melbourne. We have built on our close relationships with our long-standing supporters and welcomed many new enthusiasts.

Arts Centre Melbourne is a very special place, one that not only brings joy, exhilaration and inspiration to millions each year, but one that matters to our community and makes a very real difference to people's lives here in Victoria. To deliver a performing arts program that is relevant, accessible and of the highest possible quality, it is vital that we work together in partnership with Melbourne's philanthropic and business communities. Their sustained and increased support will enable us to invest confidently in the future and respond creatively to the complex challenges before us.

I would like to thank all of my fellow Governors, and particularly my predecessor Mr John Haddad AO, for their hard work, energy and enthusiasm over the last year. I am delighted John's involvement will continue as Emeritus Chairman.

On their behalf, I extend a heartfelt thank you to all who have supported Arts Centre Melbourne over the last year. Our donors, our members, our supporters and our corporate partners are at the heart of all we do. You play the most important role.

Exhibition and Collections Committee

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

The Committee met three times in 2012-13.

Deborah Beale, Chair Catherine McClements Leon van Schaik AO (until 12 March 2013)

Executive Performance and Remuneration Committee

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

The Committee met once in 2012-13.

Graham Smorgon AM, Chair (from 1 November 2012) Janet Whiting (Chair until 31 October 2012) Tom Harley (from 11 December 2012) Deborah Beale

Redevelopment Committee

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

The Committee met five times in 2012–13.

Leon van Schaik AO, Chair (until 12 March 2013) Barry O'Callaghan (co-opted) Janet Whiting (until 31 October 2012)

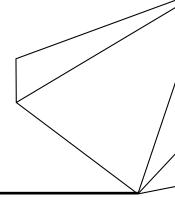
With the redevelopment of Hamer Hall complete, this Committee was wound up in December 2012.

Occupational Health and Safety Committee

The primary objective of the Occupational Health and Safety Committee is to oversee compliance to legislative requirements and guide continuous improvement to health and safety in the workplace.

The Committee met twice in 2012–13.

Deborah Beale, Chair



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Those who have made major landmark gifts to Arts Centre Melbourne

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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

Those who have given significant sustained support to Arts Centre Melbourne

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

The late Dame Elisabeth Murdoch AC DBE

Mrs Barbara Haynes OAM

Arts Angels Annual Giving Appeal

Our annual giving program, providing vital support enabling Arts Centre Melbourne to create and deliver a world class program of performance and participation for the children and adults of Victoria. Our Arts Angels are at the heart of the arts in Melbourne.

LUMINARY - GIFTS OF \$75,000 OR MORE

Miss Betty Amsden OAM*

Mr Marc Besen AO & Mrs Eva Besen AO

VISIONARY - GIFTS OF \$50,000-\$74,999

Mr Harold Campbell-Pretty &

Mrs Krystyna Campbell-Pretty

The Playking Foundation

BENEFACTOR - GIFTS OF \$30,000-\$49,999

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Mr Ron Dobell & Mrs Margaret Dobell

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Mr Gerard Ryan OAM & Mrs Valerie Ryan

Mr Peter Scanlon & Mrs Angie Scanlon

Mr Graham Smorgon AM & Mrs Annette Smorgon

Mr Sam Smorgon AO & Mrs Minnie Smorgon

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Brasher Family Foundation

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Dr Andrew Buchanan

Mrs Carolyn Kirby & Mr John Kirby

Mr Ian McKellar & Mrs Margaret McKellar

ASSOCIATE - GIFTS OF \$2,000-\$4,999

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Mr William Montague OAM & Mrs Elaine Montague

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Mr David Brownell

Mrs Wilma Attwood*

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*additional gift made to the First Call Fund appeal

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A special fund giving young Victorians facing challenges of distance or circumstance the opportunity to experience the joy of the performing arts at Arts Centre Melbourne

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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 \$10,000 OR MORE

Mrs Neilma Gantner

GIFTS OF \$5,000 - \$9,999

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Miss Betty Amsden OAM

Ms Joanna Baevski

The Duggan Foundation

Jennifer Leaper

John & Betty Laidlaw Legacy - ANZ Trustees

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Mr Allan Thorne

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Ms Dianne E Vale

Prof Barbara Van Ernst

Dr Peter Thorne & Ms Helen Vorrath West Heidelberg Medical Centre

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Those who have made the inspirational commitment of recognising Arts Centre Melbourne in their will

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Mr Chris Begg & Mrs Patricia Begg OAM Mr Tony Berry Mr Ken Bullen Lyndsey Button

Mr Douglas Butler Mr Laurie Carew OAM Ms Peggy Cole

Mr Ron Dobell & Mrs Margaret Dobell

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Mr Graeme Studd Mrs Beverley Sutherland Smith

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Ms Margot Vaughan & Ms Bernadette Nicholls

Ms Judy Watt Mr Ian Watts Mrs Dinah Whitaker Mrs Pamela Wilson

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Maxwell & Merle Carroll

The late Miss Sheila Scotter AM, MBE

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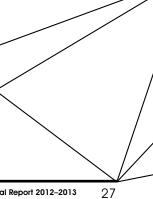
Ms Gwen Armstrong Miss Marilyn Armstrong Mr John Barry Phillippa Clements Mrs Joan O Dixon Miss Val Dyke Ms Rosemary Forbes & Mr Ian Hocking Dr Nancy L Gillies Mr P R. Hirst Mr Stuart Jennings Ms Susan Jennison OAM & Mr John Jennison Mr Nasser Mashni & Mrs Samar Mashni Anne Roussac-Hoyne Miss Beverley Spinks Ms Ricci Swart Mrs Clare Ward Ms Jennifer Wearne & Mr Martin Algie Ms Janet Whiting & Mr Phil Lukies Mrs Joyce Woodroffe

Gifts received between 1 July 2012 - 30 June 2013

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Miss Betty Amsden OAM



SUMMARY OF RESULTS F2009 - F2013

Financial Performance	F2013 \$m	F2012 \$m	F2011 \$m	F2010 \$m	F2009 \$m
Total income from transaction	77.4	60.4	57.8	56.5	53.5
Less Total expense from transactions	84.6	61.4	51.7	53	52.2
Net result from transactions before depreciation	-7.2	-1.0	6.1	3.5	1.3
Less Depreciation	15.4	13.4	13.3	13.3	12.8
Net deficit from transactions	-22.6	-14.4	-7.2	-9.8	-11.5
Total Assets	542.9	549.7	481.8	403.4	412.3
Less Total Liabilities	26.5	31.3	18.6	18.2	18
Total Equity	516.4	518.4	463.2	385.2	394.3
Datronago Brofilo	F2013	F2012*	F2011*	F2010*	F2009*
Patronage Profile	('000s)	('000s)	('000s)	('000s)	('000s)
Attendances at Performances ¹	1,305	879	924	1,105	1,260
Attendances at Public Programs	200	194	130	164	130
Attendances at Exhibitions	713	653	681	616	602
Total Attendances	2,218	1,725	1,735	1,885	1,992
Other Visitors & Facility Users ²	1,061	1,266	1,337	1,473	1,447
Events Profile	F2013	F2012*	F2011*	F2010*	F2009*
Performance Events ³	1,696	1,239	1,262	1,423	1,690
Public Program Events	1,923	1,922	2,155	2,045	1,629
Exhibitions & Displays	19	17	19	23	30
Total Events	3,638	3,178	3,436	3,491	3,349
Venue Utilisation	F2013	F2012	F2011	F2010	F2009
venue unisanon	%	%	%	%	%
State Theatre	93	82	90	86	85
Playhouse	88	95	87	88	93
Fairfax Studio	91	99	98	92	99
Hamer Hall	77	-	1	70	71
Average mainstage utilisation	87	92	92	89	92
Sidney Myer Music Bowl	33	19	21	16	25
The Famous Spiegeltent	85	85	82	-	-

¹ Attendances at Performances includes education and community engagement related performances.

