



Arts  
Centre  
Melbourne

VICTORIAN ARTS CENTRE TRUST  
**2013 – 2014**  
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 2014.



Tom Harley  
President  
Victorian Arts Centre Trust

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# PRESIDENT'S REPORT

The Trust is pleased to be able to report on a year that is marked by both consolidation and progress to a more sustainable future for Arts Centre Melbourne. We have adopted a new business model, reset our most valued relationships and carefully recalibrated the way the organisation does business. The result has been a year of significant artistic milestones and achievements led by a much-welcomed return to financial stability.

A year ago Arts Centre Melbourne's Executive Group, Trustees and the Governors of the Foundation developed a new business model. We have used this model to restructure the way we organise ourselves internally, shape our own financial discipline and direct the way we work with our partners and supporters. The artistic direction and the Centre's production values have been given a firmer context and provided with greater support. Our ultimate aim is to produce great performances for the widest possible audience and to make full use of our wonderful venues.

## OUR BUSINESS MODEL

The business model breaks into three tiers. The base of the model is the cost of maintaining the fabric of the buildings, the central business services and core staffing. The Government has been supportive of our concept and has increased our base funding for the next two years by 34% for which we are particularly grateful. The Government's support to establish our business model is recognition of a key commitment to the performing arts and also an acceptance that the arts infrastructure of Victoria is a key component in Melbourne's standing as the world's most liveable city. Critically, when asked to help with special funding at the start of last financial year, the State Government responded, for which we are particularly grateful.

The second tier of the model is the commercial tier. Arts Centre Melbourne receives revenues from the companies that it hosts – from our Resident Companies (Melbourne Symphony Orchestra, Melbourne Theatre Company, Opera Australia and The Australian Ballet), to our presenting companies and commercial hirers.

Recognising their substantial contribution to Arts Centre Melbourne's programming calendar and to Melbourne's reputation as one of the most culturally vibrant cities, our Resident Companies have rightfully taken centre stage this year, contributing many of the year's celebrated events and performances. The Melbourne Theatre Company and The Australian Ballet programmed ambitious world premieres in our theatres, and the Melbourne Symphony Orchestra continued the high calibre of performance for which they are rightly receiving popular and critical acclaim. Opera Australia's *Melbourne Ring Cycle* was undoubtedly a highlight of the year in review. As a result of our renewed working partnerships – across all our partners – new opportunities were identified and captured to enhance the audience experience and provide opportunities for growth. Our commitment is to provide the highest quality support for our partners, which in turn is reflected in our financial outcomes. We are determined to achieve mutually beneficial, win-win outcomes. We have undertaken to use whatever surplus we receive in this tier to support the companies in risk sharing, co-productions and minimising costs.

The top tier of the three tiered business model features our programming and funding development work. This tier is funded by our supporters across donors and sponsors and by funds committed by the State Government for programming and community engagement. Critically this tier must be self-funding. This structure has made our position clear that our fundraising quest is to support our programming outcomes – which in turn contributes to the State's cultural offering. With regards to our programming, the year featured a colourful story of performance highlights delivering an all-inclusive offer. Through the vision and generous support of our donors, corporate partners and the State Government, Arts Centre Melbourne contributed 3,376 performances and events to our city and engaged with over 3.1 million people throughout the year.

From the critically acclaimed *Einstein on the Beach*, supported by Naomi Milgrom AO and the world's leading orchestra, the Royal Concertgebouw Orchestra, to family fun with *We're Going On A Bear Hunt* and *The Illusionists*, there really was something for everyone. Our commitment to community access was no better illustrated than with *Play Me, I'm Yours* made possible through the philanthropic leadership of Miss Betty Amsden AO.

Our Performing Arts Collection, now numbering over 610,000 items, also contributed to the year's program with free public exhibitions of varying nature and size – including *The Extraordinary Shapes of Geoffrey Rush* and *The Beatles In Australia* exhibition where we were transported back to Beatlemania in 1964.

## FINANCIAL PROGRESS

Despite a challenging start to the year, Arts Centre Melbourne achieved a significant financial turnaround delivering a \$2.9 million operating surplus with State Government support. This result is testament to a shared commitment to Arts Centre Melbourne's long term sustainability and to the support of stakeholders, especially our staff, who delivered uncompromised customer experiences on tightly managed budgets.

## OUR PEOPLE AND FACILITIES

With a strong belief in people, Arts Centre Melbourne is committed to continuing our learning and development programs, scholarships and industry traineeships. We were thankful to the State Government for the allocation of sustainability funding of \$10.0 million over two years and excited to receive a capital grant of \$16.4 million over three years to the Centre from the State Budget which will enable the renewal of some critical infrastructure. Contained within the funding is a grant for redevelopment planning of the Theatres Building. This is a very pleasing prospect that we have embraced with gratitude and enthusiasm.

*"The result has been a year of significant artistic milestones and achievements led by a much-welcomed return to financial stability"*

## LOOKING TO THE FUTURE

The year ahead is studded with important highlights. In October we host the Melbourne Festival, the London Symphony Orchestra in November and throughout January and February in 2015 we are a major contributor to the precinct-wide Summer Salt Festival. A future milestone will be the new state-of-the-art home of the Digital Learning Hub moving back into Hamer Hall. This is an important digital resource which engages growing minds in contemporary creative forms to connect with 21st century audiences.

Plans are also well underway for events to commemorate the centenary of Gallipoli, hosting the International Society for the Performing Arts (ISPA) conference in 2016 and the further development of our Asian programming offer with plans to present an Asian triennial in 2017 showcasing the very best examples of contemporary creative practice from across the region

## OUR THANKS

At the close of such an enormous year there are thanks owed to so many across a diverse stakeholder network. On behalf of the Trust I would like to extend my sincere thanks to the Victorian Government, led by the Premier of Victoria the Hon Dr Denis Napthine MP and to the Minister for the Arts, the Hon Heidi Victoria MP for their continued support and belief in our role. They have both been personally attentive and enthusiastic for our work.


I would like to warmly acknowledge and thank the generous support of our donors and corporate partners for their continued faith in all that we do. We cannot deliver our world-class programming today or in the future without the generosity of our supporters and for this we are eternally thankful.

I take the opportunity to welcome Jim Cousins AO – a long-time supporter of Arts Centre Melbourne – to the Trust, and I would like to express my gratitude to outgoing Trustee Deborah Beale, who is now a valued member on the Foundation Board of Governors along with three new Foundation Governors, James Ostrobrski, Snowe Li and Colin Golvan QC. I would also like to thank outgoing Trustee David Vigo for his expert support and judgement in his seven years as a Trustee. And to all my fellow members of the Trust, new Foundation Chair Sandy Clark and to the Foundation Board of Governors, I sincerely thank you for your invaluable contribution to the ongoing growth and prosperity of the organisation.

Carrillo Gantner AO, a former President of the Trust and a founding Governor of the Foundation, has announced his retirement. The Centre's debt of gratitude to Carrillo is incalculable. While he may intend to step down from formal positions, it is the Trust's intent to maintain his engagement particularly in progressing the work he has generously supported through the Kenneth Myer Asian Theatre Series.

I would like to acknowledge former Chief Executive Judith Isherwood for her leadership, particularly the phenomenal achievement of overseeing the refurbishment and reopening of Hamer Hall and for leading the organisation forward in a challenging economic climate. I would like to thank Ian Roberts for his brilliant work and contribution to Arts Centre Melbourne as a dynamic Interim Chief Executive as the search for a new, permanent Chief Executive began. Ian's work, along with all the Arts Centre Melbourne staff members, led by a passionate Executive Group, has been transformational in resetting our relationships, our performance and reaching out to the Victorian community. We have an outstanding executive team and I am grateful to Geoff Street, experienced arts manager and previous Arts Centre Programming Manager, who has stepped in whilst we complete the careful search for a new Chief Executive.

Our challenge this year is to ensure our venues are open more often, to bring in new audiences and broaden the appeal of the performing arts to new generations and new communities. As a colleague once eloquently put to me *"now we have the stage there and the lights are on, let's make it sing and dance!"*



**TOM HARLEY**  
PRESIDENT  
VICTORIAN ARTS CENTRE TRUST

# ABOUT US

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Arts Centre Melbourne's three iconic buildings – the Theatres Building, Hamer Hall and the Sidney Myer Music Bowl – sit proudly at the heart of our city's vibrant cultural precinct.

Each of the three landmark buildings and the performances they stage contribute to Melbourne's renowned cultural life and uniquely help to transform our society into a community.

This year, Arts Centre Melbourne welcomed over 3.1 million people, staged 3,376 performances, events and activities and greeted over 46,000 students attending performances in our venues.

For 30 years the organisation has played a leading role in showcasing the best local and international performing arts from the worlds of music, opera, dance and drama to comedy and cabaret. We are partner and home to an important group of performing arts companies we call our Resident Companies – Melbourne Symphony Orchestra, Melbourne Theatre Company, Opera Australia and The Australian Ballet – all of which join a range of other regular presenting companies that bring our stages and remarkable spaces to life.

To complement the work of these performing arts companies, Arts Centre Melbourne presents its own program of performances and events that distinctly offers audiences a multi-dimensional approach to participation, education and engagement.

Adding to the depth of the performing arts experience at Arts Centre Melbourne is our Performing Arts Collection. This is Australia's largest and most important collection of performing arts history and traditions comprising more than 610,000 items and documenting nearly 200 years of performance in Australia.

At the very heart of all that we do, is our community. We are passionate about bringing people of all cultures and ages together through the arts and value the opportunity to explore new ways for audiences to see and experience live performance. We strive to ensure the performing arts are accessible to everyone and this is reflected in our broad range of ticket prices, free events, daytime programming, digital projects and online experiences.

And as an arts centre in the 21st Century, not only do we provide a comprehensive performing arts program but an all-encompassing seven-day-a-week offering ranging from fine dining and tours to markets, exhibitions and installations.



# OUR STRATEGIC FRAMEWORK

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## OUR MISSION

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

## OUR 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.

## OUR GOALS

To achieve our mission, we aim to fulfil six strategic goals.

## PROGRAMMING & FUNDING DEVELOPMENT

Exceptional Experiences

- To develop and present programming activities that draw on a vivid palette of the performing arts that create opportunities for broad-based public engagement. To enhance the performing arts experience through a diverse offering of customer experiences including free events, fine dining, tours, installations and exhibitions.

Stakeholder Support

- To secure and nurture a broad funding base to ensure Arts Centre Melbourne can contribute to the community as a cultural leader and the performing arts can continue to flourish.

## OUR KEY RELATIONSHIPS AND COMMERCIAL ENDEAVOURS

Home of the Performing Arts

- To provide a platform for our Resident Companies and all performing arts companies, regardless of scale, genre or heritage. To be the preferred stage and performing arts portal for local, national and international performers, producers and all those connected with the performing arts.

Audience Development

- To create opportunities for the community to be engaged, informed, educated and entertained through innovative marketing and communication initiatives and communication channels.

## OUR WORKING FOUNDATION

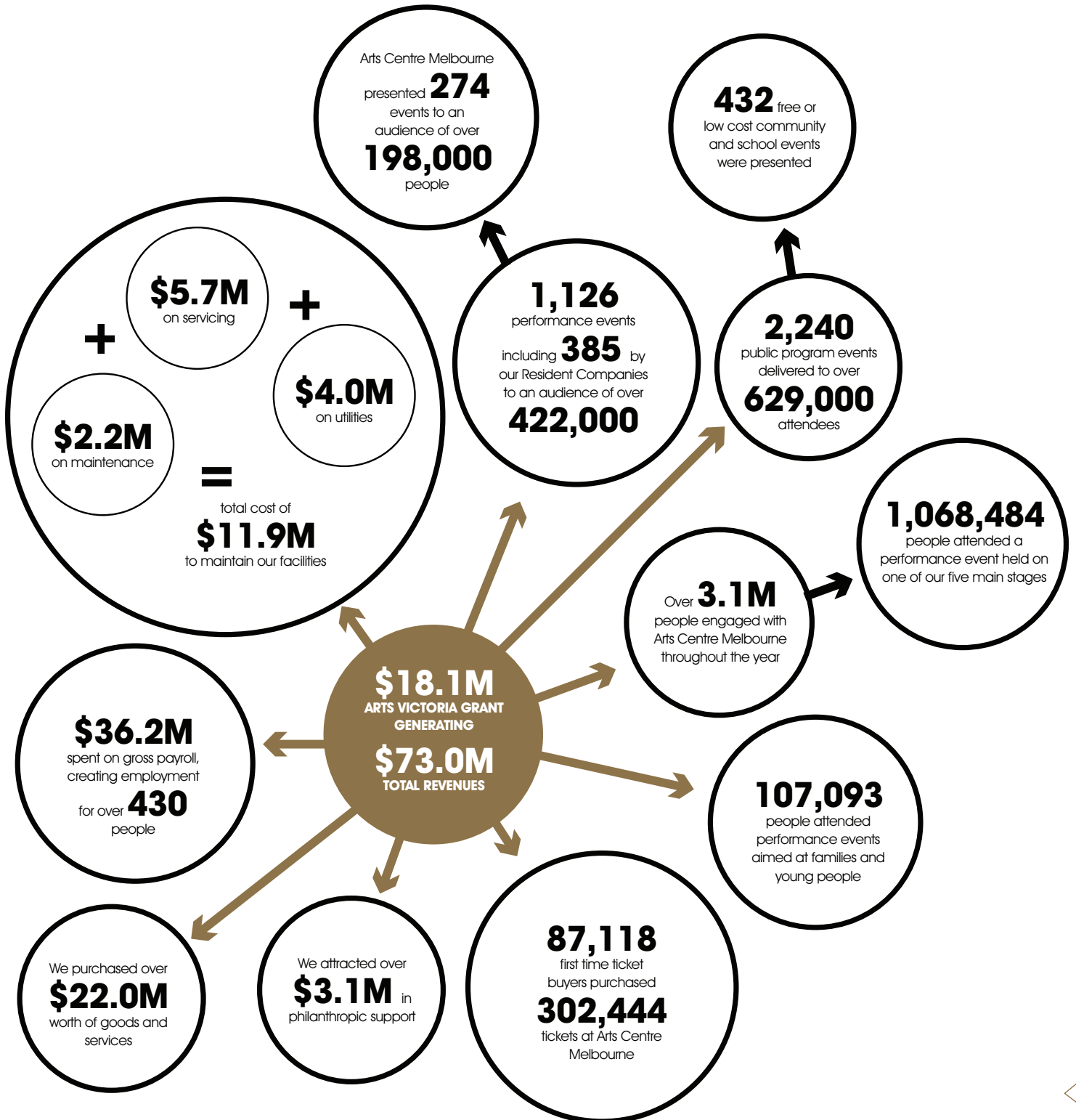
Organisational Capacity

- To develop and retain the right people, systems and processes while balancing our ambitions with responsible fiscal management.

A Vibrant and Sustainable Site

- To provide responsible custodianship and development of Arts Centre Melbourne's landmark buildings and to provide outstanding venues and visitor facilities ensuring the Centre remains a vibrant and meaningful cultural destination for audiences and visitors alike.

# OUR IMPACT



# 2013-14 HIGHLIGHTS

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## JULY

### **EINSTEIN ON THE BEACH**

Arts Centre Melbourne welcomed an Australian exclusive season of this four-hour operatic masterpiece by Philip Glass, Robert Wilson and Lucinda Childs.

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### **THE EXTRAORDINARY SHAPES OF GEOFFREY RUSH**

Nearly 170,000 visitors saw the exhibition celebrating Australia's chameleon of theatre and film.

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## AUGUST

### **RUPERT**

Melbourne Theatre Company's play *Rupert* by David Williamson premiered at Arts Centre Melbourne enthralling over 23,000 people before taking the stage in Washington D.C.

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Arts Centre Melbourne is recognised by the Australian Institute of Project Management for the State Theatre pit expansion and given a 2013 Project Management Achievement Award (Victoria) for projects under \$100 million.

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Arts Centre Melbourne was also recognised in the inaugural Australian Arts in Asia Awards presented by the Australian Government with two awards for *Cho Cho* – under the *Theatre and Partnerships* categories.

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## OCTOBER

### **CHO CHO**

Audiences saw the staging of *Cho Cho*, the first ever bi-lingual musical.

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## NOVEMBER

### **WE'RE GOING ON A BEAR HUNT**

This production thrilled children of all ages. A large 37% of ticket buyers were first time purchasers at Arts Centre Melbourne.

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### **MELBOURNE RING CYCLE**

A sell-out season of Opera Australia's world renowned Wagner masterpiece with an expanded orchestra pit in the State Theatre accommodating up to 110 musicians.

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### **ROYAL CONCERTGEBOUW ORCHESTRA**

Melbourne welcomed the RCO with standing ovations across its two concerts in Hamer Hall showcasing just why they are regarded as one of the world's greatest orchestras.

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## DECEMBER

### **CHRISTMAS MELODIES AT FEDERATION SQUARE**

A landmark broadcast uses Hamer Hall's digital technology to stream the Christmas performance of *Morning Melodies* direct to Federation Square's big screen.

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### **MELBOURNE ARTS WALK**

Thanks to the generosity of donors, a new Melbourne attraction was unveiled featuring the first 19 commemorative plaques celebrating the arts and its supporters around Hamer Hall.

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## JANUARY

### **PLAY ME, I'M YOURS**

An awe-inspiring community project, *Play Me, I'm Yours* saw 24 donated and highly decorated pianos appearing across Melbourne engaging with approximately 440,000 people across the entire city of Melbourne.

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## FAMILIES & YOUTH SUMMER HOLIDAY PROGRAM

32,104 flocked to see dinosaurs, dancing mice and a cat in the hat.

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## FEBRUARY

Arts Centre Melbourne wins two prestigious awards as part of the 2013 Arts Portfolio Leadership Awards:

*Leadership in Community*: for our flagship hip hop and urban music mentoring program, *Dig Deep*.

*Leadership in Technology*: for our live broadcast of *Morning Melodies*.

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## MARCH

### **THE BEATLES IN AUSTRALIA**

Over 200,000 visitors attended the exhibition to celebrate the 50th anniversary of the iconic group's only Australian tour capturing the essence of 1964 Beatlemania.

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## APRIL

### **THE 13-STOREY TREEHOUSE**

With the help of First Call Fund, 1,745 students challenged by circumstance or distance attended performances of *The 13-Storey Treehouse* across the season.

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## MAY

### **OPERA AUSTRALIA'S CARMEN**

Special dining packages, live flamenco and sangria supported a popular opera season in true Spanish style.

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## JUNE

### **VICTORIAN OPERA'S HANSEL & GRETEL**

A ground-breaking relaxed performance of this children's classic introduces the arts to people with learning disabilities.

