

QUEENSLAND PERFORMING ARTS CENTRE

ANNUAL REPORT 2016-2017





21 August 2017

The Honourable Anastacia Palaszczuk MP  
Premier and Minister for the Arts  
PO BOX 15185  
CITY EAST QLD 4002

Dear Premier

I am pleased to submit for presentation to the Parliament the Annual Report 2016-2017 and financial statements for the Queensland Performing Arts Trust.

I certify that this annual report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 76 of this annual report.

Yours sincerely



Mr Christopher Freeman AM  
Chair  
Queensland Performing Arts Trust

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## Introduction

### Vision

A lifetime of unforgettable live performances for all Queenslanders.

### Purpose

To engage people through live performance in order to enrich lives and enable active participation in civic life.

### Values

We are passionate hosts

People come first

Fabulous is the new normal

We lead boldly and bravely

We thrive together, not alone

We value the wellbeing and safety of our people

## Queensland Performing Arts Centre

As Queensland's state performing arts centre, the Queensland Performing Arts Centre (QPAC) fulfils many roles. QPAC is a producer, an investor, a presenter and a public place. On any given day, QPAC simultaneously hosts artists and companies from around Australia and the world, produces festivals and productions, collaborates with local arts companies and creates moments of context that bridge the space between artist and audience, all the while ensuring QPAC remains a viable part of the Queensland arts industry and vibrant Cultural Precinct.

Since opening in 1985, QPAC has welcomed more than 21 million visitors to its four theatres and performance spaces at South Bank.

QPAC believes that watching, listening, experiencing and making art are some of the most powerful ways for people to understand themselves and the societies they live in. All of QPAC's activity is directed towards achieving its purpose of engaging people through live performance in order to enrich lives and enable active participation in civic life.

QPAC is governed by the Queensland Performing Arts Trust (Trust).

## Queensland Performing Arts Trust

The Trust is a statutory body. Its existence, functions and powers are set out in the *Queensland Performing Arts Trust Act 1977* (Act).

The Trust's functions include:

- a) to produce, present and manage the performing arts in the building occupied by the Trust at the Queensland Cultural Centre or any other building;
- b) to establish and conduct schools, lectures, courses, seminars and other forms of education in the performing arts;
- c) to teach, train and instruct persons and promote education and research in the performing arts;
- d) to provide or assist in providing premises and equipment for the purpose of the presentation of the performing arts;
- e) to promote and encourage the development and presentation of the performing arts;
- f) to promote and encourage public interest and participation in the performing arts;
- g) to promote and encourage either directly or indirectly the knowledge, understanding, appreciation and enjoyment of the performing arts;
- h) to encourage, for persons resident in Queensland—
  - i) participation as performers for the performing arts; and
  - ii) involvement in other aspects of the performing arts.

For performing its functions, the Trust has all the powers of an individual and may, for example, enter into arrangements, agreements, contracts and deeds; acquire, hold, deal with and dispose of property; engage consultants; appoint agents and attorneys; charge, and fix terms, for goods, services, facilities and information supplied by it; and do anything else necessary or desirable to be done in performing its functions.

## Chair's overview

I am delighted and proud of the amazing contribution to the live performing arts by QPAC in this past financial year and indeed as well in the preceding years.

Each year QPAC produces a world class diverse program that attracts audiences from across Queensland, Australia and more and more is attracting international tourists. QPAC has consistently welcomed in excess of one million visitors to performances and events each year, which demonstrates that we are now in a position to attract leading and cutting edge performing arts and curating programs which excite a broad range of our treasured patrons.

There are many highlights and achievements detailed in this report and I urge those interested in the arts in Queensland to read this and study the work undertaken through QPAC in supporting the development of arts literacy throughout the population of Queensland.

QPAC uses all its resources to create exceptional live performance experiences, which bring so much joy to our patrons and importantly has continued to place QPAC in a sound financial position. For the eighth year in a row, QPAC has reported a financial surplus and for the year ending 2016-17 produced a surplus of \$116,739.

QPAC's commercial earnings and Government grant contribute to the delivery of the program and the operations of the Centre. QPAC has a proven business model that ensures it produces extensive community and free events and enables investment in local performing arts productions and companies. It is a fundamental principle of QPAC that we need to balance the public value of the arts between commerciality and artistic freedom.

The 2016-17 year at QPAC undertook Board refreshment and I thank outgoing Board members Rhonda White AO, who served as my Deputy Chair for some three years and Mick Power AM who served as a Board member for seven years.

We welcomed three new members: Professor Peter Coaldrake AO, Professor Chris Sarra and Leanne de Souza and as well, welcomed a new Deputy Chair, Simon Gallaher, who has been a Board member for ten years. I thank my fellow members of the Board for their commitment and dedication to ensuring the success of Queensland's premiere performing arts centre.

Similarly, it would be remiss not to thank all the staff at QPAC for their tireless and talented work in the effective and seamless running of this iconic Queensland institution.

In particular, I mention QPAC's Chief Executive, John Kotzas and his executive leadership team for their immense efforts in ensuring a successful and positive result for QPAC.

Finally, I extend my appreciation and thanks to the Queensland Government for its ongoing support of QPAC and more broadly their ongoing support for the arts in Queensland.

The arts contribute to Queensland's economy in many ways and provide delightful opportunities for communities to connect and build meaning around the spirit and culture of a Queenslander in the 21st century.

As we look to the future, I am confident of QPAC's role to continue the delivery of a lifetime of unforgettable live performances for all Queenslanders.

For me personally, I regard it is a great privilege to Chair this outstanding organisation.

**Christopher Freeman AM**

Chair

## Chief Executive's overview

It is with great pleasure that I reflect on the financial year 2016-17.

QPAC is Queensland's leading centre for the performing arts, recognised nationally and internationally for providing exceptional live performance experiences to audiences. We welcome producers, presenters and artists from all over the world to perform on our stages and to connect with our team in an exchange of knowledge, expertise and cultural ideas.

This year, QPAC has continued to experience high levels of visitation, venue utilisation and audience satisfaction. Although the primary way in which audiences and visitors interact with QPAC is through their experience in visiting our Centre at South Bank, QPAC expands beyond the walls of our building, into the regions through our touring productions and into the digital realm through our website and live streaming initiatives.

QPAC's core legislative imperative is to contribute to the cultural, social and intellectual development of all Queenslanders. We consider arts literacy – the way in which people understand and interact with arts across genres and platforms – to be an important basis for fulfilling this role. Arts literacy is not just about teaching people to be expert in the language of dance or to understand the intricacies of a symphony; it is about demonstrating the intrinsic value of the arts and providing a framework for audiences to feel comfortable and empowered to engage with the arts in their daily lives.

QPAC is more than what you see on stage. The connections between audiences, artists and art are endless. For some, art is life-changing – an uplifting, affirming or even shattering experience which throws open a new world of ideas. For others, art is entertainment – a fun, relaxing diversion from busy, modern life. For many, art is an expression of identity – a way of seeing the world and interpreting what it means to be human. No matter the motivation of our audience, one of QPAC's key roles is to provide rich experiences for all patrons and to encourage appreciation of the arts.

Many people contribute to QPAC's success. I am fortunate to have a dedicated and passionate staff led by my executive leadership team. I am confident that their combined abilities and expertise will enable QPAC to continue to rise to challenges and find creative and collaborative approaches to all the activities we undertake.

The Board welcomed three new members this year, while saying farewell to two longstanding members. QPAC, as well as myself personally, benefit enormously from the generous sharing of expertise and guidance of our Board members. I am grateful to the Board, led by Chair Christopher Freeman AM, for its vision, insights and leadership and to the Queensland Government for its continuing support.

By their very nature, the arts are collaborative. So, to the many who have worked with us in fulfilling our core mission of enriching the lives of Queenslanders through the performing arts, I say thank you.

**John Kotzas**  
Chief Executive

## Attendance

**1,306,656** visitors:

**948,992** ticketed attendances

**357,664** un-ticketed (free) attendances

**33%** of visitors from outside Brisbane

## Perception

**94%** audience satisfaction

**72%** dining satisfaction

**66%** recognise QPAC as a learning centre

**55%** positive brand identification

## Programming highlights

1192 performances across 273 seasons

46% of seasons were by Queensland artists and companies

Four major musicals – *We Will Rock You*, *Singin' in the Rain*, *Matilda the Musical* and *My Fair Lady*

2016 QPAC International Series – Ballet Preljocaj *Snow White* (Brisbane exclusive)

2017 QPAC International Series – The Royal Ballet (Queensland exclusive) – *Wolf Works* at QPAC.

*American Idiot* – co-presentation with shake & stir theatre co (Australian exclusive)

Academy of St Martin in the Fields – national tour

Out of the Box – touring works: *Jarjums Life Museum*, *One Sun, One World – Many Dreams* and *Monster Hotel*

*Green Jam* – programmed 46 free live performances that showcased local emerging and established artists at QPAC's Melbourne Street Green

## Key Awards

2017 Helpmann Award for **Best Ballet** – Ballet Preljocaj *Snow White* (as part of 2016 QPAC International Series)

2017 Helpmann Award for **Best Chamber and/or Instrumental Ensemble Concert** – Academy of St Martin in the Fields

## Partnerships

QPAC acquired **30 new donors** and established multiple-year corporate partnerships creating a sustainable future for the organisation

Announced **Principal Partner** – Hyundai

Hosted two iterations of **Queensland Philanthropy Showcase**

## Industry

**Collaborated with QPAC's home companies:** Opera Queensland, Queensland Ballet, Queensland Symphony Orchestra and Queensland Theatre to produce and present exciting live performance experiences for audiences.

**Continued to work with companies in residence:** Southern Cross Soloists, Brisbane Writers Festival and Camerata – Queensland's Chamber Orchestra.

**Worked with Queensland companies including:** Expressions Dance Company, shake & stir theatre co, Queensland Pops Orchestra, Brisbane Festival, Queensland Music Festival, Medici Concerts, UQ School of Music, Aboriginal Centre for the Performing Arts, Queensland Cabaret Festival and Pemulywuy! National Male Voice Festival. And national companies: Bangarra Dance Theatre, Australian Chamber Orchestra, Australian Brandenburg Orchestra and Circus Oz.

**Issued over two million tickets** at QPAC and other venues through qtix, QPAC's ticketing entity.

## Background

### Government objectives for the community

The Queensland Performing Arts Trust contributes to the achievement of the Queensland Government's objectives for the community:

#### Building safe, caring and connected communities

Promoting arts literacy through programs, content development and delivery and through collaboration with industry and learning partners.

Engaging in public, industry and scholarly conversations about issues regarding live performance and culture.

#### Creating jobs and a diverse economy

Demonstrating leadership in understanding, measuring and communicating the value of the arts.

Growing cultural tourism through curated programs, marketing initiatives and partnerships.

Improving facility infrastructure.

Increasing venue utilisation.

Collaborating with local arts companies to expand outcomes and build capacity.

### Object and guiding principles

In performing its functions, the Trust must have regard to the object of, and guiding principles for, the Act. The object of the Act is to contribute to the cultural, social and intellectual development of all Queenslanders. The guiding principles behind achievement of this object are:

- a) leadership and excellence should be provided in the performing arts;
- b) leadership and excellence should be demonstrated in the management, on a commercial basis, of venues used for the performing arts, for the benefit of performing artists;
- c) there should be responsiveness to the needs of communities in regional and outer metropolitan areas;
- d) respect for Aboriginal and Torres Strait Islander cultures should be affirmed;
- e) children and young people should be supported in their appreciation of, and involvement in, the performing arts;
- f) diverse audiences should be developed;
- g) capabilities for life-long learning about the performing arts should be developed;
- h) opportunities should be developed for international collaboration and for cultural exports, especially to the Asia-Pacific region; and
- i) content relevant to Queensland should be promoted and presented.

## Strategic Plan 2016-2020

QPAT's Strategic Plan 2016-2020 set out the following strategic objectives and strategies. Key performance indicators are detailed in the Outcomes section at page 11 of this report.

### Our place

Create multidimensional experiences which attract local, national and international visitors

#### Strategies:

- Refresh the aesthetic and functional qualities of public spaces to support greater participation and richer experiences.
- Utilise the digital environment to amplify the reach of onsite programs, support audience dialogue and deliver content.
- Enhance the connections between artist and audience through the warmth, generosity and expressions of our hosts, food and spaces.

### Our program

Curate a broad, relevant program that offers high quality artistic experiences

#### Strategies:

- Connect program elements through a clear curatorial focus, supporting relationships with audiences, partners and industry.
- Maximise utilisation of theatres through strong local, national and international industry relationships.
- Contribute to the production of new work by strengthening QPAC's capacity as a producer.
- Utilise audience research to work with communities to build a relevant program.

### Our audiences and communities

Enhance arts learning with audiences and the public and demonstrate leadership in thinking and practice

#### Strategies:

- Develop a deep understanding of audiences and Queensland communities through collaboration, research and analysis.
- Deepen audience engagement through rich and immersive content in live and digital environments.
- Collaborate with industry and learning partners to promote arts literacy.
- Engage in public, industry and scholarly conversation on issues of live performance and culture.
- Demonstrate leadership in understanding, measuring and communicating the value of the arts.

### Our organisation and partners

Build financial and organisational resources that promote agility, vitality and responsiveness

#### Strategies:

- Enhance the profitability of commercial services and increase their proportion of annual revenue.
- Build QPAC's fundraising capacity and position QPAC as an attractive corporate and philanthropic partner.
- Maintain an organisational culture of safety, collaboration, curiosity and innovation.

## Operational Plan 2016-2017

QPAC's Operational Plan 2016-2017 outlined actions to be taken and further performance indicators for achievement of the objectives set out in the Strategic Plan 2016-2020. The Operational Plan was not modified during the year.

Key deliverables under the Plan included:

- continued refresh of public spaces;
- a comprehensive website update;
- improved digital communication tools;
- delivery of two seasons under the signature QPAC International Series and associated residency programs;
- regional engagement and activity through the year culminating in The Royal Ballet performance in Cairns in July 2017;
- progressed engagement and learn outcomes including the establishment of the Creatory online portal and publication of QPAC's biannual Story magazine;
- acquisition of principal corporate partners, major sponsors and development of a new philanthropic program, leading to support for a range of programs across Queensland;
- staff engagement initiatives including the rollout of online learning and development and promotion of new organisational values;
- continued work on building a safety culture throughout QPAC; and
- increased commercial returns from expansion of ticketing services interstate, providing increased resources for programming outcomes.

The Premier and Minister for the Arts did not give any directions to the Trust during or relating to the financial year.

## Operating environment

QPAC's strategic objectives acknowledge a changing local and global context. The objectives and strategies reflect the fluctuating economic circumstances, Queensland's growth, changing demographics and lifestyle patterns, technological innovations and cultural shifts. The Strategic Plan addresses the expanded role cultural institutions play in knowledge-based societies that encourage creativity and innovation. Further, it reflects QPAC's focus on creating and measuring the public value it creates for Queensland.

Broadly, QPAC's key challenge in the coming four years is to grow and diversify its programs as well as income streams in order to ensure financial sustainability and underpin the vitality of the organisation. Specifically, the creation of private sector partnerships will enable QPAC to leverage greater economic and social return on its activity.

There are a number of challenges that span each of the focus areas, including:

- producing a balanced, relevant program that delivers under a curatorial framework and responds to audience demand;
- creating multidimensional experiences for all visitors;
- building strong brand loyalty and recognition;
- creating learning opportunities for audiences and staff that contribute broadly to the artistic literacy of the state; and
- ensuring the organisation has the necessary financial and other capital to enable it to grow, adapt and innovate.

# Outcomes

## Our place

Create multidimensional experiences which attract local, national and international visitors

Performance indicator	2016-17 target	2016-17 actual
Visits to QPAC onsite*	1,300,000	1,306,656
Positive brand identification	45%	55%
Dining satisfaction <sup>^</sup>	75%	72%

\*SDS measure

<sup>^</sup>Increased staff training and improved systems are underway to continue to improve speed of service during busy periods. Menus are regularly updated and new producers and suppliers are trialled to ensure that there is something for everyone who chooses to dine or buy a drink at QPAC.

QPAC approaches visitor experience as an interaction between audience member, artist and setting. This approach extends outwards from what happens on stage to all aspects of QPAC including using foyers and entry ways as welcoming points to the building, connecting and demonstrating the links between food and culture by creating and refining menus and food offerings available at QPAC seasonally and creating animated spaces outside the building that attract audiences.

Approximately 62% of surveyed patrons indicated they purchased a meal or beverage while at QPAC to see a performance. QPAC's food and beverage offerings utilise seasonal ingredients and specially themed elements connecting food and drinks to what patrons see on stage. In order to ensure audiences are not late for performances, there are a range of dining options including more casual dining at cafes and bistros as well as an a la carte restaurant experience in the Lyrebird Restaurant. Dining satisfaction is slightly lower than anticipated and could be due to a range of factors impacting the dining experience of patrons. Increased staff training and improved systems are underway to continue to improve speed of service during busy periods. Menus are regularly updated and new producers and suppliers are trialled to ensure that there is something for everyone who chooses to dine or buy a drink at QPAC.

One of the major growth areas for people to experience QPAC is in the digital sphere. At the end of the 2015-16 financial year, QPAC launched an updated website. The updated website expanded on the original, providing a new digital ecosystem. While still integral to supporting and driving ticket sales, the updated website includes the ability to continually develop and serve responsive and dynamic content urging users to explore and discover more about QPAC, its program and the arts. Alongside continuous improvements in streamlined ticket purchasing processes, there is daily growth in rich written content, photographic and video materials and other content promoting arts literacy from light and fun to deep and meaningful. The website is often a person's first interaction with QPAC, so it is important to provide a space for people to feel welcomed, as well as to encourage users to want to connect with QPAC whether by purchasing tickets or by finding more information about QPAC and its program.

The QPAC website sees around 205,000 unique users each month across more than four million sessions. Though the number of users has remained constant over the past five years, there has been an increase in the number of sessions (3.9%) and a significant decrease in the bounce rate (down 47%). The bounce rate is the percentage of visitors to a particular website who navigate away from the site after viewing only one page. QPAC's new website is responsive, meaning full functionality is maintained across desktop and mobile. In the year leading up to the website changeover, mobile users contributed 42% of site traffic; since the changeover this has increased to 47%. Mobile conversions, that is, users who purchase tickets, have increased from 2% to 2.7%. Mobile traffic to the new site increased to 47% and the bounce rate for mobile reduced from 54% to 22%.