²Other Visitors & Facility Users include visitors to car park, food & beverage outlets and Sunday Market.

³ Performance Events includes education and other community engagement related performances.

^{*} Adjusted figures from those published in 2011–12 Annual Report and prior.

FINANCIAL OVERVIEW

A move towards an increasingly sustainable operation in future years has begun in 2012–13 with investment in changed business activity.

Overall result is a net deficit for the year of \$22.8m. This comprises:

- Net deficit from transactions before depreciation of \$7.2m
- Depreciation expense of \$15.4m
- Other economic flows of \$0.2m

The deficit from transactions before depreciation of \$7.2m was driven by a number of factors including the investments to launch the re-opening of Hamer Hall, requirements to fund maintenance and repairs to Arts Centre Melbourne's considerable infrastructure, and the need to bring Food and Beverage operations in house.

The cash flows for the year have been negative. The net decrease in cash is a result of increased outflows from operations and investment in capital assets.

Arts Centre Melbourne faces a major challenge in that over many years it has generated and received insufficient funds to meet basic maintenance and infrastructure costs and has needed to draw on its reserves to fund these expenditures. A major restructuring of recurrent expenditure has been undertaken and the 2013–14 budgets have been developed on this scaled back basis.

General Operations

Total income from transactions increased by 28% or \$17.0m. Key reasons for this include:

- Operating incomes increased 10% or \$2.9m driven by increased State Theatre utilisation and the associated services income related to the presentation of War Horse
- Food and Beverage operations were insourced at the beginning of the year and delivered additional income of \$10.3m
- Re-opening of Hamer Hall delivered additional income of \$5.4m from venue related services including ticketing
- Arts Centre Presents income increased by \$2.8m or 47% due
 to significant activity to celebrate the re-opening of Hamer
 Hall and the co-presentation of One Man, Two Guvnors, the
 National Theatre of Great Britain production
- Government grants decreased 19% or \$4.4m post re-opening of Hamer Hall

Expenditure on Arts Centre Melbourne programming activity was \$15.9m with a net investment after related production income of \$7.3m with 47% of this investment made in the re-opening program of Hamer Hall.

Arts Centre Melbourne, its major presenting companies and other presenters continue to have an important role in the performing arts in Victoria, supporting a range of artists and presenting both classic and contemporary works that engage and inspire audiences:

- 1,696 performance events were presented to an audience of 1.3m, an increase of 48% over prior year, with 30% of attendances at the re-opened Hamer Hall
- Major presenter partners held 430 performance events with an attendance of 425,000
- Arts Centre Melbourne presented 591 performance events (including 55 at the re-opened Hamer Hall), an increase of 21% over prior year

Building Development and Maintenance

Expenditure on building maintenance and building development continues to be funded by both Arts Centre Melbourne and government. In 2012–13 Arts Centre Melbourne maintenance and renewal expenditure totalled \$3.0m including a \$1.0m capital investment. In addition, several government capital grants were received during the year for the continued progress of the followings projects:

- Hamer Hall Equipment (\$500k)
- State Theatre Orchestra Pit Upgrade (\$2.2m)
- Critical Asset Works (\$3.0m) for multiple project including vertical transport upgrade, boiler replacement and sanitary sewer drainage

Significant investment is required to update the ageing Theatres Building and progress the development of the Southbank Cultural Redevelopment Project and Arts Centre Melbourne continues to actively pursue funding.

VICTORIAN ARTS CENTRE TRUST COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

	Notes	2013 \$'000s	2012 \$'000s
Continuing operations	140163	Ų 0003	\$ 000 3
INCOME FROM TRANSACTIONS			
Programming	2	23,461	15,709
Marketing and visitor experience	2	30,042	16,394
	2	3,351	2,784
Facilities management Corporate services	2	65	2,764
Investment income	2	1,462	1,979
		·	•
Government grants TOTAL INCOME FROM TRANSACTIONS	2	19,027 77,408	23,457 60,441
		·	<u> </u>
EXPENSES FROM TRANSACTIONS		407.07.W	(3.0.405)
Programming	3	(27,274)	(19,425)
Marketing and visitor experience	3	(27,559)	(13,463)
Facilities management	3	(17,386)	(14,758)
Corporate services	3	(10,798)	(10,701)
Finance costs	3	(154)	(64)
Defined pension superannuation call	3	(1,409)	(3,007)
TOTAL EXPENSES FROM TRANSACTIONS	3	(84,580)	(61,418)
NET RESULT FROM TRANSACTIONS BEFORE DEPRECIATION		(7,172)	(977)
EXPENSES FROM TRANSACTIONS (CONTINUED)			
Depreciation and amortisation	3	(15,416)	(13,472)
NET DEFICIT FROM TRANSACTIONS	4	(22,588)	(14,449)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain on non-financial assets	5(a)	72	6
Net (loss) on financial assets	5(b)	(317)	(236)
TOTAL OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT		(245)	(230)
NET RESULT		(22,833)	(14,679)
OTHER ECONOMIC FLOWS-OTHER NON-OWNER CHANGES IN EQUITY			
Changes to financial assets available-for-sale	19	854	(381)
TOTAL OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT		854	(381)

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

		2013	2012
	Notes	\$'000s	\$'000s
Assets			
FINANCIAL ASSETS			
Cash and deposits	6	28,149	31,957
Receivables	7	2,934	4,842
Investments	8	-	6,291
TOTAL FINANCIAL ASSETS		31,083	43,090
NON-FINANCIAL ASSETS			
Inventories	9	465	124
Property, plant and equipment	10	509,902	503,848
Intangible assets	11	493	1,007
Other non-financial assets	12	919	1,654
TOTAL NON-FINANCIAL ASSETS		511,779	506,633
TOTAL ASSETS		542,862	549,723
LIABILITIES Description	13	10.049	26,005
Payables Provisions	13	19,948	·
Provisions Others lightiffee	15	4,492 2,050	4,441
Other liabilities TOTAL LIABILITIES	10	26,490	871 31,317
NET ASSETS		516,372	518,406
EQUITY			
Contributed capital		495,879	475,935
Donation and endowment reserve		9,287	9,830
Asset revaluation reserve		161,991	161,991
Available-for-sale revaluation deficit		-	(854
Accumulated deficit		(150,785)	(128,496
TOTAL EQUITY		516,372	518,406
Commitments for expenditure and operating leases	16 & 17	<u> </u>	
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 2013

	CONTRIBUTED CAPITAL	DONATION AND ENDOWMENT RESERVE	ASSET REVALUATION RESERVE	AVAILABLE- FOR-SALE REVALUATION DEFICIT	ACCUMULATED DEFICIT
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
BALANCE AT 1 JULY 2011	405,703	9,652	161,991	(473)	(113,637)
Net result for the year	-	-	-	-	(14,679)
Endowment funds received	-	440	-	-	-
Net donations and investment income received	-	1,927	-	-	-
Donations and endowment distributions	-	(2,189)	-	-	-
Other comprehensive income for the year	-	-	-	(381)	-
Transfer from accumulated deficit into reserve	-	-	-	-	(180)
Capital appropriations	70,232	-	-	-	-
BALANCE AT 30 JUNE 2012	475,935	9,830	161,991	(854)	(128,496)
Net result for the year	-	-	-	-	(22,833)
Endowment funds received	-	218	-	-	-
Net donations and investment income received	-	1,429	-	-	-
Donations and endowment distributions	-	(2,190)	-	-	-
Sale of financial assets	-	-	-	854	-
Transfer from accumulated deficit into reserve	(i) -	-	-	-	543
Capital appropriations	(ii) 19,944	-	-	-	-
BALANCE AT 30 JUNE 2013	495,879	9,287	161,991	-	(150,785)

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

- (i) During the year \$0.543m was transferred from the accumulated deficit to the donation and endowment reserve. This amount represents the net revenue and expenses incurred by the Arts Centre Melbourne Foundation (the Foundation), a sub-committee of the Trust.
- (ii) Capital appropriations includes \$10.1m in respect of the Hamer Hall redevelopment. In addition, the Department of Premier and Cabinet provided capital funding of \$4.3m for Hamer Hall tenancies, \$3m for Critical Asset Maintenance, \$0.5m (F2012: \$1.3m) in relation to the Arts and Cultural Facilities Maintenance fund, \$0.5m (F2012: \$0.5m) for minor maintenance and \$1.5m (F2012: \$1.1m) for the State Theatre Orchestra Pit. These transfers are designated as a contribution from the owners (contributed capital).

