

Melbourne Recital Centre Annual Report 2017–2018



MELBOURNE
RECITAL
CENTRE

Contents

03 At a Glance 2017-18	33 Environmental Performance
04 Key Achievements	34 Financial Summary
06 Chair's Message	36 Statement of Corporate Governance
08 Chief Executive Officer's Report	42 Director's Report
10 Program Highlights	44 Auditor-General's Independence Declaration
15 Key Presenting Partners and Hirers	46 Comprehensive Operating Statement
17 Australian and World Premieres	47 Balance Sheet
18 Strategic Framework	48 Statement of Changes in Equity
19 Achievements 2017-18	49 Cash Flow Statement
24 Development Impact Report	50 Notes to the Financial Statements
26 Inspired Giving	77 Independent Auditor's Report
28 Our Partners	80 Disclosure Index
30 Melbourne Recital Centre Board of Directors	
32 Our People, Committees & Executive Management	

Responsible Body's Declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present Melbourne Recital Centre's Annual Report for the year ending 30 June 2018.



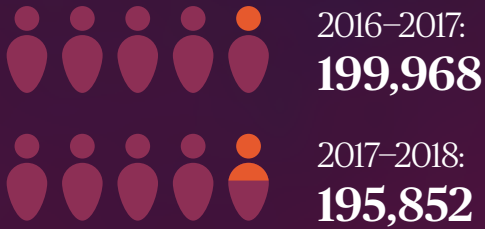
Kathryn Fagg

Chair, Melbourne Recital Centre
Melbourne Recital Centre
28 August 2018

Melbourne Recital Centre proudly stands on the land of the Boon Wurrung people of the Kulin Nation and we pay our respects to Melbourne's First People, to their Elders past and present, and to our shared future.

At a Glance 2017–2018

Total attendances



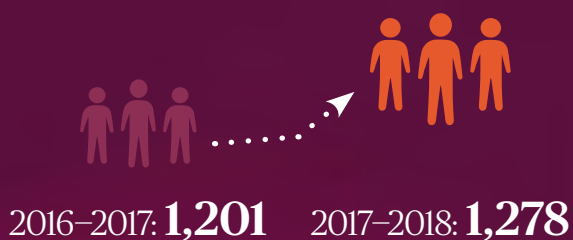
Web site visits



Melbourne Recital Centre Presents Revenue



Melbourne Recital Centre Members



Number of International Ensembles



Number of Australian Ensembles



Number of Public Events



Key Achievements: Report Against Output Targets

Melbourne Recital Centre holds in trust one of the world's best spaces for the enjoyment of live music, and celebrates that role with a distinctive program of concerts, events and activities in many forms and genres.

We envisage a future where music is at the heart of an inspired global community of musicians and audiences, and that the Centre inspires creativity, self-expression, learning and enrichment through music for people of all walks of life.

	2016-17 Results	2017-18 Target	2017-18 Results
Distinctive and diverse programs and audience			
Number of public events	567	561	580
Total attendances*	199,968	200,000	195,852
Participation by students*	14,175	12,000	13,426
Website – unique site visitors*	663,818	400,000	777,559
To build our financial and service capacities			
End of year financial result	\$195,519	\$62,438	\$1,751,777 [†]
Total revenue	\$12,975,482	\$12,818,135	\$14,756,035
Melbourne Recital Centre presents revenue	\$3,622,719	\$3,400,650	\$3,256,448
Development revenue	\$1,258,007	\$1,369,336	\$3,076,359 [†]
To deliver stakeholder value			
Visitor satisfaction*	97%	92%	97%
All facility safety audits conducted*	1	1	1
Community engagement			
Melbourne Recital Centre Members*	1,201	600	1,278
Volunteer hours*	573	650	672
To aspire to creative leadership, with emphasis on the Australian voice			
Number of Australian ensembles	315	260	359
To build the Centre's position in the international context			
Number of international ensembles	129	100	98

^{*}Portfolio Agencies Output – 2017–18 State Budget Paper No. 3
[†]Includes endowment gifts of \$1,500,000 including \$1,000,000 from Ms Betty Amsden, AO, DSJ

‘Fantastic and inspirational concert,
full of young energy and courage.’

Audience Member



Chair's Message



'On the cusp of our 10th Anniversary in 2019, Melbourne Recital Centre continues to affirm its position as the best place to experience superb music.'

Kathryn Fagg
Chair, Melbourne Recital Centre



Music Play 2018

In 2017-2018, we connected nearly 200,000 concert-goers with inspiring music-making at 580 events. The Centre's own presentations – 320 in total – offered a vast diversity of experiences from chamber music to master classes, from rock concerts for children to classical pianist Nelson Freire which moved and delighted Victorians of all ages. Our award-winning program contributes to Melbourne's status as one of the world's great music cities. On the cusp of our 10th Anniversary in 2019, Melbourne Recital Centre continues to affirm its position as the best place to experience superb music.

Our learning and access programs expanded as funding from The William Buckland Foundation, The Margaret Lawrence Bequest, RACV and Touring Victoria allowed us to develop capacity to give more concerts off-site in Benalla with a pilot hands on learning project, through *Music Always* and regional touring programs. These programs take musicians into aged care communities and regional centres, sharing the joys and wellbeing benefits of music with more Victorians.

This activity is part of our ongoing priority to enrich Victoria's cultural ecosystem by partnering with musicians, with funders and with other arts, cultural and educational institutions to amplify the impact of the Centre's work. Relationships with our precinct neighbours such as The University of Melbourne have allowed us to understand the needs of our community better, and to develop programs to enhance the wellbeing of Victorians and create a sense of place in Southbank. We look forward to continuing to engage with the University as the new Melbourne Conservatorium of Music becomes our newest neighbour.

Deepening relationships with our community of generous supporters has led to extraordinary impact this year, with development revenues totalling \$3 million to the Centre. This includes a transformative \$1 million bequest from the late Betty Amsden AO, DSJ. This act of generosity will sustain and expand the Centre's learning and access activities with the *Betty Amsden Kids and Families Program*. This program continues Betty Amsden's life-long commitment to participation in the arts for young people. Gifts such as Betty Amsden's secure the future of a unique place to make and enjoy music.

We are the stewards of this extraordinary venue, soon to be at the live music heart of a vibrant and renewed Melbourne Arts Precinct as The University of Melbourne, the City and the State Government invest in developing an unparalleled creative hub.

I thank the Minister for Creative Industries, Martin Foley MP, and Creative Victoria CEO, Andrew Abbott, for their ongoing support, advocacy and counsel. The State Government's investment in our creative state enables the arts to flourish for the benefit of all Victorians.

Thanks to my colleagues on the Melbourne Recital Centre Board who generously give their time and expertise to support the Centre's vision. I was delighted to welcome Margaret Taylor to the Board this year.

Thanks also to CEO Euan Murdoch, and the Senior Leadership Team and all the dedicated members of the Melbourne Recital Centre family whose commitment to making the Centre the best place to hear and perform is apparent at every concert. Your work allows artists and concert-goers to leave the every-day and connect in a place dedicated to inspiration and emotion.

Finally, thanks to the concert-goers, musicians and the community of supporters who are at the heart of what we do. Thank you for sharing unforgettable musical experiences with us this year. We look forward to celebrating a decade of great music with you in 2019, a time to reflect on our history and anticipate a vibrant future.



Kathryn Fagg

Chair, Melbourne Recital Centre

Chief Executive Officer's Report



Euan Murdoch

Wominjeka, welcome.

Melbourne Recital Centre is increasingly renowned as one of the world's finest music venues: a place where bold musicians want to perform, and where passionate audiences value the intimacy and quality of the music-making in our two sublime spaces.

Our Program

Audiences danced in the aisles at events as diverse as Jordi Savall's colourful excursion to the Mexican Baroque and Saharan blues-band Tinariwen. The stories and voices of Australia's First People resonated through the performances of The Central Australian Aboriginal Women's Choir and singer-songwriter Gawurra. The breadth and depth of the Centre's offering inspires both new and returning audiences. It is enriched and strengthened by terrific programming and relationships with our valued Key Presenting Partners and hirers, showcasing hundreds of fine musicians from Melbourne, Victoria, Australia and around the globe.

We also created more opportunities for music-lovers to engage with our program online through *Live from Melbourne Recital Centre*, a portal for high-quality video content including whole concerts. Our music-journalism site *Soundscapes* tells the stories behind the music and features the Centre's Artists and Writers-in-Residence. We also expanded our offsite activities, presenting over 70 concerts beyond the Centre to more than 5,500 Victorians.

Our Results

In 2017–18, the Centre's presentations yielded box office revenue of \$3.25 million. Generous individual, corporate and philanthropic support, including Betty Amsden's bequest, and commercial operations resulted in a net profit of \$1.75 million. Minus the major endowment gifts, the result is \$251,777. This strong result further secures the Centre's future and allows us to grow crucial programs such as *Learning and Access*. Just over \$150,000 raised at the 2018 Birthday Gala will enable us to provide thousands of \$10 tickets for first-time attenders to our events in 2019, our 10th Anniversary year. On behalf of the Centre and our community of artists, thank you for your incredible and sustained generosity.

Our Community

The City of Melbourne has begun to create 2.5 hectares of new public domain along Southbank Boulevard that will transform our neighbourhood for residents, workers and visitors. This coincides with The University of Melbourne's transformation of its campus and the Government of Victoria's plans for the Melbourne Arts Precinct. It is truly an exciting time for Southbank and we look forward to engaging deeply with our local community and neighbours to realise the potential of this significant investment. We continue to look for opportunities to further enhance our visitors' experience of the Centre.

The Songkeepers in Concert



We already enjoy a fruitful relationship with The University of Melbourne, including presenting their performing arts faculty, hosting their orchestral concerts, a talks series and a research program. As the Melbourne Conservatorium of Music nears completion next door, we look forward to engaging with the next generation of great musicians.

Our Platform

One of our key strategic initiatives is improving the Centre's technology platform to better support our staff and clients. We moved our customer database and ticketing software, Tessitura, to a cloud environment as a first step toward implementing an IT environment which is smart, scalable and contemporary.

We have reviewed the Centre's event delivery and leadership models. This resulted in the creation of two new teams: Operations, led by Head of Operations Jasja van Anandel, and Programming, led by Director of Programming Marshall McGuire. This new structure allows more flexibility and focus to the delivery of events while bringing all the Centre's artistic programming activities into one team. We have formed a Senior Leadership Team comprising the CEO and senior managers, and the Leadership Group that includes all the Centre's people managers. We are committed to supporting the development of our emerging leaders and engaging all staff in evolving the organisational culture of our workplace.

As we enter our 10th Anniversary year, the Centre is in a strong financial position with our Public Fund targeted to achieve \$10 million in 2019. Our presence and core relationships in the Melbourne Arts Precinct are flourishing and the Precinct has a very bright future. The Centre ends its first decade in a great position to consolidate its achievements and position as one of Australia's most inspirational artistic leaders.

Our Thanks

I thank the members of the Board and Chair Kathryn Fagg for their support and leadership in my second year as CEO of this wonderful organisation. My heartfelt thanks go to all our talented staff and to the extended family of Melbourne Recital Centre, including the incredible artists who illuminate the venue night after night. On behalf of all of us, thank you to the audiences and to our supporters who inspire us to make the Centre *the best place to hear*.

The stage is set for our 10th Anniversary - it promises to be a year-long musical feast for all Victorians!

Euan Murdoch

Chief Executive Officer, Melbourne Recital Centre

Melbourne Recital Centre Program Highlights

Melbourne Recital Centre consolidated its reputation as one of Australia's most exciting presenters across a broad range of music, representing the pinnacle of the art form as practised by Australian and international performers.

Melbourne Recital Centre is a venue of and for the 21st century: celebrating the past, welcoming the present and imagining the future; a place where artists and concert-goers are invited to engage, challenge and explore.

Signature Events

Signature Events showcase outstanding large-scale international events, positioning the Centre as a key venue on the international touring circuit. In February 2018 we welcomed back Jordi Savall and Hespèrion XXI with the Tembembe Ensemble Continuo from Mexico in two sublime performances. This tour won a 2018 Helpmann Award.



Euan Murdoch & Jordi Savall

Great Performers

Great Performers series continues to lead the way in Australia as a platform for solo recitalists to present their artistry in this most intimate art form. In 2017–18 *Great Performers* included a marathon three-concert series from cellist Pieter Wispelwey and pianist Caroline Almonte in a survey of the works for cello of Bach, Beethoven and Brahms. The partnership was nominated for a Helpmann Award. Other artists to appear included pianist Paul Lewis, pianist Nelson Freire, Canadian violinist James Ehnes, Canadian soprano Measha Brueggergosman, acclaimed American baritone Thomas Hampson, Australian pianist Leslie Howard, and Dame Emma Kirkby with lutenist Jakob Lindberg.



Peter Wispelwey



Mostly Mozart, ANAM Musicians

International and Australian Chamber Music and Musicians

Expanding our international chamber music offerings, we welcomed Estonian choir Vox Clamantis performing music by Arvo Pärt and Medieval Europe, in partnership with Sydney Festival. We proudly announced our second Artist-in-Residence, Genevieve Lacey, and partnered with the Emerging Writers Festival who provided our Writers-in-Residence. The Goldner Quartet returned to Melbourne Recital Centre as part of the *Southbank Series*, and we welcomed the young Orava Quartet for a series of concerts.



Writers in Residence

Metropolis New Music Festival – New Music for Old Instruments

This year's *Metropolis New Music Festival* celebrated the South Korean composer Unsuk Chin, who was present for several concerts of her works. Our annual collaboration with the Melbourne Symphony Orchestra saw us present nine Australian Premieres and one world premiere.

Local Heroes, Spotlight, Southbank Series, Mostly Mozart

Our innovative *Local Heroes*, *Southbank Series* and *Spotlight Series* continued to grow in diversity and numbers. These programs provide a platform for Victorian and Australian ensembles by subsidising presentation costs, providing a guaranteed fee and support in promotion and audience development. The *Spotlight Series* showcases emerging ensembles and those new to the Centre in one-off performances, exposing audiences to fascinating new artistic voices and repertoire.

A place where artists and concert goers are invited to engage, challenge and explore



Emma Kirkby



Marshall McGuire & James Ehnes



Dandan Wang, winner 2018 Bach Competition

Awards, Competitions, Commissions and Premieres

Melbourne Recital Centre hosts two competitions each year. The Bach Competition (up to 17 years of age), and Great Romantics Competition (18–25 years old). Violinist Kyla Matsuura-Miller and pianist Adam McMillan won the Great Romantics Competition, and 13-year-old violinist Dandan Wang won the Bach Competition.

The Contemporary Masters Award for best performance of a work composed between 1900 and 2017 is awarded twice annually. In 2017–18, the awardees were Songmakers Australia for its performance of Shostakovich's *From Jewish Life*; the second award is pending.

We continue to support two composers from The University of Melbourne Conservatorium of Music composition stream to write new works for selected *Local Heroes* ensembles.

Indigenous

Melbourne Recital Centre proudly stands on the land of the Boon Wurrung people. We engaged Jessie Lloyd as our first indigenous curator of *Yinga-bul*, delivered in July 2018.



Moses Sumney

Contemporary, World, Jazz

Establishing a reputation as one of Melbourne's most exciting places to hear contemporary music, Melbourne Recital Centre explored the connections between art and music across multiple genres.

Our annual collaboration with Melbourne Music Week continued with a performance by American singer-songwriter Ariel Pink.

Our Christmas cabaret this year was the naughty-but-nice *Prancer & Vixen* performed by The Strange Bedfellows.