QPAC also manages a number of social media channels – Facebook, Twitter, Instagram, YouTube, Google+ and Pinterest – reaching a collective audience of more than 239,900 accounts. New accounts join QPAC's social media channels daily with more than 50,000 new accounts signing up to follow QPAC's social media channels in 2016-17.

QPAC has a large database of email subscribers who receive fortnightly and targeted content emails detailing activity at QPAC. The average unique click through rate for QPAC emails is 7.89%. This compares to an industry average of around 3%. There is a higher engagement rate across targeted campaigns using audience segmentation to direct marketing to relevant audiences; this sits at over 40%.

The Culturalist is a smartphone application developed by Arts Queensland which encourages users to explore Brisbane's Cultural Precinct. Users can access or create playlists of activities and events to find out what's on in the Cultural Precinct. QPAC continues to work with Arts Queensland to create and distribute content via this platform.

QPAC is an iconic Brisbane building and each year attracts more than one million visitors, this year exceeding set targets by welcoming 1,306,656 people. According to QPAC's survey data, 89% of people are aware of QPAC when prompted, with 53% of people noting QPAC unprompted.

QPAC was included on the Queensland Heritage Register in 2015 and takes seriously its role as custodian of this landmark building. QPAC works with Arts Queensland, the Queensland Heritage Council and Cultural Precinct partners to ensure the effective ongoing operations of QPAC while complying with heritage status and respecting the guidelines set out in the Conservation Management Plan.

Every year, QPAC opens its doors as part of Brisbane Open House which is held annually in conjunction with World Architecture Day. This initiative aims to give the public a glimpse into the inner workings of QPAC. QPAC also sees this as the chance to promote arts literacy by presenting a number of performances in public spaces and providing backstage tours. The backstage tours of QPAC are very popular, so much so that there are now weekly backstage tours available throughout the year.

QPAC engages in conversations internally and externally about the role of performing arts centres and of cultural precincts. City-wide planning including the Queen's Wharf development, Brisbane Metro, Cross-River Rail and consideration of a new theatre or performing arts venue reaffirms the importance of QPAC's role in leading public discourse regarding the value of the arts and the role of performing arts centres and cultural precincts in cities. QPAC worked on a submission as part of Arts Queensland's business case for a new performing arts venue in Brisbane.

Since QPAC was built in 1985, there has been ongoing maintenance to ensure the building remains Queensland's leading performing arts centre. In the 2017-18 Queensland Budget, \$1.4 million was budgeted to refurbish the Cremorne Theatre. Works on the refurbishment began in May 2017 and will continue through to early August 2017. The new design of the theatre includes new seats, changes to balconies to improve sightlines to the stage, better accessibility for patrons with disabilities as well as allowing for greater flexibility for staging to be transformed and adapted for different productions. This is the first major upgrade to the Cremorne Theatre since QPAC opened.

In 2016, QPAC announced a significant partnership with Hyundai. Part of the partnership included the installation of two large format digital screens on QPAC's riverside facade. Installation of the screens took place in November 2016. The screens replaced static banners which were costly to produce and install. The screens allow for dynamic content primarily promoting the program of events at QPAC which can be updated in real time. Advertising revenues generated by the screens enables QPAC to make further investment in its arts program. Non arts and cultural advertising forms no more than 20% of all advertising content on the screens.

Advertising space rate is a measurement used to value media coverage achieved through publicity. The measurement is the value of that space secured if sold as advertising. QPAC uses no multiplier when calculating advertising space rate as is traditionally done in publicity measures given the credibility of a published article over advertised content of a product or brand. The annual advertising space rate value of QPAC's publicity for 2016-17 was \$26.7 million across local and national media.

QPAC works with the many organisations in the Cultural Precinct and South Bank to ensure the overall success of this area. This includes the Chief Executive, QPAC participating in the Cultural Precinct CEO meetings as well as the Chief Executive and other QPAC Executive Team members participating in a range of boards and advisory groups including Business South Bank.

The second annual World Science Festival took place from 22 to 26 March 2017. World Science Festival is presented by the Queensland Museum. QPAC partnered with Queensland Museum for the performance program elements of the World Science Festival. Specifically, QPAC worked with Queensland Museum, Warners Bros., South Bank Centre London and the British Film Institute on the Queensland premiere of *A Live Presentation of 2001: A Space Odyssey*. This signature event included a screening of Stanley Kubrick's seminal masterpiece in QPAC's Concert Hall with an orchestra and choral performance by Queensland Symphony Orchestra and The Australian Voices under the baton of internationally acclaimed conductor Mark Taddei. QPAC also hosted several science conversation events in the Cremorne Theatre. The festival was extremely well attended and provided an opportunity for new audiences to discover QPAC.

## Our program

Curate a broad, relevant program that offers high quality artistic experiences

Performance indicator	2016-17 target	2016-17 actual
Venue utilisation*	83%	90%
Audience satisfaction*	95%	94%
Number of performances <sup>^</sup>	1,250	1,192
Number of seasons	250	273
Percentage of seasons by Queensland artists / companies <sup>^^</sup>	55%	46%

\*SDS measure

<sup>^</sup>The number of performances is less than the target, due the closure of the Cremorne Theatre for the refurbishment project that was confirmed during the financial year for the last quarter.

<sup>^^</sup>QPAC did not meet the target set for percentage of seasons by Queensland artists or companies in 2016-17. The actual number of seasons by Queensland artists and companies was consistent with previous years when the Out of the Box festival was not held.

QPAC's annual program encompasses multiple genres and performance styles, appealing to a wide cross section of audiences from first time visitors to arts aficionados. Individually, each program demonstrates the pursuit of excellence in form, whether it is contemporary dance, public debate or the creation of new drama. Collectively, QPAC's program is broad and diverse and speaks to many audiences.

Free events alongside ticketed events, activation of public spaces before and after performance times, provision of live performance experiences outside traditional theatres and collaboration with emerging and local artists, students and universities all combine to achieve a balanced program and drive high visitation.

A curatorial framework has been developed to guide programming choices, inform marketing and communications activities and support other focus areas. The framework also helps to structure resources and drive partnership opportunities.

Key to curating a program is understanding audiences – their behavioural drivers, preferences, levels of engagement and satisfaction. QPAC's audience satisfaction has been consistently high over a number of years, indicating that audiences are highly satisfied with what QPAC's program offers. Likewise, the venue utilisation has been consistently high, often exceeding set targets due to a number of factors including venues being booked with short notice.

QPAC strives to be a cultural leader delivering artistic, social, economic and cultural returns. QPAC's public value is strongly reflected through its diverse programming that sees a range of exceptional experiences presented to wide audiences. QPAC's extensive annual program includes a mix of elements including signature events such as the QPAC International Series, annual seasons of regular performances such as *Green Jam*, presentations by local, national and international companies, long-running seasons and shorter one-night only performances.

QPAC's 2016-17 program included the presentation of four major musicals: *We Will Rock You*, *Singin' in the Rain*, *Matilda The Musical* and *My Fair Lady*. There were performances by major international artists and companies including Ballet Preljocaj (2016 QPAC International Series), The Royal Ballet (2017 QPAC International Series), The Tallis Scholars, *Fawlty Towers*, Nigel Kennedy, Ludovico Einaudi, Bill Frisell, Bonnie Raitt, Sierra Boggess and Academy of St Martin in the Fields.

QPAC works with a number of Australian companies who tour to Brisbane annually, including Bangarra Dance Theatre, Australian Chamber Orchestra, Australian Brandenburg Orchestra and Circus Oz. There are also many local Queensland companies in QPAC's program, with 46% of all seasons at QPAC by Queensland artists and companies. QPAC considers Opera Queensland, Queensland Ballet, Queensland Symphony Orchestra and Queensland Theatre as its "home companies". QPAC also has a number of companies in residence – Southern Cross Soloists, Brisbane Writers Festival and Camerata – Queensland's Chamber Orchestra. QPAC works with resident and home companies in many ways with the aim of amplifying the reach and engagement not just of those companies, but also of QPAC.

There are also a number of other Queensland arts organisations with which QPAC collaborates, including Expressions Dance Company, shake & stir theatre co, Queensland Pops Orchestra, Major Brisbane Festivals, Queensland Music Festival, Medici Concerts, UQ School of Music, Aboriginal Centre for the Performing Arts, Queensland Cabaret Festival and *Pemulywuy! National Male Voice Festival*.

QPAC supports the aspirations of Queensland's performing arts companies by collaborating in co-presentations and offering technical expertise and market intelligence. QPAC has strong working relationships with a number of local performing arts companies and works collaboratively with the industry to grow the overall capacity of the sector.

From 23 February to 12 March 2017, QPAC and shake & stir theatre co presented the Australian premiere of *American Idiot*. QPAC has worked alongside shake & stir theatre co over a number of years in an advisory and mentoring capacity. *American Idiot* marked a significant escalation for shake & stir theatre co, putting the company on the national radar and demonstrating a sophistication in presenting a major new work in a larger theatre (QPAC's Playhouse as opposed to the Cremorne Theatre). The season was highly successful.

The QPAC International Series, one of QPAC's signature events, brings leading performing arts companies from around the world to perform exclusively in Queensland. France's Ballet Preljocaj performed in the 2016 QPAC International Series from 2 to 11 September 2016. Presenting an Australian premiere performance of the company's version of *Snow White*, the season was an outstanding success which was well received by audiences and achieved a sold out capacity midway through the season. As well as the mainstage production of *Snow White*, QPAC curated a program of events including conversations, masterclasses, installations and a live stream broadcast of one performance, greatly enhancing the accessibility and reach of the season.

In October 2016, the Premier and Minister for the Arts announced that the next company to perform in the QPAC International Series would be England's The Royal Ballet in 2017. The 2017 QPAC International Series took place from 29 June to 12 July 2017 and reportable outcomes will be detailed in the 2017-18 QPAC Annual Report.

Other significant QPAC programming events which took place in 2016-17 included:

*The Prodigy Collective: An International Gathering of Youth Orchestras*. This week long festival of international youth orchestras was produced by QPAC and saw more than 300 young musicians performing in concerts and workshops across South East Queensland culminating in a finale performance in QPAC's Concert Hall. Participating orchestras including Jungli Youth Orchestra (Taiwan), Macau Youth Symphony (China), Mannheim Youth Symphony (Germany) and Stuttgart Youth Orchestra (Germany) alongside the Queensland Youth Symphony which was celebrating its 50th anniversary year. This was a large scale event that strategically positioned QPAC as a leader in bringing together international groups and engaging with local venues in South East Queensland including in Ipswich, Caloundra, Sunnybank and the Gold Coast. *The Prodigy Collective* is important in providing development opportunities for young artists and the chance for them to perform professionally.

The December-January summer period is an increasingly important time of year for QPAC to program targeted events to connect with a variety of demographics and audiences. Under the banner of *Summerset*, QPAC curates a range of performances, events and interactions to connect with young people and families, as well as providing high quality artistic experiences for people over the summer months. This time of year is important in driving both artistic and commercial outcomes for QPAC. Key to this is connecting with the Cultural Precinct and South Bank to deliver a strong destination experience for both locals and tourists to the city.

QPAC's programmers also seek out diversity in artistic products in order to present audiences with a wide range of experiences. In October 2016, QPAC presented a season of *Backstage in Biscuit Land*. This biographical, improvised play centred on a main character with Tourette's Syndrome and was widely embraced by audiences, including those with Tourette's Syndrome themselves. The production also afforded QPAC the opportunity to connect with audiences from diverse backgrounds, some of whom had not been to the theatre before, as well as raising awareness and understanding for those with Tourette's Syndrome.

In March 2017 QPAC also presented the Australian premiere season of *Every Brilliant Thing*. The play dealt with themes of depression and helplessness, telling the story of a young boy making a list of everything worth living for. The play, which required adaptation of the Cremorne Theatre to enhance the connection between artist and performer, was very well received by audiences and critics.

*Twilight Notes* was a new series of six chamber music performances held between March and October 2017. Each concert took place in the early hours of a weekday evening and was relatively short in duration. Audiences and musicians were seated on the Concert Hall stage, providing audiences with an intimate experience by being close to the performers. This initiative is exclusive to QPAC and presents small chamber ensembles in order to showcase and make such live music experiences more accessible and encourages new audiences to participate.

Sensorium Theatre is a Western Australian based theatre company that specialises in working with children with disabilities. It is the only company in Australia specifically designed for this market. Its aim is to 'spark the imaginations and increase the creative responses' of young people with special needs. QPAC invited Sensorium Theatre to QPAC for a season of *Odyssey*, an interactive performance. The performers used the available environment in the performance space and drew on their characters to embed themselves within the performance and interact directly with the children in the audience. The close connection between patrons and performers means that performers can adapt the content to deliver individualised performances, enhancing the experience for the audience. QPAC's Chair's Fund supported the delivery of *Odyssey* which took place from 25 to 29 April 2017.

The QPAC Choir is one of Queensland's largest community choirs. Each year the QPAC Choir performs a showcase concert as well as their integral role in QPAC's annual *Spirit of Christmas* concert. *Thank You for the Music: An ABBA Celebration* was the QPAC Choir's showcase for 2017. Featuring the music of ABBA and celebrating the iconic pop band's tour of Australia 40 years ago, this concert was sold out and received very favourable reviews. In 2016, the QPAC Choir recorded and released a CD called *Nightsongs*. Copies of the CD were sold at the *Spirit of Christmas* concert. Tracks included new compositions as well as traditional music adapted by the QPAC Choir's Choirmaster, Timothy Sherlock.

QPAC partnered with Shanghai Dramatic Arts Centre to present a season of *White Snake* in March 2017. *White Snake* was a multi-language dramatic production of a traditional Chinese fairy tale. The story was told through many artistic mediums including dance, song and calligraphy. Resounding feedback from the audience was that this production was new, exciting and different. QPAC worked with Chinese communities in South East Queensland, as well as the Consulate of the People's Republic of China in Queensland, to enhance the breadth and reach of this program and engage with new audiences.

In April 2017, QPAC, in association with the Queensland Conservatorium Griffith University, presented two concerts by English chamber orchestra, Academy of St Martin in the Fields. As part of the partnership between QPAC and Queensland Conservatorium Griffith University, QPAC offered students of the Conservatorium the exclusive opportunity to observe the Academy's rehearsal on 26 April 2017, followed by a Q&A session for students with the Academy's leader, Joshua Bell. Both concerts were publicly acclaimed. The first concert was recorded by ABC Classic FM for later broadcast. The Academy was in Australia as part of a national tour. QPAC was the only venue on the tour to have the Academy play Bruch's Violin Concerto No. 1.

As well as these major curatorial events for QPAC, there was also a number of major international and local artists who appeared at QPAC in 2016-17 including Carl Barron, Ben Folds with yMusic, Joe Bonamassa, Louis Theroux, Glen Hansard, Brad Meldau and John Redman Duo, Ronan Keating, Bill Bailey, The Tallest Man on Earth, Ane Brun, Lloyd Cole, Suzi Quatro, Nigel Kennedy, Ludovico Einaudi, Explosions in the Sky, Kurt Vile, Eddi Reader, Bonnie Raitt, Yiruma, the Necks, Sierra Boggess and Bill Frisell.

QPAC has an active voice in the arts community of Queensland. In October 2016, QPAC supported a fundraising initiative in honour of local rock music legend, Carol Lloyd, featuring performances by local artists and celebrities including Katie Noonan, Troy Cassar-Daly and Alison St Ledger. The benefit concert – *Goodbye Ruby Tuesday* – raised funds for Carol to support her ongoing medical expenses. Sadly, Carol passed away in early 2017.

## Our audiences and communities

Enhance arts learning with audiences and the public and demonstrate leadership in thinking and practice

Performance indicator	2016-17 target	2016-17 actual
Recognition as a learning centre	55%	66%
Online engagement	High	High
Sold occupancy <sup>^</sup>	72%	66% <sup>^</sup>
Percentage of audience identifying as from cultural diverse backgrounds (including Aboriginal and Torres Strait Islander) <sup>#</sup>	14%	7% <sup>#</sup>
Regional visitation	30%	33%

<sup>^</sup>Sold occupancy is lower than expected due to shortfall in attendance for some seasons across QPAC's program. QPAC is working with all venue hirers and its own programmers to ensure there is a strong connection between the program and audiences.

<sup>#</sup>The percentage of audiences from diverse backgrounds did not meet target. QPAC continues to seek opportunities to engage with audiences from diverse backgrounds.

Each year, QPAC welcomes more than one million visitors. QPAC supports the Queensland Government's objective to attract visitors to Queensland for cultural tourism experiences and in 2016-17 attracted 27% of audiences from outside Brisbane and 6% from outside Queensland. QPAC works with Tourism and Events Queensland and Brisbane Marketing as well as hotels and hospitality providers in Brisbane to develop itineraries and sell experience packages to drive visitation from intrastate and interstate to Brisbane. This year activity included cooperative outdoor, print and online advertising for the QPAC International Series through Brisbane Marketing and Tourism and Events Queensland as well as targeted email database campaigns through major hotels and travel organisations such as Mantra and Virgin Holidays.

Whilst QPAC consistently demonstrates growth in venue utilisation and maintains high levels of audience satisfaction, the key growth opportunity is to increase the number of tickets sold for each performance – the sold occupancy measure. Although lower than targeted for in 2016-17, QPAC is working with all venue hirers and its own programmers to ensure there is a connection between the program and audiences in order to drive up this sold occupancy measure. A deeper understanding of QPAC's audiences, who they are, what they seek and why they attend the theatre better equips QPAC to increase the frequency of patrons' attendance. QPAC's Customer Relationship Management system (CRM) is a software based solution aimed at tracking a range of measures in order to better understand and predict audience interests and behaviours.

It is also important to look holistically at how and why people choose to attend performances at QPAC. As detailed above in "Our place" starting on page 11, the overall way people experience QPAC, from the ticket booking process to the dining options and look and feel of foyers spaces, is important in shaping patrons' perceptions. Similarly, making a wide and interesting range of information available via QPAC's website encourages audiences to find a deeper connection with what they see on stage as well as increases their arts literacy.

At the end of the 2015-16 financial year, QPAC launched a new website. The format of the site reflects a more dynamic content and user-focused model enabling visitors easily to search and explore events, purchase tickets and explore rich content created to support deeper engagement with QPAC's program and the arts more broadly. The online engagement measure looks at open and click-through rates for QPAC's direct email campaigns and social media engagement and uses Google Analytics to provide an overall impression of online engagement across these digital channels. This year that engagement rate remains high.