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*"It brought people together to share a moment of music who would have otherwise just passed each other on the street without a second thought or glance."*

*Play Me, I'm Yours participant*

**98%**

said the experience made them feel happy

**92%**

of the general public who watched or played a piano felt that it made the city more human

# PROGRAMMING & FUNDING DEVELOPMENT

Arts Centre Melbourne takes pride in presenting a bounty of performances, events and activities 364 days of the year. Our distinct multi-disciplinary programming encourages all Victorians to explore and discover their arts centre and exemplifies our role as a cultural influence. Our programming focus is to serve our community and this year, Arts Centre Melbourne delivered a balanced program of performances and events which reflect and respond to our community's diversity.

Spearheading the year in review are our four Resident Companies: Melbourne Symphony Orchestra, Melbourne Theatre Company, Opera Australia and The Australian Ballet. These leading Australian performing arts companies offered audiences a compelling mix of world-class cultural experiences engaging a total of 422,335 people who came to see 385 performances through the year.

It is around these performances that Arts Centre Melbourne programs complementary and contrasting experiences to broaden the experience for our wide range of audiences.

## GLOBAL INSIGHTS

A programming imperative this year was to further elevate our commitment to our Asian counterparts and regional neighbours. Our dedicated programming of Asian work provides a unique focus on the most vibrant arts originating in the region. Asia is increasingly recognised for producing contemporary performing arts of astonishing diversity and virtuosity and we delight in bringing these experiences to the broadest possible audience. We also take great delight in facilitating conversations which deepen the connection between local artists and audiences with the Asian performing arts community. With ongoing support from the Kenneth Myer Asian Theatre Series Endowment Fund we were able to introduce three landmark initiatives. The first initiative was the staging of *Cho Cho*, a ground-breaking bilingual musical theatre production, in collaboration with the National Theatre of China and Playking Productions. Winner of two Australian Arts in Asia Awards presented by the Australian Government, *Cho Cho* also enjoyed seasons in Beijing and at the Shenzhen International Arts Festival.

Our second initiative was *The Lab*, a two week creative laboratory bringing 30 artists together from Australia, Cambodia, Hong Kong, Indonesia, Japan, India and Korea to begin work on 12 new projects ranging from music, theatre and outdoor spectacle to hybrid installations and street arts. As an adjunct to *The Lab* and in collaboration with the Australia Council, Next Wave and AsiaLink, Arts Centre Melbourne co-hosted Australia's first IETM Asian Satellite meeting bringing together 240 artists and arts leaders from 34 countries for three days of creative exchange and conversation. And as our third initiative we proudly administered the inaugural Playking Performing Arts Travel Grants, established by the Playking Foundation, supported by Mr Carrillo Gantner AO, to enable Australian artists to travel to Asia to develop new projects and creative relationships with artists in the region.

Thanks to the vision and generosity of Ms Naomi Milgrom AO, this year welcomed the rarely performed contemporary

classic, *Einstein on the Beach* by Philip Glass, Robert Wilson and choreographer Lucinda Childs. Staged exclusively in Melbourne 20 years after its first performance here, this epic production gave a new generation of Australian audiences the opportunity to experience one of the foundational works of Western modernism.

And, as part of the World Orchestra Program, in November 2013 we were thrilled to welcome the Royal Concertgebouw Orchestra and their Chief Conductor Mariss Jansons. The Melbourne concerts, supported by Holding Redlich, immersed audiences in the transformative artistry of one of the world's greatest ensembles in their 150th anniversary tour.

## FAMILIES & YOUTH

Arts Centre Melbourne conceives and produces a thoughtful program of the best Australian and international work for families and young people and this year was a particular standout for this vital element of our programming and audience development strategy. Supported by the Betty Amsden Arts Education Endowment for Children, our family and youth performances were seen by over 107,000 people. The year's highlights include .h.g. an immersive version of the Hansel & Gretel story which re-imagined and helped shift perceptions of how the performing arts can be experienced. We also enjoyed a highly successful two-week run of the critically acclaimed West End production *We're Going on a Bear Hunt*, where 37% of ticket buyers were first time purchasers at Arts Centre Melbourne. For children aged six years and above, we welcomed the Victorian premiere of *The 13-Storey Treehouse* based on the best-selling novel by Andy Griffiths and Terry Denton. This sell-out season was enhanced by a large-scale free participation program for families and provided schools the opportunity to visit and integrate the arts into their curriculum. Other family-friendly highlights included *The Illusionists* and Erth's *Dinosaur Zoo*.

*Dig Deep*, our flagship hip hop and urban music mentoring program, made significant strides this year towards its long-term goal of being recognised as the leading program for and led by young people. In the last 12 months the *Dig Deep* team launched an album, performed live at Moomba and Refugee Week and won an Arts Portfolio Leadership Award for *Leadership in Community*. An important outcome of the *Dig Deep* program this year was the launch of *Sisters on the Mic*, made possible by the generous support of Mrs Debbie Dadon, a youth program giving young women a voice in the traditionally male-dominated world of hip hop.

In order for young people to extend and deepen their learning of the arts, Arts Centre Melbourne has created opportunities for hands-on participation in our Digital Learning Hub. One of the year's highlights includes the first stage of *Stories in the Wall* based around the performance of Hans Christian Andersen's *You Must Be An Angel*. This year-long project used the tale as a launching pad for an interactive, digital story-telling project. The finished stories will be presented to the public at the end of 2014.

Another highlight for the Digital Learning Hub was the growth of our Community Studio initiative whereby a number of young

people are being mentored and taught to use the recording studio – many of which are now using the facility to produce music by artists within their own community. In the spirit of giving back, the Community Studio mentees will soon begin supporting a new group of young people in using the Hub in the near future.

This year, the Digital Learning Hub saw 12,288 people taking part in workshops and events. Workshops included composing music for the Federation Bells at Birrarung Marr, building touch-sensitive electronic instruments using programmable circuit boards and preparing and performing live sound effects in Theatre Sound Design.

To build opportunities for us to engage with a wider section of the community, the Digital Learning Hub is also hosting monthly community-led meet ups for the Ableton Users Group Melbourne and the Internet of Human Things Melbourne. These groups are inviting young producers, musicians, IT professionals, designers and programmers to meet and work in the space. These communities now regard Arts Centre Melbourne as a place for innovation, conversation and creation.

We eagerly look forward to welcoming many more visitors in the new and improved facilities due to open later in 2014.

*“Our programming focus is to serve our community and this year, Arts Centre Melbourne delivered a balanced program of performances and events which reflect and respond to our community’s diversity.”*

#### DEVELOPING NEW WORKS

Arts Centre Melbourne funded several artists over the year to develop new work. One of these productions was *Dead Symphony* by young Australian composer Saskia Moore who developed a series of compositions based on interviews with people who had been medically declared dead and had been revived. These pieces were performed by UK chamber group Apartment House and performed in the round in a stark rehearsal space four storeys underground. These distinctly unique shows captured the public’s imagination and each show sold out.

Arts Centre Melbourne in association with Melbourne Festival presented a Sans Hotel Production *In Spite of Myself* where Nicola Gunn presented her fictional self as the subject of a fabricated retrospective of her fictional work. This work was critically acclaimed and helped to attract new audiences.

Work also began for *5x5x5*, a project featuring five young composers, five sites around Arts Centre Melbourne with each musical score five minutes long. Supported by Arts Victoria, *5x5x5* created a platform for a mentoring program for young composers under the age of 30.

#### ACCESS ALL AREAS

Arts Centre Melbourne invites audiences to engage with the arts through a wide-ranging program of free events and public participation activities. Our exhibitions program is pivotal to delivering this mission. The year featured stunning examples of our incomparable Performing Arts Collection’s ability to tell powerful Australian performing arts stories. With over 610,000 items documenting over 200 years, a total of 10 free exhibitions were presented on site with visitors reaching over 485,000.

Exhibition highlights included *The Extraordinary Shapes of Geoffrey Rush* celebrating the prolific and distinguished career of Geoffrey Rush and *All that Glitters*, developed to enhance the *Melbourne Ring Cycle*, featured treasures from our Costume Collection including Dame Nellie Melba’s rarely exhibited *Lohengrin* cape designed by Jean-Philippe Worth. *The Beatles in Australia* exhibition was another year highlight programmed to mark the 50th anniversary of The Beatles’ 1964 concert tour of Australia. Co-presented by the Powerhouse Museum in Sydney, and developed in consultation with rock historian Glenn A. Baker, the exhibition also included a popular education component including a lyric writing workshop for students.

With accessibility (and inclusivity) front and centre, this year also saw a pioneering collaboration with Victorian Opera with the programming of a relaxed performance of *Hansel & Gretel*. A relaxed performance is specifically designed to welcome people with a learning disability, a sensory and communication disorder, Down Syndrome or autism. The aim is to present a show in a relaxed environment with elements of the production designed to reduce any anxiety or stress. As such, lighting and sound levels were adjusted to soften their impact and a relaxed attitude was adopted to noise and movement in the auditorium during the performance. Made possible by The Lorenzo and Pamela Galli Charitable Trust and Cassandra Gantner Foundation, this visionary work scaled new heights in access programming demonstrating strong audience appetite for such performances.

And undoubtedly a highlight of our public programming this year was *Play Me, I’m Yours*, a project which inspired and captivated the entire city of Melbourne. Made possible through the generous support of Miss Betty Amsden AO, *Play Me, I’m Yours* saw 24 brightly decorated pianos appearing across Melbourne inviting individuals to connect through music. As a result of this highly accessible and inclusive undertaking, an astounding 440,000 people engaged with the pianos with 215 people from 31 community groups contributing to the pianos’ decoration or performance program and 62 donors giving pianos or funds. *Play Me, I’m Yours* is the first of four community projects in the Betty Amsden Participation Program with the next instalment, *HOME*, to launch in January 2015.

#### BUILDING OUR NATIONAL COLLECTION ARCHIVES

Arts Centre Melbourne’s Collections continue to grow and this year was no exception with significant donations received from designers Roger Kirk and Peter Corrigan along with costumes, posters and awards from performer Toni Lamond, and archival material documenting The Gordon Frost Organisation, performers Frank and Desle Ward and puppeteer Peter Wilson. Arts Centre Melbourne also warmly welcomed Opera Australia as a major donor with their first spellbinding instalment being costumes worn by Dame Joan Sutherland in *Idomeneo* and *The Merry Widow*.

# PROGRAMMING & FUNDING DEVELOPMENT

Over 250 research enquiries were received and 120 people accessed the Research Centre during the year resulting in outcomes as diverse as a community art installation in the City of Hume, filming of the Barry Humphries Collection for the forthcoming BBC television program *Brilliant Creatures* and providing images of designs and plans from the Brian Thomson Collection to assist Opera Australia in re-staging *The King and I*. Content on the Collections pages of Arts Centre Melbourne's website had 90,300 hits and over 500 items from the Collections were lent to eight different organisations.

An interim Collection Storage Solution project funded by Arts Victoria has enabled further improvements to be implemented with the major focus being relocation of material off-site to Public Record Office Victoria thereby creating additional space onsite for high profile items and material accessed through the Research Centre by members of the performing arts industry, the academic sector and from the public.

Arts Centre Melbourne also highly values the work of volunteers who contributed to the Performing Arts Collection this year by collectively donating over 650 hours of their time.

## OUR FUNDING DEVELOPMENT

The delivery of these world class events and activities reflects the generosity of our donors and corporate partners. Our ability to grow, prosper and continue to diversify our arts experiences is due in no small part to these visionary individuals and corporations.

The belief and confidence our supporters bestow leaves us inspired and determined to deliver the best arts experiences to the widest possible audience – today and tomorrow. Arts Centre Melbourne has carefully designed our fundraising programs to bring our donors closer to the arts and to Arts Centre Melbourne. Our most recent program, the Melbourne Arts Walk, was unveiled this year with the first 19 plaques inlaid into the pavement outside of Hamer Hall. This evocative initiative captures the inspiration of live performance and intricately celebrates the support of our donors, and all contributors to the arts, with a series of carefully designed plaques located right in the heart of our city's cultural precinct. All of the funds raised from the Melbourne Arts Walk are directed to our Endowment Fund which ensures future generations will benefit from the arts.

A long-standing part of our fundraising folio is our Arts Angels program. Our Arts Angels are a devoted group of supporters critical to Arts Centre Melbourne delivering the best performing arts experiences across our four key programming pillars – Australian, Community, International and Collections. Funds graciously provided by our Angels were directly invested into the year's programming offer.

Our special thanks to our Leading Lights Angels Miss Betty Amsden AO, Ms Naomi Milgrom AO, the Myer family via the Sidney Myer Fund and Mr Marc Besen AO and Mrs Eva Besen AO and our Visionary Angels Pamela Galli via The Lorenzo and Pamela Galli Charitable Trust and Mrs Krystyna Campbell-Pretty and Mr Harold Campbell-Pretty.

Alongside Melbourne Arts Walk, our bequest program Legacy Angels and our seat endowment program, our name a seat initiative, also continue to be important fundraising platforms for our Endowment Fund, critical to our future programming for the next generation of audiences.

Our First Call Fund continued to grow this year at a tremendous rate enabling 13,675 young people, challenged by circumstance or distance, to experience live performance at Arts Centre Melbourne. The support given to the First Call Fund illustrates the power of philanthropy to create meaningful experiences and equitable opportunities – it is through donor support that the arts can remain an educational right and not a privilege.

Our corporate partners play a pivotal role in contributing to the breadth and depth of our programming and we love that they add value to the customer experience through their creative initiatives made accessible to all Arts Centre Melbourne visitors. We would like to extend our sincere thanks to Holding Redlich, Honda and HOSTPLUS.

Trusts and Foundations and of course government also play an important role in us realising our programming ambitions. Special thanks to the Helen Macpherson Smith Trust, Australia Council for the Arts, the Australia-China Council and the State Government.

In addition to our fundraising programs, our membership program also plays an important role in the ongoing vitality of the organisation. This year our membership program grew to encompass three membership tiers including The President's Club, our general Membership and the recently launched Arts Ambassador program. Our membership base is a loyal and highly engaged group of patrons that each year embraces all that Arts Centre Melbourne has to offer. We are sincerely grateful for our members' ongoing support, involvement and passion.

## OUR IMPACT

As part of our responsibility to our donors, corporate partners and to government, we are committed to embedding the right metrics to track the difference our programming makes to the lives of Victorians socially, educationally, culturally and economically – and to exemplify and quantify the impact that funding can have. Importantly, the right metrics helps to exemplify and quantify the impact that giving can have on our programming and on our ability to make the arts accessible to as many Victorians as possible. This year, we put 24 programs under the lens surveying over 4,000 people and interviewing 100 more; all in the effort to better understand the impact of our programs.



*"It was one of the best exhibitions I have been to. It provided a deep and meaningful insight into the work of this wonderful performer whilst also being extremely entertaining"*

*The Extraordinary Shapes of Geoffrey Rush exhibition visitor*

**85%**

of visitors surveyed said they gained a deeper appreciation about aspects of Australia's performing arts history.

**80%**

wanted to know more.

# OUR KEY PARTNERSHIPS & COMMERCIAL ENDEAVOURS

It is impossible to look back on the year without celebrating the comprehensive program presented by our Resident Companies. Melbourne Symphony Orchestra, Melbourne Theatre Company, Opera Australia and The Australian Ballet who all play an important role in bringing the best of theatre, opera, ballet and music to the city and to our stages.

This year Resident Companies offered Melbourne a spectacular choice of exceptional performances that attracted sold-out audiences giving life to our spaces – which all adds to and enhances the Arts Centre Melbourne experience. The calibre and scope of performances not only filled our theatres and spaces but also helped to introduce new audiences to Arts Centre Melbourne.

## MELBOURNE SYMPHONY ORCHESTRA

Melbourne has the longest, continuous history of orchestral music of any Australian city and the MSO is proudly the oldest professional orchestra in Australia.

In 2013 the Orchestra collaborated with many leading international and Australian conductors and soloists including Mark Wigglesworth, Simone Young, James Ehnes, Bernard Labadie, James Morrison, Marina Prior, Teddy Tahu Rhodes, Richard Tognetti and new Chief Conductor Sir Andrew Davis.

In addition to leading the Orchestra in three sell-out performances of Verdi's *Requiem*, Sir Andrew joined American pianist Emanuel Ax for Beethoven's *Piano Concerto No.4*.

The year also included Australian premieres from three of the world's most celebrated living composers. John Adams' *City Noir* was conducted by composer in a rare Australian appearance while Brett Dean's *The Last Days of Socrates* (a MSO Co-commission) was conducted by Simone Young alongside Mahler's *Fifth Symphony*. Two new works were also premiered by Chinese composer Tan Dun, who led the MSO in its inaugural Chinese New Year concert.

Other highlights included *The Russian Festival*, helmed by the MSO's new Principal Guest Conductor Diego Matheuz, Dvorák's *New World Symphony* conducted by Jakub Hruša and the popular big screen experiences Disney's *Fantasia* and *The Lord of the Rings Trilogy* finale.

## MELBOURNE THEATRE COMPANY

Founded in 1953, Melbourne Theatre Company is the oldest professional theatre company in Australia and has played a major role on our stages since our inception 30 years ago. In his first full year as Artistic Director, Brett Sheehy AO aptly began the financial year with *Rupert*, an enthralling political fantasia set around media giant Rupert Murdoch. This important piece of Australian theatre by playwright David Williamson was a sell-out success, seen by over 23,000 people at the Playhouse before taking the stage in Washington D.C. to the equal delight of American audiences. In May, MTC premiered *The*

*Speechmaker* at Arts Centre Melbourne. Written by Working Dog trio Santo Cilauro, Tom Gleisner and Rob Sitch – responsible for such Australian film classics as *The Castle – The Speechmaker* presented a political satire that featured a stellar ensemble cast and an unfailing comedic script that saw the season completely sell out by its opening weekend.

## OPERA AUSTRALIA

Opera Australia is the national opera company and the country's largest performing arts company. It grew out of the Australian Opera Company which was formed in Sydney in 1956 under the auspice of the Australian Elizabethan Theatre Trust. The company was among the first to perform at Arts Centre Melbourne when our theatres opened in 1984 and continues to present its annual schedule of two seasons in the State Theatre. This year, after much planning, Opera Australia presented their first ever complete staging of Richard Wagner's *Melbourne Ring Cycle*. This much-anticipated staging of Neil Armfield's new production featured an international and Australian cast accompanied by the 110 musicians Wagner had envisioned for his mammoth score. The production was internationally acclaimed, and this momentous experience was a true highlight of the Arts Centre Melbourne year. Opera Australia also presented four other celebrated productions – *Rigoletto*, *Eugene Onegin*, *The Turk in Italy* and *Carmen* all of which had audio described performances. Away from the traditional operatic stage, Opera Australia entertained audiences with a celebrity songfest featuring Broadway star Mandy Patinkin and American baritone Nathan Gunn in a showcase of popular musical hits; and also presented the much-loved annual *Mazda Opera in the Bowl*.