Learning and Access, Kids & Families

The Centre's *Learning and Access* program continues to provide outstanding music programs to Victorians of all ages and backgrounds. We continue to offer access to tickets and transport subsidies through *Share the Music*. Our *Music Always* program reached over 3,000 senior Victorians through concerts for residents at Multicultural Aged Care Services Geelong, Emmy Monash Aged Care, Wesley St Marks and The Haven Boronia, and moved into regional Victoria with performances in Wangaratta and Euroa.

Accelerando, our artist development program for gifted and talented Year 10 to Year 12 students enrolled in government schools, continued into its third year, with seven participants now taking part.

We were delighted to receive a bequest from the estate of Betty Amsden AO, DSJ to continue our work in programming events for kids and families.

Music Play, our annual music festival for families and young people, once again inspired and engaged audiences with a suite of age-specific events.

Beyond the Centre

We continue to develop and expand our concerts beyond the Centre, giving opportunities to regional audiences to experience the very best that Victorian, Australian and international artists have to offer.

We supported performances in the Yarra Ranges, Benalla, Bendigo, Castlemaine, Charlton, Daylesford, Geelong, Healesville, Kyneton, Mildura, Mount Beauty, Stratford, Traralgon, Wangaratta and Warrnambool. Through Showcase Victoria we made a number of new connections with regional presenters with a view to presenting expanded regional touring in 2018–19.

'Fabulous performances and acoustics. Ease of access. It is a remarkable facility!'

Audience Member



Key Presenting Partners and Hirers

Our Key Presenting Partners continue to enhance the lives of Melbourne's music lovers, delivering a wide range of performances throughout the year. We continue to work closely with Australian Brandenburg Orchestra, Australian Chamber Orchestra, Australian String Quartet, Melbourne Chamber Orchestra, Melbourne International Arts Festival, Melbourne International Jazz Festival, Melbourne Symphony Orchestra, Australian National Academy of Music (ANAM) and Musica Viva Australia. These organisations contribute to the Centre's artistic vibrancy and further consolidate its leading position in Australian music-making.

Augmenting these performances, we welcomed new and returning classical presenters including Australian Romantic and Classical Orchestra, Australian Youth Orchestra,

Andrew McKinnon, Australian Girls Choir, Melbourne Youth Orchestras, Opera Australia, and The University of Melbourne Orchestra.

A key element of this year's success has been the increased cultural range and vitality of organisations hiring Melbourne Recital Centre. We welcomed the Imperial Bells of China, Westpac Indian Film Festival of Melbourne, HK20 & Chao Feng 35, Gad Elmaleh, Las Minas Puerto Flamenco, Animenz, Hai Nguyen, Shi Jin Live, Rade Serbedzija, Ran Jia piano concert, Alireza Gorbani, Bollywood Duo Salim-Sulaiman Live in Concert, and Manju Warriar & Friends.



Members of the Melbourne Symphony Orchestra

Thank You to Our Key Presenting Partners and Hirers

3MBSFM

Acacia Quartet

Ad-Lib Theatrical Productions

Adrian Bohm Presents

Andrew Kay & Associates

Andrew McKinnon Presentations

Ausfeng Event Productions

Australian Association for Music

Education of English & Chinese

Australian Boys Choral Institute

Australian Brandenburg Orchestra

Australian Chamber Orchestra

Australian National Academy of Music

Australian Romantic & Classical Orchestra

Australian School of Performing Arts

Australian String Quartet

Australian World Orchestra

Australian Youth Orchestra

Avaye Parsi Entertainment

BottledSnail Productions Inc

Fidelio Quartet

Castiglione Arts & Culture

Caulfield Grammar School

Chao Feng Chinese Orchestra

Chris Hooper Promotions

CitiOpera

Club 3 Event Planners

Daeva Peri

Andrew Day

Desmond Lukey

Elevator Studios

Eltham East Primary School

Firbank Grammar School

Haileybury

Karen Heath

Hispanic Comedy Festival

Hoang Pham Productions

Josh Cohen School of Music

Kayeung International Group

Korowa Anglican Girls School

Las Minas World Wide Tour

Lauriston Girls' School

Lazy Eye Records

Live Nation Australasia

Loreto Mandeville Hall Toorak

Lowther Hall Anglican Grammar School

True Arrow Events

Madakto Art Centre

Melbourne Bach Choir

Melbourne Chamber Orchestra

Melbourne Girls Grammar

Melbourne International Arts Festival

Melbourne International Jazz Festival

Melbourne Piano Trio

Melbourne Symphony Orchestra

Melbourne Welsh Male Choir

Melbourne Youth Orchestras

Westpac Indian Film Festival

Music Association Australia Inc.

Music Theatre Melbourne Pty Ltd

Musica Viva Australia

Hai Nguyen

ENorthern Pictures

Opera Australia

Our Lady of Mercy College

Andrian Pertout

Red Bull Music Academy

Royal Melbourne Hospital Foundation

Sacré Cœur

SDI Social Development Inc

Sean Connolly

Secret Sounds

Siena College

St Catherine's School

St. Michael's Grammar School

Star Chorale Incorporated

Tao Sun

This Space Event Studio

U-neXt

The University of Melbourne

Victorian College of the Arts Secondary School

Victorian Curriculum & Assessment Authority

Wantirna College

Welsh Choir of Victoria

Wesley College

Westbourne Grammar School

Zaccaria Concerts & Touring

Australian and World Premieres

Composer	Title	Date
Richard J Frankland arranged Bidy Connor	<i>Songs and Stories</i> +	06/07/17
Samuel Smith	<i>Species-Tombeau</i> +	12/07/17
David Haberfeld	<i>Gear Acquisition Syndrome</i> +	02/08/17
Les Craythorn with Dr Rob Vincs and Peter Neville	<i>Terra Firma</i> +	02/08/17
Mark Pollard	<i>Regenerating a Doctor</i> +	02/08/17
Anthony Lyons	<i>Across the Waves</i> +	02/08/17
Craythorn, Pollard, Lyons, Haberfeld, Vincs & Neville	<i>Remage</i> +	02/08/17
Judith Weir	<i>Ardnamurchan Point</i> °	16/08/17
Carl Vine	String Quartet No.6 +	22/08/17
Bruno Mantovani	<i>Appel d'air</i> °	25/08/17
Anthony Cheung	<i>Ebbing flow</i> °	25/08/17
Michael Bakrncev	<i>Trio</i> +	08/09/17
Elliott Gyger	<i>Braid</i> +	08/09/17
Linda Kouvaras	<i>After Before: Provenance Fantasia</i> +	08/09/17
Jacob Jankowski	<i>Aspects of Return</i> +	19/09/17
Elliott Gyger	<i>Et In Arcadia Ego</i> +	03/10/17
Charles Gaines	<i>Sound Text</i> °	21/10/17
Meredith Monk	<i>Backlight</i> °	23/10/17
Meredith Monk	<i>Gotham Lullaby</i> °	23/10/17
Meredith Monk	<i>Masks</i> °	23/10/17
Meredith Monk	<i>Realm Variations</i> °	23/10/17
Meredith Monk	<i>Urban March</i> °	23/10/17
Samantha Wolf	<i>Splinter</i> +	24/10/17
Alice Humphries/ Scott Morrison	<i>Nautical Twilight</i> +	28/10/17
Caerwen Martin	<i>Heart of Yours, Heart of Mine</i> +	30/10/17
Kenji Fujimura	<i>Phantasy for solo piano</i> +	10/11/17
Christine McCombe	<i>finding what's there</i> +	13/11/17
Christian O'Brien	<i>Newid Gwyntoedd</i> +	13/11/17
Brenton Broadstock	<i>This Everlasting Silence</i> +	13/11/17
Liza Lim	<i>The Weaver's Knot</i> °	27/11/17
Andrea Keller	<i>Love in Solitude</i> +	28/11/17
Jorg Widmann	String Quartet No.4 °	12/02/18
Edgard Varese	<i>The Jazz Sessions</i> °	20/02/18
Jessop Maticewski- Shumack	<i>Berträume</i> +	26/02/18

+ World premiere ° Australian premiere

Composer	Title	Date
Lisa Illean	<i>After Image (Katun River Pt.II)</i> °	15/03/18
Jack M Symonds	<i>Serenade (Katun River Pt.III)</i> °	15/03/18
Matan Franco	<i>This Story (Katun River Pt.I)</i> °	15/03/18
Iskender Ozan Toprak	<i>Damla</i> +	05/04/18
Iskender Ozan Toprak	<i>Deryalar</i> +	05/04/18
Iskender Ozan Toprak	<i>Filiz</i> +	05/04/18
Iskender Ozan Toprak	<i>Hayat</i> +	05/04/18
Iskender Ozan Toprak	<i>Mist</i> +	05/04/18
Iskender Ozan Toprak	<i>Nehir</i> +	05/04/18
Iskender Ozan Toprak	<i>Raindrops</i> +	05/04/18
Iskender Ozan Toprak	<i>Yagmur</i> +	05/04/18
Elena Kats-Chernin	<i>Orfeo</i> °	14/04/18
Jorden Heys	<i>Ego folium</i> +	17/04/18
Unsu Chin	<i>Alice in Wonderland – Advice from a caterpillar</i> °	18/04/18
Unsu Chin	<i>Allegro ma non troppo</i> °	18/04/18
Unsu Chin	Piano etude No.1 (in C) °	18/04/18
Unsu Chin	Piano etude No.2 (Sequenzen) °	18/04/18
Unsu Chin	Piano etude No.3 (Scherzo ad libitum) °	18/04/18
Unsu Chin	Piano etude No.4 (Scalen) °	18/04/18
Unsu Chin	Piano etude No.5 (Toccata) °	18/04/18
Unsu Chin	Piano etude No.6 (Grains) °	18/04/18
Michelle Lou	<i>Charasim V (shards): mirrors are only useful if they show something of which I was previously unaware</i> °	18/04/18
Adi Snir	<i>Charasim V (shards): mirrors are only useful if they show something of which I was previously unaware</i> °	18/04/18
Unsu Chin	<i>Fantaisie Mecanique</i> °	18/04/18
Liza Lim	<i>Ronda-the spinning world</i> °	18/04/18
Gemma Peacocke	<i>Waves + Lines</i> °	20/04/18
Emile Frankel	<i>Tracecore</i> +	10/05/18
Calvin Bowman	<i>Ophélie</i> +	20/05/18
Elliott Gyger	<i>Weave</i> +	21/05/18
James Hullick	<i>The Fission-Fusion Whale</i> +	23/05/18
Michael Dooley	<i>Epiphany</i> +	28/05/18
Jacob Jankowski	Trio No.1 +	29/05/18
Liza Lim	<i>Atlas of the Sky</i> +	18/06/18

Strategic Framework & Strategic Pillars

Our Vision

A place where bold music makers and passionate audiences make profound connections that resonate for a lifetime.

Our Mission

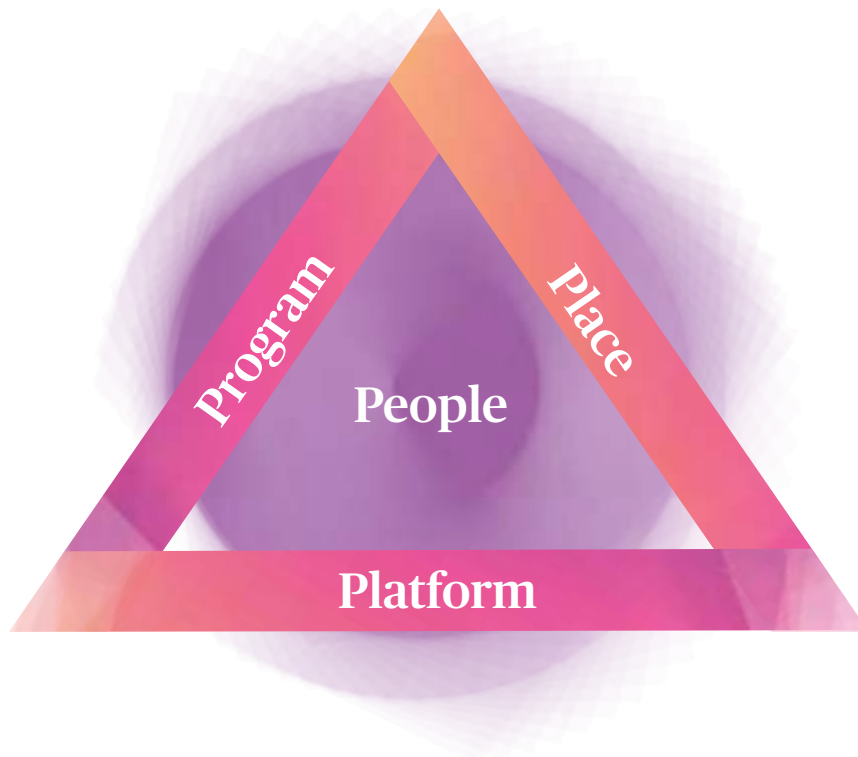
Enabling transforming performances in and beyond the Centre.

Purpose

Melbourne Recital Centre's objective is the promotion of live music through the presentation and commissioning of musical works, performances and programming, and the promotion of the Centre.

It is the custodian for the State-owned building and is responsible for planning and managing the operations of the Centre as a purpose-built venue and assists in raising funds to support the delivery of these objectives.

Melbourne Recital Centre represents and promotes the interests of music patrons, users and the music community of Victoria, including the identification of relevant infrastructure needs and the appropriate future planning. It presents opportunities for nurturing emerging Australian creative and performing artists. Its forward programming strategy is designed to attract audiences who reflect the broad geographic, economic, social and cultural diversity of Victoria, as well as interstate and international visitors.



STRATEGIC PILLARS

Program, People, Place and Platform support and inform all our work and future plans.

Achievements 2017–18



Flinders Quartet

Program

Objective	We deliver a program that is distinctive and diverse, and contributes to Melbourne's position as a cultural world leader.
Impact	The programs we curate alongside our hire, learning and digital activities are central to our expanded sense of purpose. The program is the driving force of the Centre's goal to actively contribute to a more inclusive, cohesive society.
Key Strategies	<ul style="list-style-type: none"> • Connect audiences with inspiring high-quality live music on site, off-site and online • Programs that challenge the status quo and extend and enrich the art-form, artists and audiences • Enrich Victoria's cultural ecosystem through collaboration and partnerships that enable learning, access and engagement opportunities
Actions	<ul style="list-style-type: none"> • Expand artist/writer in residence programs: in 2018, partnered with Melbourne Emerging Writers Festival in engaging three young writers. 2018 Artist-in-Residence is celebrated recorder player Genevieve Lacey. Pianist Paul Grabowsky and writer Chloe Hooper completed their residencies in 2017. The Centre also displayed <i>Hook Me Up (synaesthesia)</i> by visual artist Anne-Marie May. • Celebrate the partnership delivery of Melbourne International Chamber Music Competition: the Centre partnered with Musica Viva Australia and ANAM to present MICMC in early July 2018. • Articulate Centre's contribution to Australia's musical life to stakeholders: <i>Soundscapes</i> and <i>Live from Melbourne Recital Centre</i> digital platforms. • Deliver expanded <i>Yinga-Bul</i> program: the Centre's Indigenous music festival Yinga-Bul in early-July 2018 included six events, including two free foyer discussions, Gubberdee, and four concerts. Singer, songwriter and social historian Jessie Lloyd curated the program. • Develop Learning and Access strategy: Learning and Access Strategy developed.