		2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	\$'000s	\$'000s
RECEIPTS			
Receipts from customers		58,609	35,262
Proceeds from endowments		218	440
Government grants received		19,027	23,212
Interest and distributions received		1,052	1,551
TOTAL RECEIPTS		78,906	60,465
PAYMENTS			
Payments to suppliers		(56,182)	(25,497)
Payments to employees		(32,270)	(27,807)
GST paid to the Australian Taxation Office		(654)	(191)
TOTAL PAYMENTS		(89,106)	(53,495)
NET CASH FROM OPERATING ACTIVITIES	18(c)	(10,200)	6,970
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(20,954)	(9,650)
Proceeds from sale of investments		7,402	(875)
NET CASH USED IN INVESTING ACTIVITIES		(13,552)	(10,525)
CASH FLOWS FROM FINANCING ACTIVITIES			
Owner contributions by State Government		19,944	9,680
NET CASH PROVIDED BY FINANCING ACTIVITIES		19,944	9,680
Net (decrease)/increase in cash and cash equivalents		(3,808)	6,125
Cash and cash equivalents at the beginning of the financial year		31,957	25,832
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	6,18(a)	28,149	31,957

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

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Notes to the financial statements – table of contents

NOTE	NOTE DESCRIPTION	PAGE
Note 1.	Summary of significant accounting policies	35
Note 2.	Income from transactions	43
Note 3.	Expenses from transactions	44
Note 4.	Net result from transactions	44
Note 5.	Other economic flows included in net result	45
Note 6.	Cash and deposits	45
Note 7.	Receivables	46
Note 8.	Investments	46
Note 9.	Inventories	46
Note 10.	Property, plant and equipment	47
Note 11.	Intangible assets	48
Note 12.	Other non-financial assets	49
Note 13.	Payables	49
Note 14.	Provisions	49
Note 15.	Other liabilities	50
Note 16.	Operating leases	50
Note 17.	Commitments for expenditure	50
Note 18.	Cash flow statement	51
Note 19.	Financial instruments	52
Note 20.	Superannuation	59
Note 21.	Responsible persons	59
Note 22.	Remuneration of responsible persons	59
Note 23.	Remuneration of auditors	59
Note 24.	Remuneration of executives and accountable officer	60
Note 25.	Related party transactions	61
Note 26.	Contingent assets and liabilities	61
Note 27.	Subsequent events	61

Note 1: Summary of significant accounting policies

The annual financial statements represent the audited general purpose financial statements for the Victorian Arts Centre Trust for the period ended 30 June 2013. 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 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 principal activities is included in the report of operations on pages 2 to 29, 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 grants and commercial sources such as ticketing, retail, philanthropy, corporate sponsorship, venue rental and food and beverage operations.

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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 remeasurements. They include:

- · gains and losses from disposals;
- revaluations and impairments of non-financial physical and intangible assets;
- · actuarial gains and losses arising from defined benefit superannuation plans; and
- fair value changes of financial instruments.

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

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 Melbourne 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, philanthropy and corporate sponsorship, food and beverage income and car park income.
- Facilities management income comprises the recovery of facilities management services from third parties.

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 maximum useful lives for buildings and building fit outs is 50 years. This has been assessed as reasonable as there is a public expectation iconic buildings are maintained to an acceptable level which is not reflective of their physical effective life. The expected useful lives, as assessed as reasonable by management in the current year, are as follows:

ASSET CLASS	USEFUL LIFE
Buildings	25 to 50 years
Building fit outs	4 to 50 years
Furniture and equipment	3 to 20 years
Motor vehicles	5 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.

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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 are 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 derecognised 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.

Food and beverage inventories are measured at weighted average cost per unit.

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.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense except in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

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 (LSL) 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 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.

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

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. AAS issued that are not yet effective

Certain new AAS have been published that are not mandatory for the 30 June 2013 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 2013, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2013. 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 Financial instruments	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 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2015	Subject to AASB's further modifications to AASB 9, together with the anticipated changes resulting from the staged projects on impairments and hedge accounting, details of impacts will be assessed.
AASB 13 Fair Value Measurement	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 Australian accounting standards. 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.	1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively detailed compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures required assets measured using depreciated replacement cost.
AASB 119 Employee Benefits	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions a few Victorian public sector entities that report superannuation defined benefit plans.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities, and has not decided if RDRs will be implemented in the Victorian public sector.

		2013	2012
Note 2: Income from transactions	Notes	\$'000s	\$'000s
PROGRAMMING			
Arts Centre programming		8,654	5,870
Presenter services		5,387	3,966
Venue rental		8,916	5,383
Performing arts collection		504	490
		23,461	15,709
MARKETING AND VISITOR EXPERIENCE			
Visitor businesses		5,982	5,572
Ticketing and visitor services		7,805	4,802
Philanthropy and corporate sponsorship	(i)	2,696	2,938
Food and beverage	(ii)	13,334	3,026
Marketing and communications		225	56
		30,042	16,394
FACILITIES MANAGEMENT			
Facilities management		2,087	1,838
Safety and security services		1,264	946
		3,351	2,784
CORPORATE SERVICES		65	118
INVESTMENT INCOME			
Interest and distributions received	(iii)	1,462	1,979
		1,462	1,979
GRANTS			
Victorian Government appropriation		16,543	16,542
Other Victorian Government grants		2,432	6,645
Other Government grants	(iv)	42	220
Other grants	(V)	10	50
		19,027	23,457
TOTAL INCOME		77,408	60,441

⁽i) Philanthropy and corporate sponsorship income includes \$0.218m of endowment funds received (F2012: \$0.44m). 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) Food and beverage operations were brought in-house in a staged manner from 1 July 2012.

⁽iii) Interest and distributions received includes \$0.49m of managed fund income distributions re-invested in the fund (F2012: \$0.425m).

⁽iv) Other Government grants comprise \$0.042m from Innovation Business Skills Australia.

⁽v) Other grants comprise \$0.01m from the Gordon Darling Foundation in respect of the Torres Strait exhibition.

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS

		2013	2012
Note 3: Expenses from transactions	Notes	\$'000s	\$'000s
PROGRAMMING			
Arts Centre programming		15,963	10,632
Presenter services		7,900	6,081
Venue rental		1,397	790
Performing arts collection		2,014	1,922
		27,274	19,425
MARKETING AND VISITOR EXPERIENCE			
Visitor businesses		1,758	1,823
Ticketing and visitor services		7,604	5,905
Philanthropy and corporate sponsorship		1,584	1,370
Food and beverage	(i)	13,550	1,533
Marketing and communications		3,063	2,832
		27,559	13,463
FACILITIES MANAGEMENT			
Facilities management		13,616	12,256
Safety and security services		3,770	2,502
		17,386	14,758
CORPORATE SERVICES			
Executive services		2,971	3,089
Finance services		1,820	1,890
People and culture		1,569	1,734
Information services		4,438	3,988
		10,798	10,701
FINANCE COSTS		154	64
DEFINED PENSION SUPERANNUATION CALL	20	1,409	3,007
TOTAL EXPENSES FROM TRANSACTIONS		84,580	61,418
DEPRECIATION AND AMORTISATION			
Depreciation	(ii)	14,902	12,802
Amortisation	,,	514	670
TOTAL DEPRECIATION AND AMORTISATION		15,416	13,472

⁽i) Food and beverage operations were brought in-house in a staged manner from 1 July 2012.

⁽ii) The Trust does not receive funding for depreciation.