## THE AUSTRALIAN BALLET

The Australian Ballet is the largest classical ballet company in Australia. It was founded by J. C. Williamson Theatres Ltd. together with the Australian Elizabethan Theatre Trust in 1962. One of the busiest ballet companies in the world, today The Australian Ballet is recognised as one of the world's major international companies, delighting audiences with a mix of full-length classical performances alongside a range of contemporary works. The first and last of the great romantic ballets, *La Sylphide* and the glittering party piece *Paquita*, were presented in double bill early in the year. These performance favourites were followed by the world premiere season of Alexei Ratmansky's new production of *Cinderella* and a return season of Sir Kenneth MacMillan's *Manon*. The popular *Telstra Ballet in the Bowl* once again entranced families with a free program of well-known ballet excerpts at the Sidney Myer Music Bowl during the summer. Towards the end of the year, *Chroma*, a triple bill showcasing ballet in all its facets, dazzled audiences with works by international choreographers Wayne McGregor and Jirí Kylián and The Australian Ballet's resident choreographer Stephen Baynes.

## PRESENTING COMPANIES

In addition to our Resident Companies, Arts Centre Melbourne welcomed a large range of other leading performing arts companies all of whom regularly contribute to the breadth and depth of performances programmed for the community.

### AUSTRALIAN CHAMBER ORCHESTRA

Returning international cellist Steven Isserlis and soprano Dawn Upshaw were among the stars teaming with the Australian Chamber Orchestra in its subscription series at Hamer Hall. Richard Tognetti and orchestra moved audiences with their signature creativity in such performances as *Timeline*, taking audiences on a musical voyage featuring a vocal sextet, percussion and carefully curated recordings augmenting the strings of the ACO.

### BELL SHAKESPEARE

Bell Shakespeare partnered with the State Theatre Company of South Australia to present 14 performances of *The Comedy of Errors* in the Fairfax Studio. Director Imara Savage took the audience on a wild ride as she updated one of Shakespeare's earliest comedies into the red-light district of Kings Cross from dusk till dawn. Laden with cheeky nods to popular culture, the show had the audiences in stitches.

### MELBOURNE FESTIVAL

In her first year as Creative Director for the Melbourne Festival Josephine Ridge presented a range of Festival events at Arts Centre Melbourne. *Gurumul – His Life And Music*, with special guest Sarah Blasko, was the first of a three-year series of special Festival concerts at the Sidney Myer Music Bowl. Multi-ARIA award-winning Indigenous artist Gurumul presented a spellbinding account of his unique life, voiced through song, film and the storytelling of his people. *Sun* by contemporary dance company Hofesh Shechter Company, presented in association with Ziyin and Carrillo Gantner AO, brought together a pulsing score, sharp-eyed design and intense physicality that have become hallmarks of Shechter's work. Other productions included *Archie Roach – Into The Bloodstream*, and the Australian premiere of *Teenage Riot* a gripping plunge into the teen psyche from Belgian company Ontroerend Goed.

### THE PRODUCTION COMPANY

The Production Company continued to entertain audiences with their productions of Broadway's enduring musical favourites. With Australian star Caroline O'Connor headlining the cast of *Gypsy*, it was a true-fired hit at the start of the season. *Singin' in the Rain* followed as did Gilbert and Sullivan's *The Pirates of Penzance* with staging by Dean Bryant and Andrew Hallsworth.

## VICTORIAN OPERA

Utilising three different Arts Centre Melbourne venues, Hamer Hall, the Playhouse and the Fairfax Studio, the Victorian Opera offered a diverse trio of performances through the year. In the Playhouse, *Sunday in the Park with George* continued the company's love affair with Stephen Sondheim's musicals, while the Fairfax Studio provided the stage for Humperdinck's children's opera *Hansel & Gretel* which included the very successful relaxed performance. In Hamer Hall, *Stars Of Tomorrow* provided the company with an opportunity to showcase its new talent from its young artists program.

*"This year Resident Companies offered Melbourne a spectacular choice of exceptional performances that attracted sold-out audiences giving life to our spaces – which all adds to and enhances the Arts Centre Melbourne experience"*

## COMMERCIAL PRESENTERS

Across all Arts Centre Melbourne venues any one year offers a diverse range of performing activity, with an important and valued component delivered by a wide range of regular and one-off presentations by some of Australia's leading commercial presenters. During the year, performers seen at Arts Centre Melbourne included Joan Baez, Don McLean, Ute Lemper, Celtic Woman, the Australian World Orchestra, Isabella Rossellini, Neil Finn, Daniel O'Donnell, Dave Matthews Band, Jeff Beck Band, Anthony Warlow and Faith Prince, The Hollies, Patrizio Buane, Paramore and The National.

## EXTRAORDINARY EVENTS

This year we further developed our reach to audiences during the Melbourne International Comedy Festival season in our venues including performances by The Umbilical Brothers and Perfect Tripod, in addition to hosting Comedy Festival

# OUR KEY PARTNERSHIPS & COMMERCIAL ENDEAVOURS

key artists Denise Scott, Tim Key and Sean Cullen. We expanded our partnership with the Melbourne Food and Wine Festival to include events such as The Aqua Panna Global Wine Experience, Bubbles and Tea, Water Table and Stomping at the Tram in conjunction with Yering Winery. Arts Centre Melbourne also once again partnered with White Night in its second successful year with our *Rachmaninoff Live* in Hamer Hall, our Night Hawks Market on the lawn and the ever-popular Phantoms of the Opera Ghost Tours offering visitors the opportunity to experience the magic that occurs back of house.

Arts Centre Melbourne also proudly partnered and collaborated with other large Melbourne events and initiatives. Such events this year included agIdeas, Face the Music, the 2014 Committee for Melbourne Annual Dinner and the 2013 Melbourne International Film Festival Opening Night Gala in Hamer Hall – all of which helped to build new audiences and further positioned our buildings as interesting and innovative event spaces.

## FOOD & BEVERAGE

Arts Centre Melbourne's food and beverage offer was expanded and enhanced this year through a range of initiatives including the introduction of new and contemporary menus, expansion of seasonal produce from our local farmers and esteemed provedores and the provision of incomparable customer service.

An important part of the food and beverage experience for customers is our tenanted restaurants located in Hamer Hall. The dining precinct was created during the Hamer Hall refurbishment and has added immeasurably to the Arts Centre Melbourne experience – and importantly, these dining spaces have helped position Arts Centre Melbourne as a compelling visitor destination. The Urban Purveyor Group's Saké Bar & Restaurant as well as the recently launched Fatto Bar & Cantina by The Van Haandel Group have become audience favourites and popular city dining choices. We now look forward to the launch of the new tenancy, also in Hamer Hall, in late 2014.

## THE ARTS CENTRE MELBOURNE EXPERIENCE

Working closely with our Resident and presenting companies, Arts Centre Melbourne has captured new and innovative ideas to expand and enhance the customer experience. It has been a year of creative initiatives which have enabled our partners to converse with audiences across multiple touch points while audiences have been able to enjoy more integrated opportunities to experience the arts and all that Arts Centre Melbourne has to offer.

Opera Australia's *Melbourne Ring Cycle* dining experiences were a highlight when over 5,800 people enjoyed interval dining experiences created by a team of Arts Centre Melbourne chefs in four of our most popular dining spaces, Café Vic, the Members' Lounge & Dining Room, Curve Bar, and the ANZ Pavilion. In partnership with Opera Australia, the Tram Bar,

centrally located on the Theatres Building forecourt, was recreated as the Festspielhaus – the official meeting place for *Melbourne Ring Festival* participants – while the forecourt itself was programmed as an open-air concert space.

In further collaboration with Opera Australia, we developed a pre-show dining experience for the season of *Carmen*, aptly named *La Plaza del Carmen*. Over 10 nights 700 people dined on our forecourt under Arts Centre Melbourne's famous spire while a further 16,300 people experienced a Spanish-themed interval experience enjoying quintessential Spanish cuisine including sangria and a selection of tapas.

Another hospitality highlight was the collaboration with The Australian Ballet to present the *Manon* pre-show experience including sparkling wine and French canapés. This culinary adventure was experienced by nearly 700 people, contributing to the *Manon* event experience.

## THE ONLINE EXPERIENCE

The customer online experience is critical to the Arts Centre Melbourne experience. It is often one of the first touch points customers have with the organisation and so, as opportunities continue to develop in the digital sphere, its future potential for the organisation is substantial.

Excitingly the growth of Arts Centre Melbourne's social media channels in the past year shows us just how important this portal is for us and where opportunities await – Facebook became our second highest communication channel and we now have over 121,000 engaged Facebook followers and over 14,600 Twitter followers.

Cognisant of how important the online booking experience is – 31% of Arts Centre Melbourne's audiences booked their tickets online via our Tessitura CRM system this year – in late 2013 we reignited the re-development of Arts Centre Melbourne's website and the first stage of this project was released in early 2014 which included tablet and smart-phone functionality. Our future development priorities include a seamless purchase pathway for customers and providing an online subscription service for two of our important presenters, The Production Company and Victorian Opera.

Understanding the power of data and the importance of message personalisation, in the past year we have continued to develop and expand our audience database and we anticipate that our one millionth constituent will be welcomed by February 2015. In order to fully capitalise on our database opportunities, we have commissioned Morris Hargreaves McIntyre to implement their Culture Segment program, a culture-specific segmentation system that draws upon a leading-edge practice to identify which audiences want to see which shows and why. In turn, this will also strengthen how we communicate and engage with both prospective and existing customers.



*"The single most extraordinary piece of performance of any kind we have seen in over 40 years of attending. As perfect as anything could be"*

*Einstein on the Beach audience member*

**66%**

of ticket buyers surveyed agreed that the work was like nothing they had never experienced before

**37%**

of ticket buyers were new to our database

# OUR WORKING FOUNDATION

Arts Centre Melbourne has returned to a financially sustainable position this year through a range of cost-saving and income-generating measures. The organisation's revitalised business model helped to guide targeted cost reductions across all operating expenses, enabled us to engage in value-for-money procurement initiatives and derive greater benefits from regular tendering activity to ensure our service partners remain competitive. These activities together with carefully balanced Box Office programming and continued growth in both fundraising income and commercial activities, generated a positive finish to the financial year.

We are committed to prudent financial management and our financial results demonstrate that every dollar earned and invested worked hard for the organisation and the community we serve.

## **BUILDINGS & FACILITIES INVESTMENT**

Capital grants drawn down of \$2.9 million from the State Government this financial year has enabled us to invest in key areas of Arts Centre Melbourne's infrastructure and energy-saving projects, which will ensure we reduce our overall energy usage over the next three years. We are exceedingly grateful for the continued support of the State Government who continues to generously fund building and facility renewal works.

A partial refurbishment of the shared boiler system, servicing both Arts Centre Melbourne and the National Gallery of Victoria, was completed in May 2013. In addition to extending the life of this critical heat generating system by 20 years, the refurbishment has delivered a reduction of 16% of gas usage through this first full year in use.

Demonstrating our commitment to our Resident Companies, we successfully completed the ambitious project of expanding the State Theatre orchestra pit for Opera Australia's *Melbourne Ring Cycle*. The pit expansion was designed to accommodate up to 110 musicians enabling a spectacularly powerful performance of this Richard Wagner masterpiece. The expansion was well received by both Opera Australia and Orchestra Victoria as well as being officially recognised by the Australian Institute of Project Management with their 2013 Project Management Achievement Award (for projects under \$100 million).

The long-lead planning and consultation process with Opera Australia, Orchestra Victoria and other important stakeholders such as The Australian Ballet has resulted in the orchestra pit being a permanent asset and feature in the venue. The design of the orchestra pit expansion has enabled the stage to extend further into the auditorium enabling companies to showcase their work on a vast platform while allowing audiences to enjoy a more intimate and up-close experience with live performance.

The customer experience was also enhanced during the year with the upgrade of our public service lifts. The four lifts were upgraded to service our large visitor numbers providing improved reliability, reduced waiting times and importantly, ensured lifts are operating at the highest safety standards. And the contemporary detailing with digital panels featuring easy-to-use control buttons, transform the lifts into time travel vessels as guests move effortlessly between the labyrinth of levels and corridors that delight beneath ground level and provide great entertainment during the school holidays!

## **THEATRE TECHNOLOGY**

Throughout the year we embraced technology with great enthusiasm. Hamer Hall's broadcast environment in particular was placed under the performance spotlight with its recording and broadcasting capabilities. This year these facilities enabled Arts Centre Melbourne to deliver the first ever simulcast transmission of the Christmas performance from our long-running Morning Melodies series to the big screen in Federation Square. The simulcast not only attracted new audiences, but also enabled greater access to the arts outside of our traditional theatres spaces. The initiative subsequently won the 2013 Arts Portfolio Leadership Award in the *Leadership in Technology* category.

The broadcast environment has recorded over 40 productions since Hamer Hall's re-opening in July 2012 and plans are now underway to extend these capabilities across our other Arts Centre Melbourne venues.

During the year, trials for new theatrical moving light technology were successfully conducted in both the Playhouse Theatre and Fairfax Studio and were welcomed by our presenters with great interest. This new technology has allowed for greater cost efficiencies that in turn have enabled presenters of all sizes to access our resources – providing for more equitable opportunities in the sector.

## **DISABILITY ACCESS AND CARER SUPPORT**

Disability access continues to be a priority with this year seeing an increased number of performances being captioned, audio described and/or Auslan interpreted. In addition, over 100 of our front of house staff were trained in Arts Centre Melbourne's Access Awareness Training as part of our ongoing customer service training. Additional staff training was developed in conjunction with Arts Access Victoria with a specific focus on autism and learning disabilities. This was delivered to a group of supervisors and team leaders, who were then rostered to work the relaxed performance of *Hansel & Gretel*.

A particular highlight of the year was Arts Centre Melbourne's first relaxed performance for audience members with Down

Syndrome, an Autism Spectrum Disorder or learning, sensory and communication disorders. In partnership with Victorian Opera, a performance of *Hansel & Gretel* was presented to a highly engaged sold-out audience, presenting the case for future performances of a similar vein.

Arts Centre Melbourne also ardently continues to support the work of carers and companions by being an affiliate of the Companion Card scheme and providing numerous discounts on ticket prices.

*"Arts Centre Melbourne has returned to a financially sustainable position this year through a range of cost-saving and income-generating measures."*

#### **OUR PEOPLE**

Our people are our own cast and crew and we are incredibly proud of the exceptional contribution they make. Our people underpin our agility in a fast-moving economy and are the very conduit to the organisation's growth and evolution.

We are passionately committed to creating a positive and inspiring work culture shaped by our values. We want our people to reach their personal and professional potential and so unreservedly encourage learning and development at all levels. We provide our staff with numerous learning and development opportunities including leadership, technical, compliance, health and safety training programs through workshops, courses, webinars and e-learning.

And with a view firmly on the future, we are committed to nurturing our industry's future leaders and so we provide multiple entry points for our staff and members of the public to learn and grow.

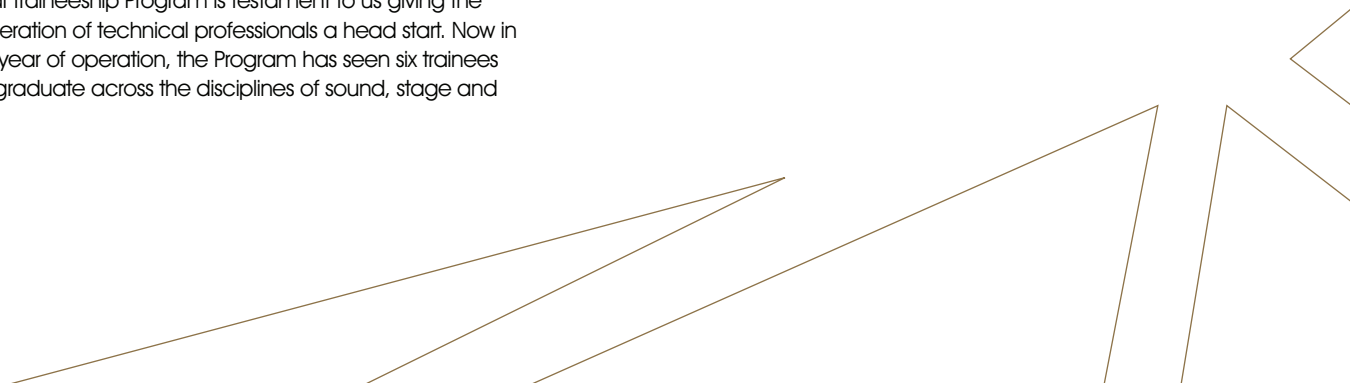
Cognisant of a general market decline in skilled technicians, supporting backstage brilliance is important to champion. Our Technical Traineeship Program is testament to us giving the next generation of technical professionals a head start. Now in its fourth year of operation, the Program has seen six trainees already graduate across the disciplines of sound, stage and

lighting with an additional three new trainees due to complete their certificate this year. Theatrical Rigging and Flying Systems training was also delivered to our technical teams, with training services provided to the Victorian Association of Performing Arts Centres.

We are continuing to expand our technician learning and development program with the inclusion of senior school students completing work experience at Arts Centre Melbourne over the year. During the students' placement each had the opportunity to spend time in the technical department, attend production rehearsals and further develop their technical theatre skills.

In 2013, Miss Betty Amsden AO generously funded two \$10,000 scholarships to members of staff under the Betty Amsden Scholarship for Leadership in Arts Management. The year's scholarships were awarded to two managers within the organisation allowing one scholarship winner to explore new and emerging technology in the arts while the other was able to delve into the development of a training and mentoring program for the state of the art PRG 676 lighting board operators.

Our reward and recognition program, our Standing Ovation Awards, continues to be an integral part of our commitment to recognising and rewarding staff. This year we recognised six teams and nine individual members of staff who had gone above and beyond their daily roles and made an outstanding contribution to Arts Centre Melbourne. HOSTPLUS generously supported the program by sponsoring the Quarterly Standing Ovation Award and the Employee of the Year Award for which we are tremendously grateful.



ARTS CENTRE MELBOURNE



ROYAL  
CONCERTGEBOUW  
ORCHESTRAL  
AMSTERDAM



WELCOMES

L  
EBOUW  
TRA  
M



*"The orchestra played as though  
I only heard ONE instrument.  
This was the best orchestral  
experience of my life!"*

RCO audience member

**95%**

of ticket buyers surveyed  
agreed that the  
performance moved them  
on an emotional level

**84%**

of ticket buyers surveyed  
agreed the performance  
stimulated them  
intellectually.