People

Objective	People are at the core of what we do – artists, audiences, stakeholders and the wider community
Impact	The Centre contributes to Victorians' sense of wellbeing and is a leading public asset. The organisation's reputation means the world's best musicians are eager to perform here and inspires a community of committed supporters and stakeholders.
Key Strategies	<ul style="list-style-type: none"> • Deepen engagement with our communities to ensure relevance, leadership and social impact • Harness advocacy from our community to excite prospective audiences and supporters • Consider diversity, wellbeing and social cohesion as key drivers
Actions	<ul style="list-style-type: none"> • Deliver Customer Service Promise: Developed through staff-consultation, the Customer Service Promise was rolled out in late-2017, with training and implementation ongoing. • Community Engagement Action Plan: Focused on students, The University of Melbourne Faculty and Southbank Residents, the plan aims to increase visitation by these cohorts. • Develop precinct partnership opportunities for capacity building: MRC/MSO and MRC/MCM combined senior management meetings; Sturt Street Precinct Forum • Audience and social cohesion project with The University of Melbourne, wellbeing research to support new philanthropy communications and multi-year approaches: Impact evaluation framework developed for roll-out in 2018–19 • Continued roll-out of new philanthropy brand: New collateral to support Bequest and annual giving campaigns complete and further enhancements to impact.melbournerecital.com.au



Place

Objective	We are at the live music heart of Melbourne that contributes to increased visitation, increased vibrancy and a stronger sense of place for Southbank.
Impact	Melbourne Recital Centre is a superb place to make and experience music; on site, off-site and online.
Key Strategies	<ul style="list-style-type: none"> • Maintain Melbourne's best live music facility, and plan for its future • Leverage our position in the heart of the Melbourne Arts Precinct • Champion increased amenity in the Precinct to attract visitors in collaboration with our neighbours
Actions	<ul style="list-style-type: none"> • Collaborate with F&B partner to revitalise café/bar offering: planning has commenced, new Foyer Bar wine offering in place. • Contribute to Precinct-wide marketing/communications strategy working group: regular meetings with precinct partners MTC, The University of Melbourne and MSO established with the intent to create wider marketing group. • Actively collaborate in the Melbourne Conservatorium development: 2019–21 Utilisation Agreement outlines engagement with the Conservatorium regarding use of MCM venues



Platform

Objective	We strive for business excellence to ensure success and agility through continuous improvement. We are a learning organisation with a passionate and committed team.
Impact	The Centre is a model that others seek to emulate and stakeholders point to with pride.
Key Strategies	<ul style="list-style-type: none"> • Mature the Centre's business model with a focus on long-term agility • Optimise the Centre's processes, facilities and use of resources • Maximise partnership and collaboration opportunities to support growth and efficiency and growth of the Public Fund • Foster an environment of learning and wellbeing that supports our people
Actions	<ul style="list-style-type: none"> • Complete venue-hire pricing analysis and model review; event delivery and leadership model reviews completed • Implement Strategic Asset Framework; transition of asset and facilities management to Corporate Services to support strategic development • Secure additional funding to support multiyear initiatives leading to 2019: 85% of 10th Anniversary special project funding confirmed. • Embed Tessitura suite and support IT transformation project implementation. Tessitura database migrated to the cloud reducing amount of internal infrastructure to manage; ongoing training across the organisation continues to embed and improve Tessitura use. • Develop reserves strategy: review of Public Fund framework completed with new reporting and Donations and Bequest Policy • Deliver IT Transformation roadmap Year 1: Complete and Year 2 roadmap in development • Team learning/wellbeing/engagement initiative: Staff received equivalent of 96 days of learning; staff engagement index: 76% • Continue Policy and Procedures Framework implementation: ongoing

'It's a unique venue. The scale, variety are excellent.
We took an international visitor because we wished
to show something quintessentially Melbourne.'

Audience Member



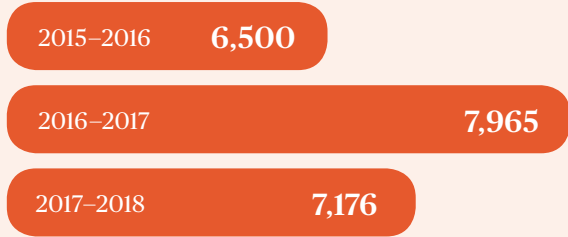
Development Impact Report

Donors Play a Critical Part

Melbourne Recital Centre’s community of over 7,000 donors is at the heart of the Centre’s social, cultural and economic impact. They make possible the Centre’s annual self-presented program of 320 concerts reaching 72,290 concertgoers, artist development activities involving close to 230 young musicians and access initiatives in and beyond the Centre for around 6,000 people who would not otherwise experience this music live. Philanthropic support has also extended the reach of the Centre by supporting the establishment of the *Live from Melbourne Recital Centre* digital concert portal that had nearly 6,000 views from 78 countries this year.

Thank you to each and every one of our donors. Without their philanthropic gifts and sponsorship that accounted for 21% of total income in 2017–18, the extensive reach of the Centre’s transformative music into the Victorian community and beyond simply would not happen and our society would be all the poorer.

Number of Donations Made



Major supporters making multi-year commitments



Renewing major gift donations

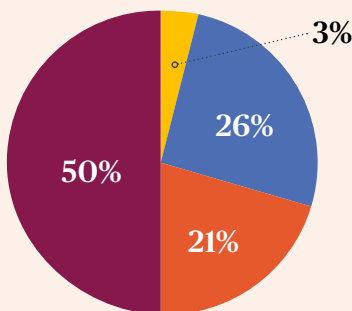
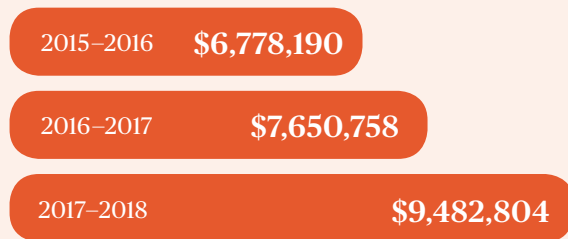


Development income



[†]Includes endowment gifts of \$1,500,000 including \$1,000,000 from Ms Betty Amsden, AO, DSJ

Value of public fund



Melbourne Recital Centre 2017-2018 Income

- State Government Grants
- Other grants, donations and sponsorship
- Commercial operations
- Other income








Betty Amsden AO, DSJ

Transformative Bequest for the Betty Amsden Kids and Families Program

In 2018, the Centre was the beneficiary of a \$1 million gift from the late Betty Amsden AO, DSJ that establishes the *Betty Amsden Kids and Families Program*. The bequest will be used to extend the Centre’s current programming, generate new content and support the creation of new works for young people with music at their core to inspire and educate the next generation of music lovers. We are grateful to Betty for her immense generosity and foresight in helping the Centre secure this program.

The Impact of the Centre’s Donor and Partner Community in 2017-18

Impact Area	2017-18 Indicator	
<p>A place of unparalleled vibrancy Almost everyday people from all walks of life gather at Melbourne Recital Centre to be moved by music.</p>	<p>320 self-presented concerts 72,290 attendances</p>	
<p>Access to thrilling music for everyone The emotional power and enrichment benefits of music are gifts to be shared.</p>	<p>600 <i>Share the Music</i> visits 277 babies and toddlers participating in workshop programs 3,291 participants in the <i>Music Always</i> aged care program</p>	
<p>A platform for the very best A beacon to the best artists from Australia and around the world.</p>	<p>Three Helpmann nominations, one Helpmann Award for Jordi Savall 359 Australian and 98 international ensembles</p>	
<p>Nurturing young artists Opportunities for young Victorians to learn from the very best.</p>	<p>230 young musician participants Over 30 unique learning opportunities offered to young artists</p>	
<p>Reaching beyond the Centre Working to realise the limitless potential for musicians to move, inspire and educate.</p>	<p>5,996 visits from 78 countries to the Centre’s digital broadcast channels 5,728 attendances at 73 <i>Beyond the Centre</i> events 10 regional Victorian music workshops</p>	

Inspired Giving

A PLACE OF UNPARALLELED MUSICAL VIBRANCY

People of all ages and from all walks of life gather at Melbourne Recital Centre to be moved by music. Leadership Circles and Music Circle Annual Patrons Program supporters play a vital role in ensuring the breadth, diversity and scale of the Centre's musical offering.

Local Heroes Leadership Circle

Jane Kunstler
Majlis Pty
Maria Sola

Music Circle Patrons Program

Magnum Opus Circle (\$20,000+)

Melbourne Recital Centre
Board of Directors

Kathryn Fagg
Peter & Cally Bartlett
Stephen Carpenter & Leigh Ellwood
Joseph & Nicole Corponi
The Hon Mary Delahunty
Paul Donnelly & Brigitte Treutenaere
Margaret Farren-Price & Prof Ronald Farren-Price AM
Eda Ritchie AM
Margaret Taylor

Virtuoso Circle (\$10,000+)

John & Lorraine Bates
Arnold & Mary Bram

Composers Circle (\$4000+)

Danielle Davis & Joyce Marks
Robert & Jan Green
Jenny & Peter Hordern
Diana Lempriere
Message Consultants Australia
James Ostroburski & Leo Ostroburski
Dr Victor Wayne & Dr Karen Wayne OAM

Musicians Circle (\$2500+)

Anonymous (1)
Liz & Charles Baré
Andrea Goldsmith
Ann Lahore
Shelley & Euan Murdoch
Dr Paul Nisselle AM

Greg Noonan
Sirius Foundation
Mary Vallentine AO

Prelude Circle (\$1000+)

Adrienne Basser
Helen Brack
Bill & Sandra Burdett
Maggie Cash
John Castles AM & Thelma Castles OAM
Julie Ann Cox AM & Laurie Cox AO
Kathy & George Deutsch
Mary Draper
Lord Francis Ebury & The Late Lady Suzanne Ebury
Maggie Edmond
Susan Fallaw

The Leo & Mina Fink Fund

Angela Glover
Ann Gordon
Jan Grant
Nance Grant AM MBE & Ian Harris
Henkell Family Fund
In memory of Beryl Hooley
Stuart Jennings
Dr Garry Joslin & Prof Dimity Reed AM
George & Grace Kass
Maria Mercurio
Baillieu Myer AC & Sarah Myer
Rupert Myer AO & Annabel Myer

Stephen Newton AO
Elizabeth O'Keefe
Helen Perlen
Kerryn Pratchett
Sandra Robertson & Philip Cachia
Dr Peter Rogers & Cathy Rogers
Peter Rose & Christopher Menz
In Memory of Pauline Speedy
Barbara & Duncan Sutherland
Pamela Swansson

Supporters (\$500+)

Anonymous (1)
Rhonda Allen
Jenny Anderson
Peter J Armstrong
Alistaire Bowler
Min Li Chong

Jean Dunn
Penelope Hughes
Angela & Richard Kirsner
Dr Anne Lierse
Jane Morris
Dr Robert Piaggio
Dr Diane Tibbits

ACCESS TO THRILLING MUSIC FOR EVERYONE

Share the Music patrons help to bring high-quality music and learning opportunities to people from all walks of life. Our extensive Learning and Access program allows us to share top-quality performances with many people who would otherwise miss out.

Share the Music

(\$10,000+)

Krystyna Campbell-Pretty
John & Susan Davies

(\$4000+)

Helen & Michael Gannon
Linda Herd

(\$2500+)

Kaye & David Birks
Anne Burgi & Kerin Carr

(\$1000+)

Anonymous (1)
Keith & Debby Badger
Maria Hansen
In memory of Beryl Hooley
Prof John Langford AM & The Late Christina McCallum
Ann Miller

Dennis & Fairlie Nassau
Greg Shalit & Miriam Faine

(\$500+)

Anonymous (4)
Ian Baker & Cheryl Saunders
Roly Ball
Ann Blake
Caroline and Robert Clemente
Vivien & Jacob Fajgenbaum
Dr Kingsley Gee
Dr Robert Hetzel
Genevieve Kennedy
Wendy Kozica, Alan Kozica & David O'Callaghan
Maria McCarthy
Jan Morrison

Andrew & Georgina Porter
Barry & Barbara Shying
Rosemary Walls
Mark & Jane Wilson

A PLATFORM FOR THE VERY BEST

Melbourne Recital Centre aspires to be a beacon to the world's finest artists. Donations to our Leadership Circles and Legal Friends syndicate allow the Centre to attract the best of the globe, culminating in our Signature Events and Great Performers Series.

Great Performers Leadership Circle

Anonymous (1)
Esther & Brian Benjamin
Paulette & Warwick Bisley
The John & Jennifer Brukner Foundation
Geoff & Jan Phillips
Maria Sola

Signature Events Leadership Circle

Inaugural Signature Events Benefactors

Yvonne von Hartel AM & Robert Peck AM, Rachel Peck & Marten Peck of peckvonhartel architects

Legal Friends

Legal Friends Inaugural Patrons

The Hon Justice Michelle Gordon & The Hon Kenneth M Hayne AC QC
(\$10,000+)
The Hon Justice Michelle Gordon & The Hon Kenneth M Hayne AC QC

(\$4000+)

Anonymous (1)
Naomi Golvan & George Golvan QC
Peter & Ruth McMullin
Peter B Murdoch QC & Helen Murdoch
Maya Rozner & Alex King

(\$2500+)

Anonymous (2)
Colin Golvan AM QC & Dr Deborah Golvan
Peter J Stirling & Kimberley Kane

(\$1000+)

Anonymous (3)
 Marcia and John K Arthur
 James Barber
 Peter Bartlett
 Annette Blonski &
 Martin Bartfeld QC
 David Byrne
 The Hon Alex Chernov AC QC &
 Elizabeth Chernov
 Christine Clough
 The Hon Julie Dodds-Streton
 Timothy Goodwin
 Robert Heathcote &
 Meredith King
 The Hon Peter Heerey AC QC &
 Sally Heerey
 Judge Sara Hinchey &
 Tom Pikusa
 John Howie AM &
 Dr Linsey Howie
 Pandora Kay & John Larkins
 Anthony J & Philippa M Kelly
 Maryanne B Loughnan QC
 Banjo McLachlan & Paul Mahony
 Elizabeth O'Keefe
 Ralph & Ruth Renard
 Meredith Schilling
 Michael Shand QC
 Tom Smyth

(\$500+)

Elizabeth Boros
 Leslie G Clements
 The Hon David L Harper AM
 The Hon Hartley Hansen QC &
 Rosalind Hansen

NURTURING YOUNG ARTISTS

The Centre's artist development initiatives educate & challenge gifted young musicians. Patrons of our Leadership Circles and Elisabeth Murdoch Creative Development Fund enable unique opportunities for the next generation of performers to learn from the best in the world, collaborate with local and national ensembles and perform in the Centre's world class spaces.

