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# PERTH THEATRE TRUST

## Annual Report 2017-18

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PERTH  
THEATRE  
TRUST



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**Perth Theatre Trust**

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Cloisters Square WA 6850  
Ph: (08) 9265 0900  
Email: [info@ptt.wa.gov.au](mailto:info@ptt.wa.gov.au)  
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**His Majesty's Theatre**

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[www.hismajestystheatre.com.au](http://www.hismajestystheatre.com.au)

**Perth Concert Hall**

5 St Georges Terrace  
Perth WA 6000  
Ph: (08) 9231 9900  
Fax: (08) 9325 1283  
[www.perthconcerthall.com.au](http://www.perthconcerthall.com.au)

**State Theatre Centre of Western Australia**

174-176 William Street  
Perth WA 6000  
Ph: (08) 6212 9200  
Fax: (08) 6212 9207  
[www.statetheatrecentrewa.com.au](http://www.statetheatrecentrewa.com.au)

**Subiaco Arts Centre**

180 Hamersley Road  
Subiaco WA 6008  
Ph: (08) 9382 3000  
Fax: (08) 9382 2245  
[www.subiacoartscentre.com.au](http://www.subiacoartscentre.com.au)

**Albany Entertainment Centre**

2 Toll Place (off Princess Royal Drive)  
Albany WA 6330  
Ph: (08) 9844 5000  
Fax: (08) 9844 5055  
Box Office: (08) 9844 5005  
[www.albanyentertainment.com.au](http://www.albanyentertainment.com.au)

**Goldfield Arts Centre**

35 Cheetham Street  
Kalgoorlie WA 6430  
Ph: (08) 9021 0999  
Fax: (08) 9021 6133  
Box Office: (08) 9021 0999  
[www.goldfieldsartscentre.com.au](http://www.goldfieldsartscentre.com.au)

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# Statement of Compliance

For the year ended 30 June 2018

In accordance with Section 61 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the Perth Theatre Trust for the financial year ended 30 June 2018.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

A handwritten signature in black ink, appearing to read 'Morgan Solomon', written in a cursive style.

**Mr Morgan Solomon**  
Chairman

A handwritten signature in blue ink, appearing to read 'Janet Davidson', written in a cursive style.

**Janet Davidson**  
Trustee

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# Executive Summary

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## Highlights

In 2017-18 Perth Theatre Trust:

- took responsibility for the Goldfields Arts Centre, leasing it to the City of Kalgoorlie-Boulder
- opened The Hole in The Wall coffee shop at Subiaco Arts Centre
- completed the transition to a new ticketing and CRM solution which enhances our audience's experience
- worked with the Department of Fire and Emergency Services (DFES) to run a WA Fire and Rescue Service training exercise at the State Theatre Centre of WA
- undertook significant upgrades to His Majesty's Theatre, including fresh paint, carpet and new seats, in keeping with the heritage of this State Cultural Icon
- welcomed 11,145 attendees to the Courtyard at the State Theatre Centre of WA across the summer festival season
- presented the Albany Arts Festival Season with support from the City of Albany and the Department of Primary Industries and the Regional Development and Great Southern Development Commission



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## Chairman's report

In the past year Perth Theatre Trust (PTT) has successfully achieved its vision to have vibrant, full theatres.

PTT is responsible not just for the management, maintenance and care of the theatres under its control, but also, crucially, the improvement of our venues, each of which is a valuable cultural asset for the people of Western Australia.

The wonderful performances across our venues have included spectacular offerings by our Resident Companies and hugely successful touring shows. PTT partnered with a commercial producing company to bring an outstanding international performance of *1984* to WA. This production brought into His Majesty's Theatre an audience of 11,700 people; testament to the appetite of Perth audiences for high quality theatrical experiences.

The artistic merit of our programming has been a highlight of the past 12 months, and has taken place around some significant upgrades to buildings and infrastructure.

But the most important work of the year for the Trust is aimed at its future: the ongoing progression towards the new management and operations model. This new model ensures the Trust will remain directly responsible for core venue owner functions while allowing venue operating services to be delivered by a more agile, responsive and appropriate entity.

This new model will play a key role in delivering cultural tourism and audience engagement by maximising activation of our venues, while simultaneously expanding the Trust's remit to encompass the stewardship of arts infrastructure across WA.

The move towards the new model will allow Western Australia's performing arts sector to grow and draw visitors from near and far. This move is led by the energy and vision of Duncan Ord, who continues to inspire in his dual roles as the Trust's General Manager and as Director General of the Department of Local Government, Sport and Cultural Industries. He is ably supported by the staff of PTT and I thank them for their hard work and professionalism.

The strategic direction and vision of the Trust could not be pursued without the expertise of our energetic Board and I thank them for their dedication. I would like to welcome new member Nadia van Dommelen, who joined at the beginning of 2018, and acknowledge outgoing members Max Kay and Jim Adamos. Max and Jim brought deep knowledge, passion and skill to their roles and I thank them sincerely for their contribution and wish them well for the future.

The Trust is very excited about the continuing development of the State's cultural landscape and its role in an expanded, driven and dynamic WA arts sector.

**Mr Morgan Solomon**  
Chairman

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## General Manager's report

This year's Annual Report demonstrates the depth of PTT's commitment to our mission to offer wide ranging arts experiences in well managed venues.

We continued to innovate in our public offering, from the stunning success of the Headlong, Nottingham Playhouse & Almeida Theatre production of *1984*, to Rehearsal Room 3, an arts lovers' club in the State Theatre Centre of WA at the height of the summer festival season.

This innovation extended to *Confluence: A Festival of India* in Australia. PTT is proud to work closely with the Indian Government to ensure this event comes to WA and brings an array of talent into our venues.

Subiaco Arts Centre celebrated its 60th anniversary in 2017 with a stunning visual projection of Aboriginal art from VJ Zoo. A new coffee shop opened at the Centre, linking the building with its gardens and the past with the present. Named The Hole in The Wall, it references the original company present when the building was transformed into an arts centre.

His Majesty's Theatre's auditorium upgrade was completed in 2018, which included new seats, paint and carpet. The upgrades will assist to conserve its cultural significance, enhancing the conservation and preservation of this iconic building.

The refurbishment is set to continue with updates planned for both front and back of house areas. Works will include the installation of an orchestra pit lift to improve occupational health and safety at the venue. The venue's public areas will also be improved, providing more hospitality opportunities and upgrading the foyer areas.

Responsibility for the Goldfields Arts Centre was transferred to PTT, with the City of Kalgoorlie-Boulder retaining control of the centre's day to day operations in a five year lease arrangement. This allows the Centre to play a role in promoting culture and the arts in regional WA.

Perth Cultural Centre will be transferred from the Metropolitan Redevelopment Authority (MRA) to the Department of Local Government, Sport and Cultural Industries (DLGSC) from 1 July 2018, with PTT to take on day to day management.

This will be an exciting new addition to the portfolio of venues managed by PTT and considerable work has been done this year to ensure a smooth transition.

The new ticketing and CRM software, Tessitura, came online seamlessly in 2017, allowing the Trust and its Resident Companies access to their data and improved transparency and collaboration in audience development.

I thank the staff for their patience, hard work and dedication in implementing these innovations and I acknowledge the great leadership of the Board during the past year.