# 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.

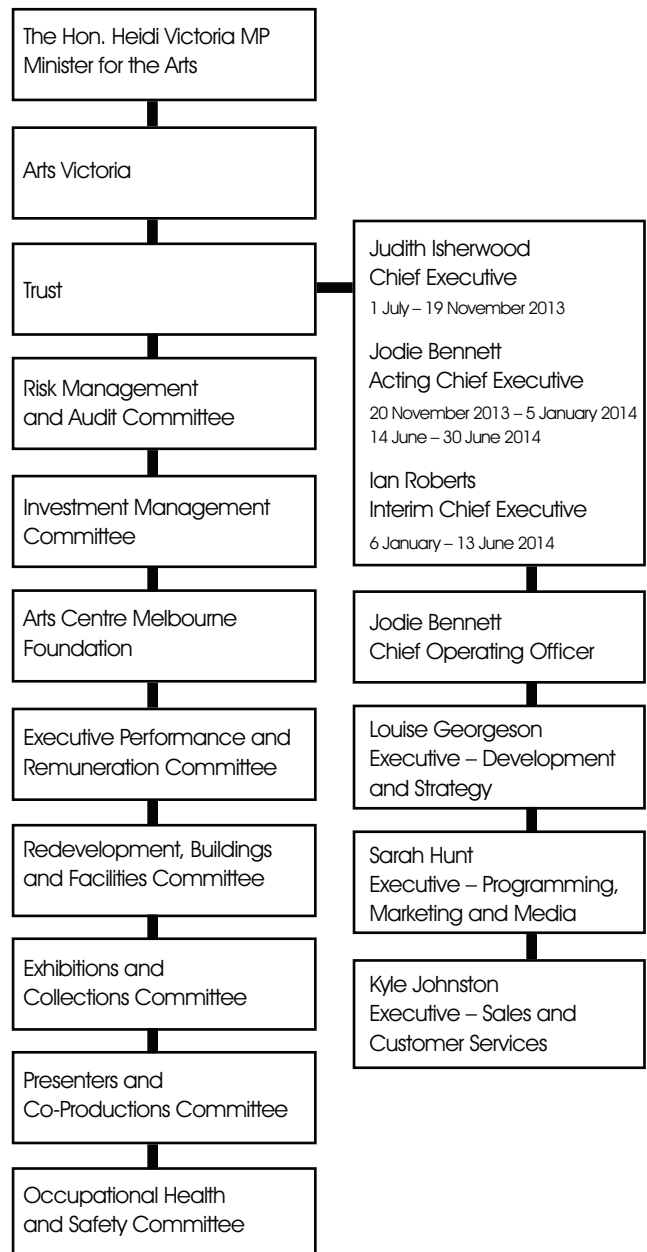
The Trust complies with all relevant legislation and regulations, and responds to Government policies and guidelines that may apply to public entities from time to time.

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*
- 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 2013–14.

Tom Harley, President  
Deborah Beale (until 12 March 2014)  
Sandy Clark  
Julian Clarke AO  
Jim Cousins AO (from 15 September 2013)  
Dana Hlavacek  
Catherine McClements  
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. All members are independent as defined by Financial Direction 2.2 of *The Financial Management Act 1994*.

The Committee met 11 times in 2013–14.

Dana Hlavacek, Chair  
(Chair from 21 October 2013)  
Graham Smorgon AM  
(Chair until 20 October 2013)  
Deborah Beale (until 12 March 2013)  
Sandy Clark  
Tom Harley

### INVESTMENT MANAGEMENT COMMITTEE

The purpose of this Committee is to ensure that Arts Centre Melbourne's investments are managed in accordance with Arts Centre Melbourne's Investment Policy and, in particular, that the investment objectives for growth and returns are met over time.

The Committee met twice in 2013–14.

Sandy Clark, Chair  
Dana Hlavacek  
Graham Smorgon AM

## ARTS CENTRE MELBOURNE FOUNDATION

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

The Foundation met five times in 2013–14.

Sandy Clark, Chair  
John Haddad AO, Emeritus Chair  
Betty Amsden AO  
Deborah Beale (from 22 May 2014)  
Debbie Dadon  
John Denton  
Carrillo Gantner AO (until 17 October 2013)  
Colin Golvan QC (from 22 May 2014)  
Tom Harley  
Dana Hlavacek  
Mem Kirby OAM  
Snowe Li (from 5 December 2013)  
James Ostrobruski (from 17 October 2013)  
Jennifer Prescott

### EXECUTIVE REMUNERATION AND PERFORMANCE COMMITTEE

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

The Committee met twice in 2013–14.

Tom Harley, Chair  
Sandy Clark  
Dana Hlavacek  
Deborah Beale (until 12 March 2014)

## REDEVELOPMENT, BUILDINGS AND FACILITIES COMMITTEE

The purpose of this Committee is to oversee all major infrastructure and building design activity performed by or on behalf of Arts Centre Melbourne and make recommendations to the Trust based on this oversight, and to develop, advocate and provide oversight to capital funding strategies and management for redevelopment, infrastructure and building activities.

This newly formed Committee met once in 2013–14.

Jim Cousins AO, Chair  
Tom Harley  
Sandy Clark

### PRESENTERS AND CO-PRODUCTIONS COMMITTEE

The Committee provides advice on policy and presenter-related strategic matters including but not limited to resident companies, co-productions, other presenters, venue rental and ticketing, and provides governance over presenter-related initiatives.

This newly formed Committee met once in 2013–14.

David Vigo  
Tom Harley

### 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 four times in 2013–14.

Dana Hlavacek, Chair  
(from 21 November 2013, Chair from 13 March 2014)  
Deborah Beale, Chair (until 12 March 2014)

# CORPORATE SUPPORTERS

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## OFFICIAL PARTNERS



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## CORPORATE MEMBERS



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## MEDIA SPONSORS



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## OFFICIAL SUPPLIERS



# PHILANTHROPIC SUPPORTERS

## PLAY ME, I'M YOURS SUPPORTERS

Mrs Valma Allaway  
The Ballantyne / Holt Family  
Mr Marc Besen AO & Mrs Eva Besen AO  
Mrs Anne Bowden & Mr Darryle Bowden  
Mrs Beverley Boyunegmez  
Mr Terry Campbell AO &  
Mrs Christine Campbell  
Mrs Robyn Christie  
Mrs Christine Clough & Mr Michael Clough  
Ms Margaret Cunningham  
Ms Lilian Curtis  
Ms Anna Earl  
Ms Wilma Farrow  
Mrs Lynn Gardner  
Mrs Mathel Gottlieb-Drucker  
Mrs Valerie Grant  
Miss Catherine Gray  
Mr John Haddad AO & Mrs Agita Haddad  
Mrs Phillippa Hargrave  
& Mr Raymond Hargrave  
Mrs Naida Hartley  
Mrs Barbara Haynes OAM  
& Mr David Johnston

Ms Dana Hlavacek & Mr Stephen Creese  
Mrs Margaret Inglis  
Ivy Kendall, Michelle Templeton  
& Claudia Manly-Thornton  
Mr Robert Kirby & Mrs Mem Kirby OAM  
Claudine Lam  
Ms Kerry Lang  
Ms Sally Ann Lawford  
The Longman Family  
In memory of Edward Ralph Lucas  
& Phyllis Irene Lucas  
Dr Janine Manwaring  
The McArthur Family  
Ms Robyn McConnell  
Mr Wal Mobilia & Mrs Jill Mobilia  
Mrs Ruth Muir  
Dr Anne Myers  
Ms Judith Neale  
Mr Geoff Noble & Mrs Denise Noble  
The Old Colonists' Association of Victoria  
Liscombe House Residential Aged  
Care Facility  
Ms Lynette Payne

Ms Marianne Preissner  
Mr Matti Rizzolo  
Mrs Corinne Robin  
Mr Iain Selkirk & Dr Rosemary Selkirk  
Mr Tim J Sherwood & Mrs Lynne Sherwood  
Mrs Moira Smith  
Mrs Judy Ann Stewart  
Mr Robin Stribbles & Mrs Carole Stribbles  
Mr Peter Szabo & Mrs Leonie Szabo  
Ms Sarah Taylor  
Mrs Beverley Theodore  
Ms Julie Thomson  
The Tondello Family  
Ms Allison Tooke  
Mr Ewen Tyler AM & Mrs Aldyth Tyler  
Mrs Sylvia Urbach & Dr Simon Ceber  
Ms Wendy Verhagen  
Mrs Julia Wood & Mr Reg Hunt  
In memory of John William Wright  
Anonymous

## TRUSTS AND FOUNDATIONS

Cassandra Gantner Foundation  
Helen Macpherson Smith Trust  
Playking Foundation

## SEAT ENDOWMENT SUPPORTERS

Ms Jill Anwyl  
Mrs Patricia J. Bowen  
Mrs Jennifer Brukner  
Ms Hilary Cook  
Mrs Pam Davison & Mr Ron Smooker  
Mr Ron Goldschlager & Mrs Dina Goldschlager  
Miss Elizabeth Isabel Harrison & Dr Patrick David Fox  
Mr William R. Johnston  
Ms Michele Kastros  
Ms Catherine Law  
Mrs Lorraine McKenzie  
Mr John McKern & Mrs Beverley McKern  
Mr Tim Murray  
Mrs Vanessa Payne & Mr Edward J Payne  
Professor Cheryl Saunders  
Mr Robert Swan  
Mr Peter Thomas & Mrs Lesley Thomas  
Ms Anne Wharton & Mr Peter Wharton  
The friends and family of Bruce McBrien OAM  
Ms Pam Davison

## ARTS ANGELS – MAJOR BENEFACTORS

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

## ARTS ANGELS – INDIVIDUALS

The late Mr Richard Pratt & Mrs Jeanne Pratt AC  
Mr Baillieu Myer AC & Mrs Sarah Myer  
Mr Marc Besen AO & Mrs Eva Besen AO  
Mr Leon Velik & Mrs Sandra Velik  
Mr Sam Smorgon AO & Mrs Minnie Smorgon  
The Gandel Family  
Mr Solomon Lew & Mrs Rosie Lew  
Miss Betty Amsden AO  
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

### LEADING LIGHT – GIFTS OF \$100,000 OR MORE

Miss Betty Amsden AO\*  
Mr Marc Besen AO & Mrs Eva Besen AO  
Ms Naomi Milgrom AO

### VISIONARY PATRON – GIFTS OF \$50,000 - \$74,999

Mr Harold Campbell-Pretty  
& Mrs Krystyna Campbell-Pretty

### BENEFACTOR PATRON – GIFTS OF \$30,000 - \$49,999

Mr Albert Dadon AM & Mrs Debbie Dadon  
The Gandel Family  
Mirlex Australia Pty Ltd

### PRINCIPAL PATRON – GIFTS OF \$20,000 - \$29,999

Mr Kevin Bamford & Mrs Colleen Bamford  
Mr Neville Bertalli & Mrs Di Bertalli  
Mrs Nancy Butler\*  
Mr Ron Dobell & Mrs Margaret Dobell  
The Fox Family  
Mr Rino Grollo & Mrs Diana Ruzzene Grollo  
Mr Robert Kirby & Mrs Mem Kirby OAM  
Mr Solomon Lew & Mrs Rosie Lew  
Mr Bruce Parncutt & Ms Robin Campbell\*  
Prescott Family Foundation  
Mr Peter Scanlon & Mrs Angie Scanlon  
Mr Leon Velik & Mrs Sandra Velik\*

### PREMIER PATRON – GIFTS OF \$15,000 - 19,999

Brasher Family Foundation  
Mr Colin Golvan QC & Dr Deborah Golvan  
Ms Dana Hlavacek & Mr Stephen Creese  
Mr Graham Smorgon AM  
& Mrs Annette Smorgon

### PATRON – GIFTS OF \$10,000 - \$14,999

Ms Roseanne Amarant  
Mr Chris Begg & Mrs Patricia Begg OAM\*  
Mr Barry Bloom & Mrs Lorraine Bloom  
Mr Terry Campbell AO  
& Mrs Christine Campbell  
Mr Bernard Carp & Mrs Helen Carp  
Dr Leon Carp & Mrs Marlen Carp  
Mr Sandy Clark & Ms Marie McDonald  
Ms Rosemary Forbes & Mr Ian Hocking  
Mrs Ethel Goldin\*  
Mr Robert Green & Mrs Jan Green  
GSA Industries Pty Ltd  
Mr John Haddad AO & Mrs Agita Haddad  
Dr Jack Hansky AM & Mrs Paula Hansky OAM  
Mrs Barbara Haynes OAM\*  
Mr Jack Joel OAM & Mrs Karen Joel  
Mrs Sally Redlich\*  
Mr Mark Robertson & Mrs Anne Robertson\*  
The William & Rita Rogers  
Charitable Foundation  
Mrs Rae Rothfield  
Mr Alan Selwyn, Mrs Ahda Selwyn  
& Ms Evi Selwyn  
Mrs Shirley Strauss  
Mr Derek Young AM & Mrs Caroline Young

### SILVER ASSOCIATE – GIFTS OF \$5,000 - \$7,499

Dr Andrew Buchanan  
Mr John Kirby AM & Mrs Carolyn Kirby  
Mr Ian McKellar & Mrs Margaret McKellar\*  
Anonymous (2)

### BRONZE ASSOCIATE – GIFTS OF \$2,000 - \$4,999

Mr Peter Cotter & Mrs Marilyn Cotter  
Mr Ern Dawes OBE & Mrs Nola Dawes\*  
Mr Peter Hordern & Mrs Jennifer Hordern\*  
Mr Jost Kaiser & Mrs Dorothy Kaiser  
The late Ms Bettie Kornhauser  
Mr Larry Kornhauser\*  
Mr Ian Lawrence & Mrs Shirley Lawrence OAM  
Mr Norman Lees & Mrs Betty Lees  
Mr John Leslie OBE  
Mrs June Lubansky and Mr Simon Lubansky  
Mr William Montague OAM  
& Mrs Elaine Montague\*  
Mrs Marie Morton  
Dr Paul Nisselle AM & Mrs Sue Nisselle  
Mr James Ostrobruski\*  
Mr John Ralph & Mrs Barbara Ralph  
Mr Robin Reid & Mrs Liz Reid  
Mr Fergus Ryan AO & Mrs Judy Ryan\*  
Mrs Joy Smith & Mr Russell Smith  
Ms Ricci Swart  
Ms Susan Thacore  
Ms Janet Whiting & Mr Phillip Lukies

### ASSOCIATE – GIFTS OF \$800 - \$1,999

Mr Phillip Aiken & Mrs Fran Aiken  
Mrs Wilma Attwood\*  
Mrs Barbara de Greef  
Mrs Isabel Edgoose & Mr Graeme Edgoose  
The Hon Alan Goldberg AO QC  
& Mrs Rachel Goldberg  
Ms Lynette Grigg\*  
Mr Louis Harmon OAM  
Mr Ian Harris & Miss Nance Grant AM MBE  
Hans and Petra Henkell, Henkell Family Fund  
Mrs Linda Herd\*  
Mrs Gillian Hund  
Dr Alastair Jackson  
Dr Michael Jelinek & Mrs Danielle Jelinek  
Mrs Carol Klooger & Mr Ken Klooger  
Ms Rosemary Loeffler\*  
Mr Graham Ludecke & Mrs Pam Ludecke\*  
Mrs Susanna Mason\*  
Mr Stephen Newton AO  
Mr Tom O'Dea & Mrs Ruth O'Dea  
Mrs Daphne Saltzman & the late  
Mr Harold Saltzman  
Mr Max Schultz and Mrs Jill Schultz  
Mrs Joyce Smith  
Mrs Fleur Spitzer OAM  
Mrs Lesley Thomas & Mr Peter Thomas  
In honour of Thelma Webberley's  
90th birthday  
Anonymous (2)

### ENTRY ASSOCIATE – GIFTS OF \$350 - \$799

Ms Margaret Astbury\*  
Dr Simon Bell & Mrs Jennifer Coghlan-Bell  
Mrs Rosetta Bloom

Ms Rene Brown  
Mr Tom Bruce AM & Mrs Beth Bruce  
Mr Arthur Charlwood  
Mrs Christine Clough & Mr Michael Clough\*  
Dr George Deutsch & Mrs Kathy Deutsch  
Mr Matt Duckworth & Mrs Lina Duckworth\*  
Mrs Joyce Flowers  
Mr Rod Harden & Mrs Lesley Harden  
Mrs Ruth Hartnett  
Mrs Jean Healey\*  
Mr Gil Hoskins & Mrs Sandi Hoskins  
Ms Helen Hunwick  
Mr Timothy James  
Mr Ronald Jones & Mrs Carole Jones  
Mrs Irene Kearsey  
Dr Judith Kinnear\*  
Dr Geoffrey Knights & Dr Ann Knights  
Mrs Beverly Langsford-Willing  
Mrs Verona Lea  
Mrs Iris Lustig-Maar & Mr Geoffrey Burgin  
Mr Morris Margolis & Mrs Helen Margolis  
Ms Fiona McConnell & Ms Cecilia Wilkes  
Mrs Christine Milton\*  
Mr John Mitcham & Mrs Patricia Mitcham  
Mr John Pearson & Mrs Carolyn Pearson  
Mr Norman Pinder & Mrs Carolyn Pinder  
Mr Bill Rogers & Mrs Jan Rogers  
Mr Dave Rubinstein & Mrs Vivian Rubinstein  
Mr Tim Sherwood & Mrs Lynne Sherwood  
Mr John Short  
Mrs Edda Smrekar  
Mr Colin Squires and Mrs Mary Squires  
Mr Russell Taylor  
Mr Lyle Thomas & Ms Christina Turner  
Dr Walter Uhlenbruch AO  
& Mrs Waltraud Uhlenbruch  
Dr Peter Thorne & Ms Helen Vorrath  
Worldwide Ticketing  
Ms Shirley Yeates  
Anonymous (1)

\*additional gift made to the First Call Fund appeal

## MELBOURNE ARTS WALK SUPPORTERS

Miss Betty Amsden AO  
Mr Cameron Mackintosh  
Mr Sandy Clark  
Mr John Gandel AO & Mrs Pauline Gandel  
Mr Robert Green & Mrs Jan Green  
Mr Rino Grollo & Mrs Diana Grollo  
Ms Dana Hlavacek & Mr Stephen Creese  
Mr Elias Jreissati & Mrs Colleen Jreissati  
Mr Robert Kirby & Mrs Mem Kirby OAM  
Mr Norman Lees & Mrs Betty Lees  
Mr John Leslie OBE  
The Michael & Andrew Buxton Foundation  
Ms Kylie Minogue OBE  
Mr Allan J Myers QC AO  
& Mrs Maria Myers AO  
Lady Potter AC & Countess Krasicki V. Siecin  
Mrs Rae Rothfield  
Mr Peter Scanlon & Mrs Angie Scanlon  
Mr Graham Smorgon AM  
& Mrs Annette Smorgon  
Mr Sam Smorgon AO & Mrs Minnie Smorgon  
Ms Janet Whiting & Mr Phil Lukies  
Anonymous (1)