	2013	2012	
Note 4: Net result from transactions	\$'000s	\$'000s	
Net result from transactions includes the following expenses:			
Operating lease rental expenses	1,074	1,021	
Defined pension superannuation call	1,409	3,007	
	2,483	4,028	

		2013	2012
Note 5: Other economic flows included in net result (A) NET GAIN/(LOSS) ON NON-FINANCIAL ASSETS Net gain/(loss) on disposal of property, plant and equipment TOTAL NET LOSS ON NON-FINANCIAL ASSETS (B). NET GAIN/(LOSS) ON FINANCIAL ASSETS Realised loss on financial assets Increase in provision for doubtful debts TOTAL NET GAIN/(LOSS) ON FINANCIAL ASSETS (C). OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS	Notes	\$'000s	\$'000s
(A) NET GAIN/(IOSS) ON NON-EINANCIAI ASSETS			
		72	4
		· -	6
TOTAL NET LOSS ON NON-FINANCIAL ASSETS		72	6
(B). NET GAIN/(LOSS) ON FINANCIAL ASSETS			
Realised loss on financial assets		(153)	(235)
Increase in provision for doubtful debts		(164)	(1)
TOTAL NET GAIN/(LOSS) ON FINANCIAL ASSETS		(317)	(236)
Net gain/(loss) arising from revaluation of long service liability		-	-
TOTAL OTHER GAINS/(LOSSES) FROM OTHER ECONOMIC FLOWS		-	-
		2013	2012
Note 6: Cash and deposits		\$'000s	\$'000s
Cash on hand and in bank	(i)	17,412	19,627
Cash held in box office bank account	(ii)	10,737	12,330
TOTAL CASH ASSETS	18a	28,149	31,957

⁽i) Cash and deposits include \$9.287m (F2012: \$2.763m) 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. 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.

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

		2013	2012	
Note 7: Receivables	Notes	\$'000s	\$'000s	
CONTRACTUAL CURRENT RECEIVABLES				
Trade debtors	(i)	1,608	2,622	
Less provision for doubtful debts	7(a)	(170)	(6)	
Other receivables		1,395	1,750	
STATUTORY CURRENT RECEIVABLES				
Net GST receivable		101	476	
TOTAL RECEIVABLES	19	2,934	4,842	

(i) The average credit period for sales of goods and services and for other receivables is 23 days (F2012: 42 days). A provision has been made for estimated irrecoverable amounts when there is objective evidence that an individual receivable is impaired. The increase was recognised in the net result for the current financial year.

	2013	2012
(a) Doubtful debts	\$'000s	\$'000s
BALANCE AT BEGINNING OF THE YEAR	6	1
Increase in provision recognised in the net result	164	5
BALANCE AT END OF THE YEAR	170	6

(B) AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES

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

(C) NATURE AND EXTENT OF RISK ARISING FROM CONTRACTUAL RECEIVABLES

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

Note 8: Investments	2013 \$'000s	2012 \$'000s
LONG TERM INVESTMENTS		
Managed funds	-	6,291
TOTAL INVESTMENTS	19 -	6,291

Cash and deposits (Note 6) include the Arts Centre Melbourne Foundation (the 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.

	2013	2012	
Note 9: Inventories	\$'000s		
CURRENT INVENTORIES			
Theatre lamps, gels and tapes	81	65	
Central plant	46	53	
Cleaning consumables	6	6	
Retail merchandise	43	-	
Food and beverage	289	-	
TOTAL INVENTORIES	465	124	

Note 10: Property, plant and equipment	Notes	2013 \$'000s	2012 \$'000s
LAND	110100	7 0000	+ 0000
At valuation	(i)	126,676	126,676
BUILDINGS			
At valuation		185,476	117,670
Less accumulated depreciation		(15,837)	(7,240)
	(ii)	169,639	110,430
BUILDING FIT OUTS			
At valuation		83,552	83,552
At cost		47,044	2,389
Less accumulated depreciation		(6,648)	(4,038)
	(ii)	123,948	81,903
OTHER ASSETS			
Furniture and equipment at cost		36,528	11,912
Less accumulated depreciation		(11,181)	(7,493)
		25,347	4,419
Motor vehicles at cost		142	132
Less accumulated depreciation		(100)	(94)
		42	38
Works of art at cost		512	107
Works of art at valuation		28,067	28,067
	(iii)	28,579	28,174
Performing arts collection at cost		156	155
Performing arts collection at valuation		25,741	25,360
	(iv)	25,897	25,515
Work in progress	(v)	9,774	126,693
		509,902	503,848

- (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.
- (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 contains \$4.42m in relation to Hamer Hall works. It also includes \$1.63m for the State Theatre Orchestra Pit Redevelopment and \$2.5m for Critical Asset Renewal projects. These work in progress assets have been designated as contributions by owners and are recognised in contributed capital. A further \$1.22m relates to miscellaneous work in progress capital projects.

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS

Note 10: Property, plant and equipment (continued)

2013	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	TOTALS \$'000s
Carrying amount at start of year	126,676	110,430	81,903	4,419	38	28,174	25,515	126,693	503,848
Additions	-	67,806	44,654	24,616	11	405	382	16,675	154,549
Transfers (i)	-	-	-	-	-	-	-	(133,594)	(133,594)
Depreciation expense	-	(8,597)	(2,609)	(3,688)	(7)	-	-	-	(14,901)
CARRYING AMOUNT AT END OF YEAR	126,676	169,639	123,948	25,347	42	28,579	25,897	9,774	509,902
2012									
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 expense	-	(7,240)	(3,968)	(1,588)	(5)	-	-	-	(12,801)
CARRYING AMOUNT AT END OF YEAR	126,676	110,430	81,903	4,419	38	28,174	25,515	126,693	503,848

⁽i) Work in progress transfers of \$133.594m are in respect of additions to buildings, building fit outs and furniture for the Hamer Hall redevelopment.

	Software	Total
Note 11: Intangible assets	\$'000s	\$'000s
2013		
Opening cost	5,491	5,491
Additions	-	-
CLOSING COST	5,491	5,491
Opening accumulated depreciation	(4,484)	(4,484)
Charge for the period	(514)	(514)
CLOSING ACCUMULATED DEPRECIATION	(4,998)	(4,998)
Carrying amount at start of year	1,007	1,007
CARRYING AMOUNT AT END OF YEAR	493	493
2012		
Opening cost	5,133	5,133
Additions	358	358
CLOSING COST	5,491	5,491
Opening accumulated depreciation	(3,814)	(3,814)
Charge for the period	(670)	(670)
CLOSING ACCUMULATED DEPRECIATION	(4,484)	(4,484)
Carrying amount at start of year	1,319	1,319
CARRYING AMOUNT AT END OF YEAR	1,007	1,007

		2013	2012
Note 12: Other non-financial assets		\$'000s	\$'000s
Prepayments		919	1,654
TOTAL OTHER NON-FINANCIAL ASSETS		919	1,654
		2013	2012
Note 13: Payables	Notes	\$'000s	\$'000s
CONTRACTUAL CURRENT PAYABLES			
Trade creditors	(i)	1,060	1,709
Sundry creditors and accruals		7,639	8,840
Box office creditors		6,664	11,874
CONTRACTUAL NON-CURRENT PAYABLES			
Defined pension superannuation call	20	4,585	3,582
TOTAL PAYABLES	19	19,948	26,005

⁽i) The average credit period is 42 days (F2012: 50 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.