**Mr Duncan Ord OAM**  
**General Manager**

# Perth Theatre Trust results at a glance

**Operating Expenditure:** \$17.4 million

**Revenue:** \$9.5 million

**Funding from State Government:**  
\$10.9 million

**Performances:** 1,179

**Performance attendance:** 462,735

**Events:** 968

**Event attendance:** 73,458

**PTT supported events:** 167

**Attendances at PTT supported events:**  
55,545

**Total Attendances:** 536,193

## Performance by venue:

### Perth Concert Hall

143 performances, attended by 157,234 patrons

142 events, attended by 32,707 patrons

### His Majesty's Theatre

296 performances, attended by 127,069 patrons

1 event, attended by 260 patrons

### State Theatre Centre of WA

477 performances, attended by 123,159 patrons

46 events, attended by 7,016 patrons

### Albany Entertainment Centre

93 performances, attended by 31,197 patrons

126 events, attended by 7,259 patrons

### Subiaco Arts Centre

145 performances, attended by 14,545 patrons

566 events, attended by 6,632 patrons

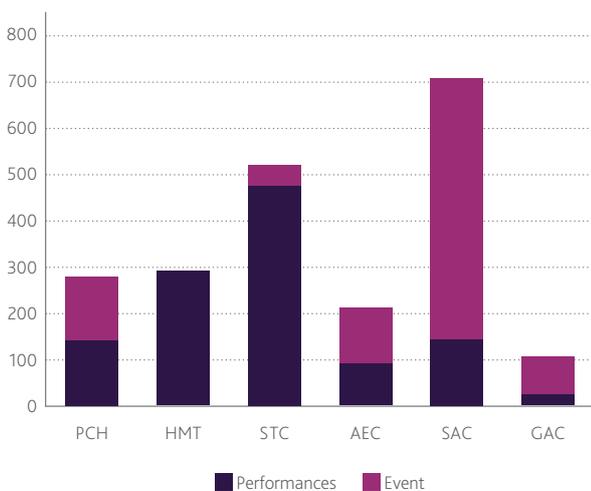
### Goldfields Arts Centre\*

25 performances, attended by 9,531 patrons

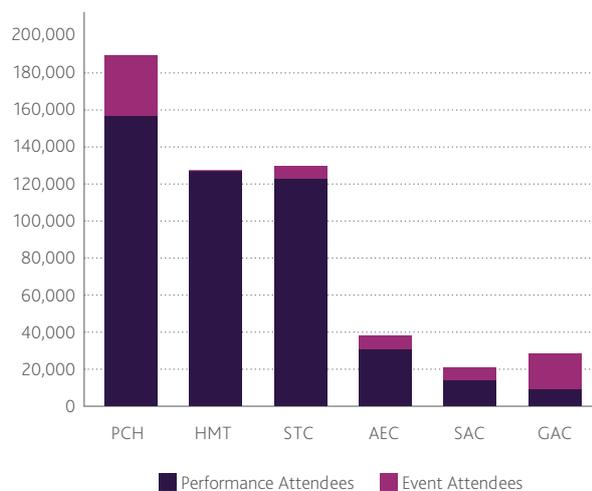
87 events, attended by 19,584 patrons

\*data from 1 October 2017 only to reflect date of change of ownership

Activity by Venue

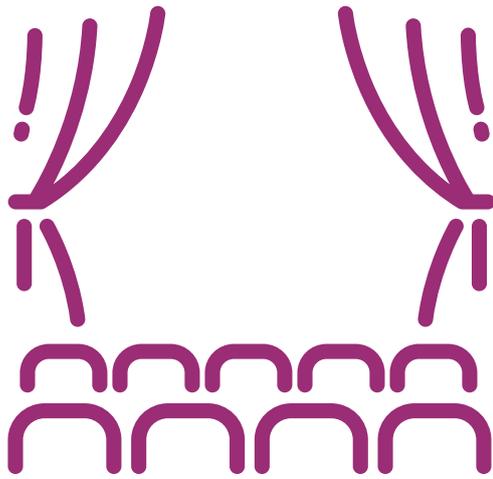


Attendance by Venue



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## Perth Theatre Trust results by the numbers



In 2017-18 PTT delivered

# 1,179

performances to

# 462,735

people across all venues

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**Perth Theatre Trust experienced  
a rise in online interaction including:**



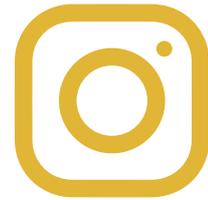
## 24%

increase in eNewsletter  
subscriber reach



## 121%

increase in  
website sessions



## 410%

increase in Instagram  
followers after creating  
individual venue accounts

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There was an increase  
in attendance to the  
Subiaco Theatre Festival  
by Subiaco residents



## 1,382

people visited the  
Museum of Performing Arts  
across three exhibitions

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# Overview of the Agency

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## Vision

Is to have vibrant, full theatres

## Mission

Is to offer wide ranging arts experiences in well managed venues

## Agency profile

Perth Theatre Trust (PTT or the Trust) is responsible for the care, control, management, maintenance, operation and improvement of theatres under its control.

The venues currently managed by PTT are:

- His Majesty's Theatre (HMT) - Government owned
- State Theatre Centre of Western Australia (STC) - Government owned
- Subiaco Arts Centre (SAC) - leased from the City of Subiaco
- Albany Entertainment Centre (AEC) - Government owned

PTT holds the lease for the Perth Concert Hall (PCH) - leased from the City of Perth and managed by WA Venues and Events Ltd - and leases the Goldfields Arts Centre (GAC) to the City of Kalgoorlie-Boulder.

As of 1 July 2018 PTT will take over responsibility for the Perth Cultural Centre Public Realm (PCC).

## Enabling legislation

PTT is a statutory authority established and constituted under the *Perth Theatre Trust Act 1979*

### Responsible Minister

The Hon. David Templeman MLA, Minister for Culture and the Arts, Local Government, and Heritage.

## Other key legislation impacting on Perth Theatre Trust's activities

In the performance of its functions, PTT complies with the following relevant written laws:

- *Auditor General Act 2006*
- *Contaminated Sites Act 2003*
- *Disability Services Act 1993*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Minimum Conditions of Employment Act 1993*
- *Occupational Safety and Health Act 1984*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Supply Commission Act 1991*

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## Board of Trustees

### Role and operations

The Board consists of eight members appointed by the Governor under Section 5 of the *Perth Theatre Trust Act 1979*. Of these eight members, four are nominated by the Minister for Culture and the Arts, three are nominated by the City of Perth and an ex-officio position is held by the Director General of the Department of Local Government, Sport and Cultural Industries.

As the Director General is operating in the dual role of General Manager, the ex-officio position is filled by the Executive Director, Culture and the Arts WA Department of Local Government, Sport and Cultural Industries.

Board meetings are held on a bi-monthly basis with an Audit and Finance Committee which meets quarterly.

### Morgan Solomon, Chair (Appointed January 2013)

Founding Director at Perth law firm Solomon Hollett Lawyers, Morgan Solomon is a nationally recognised and awarded lawyer who specialises in succession law.

As one of the state's leading legal practitioners in his field Morgan regularly speaks to industry and media about complex issues within the law, legal trends and the impact on Australians and Australian business. In recent years Morgan has held the positions of both Vice Chair and then Chair of the Law Australasia group of leading independent law firms.

A third generation West Australian lawyer, Morgan also takes an active role in the State's cultural community having obtained an honours degree in fine art before his studies in law. Morgan is also a Founding Member of the WA Chamber of Culture and the Arts, sits on the Board of the Prostate Cancer Foundation and is a former Board member of FORM.

Morgan was appointed Chair of the Trust in January 2016

### Cr Jim Adamos (Appointed January 2012 - June 2018)

Jim Adamos was elected to the City of Perth as a Councillor in October 2011. Jim has been a long term resident of the city. He is married with two young children and has worked and owned businesses in the city for over 25 years.

Jim is a member of the Council's Marketing, Sponsorship, International Relations and Employment committees and an alternate member of the Perth Development Assessment Panel. He was also a Councillor of Tamala Park Regional Council and was previously a Board Member of the Perth Convention Bureau.

### Cr Janet Davidson OAM JP (Appointed January 2008)

Janet Davidson holds a Master's Degree in Management from UWA, a GAICD (Graduate of the Australian Institute of Company Directors) and is also a trained teacher. Janet is a member of the Australian Institute of Company Directors. She is a Justice of the Peace and an Ambassador for the Year of the Outback.

Janet was elected to the City of Perth in 1998 and was elected Deputy Lord Mayor in 2011 and 2009. She was Executive Officer for 13 years (2004-2017) to The Royal Australian and New Zealand College of Obstetricians and Gynaecologists. Janet is a Board Member (previous National Vice President) for Australian Local Government Women's Association. Her membership includes the following: former Chairman/Vice Chairman and member of the WA State Library Board (16 years), the Australia Day Council (9 years), former State Councillor WALGA (WA Local Government Association). At present she is a member of RAJWA (Royal Association of Justices WA).

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**Nadia van Dommelen  
(Appointed January 2018)**

Nadia van Dommelen is a professionally qualified civil and structural engineer with over 20 years of industry experience focused predominantly in project management of building and infrastructure projects. She was also a foundation Director for nearly 10 years of industry-leading project management firm Appian Group prior to its acquisition by PwC in 2015.

Nadia enjoys bringing her design, construction and procurement experience to the formative stages of a project to help shape the outcomes and establish the project for success. She has had the privilege of undertaking key roles on major projects across Perth, including Perth Stadium, WA Schools Project, Midland Health Campus, Fiona Stanley Hospital, CBD Courts Project, and most recently, for METRONET. She brings her knowledge of asset development and management to the Perth Theatre Trust portfolio.

Nadia is also a member of the National Development Committee and the WA Fundraising Committee for HeartKids Australia. She undertakes volunteer mentoring with school aged children for STEM (science, technology, engineering and maths) programs aimed at developing problem solving and other 21st Century skills, and inspiring and encouraging uptake of STEM subjects.

**Julian Donaldson  
(Appointed May 2016)**

Julian Donaldson is Chief Executive Officer of the National Trust of Western Australia. Julian's aim is to illuminate the heritage values of Trust places with stories and events and to manage the conservation of the significant places under the Trust's care for future generations to enjoy. Prior to joining the Trust Julian was the Chief Executive of the Perth International Arts Festival (PIAF). During his tenure with PIAF, the festival grew its audience, artistic influence, reputation, community reach, and won substantial increases in sponsorship and funding. Whilst the time Julian was with PIAF witnessed a richly textured festival, a highlight for the community was his leadership in winning funding to achieve the long held ambition to bring Royal Deluxe's *The Giants* to Perth in 2015. Julian brings broad experience in governance and management in both the cultural and commercial sectors.