## FIRST CALL FUND SUPPORTERS

### FOUNDING GIFTS

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

### GIFTS OF \$10,000 OR MORE

Gras Foundation

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

Miss Betty Amsden AO  
Ms Joanna Baevski  
Mr John Bates & Mrs Lorraine Bates  
Mrs Neilma Gantner  
Mrs Jennifer Leaper & Dr John Leaper  
Mr Ralph Ward-Ambler AM  
& Mrs Barbara Ward-Ambler  
Anonymous (1)

### GIFTS OF \$1,500 - \$4,999

Mr Chris Begg & Mrs Patricia Begg OAM  
Mr Brian Davis  
Mrs Barbara Haynes OAM  
Mrs Linda Herd  
Mr Peter Hordern & Mrs Jennifer Hordern  
Dr Geraldine Lazarus & Mr Greg Gailey  
Miss Catherine Gray  
Mr Ian McCall & Mrs Paula McCall  
Mrs Deborra Mendelson  
Mr Baillieu Myer AC & Mrs Sarah Myer  
Mr Bruce Parncutt & Ms Robin Campbell  
Mr Mark Robertson & Mrs Anne Robertson  
Mr John Schiller & Mrs Elisabeth Schiller  
Mrs Leonie Szabo & Mr Peter Szabo  
Ms Janet Whiting & Mr Phillip Lukies  
Mr Leon Velik & Mrs Sandra Velik  
Anonymous (3)

### GIFTS OF \$350 - \$1,499

Mr Peter Aird & Mrs Catherine Aird

Ms Margaret Astbury  
Mrs Wilma Attwood  
Robbie Barker Hair  
Mrs Adrienne Basser  
Ms Laurie Bebbington  
Ms Kirsty Bennett  
Mrs Jenny Brash  
Mr Peter Brooks & Mrs Alison Brooks  
Mrs Nancy Butler  
Mrs Shirley Campbell  
Mrs Clare Carlson & Mr Richard Carlson  
Mrs Margaret Cash  
Ms Min Li Chong  
Mrs Ellen Chow  
Mrs Christine Clough & Mr Michael Clough  
Mrs Jo Colley  
Mrs Wendy Comley  
Ms Audrey Cope  
Mr Jim Cousins AO & Mrs Libby Cousins  
Mr Ern Dawes OBE & Mrs Nola Dawes  
Mr Peter V. Doughty  
Mr Matt Duckworth & Mrs Lina Duckworth  
Mrs Rosemary Geer  
Mrs Ethel Goldin  
Mr Ray Goslin  
Ms Lynette Grigg  
Mr Paul Hand  
Mrs Nereda Hanlon & Mr Michael Hanlon AM  
Mrs Fella Harbig  
Mr John Harrison CBE, AM & Mrs Sue Harrison  
Mrs Jean Healey  
Mr Peter Hekel & Mrs Marie-Louise Hekel  
Ms Helen Imber  
Mr Keith Irvine & Mrs Jo Irvine  
Mrs Angela Kayser  
Ms Nancy Kimpton  
Dr Judith Kinnear  
Mr Clark Kirby & Mrs Sara Kirby  
Ms Bettie Kornhauser  
Mr Larry Kornhauser  
Silvana Layton and Family

Mrs Janet Leckie  
Ms Rosemary Leffler  
Mr David Lewis  
Mrs Rosemary Lloyd  
Yvonne M Lockwood  
Elizabeth H Loftus  
Mr Graham Ludecke & Mrs Pam Ludecke  
Mrs Rosemary Mangiamele  
Mrs Robin Marshall  
Mrs Susanna Mason  
Mr Ian McKellar & Mrs Margaret McKellar  
Mr Jack Moshakis & Ms Gill Tasker  
Dr Kersti Nogeste  
Mr Greg Noonan  
Ms Helen Oakes  
Mr James Ostrobrski  
Mr Jeremy Pascoe  
Mr Nicholas Perkins & Mr Paul Banks  
Ms Mirna Piccolo  
Mr Howard Plowright  
Ms Kerry Pratchett  
Mrs Sally Redlich  
Mr Keith Richards  
Ms Sarah Ricketts  
Mr Fergus Ryan AO & Mrs Judy Ryan  
Mr Gregory Shalit & Ms Miriam Faine  
Dr John Sime  
Ms Sue Spence  
Miss Jean Stewart  
Ms Helene Strawbridge  
Mrs Eva Sweet  
Russell Thomas  
Professor Kenneth and Mrs Barbara Thomson  
Mr Allan Thorne  
Mrs Ngaire Turner  
Mrs Alice Vaughan  
Mrs Christine Watts  
Anonymous (16)

## LEGACY ANGELS

Ms Elizabeth Alexandra  
Miss Betty Amsden AO  
Mr Chris Begg & Mrs Patricia Begg OAM  
Mr Tony Berry  
Mrs Jennifer Brukner  
Mr Ken Bullen  
Ms Lyndsey Burton  
Mr Douglas Butler  
Mr Laurie Carew OAM  
Ms Peggy Cole  
Mr Ron Dobell & Mrs Margaret Dobell  
The Hon Alan Egan JP  
Mr Richard Farrar  
Ms Wilma Farrow  
Ms Nola Finn  
Mr Barrie Follows AM JP & Mrs Gail Follows  
Ms Rosemary Forbes & Mr Ian Hocking  
Mr Max Frost & Mrs Glenda Frost  
Mr Peter Game & Mrs Betty Game  
Ms Diane Gardiner  
Mr Peter Gassenheimer  
Mr Andrew Gemmell

Mrs Mia Hall  
Ms Carol Hay  
Mr Timothy Hayes & Mr Michael Waugh  
Mr Richard Heathcote  
Ms Denise Hughes  
Mr Max Johnston & Mr Owen White  
Dr Richard King AM & Mrs Andrea King  
Mr Barry Kitcher  
Ms Helen Kroger  
Mr Hugo Leschen  
Mrs Kathy Mapperson  
Ms Barbara Margetts  
Ms Caroline Molesworth  
Mr Andrew Moon  
Mr Jack Moshakis & Ms Gill Tasker  
Mr Luke Nestorowicz  
Mr Robert Nixey  
Mr Kenneth Park  
Ms Lyn Payne  
Prof Graham Peirson & Mrs Chris Peirson  
Mr David Pisterman & Mrs Cheryl Pisterman  
Mrs Elaine Pounder-Smith

Mr David Richards  
Mr John Lee & Mrs Noelle Robb  
Ms Lynne Robertson  
Mr Graham Ryles OAM KSJ  
& Mrs Judith Ryles  
Mr Maurice Scott  
Mr John Short  
Mr John Stanistreet  
Mrs Val Stirling  
Mr Graeme Studd  
Mrs Beverley Sutherland Smith  
Mrs Pamela Swansson  
Ms Margot Vaughan  
& Ms Bernadette Nicholls  
Ms Judy Watt  
Mr Ian Watts  
Mrs Dinah Whitaker  
Mrs Pamela Wilson  
Anonymous (13)

### BEQUEST RECEIVED

Mr Maxwell Carroll & Mrs Merle Carroll

# SUMMARY OF RESULTS

<b>FINANCIAL PERFORMANCE</b>	<b>2013-14 \$M</b>	<b>2012-13 \$M</b>	<b>2011-12 \$M</b>	<b>2010-11 \$M</b>	<b>2009-10 \$M</b>
Total income from transaction	73.0	77.4	60.4	57.8	56.5
Less Total expense from transactions	70.1	84.6	61.4	51.7	53
Net result from transactions before depreciation	2.9	-7.2	-1.0	6.1	3.5
Less Depreciation	15.9	15.4	13.4	13.3	13.3
Net deficit from transactions	-13.0	-22.6	-14.4	-7.2	-9.8
Total Assets	530.6	542.9	549.7	481.8	403.4
Less Total Liabilities	24.2	26.5	31.3	18.6	18.2
Total Equity	506.4	516.4	518.4	463.2	385.2
<b>PATRONAGE PROFILE</b>	<b>2013-14 ('000s)</b>	<b>2012-13 ('000s)</b>	<b>2011-12 ('000s)</b>	<b>2010-11 ('000s)</b>	<b>2009-10 ('000s)</b>
Attendances at Performances <sup>1</sup>	1,074	1,305	879	924	1,105
Attendances at Public Programs	629	200	194	130	164
Attendances at Exhibitions	485	713	653	681	616
Total Attendances	2,188	2,218	1,726	1,735	1,885
Other Visitors & Facility Users <sup>2</sup>	955	1,061	1,266	1,337	1,473
<b>EVENTS PROFILE</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>
Performance Events <sup>3</sup>	1,126	1,696	1,239	1,262	1,423
Public Program Events	2,240	1,923	1,922	2,155	2,045
Exhibitions & Displays	10	19	17	19	23
Total Events	3,376	3,638	3,178	3,436	3,491
<b>VENUE UTILISATION</b>	<b>2013-14 %</b>	<b>2012-13 %</b>	<b>2011-12 %</b>	<b>2010-11 %</b>	<b>2009-10 %</b>
State Theatre	95	93	82	90	86
Playhouse	72	88	95	87	88
Fairfax Studio	80	91	99	98	92
Hamer Hall	77	77	-	1	70
Average mainstage utilisation	81	87	92	92	89
Sidney Myer Music Bowl	25	33	19	21	16
The Famous Spiegeltent	-	85	85	82	-

<sup>1</sup> Attendances at performances includes education and community engagement related performances.

<sup>2</sup> Other visitors and facility users include visitors to car park, food & beverage outlets and Sunday Market.

<sup>3</sup> Performance events includes education and other community engagement related performances.

# FINANCIAL OVERVIEW

The comprehensive result of the Trust for the year ended 30 June 2014 was a deficit of \$13.0 million. This comprises:

- Net result from transactions before depreciation of \$2.9 million
- Depreciation expense of -\$15.9 million
- Other economic flows included in net result of \$0.1 million

The strong operating surplus from transactions was achieved by a once-off incentive payment of \$1.1 million from contract renewal of ticketing, receipt of once-off grant of \$1.0 million from Victorian State Government, \$0.2 million in endowment revenue which is held in perpetuity, improvements in gross margin from programming activities and ongoing cost reductions across all areas of operations resulting from a restructure of all recurrent expenditure.

Expenditure on building maintenance and services continues to be partly funded by government grants. The Trust was unable to fully fund the shortfall in 2013/14 and this recurrent expenditure item was significantly reduced to ensure a surplus budget was achieved – with a consequent backlog of expenditure to be executed in 2014/15.

## GENERAL OPERATIONS

Income from transactions decreased \$4.33 million or 6% on the prior year with total expense from transactions reducing by \$14.5 million or 17% year on year. Key reasons for this include:

- Programming income reduced \$1.7 million year on year but was offset by decreased costs of \$6.3 million. The reduction in revenue was due to decreased activity across the venues, predominantly in the outdoor venue Sidney Myer Music Bowl, and the reduction in the once-off programming activity related to the reopening of Hamer Hall in prior year. This reduced activity was partially offset by a change in Arts Centre Programming reflecting balanced programming activity resulting in increased average box office per attendee during the year. The significant decrease in programming expenses was due to the direct approach of this balanced programming activity.
- The reduced activity across the venues including a reduction in attendances of approximately 65,000 people during the 12 week rehearsal period of Opera Australia's *Melbourne Ring Cycle* resulted in reduced Marketing and Visitor expense revenues of \$1.4 million and expenses of \$3.4 million. Also contributing to the reduction in expenses was a restructure of recurrent expenditure as well as the continuous improvement in products and customer offerings, and underlying business processes.

- Facilities management revenues decreased \$0.9 million primarily due to reduced recoveries as a result of activity levels. Facilities management costs were reduced by \$2.1 million.
- Ticketing incentive revenue was received as a once-off incentive payment on renewal of a three year contract.
- Government grant revenue decreased by \$0.8 million reflecting the reduction in non-recurrent government grants due to the Hamer Hall once-off opening grant of \$1.5 million and \$0.7 million business disruption funding for the pit works received in F2013, with these reductions being greater than the once-off \$1.0 million grant from Victorian State Government and \$0.4 million business disruption funding for the *Melbourne Ring Cycle* received in F2014.
- The review of all recurrent expenditure and underlying business processes resulted in Corporate services costs being reduced year on year by \$1.3 million.
- The significant defined pension superannuation call incurred in prior year was not repeated resulting in a year on year decrease of \$1.4 million.

## BUILDING DEVELOPMENT AND MAINTENANCE

Building maintenance and renewal expenditure totalled \$7.9 million. In addition government capital grants of \$2.9 million were received during the year for the following projects:

- State Theatre Orchestra Pit Upgrade \$0.7 million.
- Critical Asset Maintenance \$1.3 million for multiple projects including vertical transport upgrade, high voltage transformer replacement and sanitary sewer renewal.
- Hamer Hall equipment \$0.4 million.
- Ongoing minor capital works \$0.5 million.

We gratefully acknowledge the Government's commitment to fund the replacement and renewal of assets recognised in the allocation of a \$16.4 million capital grant over the coming three years for the continuation of high priority capital upgrades including the sanitary sewerage renewal, replacement of high voltage transformers, replacement and renewal of the heating and cooling systems, and upgrades to the escalators. Significant projects will continue on the master planning for the next phase of redevelopment.

VICTORIAN ARTS CENTRE TRUST  
**COMPREHENSIVE OPERATING STATEMENT**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

	NOTES	2014 \$'000s	2013 \$'000s
<b>CONTINUING OPERATIONS</b>			
<b>INCOME FROM TRANSACTIONS</b>			
Programming	2	21,734	23,461
Marketing and visitor experience	2	28,604	30,042
Ticketing incentive	2	1,050	-
Facilities management	2	2,421	3,351
Corporate services	2	197	65
Investment income	2	860	1,462
Government grants	2	18,211	19,027
<b>TOTAL INCOME FROM TRANSACTIONS</b>		<b>73,077</b>	<b>77,408</b>
<b>EXPENSES FROM TRANSACTIONS</b>			
Programming	3	(20,931)	(27,274)
Marketing and visitor experience	3	(24,149)	(27,559)
Facilities management	3	(15,243)	(17,386)
Corporate services	3	(9,503)	(10,798)
Finance costs	3	(248)	(154)
Defined pension superannuation call	3	(43)	(1,409)
<b>TOTAL EXPENSES FROM TRANSACTIONS</b>		<b>(70,117)</b>	<b>(84,580)</b>
<b>NET RESULT FROM TRANSACTIONS BEFORE DEPRECIATION</b>		<b>2,960</b>	<b>(7,172)</b>
<b>EXPENSES FROM TRANSACTIONS (CONTINUED)</b>			
Depreciation and amortisation	3	(15,970)	(15,416)
<b>NET RESULT FROM TRANSACTIONS</b>		<b>(13,010)</b>	<b>(22,588)</b>
<b>OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>			
Net gain on non-financial assets	5(a)	-	72
Net gain/(loss) on financial assets	5(b)	153	(317)
Other losses from other economic flows	5(c)	(72)	-
<b>TOTAL OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>		<b>81</b>	<b>(245)</b>
<b>NET RESULT</b>		<b>(12,929)</b>	<b>(22,833)</b>
<b>OTHER ECONOMIC FLOWS-OTHER NON-OWNER CHANGES IN EQUITY</b>			
Changes to financial assets available-for-sale	18(a)	-	854
<b>TOTAL OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>		<b>-</b>	<b>854</b>
<b>COMPREHENSIVE RESULT</b>		<b>(12,929)</b>	<b>(21,979)</b>

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

## VICTORIAN ARTS CENTRE TRUST

### BALANCE SHEET

AS AT 30 JUNE 2014

	NOTES	2014 \$'000s	2013 \$'000s
<b>ASSETS</b>			
<b>FINANCIAL ASSETS</b>			
Cash and deposits	6	28,914	28,149
Receivables	7	3,882	2,934
<b>TOTAL FINANCIAL ASSETS</b>		<b>32,796</b>	<b>31,083</b>
<b>NON-FINANCIAL ASSETS</b>			
Inventories	8	413	465
Property, plant and equipment	9	496,751	509,902
Intangible assets	10	208	493
Other non-financial assets	11	446	919
Total non-financial assets		497,818	511,779
<b>TOTAL ASSETS</b>		<b>530,614</b>	<b>542,862</b>
<b>LIABILITIES</b>			
Payables	12	17,142	19,948
Provisions	13	5,077	4,492
Other liabilities	14	2,012	2,050
Total liabilities		24,231	26,490
<b>NET ASSETS</b>		<b>506,383</b>	<b>516,372</b>
<b>EQUITY</b>			
Contributed capital		498,819	495,879
Donation and endowment reserve		10,945	9,287
Asset revaluation reserve		161,991	161,991
Accumulated deficit		(165,372)	(150,785)
<b>TOTAL EQUITY</b>		<b>506,383</b>	<b>516,372</b>
Commitments for expenditure and operating leases	15 & 16		
Contingent assets and liabilities	25		

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 2014

	CONTRIBUTED CAPITAL	DONATION AND ENDOWMENT RESERVE	ASSET REVALUATION RESERVE	AVAILABLE- FOR-SALE REVALUATION DEFICIT	ACCUMULATED DEFICIT
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>BALANCE AT 30 JUNE 2012</b>	<b>475,935</b>	<b>9,830</b>	<b>161,991</b>	<b>(854)</b>	<b>(128,495)</b>
Net result for the year	-	-	-	-	(22,833)
Endowment funds received (i)	-	218	-	-	(218)
Net donations and investment income received (i)	-	1,429	-	-	(1,429)
Donations and endowment distributions (i)	-	(2,190)	-	-	2,190
Sale of financial assets	-	-	-	854	-
Capital appropriations (ii)	19,944	-	-	-	-
<b>BALANCE AT 30 JUNE 2013</b>	<b>495,879</b>	<b>9,287</b>	<b>161,991</b>	<b>-</b>	<b>(150,785)</b>
Net result for the year	-	-	-	-	(12,929)
Endowment funds received (i)	-	196	-	-	(196)
Net donations and investment income received (i)	-	2,175	-	-	(2,175)
Donations and endowment distributions (i)	-	(713)	-	-	713
Capital appropriations (ii)	2,940	-	-	-	-
<b>BALANCE AT 30 JUNE 2014</b>	<b>498,819</b>	<b>10,945</b>	<b>161,991</b>	<b>-</b>	<b>(165,372)</b>

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

- (i) During the year \$1.7m (F2013: (\$0.5m)) was transferred from the accumulated deficit to the donation and endowment reserve. This amount represents the net revenue earned by the Arts Centre Melbourne Foundation ("the Foundation"), governed by a sub-committee of the Trust.
- (ii) The Department of Premier and Cabinet provided capital funding of \$0.7m (F2013: \$0.5m) in relation to the Arts and Cultural Facilities Maintenance fund, \$0.7m (F2013: \$1.5m) for the State Theatre Orchestra Pit, \$0.6m (F2013: \$3.0m) for Critical Asset Maintenance, \$0.4m (F2013: \$nil) for Hamer Hall equipment, \$0.5m (F2013: \$0.5m) for minor maintenance and \$nil (F2013: \$4.3m) for the Hamer Hall tenancies. In F2013, Capital appropriations also included \$10.1m in respect of the Hamer Hall redevelopment. These transfers are designated as a contribution from the owners (capital appropriations).