Betty Amsden Kids & Families Program Benefactor

The Late Betty Amsden AO DSJ

Artist Development Leadership Circle**Inaugural Artist Development & Music Education Benefactor**

The Late Betty Amsden AO DSJ

Anonymous (1)
 Peter Jopling AM QC
 Margaret S Ross AM &
 Dr Ian C Ross

Master Class Leadership Circle

Jim Cousins AO & Libby Cousins
 Ensemble Giovane
 George & Laila Embelton

Elisabeth Murdoch Creative Development Fund**(\$20,000+)**

Annamila Pty Ltd
 The John & Jennifer Brukner Foundation
 Krystyna Campbell-Pretty
 Yvonne von Hartel AM &
 Robert Peck AM, Rachel Peck &
 Marten Peck of
 peckvonhartel architects

Anne Kantor AO &
 Dr Milan Kantor OAM
 Angelina & Graeme Wise

(\$10,000+)

The Pratt Foundation
 Margaret S Ross AM &
 Dr Ian Ross
 Maria Sola
 Vivian Wei Wang

(\$4000+)

Julian Burnside QC AO &
 Kate Durham
 John Calvert-Jones AM &
 Janet Calvert-Jones AO
 Andrew & Theresa Dyer
 Kathryn Fagg*
 Jo Fisher*
 Lyndsey & Peter Hawkins
 Katrina & Simon Holmes à Court
 Dr Alastair Jackson AM
 Sylvia and Michael Kantor
 Christine Sather*
 Susan Thacore
 Dr Cheryln Tillman & Tam Vu
 Andrew & Jan Wheeler
 Lyn Williams AM
 YMF Australia
 Igor Zambelli

(\$2500+)

Susan Alberti AC &
 Colin North OAM
 Robert & Jan Green

(\$1000+)

Anonymous (3)
 ARM Architecture
 Peter J Armstrong*
 Bailey-Lord Family*
 Adrienne Basser
 Carolyn & Tony Baum
 Mary Beth Bauer*
 Fiona Bennett*
 Jane Bloomfield
 Helen Brack
 Zoe Brinsden*
 Barbara Burge
 John Castles AM &
 Thelma Castles OAM

The Hon Mary Delahunty
 Paul Donnelly &
 Brigitte Treutenaere
 Dr Jane Gilmour OAM &
 Terry Brain*
 Colin Golvan AM QC &
 Dr Deborah Golvan
 Naomi Golvan &
 George Golvan QC
 Heathcote Wines*
 In memory of Beryl Hooley
 Prof Andrea Hull AO*
 Dr Garry Joslin &
 Prof Dimity Reed AM
 Liane Kemp*
 Simon Le Plastrier
 Sally MacIndoe
 Jane Matthews
 Norene Leslie McCormac*
 Message Consultants Australia
 Dr Richard Mills AM
 Rosemary O'Connor*
 Tim Orton & Barbara Dennis
 James Ostroburski &
 Leo Ostroburski
 Prof David Penington AC &
 Dr Sonay Penington
 Geoff & Jan Phillips
 Shelley Rowlands
 Laura Thomas*
 Michael Ullmer
 Mary Vallentine AO
 Janet Whiting AM & Phil Lukies

(\$500+)

Dr Russell Basser
 Brian & Esther Benjamin
 Marc Besen AC and Eva Besen AO
 Sir Rodrick Carnegie AC &
 Eve McGlashan
 Adrian Collette AM &
 Rachel Slattery
 Jim Cousins AO & Libby Cousins
 Julie Anne Cox & Laurie Cox AO
 George & Laila Embelton
 Joshua Evans*
 Margaret Farren-Price &
 Prof Ronald Farren-Price AM
 Nance Grant AO MBE & Ian Harris
 The Hon Justice Michelle
 Gordon and The Hon Kenneth
 M Hayne AC QC
 Jean Hades
 Dr Robert Hetzel
 David & Rosemary Houseman
 John Howie AM &
 Dr Linsey Howie
 Penny Hutchinson
 Dianne Jacobs
 Peter Jopling AM QC &
 Dr Sam Mandeng
 Stirling Larkin,
 Australian Standfirst
 Simon & Jodie Madden

Susan & Peter Mahler
 Peter & Ruth McMullin
 Peter B Murdoch QC &
 Helen Murdoch
 Christine Rodan &
 Erskine Rodan OAM
 Campbell Rose &
 Georgette Toohey
 Mrs Margaret S Ross AM &
 Dr Ian C Ross
 Kim & Graham Sherry OAM
 Peter J Stirling & Kimberley Kane
 Lady Marigold Southey AC
 Felicity Teague
 The Ullmer Family Foundation

REACHING BEYOND THE CENTRE

Giving all Victorians more opportunities to be moved, inspired & educated through music is increasingly important to us. Gifts to the Mary Vallentine Limitless Stage Fund are enabling us to expand our regional and educational outreach through top-quality live and recorded digital platforms, ultimately ensuring the Centre's music can be streamed & heard by all.

Regional Touring and Outreach Program**(\$40,000+)**

Dr Geraldine Lazarus and
 Mr Greig Gailey

Mary Vallentine Limitless Stage Fund**(\$20,000+)**

Naomi Milgrom AO
 Kim Williams AM

(\$10,000+)

The Late Betty Amsden AO
 Lady Marigold Southey AC

(\$4000+)

The Hon Susan M Crennan AC QC
 Kathryn Greiner AO
 Peter & Ruth McMullin

(\$2500+)

Lady Primrose Potter AC

(\$1000+)

Jenny & Peter Hordern
 Cathy Lowy
 The Ullmer Family Foundation

*Ensemble Giovane: Donors in support of Masterclasses

List of patrons as at 30 June 2018

Our Partners

Thank you

Melbourne Recital Centre acknowledges the generous support of its business, philanthropic patrons and patrons

Founding Patron

The Late Dame Elisabeth Murdoch AC DBE

Board Members

Kathryn Fagg, Chair
Peter Bartlett
Stephen Carpenter

Joseph Corponi
The Hon. Mary Delahunty
Paul Donnelly

Margaret Farren-Price
Eda Ritchie AM
Margaret Taylor

Founding Benefactors

The Kantor Family
The Calvert-Jones Family
Lyn Williams AM

Helen Macpherson Smith Trust
Robert Salzer Foundation
The Hugh Williamson Foundation

Principal Government Partner



Business Partners

International Airline Partner



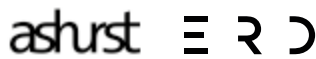
Presenting Partner



Presenting Partner



Supporting Partners



Program Partners



Foundations



THE ARANDAY FOUNDATION

THE JACK & HEDY FOUNDATION

THE PEGGY & LESLIE CRANBOURNE FOUNDATION

THE MARIAN & EH FLACK TRUST

ESTATE OF THE LATE JOHN WILLIAM FLEMMING

ETHEL HERMAN CHARITABLE TRUST

ISOBEL HILL BROWN CHARITABLE TRUST

THE MARGARET LAWRENCE BEQUEST

THE MERLYN MYER FUND

THE SENTINEL FOUNDATION

THE HUGH WILLIAMSON FOUNDATION

THE VIZARD FOUNDATION



Ceridwen McCooey, Accelerando Alumna

Melbourne Recital Centre Board of Directors

Board of Directors



Kathryn Fagg



Peter Bartlett



Stephen Carpenter



Joseph Corponi



The Hon Mary Delahunty



Paul Donnelly



Margaret Farren-Price



Eda Ritchie AM



Margaret Taylor

**The Late Dame Elisabeth Murdoch AC DBE,
Founding Patron**

Kathryn Fagg, Chair

Appointed 20 September 2010.

Reappointed 22 April 2013 and 3 March 2016.

President of Chief Executive Women (CEW); Director and Chairman-elect of Boral Limited; Non-Executive Director of Incitec Pivot Limited; Non-Executive Director Djerriwarrh Investments Limited; Chair of the Breast Cancer Network Australia; Former Board Member, Reserve Bank of Australia; Former President FMCG Asia Pacific, Linfox; Former President, Asia, BlueScope Steel; Former Managing Director, Banking Products, ANZ; Former Chairman, Parks Victoria.

Peter Bartlett

Appointed 3 March 2012. Reappointed 3 March 2018

Partner, Minter Ellison; Treasurer, Member Management Board and Council, International Bar Association and Liaison to its Asia Pacific Forum; Chair Advisory Board, Centre for Advancing Journalism, The University of Melbourne; Former Chairman Minter Ellison; Past President Barwon Heads Golf Club; Life Member Melbourne Press Club; Former Chair World Services Group; Former Member State Sports Centres Trust and State Sports & Aquatic Centre Trust.

Stephen Carpenter

Appointed 3 March 2012. Reappointed 3 March 2018

Partner, KPMG; Fellow, Taxation Institute of Australia; Member, Institute of Chartered Accountants; Member, Australian Institute of Company Directors, Foundation Board Member, Contemporary Arts Precincts Ltd.

Joseph Corponi

Appointed 3 March 2012. Reappointed 6 March 2017

Former Director, Asylum Seekers Resources Centre; Former Director, Gould Group; Former Director, International Council of Museums (Australia).

The Hon. Mary Delahunty

Appointed 1 July 2016

Non-Executive Board Member of McClelland Sculpture Park and Gallery; Non-Executive Board Member of the National Library of Australia; Graduate of the Australian Institute of Company Directors; Former Minister for the Arts, Victoria Government; Former Minister for Planning, Victorian Government; Former Minister for Education, Victorian Government; Non-Executive Board Member of The Centre for Advancing Journalism at The University of Melbourne; Former interviewer and presenter on ABC's 7.30 Report and Four Corners; Gold Walkley Award Winner for international reporting.

Paul Donnelly

Appointed 22 June 2015. Reappointed 3 March 2018

Executive Director of Macquarie; Member of the Institute of Chartered Accountants (England & Wales); Member of Australian Institute of Company Directors; Bachelor of Science (Hons), Advanced Management Program, Harvard University.

Margaret Farren-Price

Appointed 3 March 2012. Reappointed 3 March 2018

Founder and Artistic Director, Impresaria Piano Series (1990–2011); Board Member, Piano Landmarks; Private piano studio teaching.

Eda Ritchie AM

Appointed 14 July 2014. Reappointed 6 March 2017

Long-time community service leader in education, government and the arts; University of Melbourne Council Member (2005–2014); Chairman of Victorian College of the Arts Foundation; Trustee of the R E Ross Trust; Previously inaugural Chairman and Board member of Port Fairy Spring Music Festival; Board member of Melbourne University Publishing; Rural Finance Corporation; Howard Florey Institute; various government organisations involving natural resource management, health and local government.

Margaret Taylor

Appointed 7 August 2017

Group Company Secretary of BHP Billiton; Former Group Company Secretary and Head of Group Governance, Commonwealth Bank Australia; Former Regional Counsel Australia/Asia, BHP Billiton; Former Partner of Minter Ellison; Fellow of Governance Institute Australia; AICD Graduate

Our People, Committees & Executive Management

BOARD COMMITTEES

Governance, Audit and Risk Committee

Stephen Carpenter, Chair (INDEPENDENT MEMBER)

Joseph Corponi (INDEPENDENT MEMBER)

Paul Donnelly (INDEPENDENT MEMBER)

Kathryn Fagg (INDEPENDENT MEMBER)

Remuneration and Nominations Committee

Kathryn Fagg, Chair

Peter Bartlett

Stephen Carpenter

Committee of Management

Kathryn Fagg, Chair

Peter Bartlett

Stephen Carpenter

Joseph Corponi

The Hon. Mary Delahunty

Paul Donnelly

Margaret Farren-Price

Eda Ritchie AM

Margaret Taylor

Development Advisory Committee

Eda Ritchie AM, Chair

Margaret Farren-Price

Peter Bartlett

Peter Armstrong (EXTERNAL MEMBER)

Christine Sather (EXTERNAL MEMBER)

EXECUTIVE MANAGEMENT

Chief Executive Officer

Euan Murdoch

Director of Programming

Marshall McGuire

Artistic Programming, Venue Hire

Director of Corporate Services

Sandra Stoklossa

Finance, Human Resources, Information and Communications Technology, Administration, Facilities and Assets Management, Governance

Director of Development

Sandra Robertson

Sponsorship, Philanthropy

Director of Marketing & Customer Relations

Robert Murray

Marketing, Publicity, Customer Relationship Management, Ticketing, Front of House, Foyer Bars and Retail

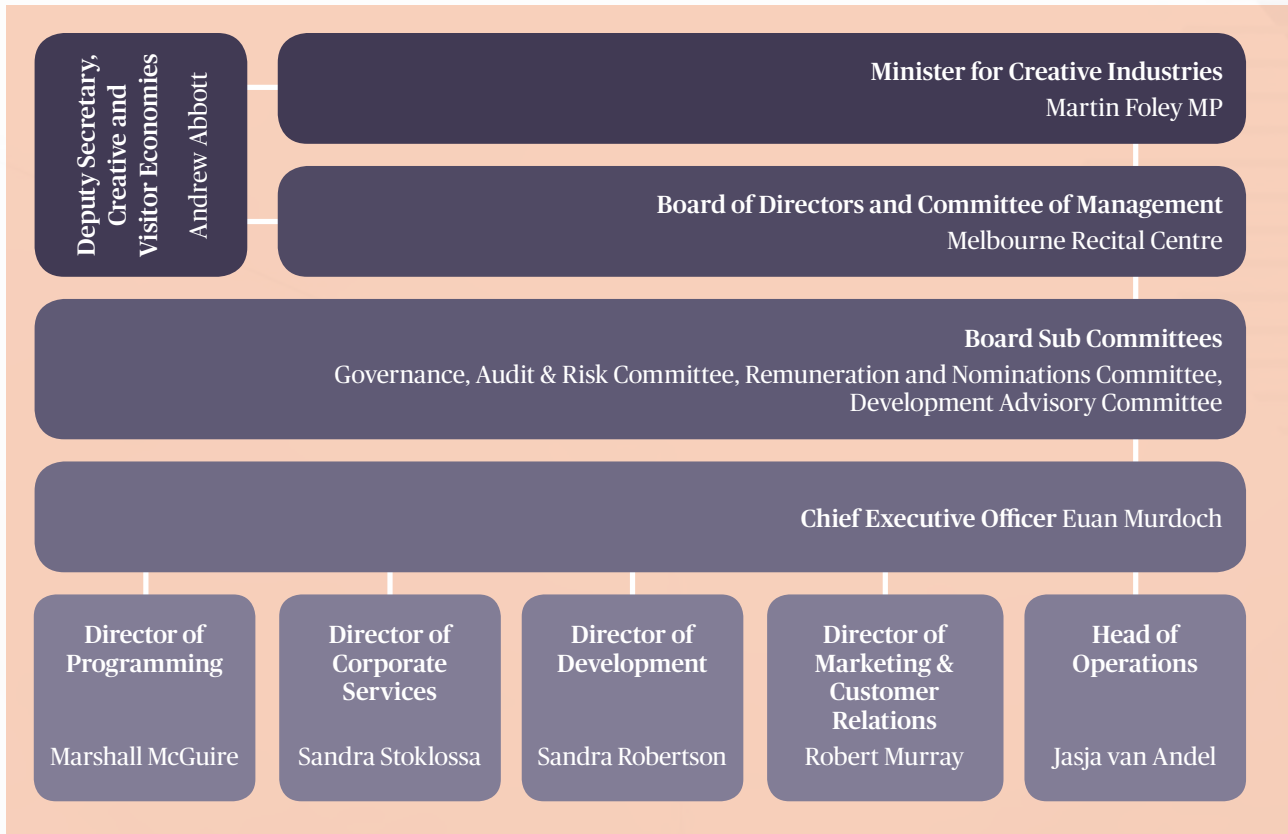
Head of Operations

Jasja van Andel

Event and Production Management, Technical, Stage Door



Organisational Structure



Environmental Performance

Melbourne Recital Centre maintains its commitment to environmental sustainability by minimising its environmental impacts and promoting a green future for our community. The Centre continues to monitor and modify the behaviour of waste management, HVAC scheduling and building systems in order to improve environmental performance. Measures are consistent with the increased level of utilisation of the venue although electricity consumption has decreased year on year due to more energy-efficient Salon lighting. Efficiencies in HVAC, waste management and water consumption also yielded improved metrics.

Key measures		2017–18	2016–17
Electricity, total consumption	Kilowatt Hr (kWh)	1,266,070	1,300,387
Natural gas, total consumption	Megajoules (Mj)	2,475,854	2,437,644
Water, total consumption	Kilolitres (kL)	2,334	2,553
Electrical greenhouse gas emissions	Tonnes of CO ₂ e	1,557.27	1,531.42
Natural gas greenhouse gas emissions	Tonnes of CO ₂ e	137.48	136.09
Waste, total units	Cubic meters (m ³)	177	178

Notes: The above figures include usage by Melbourne Recital Centre and café tenancy space occupied by Blondie Café. Waste comprises general, co-mingled, paper and cardboard.