**Max Kay AM CitWA AM  
(Appointed April 2011 - December 2017)**

Max Kay arrived in Perth from Scotland in 1967 and opened the Civic Theatre Restaurant where he wrote, produced and performed in his own shows. Max wrote and performed comedy scripts, radio and television commercials and is a lifelong member of Equity and the Music Arrangers Guild of Australia.

He was awarded Citizen of the Year for the Arts Culture and Entertainment category in 2001 and in 2003 he was awarded an Order of Australia (AM) for his work in many charities and community projects.

He is the President of the National Trust (WA), and a Board Member of St Bartholomew's Foundation for the Homeless, the Swan Bells Foundation, Board Member Prostate Cancer Foundation and presenter on Curtin Radio 100.1 FM. He is also Past Chairman of the Council of the Sir David Brand School and Patron of The Midnite Youth Theatre Company and The Gilbert and Sullivan Society.

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**Tanya Sim**  
**(Appointed December 2016)**

Tanya Sim is co founder and Managing Director of strategic brand consultancy, Block Branding. Prior to establishing Block 16 years ago, Tanya worked in the US and UK as an interior architect and project manager on multinational projects.

Block, under Tanya's leadership, has a strong history and passion for working with WA based arts organisations including PIAF, FORM, Revelation International Film Festival and writingWA.

Tanya is the Chair of the Highgate Primary School Board and is a committee member for Borderless Friendship WA. She was a Board Member of the Mark Howlett Foundation until the organisation finished its 20th and final project in 2015.

**Michelle Tremain**  
**(Appointed August 2014)**

Michelle Tremain is PwC Perth's Market Managing Partner and also leads the firm's national Indirect Tax team.

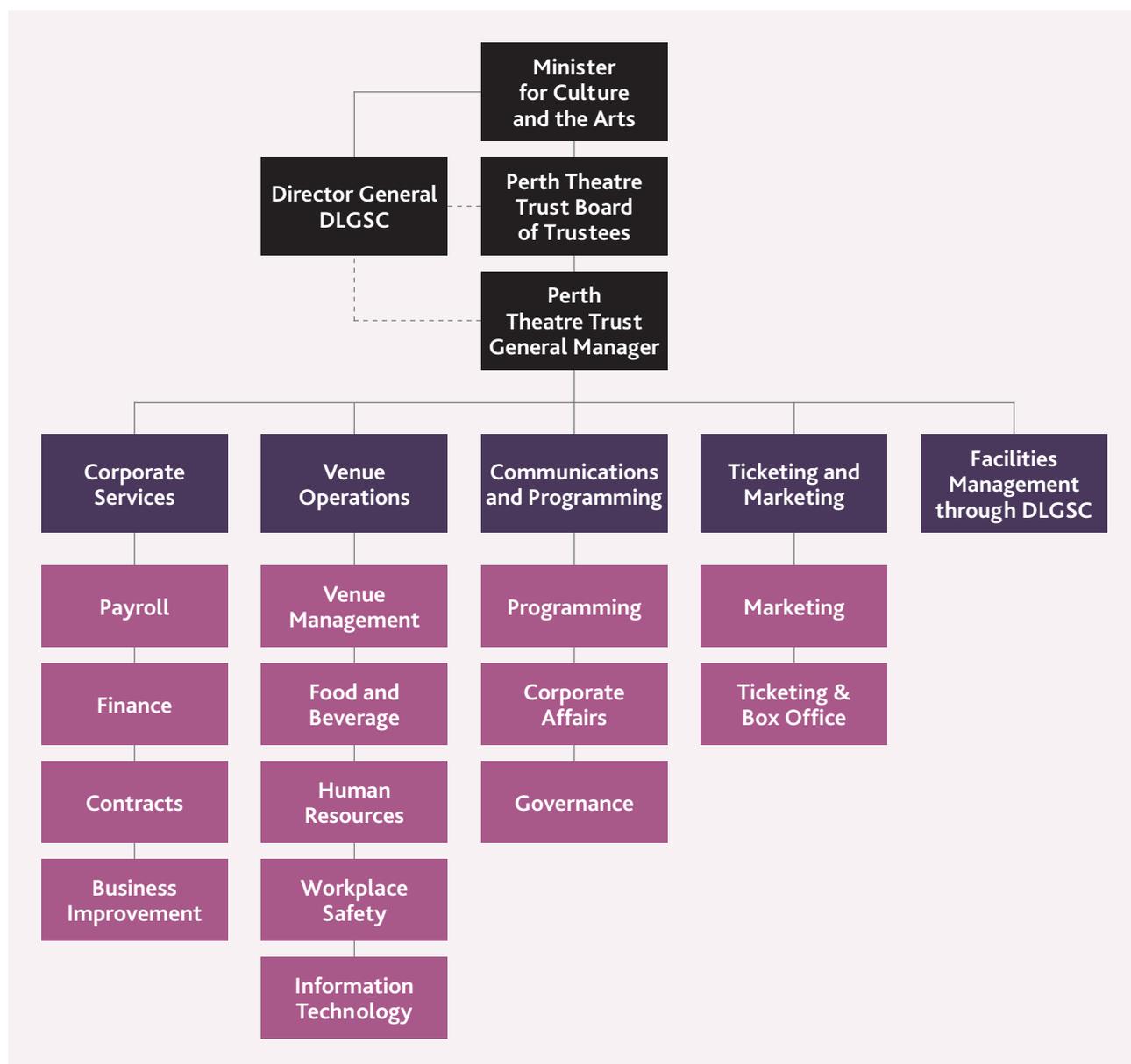
PwC Australia's purpose is to build trust in society and solve important problems. Michelle is widely recognised for her innovative thinking and insight in providing specialise indirect tax consultancy services to a wide range of clients throughout Western Australia.

With over 24 years' experience in the local market, Michelle is highly respected across the business community and she has led the PwC Perth GST team for the last 14 years.

**Colin Walker – Ex Officio**  
**(Appointed May 2016)**

Colin Walker is the Executive Director, Culture and the Arts WA, a division of the Department of Local Government, Sport and Cultural Industries. Prior to joining the Department Colin was Director, Arts & Business in the UK and consultant to the UK National Endowment for Science, Technology and the Arts (NESTA) for its Fellowship and Cultural Leadership programs. He has acted as an arts sponsorship consultant to a range of international brands and many of the most recognisable arts institutions in the UK.

# Organisational chart



## Senior officers

**General Manager**  
Mr Duncan Ord OAM

**Director Venue Operations**  
Mr Glenn Hall BBus, AVM

**Director Corporate Services**  
Mr Panganayi Machukera CPA, FCCA

**Manager Communications and Programming**  
Ms Shauna Weeks BA (Eng.)

**Manager Ticketing and Marketing**  
Ms Nancy Hackett MBA, Dip. Kffr.

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# Agency Performance

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## Agency performance against strategic goals

In 2014, as part of the transition to a new operating model, Perth Theatre Trust (PTT) developed a new Strategic Plan for 2015-17. While a new Strategic Plan will be developed during the transition to a new operating model which will come into effect in 2018-19, the Strategic Objectives remain unchanged for 2017-18.

PTT is guided by six strategic areas which are fundamentally aligned with PTT's Vision and Values. These are: Relationships; Audiences; Customer Experience; Vibrancy; Venue Improvement; and Economic Viability.

Progress in these areas are as follows.

### **Strategic Objective 1: Relationships To strengthen and build strategic partnerships which achieve greater outcomes for stakeholders and audiences.**

Achievements against this strategic objective during the reporting year included:

#### **Ticketing**

- The successful implementation of new ticketing arrangements at the PTT Venues
- Created new relationships with the Resident Companies to develop the Perth Tessitura Consortium including a collaborative, supportive and collegiate approach, increased communication and greater information sharing between all seven companies

#### **His Majesty's Theatre**

- Partnered with GWB Entertainment for the 1984 production
- Continuing relationship with West Australian Youth Jazz Orchestra (WAYJO) for Jazz for Juniors Series and the Downstairs At The Maj (DSATM) Jazz at The Maj series (July-December)

#### **Subiaco Arts Centre**

- Joined the SUBlaction team, an initiative to activate Subiaco
- Celebrated the venue's 60th anniversary in November 2017

#### **Albany Entertainment Centre**

- Established working group with Great Southern arts organisations and the City of Albany to share program strategies and funding opportunities, with ongoing bi-monthly meetings
- Partnered with Cappuccino Concerts to present a chamber music series as part of the Albany Arts Festival Season

#### **State Theatre Centre of WA**

- Strut CoLab partnership is now in its third year, bringing local, national and international dancers and designers together in the venue
- Supported Barking Gecko Theatre Company's presentation of *Saltbush* strengthening the relationship with the Resident Company and increasing diverse programming and audiences

#### **Perth Concert Hall**

- Created and pitched a sector wide WA Virtual Reality project to major technology companies, which attracted the signatures of 30 arts and culture organisations
- Hosted a Sculpture Exhibition during Reconciliation Week 2017-18 – partnering with the Department of Justice/Wandoo Reintegration Centre

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## **Strategic Objective 2: Audiences** To build new audiences while continuing to service existing patrons.