A major part of QPAC's website is *The Creatory*, an online portal connecting users with deeper content around QPAC's program. Leading arts centres around the world acknowledge the increasing audience demand for access to content and material that adds value to the live experience. According to QPAC survey data, 66% of respondents recognised QPAC as a learning centre. QPAC has an ongoing plan to expand content in this space.

The internet is a powerful way of sharing cultural experiences and enabling greater audience participation in the performing arts. QPAC strives to connect with regional audiences and those people who are unable to attend QPAC in person. One example in 2016-17 was the live stream broadcast of *Snow White* by Ballet Preljocaj during the 2016 QPAC International Series. The live stream was open to all users with an Australian IP address. More than 2,500 addresses registered to view the live stream. This was the first time that QPAC has live streamed a performance.

Opportunities to learn about and through the performing arts are indispensable in building strong individuals and societies. The abilities to understand and participate in the arts and creative experiences lead to short term and long term individual, interpersonal and community benefits. The arts can be instrumental in breaking down barriers and connecting people from different backgrounds. QPAC aims to reach people from diverse backgrounds, including Aboriginal and Torres Strait Islanders, and engage people from those communities in all that QPAC does. In 2016-17, the performance measure of “percentage of audience identifying as from culturally diverse backgrounds (including Aboriginal and Torres Strait Islander)” fell short. QPAC will examine this result and put strategies in place to reach the target in coming years.

QPAC embeds educational initiatives in its program, creating richer and more meaningful experiences for audiences. QPAC promotes community-wide arts literacy and facilitates audience education through initiatives specifically aimed at generating discussion and learning and through implicit or more passive interactions and entertainment. QPAC seeks to engage audiences to be curious about the world, the arts and themselves.

Story is a biannual magazine produced by QPAC which connects audiences with the stories and ideas at the heart of QPAC's productions. The magazine presents content in new, different and exciting ways and draws out meaning and relevance for audiences and stakeholders. QPAC commissions works from writers and artists, turning the focus outwards and connecting with industry and the public. Story enhances QPAC's role as a dynamic arts centre rather than simply a venue.

QPAC Membership focuses on building relationships with a large core of patrons who regularly attend and interact with QPAC. Member benefits are defined by frequent patrons' key interests: exclusive offers, behind the scenes access and waived transaction fees. QPAC's Membership program has been in existence for more than 12 months. As at the end of June 2017, QPAC Member numbers have risen overall with a renewal rate of 55%.

An ongoing issue relevant to QPAC's audiences is the secondary ticketing market, that is, the resale of tickets after their initial sale by QPAC. In particular, there has been a lot of public discussion around resale sites. In 2017, the Australian Senate passed a motion calling for legislative reforms banning ticket scalping bots (automated software programs) and protections for consumers from ticket scalpers and relevant legislation has since been introduced into Federal Parliament. The secondary ticketing market is of concern to QPAC, qmix and producers and presenters around Australia. QPAC is part of the ongoing conversation surrounding this issue and participates at the national industry level to advocate for best outcomes for both QPAC and ticket purchasers.

QPAC is part of a vibrant arts community in Queensland and nationally and connects with a number of organisations from various industries including the arts, education, business, government and community. QPAC is also part of a number of professional, industry and community organisations, some with representation from QPAC staff on boards and in advisory capacities. As a result of those partnerships, QPAC has the chance to participate in public discourse representing the performing arts. In 2016-17, this included a number of opportunities including with Business South Bank, the Brisbane Club, Aurecon and others.

The QPAC Museum is dedicated to preserving and showcasing Queensland's performing arts heritage. The former Curator of the QPAC Museum, Christopher Smith, passed away in 2016. He was widely known as the face of the QPAC Museum and well respected in the heritage industry in Australia. At the annual Performing Arts Heritage Network meeting in September 2016, the committee announced that the Performing Arts Heritage Network Bursary would henceforth be known as the Christopher Smith Bursary in his honour.

Over the course of 2016-17, QPAC partnered with a number of organisations to present performances and other events aimed at connecting different audiences and ideas. This included the *Art and Big Ideas* series – a partnership between QPAC and the University of Queensland School of Music. There were two events in August 2016 as part of this series, which featured leading UK scholars and artists talking about their work. For QPAC, the partnership offered access to leading international thinkers and practitioners, expanding the depth and scope of content available to QPAC audiences.

Drama Queensland is a not-for-profit professional association for teachers. In March 2017, the Drama Queensland conference took place celebrating the organisation's 40th anniversary. It was also the launch of a revised edition of *Dramawise*, a groundbreaking textbook produced locally for drama teachers and students to better understand, deconstruct and explore dramatic texts. The revised edition of *Dramawise*, called *Dramawiser*, was launched by QPAC's Chief Executive at the Drama Queensland conference.

QPAC maintains a number of strategic relationships, including with international diplomatic representatives in Australia. These strategic relationships are important in providing a connection to international markets as well as building arts advocacy and creating opportunities for cultural exchanges.

*Confluence – A Festival of India in Australia*, was an initiative of the Indian Government to celebrate Australia's partnership with India over a number of years. QPAC collaborated with the Indian High Commission in Australia to bring two Indian

groups to Brisbane as part of the Festival. *Sonam Kalra* and the *Sufi Gospel Project* was staged in the Concert Hall and *Sriyah* was staged in the Cremorne Theatre. Both programs were of a very high standard and attracted diverse audiences.

QPAC's Chief Executive, John Kotzas, was presented with the Cavaliere dell'Ordine Stella d'Italia (Knight of the Order of the Star of Italy) at an event coinciding with the 2016 Premio Italia Nel Mondo Awards which were held at QPAC on 8 October 2016. The award acknowledges the Chief Executive's commitment to spreading Italian arts and culture in Australia.

Buddha's Light International Association of Queensland is an organisation that has worked with QPAC, particularly in relation to Out of the Box and the Australian presentation of *Prince Siddhartha The Musical* in June 2017. This Association has strong connections to diverse communities in Brisbane and through this partnership has provided pathways into those communities for QPAC.

The touring of productions around Queensland is often not feasible due to a number of factors, including the State's vast landscape. However, for QPAC as Queensland's state performing arts centre, connecting with regional audiences and communities is an important goal. In 2016-17, QPAC successfully toured three of its Out of the Box works – *Jarjums Life Museum*, *One Sun, One World – Many Dreams* and *Monster Hotel* – to venues in Queensland.

*Jarjums Life Museum* is an intimate view of contemporary Aboriginal and Torres Strait Islander life as told through the eyes of children. During Out of the Box in 2016, the exhibition work focused on the lives of children from the Minjerrabah (Stradbroke Island) and Hymba Yumba communities. Following the debut of this work at Out of the Box, *Jarjums Life Museum* travelled to Cherbourg in regional Queensland where workshops with approximately 30 children over four days produced a new exhibition which showed at the Ration Shed, Cherbourg in November 2016. *Jarjums Life Museum* was also presented at Redlands Performing Arts Centre from May to June 2017.

*One Sun, One World – Many Dreams* toured to Logan Art Gallery from October to December 2016 and *Monster Hotel* was presented at Gold Coast Arts Centre in January 2017.

As part of the 2017 QPAC International Series, QPAC and The Royal Ballet worked together on a community project called *We All Dance*. *We All Dance* is a participatory program with the aims of improving dance literacy and increasing access to the performing arts in disadvantaged communities in the Cairns, Ipswich and outer Brisbane regions. A number of workshops and classes were rolled out in these communities in the months leading up to the Brisbane and Cairns performances by The Royal Ballet for the 2017 QPAC International Series. Special gala performances by participants will be staged in July 2017. Partnering organisations included Multicultural Development Australia, Micah Projects, Your Town, Access Arts, Aboriginal Centre for the Performing Arts Pty Ltd, Arc Disability Services, Police-Citizens Youth Club Cairns and Biddigal Performing Arts. *We All Dance* is one of the largest community projects undertaken by QPAC.

## Our organisation and partners

Build financial and organisational resources that promote agility, vitality and responsiveness

Performance indicator	2016-17 target	2016-17 actual
Sustainable business growth	Positive	Positive
Employee engagement <sup>^</sup>	55%	51% <sup>^</sup>
Non-government revenue as a percentage of total revenue*	80%	85%

\*SDS measure

<sup>^</sup> QPAC has a diverse workforce made up of full time, part time, casual and seasonal workers. Although falling slightly short of the target set for overall employee engagement, 83% of surveyed employees said that they were proud to work at QPAC indicating a high level of commitment to the organisation.

In order to build the future capacity of QPAC and ensure there are adequate resources to promote growth, QPAC has built a strong commercial base and developed a number of solid strategic partnerships and relationships. In 2016-17, QPAC again experienced positive business growth and higher than anticipated non-government revenue due to strong growth by qtix and the development business unit.

QPAC is an industry leader and is a strong advocate for public discourse exploring the public value of the arts. QPAC is part of a number of industry organisations providing it a voice in local and national discussions relevant to the arts and to public institutions more broadly. These organisations include Live Performance Australia, including the Helpmann Awards Administrative Committee and various Helpmann Awards Panels; the Australian Performing Arts Centres Association; Northern Australian Regional Performing Arts Centres Association; Association for Asia-Pacific Performing Arts Centres; Tourism and Transport Forum; Queensland Tourism Industry Council; South Bank Corporation; Business South Bank; and the Cultural Precinct. Further, QPAC has strong working relationships with three major universities – Griffith University, Queensland University of Technology and University of Queensland.

As well as organisational partnerships, it is also crucial to QPAC's ongoing success to have strong partnerships and relationships with Australia's network of producers and presenters which are responsible for touring performances nationally. QPAC works with producers and presenters from all over Australia and the world, knowing that the collaborative creation of work is a key way to amplify organisation's results.

Through QPAC's relationships with multiple national and international commercial production companies and its investments over the last ten years in commercial theatre productions, QPAC is considered one of Australia's largest institutional investors in commercial performing arts productions. Investments in performing arts productions deliver many benefits, including helping to create new Australian works for local audiences and ensuring touring works perform in Brisbane. In 2016-17, QPAC invested in two works: *We Will Rock You* and *Little Shop of Horrors*.

One of the keys to a sustainable future is increasing the capacity and expertise of staff. There are 340 full time equivalent staff across QPAC. The workforce is diverse and made up of technical, administrative, full time, part time, casual and seasonal staff. Engagement across such a broad range of working styles has challenges. QPAC's staff engagement measurement was 51% in 2016-17; this was slightly lower than anticipated. QPAC staff have a range of ways to connect and engage with the business and ensure organisational alignment across a diverse workforce.

QPAC staff are highly skilled across a range of performing arts industry specialities. They are nationally recognised experts and bolster QPAC's reputation as a centre of excellence, able not only to present a wide range of performing arts but also to contribute to and facilitate discussions regarding the future direction of the industry.

Ensuring the safety of all staff and visitors is of paramount importance to QPAC. QPAC met all safety performance indicators in 2016-17.

QPAC has four main commercial revenue streams: venue hire, qtix (ticketing), food and beverage and development units. Together these units provide a strong economic and financial result for QPAC.

Venue hire is the unit responsible for hiring the venue to a range of promoters and presenters locally, nationally and internationally. The unit manages a fluidly changing schedule of theatre bookings whilst also ensuring venue maintenance is able to be conducted at suitable times throughout the year.

QPAC's ticketing service is qtix. qtix issues all tickets for QPAC productions and also provides ticketing services to a number of other local and Australian event or venue organisations including administration of their ticketing websites under a white label system. qtix had strong growth in financial year 2016-17, issuing close to two million tickets across QPAC and external events.

Food and beverages available in QPAC's bars, restaurants and outlets are administered through the Patron Services unit at QPAC. Food and beverages are integral to the overall audience experience at QPAC and also provide QPAC with an additional revenue stream.

QPAC reported an increase in net revenue, up to \$1.56 million, through development, sponsorship and philanthropy in 2016-17. The marked increase in revenue was due to a strengthened development unit building new income streams for QPAC, creating a sustainable future and legacy through donor communities and corporate partnerships as well as building new income streams for QPAC by developing a Major Gifts Program. Notably, a Principal Partnership with Hyundai that launched QPAC's new external digital screen was also key to success in 2016-17. QPAC acquired 30 new donors and established multiple-year corporate partnerships, generating a strong income pipeline for future years.

As at 30 June, 2017, QPAC's partners were:

- Government Partners: Queensland Government, Tourism and Events Queensland, Brisbane Marketing;
- Principal Partner: Hyundai;
- 2017 QPAC International Series Partners: MinterEllison, Treasury, Aveo, Singapore Airlines, Mantra, Brisbane Airport Corporation, Moët Chandon and Philanthropic Partner and Major Benefactor, Philip Bacon;
- Out of the Box Festival Partners: Lendlease, C&K, YFG Shopping Centres, Neals Event Hire and Philanthropic Partners and Major Benefactors, Dr Cathryn Mittelheuser AM and The John Villiers Trust;
- Circle of Influence:
  - Out of the Box: Gina Fairfax, Jennene Greenall, Megan Kair, Professor Marilyn McMeniman AM, Lee-Anne Perry, Marie Siganto AM, Suzy Smerdon, Professor Susan Street AO, Carla Walker and Janine Walker,
  - QPAC International Series: Jocelyn Airo-Farulla, Joseph Airo-Farulla, Madonna Craven, John de Groot, Margot de Groot, Desmond B. Misso, Raelene Shand, Wendy Smith, Barbara Snelling, Margaret Steinberg AM, Sally Vickery and Greg Vickery AO;
- QPAC Chair's Fund: Kylie Blucher, Professor Peter Coaldrake AO, Chris Freeman AM, Denise Power, Mick Power AM and Rhonda White AO.
- Green Jam Principal Partner: Heritage Bank; and
- Corporate Members: Qantas and Emporium Hotel.

QPAC's corporate partners are vital to the continued success of QPAC as they play a critical role in QPAC's ability to produce and present cultural projects. Monies raised through philanthropy and sponsorship also allow for expansion of programs such as Out of the Box which toured to regional centres in the past year with funding from John Villiers Trust (see more on page 18).

The QPAC Chair's Fund was established in 2016 by QPAC's Chair. The QPAC Chair's Fund generates opportunities for young Queenslanders to experience live performance and help grow artistic literacy and learning across Queensland. In 2016-17, the Chair's Fund delivered experiences to more than 140 recipients from diverse backgrounds.

QPAC partnered with Griffith University to deliver the inaugural Queensland Philanthropy Showcase in September 2016 and the second in June 2017. On both occasions the Queensland Philanthropy Showcase took place during the QPAC International Series. The Queensland Philanthropy Showcase was hosted by Tim Fairfax AC, Gina Fairfax and Philip Bacon AM. Between 2016 and 2017, attendance increased from 30 to 45 guests made up of leading philanthropists and representatives from Trusts and Foundations from around Australia. The Queensland Philanthropy Showcase ran for two days on each occasion providing the opportunity for QPAC and Griffith University to showcase signature arts programs and leading medical research. The Queensland Philanthropy Showcase is a unique engagement opportunity for QPAC to begin a meaningful journey with prospective donors and supporters.

As a Queensland Government statutory body, relationships with key government representatives remain a priority for QPAC.

In 2016, QPAC and Tourism and Events Queensland announced a three-year \$1.5 million partnership focused on supporting the planning and delivery of the QPAC International Series for 2017, 2018 and 2019. The funding will be used to help develop the Series and expand it to encompass more world renowned companies and artists. The QPAC International Series has a strong foundation upon which to build and audiences have come to expect a very high level of production. The reputation of the Series and the securing of this funding mean that QPAC is able easily to demonstrate credibility among international companies, agents and artists paving the way to secure future presentations.

In 2016, QPAC announced a significant partnership with Hyundai, making Hyundai QPAC's Principal Partner. Part of the partnership included the installation of two large format digital screens on QPAC's riverside façade. Revenues generated by these new advertising platforms will enable further investment in QPAC programming and more dynamic promotion of productions at QPAC. Non arts and cultural advertising forms no more than 20% of all screen content.

## Service Delivery Statement

For the 2016-17 budget process, QPAT was included within the Service Delivery Statements for the Department of Premier and Cabinet as follows:

### Service Area Objective

To strengthen Queensland's arts sector and contribute to the cultural, social and intellectual development of all Queenslanders.

### Service Area Description

The Queensland Performing Arts Centre (QPAC) delivers exceptional live performance and learning experiences for Queenslanders and visitors. The venues within QPAC are managed for a positive commercial return. QPAC develops and presents live performance and learning programs throughout the year. QPAC curates an annual, mixed genre live performance program that includes QPAC variously as a producer, presenter, venue or investor and features production of local, national and international companies. QPAC delivers a specially tailored program that enhances lifelong learning through art. As well as these programming functions, QPAT is a commercial manager of its venues including managing and operating QPAC's four theatres – Lyric Theatre, Concert Hall, Playhouse and Cremorne Theatre.

### Performance measures

Queensland Performing Arts Trust	Notes	2016-17 target	2016-17 actual
<b>Service standards</b>			
<i>Effectiveness measures</i>	1	95%	94%
Audience satisfaction with programming and facilities			
Visits to QPAC onsite	2	1.3 million	1,306,656
<i>Efficiency measures</i>	3	82%	90%
Venue utilisation			
Non-government revenue as a percentage of total revenue	4	80%	85%

#### Notes

There has been a wording change only with this measure (no amendment to methodology). Audience satisfaction measures the degree to which service delivery meets the expectations of users. The measure indicates overall audience satisfaction with programming and facilities. Audience satisfaction with dining is measured separately. The audience survey is based on the Better Practice Guidelines for Measuring Client Satisfaction published by the department.

In 2012-13 'visitation' was discontinued as a measure. 'Visits to QPAC onsite' has been reintroduced as it is considered the best available proxy measure for effectiveness of the service area objective, due to its ability to infer public value, relevance, community perception and international standing.

The measure is an indicator of the use being made of the four theatres. The measure is an indicator of QPAC's efficiency in venue management and ability to ensure supply to theatres.

This includes revenue earned through the operation of commercial services (venue hire, ticketing, food and beverage) and revenue contributed through sponsorship and philanthropic programs.

## Financial performance

### Summary of financial performance

QPAC reported an operating surplus of \$116,739 from total income of \$62.7 million for 2016-17. The level of total income is largely comprised of revenues from service activities which amounted to \$44.8 million, an increase of \$3.8 million compared to 2015-16. The increase in revenue reflects the continuation from 2015-16 of the extensive and diverse program, including four major commercial seasons: *We Will Rock You*, *Singin' in the Rain*, *Matilda the Musical* and *My Fair Lady*.