Financial Summary

Five-Year Financial Summary

	2017-18	2016-17	2015-16	2014-15	2013-14
Income from Government	\$3,864,000	\$3,881,500	\$3,899,218	\$4,886,000 ²	\$3,859,000
Total income from transactions	\$14,756,035 ¹	\$12,975,481	\$11,807,352	\$13,056,773 ³	\$11,104,531
Total expenses from transactions	\$13,004,258	\$12,779,962	\$11,720,465	\$12,793,743 ⁴	\$10,977,531
Net result before depreciation	\$2,264,798 ¹	\$757,259	\$686,803	\$839,816	\$578,439
Net result for the year, after depreciation	\$1,751,777 ¹	\$195,519	\$86,887	\$263,636	\$30,405
Net cash inflow from operating activities	\$1,606,479	\$1,391,322	\$882,383	\$465,861	\$1,089,771
Total assets	\$15,424,847	\$14,065,532	\$12,145,396	\$11,696,736	\$11,599,744
Total liabilities	\$3,599,202	\$4,025,554	\$3,039,202	\$2,738,588	\$2,909,250

Notes:

1 Total income from transactions includes endowment gifts of \$1,500,000 flowing through to Net result for the year

2 Income from Government in 2014/15 included \$1,030,000 for the one-off SummerSalt Outdoor Arts Festival.

3 Total income from transactions in 2014/15 included \$1,811,758 from the one-off SummerSalt Outdoor Arts Festival.

4 Total expenses from transactions in 2014/15 included \$1,867,859 from the one-off SummerSalt Outdoor Arts Festival.

Financial Overview

The net result from transactions was a surplus of \$1,751,777 including:

- endowment gifts of \$1,500,000 recognised as part of Other grants, donations and sponsorship
- depreciation and amortisation expense of \$513,021

Excluding endowment gifts, the underlying operating result is \$251,777. The strong operating result was achieved as a result of an exceptional program of MRC Presents and venue hire activities which delivered strong attendance and stable revenues.

Significant growth in other grants, donations and sponsorship income was achieved in the year due to the receipt of a significant bequest as well as specific support for learning and access programs.

Total income from transactions increased \$1,780,554 an increase of 14% on prior year. Key reasons for this include:

- \$1,500,000 extraordinary endowments gifts
- \$357,016 increase in sponsorship and other grants supporting learning and access programs and beyond the Centre activities
- Melbourne Recital Centre Presents ticket sales reduced by \$366,270 (-10%) due to the extraordinary performances in prior year
- \$330,775 (9%) increase in revenue from venue hire activities, ticket fee income and food and beverage sales

Employee expenses continue to be the Centre's largest investment and represents 44% of the Centre's total expenditure. Costs increased by 5% or \$257,000 over prior year due to agreed pay and progression increases under our Enterprise Agreement and staffing requirements to deliver increased activity levels.

Looking forward, the Centre will continue to manage its activities to ensure the high quality of programming and presenter services are maintained within a financially sustainable and agile operating model.

'Amazing! I've experienced
goosebumps before, but never
waves of them! Quite extraordinary.
Aren't we fortunate to have this
quality on offer in Melbourne.'

Audience Member



Thomas Hampson



Y & SONS

Statement of Corporate Governance

Manner of Establishment

Melbourne Recital Centre was registered on 2 March 2006 with the sole member being the State of Victoria, represented by the Minister for Creative Industries. Melbourne Recital Centre is a company limited by guarantee and a public entity under the *Public Administration Act 2004*. Melbourne Recital Centre has its own constitution and has compliance and reporting requirements under both the *Financial Management Act 1994* (Victoria) and the *Corporations Act 2001* (Commonwealth). Melbourne Recital Centre is registered with the Australian Securities and Investments Commission and the Australian Charities and Not-for-profits Commission. The Directors of Melbourne Recital Centre are committed to the highest standard of corporate governance and acknowledge the need for continued maintenance of governance practice and ethical conduct by all Directors and employees.

Accordingly, they have ensured that systems and procedures are in place to provide appropriate assurance that the Company undertakes its activities and functions in accordance with:

- all legal requirements;
- the best interests of members;
- an environment that meets relevant standards; and
- a manner that is responsible to all stakeholders and the wider community.

Objectives of the Company

Melbourne Recital Centre Constitution, Clause 2:

The objectives of Melbourne Recital Centre include the promotion of live music, by, without limitation:

- undertaking preparations for – and assisting in the funding of – the construction of Melbourne Recital Centre;
- commissioning musical performances and programming for Melbourne Recital Centre;
- promoting Melbourne Recital Centre; and
- planning and managing the operations of Melbourne Recital Centre.

Powers and Duties of Directors

Melbourne Recital Centre Constitution, Clause 13.6:

The Directors are responsible for managing the Company's business and affairs and may exercise to the exclusion of the Company in general meeting all the Company's powers which are not required, by the *Corporations Act 2001* (Commonwealth) or by Melbourne Recital Centre's constitution, to be exercised by the Company in general meeting.

The Directors may decide how cheques, promissory notes, bankers drafts, bills of exchange or other negotiable instruments must be signed, drawn, accepted, endorsed or otherwise executed (as applicable) by or on behalf of the Company.

The Directors may pay out of the Company's funds all expenses of promotion, formation and registration of the Company and the vesting in it of the assets acquired by it.

The Directors may:

- appoint or employ a person to be an officer, agent or attorney of the Company for the purposes, with the powers, discretions and duties (including powers, discretions and duties vested in or exercisable by the Directors), for the period and on the conditions they think fit;
- authorise an officer, agent or attorney to delegate all or any of the powers, discretions and duties vested in the officer, agent or attorney; and
- subject to any contract between the Company and the relevant officer, agent or attorney, remove or dismiss any officer, agent or attorney at any time, with or without cause.

A power of attorney may contain any provisions for the protection and convenience of the attorney or persons dealing with the attorney that the Directors think fit.

Board Committees

The Board has established a several standing committees whose decisions become recommendations for consideration by the Board:

- Governance, Audit and Risk Committee
- Remuneration and Nominations Committee
- Committee of Management
- Development Advisory Committee

Committee of Management – Melbourne Recital Centre Land and Building

On 23 October 2008, Melbourne Recital Centre land at Southbank (Crown Allotment 2180, City of South Melbourne, Parish of Melbourne South) was reserved for public purposes (arts and recital centre). The Minister for the Environment and Climate Change appointed Melbourne Recital Centre as the Committee of Management for that reserve with effect from that date. The Melbourne Recital Centre Committee of Management is the Board of Directors of Melbourne Recital Centre.

Financial and Other Information Retained by the Accountable Officer

Relevant information detailed in Financial Reporting Direction (FRD) 22E Standard Disclosures in the Report of Operations under the *Financial Management Act 1994* Section 3 is retained by the Company's Accountable Officer. The items listed below are available to the relevant ministers, Members of Parliament and the public on request (subject to the freedom of information requirements, if applicable):

- A. a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- B. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- C. details of publications produced by Melbourne Recital Centre about the activities of Melbourne Recital Centre and where they can be obtained;
- D. details of changes in prices, fees, charges, rates and levies charged by Melbourne Recital Centre for its services, including services that are administered;
- E. details of any major external reviews carried out in respect of the operation of Melbourne Recital Centre;
- F. details of any other research and development activities undertaken by Melbourne Recital Centre that are not otherwise covered either in the report of operations or in a document which contains the financial statement and report of operations;

- G. details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- H. details of major promotional, public relations and marketing activities undertaken by Melbourne Recital Centre to develop community awareness of the services provided;
- I. details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the report of operations;
- J. a general statement on industrial relations within Melbourne Recital Centre and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the report of operations;
- K. a list of major committees sponsored by Melbourne Recital Centre, the purposes of each committee and the extent to which the purposes have been achieved; and
- L. details of all consultancies and contractors including: consultants/contractors engaged; services provided; and expenditure committed to for each engagement.

National Competition Policy

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

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 Company is required to apply the VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in Victoria. The Company did not commence or complete any contracts during 2015-16 to which the VIPP applies.

Statement of Corporate Governance (continued)

Occupational Health and Safety (OH&S)

Melbourne Recital Centre has an Occupational Health and Safety Committee, which monitors, reviews and updates the Centre's OH&S policies and procedures as well as reviewing incidents reported at Melbourne Recital Centre. The Committee meets regularly and reports to Executive Management and Board. A number of KPIs have been identified to enable the measurement of OH&S and provide a valuable tool in the management of these issues. Results for the year are outlined in the following table:

Category	KPI	2017–18	2016–17	2015–16
Incident	No of employee incidents	22	17	11
	No of visitor incidents	23	26	21
Claims	No of standard claims	1	0	0
	No of lost time claims	1	0	0

Disability Action Plan

Melbourne Recital Centre is committed to making its performances, services and facilities accessible to the community. Melbourne Recital Centre regularly consults with Arts Access regarding improving accessibility at the Centre.

Compliance with the *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 encourages and assists people in making disclosures of improper conduct by public officers and public bodies and provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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

Melbourne Recital Centre is not a public body to which disclosures may be made. Disclosures of improper conduct or detrimental action relating to Melbourne Recital Centre should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC). Further information

about making disclosures to the IBAC can be found at www.ibac.vic.gov.au.

As required by s.58(5) of the Act, Melbourne Recital Centre has made the Protected Disclosure Policy available on its website melbournerecital.com.au, which provides procedures for protecting people who make protected disclosures from detrimental action by Melbourne Recital Centre or its staff.

Compliance with the *Carer Recognition Act 2012*

Melbourne Recital Centre seeks to comply with its obligations under the Carers Recognition Act 2012 (the Act) as an organisation funded by the Victorian Government.

- We recognise the Companion Card scheme which provides a companion carer with a ticket free of charge.
- We ensure our staff have an awareness and understanding of the role of the Companion Card in supporting carer relationships.

We consider the carer relationship principles set out in the Act when setting employment policies and provide for carers leave in our Enterprise Agreement.

Compliance with the *Building Act 1993*

At 30 June 2018, Melbourne Recital Centre was responsible for one government-owned building. Pursuant to its role as Committee of Management, Melbourne Recital Centre complies with building and maintenance provisions of the *Building Act 1993*. Melbourne Recital Centre also complies with the *Building Code of Australia* and with the relevant Australian standards for building and maintenance works.

Major Works (more than \$50,000): There have been two major works projects completed in 2017–18 being the replacement of the fire fan control system and the upgrade of our venue public address system.

Workforce Data

Staff are appointed under ongoing, fixed-term or casual contracts as per Melbourne Recital Centre Enterprise Agreement 2015 and the Government Sector Executive Remuneration Panel and are bound by the Code of Conduct for Victorian Public Sector Employees. The Melbourne Recital Centre complies with the values (Section 7) and employment principles (Section 8) of the *Public Administration Act 2004*.

Melbourne Recital Centre is committed to applying merit and equity principles in appointments of staff. Selection processes in place ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities, and without discrimination. Melbourne Recital Centre is committed towards a balanced working environment where equal opportunity and diversity is valued.

Employees have been correctly classified in workforce data collections as outlined in the table below.

Details of employment levels in June of 2017 and 2018

FTE	2018			2017		
Employment Type	Male	Female	Total	Male	Female	Total
Ongoing	19	17	36	16	14	30
Casual/Fixed Term	10	14	24	11	13	24
Total	29	31	60	27	27	54
HEADCOUNT						
Ongoing	20	18	38	17	15	32
Casual/Fixed Term	37	40	77	34	36	70
Total	57	58	115	51	51	102

Casual/Fixed term employees also includes fixed term variable employees.

Ongoing employees also includes ongoing variable time employees.

Variable time employment is where staff are engaged for a specific number of hours in a year, which ranges from 520 to 1,040 hours per annum. The actual hours worked in a week will vary dependent on demand.

Statement of Corporate Governance (continued)

Government Advertising Expenditure (campaigns with a media spend of \$100,000 or greater)

In 2017–18 there was no single campaign media spend \$100,000 or greater.

Consultancy Expenditure

In 2017–18 there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure in relation to this consultancy was \$48,660 (excluding GST). Details of this consultancy can be viewed at melbournerecital.com.au/consultancies

In 2017–18 there were fourteen (14) consultancies where the total fees payable to the consultant was less than \$10,000. The total expenditure incurred during 2017–18 on consultancies was \$57,290 (excluding GST).



Information and Communication Technology expenditure

For the 2017–18 reporting period, Melbourne Recital Centre had a total ICT expenditure of \$585,644, with the details show below.

Business as Usual (BAU) ICT expenditure	Non-Business As Usual (non-BAU) ICT expenditure (Total = Operational expenditure and Capital expenditure)
\$454,430	\$131,214

ICT expenditure refers to the Department's costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.



Directors' Report

The Directors present this report on Melbourne Recital Centre for the financial year ended 30 June 2018.

Directors

The names of each person who has been a Director during the period and to the date of this report are:

Kathryn Fagg, Chair

Peter Bartlett (Reappointed 3 March 2018)

Stephen Carpenter (Reappointed 3 March 2018)

Joseph Corponi

Margaret Farren-Price (Reappointed 3 March 2018)

Eda Ritchie AM

Paul Donnelly (Reappointed 3 March 2018)

Mary Delahunty

Margaret Taylor (Appointed 7 August 2017)

Directors have been in office since 1 July 2017 to the date of this report unless otherwise stated. All directors are independent of the management.

Company Secretary

Stephen Carpenter held the position of company secretary at the end of the financial year.

Membership of Melbourne Recital Centre

Melbourne Recital Centre is a company limited by guarantee. The sole member of the Company is the Minister for Creative Industries, Hon. Martin Foley MP.

Principal Activities

The principal activity of the Company during the financial year was planning and managing the operations of Melbourne Recital Centre.

Company Objectives

The objectives of Melbourne Recital Centre include the promotion of live music, by, without limitation:

- undertaking preparations for – and assisting in the funding of – the construction of Melbourne Recital Centre;
- commissioning musical performances and programming for Melbourne Recital Centre;
- promoting Melbourne Recital Centre; and
- planning and managing the operations of Melbourne Recital Centre.

Operating Results

The net result from transactions was a surplus of \$1,751,777 (\$195,519 in 2016-17). Total comprehensive result was \$1,785,667 (\$933,784 in 2016-17).

Dividends Paid or Recommended

In line with the Constitution of the Melbourne Recital Centre no part of the income or property was paid, transferred or distributed, directly or indirectly, by way of dividend, bonus, or other profit distribution, to any of the members or directors during the financial year.

Review of Operations

The Company's focus was consolidating its position and broadening its audience.

Significant Changes in State of Affairs

There was no significant change in state of affairs during the financial year.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future Developments

The Company expects to maintain the present status and level of operations for the foreseeable future.

Environmental Regulations

No significant environmental regulations apply that are likely to have a material effect on the operations or financial results of Melbourne Recital Centre.

Meetings of Directors

During the financial year, six meetings of directors were held. Attendance by each director was as follows:

Director name	Number eligible to attend	Number attended
Kathryn Fagg	6	6
Peter Bartlett	6	6
Stephen Carpenter	6	5
Joseph Corponi	6	5
Margaret Farren-Price	6	5
Eda Ritchie AM	6	6
Paul Donnelly	6	6
Mary Delahunty	6	5
Margaret Taylor	5	4

Directors' Benefits

Directors' benefits are set out in note 8.5 to the financial statements.