Achievements against this objective during the reporting year included:

### **His Majesty's Theatre**

- 1984 brought a new, younger demographic to the venue with 11,699 patrons
- Hosted Perth Heritage Day and Open House which saw over 2,000 visitors
- Successful DSATM season with over 3,300 patrons

### **Subiaco Arts Centre**

- Subiaco Theatre Festival was attended by more Subiaco residents this year
- Presented AKA's *Masterclass*, starring Amanda Muggleton
- Community space activation increased by 30%

### **Albany Entertainment Centre**

- Presented the inaugural Albany Arts Festival
- Programmed small concerts and holiday workshops in Kalyenup Studio
- Introduced an arts market in the foyer, selling local artists' work during holiday season
- Obtained funding to support six community arts youth leaders to travel to Perth to see *Frankenstein* and promote the Albany season

### **State Theatre Centre of WA**

- Continued to present Courtyard Club with RTRFM, bringing a younger audience, while also diversifying the programme to include other demographics
- Hosted *Confluence: A Festival of India*

### **Perth Concert Hall**

- The Massed Choir Festival attracted more than 8,000 patrons over eight nights, many at the Concert Hall for the first time, with over 3,800 primary school children from state schools

- Hosted Islamic Motivations, a conference for the Perth Islamic Community
- Hosted TEDx Perth

## **Strategic Objective 3: Customer experience** To provide excellent customer experiences.

Achievements against this objective during the reporting year included:

### **Ticketing**

- Introduced new, cheaper transaction fees for web orders of less than \$36 to ensure low cost transactions are not impacted by high fees
- Created new part-time roles at all three metro box office locations and extra training for box office staff to ensure a consistent service level

### **His Majesty's Theatre**

- 20 venue tours were conducted over the year, with 336 people visiting the theatre as part of a tour package
- More than 1300 people, most of whom were visitors to Perth, toured the theatre with The Friends of the Theatre

### **Subiaco Arts Centre**

- Reopened the box office, offering a phone booking hotline with more options for purchasing tickets and improved local customer service, venue knowledge and ticketing advice

### **Albany Entertainment Centre**

- Presented *Classical Tastings*, an evening of fine wine food and classical performance as part of Taste Great Southern
- Introduced foyer exhibitions of local artist work
- Brought in the City of Albany art collection for exhibition in View Restaurant

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### **State Theatre Centre of WA**

- Sensorium Theatre trained the Front of House team to assist and support audiences with sensory processing needs

### **Perth Concert Hall**

- Foyer washrooms refurbished on all levels, including the installation of ambulant toilets
- First audio-described event at the Perth Concert Hall on 10 June, for WASO's *Carnival of the Animals*

### **Strategic Objective 4: Vibrancy To create a vibrant and flexible working and artistic environment.**

Achievements against this objective during the reporting year included:

- The Manager, Communications and Programming undertook an eight week Asialink Arts residency within the programming team at Esplanade – Theatres on the Bay in Singapore

### **His Majesty's Theatre**

- Held over 90 events and had over 6600 patrons for Fringe World Festival
- Showcased a new Fringe venue, King's Lair, which included a walk through exhibition

### **Subiaco Arts Centre**

- Partnered with the City of Subiaco for the fifth year of the Subiaco Theatre Festival; including continued relationships with local business and independent artists
- Increased the use of community spaces by regular hirers; including art classes and workshops

### **Albany Entertainment Centre**

- Commenced hiring the Kalyenup Studio to local arts groups for rehearsal and workshop space
- Held business after-hours function for the Albany Chamber of Commerce networking event
- Reformatted theatre front rows to create a dance floor option for live concerts

- Introduced a story-telling series in Kalyenup Studio

### **State Theatre Centre of WA**

- Furnished the Roe Street balcony of the Heath Ledger Theatre foyer
- Activated the Courtyard with furniture and pop up bars

### **Perth Concert Hall**

- Corner stage installed on Terrace level, increasing number of performances and rehearsals
- Adapted the Chorus Room to allow for 24/7 music rehearsals
- Indigenous artworks from the Wesfarmers and Janet Holmes à Court Collection rotate on a seasonal basis throughout the foyers, providing patrons with an additional creative experience

### **Strategic Objective 5: Venue improvement To achieve the highest possible standard in quality and maintenance of infrastructure.**

Achievements against this strategic objective during the reporting year included:

### **His Majesty's Theatre**

- New seating, carpet and paint in the Auditorium
- Studio refurbished with a new sprung floor and paint

### **Subiaco Arts Centre**

- New sound desk
- Upgrades to the main foyer, including paint and carpet
- New back-of-house communications

### **Albany Entertainment Centre**

- Two new catering ovens installed
- Dining crockery replaced
- Refurbished carpark line-safety marking

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### **State Theatre Centre of WA**

- Inbuilt PA system for Rehearsal Room 1
- Purchased outdoor furniture for use in Courtyard and balcony areas

### **Perth Concert Hall**

- New colour changing LED houselights enhance the patron experience and lower environmental impact and maintenance
- Architectural lighting replaced. Existing fittings installed on the St Georges Terrace side provide enriched and flexible lighting of the building at night
- New cooling towers installed providing lower power costs and more stable delivery
- Electrical distribution boards upgraded across the venue

### **Strategic Objective 6:**

#### **Economic viability**

#### **To maintain and enhance our economic viability.**

Achievements against this objective during the reporting year included:

- New organisational systems introduced to reduce workloads and retain capacity with a smaller workforce: includes payroll; OSH; and event business management systems

### **Albany Entertainment Centre**

- Obtained additional funding for expanded programming
- Fostered closer relationships with the City of Albany to align programming and cultural development
- Established in kind sponsorship arrangement with local media

### **Perth Concert Hall**

- Increased utilisation, following review of venue hire rates
- Ticketing at external venues to increase revenue

### **Subiaco Arts Centre**

- The opening of The Hole in The Wall coffee shop proved a popular addition with patrons and residents, as well as an additional revenue stream



## Events with Perth Theatre Trust support

Date	Event/Show	Producer	Performances	Attendance
<b>Albany Entertainment Centre</b>				
18 July 2017	Saltbush	Barking Gecko	1	158
29 July 2017	Harbourside Series	Albany Entertainment Centre	1	129
03 August 2017	The Merchant of Venice	Bell Shakespeare	1	487
15 August 2017	The Marriage of Figaro	Opera Australia	1	505
31 August 2017	Prehistoric Aquarium	Erth	2	602
4 September 2017	Popular Mechanicals	STC of SA	1	165
5 October 2017	Love Songs - Kate Ceberano and Paul Grabowsky	RAZ Music	1	327
17 November 2017	The Arrival	Spare Parts Puppet Theatre	2	618
16 December 2017	The East Pointers	Woodfodia	1	197
31 March 2018	Thomas Murray and the Upsidedown River	Critical Stages	1	293
17 April 2018	Menopause the Musical	Jally Entertainment	1	552
20 April 2018	Lighthouse Girl	Black Swan State Theatre Company	2	724
21 April 2018	Breath Film Premiere	Village Roadshow	1	607
19 May 2018	Frank Enstein	Co3	1	218
29 May 2018	Melbourne Comedy Festival Roadshow	Melbourne Comedy Festival	1	316
20 June 2018	Quiet Faith	Alternative Facts	2	25
30 June 2018	Bambert's Book of Lost Stories	Barking Gecko	1	288

Date	Event/Show	Producer	Performances	Attendance
<b>His Majesty's Theatre</b>				
1 July 2017	Morning Melodies 2017	His Majesty's Theatre	3	1395
1 July 2017	Downstairs At The Maj (DSATM) 2017	His Majesty's Theatre	8	3,320
28 July 2017	Love Songs - Kate Ceberano and Paul Grabowsky	RAZ Music	1	898
1 October 2017	Open House and Heritage Week	His Majesty's Theatre	1	143
25 June 2018	ab [intra]	Sydney Dance Company	3	1,277
28 June 2018	From Amsterdam to Mars DSATM 2018	His Majesty's Theatre	3	277
<b>State Theatre Centre of WA</b>				
08 July 2017	NAIDOC Week	State Theatre Centre of WA	1	54
09 August 2017	The Merchant of Venice	Bell Shakespeare	6	3,405
23 September 2017	Bollywood Workshop	Confluence Festival	1	30
28 September 2017	The Kutle Khan Project	Confluence Festival	1	94
1 October 2017	Open House	State Theatre Centre of WA	1	143
10 October 2017	Ansh by Nrityagram	Confluence Festival	1	160
14 October 2017	Stand Up for Comedy	Mental Health Association of WA	1	551
4 November 2017	RTRFM Courtyard Club (4 November - 23 December)	State Theatre Centre of WA	8	3,384
<b>Subiaco Arts Centre</b>				
5 May 2018	A Town Named War Boy	ATYP and Performing Lines	1	143
1 June 2018	Subiaco Theatre Festival	Subiaco Arts Centre	28	2,123
<b>TOTAL</b>			<b>89</b>	<b>23,608</b>