The level of activity and the mix and timing of QPAC entrepreneurial presentations resulted in increases to the levels of revenue and expenses compared to the previous financial year and these are detailed in notes 3 and 4 of the Financial Statements. In particular, project revenue increased from \$7.0 million in 2015-16 to \$9.7 million in 2016-17, and costs of services (non-labour) increased from \$8.6 million in 2015-16 to \$10.6 million in 2016-17. This includes the timing effect of the QPAC International Series which, in 2016-17, included the presentation of Ballet Preljocaj in 2016 and some performances of The Royal Ballet season which commenced at the end of June 2017.

Rental income (note 3(a)) of \$6.6 million also contributed to higher revenues from service activities and was up from \$5.9 million reported for the previous year with the major factor being higher income from the larger venues. The value of rental concessions provided to Government subsidised cultural organisations, charitable organisations, Government Departments and educational institutions reduced slightly from \$1.3 million in 2015-16 to \$1.2 million in 2016-17.

Grants and Other Contributions of \$15.868 million included the recognition of the contribution by Arts Queensland for rent below fair value for the use of the premises by the Trust in the Cultural Precinct of \$7.660 million. There is a corresponding expense for the same amount in Note 4 (b). The base grant appropriated by Arts Queensland decreased from \$9.330 million the previous year to \$7.997 million in 2016-17. The decrease was primarily due to the biennial timing of the grant allocation for Out of the Box. The increase in sponsorship revenue from \$0.452 million in 2015-16 to \$1.348 million in 2016-17 reflects new support generated for the diverse program of activities, including the QPAC International Series. It also includes sponsorship in the form of physical assets used to generate advertising revenue and valued at fair value in the amount of \$500,000 (2016: nil).

Careful management of cash flow ensured that almost \$1.1 million was able to be invested in the replacement of essential facilities, plant and equipment whilst maintaining cash and cash equivalents above \$8.7 million at the end of the financial year. This cash balance is required to back up general reserves detailed in note 14 and listed in the equity section of the Statement of Financial Position.

QPAC's general reserves (as in Note 14) are set aside for specific purposes and amounted to \$7.6 million at 30 June 2017, lower than the \$8.2 million of the previous year. QPAC's financial strategy is to ensure that adequate levels of financial resources are maintained in order to manage the substantial commercial risks in the performing arts industry. QPAC's financial plan for 2017-18 is based on the continuation of strong levels of activity across its full range of business services and targets a balanced budget.

Net assets increased by \$0.1 million from \$20.2 million in 2015-16 to \$20.3 million at 30 June 2017.

QUEENSLAND PERFORMING ARTS TRUST

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2017

		2017 Actual \$'000	2017 Original Budget \$'000	2017 Budget Variance* \$'000	2016 Actual \$'000
<b>OPERATING RESULT</b>	<i>Notes</i>				
<b>Income from Continuing Operation</b>					
Revenues from Service Activities	3a	44,779	42,888	1,891	41,014
Grants and Other Contributions	3b	15,868	16,432	(564)	17,132
Other Revenue	3c	2,082	1,474	608	1,737
<b>Gains</b>					
Gain on Sale of Property Plant and Equipment	3c	–	–	–	11
<b>Total Income from Continuing Operations</b>		<b>62,729</b>	<b>60,794</b>	<b>1,935</b>	<b>59,894</b>
<b>Expenses from Continuing Operations</b>					
Employee Expenses	4a	30,447	28,708	(1,739)	29,381
Supplies and Services	4b	30,947	30,710	(237)	29,408
Depreciation and Amortisation	4c	887	1,008	121	826
Other Expenses	4d	331	368	37	153
<b>Total Expenses from Continuing Operations</b>		<b>62,612</b>	<b>60,794</b>	<b>(1,818)</b>	<b>59,768</b>
<b>Operating Result from Continuing Operations</b>		<b>117</b>	<b>–</b>	<b>117</b>	<b>126</b>
<b>Other Comprehensive Income</b>					
Items that will not be reclassified subsequently to operating result:					
Unrealised Forward Exchange Contract Gain	16f	(5)	–	–	3
<b>Total Other Comprehensive Income</b>		<b>(5)</b>	<b>–</b>	<b>–</b>	<b>3</b>
<b>Total Comprehensive Income</b>		<b>112</b>	<b>–</b>	<b>117</b>	<b>129</b>

\* An explanation for major variances is included at Note 29 (a)  
The accompanying notes form part of these financial statements.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

		2017 Actual \$'000	2017 Original Budget \$'000	2017 Budget Variance* \$'000	2016 Actual \$'000
	<i>Notes</i>				
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5	8,739	8,513	226	8,594
Receivables	6	2,327	3,248	(921)	3,573
Inventories	7	288	303	(15)	294
Other	7	2,452	522	1,930	517
<b>Total current assets</b>		<b>13,806</b>	<b>12,586</b>	<b>1,220</b>	<b>12,978</b>
<b>Non-current assets</b>					
Intangibles	9	807	456	351	–
Property, plant and equipment	8	11,836	11,943	(107)	11,906
<b>Total non-current assets</b>		<b>12,643</b>	<b>12,399</b>	<b>244</b>	<b>11,906</b>
<b>TOTAL ASSETS</b>		<b>26,449</b>	<b>24,985</b>	<b>1,464</b>	<b>24,884</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Payables	10	4,613	3,244	(1,369)	3,133
Accrued employee benefits	11	1,266	1,455	189	1,465
Unearned revenue	12	303	131	(172)	131
<b>TOTAL LIABILITIES</b>		<b>6,182</b>	<b>4,830</b>	<b>(1,352)</b>	<b>4,729</b>
<b>NET ASSETS</b>		<b>20,267</b>	<b>20,155</b>	<b>112</b>	<b>20,155</b>
<b>EQUITY</b>					
Contributed equity		1,033	1,033	–	1,033
Accumulated surplus		5,783	4,910	873	5,041
Forward exchange contract reserve	14	(2)	–	(2)	3
Asset revaluation surplus	13	5,829	5,829	–	5,829
Reserves					
– Building development	14	1,850	2,100	(250)	2,100
– Equipment replacement	14	1,400	1,783	(383)	1,649
– Working capital	14	1,374	1,500	(126)	1,500
– Commercial development	14	3,000	3,000	–	3,000
<b>TOTAL EQUITY</b>		<b>20,267</b>	<b>20,155</b>	<b>112</b>	<b>20,155</b>

\* An explanation for major variances is included at Note 29 (b)

QUEENSLAND PERFORMING ARTS TRUST

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2017

	Accumulated Surplus		Asset Revaluation Surplus (Note 13)		Other Reserves (Note 14)		Contributed Equity		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance 1 July</b>	5,041	5,263	5,829	5,829	8,252	7,901	1,033	1,033	20,155	20,026
Operating result from continuing operations	117	126	-	-	-	-	-	-	117	126
Other comprehensive income										
Unrealised forward exchange contract gain/(loss)	-	-	-	-	(5)	3	-	-	(5)	3
<b>Total comprehensive income for the year</b>	<b>117</b>	<b>126</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>112</b>	<b>129</b>
Transfers between reserves	625	(348)	-	-	(625)	348	-	-	-	-
<b>Balance 30 June</b>	<b>5,783</b>	<b>5,041</b>	<b>5,829</b>	<b>5,829</b>	<b>7,622</b>	<b>8,252</b>	<b>1,033</b>	<b>1,033</b>	<b>20,267</b>	<b>20,155</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS

As at 30 June 2017

	2017 Actual \$'000	2017 Original Budget \$'000	2017 Budget Variance* \$'000	2016 Actual \$'000
	<i>Notes</i>			
<b>Cash flows from operating activities</b>				
<b>Inflows</b>				
Revenues from service activities	45,946	42,785	3,161	41,234
Grants and other contributions	7,997	8,272	(275)	9,416
Interest	679	736	(57)	823
GST collected on sales	3,846	3,387	459	3,486
GST input tax credits received	2,013	2,560	(547)	3,416
Other revenues	1,177	738	439	914
<b>Outflows</b>				
Employee expenses	(31,157)	(28,718)	(2,439)	(29,517)
Supplies and services	(23,563)	(23,199)	(364)	(24,883)
GST paid on purchases	(2,025)	(2,472)	447	(1,940)
GST paid to Australian Taxation Office	(3,804)	(3,420)	(384)	(3,505)
<b>Net cash provided by/(used in) operating activities</b>	25	<b>1,109</b>	<b>669</b>	<b>440</b>
				<b>(556)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of plant and equipment	–	–	–	11
Payments for plant and equipment	(1,062)	(1,000)	(62)	(608)
Loan repaid/(issued)	97	250	(153)	–
<b>Net cash provided by/(used in) in investing activities</b>		<b>(965)</b>	<b>(750)</b>	<b>(215)</b>
				<b>(597)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>145</b>	<b>(81)</b>	<b>226</b>
				<b>(1,153)</b>
Cash and cash equivalents at the beginning of financial year	8,594	8,594	–	9,747
<b>Cash and cash equivalents at the end of financial year</b>	5	<b>8,739</b>	<b>8,513</b>	<b>226</b>
				<b>8,594</b>

\* An explanation for major variances is included at Note 29 (c)  
The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

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SECTION 1  
ABOUT THE AGENCY AND THIS FINANCIAL REPORT

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**Note 1 BASIS OF FINANCIAL STATEMENT PREPARATION**

**(a) GENERAL INFORMATION**

The Queensland Performing Arts Trust (the Trust) is a Queensland Government agency established under the *Queensland Performing Arts Trust Act 1977*.

The Trust is a charity registered under the Australian Charities and Not-for-profits Commission Act 2012, and is also a Deductible Gift Recipient entity.

The head office and principal place of business of the Trust is 100 Grey St., SOUTH BRISBANE, QLD. 4101.

**(b) COMPLIANCE WITH PRESCRIBED REQUIREMENTS**

**General**

The Trust has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009* and complies with *Australian Charities and Not-for-profits Commission Act 2012* and the *Australian Charities and Not-for-profits Regulation 2013*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis except for the Statement of Cash Flows which is prepared on a cash basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2016, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Trust has applied those requirements applicable to not-for-profit entities, as the Trust is a not-for-profit entity.

**(c) PRESENTATION**

**Rounding and Comparatives**

**Currency and Rounding**

Unless otherwise stated, amounts in the report are in Australian dollars and have been rounded to the nearest thousand dollars or where that amount is \$500 or less, to zero, unless disclosure in full amount is specifically required.

**Comparative figures**

Comparative figures and disclosures have been restated and amended to accord with the current year's presentation and disclosure. There have been no material restatements required.

**Classification between current and non-current**

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets and liabilities are classified as 'current' where their carrying amounts are due to be settled within 12 months after the reporting date, or the Trust does not have an unconditional right to defer settlement to beyond 12 months after the reporting date. All other assets and liabilities are classified as 'non-current'.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 1 BASIS OF FINANCIAL STATEMENTS PREPARATION (continued)**

**(d) AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE**

The financial statements are authorised for issue by the Chair of the Board, the Director (Chief Executive Officer) and the Associate Director-Finance & Business at the date of signing the Management Certificate.

**(e) BASIS OF MEASUREMENT**

Historical cost is used as the measurement basis in this financial report except for the following:

- Annual Leave entitlement expected to be settled 12 or more months after reporting date which are measured at their present value;
- Land, buildings, and heritage and cultural assets which are measured at fair value; and
- Inventories which are measured at the lower of cost and net realisable value.

**Historical Cost**

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

**Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current/depreciated replacement cost methodology.
- The income approach converts multiple future cash flow amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

**Present Value**

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

**Net Realisable Value**

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Year Ended 30 June 2017*

**Note 1 BASIS OF FINANCIAL STATEMENTS PREPARATION (continued)**

**(f) JUDGEMENTS AND ASSUMPTIONS**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amount of assets and liabilities. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

There were no significant judgements and assumptions used in the preparation of the financial statements other than those disclosed in notes 4(d), 8 and 9.

**(g) THE REPORTING ENTITY**

The financial statements include all income, expense, assets, liabilities and equity of the Trust as an individual economic entity. The Trust does not control or have significant influences over another entity.

**Note 2 OBJECTIVES AND PRINCIPAL ACTIVITIES OF THE TRUST**

The objectives of the Trust are to produce, present, and manage the performing arts in the Queensland Performing Arts Centre, and elsewhere, as well as to promote and encourage either directly or indirectly the knowledge, understanding, appreciation, enjoyment of and participation in the performing arts.

The Trust is partly funded for the outputs it delivers by grants received from Arts Queensland. It also provides services on a fee for service basis including: venue rental, production crewing services, ticket sales, marketing services and equipment hire.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**SECTION 2**  
**NOTES ABOUT OUR FINANCIAL PERFORMANCE**

**Note 3 REVENUE**

**(a) Revenues from Service Activities**

**Accounting Policy – Revenues from Service Activities**

User charges and fees are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised. Accrued revenue is recognised if the revenue has been earned but not yet invoiced. The value of services received free of charge is recognised as revenue at fair value when received.

	2017 \$'000	2016 \$'000
Rental income – venues	6,630	5,860
Ticketing commission and charges	8,530	7,745
Sales – food and beverage	10,578	10,437
Services provided to commercial hirers	9,245	9,769
Project income	9,652	7,017
Other service revenue	144	186
	<b>44,779</b>	<b>41,014</b>

**Disclosure about Rental Income – venues**

Rental concessions provided to Government subsidised cultural organisations, charitable organisations, Government Departments and educational institutions, amounted to \$1,203,400 (2016: \$1,338,841). These concessions are in accordance with the Trust's objectives under the *Queensland Performing Arts Trust Act 1977*.

**Disclosure about Commission earned on ticket sales**

Commission earned on the sale of tickets is included as revenue of the Trust. Ticket sales for the year amounted to \$108.028 million (2016 : \$88.218 million).

**(b) Grants and Other Contributions**

**Accounting Policy – Grants / (Loss) and Other Contributions**

Grants, donations and gifts which are non-reciprocal in nature are recognised as revenue in the year in which the Trust receives them. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributions of goods or services received by the Trust at a value below fair value are recognised as revenue at their fair value only if the goods or services would have been purchased had they not been donated/received and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense.

Contributed physical assets are recognised at their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 3 REVENUE (continued)

(b) Grants and contributions (continued)

	2017 \$'000	2016 \$'000
Operating grant	7,997	9,330
Contributions	7,660	7,716
Donations	211	86
	<u>15,868</u>	<u>17,132</u>

**Disclosure about Other Contributions**

The Trust has received a contribution in the amount of \$7.660 million (2016: \$7.716 million) from Arts Queensland equal to the amount of rent below fair value charged by Arts Queensland for the use of the premises by the Trust in the Cultural Precinct.

The Trust also received a donation of an artwork in the amount of \$90,000 (2016: \$nil) from a government department.

(c) Other Revenue

**Accounting Policy – Interest**

Interest is recognised at the time it is earned.

**Accounting Policy – Gain/(loss) on Sale of Property, Plant and Equipment**

Gain/(loss) on the sale of property, plant and equipment is equal to the consideration received less the written down value of the items sold/disposed.

**Accounting Policy – Investment Income**

The Trust's investment in commercial programs is treated as a loan and recorded in the Statement of Financial Position as a receivable. As the loan amount is paid back, it is receipted against the original loan value. Any shortfall is treated as an impairment loss and any funds received in excess of the loan value are treated as investment income in the Statement of Comprehensive Income at the time it is known.

**Accounting Policy – Sponsorships**

The Trust receives support in the form of money or in-kind contributions and in return provides advertising, signage or naming rights, or some other type of benefit of value to the sponsor, i.e. the sponsor receives something of value in return for the sponsorship. The sponsorship received is recognised as revenue in the period it benefits.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 3 REVENUE (continued)****(c) Other Revenue (continued)**

	2017 \$'000	2016 \$'000
Interest	679	823
Gain on sale of property, plant and equipment	–	11
Investment income	55	462
Sponsorship	1,348	452
	<b>2,082</b>	<b>1,748</b>

**Disclosure about Sponsorship**

The Trust received sponsorship in the form of physical assets valued at fair value in the amount of \$500,000 (2016: \$nil) and has been recognised as plant and equipment. The asset is used by the Trust to generate advertising revenue.

**Note 4 EXPENSES****(a) Employee Expenses****Accounting Policy – Wages and Salaries**

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the Trust expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

**Accounting Policy – Sick Leave**

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

**Accounting Policy – Annual Leave**

For unpaid entitlements expected to be paid within 12 months, the liabilities on which the Trust does not have an unconditional right to defer, are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

**Accounting Policy – Long Service Leave**

Under the Queensland Government's long service leave scheme a levy is made on the Trust to cover the expense. Amounts paid to employees as and when leave is taken for long service leave are claimed quarterly in arrears from the scheme.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 4 EXPENSES (continued)

(a) Employee Expenses (continued)

**Accounting Policy – Superannuation**

The Trust's default fund is QSuper, the superannuation scheme for Queensland Government employees. Eligible employees can nominate any complying fund of their choice. Contributions are expensed in the period in which they are paid or payable. The Trust's obligation is limited to its contribution to QSuper and other employees' nominated funds.

**Accounting Policy – Payroll Tax and Workers' Compensation Premiums**

The Trust pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. The Trust also pays payroll tax on salary, wages and allowances. Payroll Tax and Workers' Compensation insurance are a consequence of employing employees, but is not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

	2017 \$'000	2016 \$'000
Salaries and wages	25,796	24,857
Employer superannuation contributions	2,437	2,406
Long service leave levy	481	475
Payroll tax	1,313	1,308
WorkCover insurance	389	380
Other employee costs	31	(45)
	<b>30,447</b>	<b>29,381</b>
Full-time equivalent	296	334

Key Management personnel remuneration disclosures are detailed at Note 28.

(b) Supplies and Services

**Accounting Policy – Supplies and Services**

Supplies and services are recognised as an expense when the goods or services are received by the Trust and their value can be reliably be measured.

**Leases**

**Accounting Policy – Operating Leases**

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Trust.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 4 EXPENSES (continued)****(b) Supplies and Services (continued)****Leases (continued)****Disclosure – Operating Lease Rentals**

The Trust has recognised a rent expense which has been charged by Arts Queensland at a value below fair value for the use of the premises by the Trust in the Cultural Precinct. The Trust received a contribution in the same amount of \$7.660 million (2016: \$7.716 million) from Arts Queensland.

**Disclosure about Stock and Consumables/materials**

Stock and consumables/materials relate to food, beverage, consumables and materials used by the Trust in its food and beverage and production activities.