		2013	2012
Note 14: Provisions		\$'000s	\$'000s
(A) CURRENT EMPLOYEE PROVISIONS			
Annual leave entitlement expected to settle within 12 months	(i)	1,522	1,387
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)	1,594	1,677
		3,330	3,278
NON-CURRENT EMPLOYEE PROVISIONS			
Conditional long service leave entitlement	(i) & (iii)	538	545
TOTAL EMPLOYEE BENEFITS		3,868	3,823
Current on-costs		234	527
Non-current on-costs		390	91
TOTAL ON-COSTS		624	618
TOTAL PROVISIONS		4,492	4,441

⁽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 2013

(B) MOVEMENT IN PROVISIONS	ON-COST 2013 \$'000s	OTHER 2013 \$'000s	TOTAL 2013 \$'000s
OPENING BALANCE	618	3,823	4,441
Additional provisions recognised	260	1,631	1,891
Reductions arising from payments	(260)	(1,624)	(1,884)
Unwind of discount and effect of changes in the discount rate	6	38	44
CLOSING BALANCE	624	3,868	4,492
Current	234	3,330	3,564
Non-current	390	538	928
TOTAL	624	3,868	4,492
		2013	2012
Note 15: Other current liabilities	Notes	\$'000s	\$'000s
Venue hire income received in advance		415	487
Other income received in advance		1,635	384
TOTAL OTHER CURRENT LIABILITIES		2,050	871
		2013	2012
Note 16: Operating leases		\$'000s	\$'000s
Payable no later than one year		796	956
Longer than one year and not longer than five years		319	1,171
TOTAL LEASES		1,115	2,127
		2013	2012
Note 17: Commitments for expenditure		\$'000s	\$'000s
OPERATING COMMITMENTS		•	-
Not longer than one year		7,370	7,601
Longer than one year and not longer than five years		4,850	4,053
TOTAL OPERATING COMMITMENTS		12,220	11,654
PROGRAMMING COMMITMENTS		-	
Not longer than one year		2,261	1,142
TOTAL PROGRAMMING COMMITMENTS		2,261	1,142
CAPITAL COMMITMENTS			
Not longer than one year	(i)	1,722	1,130
TOTAL CAPITAL COMMITMENTS		1,722	1,130

⁽i) Capital commitments are for Critical Asset Renewal projects and the State Theatre Orchestra Pit Redevelopment.

		2013	2012
Note 18: Cash flow statement	Notes	\$'000s	\$'000s
(A) RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash balance comprises:			
Cash on hand and in bank		17,412	19,627
Cash held in box office bank account		10,737	12,330
CLOSING CASH BALANCE	6	28,149	31,957
(B) FINANCING FACILITIES AVAILABLE			
At balance sheet date, the following financing facilities had been negotiated and were available:			
Facilities with the ANZ Banking Group		9,800	9,800
FACILITY IN USE AS AT YEAR END		-	-
NET RESULT FOR THE PERIOD NON-CASH MOVEMENTS:		(22,833)	(14,679)
USED IN OPERATING ACTIVITIES			
		(22,000)	(1-1,077)
Depreciation of non-current assets		15,416	13,472
(Gain)/loss on disposal of non-current assets		(72)	(6)
Impairment of non-current assets		-	-
Investment income reinvested		(410)	(425)
Other non-cash gains		225	(111)
MOVEMENT IN ASSETS AND LIABILITIES			
(Increase)/decrease in receivables		1,908	(748)
(Increase)/decrease in inventories		(341)	(25)
(Increase)/decrease in other current assets		734	(1,218)
Increase/(decrease) in payables		(6,057)	10,627
Increase/(decrease) in other current liabilities		1,179	(85)
		<i>E</i> 1	168
Increase/(decrease) in employee benefits		51	100

51

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 19: Financial instruments

(A) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust's principal financial instruments comprise:

- · cash assets;
- · investments in managed funds;
- receivables (excluding statutory receivables); 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 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.

Investments in managed funds (Nil as at 30 June 2013) and cash and deposits on hand include Arts Centre Melbourne Foundation funds. The investment of Arts Centre Melbourne's donation and endowment funds is guided by the Investment Management Committee, a subcommittee of the Trust.

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

CATEGORISATION OF FINANCIAL INSTRUMENTS

		2013	2012
CONTRACTUAL FINANCIAL ASSETS	CATEGORY	\$'000s	\$'000s
Cash and term deposits (< 12 months)	Contractual financial assets - loans and receivables	28,149	31,957
Receivables: (i)			
Trade debtors	Contractual financial assets - loans and receivables	1,438	2,616
Other receivables		1,395	1,750
Investments in:	Contractual financial assets - available for sale		
Equity managed fund		-	4,971
Fixed income managed funds		-	1,320
TOTAL CONTRACTUAL FINANCIAL ASSETS		30,982	42,614
CONTRACTUAL FINANCIAL LIABILITIES			
Payables:			
Trade creditors	Contractual financial liabilities at amortised cost	1,060	1,709
Box office creditors		6,664	11,874
Other payables		7,639	8,840
Defined pension superannuation call		4,585	3,582
TOTAL CONTRACTUAL FINANCIAL LIABILITIES		19,948	26,005

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

Note 19: Financial instruments (continued)

	NET HOLDING GAIN/(LOSS)	TOTAL INTEREST INCOME	TOTAL
NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY	\$'000s	\$'000s	\$'000s
2013			
CONTRACTUAL FINANCIAL ASSETS			
Financial assets - loans and receivables	-	1,462	1,462
Financial assets - available for sale recognised in net result	-	-	-
Financial assets - available for sale recognised in other comprehensive result	854	-	854
TOTAL CONTRACTUAL FINANCIAL ASSETS AS AT 30 JUNE 2013	854	1,462	2,316
2012			
CONTRACTUAL FINANCIAL ASSETS			
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)
TOTAL CONTRACTUAL FINANCIAL ASSETS AS AT 30 JUNE 2012	(381)	1,979	1,598

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.

The Trust's policy is that sales are only made to customers that are credit worthy. 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)	OTHER	TOTAL
	\$'000s	\$'000s	\$'000s
2013			
Cash and cash equivalents	28,149	-	28,149
Receivables	452	2,381	2,833
Investments and other financial assets	-	-	-
TOTAL CONTRACTUAL FINANCIAL ASSETS	28,601	2,381	30,982
2012			
Cash and cash equivalents	31,957	-	31,957
Receivables	380	3,986	4,366
Investments and other financial assets	6,291	-	6,291
TOTAL CONTRACTUAL FINANCIAL ASSETS	38,628	3,986	42,614

The Department of Treasury and Finance approved Arts Centre Melbourne's Investment Management Policy for the financial year 2012–13. This policy permits Arts Centre Melbourne to invest with financial institutions with a credit rating greater than or equal to AA.

AGEING ANALYSIS OF CONTRACTUAL FINANCIAL ASSETS

		PAST DUE BUT NOT IMPAIRED						
	CARRYING AMOUNT	NOT PAST DUE AND NOT IMPAIRED	LESS THAN 1 MONTH	MORE THAN	IMPAIRED FINANCIAL ASSETS			
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s			
2013								
RECEIVABLES:								
Trade debtors	1,608	1,290	148	-	170			
Accrued investment income	-	-	-	-	-			
Other receivables	1,395	1,395	-	-	-			
TOTAL	3,003	2,685	148	-	170			
2012								
RECEIVABLES:								
Trade debtors	2,622	1,805	597	214	6			
Accrued investment income	-	-	-	-	-			
Other receivables	1,750	1,750	-	-	-			
TOTAL	4,372	3,555	597	214	6			

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.

MATURITY ANALYSIS OF CONTRACTUAL FINANCIAL LIABILITIES

	CARRYING AMOUNT	LESS THAN 1 MONTH	1 - 3 MONTHS	3 MONTHS - 1 YEAR	GREATER THAN 1 YEAR
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
2013					
PAYABLES:					
Trade creditors	1,060	995	65	-	-
Box office creditors	6,664	1,991	3,329	1,344	-
Other payables	7,639	7,639	-	-	-
Defined pension superannuation call	4,585	-	-	504	4,081
	19,948	10,625	3,394	1,848	4,081
2012					
PAYABLES:					
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
	26,005	13,198	4,889	4,389	3,529

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.