## Partnerships with Perth Theatre Trust

Date	Event	Events	Number
Perth Concert Hall	<i>Performing Arts Perspectives</i>	1	1,200
His Majesty's Theatre	1984 – GWB Entertainment	13	11,699
State Theatre Centre	Rehearsal Room 3	18	11,145
State Theatre Centre	<i>Comaland</i> – Black Swan State Theatre Company and Performing Lines	16	3,476
State Theatre Centre	<i>Odyssey</i> – Sensorium Theatre and Awesome Arts Festival	4	179
State Theatre Centre	Tracksuit – DADAA	5	127
State Theatre Centre	State Arts Partnership Honours	1	150
Albany Entertainment Centre	Albany Arts Festival	17	3,409
Subiaco Arts Centre	60th Anniversary	1	400
Subiaco Arts Centre	Showcase WA and Techwest – Circuitwest	2	152
<b>TOTAL</b>		<b>78</b>	<b>31,937</b>

## Performance diversity

### Notes to the 2017-18 report

PTT has made changes to the reports to ensure that the data is in alignment with the Live Performance Australia (LPA) reporting requirements used in their annual Ticketing Attendance and Revenue Survey. In order to do this events which are not classified as performances have been moved into a different category and are now captured in non-show related events. This category includes school graduations, dance schools and community hire events.

These changes more clearly articulate the use of our arts centres, in particular those that are regionally based. This resolves some discrepancies between reporting from the previous financial year, or the perception of less activity in some Centres.

	2017-18		2016-17	
	Performances	%	Performances	%
Ballet/Dance	115	10%	108	8%
Children's /Family	101	9%	179	12%
Classical Music	110	9%	106	7%
Circus and Physical Theatre*	2	0%	-	-
Comedy	45	4%	231	15%
Non-Classical music*	150	13%	99	7%
Theatre*	303	26%	388	26%
Musical Theatre	116	9%	137	9%
Opera	20	2%	20	1%
Special Events/Other	75	6%	102	7%
Festivals (Multi-category)	99	8%	-	-
Festivals (Single-category)	43	4%	-	-
Religious Meetings*	-	-	2	0%
School Performances*	-	-	21	1%
Speech/Graduation Nights*	-	-	29	2%
Subiaco Community Concerts*	-	-	9	1%
Conferences/Meetings*	-	-	59	4%
Dance Schools*	-	-	4	0%
<b>TOTAL</b>	<b>1,179</b>	<b>100%</b>	<b>1,494</b>	<b>100%</b>

\*Category renamed or removed to align with the LPA Diversity categories.

# Venue Management reports

## Perth Concert Hall

Perth Concert Hall is renowned for having one of the finest acoustics in the southern hemisphere. The main auditorium has a total capacity of 1,731 plus 160 choir stall seats. The capacity is made up of 354 seats in the Upper Gallery, 260 in the Lower Gallery and 1117 in the Stalls. The Wardle Room seats up to 330 guests.

Perth Concert Hall was closed for January 2018 due to maintenance works.

Performances	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Main Auditorium	135	155,924	144	175,530
Wardle Room	4	649	4	1,120
Balcony/Verandah/Forecourt	0	0	1	311
Foyer and Other Spaces	4	661	5	290
<b>Total</b>	<b>143</b>	<b>157,234</b>	<b>154</b>	<b>177,251</b>

Other Usage	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Main Auditorium	15	19,614	91	8,772
Wardle Room	21	2,012	1	119
Balcony/Verandah/Forecourt	9	3,430	19	11,098
Foyer and Other Spaces	97	7,651	1	1,500
<b>Total</b>	<b>142</b>	<b>32,707</b>	<b>112</b>	<b>21,489</b>

## Performance Diversity

Main Auditorium	2017-18			2016-17		
	Total Performances	Total Attendance	% Capacity	Total Performances	Total Attendance	% Capacity
Ballet/Dance	1	570	33%	-	-	-
Children's /Family	3	3,170	61%	6	8,388	81%
Classical Music	91	105,235	67%	64	81,862	74%
Circus and Physical Theatre	0	0	0%	-	-	-
Comedy	0	0	0%	2	2,573	74%
Non-Classical music	21	24,858	68%	42	50,990	70%
Theatre	0	0	0%	-	-	-
Musical Theatre	1	1,600	92%	5	3,562	41%
Opera	0	0	0%	-	-	-
Special Events/Other	9	10,652	68%	1	828	48%
Festivals (Multi-category)	0	0	0%	-	-	-
Festivals (Single-category)	9	9,839	63%	-	-	-
Religious Meetings	-	-	-	2	2,500	72%
School Performances	-	-	-	6	6,963	67%
Speech/Graduation Nights	-	-	-	11	14,199	75%
Conferences/Meetings	-	-	-	4	2,890	54%
Dance Schools	-	-	-	1	775	45%
<b>Total</b>	<b>135</b>	<b>155,924</b>	<b>67%</b>	<b>1,494</b>	<b>175,530</b>	<b>70%</b>

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## His Majesty's Theatre

Listed as a State Heritage Icon, His Majesty's Theatre is a 1,253 seat theatre, with seating arranged in a horseshoe shape. It is believed to be the only working Edwardian theatre in Australia. The auditorium features a proscenium arch, a flat stage and an orchestra pit that can be used for seating if required. Downstairs At The Maj seats 130 in cabaret mode.

His Majesty's Theatre was closed for January 2018 for the seating replacement project.

Performances	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Main Auditorium	142	116,588	130	97,139
Downstairs At The Maj	102	8,283	117	10,575
Dress Circle and Other	52	2,198	28	1,658
<b>Total</b>	<b>296</b>	<b>127,069</b>	<b>275</b>	<b>109,372</b>

Other Usage	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Main Auditorium	1	260	24	1,901
Downstairs At The Maj	0	0	0	0
Dress Circle and Other	0	0	0	0
<b>Total</b>	<b>1</b>	<b>260</b>	<b>24</b>	<b>1,901</b>

## Museum of Performing Arts

The Museum of Performing Arts had 1,382 visitors to three exhibitions:

- Winter/Spring 2017 - The Grande Theatre and *The Merry Widow* West Australian Opera 50th Gala
- Summer/Autumn 2018 - Philip Goatcher (scenic artist) and Workers Art Guild WA
- Winter/Spring 2018 - Top Silk - Stunning Silken Souvenirs. Programmes from the 1850-1950's and Perth's first outdoor movie screenings by the Swan River

## Performance Diversity

Main Auditorium	2017-18			2016-17		
	Total Performances	Total Attendance	% Capacity	Total Performances	Total Attendance	% Capacity
Ballet/Dance	77	63,688	67%	54	45,564	68%
Children's /Family	0	0	0%	6	4,866	65%
Classical Music	1	861	69%	0	0	0%
Circus and Physical Theatre	0	0	0%	-	-	-
Comedy	4	2,193	44%	3	2,555	69%
Non-Classical music	14	11,336	65%	1	1,148	93%
Theatre	17	14,180	67%	27	16,662	50%
Musical Theatre	11	9,188	67%	17	8,783	42%
Opera	18	15,142	68%	18	14,744	66%
Special Events/Other	0	0	0%	3	2,030	55%
Festivals (Multi-category)	0	0	0%	-	-	-
Festivals (Single-category)	0	0	0%	-	-	-
Religious Meetings	-	-	-	0	0	0%
School Performances	-	-	-	0	0	0%
Speech/Graduation Nights	-	-	-	0	0	0%
Conferences/Meetings	-	-	-	0	0	0%
Dance Schools	-	-	-	1	787	63%
<b>Total</b>	<b>142</b>	<b>116,588</b>	<b>66%</b>	<b>130</b>	<b>97,139</b>	<b>60%</b>

## State Theatre Centre of WA

The State Theatre Centre of Western Australia features the 577 seat Heath Ledger Theatre, the 234 seat 'black box' Studio Underground and flexible rehearsal rooms; including the Middar Room. Also included in the Centre is The Courtyard, a multi-purpose outdoor events space, and two flexible use private suites.