	2017 \$'000	2016 \$'000
Cost of services non labour	10,568	8,573
Rental	7,660	7,716
Facilities costs	4,828	4,562
Staff recruitment and training	240	299
Travel	197	185
Motor vehicle costs	20	16
Recurring equipment replacement	248	175
Marketing	502	967
Information services	1,356	1,239
Library services	15	18
Consultants, contractors, legals	270	326
Memberships and sponsorships	66	83
Entertainment	46	64
Stock and consumables/materials	3,345	3,634
Agency staff	341	401
Insurance – QGIF	116	116
Insurance – Other	52	61
Repairs and maintenance	176	240
Telecommunications	264	236
Freight and postage	160	185
Printing, stationery and office supplies	143	139
Other	334	173
	<b>30,947</b>	<b>29,408</b>

**(c) Depreciation and Amortisation****Accounting Policy – Depreciation and Amortisation**

Refer Note 8(d) for accounting policy on depreciation.

Refer to Note 9(b) for accounting policy on amortisation.

**QUEENSLAND PERFORMING ARTS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Year Ended 30 June 2017*

**Note 4 EXPENSES (continued)**

**(c) Depreciation and Amortisation (continued)**

	2017 \$'000	2016 \$'000
Buildings	7	7
Leasehold Improvements	77	167
Plant and Equipment	675	588
Concert Hall Grand Organ	60	60
Motor Vehicles	5	4
Intangibles	63	–
	<b>887</b>	<b>826</b>

**(d) Other Expenses**

	2017 \$'000	2016 \$'000
External audit fees <sup>(1)</sup>	54	55
Internal audit fees <sup>(2)</sup>	40	53
Movement in the provision for impairment receivables <sup>(3)</sup>	153	(28)
Loss on disposal of property, plant and equipment	11	–
Sundry	73	73
	<b>331</b>	<b>153</b>

**Accounting Policy – Bad Debts and Impairment Losses**

The Trust periodically assesses the collectability of receivables and where it is determined that the receivable is not collectible in full, it recognises a provision for impairment. Movements in the provision for impairment are recognised as an expense.

The Trust determines that if an amount owing becomes uncollectible (after appropriate range of debt recovery actions), that amount is written off against the provision for impairment of receivables.

**Disclosure – Audit Fees**

(1) Total audit fees quoted by the Queensland Audit Office relating to the 2016-17 financial statements are \$53,000 (2016: \$55,000). There are no non audit services included in these amounts.

(2) Internal audit fees relate to the audit of the Trust's internal control system (2017: \$40,000; 2016: \$53,000).

**Disclosure – Movement in the provision for impairment receivables**

(3) An investment (loan receivable) made by the Trust was assessed as being impaired by the amount of \$153,000 (2016: \$100,000). Unused provisions for impairment of \$128,000 in relation to Trade debtors were written back during the 2016 year.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

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**SECTION 3**  
**NOTES ABOUT OUR FINANCIAL POSITION**

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**Note 5 CASH AND CASH EQUIVALENTS****Accounting Policy – Cash and Cash Equivalents**

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. It also includes liquid investments with short periods to maturity that are convertible readily to cash on hand, at the investor's option and that are subject to a low risk of changes in value.

	2017 \$'000	2016 \$'000
Cash on hand and at bank	177	489
Deposits at call	8,562	8,105
	<b>8,739</b>	<b>8,594</b>

**Disclosure – Cash and Cash Equivalent**

Cash and cash equivalents amounting to \$7.624 million (2016: \$8.249 million) have been set aside as cash backed funding for the Trust's general reserves.

**Note 6 RECEIVABLES****Accounting Policy – Receivables**

Loans receivable arise as a result of Trust's investment in commercial programs. As the loan is paid back, it is receipted against its original loan value. Any loss is treated as impairment loss and any funds received in excess of the loan value are treated as investment income in the Statement of Comprehensive Income at the time it is known.

Accrued income is in relation to income from productions and shows to be received by the Trust and are recognised at the time they are earned.

	2017 \$'000	2016 \$'000
<b>Current</b>		
Trade debtors	1,184	2,257
Allowance for impairment	–	–
	<b>1,184</b>	<b>2,257</b>
Loans receivable	–	350
Allowance for impairment	–	(100)
	–	<b>250</b>
Accrued income	923	859
GST receivable	220	207
	<b>2,327</b>	<b>3,573</b>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 6 RECEIVABLES (continued)

Disclosure – Ageing of past due account receivables not impaired

	2017 \$'000	2016 \$'000
Current	1,176	2,182
30 – 60 Days	8	39
60 – 90 Days	–	19
Over 90 Days	–	17
	<u>1,184</u>	<u>2,257</u>

Disclosures – Movement in allowance for impairment for impaired receivables

Balance at beginning of year	100	149
Increase/(decrease) in allowance recognised in profit or loss	153	(28)
Amounts written off during the year	(253)	(21)
<b>Balance at the end of the year</b>	<u>–</u>	<u>100</u>

Disclosure – Credit Risk

Refer to Note 16(c) for information on the credit risk exposure of the Trust's assets.

Note 7 INVENTORIES AND OTHER CURRENT ASSETS

Inventories

Accounting Policy – Inventories

Inventories are valued at the lower of cost or net realisable value and are comprised of stock for the Trust's catering operations. Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventory and bringing it to its existing condition. Net realisable value is determined on the basis of the Trust's normal selling patterns.

Prepayments

Accounting Policy – Prepayments

Prepayments are recognised and recorded when payments are made in advance of receiving goods and services.

Deferred Expenses

Accounting Policy – Deferred Expenses

Deferred expenses are recognised when payments are made for goods or services received during the year, which will then be used in a future year to produce revenue. Deferred expenses are in relation to costs incurred in productions and shows to be produced by the Trust.

	2017 \$'000	2016 \$'000
Inventories	288	294
Prepayments	192	180
Deferred Expenses	2,260	337
	<u>2,740</u>	<u>811</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 8 PROPERTY, PLANT AND EQUIPMENT****(a) Recognition and Measurement****Accounting Policy – Recognition and Measurement****Acquisitions**

Historical cost is used for the initial recording of all acquisitions of assets. Historical cost is defined as the value given as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

**Recognition Thresholds**

Items of property, plant and equipment with a cost or other value equal to or in excess of the following thresholds are capitalised in the year of acquisition. All other items are expensed in the year of acquisition:

– Buildings and Infrastructure	\$10,000
– Land	\$ 1
– Plant and Equipment	\$ 5,000
– Heritage and Culture Assets	\$ 5,000

**Revaluation**

Land, buildings, heritage and cultural assets are measured at fair value less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable. All other assets are measured at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable. This is in accordance with the AASB 116 Property, Plant & Equipment, AASB 13 Fair Value Measurement and the Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector.

Non-current physical assets measured at fair value are comprehensively revalued at least once every five years unless there are indicators that suggest the asset has experienced a significant and volatile change in value since the last reporting period in which case a new specific comprehensive valuation is undertaken.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense, in which case the increment is recognised as revenue up to the amount of the expense.

Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation surplus for that class of asset, in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

QUEENSLAND PERFORMING ARTS TRUST

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 8 PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Closing Balances

	2017 \$'000	2016 \$'000
Buildings		
– at independent valuation – (2015)	150	150
less: accumulated depreciation	(14)	(7)
	<u>136</u>	<u>143</u>
Land		
– at independent valuation – (2015)	<u>4,350</u>	<u>4,350</u>
Leasehold Improvements		
– at cost	1,821	1,826
less: accumulated depreciation	(930)	(853)
	<u>891</u>	<u>973</u>
Plant and Equipment		
– at cost	12,333	11,119
less: accumulated depreciation	(8,458)	(7,821)
	<u>3,875</u>	<u>3,298</u>
Heritage and Cultural Assets (Concert Hall Grand Organ)		
– at independent valuation – (2015)	2,520	2,520
less accumulated depreciation	(120)	(60)
	<u>2,400</u>	<u>2,460</u>
Motor Vehicles		
– at cost	108	108
less: accumulated depreciation	(8)	(4)
	<u>100</u>	<u>104</u>
Work in progress	<u>84</u>	<u>578</u>
<b>Total Property, Plant and Equipment – net book value</b>	<u><b>11,836</b></u>	<u><b>11,906</b></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
*For the Year Ended 30 June 2017***Note 8**      **PROPERTY, PLANT AND EQUIPMENT** *(continued)***(c)**      **Disclosure – Property, Plant and Equipment****Use of Specific Appraisals**

Independent valuations of land, buildings, heritage and cultural assets were performed as at 30 June 2015 by an independent valuer API qualified in Queensland on behalf of Asset Val Pty Ltd using 'fair value' principles.

For heritage and cultural assets, the basis of valuation is depreciated current replacement cost.

The Trust's land and building was valued using both the capitalisation method and the direct comparison method. The capitalisation approach is where the estimated net market rental is capitalised at a market derived yield to arrive at a capitalised value. The direct comparison approach is where sales of similar types of properties have been compared to the subject property on a rate per square metre basis.

**Use of Indices**

Where assets have not been specifically appraised in the reporting period, their previous valuations are materially kept up to-date via the application of relevant indices. The Trust ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. Such indices are derived from market information and documented to support the robustness, validity and appropriateness for application to the relevant assets.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 8 PROPERTY, PLANT AND EQUIPMENT (continued)

(d) Depreciation of Property, Plant and Equipment

**Accounting Policy**

Land is not depreciated as it has an unlimited useful life.

Depreciation on buildings, plant and equipment and motor vehicles, is calculated on a straight line basis so as to write-off the net cost or revalued amount of each depreciable asset, less its estimated residual value, progressively over its estimated useful life to the Trust.

**Key Judgement:** Straight line depreciation is used as that is consistent with the even consumption of service potential of these assets over their useful life to the Trust.

Capital work-in-progress is not depreciated until it reaches service delivery capacity.

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate. Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements to the Trust.

**Key Estimates:** Major depreciation rates used are listed below and are consistent with the prior year unless otherwise stated:

Buildings and leasehold improvements	4 to 20%
Motor vehicles	20%
Plant and equipment	1 to 33%
Concert Hall Grand Organ	2%

(e) Impairment

**Accounting Policy**

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Trust determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

**Key judgement: Impairment indicators**

Indicators of impairment are: market value of the asset has declined significantly, negative change in technology, markets, economic conditions or laws, obsolescence or physical damage to the asset, asset idleness, discontinued or restructured operations, and economic performance of the asset is worse than expected.

An impairment loss is recognised immediately in the Statement of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 8 PROPERTY, PLANT & EQUIPMENT (continued)****(f) Reconciliation of Property, Plant and Equipment**

	Carrying value at 1 July 2016 \$'000	Acquisitions \$'000	Disposals \$'000	Transfers between classes \$'000	Revaluation \$'000	Depreciation \$'000	Carrying value at 30 June 2017 \$'000	Fair Value Disclosures
Land	4,350	-	-	-	-	-	4,350	Level 2
Buildings	143	-	-	-	-	(7)	136	Level 2
Leasehold Improvements	973	-	(18)	13	-	(77)	891	
Plant and Equipment	3,298	-	(11)	1,264	-	(675)	3,876	
Motor Vehicles	104	-	-	-	-	(5)	99	
Grand Organ	2,460	-	-	-	-	(60)	2,400	Level 3
Capital work in progress	578	1,652	-	(2,146)	-	-	84	
<b>Total</b>	<b>11,906</b>	<b>1,652</b>	<b>(29)</b>	<b>(869)</b>	<b>-</b>	<b>(824)</b>	<b>11,836</b>	

	Carrying value at 1 July 2015 \$'000	Acquisitions \$'000	Disposals \$'000	Transfers between classes \$'000	Revaluation \$'000	Depreciation \$'000	Carrying value at 30 June 2016 \$'000	Fair Value Disclosures
Land	4,350	-	-	-	-	-	4,350	Level 2
Buildings	150	-	-	-	-	(7)	143	Level 2
Leasehold Improvements	1,104	-	-	36	-	(167)	973	
Plant and Equipment	3,700	-	-	186	-	(588)	3,298	
Motor Vehicles	108	-	-	-	-	(4)	104	
Grand Organ	2,520	-	-	-	-	(60)	2,460	Level 3
Capital work in progress	192	608	-	(222)	-	-	578	
<b>Total</b>	<b>12,124</b>	<b>608</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(826)</b>	<b>11,906</b>	

**Note 9 INTANGIBLE ASSETS AND AMORTISATION EXPENSE****(a) Recognition and Measurement****Accounting Policy**

Intangible assets of the Trust are comprised of purchased software.

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the Trust.

It has been determined that there is no active market for any of the Trust's intangible assets. Therefore, the assets are recognised at cost less accumulated amortisation and any impairment losses.

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Trust determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Trust, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 9 INTANGIBLE ASSETS AND AMORTISATION EXPENSE (continued)

(b) Amortisation

Accounting Policy

All intangible assets of the department have finite useful lives and are amortised on a straight line basis over their estimated useful life to the Trust. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life.

Key Estimate: For software purchased the useful life is 5 years.

(c) Closing Balances

	2017 \$'000	2016 \$'000
Software at cost		
– at cost	1,625	756
less: accumulated amortisation	(818)	(756)
<b>Total</b>	<b>807</b>	<b>–</b>

Reconciliation of Intangibles	Carrying value at 1 July 2016 \$'000	Acquisitions \$'000	Disposals \$'000	Transfers between classes \$'000	Revaluation \$'000	Depreciation \$'000	Carrying value at 30 June 2017 \$'000
Intangible Assets	–	–	–	869	–	(62)	807

Note 10 PAYABLES

Accounting Policy – Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Trust. Creditors are included at the nominal amount i.e. agreed purchase price less any applicable discounts. Amounts owing are generally unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

	2017 \$'000	2016 \$'000
Trade creditors	1,136	1,073
Other creditors	3,237	1,862
GST Payable	240	198
	<b>4,613</b>	<b>3,133</b>

Note 11 ACCRUED EMPLOYEE BENEFITS

Accounting Policy – Accrued Employee Benefits

Refer to Note 4(a) for accounting policies.

	2017 \$'000	2016 \$'000
Annual leave	1,227	1,192
Salaries and wages payable	39	273
	<b>1,266</b>	<b>1,465</b>

Note 12 UNEARNED REVENUE

Accounting Policy – Unearned Revenue

An advance received by the Trust is a liability (unearned revenue) until such time as the goods or services have been delivered or performed and the contract completed.

	2017 \$'000	2016 \$'000
Unearned revenue	303	131

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 13 ASSET REVALUATION SURPLUS BY ASSET CLASS**

	Balance 1 July 2016 \$000	Revaluation Increments \$000	Revaluation Decrements \$000	Balance 30 June 2017 \$000
Land	3,900	–	–	3,900
Buildings	91	–	–	91
Heritage and cultural assets	1,838	–	–	1,838
	<b>5,829</b>	<b>–</b>	<b>–</b>	<b>5,829</b>

	Balance 1 July 2015 \$000	Revaluation Increments \$000	Revaluation Decrements \$000	Balance 30 June 2016 \$000
Land	3,900	–	–	3,900
Buildings	91	–	–	91
Heritage and cultural assets	1,838	–	–	1,838
	<b>5,829</b>	<b>–</b>	<b>–</b>	<b>5,829</b>

**Note 14 RESERVES****Accounting Policy – Reserves**

The general reserves are backed by cash or cash equivalent investments that are set aside for specific purposes as detailed below:

**Building Development Reserve**

This reserve has been established as the Trust is mindful of the need to undertake major building upgrades in future years for areas such as catering facilities, entertaining by corporate sponsors and office accommodation.

**Equipment Replacement Reserve**

The balance of this reserve represents funds held for future replacement of the Trust's general equipment needs, including information technology and theatre production equipment. The level of this reserve as at 30 June 2017 represents 15% of the total accumulated depreciation of the Trust's property, plant and equipment.

**Working Capital Reserve**

The Working Capital Reserve provides for fluctuations in working capital due to the volatile nature of the performing arts industry.

**Commercial Development Reserve**

The Commercial Development Reserve is to offset the financial risks associated with investments in co-presentations with commercial organisations or strategic productions undertaken by the Trust on a commercial basis.

**Forward Exchange Contract (FEC) Reserve**

At year-end the Trust remeasures the forward exchange contract at fair value. The change in the forward exchange rate changes the fair value of the forward exchange contract. This creates an asset or liability depending on whether it is a gain or loss. The gain or loss is deferred in the Forward Exchange Contract Reserve account in equity. Where year-end does not fall between the inception date and the maturity date, there will be no need to remeasure the forward exchange contract at fair value during the life of the forward exchange contract.

When the forward exchange contract is executed and the payment is made on maturity date, the forward exchange contract asset or liability needs to be derecognised and the Forward Exchange Contract Reserve needs to be reclassified as an expense or revenue.

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**SECTION 4**  
**NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES**

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**Note 15 FAIR VALUE MEASUREMENT**

**Accounting Policy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Trust include, but are not limited to, published sales data for land and general office buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Trust include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Trust's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs for asset characteristics/functionality) and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient, relevant and reliable observable inputs are not available for assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the Trust for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly and
- level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the Trust's valuations of assets or liabilities are eligible for categorisation into level 1 of the fair value hierarchy. There were no transfers of assets between fair value hierarchy levels during the period.

**Note 16 FINANCIAL INSTRUMENTS**

**(a) General Objectives, Policies and Processes**

**Accounting Policy – Financial Instruments**

**Recognition**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument.

**Classification**

Financial instruments are classified and measured as follows :

- Receivables – held at amortised cost
- Payables – held at amortised cost
- Cash and cash equivalents – at fair value
- Foreign currency hedge – at fair value

On 29th January 2015, a Derivative Transactions Master Agreement between Queensland Treasury Corporation and the Trust was entered into which outlines the terms and conditions upon which Queensland Treasury Corporation as an agent is able to undertake an appropriate process to execute foreign exchange hedging transactions for the Trust in accordance with the Queensland Treasury's Derivative Transactions Policy Guidelines (March 2002) (as amended) ("the Derivatives Policy").

A gain or loss is recognised between the derivative rate and the market rate of the derivative exposure at 30 June 2017. This amount is recognised in the forward exchange contract reserve and receivables/payables.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 16 FINANCIAL INSTRUMENTS (continued)****(a) General Objectives, Policies and Processes (continued)****Accounting Policy – Financial Instruments (continued)**

The Trust is exposed to risks that arise from its use of financial instruments. This note describes the Trust's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantial changes in the Trust's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Trust's risk management objectives and policies and, designing and operating processes that ensure the effective implementation of the objectives and policies to the Trust. The Trust's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Trust, where such impacts may be material. The Risk Management Audit Committee (RMAC) receives quarterly reports from the Trust's Director of Corporate Services, through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Trust's internal auditors also review the risk management policies and processes and report their findings to the RMAC, which in turn reports to the Board.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Trust's competitiveness and flexibility. Further details regarding these policies are set out below.