VICTORIAN ARTS CENTRE TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Note 19: Financial instruments (continued)

INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS

2013	WEIGHTED AVERAGE INTEREST RATE	AVERAGE INTEREST CARRYING	FLOATING INTEREST RATE	FIXED INTEREST RATE	NON- INTEREST BEARING
FINANCIAL ASSETS	%	\$'000s	\$'000s	\$'000s	\$'000s
Cash at bank and on hand	2.83	17,412	17,412	-	-
Cash held in box office bank account	2.83	10,736	10,736	-	-
Investments in equity managed funds		-	-	-	-
Investments in fixed income funds		-	-	-	-
Receivables - trade debtors		1,438	-	-	1,438
Receivables - other debtors		1,395	-	-	1,395
		30,981	28,148	-	2,833
FINANCIAL LIABILITIES					
Trade creditors		1,060	-	-	1,060
Box office creditors		6,664	-	-	6,664
Other creditors		7,639	-	-	7,639
Defined pension superannuation call	7.5	4,585	-	4,585	-
		19,948	-	4,585	15,363
2012					
FINANCIAL ASSETS					
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	-	-
Investments in equity managed funds		4,971	-	-	4,971
Investments in fixed income funds		1,320	-	-	1,320
Receivables - trade debtors		2,616	-	-	2,616
Receivables - other debtors		1,750	-	-	1,750
		42,614	31,957	-	10,657
FINANCIAL LIABILITIES					
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	-
		26,005	_	3,582	22,423

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

- A movement of 50 basis points up and down (F2012: 50 up and down) in market interest rates (AUD);
- A movement of 10 per cent up and down (F2012: 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%
2013	CARRYING AMOUNT	NET RESULT	AVAILABLE FOR SALE REVALUATION SURPLUS	NET RESULT	AVAILABLE FOR SALE REVALUATION SURPLUS
FINANCIAL ASSETS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Cash at bank and on hand	28,149	(148)	-	148	-
Investments in:					
Equity managed fund	-	-	-	-	-
Fixed income managed funds	-	-	-	-	-
	28,149	(148)	-	148	-
2012					
FINANCIAL ASSETS					
Cash at bank and on hand	31,957	(96)	-	96	-
Investments in:					
Equity managed fund	4,971	-	-	-	-
Fixed income managed funds	1,320	-	-	-	-
	38,248	(96)	-	96	-

Note 19: Financial instruments (continued)

MARKET RISK EXPOSURE - PRICE RISK

		-10%	-10%	+10%	+10%
2013	CARRYING AMOUNT	NET RESULT	AVAILABLE FOR SALE REVALUATION SURPLUS	NET RESULT	AVAILABLE FOR SALE REVALUATION SURPLUS
FINANCIAL ASSETS	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Cash at bank and on hand	28,149	-	-	-	-
Investments in:					
Equity managed fund	-	-	-	-	-
Fixed income managed funds	-	-	-	-	-
	28,149	-	-	-	-
2012					
FINANCIAL ASSETS					
Cash at bank and on hand	31,957	-	-	-	-
Investments in:					
Equity managed fund	4,971	-	(497)	-	497
Fixed income managed funds	1,320	-	(132)	-	132
	38,248	-	(629)	-	629

(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 instruments 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

2013	CARRYING AMOUNT	LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS	\$'000s	\$'000s	\$'000s	\$'000s
Investments in:				
Equity managed fund	-	-	-	-
Fixed income managed funds	-	-	-	-
	•	-	-	-
2012				
FINANCIAL ASSETS				
Investments in:				
Equity managed fund	4,971	-	4,971	-
Fixed income managed funds	1,320	-	1,320	-
	6,291	-	6,291	-

Note 20: Superannuation

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

(A) VISION SUPERANNUATION FUND (DEFINED BENEFIT FUND)

The local authorities superannuation fund 31 December 2012 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 confirmed the repayment terms of this shortfall during the financial year ended 30 June 2013. The Trust has opted to repay their share of the shortfall over a 15 year period. The Trust has accounted for interest costs of \$1.409m associated with this repayment option in the Comprehensive Income Statement as the defined pension superannuation call (see Note 3) and in the balance sheet in payables for \$4.585m (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% (9.25% from 1 July 2013) or as per enterprise development agreements.

Note 21: Responsible persons

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

RESPONSIBLE MINISTER

The Hon. Ted Baillieu MLA, Premier of Victoria and Minister for the Arts (from 01 July 2012 until 6 March 2013)

The Hon. Dr Denis Napthine, Minister for the Arts (from 6 March 2013 until 13 March 2013)

The Hon. Heidi Victoria MLA, Minister for the Arts

RESPONSIBLE PERSONS

Mr Tom Harley (from 11 December 2012)

Ms Deborah Beale

Ms Terry Bracks (until 12 March 2013)

Mr Julian Clarke

Mr Sandy Clark (from 26 March 2013)

Ms Dana Hlavacek (from 25 June 2013)

Ms Catherine McClements

Mr Graham Smorgon AM

Professor Leon van Schaik AO (until 12 March 2013)

Mr David Viao

Ms Janet Whiting (until 31 October 2012)

ACCOUNTABLE OFFICER

Ms Judith Isherwood

Note 22: Remuneration of responsible persons

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

The remuneration of the accountable officer was in the range of \$330,000 - \$339,999 (F2012: \$320,000 - \$329,999). This is not included in the table within Note 24.

	2013	2012
Note 23: Remuneration of auditors	\$'000s	\$'000s
VICTORIAN AUDITOR-GENERAL'S OFFICE		
Audit of the financial statements	52	52

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 F2013 the number of males represented in the following table is 3 (F2012: 3) and females is 1 (F2012: 2). In F2013 the Chief Executive and 4 executives (F2012: 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 REM	UNERATION	BASE REM	JNERATION	
	2013	2012	2013	2012	
\$50,000 - \$100,000	-	-	-	-	
\$120,000 - \$129,999	-	-	-	-	
\$130,000 - \$139,999	-	-	-	2	
\$140,000 - \$149,999	-	1	-	-	
\$150,000 - \$159,999	-	-	-	-	
\$160,000 - \$169,999	1	-	1	-	
\$170,000 - \$179,999	-	-	1	1	
\$180,000 - \$189,999	-	2	-	-	
\$190,000 - \$199,999	1	-	-	-	
\$210,000 - \$219,999	-	1	1	1	
\$220,000 - \$229,999	1	-	-	-	
\$230,000 - \$239,999	1	-	1	1	
\$240,000 - \$249,999	-	1	-	-	
Total number of reportable executives	4	5	4	5	
Total annualised employee equivalent (AEE) (i)	3.7	4.6	3.7	4.6	
	\$'000s	\$'000s	\$'000s	\$'000s	
THE AGGREGATE REMUNERATION PAID TO EXECUTIVES	818	972	786	889	

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

	TOTAL EXPENSES (EXCLUS	IVE OF GST)
	2013	2012
\$20,000 - \$29,999	1	-
\$50,000 - \$59,999	1	-
\$70,000 - \$79,999	1	1
\$160,000 - \$169,999	-	1
\$190,000 - \$199,999	1	-
	4	2
	\$'000s	\$'000s
TOTAL EXPENSES (EXCLUSIVE OF GST)	353	243

Note 25: Related party transactions

Ms Deborah Beale is a director of The Production Company (Australia) Limited for which related party transactions in venue rental and associated services received by the Trust amounted to \$901,430 and in function services provided by the Trust amounted to \$66,279.

Ms Janet Whiting is a partner of Corrs Chambers Westgarth for which related party transactions in function services provided by the Trust amounted to \$2,324.

Mr Julian Clarke was a director of Herald & Weekly Times for which related party transactions in venue rental and associated services received by the Trust amounted to \$47,274. During the year, media sponsorship in-kind to the value of \$51,236 was also exchanged between the Trust and Herald & Weekly Times and newspaper subscriptions and advertising totalling \$5,311 were paid to Herald & Weekly Times by the Trust.

Donations and endowments totalling \$58,505 (F2012: \$41,500) were received from Arts Centre Melbourne Trustees.