Performances	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Heath Ledger Theatre	222	83,634	303	110,488
Studio Underground	159	21,385	131	20,958
Courtyard	47	15,488	134	20,149
Rehearsal Rooms (and others)	49	2,652	169	5,995
<b>Total</b>	<b>477</b>	<b>123,159</b>	<b>737</b>	<b>157,590</b>

Other Usage	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Heath Ledger Theatre	13	4,227	66	9,132
Studio Underground	13	1,712	0	0
Courtyard	5	375	0	0
Rehearsal Rooms (and others)	15	702	2	89
<b>Total</b>	<b>46</b>	<b>7,016</b>	<b>68</b>	<b>9,221</b>

## Performance Diversity

Heath Ledger Theatre						
	2017-18 Total Performances	2017-18 Total Attendance	% Capacity	2016-17 Total Performances	2016-17 Total Attendance	% Capacity
Ballet/Dance	25	6,294	44%	19	9,081	83%
Children's /Family	38	12,104	55%	76	27,750	64%
Classical Music	0	0	0%	0	0	0%
Circus and Physical Theatre	0	0	0%	-	-	-
Comedy	14	7,351	91%	42	16,842	70%
Non-Classical music	5	2,077	72%	2	514	45%
Theatre	72	25,535	62%	125	38,850	54%
Musical Theatre	7	2,989	74%	15	6,867	80%
Opera	0	0	0%	0	0	0%
Special Events/Other	20	8,986	78%	19	9,559	87%
Festivals (Multi-category)	35	15,968	79%	-	-	-
Festivals (Single-category)	6	2,330	68%	-	-	-
Religious Meetings	-	-	-	0	0	0%
School Performances	-	-	-	3	482	28%
Speech/Graduation Nights	-	-	-	2	543	47%
Conferences/Meetings	-	-	-	0	0	0%
Dance Schools	-	-	-	0	0	0%
<b>Total</b>	<b>222</b>	<b>83,634</b>	<b>66%</b>	<b>303</b>	<b>110,488</b>	<b>63%</b>

## Performance Diversity

Studio Underground	2017-18 Total Performances	2017-18 Total Attendance	% Capacity	2016-17 Total Performances	2016-17 Total Attendance	% Capacity
Ballet/Dance	3	121	17%	9	1,774	79%
Children's /Family	20	3,767	80%	3	684	91%
Classical Music	1	145	62%	3	422	56%
Circus and Physical Theatre	0	0	0%	-	-	-
Comedy	0	0	0%	10	1,757	70%
Non-Classical music	5	832	71%	3	900	98%
Theatre	73	9,728	57%	94	13,544	58%
Musical Theatre	0	0	0%	4	920	92%
Opera	0	0	0%	0	0	0%
Special Events/Other	14	1,580	48%	3	583	78%
Festivals (Multi-category)	30	3,292	44%	-	-	-
Festivals (Single-category)	13	1,920	63%	-	-	-
Religious Meetings	-	-	-	0	0	0%
School Performances	-	-	-	0	0	0%
Speech/Graduation Nights	-	-	-	1	239	96%
Conferences/Meetings	-	-	-	1	135	54%
Dance Schools	-	-	-	0	0	0%
<b>Total</b>	<b>159</b>	<b>21,385</b>	<b>57%</b>	<b>131</b>	<b>20,958</b>	<b>64%</b>



## Albany Entertainment Centre

The centrepiece of the Albany Entertainment Centre is the Princess Royal Theatre, a magnificent 618 seat proscenium arch theatre named after the beautiful harbour on which the Centre stands. The stalls seat 480, and the circle 140. The Kalyenup Studio is a flexible space accommodating up to 220 people. The Hanover Room function space can seat up to 20 people or accommodate up to 60 people standing.

Performances	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Princess Royal Theatre	78	29,246	85	31,592
Kalyenup Studio	6	966	32	2,428
Harbourside Foyer	9	985	25	1,765
<b>Total</b>	<b>93</b>	<b>31,197</b>	<b>142</b>	<b>35,785</b>

Other Usage	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Princess Royal Theatre	9	1,718	41	3,650
Kalyenup Studio	45	3,435	-	-
Harbourside Foyer	72	2,106	14	631
<b>Total</b>	<b>126</b>	<b>7,259</b>	<b>55</b>	<b>4,281</b>

## Performance Diversity

Princess Royal Theatre						
	2017-18 Total Performances	2017-18 Total Attendance	% Capacity	2016-17 Total Performances	2016-17 Total Attendance	% Capacity
Ballet/Dance	5	2,384	77%	7	3,169	73%
Children's /Family	8	2,599	53%	7	2,686	62%
Classical Music	6	1,792	48%	11	4,179	61%
Circus and Physical Theatre	1	453	73%	-	-	-
Comedy	10	3,737	60%	4	1,827	74%
Non-Classical music	19	6,776	58%	26	10,302	64%
Theatre	10	2,630	43%	6	2,630	71%
Musical Theatre	4	2,138	86%	0	0	0%
Opera	2	1,112	90%	2	959	78%
Special Events/Other	13	5,625	70%	4	1,688	68%
Festivals (Multi-category)	0	0	0%	-	-	-
Festivals (Single-category)	0	0	0%	-	-	-
Religious Meetings	-	-	-	0	0	0%
School Performances	-	-	-	12	2,070	28%
Speech/Graduation Nights	-	-	-	2	520	42%
Conferences/Meetings	-	-	-	2	610	49%
Dance Schools	-	-	-	2	952	77%
<b>Total</b>	<b>78</b>	<b>29,246</b>	<b>61%</b>	<b>85</b>	<b>31,592</b>	<b>60%</b>

## Subiaco Arts Centre

Nestled in the Subiaco Theatre Gardens, the Subiaco Arts Centre boasts two dedicated performance areas including a Main Auditorium with a corner stage and raked seating on three sides for 305 patrons, and the Studio with an intimate performance area seating 119. It also hosts a number of spaces for community use including rehearsal rooms and a Gallery.

Please note - community spaces not previously recorded. Please see Performance Diversity for explanatory notes

Performance	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Main Auditorium	69	8,553	78	11,163
The Studio	74	4,942	87	4,338
Community Spaces	2	1,050	-	-
<b>Total</b>	<b>145</b>	<b>14,545</b>	<b>165</b>	<b>15,501</b>

Other Usage	2017-18		2016-17	
	Events	Attendance	Events	Attendance
Main Auditorium	3	614	6	395
The Studio	1	42	0	0
Community Spaces	562	5,976	-	-
<b>Total</b>	<b>566</b>	<b>6,632</b>	<b>6</b>	<b>395</b>

## Performance Diversity

Main Auditorium	2017-18			2016-17		
	Total Performances	Total Attendance	% Capacity	Total Performances	Total Attendance	% Capacity
Ballet/Dance	0	0	0%	6	1,320	72%
Children's /Family	11	2,068	62%	7	1,597	75%
Classical Music	0	0	0%	1	255	84%
Circus and Physical Theatre	0	0	0%	-	-	-
Comedy	0	0	0%	1	179	59%
Non-Classical music	6	1,073	59%	9	1,911	70%
Theatre	49	4,703	31%	29	4,927	56%
Musical Theatre	0	0	0%	0	0	0%
Opera	0	0	0%	0	0	0%
Special Events/Other	3	709	77%	17	170	3%
Festivals (Multi-category)	0	0	0%	-	-	-
Festivals (Single-category)	0	0	0%	-	-	-
Religious Meetings	-	-	-	0	0	0%
School Performances	-	-	-	0	0	0%
Speech/Graduation Nights	-	-	-	3	404	44%
Conferences/Meetings	-	-	-	5	400	26%
Dance Schools	-	-	-	0	0	0%
<b>Total</b>	<b>69</b>	<b>8,553</b>	<b>41%</b>	<b>78</b>	<b>11,163</b>	<b>47%</b>

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## Goldfields Arts Centre

PTT assumed responsibility for the Goldfields Arts Centre in October 2017, leasing it to the City of Kalgoorlie-Boulder. The figures below are from October 2017 – June 2018.

The Centre is the only multi-functional arts venue in the Goldfields region and one of only three A-Class Art Galleries in regional Western Australia. It is comprised of a 700 seat theatre, an A-Class Gallery, Ensemble Room and numerous smaller function and meeting spaces.