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Trust becomes party to the contractual provisions of the financial instrument. The Trust has the following categories of financial assets and financial liabilities:

	2017 \$'000	2016 \$'000
Financial Assets		
Cash and Cash Equivalent	8,739	8,594
Loans and Receivable at Amortised Cost	2,327	3,573
	<u>11,066</u>	<u>12,167</u>
Financial Liabilities		
Payables	<u>4,613</u>	<u>3,133</u>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 16 FINANCIAL INSTRUMENTS (continued)

(b) Interest Rate Risk

The exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at balance date are as follows:

	Floating Interest Rate	1 Year or less	Non Interest Bearing	Total	Weighted Average Rate
	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000	2017 %
<b>Financial Assets</b>					
Cash on hand and at bank	75	–	102	177	0.30%
Short term securities	–	8,562	–	8,562	2.60%
Receivables	–	–	2,327	2,327	–
<b>Financial Liabilities</b>					
Payables	–	–	4,613	4,613	–
	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 %
<b>Financial Assets</b>					
Cash on hand and at bank	387	–	102	489	0.35%
Short term securities	–	8,105	–	8,105	3.08%
Receivables	–	–	3,573	3,573	–
<b>Financial Liabilities</b>					
Payables	–	–	3,133	3,133	–

The Trust does not undertake any hedging in relation to interest rate risk and manages its risks based on the strategies developed by the Board.

(c) Credit Risk

Credit risk exposure refers to the situation where the Trust may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets inclusive of any provisions for impairment. There are no concentrations of credit risk as the Trust has a large number of customers. The Trust's policy is that sales are only made to customers that are credit worthy.

The Trust holds monies in trust from ticket sales monies until the completion of the performance or event when the funds are released to the promoter after deducting the Trust's receivables.

The Trust deposits with Queensland Treasury Corporation and uses Australia and New Zealand Banking Group Limited for transactional banking. The Board believes that the credit risk associated with these financial institutions is low.

The maximum exposure to credit risk at balance date is as follows :

	2017 \$'000	2016 \$'000
<b>Financial Assets</b>		
Cash on hand and at bank	177	489
Short term securities	8,562	8,105
Receivables	2,327	3,573
	<b>11,066</b>	<b>12,167</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 16 FINANCIAL INSTRUMENTS (continued)****(d) Liquidity Risk**

Liquidity risk refers to the situation where the Trust may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Trust is exposed to liquidity risk through its trading in the normal course of business.

The Trust manages liquidity risk through use of the Financial Reserves Policy. This policy aims to reduce exposure to liquidity risk by ensuring the Trust has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risks of the Trust's financial assets and liabilities. It represents the contractual maturity of financial assets and liabilities.

**Maturity Analysis**

	Less than 1 month	1 – 3 months	3 months to 1 year	Greater than 1 year	Carrying Amount
	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000	2017 \$'000
<b>Financial Assets</b>					
Cash on hand and at bank	177	–	–	–	177
Short term securities	8,562	–	–	–	8,562
Receivables	2,327	–	–	–	2,327
<b>Financial Liabilities</b>					
Payables	4,613	–	–	–	4,613
Foreign currency hedge liability	–	188	–	–	188
	<b>2016 \$'000</b>	<b>2016 \$'000</b>	<b>2016 \$'000</b>	<b>2016 \$'000</b>	<b>2016 \$'000</b>
<b>Financial Assets</b>					
Cash on hand and at bank	489	–	–	–	489
Short term securities	8,105	–	–	–	8,105
Receivables	3,573	–	–	–	3,573
<b>Financial Liabilities</b>					
Payables	3,133	–	–	–	3,133
	–	214	–	–	214

**(e) Net Fair Value**

It is considered that the net fair value of the financial assets and financial liabilities of the Trust approximate the book values due to their short term to maturity.

**(f) Foreign Currency Exchange Risk**

The Trust uses foreign exchange contracts to eliminate the risk of changes to the foreign currency exchange rate. Forward exchange contracts are taken up for the entire amount of the hedged item. At 30 June 2017 the Trust has entered into foreign exchange hedge contract for 110,000 British Pounds (2016: 145,000 Euros).

As 30 June 2017, the Trust has unrealised forward exchange contract loss of \$1,811 (2016: gain of \$3,107).

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 17 NEW AND REVISED ACCOUNTING STANDARDS

**Future Impact of Accounting Standards Not Yet Effective**

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

***AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107***

As from the Trust's financial statements for 2017-18, this standard will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation in the notes to the Statement of Cash Flows.

***AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers***

These standards will first apply to the Trust from its financial statements for 2019-20.

The Trust has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- (a) Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Trust receives grants for which there are no sufficiently specific performance obligations, so these grants will continue to be recognised as revenue upfront.
- (b) Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of the Trust's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that the Trust has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). The Trust is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.
- (c) A range of new disclosures will also be required by the new standards in respect of the Trust's revenue.

***AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) will become effective***

These standards will first apply to the Trust from its financial statements for 2018-19. The main impacts of these standards on the Trust are that they will change the requirements for the classification, measurement and disclosures associated with the Trust's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Trust has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the Trust's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Trust enters into, all of the Trust's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Note 16). In the case of the Trust's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the Trust's operating result.

The Trust will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9.

**Note 17** NEW AND REVISED ACCOUNTING STANDARDS (continued)**Future Impact of Accounting Standards Not Yet Effective (continued)****AASB 16 Leases**

This standard will first apply to the Trust from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases – Incentives and AASB Interpretation 127 Evaluating the Substance of Transaction Involving the Legal Form of a Lease.

*Impact for Lessees*

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for organisations that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the organisation's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The Trust will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

The Trust has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

All other Australian Accounting Standards and interpretations with future effective dates are either not applicable to the Trust's activities, or have no material impact on the Trust.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

**SECTION 5**  
**NOTES ON OTHER ACCOUNTING INFORMATION**

**Note 18 SERVICES AND ASSETS PROVIDED TO THE TRUST**

Arts Queensland, through the Department of Premier and Cabinet, owns and maintains the Performing Arts Centre premises on behalf of the State of Queensland. The Trust is provided with the use of the building and items of fitout, including certain items of plant and equipment that are not performance related, by way of a service level agreement with the Corporate Administration Agency (CAA). As described in note 3(b) the Trust pays rent below fair value for the use of premises in the Cultural Precinct.

**Note 19 MONIES HELD IN TRUST**

A separate Trust Fund bank account is maintained to hold ticket sales monies until the completion of the performance or event when the funds are released to the promoter. As the Trust is only the custodian of these moneys, they are not reflected in the Financial Statements.

Interest earned on the Trust monies held are included as 'Other Revenue' in the Statement of Comprehensive Income. The balance of monies invested at 30 June 2017 was \$20.911 million (2016 - \$22.621 million).

**Note 20 INSURANCE**

The Trust's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessed basis. In addition the Trust pays premiums to WorkCover Queensland in respect of all obligations for employee compensation.

**Note 21 TAXATION**

The activities of the Trust are exempt from Commonwealth taxation except for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, input tax credits receivable from and GST payable to the Australian Taxation Office are recognised.

**Note 22 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 Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

**Note 23 COMMITMENTS**

**Capital Expenditure Commitments**

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the Financial Statements are payable as follows:

	2017 \$'000	2016 \$'000
<b>Plant and Equipment</b>		
Payable:		
Not later than one year	220	380
Later than one year and not later than five years	-	-
Later than five years	-	-
	<b>220</b>	<b>380</b>

**Non-Cancellable Operating Lease Commitments**

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits):

	2017 \$'000	2016 \$'000
Not later than one year	7	-
Later than one year but not later than five year	16	-
	<b>23</b>	<b>-</b>

**Note 24 CONTINGENCIES**

As at 30 June 2017 there are no material contingent liabilities for the Trust.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 25 STATEMENT OF CASH FLOWS****(a) Reconciliation of operating result to net cash (used in) provided by operating activities**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating Result	117	126
Depreciation and Amortisation	887	826
Net (Gain)/Loss on Disposal of Non-Current Assets	29	(11)
Forward Exchange Contract Unrealised Gain	(2)	3
Investment Written Off	153	–
Donated Assets	(590)	–
<b>Change in Operating Assets and Liabilities:</b>		
(Increase)/decrease in receivables	1,009	250
(Increase)/decrease in inventories	6	(11)
(Increase)/decrease in prepayments	(12)	58
(Increase)/decrease in deferred expenses	(1,923)	(337)
(Increase)/decrease in GST input tax credits receivables	(13)	75
Increase/(decrease) in GST payables	42	(18)
Increase/(decrease) in payables	1,435	(1,898)
Increase/(decrease) in accrued employee benefits	(199)	338
Increase/(decrease) in unearned income	171	43
<b>Net cash provided by (used in) operating activities</b>	<b>1,109</b>	<b>(556)</b>

**(b) Non-Cash Investing and Financing Activities**

Assets received by the Trust at no cost are recognised at their fair value and revenue of equal value is recognised.

During the year the Trust received under a sponsorship arrangement electronic advertising billboards with a fair value of \$500,000.

The Trust also received an artwork with a fair value of \$90,000 from a government department.

**Note 26 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY****(a) Changes in Accounting Policy**

The Trust did not voluntarily change any of its accounting policies during 2016-17.

**(b) Accounting Standards Early Adopted**

No Australian Accounting Standards have been early adopted for 2016-17.

**(c) Accounting Standards Applied for the First Time**

The only Australian Accounting Standard that became effective for the first time in 2016-17, and materially impacted on this financial report, is AASB 124 Related Party Disclosures. This standard requires note disclosures about key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. As Queensland Treasury already required disclosure of KMP remuneration expenses, there was minimal impact for the Trust's disclosures compared to 2015-16 (refer to Note 28c). Material related party transactions for 2016-17 are disclosed in Note 28c. No comparative information is required in respect of 2015-16.

**QUEENSLAND PERFORMING ARTS TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Year Ended 30 June 2017*

**Note 27 REMUNERATION OF TRUST MEMBERS**

Remuneration paid or payable to the Trust Members for attendances of meetings held during 2016-17 was as follows:

	2017 \$'000	2016 \$'000
S. A. Mitchell	8	9
R. M. White	1	6
S. A. Gallaher	7	8
M. C. Power	1	8
C.R. Freeman	15	18
K.M. Blucher	6	6
P. Coaldrake	5	–
L. de Souza	5	–
C. Sarra	5	–
<b>Total</b>	<b>53</b>	<b>55</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 28 KEY MANAGEMENT PERSONNEL AND REMUNERATION AND DISCLOSURES****Accounting Policy – Key Management Personnel and Remuneration Disclosures**

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury.

**(a) Key Management Personnel**

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Trust during 2016-17 and 2015-16. Further information on these positions can be found in the body of the annual report under the section relating to Executive Management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
<b>Chief Executive</b>	Responsible for the Trust's vision to be an internationally recognised destination for performing arts and entertainment experiences by providing strategic direction and leadership for the Trust.	Employment contract/terms and conditions specified in the contract/Governor in Council/Queensland Performing Arts Trust Act 1977	11-Dec-08
<b>Executive Director - Curatorial (formerly Director – Presenter Services)</b>	To create, manage and implement the Presenter Services strategies of the Trust including initiatives of the Chief Executive, commercial productions and programs that fulfil the Trust's commitment to social justice, education, research, heritage and community cultural development.	Employment contract/ appointment by Chief Executive/Queensland Performing Arts Trust Act 1977	28-Oct-09
<b>Executive Director – Business Performance (formerly Director – Corporate Services)</b>	To provide strategic advice and support to the Board, Chief Executive and senior management of the Trust to ensure the achievement of the strategic targets agreed with the Minister in the Strategic and Operational Plans.	Employment contract/ appointment by Chief Executive/Queensland Performing Arts Trust Act 1977	25-May-04
<b>Executive Director – Stakeholder Engagement Strategy (formerly Director – Patron Services)</b>	To lead the Trust's operations and service delivery units and continuously improve the standard of the Trust's services so it can satisfy its stakeholders now and into the future.	Employment contract/ appointment by Chief Executive/Queensland Performing Arts Trust Act 1977	9-Jun-14
<b>Executive Director – Visitation (formerly Director – Marketing)</b>	To develop and manage innovative and integrated marketing strategies to achieve the Trust's strategic goals and organisational priorities, maximise participation in and the profitability of all programs and events at the Trust.	Employment contract/ appointment by Chief Executive/Queensland Performing Arts Trust Act 1977	20-Jan-14
<b>Executive Director – Development</b>	To develop commercial partnership and fundraising strategies that deliver immediate and future income streams to the Trust, ensuring sustainability for Trust's performing arts.	Employment contract/ appointment by Chief Executive/Queensland Performing Arts Trust Act 1977	2-Nov-15

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 28 KEY MANAGEMENT PERSONNEL AND REMUNERATION AND DISCLOSURES (continued)

(b) Accounting Policy – Remuneration

Remuneration policy for the Trust's key management personnel is set by the Queensland Public Service Commission as provided for under the Public Service Act 2008. The remuneration and other terms of employment for the key management personnel are specified in the employment contracts. The contracts provide for the provision of performance-related cash bonuses and other benefits including motor vehicles and car parking.

Remuneration packages for key management personnel comprise the following components:-

Short term employee benefits which include:

- Base – consisting of base salary, allowances and leave entitlements paid and provided for the entire year or that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
- Non- monetary benefits – consisting of provision of parking and/or vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave. The Trust contributes to the Government long service leave central scheme which incurs the liability and subsequent payment of any long service leave payments that become due.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- Performance bonuses are not provided for within individual contracts of employment.

Total fixed remuneration is calculated on a "total cost" basis and includes the base, non-monetary benefits, long term employee benefits and post employment benefits.

**KMP Remuneration Expense**

The following disclosures focus on the expense incurred by the Trust that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

**Note 28 KEY MANAGEMENT PERSONNEL AND REMUNERATION AND DISCLOSURES** *(continued)***(b) Accounting Policy – Remuneration** *(continued)***1 July 2016 – 30 June 2017**

Position	Short term employee benefits*		Post employment benefits	Termination benefits	Total Remuneration*
	Base \$'000	Non-Monetary benefits \$'000	\$'000	\$'000	\$'000
Chief Executive	321	6	38	–	365
Director – Curatorial	214	6	27	–	247
Director – Business Performance	182	5	24	–	211
Director – Stakeholder Engagement Strategy	189	6	24	–	219
Director – Visitation	185	6	17	–	208
Director – Development	173	6	22	–	201
<b>Total Remuneration</b>	<b>1,264</b>	<b>35</b>	<b>152</b>	<b>–</b>	<b>1,451</b>

**1 July 2015 – 30 June 2016**

Position	Short term employee benefits*		Post employment benefits	Termination benefits	Total Remuneration*
	Base \$'000	Non-Monetary benefits \$'000	\$'000	\$'000	\$'000
Chief Executive	306	7	36	–	349
Director – Presenter Services	205	5	28	–	238
Director – Corporate Services	179	5	25	–	209
Director – Patron Services	185	6	21	–	212
Director – Marketing	169	6	16	–	191
Director – Development	113	2	14	–	129
<b>Total Remuneration</b>	<b>1,157</b>	<b>31</b>	<b>140</b>	<b>–</b>	<b>1,328</b>

\* The above amounts include the expense for annual leave accrued and not the value for leave taken.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2017

Note 28 KEY MANAGEMENT PERSONNEL AND REMUNERATION AND DISCLOSURES (continued)

(c) RELATED PARTY TRANSACTIONS

The parent entity and the ultimate controlling party of the Trust is the Queensland Government. The Trust falls within the portfolio of the Department of Premier and Cabinet.

**Transactions with people/entities related to KMP**

A small business owned by a close family member of a KMP was contracted to install theming and decorations for the Trust. The amount paid was \$6,775 and the terms and conditions of the contract are the standard terms and conditions for procurement of such services.

QPAC provides tickets to shows to KMP and their accompanying guests. Attendance is part of the KMP's duties and the value of such tickets to any individual Related Party is not considered material.

**Transactions with other Queensland Government controlled entities**

The Trust receives appropriation funding from Arts Queensland in cash as detailed in note 3(b).

The Trust receives facility maintenance, security, cleaning services and utilities from Arts Queensland and the Trust pays for these services.

The Trust provides services in the normal course of business and under normal contract terms but charged at concessional rates to other Queensland Government departments and agencies. This includes services for ticketing, theatre hire, production crews and other staffing and charges associated with events at QPAC or other venues to the value of \$1,369,814.

The Trust utilises banking and finance services provided by Queensland Treasury Corporation under normal business terms and conditions. Fees are paid by the Trust for these services which include holding cash deposits invested by the Trust, which earn interest, and facilitating international foreign exchange transactions.

The Trust has insurance policies with the Queensland Government Insurance Fund (Note 4b).

Funding of \$656,000 was provided by Queensland government agencies and departments for specific Arts projects.

A Queensland Government Department donated art work valued at \$90,000 to the Trust.

**Service Concession Arrangements**

The Trust leases the building from Arts Queensland. Under the terms of the lease, the Trust recognises a non-cash grant of the value of the lease and also recognises rental expense below fair value as disclosed in notes 3(b) and 4(b).

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2017

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**SECTION 6**  
**NOTES ABOUT OUR PERFORMANCE COMPARED TO BUDGET**

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**Note 29 BUDGETARY REPORTING DISCLOSURES**

This section contains explanations of major variances between the Trust's actual 2016-17 financial results and the original budget presented to the Parliament.

**(a) Explanation of Major Variances – Statement of Comprehensive Income**

<i>Revenue:</i>	An increase in Revenue from service activities primarily due to increased commercial projects, production investment and increased food and beverage sales.
<i>Grants and contributions:</i>	A decrease in grants and other contributions was due to lower donations received.
<i>Other Revenue:</i>	An increase in other revenue primarily due to increased sponsorship income.
<i>Employee Expenses:</i>	An increase in Employee expenses primarily due to increase in shows undertaken as co-production resulting in greater production costs recognised as expenses and greater than expected food and beverage operating hours.
<i>Supplies and Services:</i>	An increase in Supplies and services primarily due to increased recoverable production costs and food and beverage costs as a result of increased commercial projects and increased food and beverage activities partially offset by the lower marketing, information technology and stock consumable costs.
<i>Depreciation:</i>	Decrease in depreciation primarily due later than expected capitalisation of major projects and refurbishments resulted in lower depreciation.
<i>Other Expenses:</i>	A decrease in other expenses primarily due to impairment loss of an investment and offset by lower sundry expenses.