Note 26: Contingent assets and liabilities

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

Note 27: Subsequent events

An organisational change process was initiated in September that includes an organisational restructure which is intended to make better use of the Centre's staff skills mix and resource allocations, and a number of operational changes to respond to shifting customer needs and address rising overheads.

There were no other subsequent events for the financial year ended 30 June 2013.

Accountable officer's and chief financial officer's declaration

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes presents fairly the financial transactions during the year ended 30 June 2013 and the financial position of the Trust as at 30 June 2013.

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 19 September 2013.

Tom Harley

President

Judith Isherwood Chief Executive

Jodie Bennett

Chief Finance and Accounting Officer





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INDEPENDENT AUDITOR'S REPORT

To the Trustees, Victorian Arts Centre Trust

The Financial Report

The accompanying financial report for the year ended 30 June 2013 of the Victorian Arts Centre Trust which comprises 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 and fair presentation 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 2013 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 2013 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 20 September 2013 John Doyle
Auditor-General

Auditing in the Public Interest

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 ¹				FIXED TERM & CASUAL EMPLOYEES		
	EMPLOYEES (HEADCOUNT) ²		FTE	FTE		YEES OUNT)	FT	.	FTI	
	2013 ³	2012 4	2013	2012	2013	2012	2013	2012	2013	2012
GENDER										
Male	119	97	116	95	33	30	21	18	80	38
Female	134	121	123	109	8	10	5	6	86	52
TOTAL	253	218	239	204	41	40	26	24	166	90
AGE										
Under 25	9	2	9	2	8	6	5	3	45	9
25-34	77	56	73	52	11	11	7	6	60	36
35-44	78	74	74	68	9	9	6	5	30	24
45-54	54	51	50	50	4	6	2	4	20	14
55-64	28	31	27	29	8	8	5	5	8	5
Over 64	7	4	6	3	1	0	1	0	3	2
TOTAL	253	218	239	204	41	40	26	24	166	90

¹ 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.

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:

CATEGORY	КРІ	2012–13	2011–12
Workers' Compensation	Premium rate ¹	1.0%	1.0%
	No. of standard claims	6	8
	No. of lost time standard claims	1	4
	Average cost per standard claim ²	\$6,578	\$9,098
	Average days lost per Workers' Compensation claim ³	5.3	3.3
	Return to work ⁴	83.3%	87.5%
OHS Management Systems Compliance	Achieve compliance to AS4801 ⁵	86%	89%

¹ Percentage of total remuneration compared to the industry average of 1.9%.

 $^{^2}$ The increase in ongoing employee headcount from 2012 to 2013 is mainly due to the engagement of staff as part of the in-house Food and Beverage operations.

³ 2013 employee headcount figure reflects 217 full time headcount and 36 part time headcount.

 $^{^4}$ 2012 employee headcount figure reflects 184 full time headcount and 34 part time headcount.

² Average cost per standard claim as at 30 June 2013.

³ Average days lost for all claims, including minor and standard claims.

⁴ Percentage of injured staff that returned to work in less than 10 days.

⁵ Percentage achieved on internal audit of Occupational Health and Safety Management Systems.

Environmental performance

KEY MEASURABLE		2012–13	2011–12	2010–11	2009–10	2008–09
Electricity Total Consumption ¹	Kilowatt Hr (kWh)	24,000,243	21,997,133	24,254,591	27,542,133	29,328,081
Natural Gas Total Consumption	Gigajoules (Gj)	56,657	60,588	70,713	77,986	76,419
Water Total Consumption	Kilolitres (kL)	70,627	67,461	75,020	77,729*	99,676*
Total Green House Gas Emissions	Tonnes of Co2-e	25,211	32,199	35,686	42,144	40,652

Figures include services supplied to the National Gallery of Victoria.

The reduction in energy usage in years 2010–11 and 2011–12 was due to the refurbishment of Hamer Hall.

Budget Paper 3 output reporting

	2010 10				
	2012–13	2011–12	2010–11	2009–10	2008–09
Access – visitors/users ¹	2,911,930	2,298,103	2,313,670	2,642,401	2,813,403
Number of members and friends ²	1,272	1,152	1,194	1,518	1,941
Number of volunteer hours	1,475	2,264	1,641	1,627	1,415
Number of students participating in education programs	58,380	59,259	70,288	81,709	66,011
% of collections stored to industry standard	68	67	67	60	60
% of visitors satisfied with visit overall ³	87	85	98	98	99
Access – online visitors to website ⁴	2,130,984	1,486,482	1,371,784	2,710,491	1,573,090

¹ Access – visitors/users represent number of attendances as well as visitors to Food and Beverage and Sunday Market (this excludes Carpark).

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.

For the 12 months ending 30 June 2013, the Trust received four applications. Of these requests, three were from organisations and one was from a member of the general public. Of the total requests received by the Trust, three were acceded to in full or in part, and one was withdrawn.

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 is \$25.70 (waived in certain circumstances). Apart from the application fee, certain other charges such as search fees and photocopying charges might apply in relation to the provision of documents as stipulated in the Freedom of Information (Access Charges) Regulations 2004.

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

Financial and other information retained by the accountable officer

The following additional information is retained by the Trust for the period covered by the Annual Report and can be accessed subject to a request in accordance with the provisions of the Freedom of Information Act 1982, to 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.

65

¹ 4.9% of electricity was purchased as Green Power in 2012–13.

^{*} Figures adjusted from correction published in 2008–09 and 2009–10 Annual Reports.

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

³ From F2012, the measure of this KPI has been amended from previous years. The new customer satisfaction survey has been used to measure customer satisfaction across the various touch point chains within the Arts Centre Melbourne operations, which replace the previously more generic assessment.

⁴From F2011, as advised by Arts Victoria, online visitation is counted by browser based web analytical tools.

- 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 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:
 - · Consultants/contractors engaged;
 - · Services provided; and
 - 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.

National Competition Policy

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 National Competition Policy.

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 2012–13 there were two works certified for approval, one work subject to mandatory inspection and no occupancy certificates issued. Additional building works, associated with the refurbishment of Hamer Hall, were carried out on behalf of Arts Centre Melbourne; all works had compliant occupancy certificates issued.

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

Protected Disclosure Act 2012

On 10 February 2013, the *Whistleblowers Protection Act 2001* was repealed and replaced with the *Protected Disclosure Act 2012* (the Act). The Act establishes a new scheme for protecting people who make disclosures about improper conduct in the public sector.

The Trust is committed to the aims and objectives of the Act. In particular, the Trust does not tolerate improper conduct by its staff or the taking of reprisals against those who come forward to disclose such conduct.

DISCLOSURES UNDER THE WHISTLEBLOWERS PROTECTION ACT 2001 PRIOR TO 10 FEBRUARY 2013

During the year while the Whistleblowers Protection Act 2001 was in force:

- a) the Trust did not receive any disclosures under that Act;
- b) the Trust did not refer any disclosures to the Ombudsman to determine whether they were public interest disclosures;
- c) the Ombudsman did not refer any disclosures to the Trust;
- d) the Trust did not refer any disclosures to the Ombudsman to investigate;
- e) the Ombudsman did not take over any investigations of disclosures from the Trust;
- f) the Trust did not make a request under section 74 of that Act to the Ombudsman to investigate disclosures;
- g) the Trust did not decline to investigate a disclosure;
- h) there were no disclosures that were substantiated on investigation and there was no requirement to take action on completion of an investigation; and
- i) the Ombudsman has not made a recommendation under that Act that relates to the Trust.

Since 10 February 2013, the Trust has not received any disclosures to which clause 29 of Schedule 1 to the Act applies.

COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT 2012

The Trust is not a public body to which disclosures may be made. Disclosures of improper conduct or detrimental action relating to the Trust should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC). Further information about making disclosures to the IBAC can be found at www.ibac.vic.gov.au.

As required by s.58(5) of the Act, the Trust will make available on its website www.artscentremelbourne.com.au procedures for protecting people who make protected disclosures from detrimental action by the Trust or its staff.