Performance	2017-18	
	Events	Attendance
Main Auditorium	24	9,291
Ensemble Room	1	240
Gallery	-	-
<b>Total</b>	<b>25</b>	<b>9,531</b>

Other Usage	2017-18	
	Events	Attendance
Main Auditorium	8	3,735
Ensemble Room	65	12,326
Gallery	14	3,523
<b>Total</b>	<b>87</b>	<b>19,584</b>

## Performance Diversity

Main Auditorium	2017-18 Total Performances	2017-18 Total Attendance	% Capacity
Ballet/Dance	3	1,804	86%
Children's /Family	5	1,398	40%
Classical Music	3	1,698	81%
Circus and Physical Theatre	0	0	0
Comedy	6	2,543	61%
Non-Classical music	4	1,088	39%
Theatre	1	153	22%
Musical Theatre	2	607	43%
Opera	0	0	0%
Special Events/Other	0	0	0%
Festivals (Multi-category)	0	0	0%
Festivals (Single-category)	0	0	0%
<b>Total</b>	<b>24</b>	<b>9,291</b>	<b>55%</b>

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# Significant issues impacting the Agency

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PTT faces a number of significant issues which may have an impact on the Trust's outcomes and objectives including:

#### **The PTT new venue operating services model**

Following an external review, the PTT Board adopted the recommendation to transfer venue operating services to a new not-for-profit company, through a contribution funding agreement.

PTT is working to move to a new model in late 2018.

#### **The transfer of the Perth Cultural Centre (PCC)**

The Government has endorsed the transition of the PCC place activation role from the Metropolitan Redevelopment Authority (MRA) to PTT. PTT will take over responsibility for the management and activation of the PCC precinct on 1 July 2018.

#### **Goldfields Arts Centre (GAC) lease**

On 26 September 2017, the Management Order over the land on which the GAC sits was transferred to the PTT. The funding arrangement between the State Government and the City of Kalgoorlie-Boulder is complete and a lease for GAC has been developed. The City will continue to manage GAC under this arrangement.

#### **His Majesty's Theatre (HMT) Upgrades**

Work is underway to modernise HMT's infrastructure and public spaces to maintain its status as a world class premier venue for opera, dance and theatre. \$6.5 million has been allocated in the 2018-19 Budget to upgrade the orchestra pit and front of house facilities.

#### **The Perth Concert Hall (PCH) lease**

In February 2014 the lease between PTT and the City of Perth for the PCH expired. PTT continues to hold the lease while a new lease is in development. A transitional management agreement is in place with the management of PCH undertaken by WA Venues and Events; a subsidiary of WA Symphony Orchestra.

#### **Future management model of the Albany Entertainment Centre (AEC)**

In June 2015 the City of Albany (CoA) and the State Government agreed to a four-year funding arrangement commencing in 2015-16. The State Government has announced continued funding until 30 June 2022 and continues to work closely with the CoA on a future operating model for the venue.

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# Auditor General's opinion



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### PERTH THEATRE TRUST

#### Report on the Financial Statements

##### **Opinion**

I have audited the financial statements of the Perth Theatre Trust which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Perth Theatre Trust for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

##### **Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with the *Auditor General Act 2006* and the relevant 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 statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Responsibility of the Trustee for the Financial Statements**

The Trustee is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Trust.

##### **Auditor's Responsibility for the Audit of the Financial Statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Trustee'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 agency'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 statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustee 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 Controls**

##### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Perth Theatre Trust. The controls exercised by the Trust are those policies and procedures established by the Trustee to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Perth Theatre Trust are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2018.

##### ***The Trustee's Responsibilities***

The Trustee is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

#### **Auditor General's Responsibilities**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

#### **Limitations of Controls**

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

#### **Report on the Key Performance Indicators**

##### **Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Perth Theatre Trust for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Perth Theatre Trust are relevant and appropriate to assist users to assess the Trust's performance and fairly represent indicated performance for the year ended 30 June 2018.

##### **The Trustee's Responsibility for the Key Performance Indicators**

The Trustee is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Trustee determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Trustee is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

##### **Auditor General's Responsibility**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

**My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Perth Theatre Trust for the year ended 30 June 2018 included on the Trust's website. The Trust's management is responsible for the integrity of the Trust's website. This audit does not provide assurance on the integrity of the Trust's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
30 August 2018



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# Disclosures and legal compliance

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## Certification of Performance Indicators

For the year ended 30 June 2018

We hereby certify that the Performance Indicators are based on proper records, are relevant and appropriate for assisting users to assess the Perth Theatre Trust performance, and fairly represent the performance of the Perth Theatre Trust for the financial year ended 30 June 2018.



**Chairman of Perth Theatre Trust**

Wednesday, August 29, 2018



**Member of the Perth Theatre Trust**

Wednesday, August 29, 2018

# Performance Management Framework

The Perth Theatre Trust contributes to the achievement of the Government Goal:

**Better Places: A quality environment with liveable and affordable communities and vibrant regions.**

The Trust is a statutory authority within the Culture and the Arts Portfolio of the Department of Local Government Sports and Cultural Industries and is shown under Venue Management Services in the 2017-2018 Budget Papers.

The Key Performance Indicators of the Trust have been developed in accordance with *Treasurers Instruction 904* to evaluate the Trust's performance in achieving the Government Desired Outcome and to provide an overview of the critical and material aspects of service provision.

## Report On Operations

Financial Targets	2017-18 Budget	2017-18 Actual	Variance from Budget	
	\$000	\$000	\$000	%
Total Cost of Services (as per Income Statement)	16,215	17,403	1,188 <sup>1</sup>	7%
Net Cost of Services (as per Income Statement)	10,447	7,927	-2,520 <sup>2</sup>	-24%
Total Equity (as per Statement of Financial Position)	236,041	153,162	-82,879 <sup>3</sup>	-35%
Approved Salary Expense Limit	7,540	8,339	799 <sup>4</sup>	10.60%
Approved Working Cash Limit	630	1581	951 <sup>5</sup>	151%

<sup>1</sup> The increase in total cost of services was mainly due to an increase in casual show wages and minor equipment purchases for projects approved by the Department of Local Government Sports and Cultural Industries (DLGSC) for 2018 when compared to 2017.

<sup>2</sup> The decrease was mainly due to the transfer of land and building for the Albany Entertainment Centre from the City of Albany. This transfer was recognised as other revenue in the Statement of Comprehensive Income.

<sup>3</sup> The decrease in total equity was as a result of the transfer of the land and buildings for the State Theatre Centre to the DLGSC. This transfer was necessitated by the amalgamation of the land within the Perth Cultural Centre into a single Crown Reserve.

# Outcome Based Management Framework

The Trust's venue management services contribute to Government Desired Outcome 1:

**Effectively managed performing art venues attracting optimal utilisation.**

The Trust's provision of theatres and programming events provides the community with access to cultural experiences and the opportunity to enhance the cultural and economic life of WA.

## Summary of Key Performance Indicators

The Key Effectiveness Indicators and Key Efficiency Indicators of the Perth Theatre Trust measure the ability of the Trust to increase activity within the venues it manages, providing clearer information to those evaluating performance.

These Indicators align with the outcome statement and measure whether the local performance industry is building capacity.

### Key Effectiveness Indicators

Key Effectiveness Indicator	2016-17 Actual	2017-18 Budget	2017-18 Actual	Notes and explanation of variances above 10%
<b>OUTCOME 11: Effectively managed performing arts venues attracting optimal utilisation</b>				
Attendance rate across principal performance spaces	508,216	465,000	536,193 <sup>1</sup>	The increase was mainly due to the Perth Theatre Trust taking over the Goldfields Arts Centre in 2017-18. The numbers for the centre were not included in the initial budget.

<sup>1</sup> In 2018-19 the Perth Theatre Trust will change the definition of performance to align with the Live Performance Australia definition. Using the new definition, the attendance figures for 2017-18 would have been 462,735.

### Key Efficiency Indicators

Key Efficiency Indicator	2016-17 Actual	2017-18 Budget	2017-18 Actual	Notes and explanation of variances above 10%
<b>SERVICE 12: Venue Management Services</b>				
Average cost per attendee	\$36	\$34.87	\$32	The figure used to calculate the cost per attendee is the total number of attendances in all spaces at the venues.
Average subsidy per attendee for PTT funded programs	\$1.57	\$2	\$2.78	Increased programmed activity at Albany Entertainment Centre saw a greater level of subsidy required per attendee to support more costly touring events.

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## Ministerial directives

No Ministerial directives were received during the financial year.

## Other financial disclosures

### Pricing policies on services

In accordance with *Treasurer's Instruction 810*, the Trust has discretion to charge for goods and services subject to Ministerial approval.

## Governance disclosures

### Conflicts of interest

Declared Conflicts of Interest recorded on minutes (as per standing agenda item – Section 1, Item 1.3)

#### 27 July 2017, 10 August 2017, 5 October 2017, 7 December 2017, 14 June 2018

The Chair advised that it is agreed that the City of Perth Councillors have an ongoing noted interest in the Perth Concert Hall.

#### 22 February 2018

Nadia van Dommelen advised that she was attending the meeting in a personal capacity.

#### 14 June 2018

Tanya Sim advised that Block Branding were submitting a proposal to Black Swan State Theatre Company for their 2019 brochure.