**(b) Explanation of Major Variance – Statement of Financial Position**

<i>Receivables:</i>	A decrease in Receivables primarily due to timely settlements of major projects.
<i>Other:</i>	An increase in Other primarily due deferred production expenses of a major programming project.
<i>Non-current Assets:</i>	An increase in Non-current assets primarily due to later than expected capitalisation of major projects and refurbishments resulted in lower depreciation.
<i>Payables:</i>	An increase in payables primarily due to higher unsettled events than there were in the previous year.
<i>Accrued Employee Benefits:</i>	A decrease in accrued employee benefits primarily due to increased useage of annual leave in line with increased salaries and wages.
<i>Unearned Revenue</i>	An increase in unearned revenue primarily due to higher ongoing sponsorship arrangement in place.
<i>Reserves:</i>	A decrease in the building, equipment and working capital reserves primarily due to adjustment to reflect the level of financial reserves linked to the level of working capital.

**(c) Explanation of Major Variances – Statement of Cash Flows**

<i>Inflows</i>	An increase in inflows primarily due to increased revenue as a result in increased activities in commercial projects, production investment and food and beverage sales.
<i>Outflows</i>	An increase in outflows primarily due to increase in employee expenses and supplies and services as a result of greater production costs and increased food and beverage activities.

**QUEENSLAND PERFORMING ARTS TRUST**

**CERTIFICATE OF THE QUEENSLAND PERFORMING ARTS TRUST**

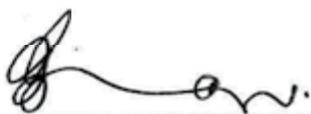
*For the Year Ended 30 June 2017*

**CERTIFICATE OF THE QUEENSLAND PERFORMING ARTS TRUST**

**For the Year Ended 30 June 2017**

These general purpose financial statements have been prepared pursuant to section 62 (1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profits Commission Act 2012* and other prescribed requirements. In accordance with section 62 (1) (b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for the establishment and keeping of accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Performing Arts Trust for the financial year ended 30 June 2017 and of the financial position as at the end of that year.
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



**Christopher Freeman AM**  
Chair



**John Kotzas**  
Director



**Michael Stout**  
Associate Director –  
Finance & Business

21 August 2017

## INDEPENDENT AUDITOR'S REPORT

To the Board of the Queensland Performing Arts Trust

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Board of the Queensland Performing Arts Trust. The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificate given by the Chair, the Director and the Associate Director - Finance and Business.

In my opinion, the financial report:

- (a) gives a true and fair view of Queensland Performing Arts Trust's financial position as at 30 June 2017, and its financial performance for the year then ended; and
- (b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulation 2013* and Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with 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. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

#### Other information

The Board is responsible for the other information. The information comprises the information included in the entity's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of the Board for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009*, the *Australian Charities and Not-for-profit Commission Act 2012*, the *Australian Charities and Not-for-profit Commission Regulation 2013* and *Australian Accounting Standards*, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless it is intended to abolish the entity or otherwise cease operations.

**Auditor's responsibilities for the audit of the financial report**

My objectives 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 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:

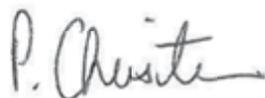
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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 expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's 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 entity'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. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the entity. I remain solely responsible for my audit opinion.

I communicate with the Board 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.

**Report on other legal and regulatory requirements**

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2017:

- (a) I received all the information and explanations I required.
- (b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



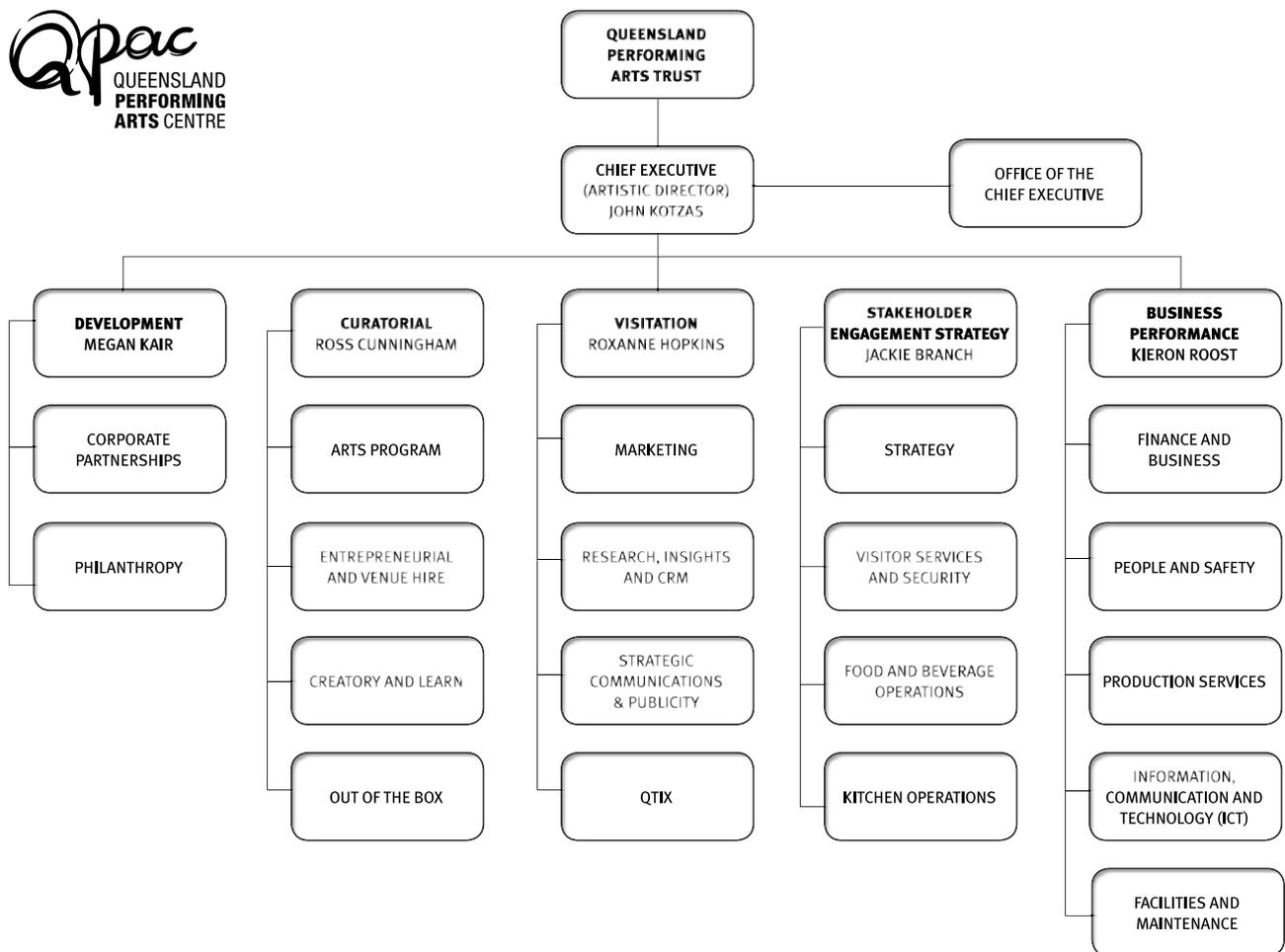
P CHRISTENSEN FCPA  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

# Governance

## Organisational structure



## Queensland Performing Arts Trust

The Act provides that the Trust consists of the number of members appointed by the Governor in Council. In appointing a member, regard must be had to the person's ability to contribute to the board's performance and the implementation of its strategic and operational plans. A person is not eligible for appointment as a member if the person is not able to manage a corporation under the *Corporations Act 2001 (Cth)*. Members are appointed for terms of not more than three years and are eligible for reappointment upon expiry of their terms. Members are appointed on the conditions decided by the Governor in Council.

The Trust met nine times during the year.

Members of the Trust during the year were:

	Board		Risk Management and Audit Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Christopher Freeman AM Chair	9	9	4	4
Simon Gallaher Deputy Chair (from November 2016)	9	8	4	3
Kylie Blucher	9	6	0	0
Professor Peter Coaldrake AO (Member from 1 Oct 2016)	6	4	0	0
Sophie Mitchell	9	6	4	4
Professor Chris Sarra (Member from 1 Oct 2016)	6	4	0	0
Leanne de Souza (Member from 10 Nov 2016)	6	5	0	0
Mick Power AM (Member until 30 Sept 2016)	3	2	1	0
Rhonda White AO (Member until 30 Sept 2016 Deputy Chair until Sept 2013)	3	3	0	0

### Christopher R Freeman AM Chair BCom FAICD FFIN FDI

Mr Freeman AM was born and educated in Queensland and has significant company directorship experience in Australia and abroad in the arts, sport, property and finance sectors.

He is a former member of the Australia Council's Major Performing Arts Panel, former Chair of Major Brisbane Festivals Pty Ltd and former member of the Queensland Conservatorium Griffith University Industry Advisory Board. Other previous senior roles include Chair of Urban Renewal for Brisbane City Council, Chair of Watpac Limited, CEO of Mirvac Queensland and later Executive Chair, Development Queensland, United Kingdom and United Arab Emirates. He was the Head of Business Banking at Queensland Industry Development Corporation and is a past President of the Urban Development Institute of Australia.

Mr Freeman is currently Chair of the Board of Tennis Australia, Chair of Economic Development Queensland's Project Review Panel, a director of Sunland Group Ltd, a director of Brisbane Airport Corporation, a member of Brisbane City Council's Urban Futures Board and Adjunct Professor at the University of Queensland.

Mr Freeman was awarded a Member in the General Division of the Order of Australia (AM) in 2009 for his contribution to the property development industry, the arts and other cultural affairs.

### Simon Gallaher Deputy Chair

Simon Gallaher's company, Essgee Entertainment, is a highly successful private performing arts company based in Queensland for the past 25 years. Mr Gallaher is best known to Australian audiences as a music theatre star, television and concert performer, singer, pianist and songwriter. He has also become one of Australia's foremost theatrical producers and Essgee Entertainment has become a major entertainment presenter.

Mr Gallaher studied at the Queensland Conservatorium of Music before becoming a regular on *The Mike Walsh Show* and hosting his own night-time television variety show on ABC TV. He has been awarded three Mo Variety Awards, a Logie Award, a Queenslander of the Year Commendation and an Advance Australia Award for his contributions to the arts and has twice been voted Queensland's Entertainer of the Year.

In 1984, he made the transition from television to the stage as Frederic in the Australian production of *The Pirates of Penzance* and later performed in other musicals including *Hello Dolly*, *The Student Prince*, and *My Fair Lady*.

In 1994, Mr Gallaher created a new stage production of *The Pirates of Penzance* which was a huge hit across Australia and New Zealand and received a triple platinum video and an ARIA Award. He then created new versions of *The Mikado* and *HMS Pinafore* and a new production of *The Merry Widow*. His company has also produced Terrence McNally's *Master Class* and Sondheim's *A Funny Thing Happened on the Way to the Forum*.

In 2001, Mr Gallaher created a special revival production of *The Pirates of Penzance* which opened at QPAC and played through until 2003. He has also produced the \$6 million Australian musical *Eureka* (in 2004 in association with the Melbourne International Arts Festival) and a new production of *The Mikado* (which opened in Brisbane in 2008 and in Adelaide in 2009). He returned to the stage at QPAC in the Harvest Rain productions of *Hairspray* and *Spamalot* and directed the 30-year anniversary production of *The Pirates of Penzance* as part of QPAC's 30 year celebrations. He also played the Wizard of Oz in the Australian production of *WICKED*.

Mr Gallaher served as Chair of Harvest Rain Theatre Company and as member of the board of Queensland Theatre Company.

### Kylie Blucher

Kylie Blucher has an extensive knowledge of both the radio and television industries after more than 25 years working with the Austereo Radio Network and the Nine Network. She has held various promotion, sales, marketing and publicity positions to become a highly respected and sought-after authority in the media industry.

Ms Blucher held various positions within Austereo, including Promotions and Marketing Director of B105 FM where she was involved in the strategic planning for the station. From this role she was promoted to the role of Promotions Manager at 2Day FM in Sydney – Australia's largest radio market. She then worked at the Triple M Network in the role of National Sales Promotions Director, where her responsibilities included creating and implementing network-based promotions nationwide. This involved working with some of the biggest agencies and clients in the country.

Returning to Brisbane, Ms Blucher moved into the television industry at Nine Queensland in 1997 where she has moved through the ranks from Marketing Director to Programming and Marketing Director before taking on her current role as

Managing Director in 2010. In 2016, Ms Blucher also took up the role of Managing Director of NBN (regional NSW Channel Nine).

Ms Blucher has held board positions with the Surf Lifesaving Queensland Foundation, Major Brisbane Festivals Pty Ltd and the Queensland Eye Institute Foundation (previously the Prevent Blindness Foundation). She was Deputy Chair of Major Brisbane Festivals Pty Ltd at the time she resigned from the board in 2007. She is currently also on the board of Youngcare.

### Professor Peter Coaldrake AO

Professor Peter Coaldrake is Vice-Chancellor and CEO of Queensland University of Technology, a position he took up in April 2003.

Professor Coaldrake is a dual Fulbright Scholar, as a Postdoctoral Fellow in the field of politics/public policy (1980 – 1981) and as a Senior Scholar in the field of higher education policy and management (2001 – 2002). He is the author or editor of a number of books and monographs including, as co-author (with Dr Lawrence Stedman), of *On the Brink: Australia's Universities Confronting Their Future* (UQP, 1998), *Academic Work in the Twenty-First Century* (DETYA, 1999) and *Raising the Stakes: Gambling with the Future of Universities* (UQP, 2013; second edition 2016). He is also the author of *Working the System: Government in Queensland* (UQP, 1989).

Professor Coaldrake is the National Chair of the Fulbright Scholarship Selection Committee and of the Editorial Board of the Journal of Higher Education Policy and Management. Professor was Chair of the Queensland Heritage Council from 2011 to 2016. He also served as Chair of the peak body representing Australian universities, Universities Australia, from 2009 to 2011 and in 2014 he re-joined that board. Professor Coaldrake was Chair of the Australian Technology Network from 2012 to 2013 and in December 2015 completed a four-year term as Chair of the governing board of the Organisation for Economic Co-operation and Development (OECD) higher education group, Institutional Management in Higher Education. Earlier in his career, he spent four years as Chair of Queensland's Public Sector Management Commission.

Professor Coaldrake was named as a recipient of a 2017 Queensland Great Award by the Premier of Queensland in June 2017 and was awarded the 2016 Asia Pacific Leadership Award by the Council for Advancement of Support of Education in April 2017.

### Sophie Mitchell

Sophie Mitchell is a director of Morgans and has many years' experience in the stockbroking and finance industries.

She has previously worked as portfolio manager for Seymour Funds Management, analyst for Morgans Stockbroking / ABN AMRO Morgans and research analyst for McNab Clarke / CS First Boston.

Presently, Ms Mitchell is a director of ASX-listed Flagship Investment Limited, Apollo Tourism & Leisure Limited, and Silver Chef Limited, a director of the Morgans Foundation and a member of the Australian Government Takeovers Panel and the Australian Council for the Arts.

Ms Mitchell holds a Bachelor of Economics. She has completed the Australian Institute of Company Directors course and is a Senior Fellow of the Financial Services Institute of Australasia.

### Professor Chris Sarra

Professor Chris Sarra is the founder and Chairman of the Stronger Smarter Institute Limited and Professor of Education at the University of Canberra. He is also a sole director of his own Business and Leadership Consultancy, Strong Smart Solutions.

In 2016, Professor Sarra received the prestigious NAIDOC Person of the Year Award as recognition for ongoing and relentless efforts to positively change the educational expectations for Indigenous children throughout Australia.

Despite his teacher's limited expectations of Professor Sarra as a student, he went on to achieve many distinguished academic credentials including a Diploma of Teaching, a Bachelor of Education, a Master of Education and a PhD in Psychology with Murdoch University. He also has an Executive Masters in Public Administration and a Diploma from the Australian Institute of Company Directors.

## Leanne de Souza

Leanne de Souza is a highly-respected veteran of the Australian music industry. With 25 years' experience working in artist management and events, she has represented various high profile, award winning, commercially successful and critically acclaimed contemporary musicians.

A long-standing champion and advocate for contemporary music, Ms de Souza was a foundation board member of the Queensland Music Network and currently holds the role of Executive Director with the Association of Artist Managers.

As an entrepreneur, she is the founder and director of the Rock and Roll Writers Festival. As a sought-after consultant and facilitator, she has worked extensively across art forms and with Aboriginal and Torres Strait Islander peoples nationally. As a lecturer, Ms de Souza has worked for Griffith University, Queensland Conservatorium and TAFE Queensland. As a peer assessor, she regularly sits on assessment panels for the Australia Council for the Arts, Arts Queensland and Brisbane City Council.

## Executive management

The Chief Executive is appointed as Director of the Trust under the Act by the Governor in Council upon recommendation by the Minister for the Arts approved by the Board. The Chief Executive is appointed for a term of not more than five years and is eligible for reappointment upon expiry of the term. The Act provides that the Director's duties are to manage QPAC, under the Board, and that QPAT may employ the persons it considers necessary to perform its functions.

### Chief Executive: John Kotzas

The Chief Executive's responsibilities include provision of QPAT's strategic direction and leadership and setting and driving its artistic vision.

### Executive Director – Stakeholder Engagement Strategy: Jackie Branch

The Executive Director – Stakeholder Engagement Strategy is responsible for strategic planning, government stakeholders, visitor services and security, food and beverage operations and functions.

### Executive Director – Curatorial: Ross Cunningham

The Executive Director – Curatorial is responsible for arts programming, signature events, entrepreneurial and venue hire and The Creatory.

### Executive Director – Visitation: Roxanne Hopkins

The Executive Director – Visitation is responsible for event marketing, digital marketing, publicity, strategic communications, qtix, research and insights, and CRM.

### Executive Director – Development: Megan Kair

The Executive Director – Development is responsible for corporate partnerships, philanthropy and sponsorships.

### Executive Director – Business Performance: Kieron Roost

The Executive Director – Business Performance is responsible for finance and business, people and safety, legal and governance, information, communication and technology services, production services, facilities, risk management and the Scholar in Residence. The Executive Director – Business Performance is also the Chief Financial Officer and Company Secretary for QPAT.