Insurance of Directors and Officers

During the financial year \$4,719 (\$4,603 in 2016-17) was paid by the Company to the Victorian Managed Insurance Authority for directors' and officers' liability insurance premiums and recorded as an expense in the comprehensive operating statement. The insurance provides cover for directors and officers of Melbourne Recital Centre against certain personal liabilities that they may incur by reason of their duties as directors and officers.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2018 has been received and can be found on page 3 of the financial report.

Directors' Declaration

The attached financial statements for Melbourne Recital Centre have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, the *Australian Charities and Not-for-profits Commission Act 2012*, 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 2018 and financial position of the Company at 30 June 2018.

At the time of signing, there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable, and we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



Kathryn Fagg
Chair of the Board

Melbourne
28 August 2018



Euan Murdoch
Chief Executive Officer

Melbourne
28 August 2018



Sandra Stoklossa
Director of Corporate Services

Melbourne
28 August 2018

Auditor-General's Independence Declaration

To the Directors, Melbourne Recital Centre

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for Melbourne Recital Centre for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
31 August 2018



Simone Bohan
as delegate for the Auditor-General of Victoria

Table of Contents

FINANCIAL STATEMENTS

Comprehensive operating statement

Balance sheet

Statement of changes in equity

Cash flow statement

NOTES TO THE FINANCIAL STATEMENTS

1. About this report
 - 1.1 Basis of accounting preparation and measurement
 - 1.2 Compliance statement
2. Funding delivery of our services
 - Introduction
 - Structure
 - 2.1 State government grants
 - 2.2 Other grants, donations and sponsorships
 - 2.3 Commercial operations
 - 2.4 Other income
3. The cost of delivering services
 - Introduction
 - Structure
 - 3.1 Employee benefits
 - 3.2 Supplies and consumables
 - 3.3 Artistic and production costs
 - 3.4 Building occupancy
 - 3.5 Other operating expenses
4. Key assets available to support output delivery
 - Introduction
 - Structure
 - 4.1 Property, plant and equipment
 - 4.2 Intangible assets
 - 4.3 Investments and other financial assets
5. Other assets and liabilities
 - Introduction
 - Structure
 - 5.1 Receivables
 - 5.2 Payables
 - 5.3 Income received in advance
 - 5.4 Other liabilities
6. How we financed our operations
 - Introduction
 - Structure
 - 6.1 Cash and deposits
 - 6.2 Commitments for expenditure
7. Risks, contingencies and valuation judgements
 - Introduction
 - Structure
 - 7.1 Financial instruments specific disclosures
 - 7.2 Contingent liabilities and assets
 - 7.3 Fair value determination and impairment
8. Other disclosures
 - Introduction
 - Structure
 - 8.1 Ex-gratia expenses
 - 8.2 Other economic flows included in net result
 - 8.3 Reserves
 - 8.4 Responsible persons
 - 8.5 Remuneration of executives
 - 8.6 Related parties
 - 8.7 Remuneration of auditors
 - 8.8 Subsequent events
 - 8.9 Australian Accounting Standards issued that are not yet effective

Melbourne Recital Centre
 Comprehensive Operating Statement
 for the Financial Year Ended 30 June 2018

	Notes	2018	2017
		\$	\$
Income from transactions	2		
State government grants	2.1	3,864,000	3,881,500
Other grants, donations and sponsorship	2.2	3,076,359	1,258,007
Commercial operations	2.3	7,332,424	7,367,920
Other income	2.4	483,252	468,054
Total income from transactions		14,756,035	12,975,481
Expenses from transactions	3		
Employee expenses	3.1	5,787,759	5,530,723
Supplies and consumables	3.2	2,835,496	2,789,123
Artistic and production costs	3.3	2,606,987	2,713,032
Building occupancy	3.4	848,393	749,235
Legal, professional and consultancy	3.5	326,502	346,789
Depreciation and amortisation	3.5	513,021	561,740
Finance costs	3.5	86,100	89,320
Total expenses from transactions		13,004,258	12,779,962
Net result from transactions (net operating balance)		1,751,777	195,519
Other Economic Flows – Other Comprehensive Income			
Changes in physical asset revaluation reserve	8.3	–	667,026
Changes to financial assets available-for-sale revaluation reserve	8.3.1.2	33,890	71,239
Total Other Economic Flows – Other Comprehensive Income		33,890	738,265
Comprehensive Result		1,785,667	933,784

The comprehensive operating statement should be read in conjunction with the accompanying notes on pages 50 to 76.

Melbourne Recital Centre
Balance Sheet
as at 30 June 2018

	Notes	2018	2017
		\$	\$
Assets			
Financial assets			
Cash and deposits	6.1	6,361,672	4,861,773
Receivables	5.1	140,694	277,185
Investments	4.3	6,132,618	5,789,920
GST receivable		79,170	87,596
Total financial assets		12,714,154	11,016,474
Non-financial assets			
Inventory		17,329	5,212
Property, plant and equipment	4.1	2,444,915	2,832,064
Intangible assets	4.2	–	19,290
Prepayments		248,449	192,492
Total non-financial assets		2,710,693	3,049,058
Total assets		15,424,847	14,065,532
Liabilities			
Trade and other payables	5.2	1,218,816	1,244,654
Provisions	3.1.1	624,278	712,507
Income received in advance	5.3	1,703,863	1,938,917
Other liabilities	5.4	52,245	129,476
Total liabilities		3,599,202	4,025,554
Net assets		11,825,645	10,039,978
Equity			
Accumulated surplus	8.3	1,568,997	1,615,376
Public fund – Endowment	8.3.1	9,030,566	6,924,945
Public fund – Externally funded special projects reserve	8.3.1	365,749	673,214
Public fund – Available-for-sale revaluation reserve	8.3.1	193,307	159,417
Public Fund – Physical asset revaluation reserve	8.3.1	(106,818)	(106,818)
Physical asset revaluation reserve	8.3	773,844	773,844
Total equity		11,825,645	10,039,978

The balance sheet should be read in conjunction with the accompanying notes included in pages 50 to 76.

Melbourne Recital Centre
Statement of Changes in Equity
for the Financial Year Ended 30 June 2018

	Equity at 1 July 2017	Net result	Available- for-sale revaluation reserve	Physical asset revaluation reserve	Transfer between funds	Equity at 30 June 2018
	\$	\$	\$	\$	\$	\$
Accumulated surplus/ (deficit)	1,615,376	1,751,777	–	–	(1,798,156)	1,568,997
Public fund – Endowment	6,924,945	–	–	–	2,105,621	9,030,566
Public fund – Externally funded special projects reserve	673,214	–	–	–	(307,465)	365,749
Public fund – Available-for-sale revaluation reserve	159,417	–	33,890	–	–	193,307
Public fund – Physical asset revaluation reserve	(106,818)	–	–	–	–	(106,818)
Physical asset revaluation reserve	773,844	–	–	–	–	773,844
Total equity at end of financial year	10,039,978	1,751,777	33,890	–	–	11,825,645

	Equity at 1 July 2016	Net result	Available- for-sale revaluation reserve	Physical asset revaluation reserve	Transfer between funds	Equity at 30 June 2017
	\$	\$	\$	\$	\$	\$
Accumulated surplus/ (deficit)	2,328,004	195,519	–	–	(908,147)	1,615,376
Public fund – Endowment	6,143,196	–	–	–	781,749	6,924,945
Public fund – Externally funded special projects reserve	546,816	–	–	–	126,398	673,214
Public fund – Available-for-sale revaluation reserve	88,178	–	71,239	–	–	159,417
Public fund – Physical asset revaluation reserve	–	–	–	(106,818)	–	(106,818)
Physical asset revaluation reserve	–	–	–	773,844	–	773,844
Total equity at end of financial year	9,106,194	195,519	71,239	667,026	–	10,039,978

The statement of changes in equity should be read in conjunction with the accompanying notes on pages 50 to 76.

Melbourne Recital Centre
Cash Flow Statement
for the Financial Year Ended 30 June 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts			
Receipts from State Government		4,080,700	4,483,545
Receipts from customers		7,795,403	8,348,969
Fundraising and sponsorship		3,080,359	1,241,007
Interest received		67,886	64,714
Dividends received		13,631	13,683
GST refunded from ATO		213,085	103,754
Total receipts		15,251,064	14,255,672
Payments			
Payments to suppliers		(7,714,430)	(7,275,193)
Payments to employees		(5,844,055)	(5,499,837)
Finance costs		(86,100)	(89,320)
Total payments		(13,644,585)	(12,864,350)
Net cash flow from operating activities	6.1.1	1,606,479	1,391,322
Cash flows from investing activities			
Payment for purchase of property, plant and equipment		(106,580)	(143,351)
Payment for investments		-	-
Net cash flows used in investing activities		(106,580)	(143,351)
Net increase/(decrease) in cash and cash equivalents		1,499,899	1,247,971
Cash and cash equivalents at beginning of financial year		4,861,773	3,613,802
Cash and cash equivalents at end of financial year	6.1	6,361,672	4,861,773

The cash flow statement should be read in conjunction with the accompanying notes on pages 50 to 76.

Melbourne Recital Centre
 Notes to the Financial Statements
 for the Financial Year Ended 30 June 2018

NOTE 1: ABOUT THIS REPORT

Melbourne Recital Centre (the Company) is an individual company, incorporated and domiciled in Australia. The financial statements are presented in Australian dollars, the functional and presentation currency of Melbourne Recital Centre.

The Company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstandings and obligations of the Company. At 30 June 2018, the sole member of the Company is the Minister of Creative Industries.

The registered office and principal place of business is:
 Melbourne Recital Centre
 31 Sturt Street
 Southbank 3006

Melbourne Recital Centre is registered charity with the Australian Charities and Not-for-profits Commission and reports under the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1. Basis of preparation

The financial statements have been prepared under the historical cost convention, unless a different measurement basis is specially disclosed in the note associated with the item measured on a different basis.

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. The financial statements have been prepared on a going-concern basis.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. 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.

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 applying AAS that have significant effective on the financial statements and estimates are disclosures in the notes. Where appropriate, comparative figures have been amended to align with current presentation and disclosure.

The financial statements cover the Company as an individual reporting entity.

All amounts in the financial statements have been rounded to the nearest one dollar.

1.2. Compliance Information

The general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA), applicable Australian Accounting Standards and Interpretations (AASs) and the *Australian Charities and Not-for-profits Commission Act 2012*. In particular, they are presented in a manner consistent with the requirements of *AASB 1049 Whole of Government and General Government Sector Financial Reporting* (AASB 1049).

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The financial statements were authorised for issue by the Board of Directors on the date the declaration was signed.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

Introduction

The company is a public entity and derives its income from grants, sponsorships, donations and commercial sources such as ticketing commission, food and beverage income and venue hire income.

Structure

Summary of income that funds the delivery of our services

2.1 State government grants

2.2 Other grants, donations and sponsorships

2.3 Commercial operations

2.4 Other income

Summary of income that funds the delivery of our services

	Notes	2018 \$	2017 \$
State government grants	2.1	3,864,000	3,881,500
Other grants, donations and sponsorship	2.2	3,076,359	1,258,007
Commercial operations	2.3	7,332,424	7,367,920
Other income	2.4	483,252	468,054
Total income from transactions		14,756,035	12,975,481

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured.

2.1 State government grants

	2018 \$	2017 \$
Recurrent operating grant	3,864,000	3,836,500
Programming grant - regional touring	–	45,000
Total government grants	3,864,000	3,881,500

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

2.2 Other grants, donations and sponsorships

	2018 \$	2017 \$
Public fund grants and donations	2,454,590	1,003,254
Sponsorship	621,769	254,753
Total other grants, donations and sponsorships	3,076,359	1,258,007

Grant and sponsorship income is recognised in the operating statement in the reporting period in which the obligations under the grant and sponsorship arrangements are discharged.

Donations in cash are recognised as revenue when received.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

2.3 Commercial operations

	2018 \$	2017 \$
Artistic programming	3,256,448	3,622,719
Venue hire	2,506,242	2,307,415
Commercial activities	1,569,734	1,437,786
Total commercial operations	7,332,424	7,367,920

Revenue from commercial operations is recognised upon the delivery of the service to the customers.

Artistic programming income comprises ticket sales from Melbourne Recital Centre Presents events. Income from this area is held as an *advance ticket sales* liability on the balance sheet until the performance has occurred and subsequently recognised as revenue.

Venue hire income comprises rental income for the use of the venue including the recovery of event production costs. Deposits relating to this activity is held as a *venue hire deposits* liability on the balance sheet until the performance has occurred and subsequently recognised as revenue.

Commercial activities comprises ticketing commission, food and beverage income and the recovery of front of house event services. Income from these activities is recognised upon the delivery of goods to customers. Revenue from the sale of goods is recognised upon the delivery of goods to customers.

2.4 Other income

	2018 \$	2017 \$
Interest received	67,886	64,714
Dividends received	13,631	13,683
Distribution received VFMC capital stable fund	117,442	71,520
Distribution received VFMC balance fund	191,366	127,576
Other income	92,927	190,561
Total other income	483,252	468,054

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.

Dividend income and distribution income from investments are recognised when the right to receive payment is established. Dividends and distribution income represent the income arising from the company's investments in financial assets. Net realised gains and losses on the revaluation of investments do not form part of income from transactions, but are reported as unrealised gains and losses taken directly to equity, forming part of the total change in net worth in the comprehensive result.

NOTE 3: THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the company in delivering services and outputs. In note 2 the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

- 3 Expenses incurred in delivery of service
 - 3.1 Employee expenses
 - 3.1.1 Employee benefits in the balance sheet
 - 3.2 Supplies and consumables
 - 3.3 Artistic and production costs
 - 3.4 Building occupancy
 - 3.5 Other operating expenses

Expenses incurred in delivery of service

	Notes	2018 \$	2017 \$
Employee expenses	3.1	5,787,759	5,530,723
Supplies and consumables	3.2	2,835,496	2,789,123
Artistic and production costs	3.3	2,606,987	2,713,032
Building occupancy	3.4	848,393	749,235
Other operating expenses	3.5	925,623	997,849
Total expenses from transactions		13,004,258	12,779,962

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

3.1 Employee expenses

	2018 \$	2017 \$
Employee expenses	5,323,613	5,088,442
Defined contribution superannuation plans	464,146	442,281
(a) Employee expenses	5,787,759	5,530,723

Employee expenses include all costs related to employment including wages and salaries, superannuation contributions, fringe benefits tax, leave entitlements, workcover premiums, learning and development and training costs.

The superannuation amount charged to the comprehensive operating statement represents contributions made or due by the company to the relevant superannuation plans in respect to the company's staff.

3.1.1 Employee benefits in the balance sheet

	2018 \$	2017 \$
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	239,796	241,395
Unconditional and expected to settle after 12 months	–	29,835
Long service leave		
Unconditional and expected to settle within 12 months	59,762	42,828
Unconditional and expected to settle after 12 months	139,445	99,929
Provisions for on-costs		
Unconditional and expected to settle within 12 months	28,458	40,703
Unconditional and expected to settle after 12 months	13,247	18,554
Total current provisions for employee benefits	480,708	473,244
Non-current provisions		
Employee benefits	131,114	209,347
On-costs	12,456	29,916
Total non-current provisions for employee benefits	143,570	239,263
Total provisions for employee benefits	624,278	712,507

Provision is made for benefits accruing to employees in respect of wages, salaries, annual and long service leave for services rendered to the reporting date. Provisions are recognised when the Company 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 cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Wages, salaries, and annual leave

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

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Long service leave

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

Unconditional LSL is disclosed as a current liability; even where the Company 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.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

The components of this current LSL liability are measured at:

- Present value—component that the Company does not expect to settle within 12 months; and
- Nominal value—component that the Company expects to 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.

Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates recognised in operating statement.

Employee benefits on-costs

Employee benefits on-costs (such as workers compensation and superannuation) are recognised separately from provision for employee benefits.

3.2 Supplies and consumables

	2018 \$	2017 \$
Marketing and promotion	1,335,276	1,412,859
Information technology	585,644	457,994
Food and beverage	678,480	635,976
Other supplies and consumables	236,096	282,294
Total supplies and consumables	2,835,496	2,789,123

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.

3.3 Artistic and production costs

	2018 \$	2017 \$
MRC presents:		
Artist costs	1,492,248	1,752,730
Production costs	230,279	217,570
Co-Pro ticketing revenue split	450,095	294,108
Venue hire events and other	434,365	448,624
Total artistic and production costs	2,606,987	2,713,032

Artistic and production costs relate to artist fees for Melbourne Recital Centre Presents events and production costs of all events held at Melbourne Recital Centre. These costs are recognised in the period as an expense in the period the event is held.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

3.4 Building occupancy

	2018 \$	2017 \$
Utilities	208,432	152,351
Cleaning	337,977	333,668
Building security	59,861	53,347
Building repairs and maintenance	226,497	198,186
Other	15,626	11,683
Total building occupancy	848,393	749,235

Building occupancy expenses generally represent the cost of running and maintaining infrastructure.

3.5 Other operating expenses

	2018 \$	2017 \$
Legal, professional and consultancy expenses	326,502	346,789
Depreciation and amortisation (refer to note 4.1.3, 4.2)	513,021	561,740
Finance costs	86,100	89,320
Total other operating expenses	925,623	997,849

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

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Company controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities.

Structure

- 4.1 Property, plant and equipment
 - 4.1.1 Carrying amount and accumulated depreciation
 - 4.1.2 Movement in carrying amount
 - 4.1.3 Depreciation
- 4.2 Intangible assets
- 4.3 Investments and other financial assets

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

4.1 Property, Plant and Equipment

4.1.1 Carrying amount and accumulated depreciation

	2018 \$	2017 \$
Building fit-out		
Building fit-out at fair value	566,000	566,000
Less accumulated depreciation	(20,075)	–
Closing balance	545,925	566,000
Venue furniture and equipment		
Venue furniture and equipment at fair value	3,385,008	3,290,046
Less accumulated depreciation	(2,627,302)	(2,260,858)
Closing balance	757,706	1,029,188
Office furniture and equipment		
Office furniture and equipment at fair value	698,953	687,336
Less accumulated depreciation	(605,051)	(552,911)
Closing balance	93,902	134,425
Musical instruments		
Musical instruments at fair value	634,269	634,269
Less accumulated depreciation	(55,069)	–
Closing balance	579,200	634,269
Cultural assets		
Cultural assets at fair value	468,182	468,182
Closing balance	468,182	468,182
Total property, plant and equipment	2,444,915	2,832,064

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

Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best.

Non-specialised buildings, musical instruments and cultural assets (artworks) are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Refer to Note 7 for additional information on fair value determination of property, plant and equipment.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

4.1.2 Movement in carrying amount

	Building fit-out at fair value		Venue furniture & equipment at fair value		Office furniture & equipment at fair value		Music instruments at fair value		Cultural assets at fair value		Totals	
<i>Fair value Hierarchy</i>	<i>Level 3</i>		<i>Level 3</i>		<i>Level 2</i>		<i>Level 3</i>		<i>Level 2</i>			
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	566,000	481,398	1,029,188	1,240,792	134,425	160,451	634,269	232,141	468,182	381,100	2,832,064	2,495,882
Additions	–	–	94,963	99,573	11,619	40,817	–	–	–	2,960	106,582	143,350
Depreciation expenses	(20,075)	(23,638)	(366,445)	(348,692)	(52,142)	(66,843)	(55,069)	(35,021)	–	–	(493,731)	(474,194)
Reclassification	–	(37,515)	–	37,515	–	–	–	–	–	–	–	–
Revaluation	–	145,755	–	–	–	–	–	437,149	–	84,122	–	667,026
Closing balance	545,925	566,000	757,706	1,029,188	93,902	134,425	579,200	634,269	468,182	468,182	2,444,915	2,832,064

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

4.1.3 Depreciation

The depreciable amount (fair value less residual value) of all plant, property and equipment is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use.

No depreciation is provided for cultural assets as they do not have a finite useful life.

The useful life for each class of depreciable assets is:

Class of asset	Useful life	
	2018	2017
Building fit-out	20-40 years	20-40 years
Venue furniture and equipment	4-20 years	4-20 years
Office furniture and equipment	3-20 years	3-20 years
Musical instruments	10-40 years	20-40 years
Cultural assets	Indefinite	Indefinite

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

4.2 Intangible assets

	2018 \$	2017 \$
Website Development		
Website development at cost	350,184	350,184
Less accumulated amortisation	(350,184)	(330,894)
Total intangible assets	–	19,290

Intangible assets comprise website development and are initially recognised at cost. Website development has a finite useful life and therefore these externally purchased 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 Company.

Amortisation is calculated on a straight line basis over 4 years.

4.3 Investments and other financial assets

	2018 \$	2017 \$
Equities and managed investment funds:		
Listed securities at fair value	290,344	285,971
VFMC Capital Stable Fund at fair value	2,806,676	2,684,221
VFMC Balance Fund at fair value	3,035,598	2,819,728
Total investment	6,132,618	5,789,920

Investments held by the Company are listed securities and managed funds. Investments are classified as being available-for-sale. Investments are recognised and derecognised on trade date, and are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with unrealised gains and losses arising from changes in fair value, recognised in 'Other economic flows - other comprehensive income' until the investments are disposed.

(a) Ageing analysis of investments

Please refer to Table 7.1.4.1 for the ageing analysis of financial assets.

(b) Nature and extent of risk arising from investments

Please refer to Note 7.1 for the nature and extent of risks arising from investments.

NOTE 5: OTHER ASSETS AND LIABILITIES

Introduction

This section sets out assets and liabilities that arose from the Company's operations.

Structure

- 5.1 Receivables
 - 5.1.1 Movement in the provision of doubtful debts
 - 5.1.2 Ageing analysis of contractual receivables
- 5.2 Payables
 - 5.2.1 Maturity analysis of contractual payables
- 5.3 Income received in advance
- 5.4 Other current liabilities

5.1 Receivables

	2018 \$	2017 \$
Current Contractual		
Trade debtors	145,693	241,268
Less provision for doubtful debts	(4,999)	-
Ticket sales receivable	-	24,197
Box office account	-	11,720
	140,694	277,185
Statutory		
GST receivable	79,170	87,596
Total current receivables	219,864	364,781

Contractual receivables are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

5.1.1 Movement in the provision of doubtful debts

	2018 \$	2017 \$
Balance at beginning of the year	–	1,048
Increase/(decrease) in provision recognised in the net result	4,999	(1,048)
Total movement in the provision of doubtful debts	4,999	–

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

5.1.2 Ageing analysis of contractual receivables

		Carrying amount \$	Not past due and not impaired \$	Past due but not impaired				Impaired financial assets \$
				Less than 1 month	1-3 months	3 months -1 year	1-5 years	
2018	Receivables	145,693	96,441	33,480	9,938	835	–	4,999
2017	Receivables	277,185	156,012	10,463	4,998	105,712	–	–

5.2 Payables

	2018 \$	2017 \$
Current Contractual		
Trade payables	671,779	753,983
Accrued expenses	475,519	437,179
	1,147,298	1,191,162
Statutory		
PAYG Payable	71,518	53,492
Total payables	1,218,816	1,244,654

Contractual payables, classified as financial instruments and measured at amortised cost. Trade payable represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid.

Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

5.2.1 Maturity analysis of contractual payables

	Carrying amount	Maturity dates			
		Less than 1 month	1-3 months	3 months -1 year	1-5 years
2018					
Trade payables	671,779	671,779			
Accrued expenses	475,519	475,519	–	–	–
2017					
Trade payables	753,983	753,983			
Accrued expenses	437,179	437,179	–	–	–

5.3 Income received in advance

	2018 \$	2017 \$
Venue hire deposits	512,269	546,336
Advance tickets sales	854,447	1,039,071
Grants received in advance	337,147	353,510
Total income received in advance	1,703,863	1,938,917

Income received in advance have been deferred in line with the revenue recognition as described in note 2.

5.4 Other liabilities

	2018 \$	2017 \$
Creative Victoria Loan	52,245	129,476
Other total liabilities	52,245	129,476

Creative Victoria owns the Melbourne Recital Centre building in Southbank. When maintenance or building improvement works are required, Creative Victoria provides the necessary funds to the Company in order to arrange for the completion of the work and payment of suppliers on their behalf. These funds are generally received in advance, and drawn down as works are incurred.

NOTE 6: HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised during operations and other information related to financing activities.

Structure

6.1 Cash and deposits

6.1.1 Cash flow information and balances

6.2 Commitments for expenditure

6.2.1 Total commitments payable

6.1 Cash and deposits

	2018 \$	2017 \$
Cash at bank	5,920,259	4,419,501
Cash on hand	6,413	7,272
Short-term deposit	435,000	435,000
Total cash and deposit	6,361,672	4,861,773

Cash and deposits includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6.1.1 Cash flow information and balances

	2018 \$	2017 \$
Reconciliation of net cash result for the year to cash flows from operating activities for the year		
Net result for the year	1,751,775	195,519
Non cash flows movements		
Depreciation of non-current assets	513,021	561,740
VFMC distribution income	(308,808)	(199,096)
Changes in assets and liabilities		
(Increase)/decrease in receivables	136,491	(126,235)
(Increase)/decrease in GST recoverable	8,426	(55,365)
(Increase)/decrease in inventory	(12,117)	8,380
(Increase)/decrease in prepayments	(55,957)	20,027
Increase/(decrease) in trade and other payables	(25,838)	206,919
Increase/(decrease) in provisions	(88,229)	87,938
Increase/(decrease) in income received in advance	(235,054)	562,019
Increase/(decrease) in other liabilities	(77,231)	129,476
Net cash flows from operating activities	1,606,479	1,391,322

6.2 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

6.2.1 Total commitments payable

	2018 \$	2017 \$
Not later than one year	128,503	271,003
Later than one year but not later than five years	–	104,979
Total expenditure commitments (inclusive of GST)	128,503	375,982
Less GST recoverable from the Australian Taxation Office	(11,682)	(34,181)
Total commitments for expenditure (exclusive of GST)	116,821	341,801

As at 30 June 2018, there are no capital commitments (2017: nil)

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied.

Structure

- 7.1 Financial instruments specific disclosures
 - 7.1.1 Interest rate risk
 - 7.1.2 Equity price risk
 - 7.1.3 Credit risk
 - 7.1.4 Liquidity risk
- 7.2 Contingent liabilities and assets
- 7.3 Fair value determination and impairment
 - 7.3.1 Financial assets measured at fair value
 - 7.3.2 Non-financial assets measured at fair value

7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

Financial instruments arise out of contractual agreements that give rise to financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Company's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in *AASB 132 Financial Instruments: Presentation*.

The Company considers that the carrying amount of financial assets and liabilities recorded in the financial statements to be a fair approximation of their fair values.

The Company is exposed to some financial risks: interest rate risk, equity price risk, credit risk and liquidity risk.

Categories of financial instruments

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable

transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Company recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows - other comprehensive income' until the investment is disposed.

On disposal, the cumulative gain or loss previously recognised in 'Other economic flows - other comprehensive income' is transferred to other economic flows in the net result. The Company recognises investments in equities in this category.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost. The Company recognises Payables (excluding statutory payables) in this category:

7.1.1 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Company manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments. Management has concluded that cash at bank can be left at floating rate without necessarily exposing the Company to significant bad risk, management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Company's sensitivity to interest rate risk are limited to cash at bank and term deposits at the end of the financial year of \$6,355,259 (2017: \$4,854,501).

Sensitivity analysis determined that a movement of 50 basis points up and 50 basis points down (2017: 50 up and 50 down) in market interest rates (AUD) would not have a material impact on the Company's net result and equity for cash at bank and deposits held by the company at the end of the reporting period if the movements were to occur.

7.1.2 EQUITY PRICE RISK

The Company is exposed to equity price risk through its investments in listed shares and managed investment schemes. Exposure to equity price risk arises primarily through shifts in the unit prices of investments held as available-for-sale financial assets. The carrying value at year end reflects the fair value.

A sensitivity analysis has been determined based on the exposure to equity prices at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. At reporting date, if equity prices had moved 10% up or down with all other variables held constant, the Company's net surplus would move as follows:

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

Table 7.1.2.1 Equity price sensitivity analysis

	2018					2017				
	Equity Price Risk					Equity Price Risk				
	Carrying amount \$	-10% Net Result	Available-for-sale revaluation surplus	10% Net Result	Available-for-sale revaluation surplus	Carrying amount \$	-10% Net Result	Available-for-sale revaluation surplus	10% Net Result	Available-for-sale revaluation surplus
Financial assets										
Investments	6,132,618	(613,262)	(613,262)	613,262	613,262	5,789,920	(578,992)	(578,992)	578,992	578,992
Total impact	6,132,618	(613,262)	(613,262)	613,262	613,262	5,789,920	(578,992)	(578,992)	578,992	578,992

7.1.3 CREDIT RISK

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company manages credit risk by dealing with counterparties of established reputations in the industry. The Company's maximum exposure to credit risk at balance date in relation to each class of financial asset is the carrying amount of those assets as indicated in the balance sheet. The Company does not have any significant concentration of credit risk on an industry, regional or country basis.

Currently the Company holds no collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date there is no event to indicate that any of the financial assets were impaired.

There has been no material change to the Company's credit risk profile in 2017-18.

Table 7.1.3.1 Credit quality of contractual financial assets

	Financial Institutions (AA credit rating) \$	Government Agencies (AA credit rating) \$	Other \$	Total \$
2018				
Cash and deposits	6,355,259	–	–	6,355,259
Receivables	–	–	140,694	140,694
Investments	–	6,132,618	–	6,132,618
Total contractual financial assets	6,355,259	6,132,618	140,694	12,628,571
2017				
Cash and deposits	4,854,501	–	–	4,854,501
Receivables	–	–	277,185	277,185
Investments	–	5,789,920	–	5,789,920
Total contractual financial assets	4,854,501	5,789,920	277,185	10,921,606

Refer to note 5.1.2 for a maturity analysis of receivables that are past due or impaired. No other financial assets are considered to be past due or impaired at year end for both the current and prior years.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

7.1.4 LIQUIDITY RISK

Liquidity risk arises from the Company being unable to meet financial obligations as they fall due. The manner in which the Company manages this risk is through the cash flow provided by the funding agreement with Creative Victoria. In 2017-18 the Company received \$3,864,000 from Creative Victoria (2016-17 \$3,881,500).

The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The carrying amount of contractual financial liabilities recorded in the financial statements represents the Department's maximum exposure to liquidity risk.