## VICTORIAN ARTS CENTRE TRUST

### CASH FLOW STATEMENT

AS AT 30 JUNE 2014

	NOTES	2014 \$'000s	2013 \$'000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Receipts from customers		55,271	58,609
Receipts from endowments		196	218
Government grants received		18,211	19,027
Interest and distributions received		860	1,052
<b>TOTAL RECEIPTS</b>		<b>74,538</b>	<b>78,906</b>
<b>PAYMENTS</b>			
Payments to suppliers		(35,193)	(56,182)
Payments to employees		(36,367)	(32,270)
GST paid to the Australian Taxation Office		(1,458)	(654)
<b>TOTAL PAYMENTS</b>		<b>(73,018)</b>	<b>(89,106)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	17(b)	<b>1,520</b>	<b>(10,200)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(2,535)	(20,954)
Proceeds from sale of investments		-	7,402
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(2,535)</b>	<b>(13,552)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Owner contributions by State Government		1,780	19,944
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<b>1,780</b>	<b>19,944</b>
Net (decrease)/increase in cash and cash equivalents		765	(3,808)
Cash and cash equivalents at the beginning of the financial year		28,149	31,957
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	6,17(a)	<b>28,914</b>	<b>28,149</b>

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 2014

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# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for the Victorian Arts Centre Trust ("the Trust") for the period ended 30 June 2014. 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)*, the *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulations 2013* 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(J));
- Provisions (refer to Note 1(K)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention, except for:

- Non-financial physical assets which, subsequent 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 employee benefits is calculated at net present value, where relevant.

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

Consistent with AASB 13 *Fair Value Measurement*, the Trust determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, and for non-recurring fair value measurements such as non-financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

In addition, the Trust determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Valuer General Victoria ("VGV") is the Trust's independent valuation agency.

An external third party valuer performs the valuations to determine the fair value of the Works of art and the Performing arts collection, due to the specialised nature of the assets. The Trust, in conjunction with VGV and other external valuers, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

Scheduled revaluation is undertaken every five years with an annual assessment of fair value to determine if it is materially different to the carrying value. If it appears that the movement in fair values, as indicated by the compounded impact of Valuer General of Victoria indices, is potentially material (greater than 10 per cent), a managerial revaluation is undertaken while a movement greater than 40 per cent will normally involve an approved valuer (Valuer General of Victoria) to perform a detailed assessment of the fair value. If the movement in fair value since the last revaluation is less than or equal to 10 per cent, then no change is made to carrying amounts. For the Furniture and Vehicles asset classes, where the Trust is able to demonstrate that there is no evidence that a reliable market-based fair value (or other fair value indicators) exist for these assets, depreciated replacement cost is used to represent a reasonable approximation of fair value.

#### C. REPORTING ENTITY

The reporting entity is the Victorian Arts Centre 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.

#### D. SCOPE AND PRESENTATION OF FINANCIAL STATEMENTS

##### COMPREHENSIVE OPERATING STATEMENT

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

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

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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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#### **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 the 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'.

#### **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. CHANGES IN ACCOUNTING POLICIES**

Subsequent to the 2012–13 reporting period, the following new and revised standards have been adopted in the current period with their financial impact detailed as below.

##### **AASB 13 FAIR VALUE MEASUREMENT**

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted.

The Trust has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, the Trust has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

However, AASB 13 has predominantly impacted the disclosures of the Trust. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 *Financial Instruments: Disclosures*.

The disclosure requirements of AASB 13 apply prospectively and need not be applied in comparative information before first application. Consequently, the 2012–13 comparatives of these disclosures have not been provided, except for financial instruments, of which the fair value disclosures are required under AASB 7 *Financial Instruments: Disclosures*.

##### **AASB 119 EMPLOYEE BENEFITS**

In 2013–14, the Trust has applied AASB 119 *Employee benefits* (September 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy is for the Department of Treasury and Finance to recognise and disclose the State's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the Trust.

The revised standard also changes the definition of short term employee benefits. These were previously benefits that were expected to be settled within twelve months from the end of the reporting period in which the employees render the related service, however, short term employee benefits are now defined as benefits expected to be settled wholly within twelve months from the end of the reporting period in which the employees rendered the related service. As a result, accrued annual leave balances which were previously classified by the Trust as short term employee benefits no longer meet this definition and are now classified as long term employee benefits. This has resulted in a change of measurement for the annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered its measurement of the annual leave provision for the Trust.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### **F. 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 AND CONTRIBUTIONS**

Grants and contributions are generally recognised as income when the Trust obtains control over the assets comprising grants and contributions. Control over grants and contributions is normally obtained when the obligations relating to the receipt have been met.

#### **SALES OF GOODS AND SERVICES**

##### *a. Income from the provision of services*

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

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

Key income areas are as follows:

- Arts Centre programming income comprises ticket sales from Arts Centre Melbourne presented and produced events.
- Marketing and visitor experience income comprises the recovery of event production costs, ticketing commissions, 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**

All donations, sponsorships and non-reciprocal contributions from the public are included in the Trust's revenue on receipt. Pledged donations are not recognised as income until received. The value of goods and services received by way of sponsorship was included in the Trust's revenue for the year in contra sponsorship. The respective goods and services relating to this income are reflected in the appropriate expense or asset accounts. The values of such sponsorship are brought to account on the proviso that a fair value of the sponsorship could be ascertained.

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.

#### **G. 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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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 that 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(K) regarding employee benefits.

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

#### **SUPERANNUATION**

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

Expenses are reported differently depending upon whether employees are members of defined benefit or defined contribution plans.

- Defined contribution plans - contributions to defined contribution plans are expensed when incurred.
- Multi-employer plans - where a multi-employer plan is a defined benefit plan under the terms of the plan, contributions to the plan are expensed when incurred.

#### **OTHER OPERATING EXPENSES**

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

#### **SUPPLIES AND SERVICES**

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

#### **BAD AND DOUBTFUL DEBTS**

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

#### **FAIR VALUE OF ASSETS AND SERVICES PROVIDED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION**

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

## **H. 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(J) 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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### **Amortisation of non-produced intangible assets**

Non-produced intangible 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(R) 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.

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 amounts 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(J) 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, derecognition or reclassification.

## **I. 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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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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.

## **J. 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, such as Works of art and Performing arts collection 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 103E. 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 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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### **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.

#### **K. 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 such as annual leave, are all recognised in the provision for employee benefits as 'current liabilities', because the Trust does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

- undiscounted value if the Trust expects to wholly settle within 12 months; or
- present value if the Trust does not expect to wholly settle within 12 months.

*Long service leave* - Liability for LSL is recognised in the provision for employee benefits.

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:

- undiscounted value if the Trust expects to wholly settle within 12 months; and
- present value if the Trust does not expect to wholly settle within 12 months.

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 (refer to Note 1(H)).

*Termination benefits* - Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer of benefits in exchange for the termination of employment. The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

*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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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#### **L. 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.

#### **M. 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.

#### **N. 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 16) 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.

#### **O. 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 25) and, if quantifiable, are measured at nominal value inclusive of GST receivable or payable.

#### **P. 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.

#### **Q. 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.

#### **R. 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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### S. AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new AAS have been published that are not mandatory for the 30 June 2014 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 2014, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2014. The Trust has not early adopted these standards.

STANDARD/INTERPRETATION	SUMMARY	APPLICABLE FOR ANNUAL REPORTING PERIODS BEGINNING ON	IMPACT ON PUBLIC SECTOR ENTITY FINANCIAL STATEMENTS
<i>AASB 9 Financial Instruments</i>	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2017	The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss. While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.
<i>AASB 1055 Budgetary Reporting</i>	AASB 1055 extends the scope of budgetary reporting that is currently applicable for the whole of government and general government sector (GGS) to NFP entities within the GGS, provided that these entities present separate budget to the parliament.	1 July 2014	This Standard is not applicable as no budget disclosure is required.

**VICTORIAN ARTS CENTRE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

<b>NOTE 2: INCOME FROM TRANSACTIONS</b>	<b>NOTES</b>	<b>2014 \$'000s</b>	<b>2013 \$'000s</b>
<b>PROGRAMMING</b>			
Arts Centre programming		9,519	8,654
Presenter services		4,973	5,387
Venue rental		6,974	8,916
Performing arts collection		268	504
		<b>21,734</b>	<b>23,461</b>
<b>MARKETING AND VISITOR EXPERIENCE</b>			
Visitor businesses		6,079	5,982
Ticketing and visitor services		6,137	7,805
Philanthropy and corporate sponsorship	(i)	3,112	2,696
Food and beverage	(ii)	13,044	13,334
Marketing and communications		232	225
		<b>28,604</b>	<b>30,042</b>
<b>TICKETING INCENTIVE</b>		1,050	-
<b>FACILITIES MANAGEMENT</b>			
Facilities management		1,924	2,087
Safety and security services		497	1,264
		<b>2,421</b>	<b>3,351</b>
<b>CORPORATE SERVICES</b>		<b>197</b>	<b>65</b>
<b>INVESTMENT INCOME</b>			
Interest income		860	972
Investment income	(iii)	-	490
		<b>860</b>	<b>1,462</b>
<b>GRANTS</b>			
Recurrent Victorian Government appropriation		14,543	14,543
Non-recurrent Victorian Government grants		3,610	4,400
Other grants	(iv)	58	84
		<b>18,211</b>	<b>19,027</b>
<b>TOTAL INCOME</b>		<b>73,077</b>	<b>77,408</b>

- (i) Philanthropy and corporate sponsorship income includes \$0.196m of endowment funds received (F2013: \$0.218m). Endowments are invested in order to provide a permanent source of income for approved Arts Centre Melbourne programs. The endowment corpus cannot be spent and is retained in perpetuity.
- (ii) Food and beverage operations were brought in-house in a staged manner from 1 July 2012.
- (iii) There was no investment income earned during the year as the Trust did not hold any managed funds.
- (iv) Other grants comprise \$0.03m from Australia Council and \$0.03m from Australia China Council.

VICTORIAN ARTS CENTRE TRUST  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

<b>NOTE 3: EXPENSES FROM TRANSACTIONS</b>	<b>NOTES</b>	<b>2014 \$'000s</b>	<b>2013 \$'000s</b>
<b>PROGRAMMING</b>			
Arts Centre programming		10,608	15,963
Presenter services		7,203	7,900
Venue rental		1,370	1,397
Performing arts collection		1,750	2,014
		<b>20,931</b>	<b>27,274</b>
<b>MARKETING AND VISITOR EXPERIENCE</b>			
Visitor businesses		2,065	1,758
Ticketing and visitor services		6,363	7,604
Philanthropy and corporate sponsorship		1,416	1,584
Food and beverage	(i)	11,590	13,550
Marketing and communications		2,715	3,063
		<b>24,149</b>	<b>27,559</b>
<b>FACILITIES MANAGEMENT</b>			
Facilities management		12,615	13,616
Safety and security services		2,628	3,770
		<b>15,243</b>	<b>17,386</b>
<b>CORPORATE SERVICES</b>			
Executive services		2,337	2,971
Finance services		2,130	1,820
People and culture		1,262	1,569
Information services		3,774	4,438
		<b>9,503</b>	<b>10,798</b>
<b>FINANCE COSTS</b>			
		<b>248</b>	<b>154</b>
<b>DEFINED PENSION SUPERANNUATION CALL</b>			
	19	<b>43</b>	<b>1,409</b>
<b>TOTAL EXPENSES FROM TRANSACTIONS</b>		<b>70,117</b>	<b>84,580</b>
<b>DEPRECIATION AND AMORTISATION</b>			
Depreciation	(ii)	15,686	14,902
Amortisation		284	514
<b>TOTAL DEPRECIATION AND AMORTISATION</b>		<b>15,970</b>	<b>15,416</b>

(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.

**VICTORIAN ARTS CENTRE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

<b>NOTE 4: NET RESULT FROM TRANSACTIONS</b>		<b>2014</b>	<b>2013</b>
		<b>\$'000s</b>	<b>\$'000s</b>
Net result from transactions includes the following expenses:			
Operating lease rental expenses		1,082	1,074
Defined pension superannuation call		43	1,409
		<b>1,125</b>	<b>2,483</b>

<b>NOTE 5: OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>	<b>NOTES</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>(A) NET GAIN ON NON-FINANCIAL ASSETS</b>			
Net gain on disposal of property, plant and equipment		-	72
<b>TOTAL NET LOSS ON NON-FINANCIAL ASSETS</b>		<b>-</b>	<b>72</b>
<b>(B) NET GAIN/(LOSS) ON FINANCIAL ASSETS</b>			
Realised loss on financial assets		-	(153)
Increase in provision for doubtful debts		153	(164)
<b>TOTAL NET GAIN/(LOSS) ON FINANCIAL ASSETS</b>		<b>153</b>	<b>(317)</b>
<b>(C) OTHER LOSSES FROM OTHER ECONOMIC FLOWS</b>			
Net loss arising from revaluation of long service leave		(72)	-
<b>TOTAL OTHER LOSSES FROM OTHER ECONOMIC FLOWS</b>		<b>(72)</b>	<b>-</b>

<b>NOTE 6: CASH AND DEPOSITS</b>		<b>2014</b>	<b>2013</b>
		<b>\$'000s</b>	<b>\$'000s</b>
Cash on hand and in bank	(i)	21,254	17,412
Cash held in box office bank account	(ii)	7,660	10,737
<b>TOTAL CASH ASSETS</b>	17(a)	<b>28,914</b>	<b>28,149</b>

- (i) Cash and deposits includes \$10.945m (F2013: \$9.287m) 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. Endowment funds received are recognised as income in the year in which they are received. Only income generated by these funds can be used to fund programming activities. Actual endowments received are retained in perpetuity 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 2014

<b>NOTE 7: RECEIVABLES</b>	<b>NOTES</b>	<b>2014 \$'000s</b>	<b>2013 \$'000s</b>
<b>CONTRACTUAL CURRENT RECEIVABLES</b>			
Trade debtors	(i)	3,195	1,608
Less provision for doubtful debts	7(a)	(17)	(170)
Other receivables	(i)	704	1,395
<b>STATUTORY CURRENT RECEIVABLES</b>			
Net GST receivable		-	101
<b>TOTAL RECEIVABLES</b>	<b>18</b>	<b>3,882</b>	<b>2,934</b>

- (i) The average credit period for sales of goods and services and for other receivables is 22 days (F2013: 23 days). A provision has been made for estimated irrecoverable amounts when there is objective evidence that an individual receivable is impaired.

<b>(A) DOUBTFUL DEBTS</b>	<b>2014 \$'000s</b>	<b>2013 \$'000s</b>
<b>BALANCE AT BEGINNING OF THE YEAR</b>	<b>170</b>	<b>6</b>
Increase/(decrease) in provision recognised in the net result	(153)	164
<b>BALANCE AT END OF THE YEAR</b>	<b>17</b>	<b>170</b>

**(B) AGEING ANALYSIS OF CONTRACTUAL RECEIVABLES**

Refer to Note 18 for the ageing analysis of contractual receivables.

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

Refer to Note 18 for the nature and extent of risks arising from contractual receivables.

<b>NOTE 8: INVENTORIES</b>	<b>2014 \$'000s</b>	<b>2013 \$'000s</b>
<b>CURRENT INVENTORIES</b>		
Theatre lamps, gels and tapes	70	81
Central plant	11	46
Cleaning consumables	8	6
Retail merchandise	37	43
Food and beverage	287	289
<b>TOTAL INVENTORIES</b>	<b>413</b>	<b>465</b>

**VICTORIAN ARTS CENTRE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>	<b>NOTES</b>	<b>2014</b> <b>\$'000s</b>	<b>2013</b> <b>\$'000s</b>
<b>LAND</b>			
At valuation		<b>126,676</b>	<b>126,676</b>
<b>BUILDINGS</b>			
At valuation		185,476	185,476
Less accumulated depreciation		(24,433)	(15,837)
		<b>161,043</b>	<b>169,639</b>
<b>BUILDING FIT OUTS</b>			
At valuation		83,552	83,552
At cost		57,212	47,044
Less accumulated depreciation		(9,231)	(6,648)
		<b>131,533</b>	<b>123,948</b>
<b>OTHER ASSETS</b>			
Furniture and equipment at cost		38,011	36,528
Less accumulated depreciation		(15,681)	(11,181)
		<b>22,330</b>	<b>25,347</b>
Motor vehicles at cost		142	142
Less accumulated depreciation		(106)	(100)
		<b>36</b>	<b>42</b>
Works of art at cost		517	512
Works of art at valuation		28,067	28,067
		<b>28,584</b>	<b>28,579</b>
Performing arts collection at cost		160	156
Performing arts collection at valuation		25,997	25,741
		<b>26,157</b>	<b>25,897</b>
Work in progress	(i)	<b>392</b>	<b>9,774</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>		<b>496,751</b>	<b>509,902</b>

(i) Work in progress contains \$0.25m in relation to Critical Asset Renewal projects. These work in progress assets have been designated as contributions by owners and are recognised in contributed capital. A further \$0.142m relates to miscellaneous work in progress capital projects.