## Accountability

### Risk Management and Audit Committee

QPAT maintains a detailed Risk Management Plan consistent with the requirements of sections 15(1)(h) and 28 of the *Financial and Performance Management Standard 2009*.

As part of its broader risk management strategy, QPAT has identified a number of operational risks that would impact negatively on the day to day operation of the business. The key operational risks are power failure, any incident that will result in a building evacuation placing patrons or staff at significant risk, failure of the ticketing system and website or internet outage.

QPAC occupies a building owned and maintained by Arts Queensland. QPAC works with Arts Queensland to ensure that the facilities are maintained to the highest standards.

The Risk Management and Audit Committee (RMAC) is a Board committee which meets at least quarterly to assist the Board in overseeing QPAC's internal control, audit and risk management functions.

The RMAC is responsible for providing advice, comments and recommendations to the Board following review and assessment of budgets, financial reporting, internal controls, risk management, internal audit, external audit, pricing, tenders, investment proposals, external investigations and other specific matters as required by the Board from time to time.

The RMAC is chaired by Sophie Mitchell and also comprises Christopher Freeman AM and Simon Gallaher. In accordance with remuneration arrangements approved by the Governor in Council, the Chair receives an annual fee of \$2,500 and members receive an annual fee of \$1,000.

The RMAC has observed the terms of its charter and had due regard to Queensland Treasury's *Audit Committee Guidelines* throughout the year.

Audit recommendations for the financial statements for the year ending 30 June 2017 were presented to RMAC in August 2017. The recommendations were noted by RMAC and management action in response to those recommendations was completed by management and reported back to RMAC during the year.

### Public sector ethics

The Board members, the Chief Executive and all staff are bound by an internal Code of Conduct approved by the Board in accordance with the *Public Sector Ethics Act 1994*.

QPAC's Code of Conduct is based upon the ethics principles set out in the *Public Sector Ethics Act 1994*:

- integrity and impartiality;
- promoting the public good;
- commitment to the system of government; and
- accountability and transparency

and their corresponding values.

The ethics principles and values and the standards of conduct stated in the Code of Conduct are provided to all staff upon induction and available on QPAC's intranet site. The Code of Conduct is available for inspection by any person at QPAC's offices. Staff are given access to education and training about public sector ethics at regular intervals.

QPAC did not develop, approve or review any standards of practice under the *Public Sector Ethics Act 1994* during the financial year.

QPAC's administrative procedures and management practices, including its human resource management and procedures, and planning processes are developed and conducted having regard to the ethics principles set out in the *Public Sector Ethics Act 1994* and QPAC's Code of Conduct.

QPAC's Strategic Plan 2016-20 and the QPAC Values are congruent with the public sector ethics principles and the Code of Conduct. Integrity and accountability are incorporated into all organisational decisions and activities. Employee agreements incorporate ethics priorities and the requirements of the *Public Sector Ethics Act 1994*.

## Risk management and accountability

### Internal audit

QPAC maintains a comprehensive internal audit program. A three-year Internal Audit Strategic Plan has been developed and is reviewed annually.

QPAC's internal auditor, appointed by the RMAC following a tender process, is independent of management and the external auditors.

In 2016-17, QPAC completed audits of accounts payable and the ticketing system. The internal audit function had due regard to Queensland Treasury's *Audit Committee Guidelines*.

### External scrutiny

QPAC was not subject to any external audits or reviews during the financial year (other than the audit reports on the financial statements).

### Information systems and recordkeeping

QPAC's information and archives unit has responsibility for ensuring that records are correctly classified and stored. Various QPAC departments routinely send records to the unit for entering into the recordkeeping system and sending to off-site storage to be retrieved when required. Records are retained in line with the QSA General Retention and Disposal Schedule.

Staff throughout QPAC are aware of their recordkeeping responsibilities and ensure that records are sent to the information and archives unit for correct labelling and archiving. Staff with access to the recordkeeping system are assigned an appropriate security level. Staff are also trained in the use of the system and the business classification scheme. Training documents are available on QPAC's intranet access and individual assistance is available if required.

Changes over the past year include the implementation of a consistent records disposal procedure in line with the new QSA General Retention and Disposal Schedule released on 1 September 2016 and the development of new training documents.

There has been a trend toward more digital records being added to the recordkeeping system by QPAC staff.

QPAC's recordkeeping system, HP Records Manager, has been reliable and there have been no breaches of security in the past year.

QPAC's publications *Story* and *Year in Review* are submitted to State Library of Queensland under legal deposit regulations.

## Workforce

### Human resources

QPAC recorded 100% compliance with the Enterprise Bargaining Agreement. QPAC's Enterprise Bargaining Agreement was approved by the Fair Work Commission on 20 November 2015 and nil hours were lost to industrial disputation during this process. QPAC's Joint Consultative Committee continues to play a vital role by ensuring that employee representatives have the opportunity to raise and work through organisational issues in a consultative forum with management.

As at 30 June 2017, QPAC's workforce was made up of 340 full time equivalent staff. The permanent attrition rate was 6.56% and the permanent retention rate was 93.44%.

QPAC recognises the importance of offering work-life strategies to attract and retain skilled employees by offering flexible working hours, part-time employment and working from home arrangements.

The Friends of QPAC Program continues to maintain a strong connection with previous QPAC employees who have dedicated fifteen years or more of service to QPAC. This program aims to continue QPAC's engagement and recognition of past employees' contribution and commitment. The program welcomed three new members in the 2016-17 financial year and now has a total membership of 19.

### Organisational Culture

To support and nurture a culture that provides an opportunity for employees to give direct feedback to support the future direction of working at QPAC, QPAC conducted an Employee Engagement Survey in 2016. With a 51% response rate, the survey identified key themes for development both companywide and within individual business units which were discussed within unit specific workshops to identify solutions.

The roll out of the refreshed QPAC Values continued throughout the 2016-17 financial year. Focus groups led by the relevant unit manager completed a business unit specific blueprint of the actions and behaviours the unit would demonstrate for each Value.

To foster and support managers and staff in the continuously evolving landscape of the arts industry, a continuous improvement program based on the LEAN initiative was developed and a pilot program completed with the intention of an organisational roll-out in the next financial year. Based on collaboration and creativity, this project will look at what staff do and how they do it, in order to find better, easier and faster ways to work.

QPAC's Reward and Recognition program has continued to gain momentum since its inception in July 2007. The purpose of the program is to recognise and reward QPAC staff (as individuals or teams) who deliver over and beyond their usual duties, demonstrating the QPAC Values either internally or externally. The Reward and Recognition Program was enhanced by the introduction of Values cards and a team award.

In 2016-17, 125 employees were nominated by their managers and peers across the three award categories, 509 employees were nominated for on-the-spot prizes and 183 employees were nominated for a team award. In December 2016, two QPAC employees were awarded the yearly 'Living the Values' Award replacing the traditional "Employee of the Year" award.

### Wellbeing

In 2016-17, QPAC offered programs such as a Mental Health Awareness Week including a speaker from Beyond Blue and R U OK Day, financial wellbeing visits, healthy heart health checks, flu vaccinations, *Bridge to Brisbane* 10km team, bake-offs to raise money for charities and distribution to staff of a monthly *Jump into Life* healthy newsletter. To support the QPAC Wellness program, QPAC managers attended a Mental Health Briefing for Managers.

The QPAC Wellness program has four elements: *move*, *nourish*, *mind* and *support*.

The *move* element aims to provide employees with information to raise awareness of the benefits of moving their bodies and also to provide opportunities and inspiration to incorporate movement into their daily life, such as the QPAC Gym, weekly yoga classes and lunch time walks.

The *nourish* element of the program is designed not only to educate staff on the benefits of a balanced diet, but also to inspire them to make and share their own creations.

The *mind* element aims to provide employees with resources and support for their mental wellbeing as well as the opportunity to engage in activities to help alleviate stress, such as monthly newsletter articles, the Employee Assistance Program, R U OK Day, Mental Health Awareness Week and a Wellness Noticeboard.

*Support* is the element of the program which incorporates all the additional extras that contribute to making employees' lives a little bit easier and happier, such as getting their finances in check, salary packaging, health checks and competitive corporate health insurance.

In completing its thirteenth year, QPAC's Wellness program continues to grow and have a positive impact on employees.

## Learning and Development

QPAC's competency framework continued to expand in 2016-17, demonstrating QPAC's commitment to a working environment which enables staff to develop their skills, knowledge and effectiveness within QPAC and to promote improved performance in support of QPAC's goals and priorities. Over 150 different programs were offered to and attended by staff in this financial year.

QPAC's learning model is based on the concept that learning and development is not a one-off intervention; it is a series of interventions that are integrated with and connected to the corporate strategy, business goals, operational processes and legislative and regulatory requirements.

In 2016-17, QPAC's Learning Management System (LMS), a web based organisational learning centre, continued to support the new employee 'on-boarding' component as part of QPAC's three-stage induction program. All new employees complete a QPAC Work Health and Safety Induction, a Manual Handling Course and Assessment and a Workplace Bullying and Sexual Harassment in the Workplace prevention course.

The LMS is also used to provide a broad range of flexible and practical online learning solutions to support QPAC's risk management, business and employee development objectives. The system offers over 300 professional development programs and also enables the online delivery of QPAC developed programs such as QPAC Fire and Emergency Evacuation Refresher training completed by all staff, warden training and unit specific courses such as beverage training for food and beverage attendants.

As part of the professional development training pillar, supervisors built on their knowledge and skills by completing an in-house mentoring and coaching program. In 2016-17, QPAC's executive coaching program was well established with more than 15 senior managers participating in this program.

QPAC also offered identified staff licences to Lynda.com, an online subscription library that teaches the latest software, creative, and business skills through high-quality instructional videos. Various QPAC-specific playlists have been curated on Lynda.com to assist with specific individual development needs.

This year saw the introduction of the QPAC Widget on the QPAC intranet. The QPAC Widget is a conduit to deliver information in a meaningful way and help staff stay connected. A variety of information such as QPAC's Wellness program and safety and sustainability information is delivered in a visual and interactive way and give staff access to other Learning resources at the click of a button. A cyber security awareness program has been designed to be delivered through this medium.

QPAC continues to acknowledge the value of engaging with schools and tertiary institutions by providing work experience and industry placements. Throughout 2016-17, QPAC hosted 17 work experience students across all three disciplines of the production services unit (lighting, staging and audio/visual). QPAC also hosted 13 internship students in the areas of publicity, finance, programming, functions, marketing, human resources and audio/visual.

In 2016-17, QPAC liaised with key industry representatives to identify a skills gap and technical training framework for the live performance industry. As Queensland's leading centre for live performance, this new framework is an important part of ensuring the sustainable future of the live performance industry in Queensland.

## Work Health and Safety

In 2016-17, QPAC's safety culture was further embedded within the organisation by the development and roll-out of a series of safe work procedures to relevant unit staff to ensure understanding of and adherence to job or activity specific safe work practices. Training on a total of 407 specific safe work procedures was delivered, both on the job and through the QPAC Learning Management System.

Compliance training and refresher training in the areas of high risk work, traffic controller and traffic management, test and tag, low voltage rescue and the various levels of first aid is offered to staff where this is a requirement of the position. In 2016-17, key staff in the production services unit undertook working at heights refresher incorporating new safe work procedures regarding height rescue training and practice.

## Disclosure of additional information

QPAC publishes the following information reporting requirements on the Queensland Government Open Data website (<https://data.qld.gov.au>) in lieu of inclusion in the annual report:

- Consultancies
- Overseas travel

## Glossary

Term	Description
Act	<i>Queensland Performing Arts Trust Act 1977</i>
Board	Board appointed as members of the Queensland Performing Arts Trust under the <i>Queensland Performing Arts Trust Act 1977</i> .
Chair's Fund	Established in 2016 by QPAT's Chair, the Chair's Fund generates opportunities for individuals to gain access to live performance in the hope of increasing artistic literacy and learning across Queensland. The Chair's Fund particularly provides cultural experiences for children who are experiencing personal or financial hardship, children who are living with a disability and children living in remote or rural Queensland.
Chief Executive	QPAC's Chief Executive appointed by the Governor in Council as the Director of the Queensland Performing Arts Trust under the <i>Queensland Performing Arts Trust Act 1977</i> .
Concert Hall	QPAC's 1,800 seat theatre used primarily for classical music concerts and contemporary music.
Cremorne Theatre	QPAC's 300 seat theatre used for smaller theatre productions.
CRM	Customer Relationship Management system (a digital software program).
Cultural Precinct	The area of South Bank where the Queensland Government's arts statutory bodies (QPAC, Queensland Art Gallery/Gallery of Modern Art, Queensland Museum) are co-located along with the State Library of Queensland.
<i>Green Jam</i>	A series of free, outdoor concerts curated by QPAC. Taking place on the stage on the Melbourne Street Green, Green Jam showcases local students, young, emerging and early career artists across a range of genres and performance styles.
Live Performance Australia	The peak industry body for the Australian live performance industry.
LMS	Learning Management System
Lyric Theatre	QPAC's 2,000 seat theatre used primarily for musicals, operas and large dance and music productions.
NAIDOC	National Aborigines and Islanders Day Observance Committee
Number of performances	Number of scheduled public activities or events presented indoors or outdoors by any presenter and offsite where the presenter is QPAC. Includes workshops and lectures.
Out of the Box	QPAC's biennial festival for children aged 8 years and under. Held at QPAC and across the Cultural Precinct, OOTB is one of QPAC's signature programming initiatives.
Playhouse	QPAC's 850 seat theatre used primarily for theatre, classical and contemporary dance.
QPAC	Queensland Performing Arts Centre
QPAC Choir	A contemporary community choir for adults aged 18 years and over. The QPAC Choir provides access to imaginative repertoire, challenging skill development, social opportunities and public performance.

Term	Description
QPAC International Series	The QPAC International Series is a partnership between QPAC and Tourism and Events Queensland to bring some of the world's best performing arts companies to perform exclusively in Queensland.
qtix	QPAC's ticketing service arm.
Risk Management and Audit Committee	A sub-committee of the Board, responsible for assisting the Board in overseeing QPAC's internal control, audit and risk management functions.
RMAC	Risk Management and Audit Committee
Scholar in Residence	A joint appointment between QUT and QPAC to bridge ideas and practice in arts and education. The role also looks at the everyday interconnections between QPAC, its audiences and communities to generate maximum value and impact from QPAC's programs.
SDS	Service Delivery Statements
Service Delivery Statements	Financial and non-financial information prepared for the state Budget process each year. A separate document is provided for each departmental portfolio and one for the Legislative Assembly of Queensland.
Sold occupancy	Sold occupancy is the total number of tickets sold calculated as a percentage of total tickets offered for sale.
Trust	Queensland Performing Arts Trust, the Queensland government statutory body responsible for QPAC, established under the <i>Queensland Performing Arts Trust Act 1977</i> .
Venue utilisation	The total number of days a venue is booked for performances, rehearsals, maintenance or other activities, as a percentage of 365 days.

## Compliance Checklist

Summary of requirement	Basis for requirement	Annual report reference	
Letter of compliance	<ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister/s</li> </ul>	ARRs – section 7	1
Accessibility	<ul style="list-style-type: none"> <li>Table of contents</li> <li>Glossary</li> </ul>	ARRs – section 9.1	2 74
	<ul style="list-style-type: none"> <li>Public availability</li> </ul>	ARRs – section 9.2	inside back cover
	<ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	
	<ul style="list-style-type: none"> <li>Copyright notice</li> </ul>	<i>Copyright Act 1968</i> ARRs – section 9.4	
	<ul style="list-style-type: none"> <li>Information Licensing</li> </ul>	<i>QGEA – Information Licensing</i> ARRs – section 9.5	n/a
General information	<ul style="list-style-type: none"> <li>Introductory Information</li> </ul>	ARRs – section 10.1	3
	<ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>	ARRs – section 10.2	4
	<ul style="list-style-type: none"> <li>Operating environment</li> </ul>	ARRs – section 10.3	10
Non-financial performance	<ul style="list-style-type: none"> <li>Government’s objectives for the community</li> </ul>	ARRs – section 11.1	8
	<ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>	ARRs – section 11.2	n/a
	<ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>	ARRs – section 11.3	22
	<ul style="list-style-type: none"> <li>Agency service areas and service standards</li> </ul>	ARRs – section 11.4	22
Financial performance	<ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>	ARRs – section 12.1	23
Governance – management and structure	<ul style="list-style-type: none"> <li>Organisational structure</li> </ul>	ARRs – section 13.1	63
	<ul style="list-style-type: none"> <li>Executive management</li> </ul>	ARRs – section 13.2	67
	<ul style="list-style-type: none"> <li>Government bodies (statutory bodies and other entities)</li> </ul>	ARRs – section 13.3	n/a
	<ul style="list-style-type: none"> <li><i>Public Sector Ethics Act 1994</i></li> </ul>	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	68
	<ul style="list-style-type: none"> <li><i>Queensland public service values</i></li> </ul>	ARRs – section 13.5	68

Summary of requirement	Basis for requirement	Annual report reference	
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	68
	• Audit committee	ARRs – section 14.2	68
	• Internal audit	ARRs – section 14.3	69
	• External scrutiny	ARRs – section 14.4	69
	• Information systems and recordkeeping	ARRs – section 14.5	69
Governance – human resources	• Workforce planning and performance	ARRs – section 15.1	70
	• Early retirement, redundancy and retrenchment	Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i> Directive No.16/16 <i>Early Retirement, Redundancy and Retrenchment (from 20 May 2016)</i> ARRs – section 15.2	n/a
Open Data	• Statement advising publication of information	ARRs – section 16	73
	• Consultancies	ARRs – section 33.1	73
	• Overseas travel	ARRs – section 33.2	73
	• Queensland Language Services Policy	ARRs – section 33.3	n/a
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 42, 43 and 50 ARRs – section 17.1	60
	• Independent Auditor's Report	FAA – section 62 FPMS – section 50 ARRs – section 17.2	61

FAA Financial Accountability Act 2009

FPMS Financial and Performance Management Standard 2009

ARRs Annual report requirements for Queensland Government agencies



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Please contact telephone 07 3840 7400 or email [qpac.reception@qpac.com.au](mailto:qpac.reception@qpac.com.au) for further information or to obtain a hard copy of the report.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this report, please call 07 3840 7400 and we will arrange an interpreter to effectively communicate the report to you.



The Queensland Performing Arts Trust welcomes feedback on this annual report. Please complete the online feedback form at the Get Involved website.