Implementation of the Victorian Industry Participation Policy

The Victorian Industry Participation Policy Act 2003 requires 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 2012–13 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

An organisational change process was initiated in September. Further details are provided in Note 27 of the Financial Statement.

Consultancies

DETAILS OF CONSULTANCIES OVER \$10,000

CONSULTANT	PURPOSE OF CONSULTANCY	EXPENDITURE (EXCLUDING GST) \$'000s	FUTURE EXPENDITURE (EXCLUDING GST) \$'000s
AKA (Promotions) Australia Pty Ltd	Marketing review	188	12
Arup Pty Ltd	Project management and acoustic consultation	132	17
Jonathan Mills	Programming advice	100	100
Hanson Associates Pty Ltd	Acoustics consulting	56	
Schuler Shook Pty Ltd	Theatre consulting for State Theatre Orchestra Pit	37	
Rider Levett Bucknall Vic Pty Ltd	Surveying and consultancy services	32	
Norman Disney & Young	FIP/EWIS replacement and design engineering	30	
Ernst & Young	Food and beverage process mapping; cash flow forecast tool	29	
Deloitte Touche Tohmatsu	Web development	26	
Talpain Holdings Pty Ltd	Human Resources Consulting	21	
Riskworks Pty Ltd	Emergency Control Organisation training and advice	20	
C.R Knight & Associates (Aust) Pty Ltd	Sewage and water main works consulting	20	
Lovell Chen Pty Ltd	Conservation management plan advice	18	
Aurecon Australia	Engineering advice	17	
Timothy Pascoe Pty Ltd	Strategy facilitation	16	
Sinclair Knight Merz Pty. Limited	Facilities costing and planning advice	15	
Ken, Scarlett	Collections sculpture assessment and review	13	
Ungerboeck Systems International	Accounting software audit services	10	

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2012–13, the Trust engaged 21 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$74,662 (exclusive of GST).

Details of advertising expenditure

Details of government advertising expenditure (campaigns with a media spend of \$150,000 or greater):

NAME OF CAMPAIGN	CAMPAIGN SUMMARY	START/END DATE	ADVERTISING (MEDIA) EXPENDITURE 2012-13 (EXCLUDING GST) \$'000s	CREATIVE & CAMPAIGN DEVELOPMENT EXPENDITURE 2012-13 (EXCLUDING GST) \$'000s	RESEARCH & EVALUATION EXPENDITURE 2012-13 (EXCLUDING GST) \$'000s	PRINT & COLLATERAL EXPENDITURE 2012-13 (EXCLUDING GST) \$'000s	OTHER CAMPAIGN EXPENDITURE 2012-13 (EXCLUDING GST) \$'000s
The New Hamer Hall Opening Concert*	Print & Radio Advertising. 2 shows 26 & 27 July 2012. Featuring: k.d. lang Rachelle Durkin Caroline O'Connor Eddie Perfect Archie Roach Jack Charles ADJA Dance Theatre Lior Jacqueline Dark Antionette Halloran Deborah Humble Rosamund Illing Liane Keegan Sian Pendry Sally-Anne Russell Nicole Youl & The Australian National Academy of Music Orchestra with members of the MSO strings	May 2012 - July 2012	215	0	0	0	0
Summer Campaign	Print & Online Advertising for summer season activity. Including marketing for 8 shows: David Byrne & St Vincent Oh Suivant! Leo Mahmoud Ahmed and the J Azmaris Blaze the Show Sarah Blasko	October 2012 - March 2013	304	0	0	0	0

^{*}Disclsoure excludes additional expenditure incurred in 2011–12.

RISK + INSURANCE ATTESTATIONS



Risk Management Attestation at 30 June 2013

I, Tom Harley, 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 verifies this assurance and that the risk profile of the Victorian Arts Centre Trust has been critically reviewed within the last 12 months.

Tom Harley, President of the Victorian Arts Centre Trust

20 August, 2013





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RISK + INSURANCE ATTESTATIONS



Insurance Attestation at 30 June 2013

I, Judith Isherwood, certify that the Victorian Arts Centre Trust has complied with Ministerial Direction 4.5.5.1 – Insurance\

Judith Isherwood, Chief Executive of the Victorian Arts Centre Trust 23 July, 2013





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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
REPORT OF OPERATION	ONS AND ADMINISTRATIVE REPORTING REQUIREMENTS	
Charter and purpose		
FRD 22D*	Manner of establishment and the relevant Ministers	22–23
FRD 22D	Objectives, functions, powers and duties	22
FRD 22D	Nature and range of services provided	6–21
Management and st	ructure	
FRD 22D	Organisational structure	22
Financial and other in	nformation	
FRD 10	Disclosure index	71–72
FRD 12A	Disclosure of major contracts	52–53
FRD 15B	Executive officer disclosures	60
FRD 22D, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	2–21, 28–29
FRD 22D	Employment and conduct principles	64
FRD 22D	Occupational health and safety	64
FRD 22D	Summary of the financial results for the year	28
FRD 22D	Significant changes in financial position during the year	28–29
FRD 22D	Major changes or factors affecting performance	28–29
FRD 22D	Subsequent events	67
FRD 22D	Application and operation of Freedom of Information Act 1982	65
FRD 22D	Compliance with building and maintenance provisions of Building Act 1993	66
FRD 22D	Statement on National Competition Policy	66
FRD 22D	Application and operation of the Protected Disclosure Act 2012	66–67
FRD 22D	Application and operation of the Whistleblowers Protection Act 2001	66–67
FRD 22D	Details of consultancies over \$10,000	67
FRD 22D	Details of consultancies under \$10,000	67
FRD 22D	Disclosure of government advertising expenditure	68
FRD 22D	Statement of availability of other information	65–66
FRD 24C	Reporting of office-based environmental impacts	65
FRD 25A	Victorian Industry Participation Policy disclosures	67
FRD 29	Workforce Data disclosures	64
SD 4.5.5	Risk management compliance attestation	69
SD 4.5.5.1	Insurance attestation	70
SD 4.2(g)	Specific information requirements	6–21
SD 4.2(j)	Sign-off requirements	Inside front cover, 61
FINANCIAL STATEMEN		
	required under Part 7 of the Financial Management Act 1994 Comprehensive energing statement	30
SD 4.2(b)**	Comprehensive operating statement	
SD 4.2(b)	Balance sheet Statement of changes in equity	31
SD 4.2(a)	Statement of changes in equity	32
SD 4.2(b)	Cash flow statement	33

DISCLOSURE INDEX

	under Standing Direction 4.2	
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	35
SD 4.2(c)	Compliance with Ministerial Directions	35
SD 4.2(d)	Rounding of amounts	36
SD 4.2(c)	Accountable officer's declaration	61
OTHER DISCLOS	URES AS REQUIRED BY FRDS IN NOTES TO THE FINANCIAL STATEMENTS	
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	59–60
FRD 102	Inventories	39, 46
FRD 103D	Non-current physical assets	39–40, 47–49
FRD 104	Foreign currency	42, 55
FRD 106	Impairment of assets	39
FRD 107	Investment properties	N/A
FRD 109	Intangible assets	40, 48
FRD 110	Cash flow statement	33
FRD 112C	Defined benefit superannuation obligations	59
FRD 113	Investments in subsidiaries, jointly controlled entities and associates	N/A
FRD 114A	Financial Instruments – General government entities and public non-financial corporations	52–58
FRD 119	Contributions by owners	32, 41
Legislation		
Freedom of Info	rmation Act 1982	65
Building Act 199	3	66
Protected Disclosure Act 2012		66–67
Whistleblower Protection Act 2001		66–67
Victorian Industry	Participation Policy Act 2003	67
Financial Manag	gement Act 1994	35
Audit Act 1994		62–63
Information Privo	acy Act 2000	22
Public Administra	ation Act 2004	22

^{*}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.

12, 22

Disability Act 2006

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