VICTORIAN ARTS CENTRE TRUST  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

	LAND \$'000s	BUILDINGS \$'000s	BUILDING FIT OUT \$'000s	FURNITURE \$'000s	MOTOR VEHICLES \$'000s	WORKS OF ART \$'000s	PERFORMING ARTS COLLECTION \$'000s	WORK IN PROGRESS \$'000s	TOTALS \$'000s
<b>2013</b>									
Carrying amount at start of year	126,676	110,430	81,903	4,419	38	28,174	25,515	126,693	503,848
Additions	-	29	769	3,221	11	405	-	17,510	21,945
Transfers	-	67,777	43,885	21,395	-	-	382	(133,439)	-
WIP items expensed	-	-	-	-	-	-	-	(990)	(990)
Depreciation expense	-	(8,597)	(2,609)	(3,688)	(7)	-	-	-	(14,901)
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>126,676</b>	<b>169,639</b>	<b>123,948</b>	<b>25,347</b>	<b>42</b>	<b>28,579</b>	<b>25,897</b>	<b>9,774</b>	<b>509,902</b>
<b>2014</b>									
Carrying amount at start of year	126,676	169,639	123,948	25,347	42	28,579	25,897	9,774	509,902
Additions	-	-	1,828	121	-	5	260	379	2,593
Transfers	-	-	8,340	1,362	-	-	-	(9,702)	-
WIP items expensed	-	-	-	-	-	-	-	(59)	(59)
Depreciation expense	-	(8,596)	(2,583)	(4,500)	(6)	-	-	-	(15,685)
<b>CARRYING AMOUNT AT END OF YEAR</b>	<b>126,676</b>	<b>161,043</b>	<b>131,533</b>	<b>22,330</b>	<b>36</b>	<b>28,584</b>	<b>26,157</b>	<b>392</b>	<b>496,751</b>

**RESTRICTED ASSETS**

The Trust holds \$287.72m worth of properties listed as heritage assets, namely specialised land and buildings. These heritage assets cannot be modified nor disposed of without formal ministerial approval.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

##### FAIR VALUE MEASUREMENT HIERARCHY FOR ASSETS AS AT 30 JUNE 2014

	CARRYING AMOUNT AS AT 30 JUNE 2014	FAIR VALUE MEASUREMENT AT END OF REPORTING PERIOD USING:		
		LEVEL 1(i)	LEVEL 2(i)	LEVEL 3(i)
Land at fair value				
Non-specialised land	-	-	-	-
Specialised land	126,676	-	-	126,676
<b>TOTAL</b>	<b>126,676</b>	<b>-</b>	<b>-</b>	<b>126,676</b>
Buildings at fair value				
Non-specialised buildings	-	-	-	-
Specialised buildings & building fit out	292,576	-	-	292,576
<b>TOTAL</b>	<b>292,576</b>	<b>-</b>	<b>-</b>	<b>292,576</b>
Furniture, equipment and vehicles at fair value				
Vehicles (ii)	36	-	36	-
Furniture and equipment	22,330	-	22,330	-
<b>TOTAL</b>	<b>22,366</b>	<b>-</b>	<b>22,366</b>	<b>-</b>
Other assets at fair value				
Works of art	28,584	-	28,584	-
Performing arts collection	26,157	-	26,157	-
<b>TOTAL</b>	<b>54,741</b>	<b>-</b>	<b>54,741</b>	<b>-</b>

(i) Classified in accordance with the fair value hierarchy, see Note 1(B).

(ii) Vehicles are categorised to Level 2 assets as the depreciated replacement cost is used in estimating the fair value.

(iii) There have been no transfers between levels during the period.

#### **SPECIALISED LAND AND SPECIALISED BUILDINGS**

The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the majority of the Trust's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated useful lives. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Trust's specialised land and specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2011.

#### **OTHER ASSETS**

Works of art and the Performing arts collection are valued using the best estimate of the price reasonably obtainable in the market at reporting date.

An independent valuation of the Works of art was performed by Reeder Fine Art and the Performing arts collection valuation was performed by Ian Armstrong (OAM). The valuation method compared recent auction prices for similar items. Factors taken into account include age, condition, importance of item and relative importance of the performer with which each item was associated.

To the extent that Other Assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach. The effective date of the valuation for Works of art and the Performing arts collection is 30 June 2011.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

##### VEHICLES

Vehicles are valued using the depreciated replacement cost method. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced personnel in the Trust who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

##### FURNITURE AND EQUIPMENT

Furniture and equipment is held at fair value. When furniture and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

##### RECONCILIATION OF LEVEL 3 FAIR VALUE

2014	SPECIALISED LAND \$'000s	SPECIALISED BUILDINGS \$'000s	TOTAL \$'000s
<b>OPENING BALANCE</b>	<b>126,676</b>	<b>293,587</b>	<b>420,263</b>
Purchases (sales)	-	10,168	10,168
Transfers in (out) of Level 3	-	-	-
Depreciation	-	(11,179)	(11,179)
Impairment loss	-	-	-
<b>SUBTOTAL</b>	<b>126,676</b>	<b>292,576</b>	<b>419,252</b>
Revaluation	-	-	-
Subtotal	126,676	292,576	419,252
<b>CLOSING BALANCE</b>	<b>126,676</b>	<b>292,576</b>	<b>419,252</b>

##### DESCRIPTION OF SIGNIFICANT UNOBSERVABLE INPUTS TO LEVEL 3 VALUATIONS

	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RANGE (WEIGHTED AVERAGE)	SENSITIVITY OF FAIR VALUE MEASUREMENT TO CHANGES IN SIGNIFICANT UNOBSERVABLE INPUTS
<b>SPECIALISED LAND</b>	Market approach	Community Service Obligation (CSO) adjustment	40–60% (46%) (i)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
<b>SPECIALISED BUILDINGS (INCLUDING FIT OUT)</b>	Depreciated replacement cost	Direct cost per square metre. Remaining useful life of specialised buildings & Fit out.	\$75–\$7,500/m <sup>2</sup> (\$6,382) 4–50 years (45 years)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.  A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

(i) CSO adjustments ranging from 40 per cent to 60 per cent were applied to reduce the market approach value for the Trust's specialised land, with the weighted average 46 per cent reduction applied.

**VICTORIAN ARTS CENTRE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

<b>NOTE 10: INTANGIBLE ASSETS</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Opening cost	5,491	5,491
Additions	-	-
<b>CLOSING COST</b>	<b>5,491</b>	<b>5,491</b>
Opening accumulated amortisation	(4,998)	(4,484)
Charge for the period	(285)	(514)
<b>CLOSING ACCUMULATED AMORTISATION</b>	<b>(5,283)</b>	<b>(4,998)</b>
Carrying amount at start of year	493	1,007
<b>CARRYING AMOUNT AT END OF YEAR (i)</b>	<b>208</b>	<b>493</b>

(i) Intangible assets consists solely of software.

<b>NOTE 11: OTHER NON-FINANCIAL ASSETS</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Prepayments	446	919
<b>TOTAL OTHER NON-FINANCIAL ASSETS</b>	<b>446</b>	<b>919</b>

<b>NOTE 12: PAYABLES</b>	<b>NOTES</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>CONTRACTUAL CURRENT PAYABLES</b>			
Trade creditors	(i)	1,013	1,060
Sundry creditors and accruals		3,836	7,639
Box office creditors		7,951	6,664
GST Payable		69	-
<b>CONTRACTUAL NON-CURRENT PAYABLES</b>			
Defined pension superannuation call	19	4,273	4,585
<b>TOTAL PAYABLES</b>	<b>18</b>	<b>17,142</b>	<b>19,948</b>

(i) The average credit period is 36 days (F2013: 42 days).

**(A) MATURITY ANALYSIS OF CONTRACTUAL PAYABLES**

Please refer to Note 18 for the maturity analysis of contractual payables.

**(B) NATURE AND EXTENT OF RISK ARISING FROM CONTRACTUAL PAYABLES**

Please refer to Note 18 for the nature and extent of risks arising from contractual payables.

VICTORIAN ARTS CENTRE TRUST  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		<b>2014</b>	<b>2013</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>NOTE 13: PROVISIONS</b>			
<b>(A) CURRENT EMPLOYEE PROVISIONS</b>			
Annual leave			
Annual leave entitlement expected to settle within 12 months	(i)	1,435	1,522
Annual leave entitlement expected to settle after 12 months	(i)	170	-
Unconditional long service leave entitlement			
Unconditional and expected to settle within 12 months	(ii)	214	214
Unconditional and expected to settle after 12 months	(iii)	1,939	1,594
		<b>3,758</b>	<b>3,330</b>
<b>NON-CURRENT EMPLOYEE PROVISIONS</b>			
Conditional long service leave entitlement	(i) & (iii)	642	538
<b>TOTAL EMPLOYEE BENEFITS</b>		<b>4,400</b>	<b>3,868</b>
Current on-costs		230	234
Non-current on-costs		447	390
<b>TOTAL ON-COSTS</b>		<b>677</b>	<b>624</b>
<b>TOTAL PROVISIONS</b>		<b>5,077</b>	<b>4,492</b>
<b>(B) MOVEMENT IN PROVISIONS</b>			
		<b>ON-COST</b>	<b>OTHER</b>
		<b>2014</b>	<b>2014</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>OPENING BALANCE</b>		<b>624</b>	<b>3,868</b>
Additional provisions recognised		376	2,549
Reductions arising from payments		(324)	(2,025)
Unwind of discount and effect of changes in the discount rate		1	8
<b>CLOSING BALANCE</b>		<b>677</b>	<b>4,400</b>
Current		230	3,758
Non-current		447	642
<b>TOTAL</b>		<b>677</b>	<b>4,400</b>
		<b>5,077</b>	<b>4,492</b>

- (i) Provisions for employee benefits consist of amounts for annual leave and long service leave accrued by employees, not including on-costs.
- (ii) The amounts disclosed are nominal amounts.
- (iii) The amounts disclosed are discounted to present values.

**VICTORIAN ARTS CENTRE TRUST**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

<b>NOTE 14: OTHER CURRENT LIABILITIES</b>	<b>NOTES</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000s</b>	<b>\$'000s</b>
Venue hire income received in advance		723	415
Other income received in advance		1,289	1,635
<b>TOTAL OTHER CURRENT LIABILITIES</b>		<b>2,012</b>	<b>2,050</b>

<b>NOTE 15: OPERATING LEASES</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000s</b>	<b>\$'000s</b>
Payable no later than one year	628	796
Longer than one year and not longer than five years	276	319
<b>TOTAL LEASES</b>	<b>904</b>	<b>1,115</b>

<b>NOTE 16: COMMITMENTS FOR EXPENDITURE</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>OPERATING COMMITMENTS</b>		
Not longer than one year	3,240	7,370
Longer than one year and not longer than five years	3,023	4,850
<b>TOTAL OPERATING COMMITMENTS</b>	<b>6,263</b>	<b>12,220</b>
<b>PROGRAMMING COMMITMENTS</b>		
Not longer than one year	629	2,261
<b>TOTAL PROGRAMMING COMMITMENTS</b>	<b>629</b>	<b>2,261</b>
<b>CAPITAL COMMITMENTS</b>		
Not longer than one year	-	1,722
<b>TOTAL CAPITAL COMMITMENTS</b>	<b>-</b>	<b>1,722</b>
<b>TOTAL COMMITMENTS</b>	<b>6,892</b>	<b>16,203</b>

VICTORIAN ARTS CENTRE TRUST  
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 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

<b>NOTE 17: CASH FLOW STATEMENT</b>	<b>NOTES</b>	<b>2014</b>	<b>2013</b>
		<b>\$'000s</b>	<b>\$'000s</b>
<b>(A) RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>			
Cash balance comprises:			
Cash on hand and in bank		21,254	17,412
Cash held in box office bank account		7,660	10,737
<b>CLOSING CASH BALANCE</b>	<b>6</b>	<b>28,914</b>	<b>28,149</b>
<b>(B) RECONCILIATION OF NET RESULT FROM OPERATING ACTIVITIES TO NET CASH USED IN OPERATING ACTIVITIES</b>			
<b>NET RESULT FOR THE PERIOD</b>		<b>(12,929)</b>	<b>(22,833)</b>
<b>NON-CASH MOVEMENTS:</b>			
Depreciation of non-current assets		15,970	15,416
(Gain)/loss on disposal of non-current assets		-	(72)
Investment income reinvested		-	(410)
Other non-cash gains		-	225
<b>MOVEMENT IN ASSETS AND LIABILITIES</b>			
(Increase)/decrease in receivables		213	1,908
(Increase)/decrease in inventories		51	(341)
(Increase)/decrease in other current assets		473	734
Increase/(decrease) in payables		(2,804)	(6,057)
Increase/(decrease) in other current liabilities		(39)	1,179
Increase/(decrease) in employee benefits		585	51
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>1,520</b>	<b>(10,200)</b>

**NOTE 18: 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 include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk.

The Trust uses different methods to measure and manage the different risks to which it 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 which can only be made available to the Presenter (ticketing receipts) and the Trust (ticketing fees) after the relevant event has occurred.

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 sub-committee of the Trust.

## VICTORIAN ARTS CENTRE TRUST

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

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

##### CATEGORISATION OF FINANCIAL INSTRUMENTS

CONTRACTUAL FINANCIAL ASSETS	CATEGORY	2014 \$'000s	2013 \$'000s
Cash and term deposits (< 12 months)	Contractual financial assets - loans and receivables	28,914	28,149
Receivables: (i)			
Trade debtors	Contractual financial assets - loans and receivables	3,178	1,438
Other receivables		704	1,395
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS</b>		<b>32,796</b>	<b>30,982</b>
<b>CONTRACTUAL FINANCIAL LIABILITIES</b>			
Payables:			
Trade creditors		1,013	1,060
Box office creditors	Contractual financial liabilities at amortised cost	7,951	6,664
Other payables		3,836	7,639
Defined pension superannuation call		4,273	4,585
<b>TOTAL CONTRACTUAL FINANCIAL LIABILITIES</b>		<b>17,073</b>	<b>19,948</b>

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

NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY	NET HOLDING GAIN/(LOSS) \$'000s	TOTAL INTEREST INCOME \$'000s	TOTAL \$'000s
<b>2014</b>			
<b>CONTRACTUAL FINANCIAL ASSETS</b>			
Financial assets - loans and receivables	-	860	860
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS AS AT 30 JUNE 2014</b>	<b>-</b>	<b>860</b>	<b>860</b>
<b>2013</b>			
<b>CONTRACTUAL FINANCIAL ASSETS</b>			
Financial assets - loans and receivables	-	1,462	1,462
Financial assets - available for sale recognised in other comprehensive result	854	-	854
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS AS AT 30 JUNE 2013</b>	<b>854</b>	<b>1,462</b>	<b>2,316</b>

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

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

##### (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.

##### CREDIT QUALITY OF CONTRACTUAL FINANCIAL ASSETS THAT ARE NEITHER PAST DUE NOR IMPAIRED

	FINANCIAL INSTITUTIONS (AA CREDIT RATINGS) \$'000s	OTHER \$'000s	TOTAL \$'000s
<b>2014</b>			
Cash and cash equivalents	28,914	-	28,914
Receivables	1,311	2,571	3,882
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS</b>	<b>30,225</b>	<b>2,571</b>	<b>32,796</b>
<b>2013</b>			
Cash and cash equivalents	28,149	-	28,149
Receivables	452	2,381	2,833
<b>TOTAL CONTRACTUAL FINANCIAL ASSETS</b>	<b>28,601</b>	<b>2,381</b>	<b>30,982</b>

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

	CARRYING AMOUNT \$'000s	NOT PAST DUE AND NOT IMPAIRED \$'000s	PAST DUE BUT NOT IMPAIRED		IMPAIRED FINANCIAL ASSETS \$'000s
			LESS THAN 1 MONTH \$'000s	MORE THAN 1 MONTH \$'000s	
<b>2014</b>					
<b>RECEIVABLES:</b>					
Trade debtors	3,195	1,720	1,413	45	17
Other receivables	704	704	-	-	-
<b>TOTAL</b>	<b>3,899</b>	<b>2,424</b>	<b>1,413</b>	<b>45</b>	<b>17</b>
<b>2013</b>					
<b>RECEIVABLES:</b>					
Trade debtors	1,608	1,290	148	-	170
Other receivables	1,395	1,395	-	-	-
<b>TOTAL</b>	<b>3,003</b>	<b>2,685</b>	<b>148</b>	<b>-</b>	<b>170</b>

## VICTORIAN ARTS CENTRE TRUST

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

The Trust does not currently 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. 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 \$'000s	LESS THAN 1 MONTH \$'000s	1 - 3 MONTHS \$'000s	3 MONTHS - 1 YEAR \$'000s	GREATER THAN 1 YEAR \$'000s
<b>2014</b>					
<b>PAYABLES:</b>					
Trade creditors	1,013	998	15	-	-
Box office creditors	7,951	3,660	2,335	1,956	-
Other payables	3,836	3,836	-	-	-
Defined pension superannuation call	4,273	-	-	484	3,789
<b>TOTAL</b>	<b>17,073</b>	<b>8,494</b>	<b>2,350</b>	<b>2,440</b>	<b>3,789</b>
<b>2013</b>					
<b>PAYABLES:</b>					
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
<b>TOTAL</b>	<b>19,948</b>	<b>10,625</b>	<b>3,394</b>	<b>1,848</b>	<b>4,081</b>

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

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

#### (D) MARKET RISK

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

#### FOREIGN CURRENCY RISK

The Trust is exposed to insignificant foreign currency risk through payments 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. The Trust manages this risk by mainly utilising 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 2014

**NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)**

**INTEREST RATE EXPOSURE OF FINANCIAL INSTRUMENTS**

<b>2014</b>	<b>WEIGHTED AVERAGE INTEREST RATE</b>	<b>CARRYING AMOUNT</b>	<b>FLOATING INTEREST RATE</b>	<b>FIXED INTEREST RATE</b>	<b>NON- INTEREST BEARING</b>
<b>FINANCIAL ASSETS</b>	<b>%</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
Cash at bank and on hand	2.74	21,254	21,254	-	-
Cash held in box office bank account	2.13	7,660	7,660	-	-
Receivables - trade debtors		3,178	-	-	3,178
Receivables - other debtors		704	-	-	704
<b>TOTAL</b>		<b>32,796</b>	<b>28,914</b>	<b>-</b>	<b>3,882</b>
<b>FINANCIAL LIABILITIES</b>					
Trade creditors		1,013	-	-	1,013
Box office creditors		7,951	-	-	7,951
Other creditors		3,836	-	-	3,836
Defined pension superannuation call	7.5	4,273	-	4,273	-
<b>TOTAL</b>		<b>17,073</b>	<b>-</b>	<b>4,273</b>	<b>12,800</b>
<b>2013</b>					
<b>FINANCIAL ASSETS</b>					
Cash at bank and on hand	2.83	17,412	17,412	-	-
Cash held in box office bank account	2.83	10,737	10,737	-	-
Receivables - trade debtors		1,438	-	-	1,438
Receivables - other debtors		1,395	-	-	1,395
<b>TOTAL</b>		<b>30,982</b>	<b>28,149</b>	<b>-</b>	<b>2,833</b>
<b>FINANCIAL LIABILITIES</b>					
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	-
<b>TOTAL</b>		<b>19,948</b>	<b>-</b>	<b>4,585</b>	<b>15,363</b>

**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 cannot be expected to predict movements in market rates and prices, therefore sensitivity analysis shown is for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- A movement of 50 basis points up and down (F2013: 50 up and down) in market interest rates (AUD).