The following table summarises the maturity profile of Melbourne Recital Centre's financial liabilities:

	Carrying amount	Maturity dates			
		Less than 1 month	1-3 months	3 months-1 year	1-5 years
2018					
Trade and other payables	1,147,298	1,147,298	–	–	–
Other liabilities	52,245	–	–	52,245	–
Total financial liabilities	1,199,543	1,147,298	–	52,245	–
2017					
Trade and other payables	1,191,162	1,191,162	–	–	–
Other liabilities	129,476	–	–	129,476	–
Total financial liabilities	1,320,638	1,191,162	–	129,476	–

7.2 Contingent liabilities and assets

As at 30 June 2018 there are no contingent liabilities or contingent assets (2017: nil)

7.3 Fair value determination and impairment

In accordance with the requirements of *AASB 13 Fair Value Measurement* 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 Company 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.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

Table 7.3.1 Financial assets measured at fair value

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

	Carrying amount as at 30th June	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2018				
Investments in:				
Available-for-sale listed securities	290,344	290,344	–	–
Equities and managed investment schemes	5,842,274	–	5,842,274	–
Total financial assets	6,132,618	290,344	5,842,274	–
2017				
Investments in:				
Available-for-sale listed securities	285,971	285,971	–	–
Equities and managed investment schemes	5,503,949	–	5,503,949	–
Total financial assets	5,789,920	285,971	5,503,949	–

7.3.2 Non-financial assets measured at fair value

	Carrying amount as at 30th June 2018 \$	Fair value measurement at end of reporting period using:			Carrying amount as at 30th June 2017 \$	Fair value measurement at end of reporting period using:		
		Level 1 ⁽ⁱ⁾ \$	Level 2 ⁽ⁱ⁾ \$	Level 3 ⁽ⁱ⁾ \$		Level 1 ⁽ⁱ⁾ \$	Level 2 ⁽ⁱ⁾ \$	Level 3 ⁽ⁱ⁾ \$
Building fit-out	545,925	–	–	545,925	566,000	–	–	566,000
Venue furniture and equipment	757,706	–	–	757,706	1,029,188	–	–	1,029,188
Office furniture and equipment	93,902	–	93,902	–	134,425	–	134,425	–
Music instruments (ii)	579,200	–	–	579,200	634,269	–	–	634,269
Cultural assets (iii)	468,182	–	468,182	–	468,182	–	468,182	–
Total of assets at fair value	2,444,915	–	562,084	1,822,831	2,832,064	–	602,607	2,229,457

Notes:

- (i) Classified in accordance with the fair value hierarchy, see Note 1(b).
- (ii) Musical instruments have been transferred from Level 2 to level 3 as upon revaluation of the asset class the fair value measurement was not considered to be directly or indirectly observable.
- (iii) Cultural assets represents works of art and are valued using the best estimate of the price reasonable obtainable in the market at reporting date. An independent valuation of the works of art was performed by John McPhee (John McPhee Pty Ltd). The valuation method compared recent prices for similar items. Factors taken into account include age, condition, significance of work and importance of the artists associated with the works. To the extent that these assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach. The effective date of the valuation of Cultural assets is 30 June 2017.

7.3.2.1 Impairment of non-financial assets

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. There were no assets that were assessed as being impaired in either the current or prior years.

7.3.2.2 Revaluation of non-current physical assets

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases are recognised in 'other economic flows', and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense in the net result.

Net revaluation decreases are recognised in 'other economic flows' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

Other Asset Classes

All other asset classes are held at fair value. As the assets included in these asset classes are considered specialised in use, such that they are rarely sold, fair value is determined using the depreciated replacement cost method. For all assets measured at fair value, the current use is considered the highest and best use.

There were no changes in valuation techniques throughout the period to 30 June 2018.

NOTE 8: OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report

Structure

- 8.1 Ex-gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Reserves
 - 8.3.1 Public Fund
 - 8.3.1.1 Externally funded special projects reserve
 - 8.3.2 Economic dependence
- 8.4 Responsible persons
- 8.5 Remuneration of executives
- 8.6 Related parties
- 8.7 Remuneration of auditors
- 8.8 Subsequent events
- 8.9 Australian Accounting Standards issued that are not yet effective

8.1 Ex-gratia expenses

	2018 \$	2017 \$
Non statutory payment	–	20,000
Total ex-gratia expenses	–	20,000

8.2 Other economic flows included in net result

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

Net gain/(loss) on financial instruments includes realised and unrealised gains and losses from revaluations of financial instruments at fair value; impairment and reversal of impairment for financial instruments at amortised cost; and disposals of financial assets and derecognition of financial liabilities.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

8.3 Reserves

	2018 \$	2017 \$
Accumulated surplus		
Balance at beginning of year	1,615,376	2,328,004
Net result	1,751,777	195,519
Transfer to public fund - Endowment	(2,105,621)	(781,749)
Transfer to public fund - Externally funded special projects reserve	307,465	(126,398)
Balance at end of year	1,568,997	1,615,376
Physical asset revaluation reserve		
Balance at beginning of financial year	667,026	-
Asset revaluation increments	-	773,844
Public fund asset revaluation decrements	-	(106,818)
Balance at end of year	667,026	667,026

Note 8.3.1 PUBLIC FUND

Included in the accounts of the Company are the results and assets and liabilities of the Public Fund.

The Company's constitution establishes a Public Fund to receive all gifts of money and property for object of the Company. The Company must maintain a separate bank account into which all donations of cash and all proceeds derived from, including interest, income or money, the realisation of property are paid. The Public Fund is only used to further The Company's objectives. In the event of the winding up of the Public Fund, or the Public Fund ceasing to be on the Register of Cultural Organisations, or the Company ceasing to be endorsed as a deductible gift recipient, any surplus of assets of the Public Fund must be transferred to a Public Fund: which is charitable at law; where gifts can be deducted under Subdivision 30-B due to it being listed on the Register of Cultural Organisations, as the members of the Company decide.

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
Revenue		
Grants and donations	2,429,811	1,003,254
Interest	31,302	18,820
Income distribution	308,808	199,096
Total revenue	2,769,921	1,221,170
Expenses		
General programming	717,554	313,023
Access initiatives	66,557	-
Artist development initiatives	184,835	-
Cost of fundraising	120,976	-
Total expenses	1,089,922	313,023
Net surplus for the year	1,679,999	908,147

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

Note 8.3.1 PUBLIC FUND (continued)

BALANCE SHEET AS AT 30 JUNE 2018

	2018 \$	2017 \$
Assets		
Cash and deposits	3,549,452	2,155,577
Investments	6,132,618	5,789,920
Cultural assets	68,182	68,182
Total assets	9,750,252	8,013,679
Liabilities		
Music commission	–	9,410
Accrued Expenses	267,448	–
Other income received in advance	–	353,511
Total liabilities	267,448	362,921
Net assets	9,482,804	7,650,758
Equity		
Public fund - Endowment	9,030,566	6,924,945
Public fund - Externally funded special projects reserve	365,749	673,214
Public Fund - Available-for-sale revaluation reserve	193,307	159,417
Physical asset revaluation reserve	(106,818)	(106,818)
Total equity	9,482,804	7,650,758

8.3.1.1 Externally funded special projects reserve

Externally funded special projects reserve consist of unexpended earmarked donations and grants tied to a specific purpose.

8.3.1.2 Available-for-sale revaluation reserve

	2018 \$	2017 \$
Balance at beginning of year	159,417	88,178
Valuation gain recognised	33,890	71,239
Balance at end of year	193,307	159,417

8.3.2 Economic dependence

The Company is dependent on Creative Victoria for the majority of its funding required to operate the business. At the date of this report the Directors have no reason to believe Creative Victoria will not continue to support the Company.

8.4 Responsible persons

The names of the persons who held the positions of Responsible Persons are as follows:

Martin Foley MP	Minister for Creative Industries	1 July 2017 - 30 June 2018
Kathryn Fagg	Chair	1 July 2017 - 30 June 2018
Peter Bartlett	Board Member	1 July 2017 - 30 June 2018
Stephen Carpenter	Board Member	1 July 2017 - 30 June 2018
Joseph Corponi	Board Member	1 July 2017 - 30 June 2018
Paul Donnelly	Board Member	1 July 2017 - 30 June 2018
Margaret Farren-Price	Board Member	1 July 2017 - 30 June 2018
Eda Ritchie	Board Member	1 July 2017 - 30 June 2018
Mary Delahunty	Board Member	1 July 2017 - 30 June 2018
Margaret Taylor	Board Member	7 August 2017 - 30 June 2018

Amounts relating to the Minister's remuneration are reported in the financial statements of the Department of Economic Development, Jobs, Transport and Resources.

All board members are appointed by the Minister for Creative Industries. They do not receive remuneration for services provided in their role as board members although they are eligible to be reimbursed for out-of-pocket expenses.

Accountable Officers

Euan Murdoch (1 July 2017 - 30 June 2018)

The remuneration of the Accountable Officer was in the banding of (\$250,000 - \$259,999)

8.5 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid or payable by the entity in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

8.5 Remuneration of executives (continued)

Remuneration of executive officers

	2018 \$	2017 \$
Assets		
Short-term benefits	733,630	783,184
Post-employment benefits	66,367	70,735
Other long-term benefits	17,022	19,580
Total remuneration	817,019	873,499
Total number of executives	5	5
Total annualised employee equivalent (AEE) (a)	5	5

(a) Annualised employee equivalent (AEE) is based on the time fraction worked during the financial year.

8.6 Related parties

Related parties of the Company include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with Government related entities

Creative Victoria provides ongoing annual funding to the Company in order to support their operations.

During the 30 June 2018 year, Creative Victoria provided funding of \$3,864,000.

Creative Victoria owns the Melbourne Recital Centre building in Southbank. When maintenance or building improvement works are required, Creative Victoria provides the necessary funds to the Company in order to arrange for the completion of the work and pay suppliers on their behalf. The total funds received for these building works during the 30 June 2018 year amounted to \$216,700 (2017: \$602,046).

Key management personnel

Key management personnel of the Company include responsible persons detailed in note 8.4, as well as executives defined in 8.5.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report. Board members do not receive remuneration for services provided.

Melbourne Recital Centre
Notes to the Financial Statements
for the Financial Year Ended 30 June 2018

Remuneration of key management personnel

	2018 \$	2017 \$
Short-term benefits	985,721	1,051,558
Post-employment benefits	89,850	93,726
Other long-term benefits	23,325	24,569
Total remuneration	1,098,896	1,169,853
Total number of KMPs	16	15
Total annualised employee equivalent (AEE) (a)	6	6

There were no material transactions or balances with key management personnel and other related parties during the year (2017: nil).

8.7 Remuneration of auditors

	2018 \$	2017 \$
Victorian Auditor-General's Office		
Audit of the financial statements	36,000	34,900

8.8 Subsequent events

No matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

8.9 Australian Accounting Standards issued that are not yet effective

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Certain new Australian accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting period.

As at 30 June 2018, the following standards and interpretations had been issued but were not mandatory for the reporting ended 30 June 2018. The company has not and does not intend to adopt these standards early.

Topic	Key requirements	Effective date	Impact on the Company's Financial Statements
AASB 16 Leases	The key changes introduced by <i>AASB 16</i> include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 January 2019	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability. In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedge accounting model and a revised impairment loss model to recognise expected impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2019	The initial application of AASB 9 is not expected to significantly impact the financial position however there will be a change to the way financial instruments are classified and new disclosure requirements.
AASB 15 Revenue from Contracts with Customers	The core principle of <i>AASB 15</i> requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2019	The changes in revenue recognition requirements in <i>AASB 15</i> may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.
AASB 1058 Income of Not-for-Profit Entities	<i>AASB 1058</i> standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in <i>AASB 1004 Contributions</i> .	1 January 2019	The revenue recognition for operating grants will need to be analysed to establish whether further recognition of liabilities for deferral of income can be utilised. This may impact the timing of recognition of income in line with performance of current revenue recognition. In addition, the difference in fair value of any assets brought on to the balance sheet and their lease liability (as per AASB 16), will be recognized immediately in the profit and loss.

In addition to the new standards above, the AASB has issued other amending standards and interpretations, that are not effective for the 2017-18 reporting period, that are not expected to have a significant impact on the Company's reporting.

Independent Auditor's Report

To the Directors of the Melbourne Recital Centre

Opinion I have audited the financial report of the Melbourne Recital Centre (the company) which comprises the:

- balance sheet as at 30 June 2018
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- director's declaration.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act 1994* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- presenting fairly, in all material respects, the financial position of the company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 2013*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to the Directors of the company, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Directors' responsibilities for the financial report

The Directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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 company's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
 - conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
-

Auditor's responsibilities for the audit of the financial report
(Continued)

- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
31 August 2018



Simone Bohan
as delegate for the Auditor-General of Victoria

Melbourne Recital Centre
 Disclosure Index
 for the Financial Year Ended 30 June 2018

Legislation	Requirement	Page ref
Charter and purpose		
FRD 22H	Manner of establishment and the relevant Ministers	Page 36
FRD 22H	Purpose, functions, powers and duties	Page 36
FRD 8D	Departmental objectives, indicators and outputs	Page 4
FRD 22H	Initiatives and key achievements	Page 19
FRD 22H	Nature and range of services provided	Page 36
Management and structure		
FRD 22H	Organisational Structure	Page 33
Financial and other information		
FRD 8D	Performance against output performance measures	Page 4
FRD 10A	Disclosure index	Page 8
FRD 12B	Disclosure of major contracts	Page 40
FRD 15D	Executive officer disclosures	Page 73
FRD 22H	Employment and conduct principles	Page 38
FRD 22H	Occupational health and safety policy	Page 38
FRD 22H	Summary of financial results for the year	Page 34
FRD 22H	Significant changes in financial position during the year	Page 42
FRD 22H	Major changes or factors affecting performance	Page 42
FRD 22H	Subsequent events	Page 43
FRD 22H	Compliance with building and maintenance provision of <i>Building Act 1993</i>	Page 39
FRD 22H	Statement on National Competition Policy	Page 37
FRD 22H	Application and operation of the <i>Protected Disclosures Act 2012</i>	Page 38
FRD 22H	Details of consultancies over \$10,000	Page 40
FRD 22H	Details of consultancies under \$10,000	Page 40
FRD 22H	Disclosure of ICT expenditure	Page 40
FRD 22H	Statement of availability of other information	Page 37
FRD 24C	Reporting of office-based environmental impacts	Page 33
FRD 25C	Victorian Industry Participation Policy disclosures	Page 37
FRD 29B	Workforce Data disclosures	Page 39
SD 5.2.3	Sign off requirements	Page 2

Melbourne Recital Centre
Disclosure Index
for the Financial Year Ended 30 June 2018

Legislation	Requirement	Page ref
Financial Statements required under Part 7 of the FMA		
SD 5.2	Statement of Changes in Equity	Page 48
SD 5.2	Operating Statement	Page 46
SD 5.2	Balance Sheet	Page 47
SD 5.2	Cash flow Statement	Page 49
Other Requirements under Standing Directions 5.2		
SD 5.2.1 (a)	Compliance with Australian accounting standards and other authoritative pronouncements	Page 50
SD 5.2.3	Accountable officer's declaration	Page 2
Other Disclosures as required by FRDs in notes to the Financial Statements		
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21C	Disclosure of Responsible Persons and Executive Officers	Page 73
FRD 103F	Non Financial Physical Assets	Page 57
FRD 110A	Cash Flow Statement	Page 49
FRD 112D	Defined Benefit Superannuation Obligations	Page 53

Legislation

Building Act 1983

Protected Disclosure Act 2012

Victorian Industry Participation Policy Act 2003

Financial Management Act 1994

Photos: Dan Auslebrook, Pia Johnson & Michael Christian.



MELBOURNE
RECITAL
CENTRE

31 Sturt Street, Southbank, Victoria 3006 Australia
T: +613 9699 2228 | mail@melbournerecital.com.au
ABN 46 118 617 619

melbournerecital.com.au

PRINCIPAL GOVERNMENT PARTNER

CREATIVE VICTORIA