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.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### NOTE 18: FINANCIAL INSTRUMENTS (CONTINUED)

##### MARKET RISK EXPOSURE - INTEREST RATE RISK

		-0.50%	-0.50%	0.50%	0.50%
	CARRYING AMOUNT	NET RESULT	AVAILABLE FOR SALE REVALUATION SURPLUS	NET RESULT	AVAILABLE FOR SALE REVALUATION SURPLUS
2014	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>FINANCIAL ASSETS</b>					
Cash at bank and on hand	28,914	(145)	-	145	-
<b>TOTAL</b>	<b>28,914</b>	<b>(145)</b>	<b>-</b>	<b>145</b>	<b>-</b>
2013					
<b>FINANCIAL ASSETS</b>					
Cash at bank and on hand	28,149	(148)	-	148	-
<b>TOTAL</b>	<b>28,149</b>	<b>(148)</b>	<b>-</b>	<b>148</b>	<b>-</b>

#### NOTE 19: 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 SUPER SUPERANNUATION FUND (DEFINED BENEFIT FUND)

The Trust makes contributions on behalf of some employees to the Local Authorities Superannuation Fund (the Fund), by way of a defined benefit plan. This defined benefit plan provides lump sum benefits based on years of service and final average salary.

As provided under Paragraph 34 of AASB 119, the Trust does not use defined benefit accounting for its defined benefit obligations under the Fund's defined benefit category. This is because the Fund's defined benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Trust in the Fund cannot be measured as a percentage compared with any other participating employer. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

##### FUNDING ARRANGEMENTS

The Trust makes employer contributions to the defined benefit category of the Fund at rates determined by the Fund's Trustee on the advice of the Fund's Actuary. The Fund's employer funding arrangements comprise of three components:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls – which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments – which are additional contributions to cover the increase in liability arising from retrenchments.

The Trust is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### **EMPLOYER CONTRIBUTIONS**

##### *Regular contributions*

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, the Trust makes employer contributions to the Fund's defined benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2014, this rate was 9.25% of members' salaries. This rate increased to 9.5% on 1 July 2014 and is expected to increase in line with the required Superannuation Guarantee contribution rate.

In addition, the Trust reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the vested benefit index (VBI) multiplied by the benefit).

#### **FUNDING CALLS**

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its VBI is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including the Trust) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period;
- The service periods of all deferred members split between the deferred members pre-1 July 1993 and post-30 June 1993 service period; and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

#### **DIFFERENCES BETWEEN CALCULATIONS**

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions), for the calculation of accrued benefits as required in AAS 25 and for the values needed for the AASB 119 disclosure in the Trust's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### **SHORTFALL AMOUNTS**

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which the Trust is a contributing employer.

The Trust was made aware of the expected shortfall during the F2012 year and was informed of its share of the shortfall on 31 July 2012. The Trust has not been advised of any further adjustments.

The Trust's share of the shortfall amounted to \$3.0m (including contributions tax and interest) which was accounted for in the F2012 Comprehensive operating statement as a separate line item in Expenses from transactions and in the Balance Sheet in Payables. A further \$1.4m was included in the F2013 Comprehensive operating statement for interest.

#### **ACCRUED BENEFITS**

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard Board AAS25 follows:

	<b>31 DEC 2011</b> <b>\$'000s</b>
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits	4,838,503

The financial assumptions used to calculate the Accrued Benefits for the defined benefit category of the Fund were:

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

#### **(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 9.25% (9.50% from 1 July 2014) or as per enterprise development agreements.

#### **NOTE 20: RESPONSIBLE PERSONS**

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

##### **RESPONSIBLE MINISTER**

The Hon Heidi Victoria MLA, Minister for the Arts  
 The Hon Jeanette Powell, acting Minister of the Arts  
 The Hon Ryan Smith, acting Minister of the Arts

##### **RESPONSIBLE PERSONS**

Mr Tom Harley  
 Ms Deborah Beale (until 12 March 2014)  
 Mr Sandy Clark  
 Mr Julian Clarke AO  
 Mr Jim Cousins AO (from 15 September 2013)  
 Ms Dana Hlavacek  
 Ms Catherine McClements  
 Mr Graham Smorgon AM  
 Mr David Vigo

##### **ACCOUNTABLE OFFICER**

Ms Judith Isherwood (CEO from 1 July to 19 November 2013)  
 Ms Jodie Bennett (acting CEO from 20 November 2013 – 5 January 2014 and from 14 June to 30 June 2014)  
 Mr Ian Roberts (interim CEO from 6 January to 13 June 2014)

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### NOTE 21: 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 24 for related party transactions.

The remuneration of the accountable officer was in the range of \$260,000 - \$269,999 (F2013: \$330,000 - \$339,999). This is not included in the table within Note 23.

<b>NOTE 22: REMUNERATION OF AUDITORS</b>	<b>2014</b>	<b>2013</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>VICTORIAN AUDITOR-GENERAL'S OFFICE</b>		
Audit of the financial statements	57	52

#### NOTE 23: 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 2014 the number of males represented in the following table is 2 (F2013: 3) and females is 3 (F2013: 1). In 2014 the Chief Executive and 4 executives (F2013: 4) were employed under Executive Employment Contracts. Base remuneration is exclusive of bonus payments, long service leave payments and retirement benefits.

Refer to Note 21 for the remuneration of the accountable officer which is not shown in the table below.

	<b>TOTAL REMUNERATION</b>		<b>BASE REMUNERATION</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
\$50,000 - \$100,000	1	-	1	-
\$120,000 - \$129,999	-	-	-	-
\$130,000 - \$139,999	-	-	-	-
\$140,000 - \$149,999	-	-	-	-
\$150,000 - \$159,999	-	-	-	-
\$160,000 - \$169,999	-	1	-	1
\$170,000 - \$179,999	-	-	-	1
\$180,000 - \$189,999	-	-	-	-
\$190,000 - \$199,999	-	1	-	-
\$200,000 - \$209,999	1	-	1	-
\$210,000 - \$219,999	-	-	-	1
\$220,000 - \$229,999	1	1	1	-
\$230,000 - \$239,999	-	1	-	1
\$240,000 - \$249,999	1	-	2	-
\$250,000 - \$259,999	1	-	-	-
Total number of reportable executives	5	4	5	4
Total annualised employee equivalent (AEE) (i)	4.3	3.7	4.3	3.7
	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>	<b>\$'000s</b>
<b>THE AGGREGATE REMUNERATION PAID TO EXECUTIVES</b>	<b>1,025</b>	<b>818</b>	<b>994</b>	<b>786</b>

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

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

#### (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 table. These other personnel are responsible for planning, directing or controlling, directly or indirectly, the entity's activities.

	<b>TOTAL EXPENSES (EXCLUSIVE OF GST)</b>	
	<b>2014</b>	<b>2013</b>
\$20,000 - \$29,999	-	1
\$50,000 - \$59,999	-	1
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	-	-
\$110,000 - \$119,999	1	-
\$160,000 - \$169,999	-	-
\$190,000 - \$199,999	1	1
	<b>2</b>	<b>4</b>
	<b>\$'000s</b>	<b>\$'000s</b>
<b>TOTAL EXPENSES (EXCLUSIVE OF GST)</b>	<b>308</b>	<b>353</b>

#### NOTE 24: RELATED PARTY TRANSACTIONS

Mr Tom Harley is chairman of Dow Chemical Australia Ltd for which related party transactions totalled \$4,648 for function services to be provided by the Trust in November 2014.

Ms Dana Hlavacek is

- a non-executive director of Melbourne Water Corporation for which related party transactions totalled \$18,920 for function services to be provided by the Trust in July 2014; and
- the chair of the audit committee of the Brotherhood of St Laurence for which related party transactions totalled \$5,809 for function services provided by the Trust.

Mr Jim Cousins AO is chairman of The Australian Ballet for which related party transactions (during his tenure with the Trust) in venue rental and associated services provided by the Trust amounted to \$2,410,103. Function services provided by the Trust amounted to \$131,195 and in Merchandise provided to the Trust amounted to \$1,009.

Ms Deborah Beale is

- a director of The Production Company (Australia) Limited for which related party transactions in venue rental and associated services provided by the Trust (prior to the end of her tenure with the Trust) amounted to \$947,094 and in function services provided by the Trust amounted to \$67,905; and
- Trustee of Melbourne & Olympic Parks Trust for which related party transactions in function services to be provided by the Trust amounted to \$1,200.

Mr Julian Clarke AO is a director of Herald & Weekly Times for which related party transactions in venue rental and associated services provided by the Trust amounted to \$39,256, and newspaper subscriptions and advertising totalling \$413 were paid to Herald & Weekly Times by the Trust.

Donations and endowments totalling \$47,200 (F2013: \$58,505) were received from Arts Centre Melbourne Trustees.

#### NOTE 25: CONTINGENT ASSETS AND LIABILITIES

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

# VICTORIAN ARTS CENTRE TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

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#### NOTE 26: SUBSEQUENT EVENTS

Geoff Street was appointed interim Chief Executive from 4 July 2014.

There were no other subsequent events for the financial year ended 30 June 2014.

#### 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*, the *Australian Charities and Not-for-profit Commission Act 2012* and the *Australian Charities and Not-for-profit Commission Regulations 2013*, 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 2014 and the financial position of the Trust as at 30 June 2014.

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 26 August 2014.



Tom Harley  
President



Jodie Bennett  
Chief Operating Officer

# VAGO

## VAGO

Victorian Auditor-General's Office

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

### INDEPENDENT AUDITOR'S REPORT

To the Trustees, Victorian Arts Centre Trust

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2014 of the Victorian Arts Centre Trust which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief financial officer's declaration has been audited.

#### *The Trustees' Responsibility for the Financial Report*

The Trustees of the Victorian Arts Centre Trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Financial Management Act 1994*, the *Australian Charities and Not-for-profits Commission Act 2012*, 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.

# VAGO

## 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 of the Victorian Arts Centre Trust is in accordance with the *Financial Management Act 1994*, and the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2014, and of its financial performance for the year ended on that date
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Regulation 2013*.

### *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 2014 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  
29 August 2014

  
for John Doyle  
Auditor-General

# ADMINISTRATIVE REPORTING REQUIREMENTS

## WORKFORCE DATA

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

	ONGOING				VARIABLE TIME <sup>1</sup>				FIXED TERM & CASUAL EMPLOYEES	
	EMPLOYEES (HEADCOUNT)		FTE		EMPLOYEES (HEADCOUNT)		FTE		FTE	
	2014 <sup>2</sup>	2013 <sup>3</sup>	2014	2013	2014	2013	2014	2013	2014	2013
<b>GENDER</b>										
Male	116	119	114	116	30	33	19	21	69	80
Female	122	134	113	123	7	8	4	5	86	86
Total	238	253	227	239	37	41	23	26	155	166
<b>AGE</b>										
Under 25	4	9	3	9	4	8	2	5	35	45
25-34	69	77	66	73	11	11	7	7	60	60
35-44	71	78	69	74	8	9	5	6	29	30
45-54	50	54	47	50	5	4	3	2	23	20
55-64	36	28	35	27	8	8	5	5	5	8
Over 64	8	7	7	6	1	1	1	1	3	3
Total	238	253	227	239	37	41	23	26	155	166

<sup>1</sup> 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.

<sup>2</sup> 2014 employee headcount figure reflects 208 full time headcount and 30 part time headcount

<sup>3</sup> 2013 employee headcount figure reflects 217 full time headcount and 36 part time headcount

## OCCUPATIONAL HEALTH AND SAFETY (OH&S)

A number of KPIs have been identified to enable the measurement of OH&S effectiveness at 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	KPI	2013–14	2012–13
Workers' Compensation	Premium rate <sup>1</sup>	1.0%	1.0%
	No. of standard claims	5	6
	No. of lost time standard claims	3	1
	Average cost per standard claim <sup>2</sup>	\$9,673	\$6,578
	Average days lost per Workers' Compensation claim <sup>3</sup>	4.5	5.3
	Return to work <sup>4</sup>	85.7%	83.3%
OHS Management Systems Compliance	Achieve compliance to AS4801 <sup>5</sup>	87%	86%

<sup>1</sup> Percentage of total remuneration compared to the industry average of 1.8%

<sup>2</sup> Average cost per standard claim as at 30 June 2014.

<sup>3</sup> Average days lost for all claims, including minor and standard claims.

<sup>4</sup> Percentage of injured staff that returned to work in less than 10 days.

<sup>5</sup> Percentage achieved on internal audit of Occupational Health and Safety Management Systems.

# ADMINISTRATIVE REPORTING REQUIREMENTS

## ENVIRONMENTAL PERFORMANCE

KEY MEASURABLE		2013-14	2012-13	2011-12	2010-11	2009-10
Electricity Total Consumption	Kilowatt Hr (kWh)	22,595,365	24,000,243	21,997,133	24,254,591	27,542,133
Natural Gas Total Consumption	Gigajoules (Gj)	47,607	56,657	60,588	70,713	77,986
Water Total Consumption	Kilolitres (kL)	72,670	70,627	67,461	75,020	77,729*
Total Green House Gas Emissions	Tonnes of Co2-e	32,455	34,809*	32,199	35,686	42,144

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.

\* Figures adjusted from those published in 2009-10 and 2012-13 Annual Reports.

## BUDGET PAPER 3 OUTPUT REPORTING

	2013-14	2012-13	2011-12	2010-11	2009-10
Access – visitors/users <sup>1</sup>	2,838,482	2,911,930	2,298,103	2,313,670	2,642,401
Access – online visitors to website <sup>2</sup>	2,194,864	2,130,984	1,486,482	1,371,784	2,710,491
Number of members and friends <sup>3</sup>	1,365	1,272	1,152	1,194	1,518
Number of volunteer hours	1,113	1,475	2,264	1,641	1,627
Number of students participating in education programs	46,072	58,380	59,259	70,288	81,709
% of collections stored to industry standard	68	68	67	67	60
% of visitors satisfied with visit overall <sup>4</sup>	89	87	85	98	98

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

<sup>2</sup> From F2011, as advised by Arts Victoria, online visitation is counted by browser based web analytical tools.

<sup>3</sup> From F2011, as advised by Arts Victoria, number of members and friends represents number of paid memberships at the agency.

<sup>4</sup> 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.

## FREEDOM OF INFORMATION

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

The Trust received no formal FOI applications during the 12 months ending 30 June 2014.

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 \$26.50 (waived in certain circumstances). Apart from the application fee, certain other charges such as search fees and photocopying charges might apply in relation to the provision of documents as stipulated in the Freedom of Information (Access Charges) Regulations 2004.

Further information on the Act may be obtained from [www.foi.vic.gov.au](http://www.foi.vic.gov.au)

## FINANCIAL AND OTHER INFORMATION RETAINED BY THE ACCOUNTABLE OFFICER

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

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

## STATEMENT OF COMPLIANCE WITH THE BUILDING ACT 1993

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

During 2013–14 there was one work certified for approval, one work subject to mandatory inspection and no 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.

## 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](http://www.ibac.vic.gov.au).

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

## IMPLEMENTATION OF THE VICTORIAN INDUSTRY PARTICIPATION POLICY

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

In 2013–14 the Trust did not commence or complete any contracts with a value in excess of \$3 million in metropolitan Melbourne or \$1 million in regional Victoria.

## SUBSEQUENT EVENTS

Geoff Street was appointed interim Chief Executive from 4 July 2014. There were no other subsequent events for the financial year ended 30 June 2014.

# ADMINISTRATIVE REPORTING REQUIREMENTS

## CONSULTANCIES

### DETAILS OF CONSULTANCIES OVER \$10,000

CONSULTANT	PURPOSE OF CONSULTANCY	EXPENDITURE (EXCLUDING GST) \$'000s	FUTURE EXPENDITURE (EXCLUDING GST) \$'000s
Jonathan Mills	Programming advice	100	
MBMPL Pty Ltd	Facilities structure review	59	
AKA (Promotions) Australia Pty Ltd	Marketing advice	53	
Reactive Media	Web development	35	
Timothy Pascoe Pty Ltd	Strategy consulting	33	
Clare Cousins Architects	Architect for relocation of Digital Learning Hub	32	28
Morris Hargreaves McIntyre	Audience segmentation advice	30	50
Arup Pty Ltd	Project management and acoustic consultation	27	19
C.R Knight & Associates (Aust) Pty Ltd	Sewage and water main works consulting	18	1
Aurecon Australia	Engineering advice	16	15
Dimension Data Australia Pty Ltd	Website/ Tessitura security review	12	14

### DETAILS OF CONSULTANCIES UNDER \$10,000

In 2013-14, Victorian Arts Centre Trust engaged 38 consultancies where the total fees payable to the consultants were less than \$10,000, with a total expenditure of \$129,914 (excl 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 2013-14 (EXCLUDING GST) \$'000s	CREATIVE & CAMPAIGN DEVELOPMENT EXPENDITURE 2013-14 (EXCLUDING GST) \$'000s	RESEARCH & EVALUATION EXPENDITURE 2013-14 (EXCLUDING GST) \$'000s	PRINT & COLLATERAL EXPENDITURE 2013-14 (EXCLUDING GST) \$'000s	OTHER CAMPAIGN EXPENDITURE 2013-14 (EXCLUDING GST) \$'000s
ACM Winter Season F2013	Print, Online, TV & Radio Advertising 7 Events Einstein on the Beach Phillip Glass in Conversation Botanica/Momix Proximity Ronnie Burkett - Penny Plain Dead Symphony Hidden Spaces Ready Stages	July 2013 - September 2013	239,051	0	0	0	0
The Illusionists	Print, Online, TV & Radio Advertising 19 Shows	December 2013 - January 2014	225,644	0	0	0	0

# RISK + INSURANCE



## Risk Management Attestation at 30 June 2014

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.

A handwritten signature in black ink, appearing to read "Tom Harley".

Tom Harley, President of the Victorian Arts Centre Trust  
20 August, 2014

**ARTS  
VICTORIA**



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tel: 61 3 9281 933 059

# RISK + INSURANCE



## Insurance Attestation at 30 June 2014

I, Tom Harley, certify that the Victorian Arts Centre Trust has complied with Ministerial Direction 4.5.5.1 – Insurance.

A handwritten signature in black ink, appearing to read "Tom Harley".

Tom Harley, President of the Victorian Arts Centre Trust  
20 August, 2014

**ARTS  
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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
<b>REPORT OF OPERATIONS AND ADMINISTRATIVE REPORTING REQUIREMENTS</b>		
Charter and purpose		
FRD 22E*	Manner of establishment and the relevant Ministers	22–23
FRD 22E	Objectives, functions, powers and duties	22
FRD 22E	Nature and range of services provided	4–21
Management and structure		
FRD 22E	Organisational structure	22
Financial and other information		
FRD 10	Disclosure index	75–76
FRD 22E	Operational and budgetary objectives and performance against objectives	2–21, 28–29
FRD 22E	Employment and conduct principles	69
FRD 22E	Occupational health and safety	69
FRD 22E	Summary of the financial results for the year	28
FRD 22E	Significant changes in financial position during the year	28–29
FRD 22E	Major changes or factors affecting performance	28–29
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\* FRD is a Financial Reporting Direction issued by the Minister for Finance pursuant to s8 of the *Financial Management Act 1994*. Compliance with FRDs is mandatory.

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

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