### Employee information as at 30 June 2018

- Total staff numbers: 305
- FTE: 95.89

## Unauthorised use of credit cards

Officers of Perth Theatre Trust hold corporate credit cards where their functions warrant usage of this facility. Each cardholder is reminded of their obligations annually under the Trust's credit card policy, however one employee inadvertently utilised the corporate credit card for an unofficial purpose. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and, that the nature of the expenditure was immaterial and characteristic of an honest mistake.

- Aggregate amount of personal use expenditure for the reporting period: \$27.40
- Aggregate amount of personal use expenditure settled within 5 working days: NIL
- Aggregate amount of personal use expenditure settled after 5 working days: \$27.40
- Aggregate amount of personal use expenditure outstanding at balance date: NIL

## Board and committee remuneration

Position	Name	Type of remuneration	Period of membership	Gross/actual remuneration
Chair	Morgan Solomon	Per meeting	Jan 2013 - present (Chair Jan 2016 on)	\$4,000
Member	Jim Adamos	Per meeting	Jan 2012 - Jun 2018	\$1,530
Member	Janet Davidson	Per meeting	Jan 2008 - present	\$1,690
Member	Nadia van Dommelen	Per meeting	Jan 2018 - present	\$1,530
Member	Julian Donaldson	Nil	April 2016 - present	-
Member	Max Kay	Per meeting	April 2011 - Dec 2017	\$1,740
Member	Tanya Sim	Per meeting	December 2016 - present	\$2,650
Member	Michelle Tremain	Per meeting	Aug 2014 - present	\$1,990
Member ex-officio	Colin Walker	Nil	April 2016 - present	-
<b>Total</b>				<b>\$15,130</b>



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## Other legal requirements

### Expenditure on advertising, market research, polling and direct mail

In accordance with section 175ZE of the *Electoral Act 1907*, the Agency incurred the following expenditure in advertising, market research, polling, direct mail and media advertising.

**Total expenditure for 2017-18 was \$193,982.36**

Expenditure	Total	Expenditure	Amount
Advertising Agencies	\$1,332.46	Adcorp	\$1,332.46
Media Advertising Agencies	\$183,146.89	Optimum Media Decisions (OMD)	\$117,515.36
		Carat Australia Media Services Pty Ltd	\$18,938.06
		Aeries Solution T/a Digital Signage	\$5,522.00
		Albany Community Radio	\$499.99
		Amanda Edwin Cruse T/a Greybird Media	\$2,656.00
		Denmark Bulletin	\$890.00
		Green Man Media Productions	\$213.50
		Speirins Media Pty Ltd	\$518.40
		Andrew J Adams T/A Andimaps	\$750.00
		The Great Southern Weekender - Albany	\$35,643.58
Market Research Organisations	Nil		Nil
Polling Organisations	Nil		Nil
Direct Mailing Organisations	\$9,503.01	Mailing Solutions	\$6,214.23
		Isentia Pty Ltd	\$3,288.78
<b>Total</b>	<b>\$193,982.36</b>	<b>N/A</b>	<b>\$193,982.36</b>

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## Disability Access and Inclusion Plan Outcomes

Public consultation for the development of a new Disability Access and Inclusion Plan (DAIP) took place in the second half of 2017 and the new plan was submitted to the Department of Communities. This new plan was approved in April 2018 and will run until 31 December 2022.

The consultation process has built awareness of the DAIP within the staff about both the DAIP and the needs of people living with disability in our community. The DAIP is now being included in online staff induction information.

In line with the PTT DAIP 2013-17 the following initiatives continued in the venues:

- Audio description services
- Reduced or removed venue hire charges for organisations providing a special performance aimed at those living with disability
- Continued to partner with DADAA to enable disabled performers and their carers better access to Trust venues and encourage their engagement with PTT theatres, as both creative staff and audience members
- Accessibility publications were updated

In 2017 PTT partnered with Performing Lines, Awesome Festival and Sensorium Theatre to present *Oddysea* at STC. Sensorium Theatre is Australia's only company making live shows specifically designed for young audiences with disabilities. As part of this partnership Sensorium Theatre trained the Front of House team at STC to assist and support an audience with sensory processing needs. PTT has also worked with DADAA to present performances by Tracksuit, their inclusive dance ensemble, in both the Heath Ledger Theatre and Studio Underground at STC.

## Compliance with Public Sector Standards and Ethical Codes

PTT is committed to educating its workforce in the Public Sector Standards in Human Resource Management and the Public Sector Code of Ethics. In the 2017-18 financial year, PTT recorded:

- No breaches lodged for Public Sector Standards in Human Resource Management.
- No breaches of the Public Sector Code of Ethics or the Department of Local Government, Sport and Cultural Industries Code of Conduct.
- One incident of minor misconduct was investigated and resolved.
- No Public Interest Disclosures lodged.

## Record keeping plans

The PTT Recordkeeping Plan identifies steps to be taken to maintain and improve recordkeeping by the Trust. This includes the development and regular review of an appropriate retention and disposal schedule, development and implementation of a functional thesaurus and the regular revision of recordkeeping policies and procedures.

In accordance with the *State Records Act 2000*, an amended PTT Recordkeeping Plan was approved by the State Records Commission on 23 March 2018.

## Freedom of Information

Under Schedule 2 of the Regulations of the *Freedom of Information Act 1992* (the Act) the DLGSC co-ordinates Freedom of Information requests for Portfolio agencies including PTT. As prescribed in Section 96 of the Act, PTT publishes an up-to-date information page confirming their commitment to the right of all Western Australians to have access to government information for whatever reason they wish. The information page is available on PTT's website and gives details on how a person can apply for access to PTT's documents.

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## Government policy requirements

### Substantive Equality

PTT is committed to the elimination of systemic discrimination, particularly of a racial, cultural and religious nature, from its policies, practices and services. A Substantive Equality Policy covers the DLGSC Portfolio and PTT continues to monitor its activities according to this policy.

A Substantive Equality Reference Committee made up of representatives from each Portfolio agency meets on a needs basis to discuss strategies and policies. A presentation on Substantive Equality forms part of the staff induction program and the policy is available electronically to employees through the intranet.

In 2016, the Department of Culture and the Arts (now DLGSC) Substantive Equality Implementation Plan was finalised. The Substantive Equality Reference Committee implemented the following items from the Implementation Plan:

- Review the Policy and Guidelines to ensure it is reflected in the Portfolio's strategic and business planning (ongoing)
- Substantive Equality to be embedded into strategic and operational business planning and service delivery (ongoing)
- Identify whether recruitment and selection policies, procedures and practices reflect the needs of diversity groups (ongoing)
- Establish Aboriginal traineeships within Portfolio
- Identify suitable cultural awareness training for the different staff target groups and locations across the Department

While remaining committed to the Substantive Equality Policy, due to changes within PTT and DLGSC, PTT has not progressed in this area in the past financial year.

### Occupational safety, health and injury management

PTT has an ongoing commitment to the highest levels of workplace health, safety and security.

The safety driven culture is supported through consultation, endorsed policy and practice compliant with the *Occupational Safety and Health Act 1984*, and the *Workers Compensation and Injury Management Act 1981*.

The Workplace Safety and Health Committee facilitates consultation across the workforce through the election of venue safety and health representatives, hazard and incident reporting, work area inspections and compliance auditing.

This ongoing governance also enforces the commitment to facilitating return to work, in instances where employees have been affected through work-related injury or illness.

PTT also supports an Employee Assistance Program and ongoing mental health assistance training as part of health and wellbeing initiatives.

A Worksafe Plan assessment was conducted throughout the 2016-17 reporting period via engagement with the respective venue management teams.

Health and safety within PTT is the ongoing responsibility of each individual, and all employees are expected to play their part in a meaningful contribution to a safe workplace.

With consultation, education and transparency driving a culture of continual improvement, this approach has delivered a reduction in reportable incidents and severity.

Improvement has been achieved through the enduring commitment of venue management teams and representatives, and oversight and input from DLGSC.

PTT will continue to reassess and build on this core value through;

- continuous understanding, improvement and transparency across all areas of safety, health, security and the environment
- actively endorsing consultation for all risk areas
- ensuring people are appropriately resourced and trained
- supporting and delivering projects that allow venues to improve quality and service output
- seeking to eliminate redundant systems and processes
- ensuring frameworks, performance monitoring and review are aligned with legislative and industry requirements

The following initiatives were delivered in the 2017-18 reporting period:

- Development of a Pre-Employment Medical and Wellbeing Framework
- Implementation of the new Business Improvement Suite
- Comprehensive venue security assessments and advanced security awareness training
- Review of all business planning and training in emergency management, business continuity and recovery.

Measure	Actual Results		Results Against Target	
	2016-17	2017-18	Target	Comment
Number of Fatalities	0	0	0	Target Met
Lost time injury and disease incidence rate	5.32	1.428	2.84	Target Met
Lost time injury and disease severity rate	40.00	0	30.00	Target Met
Percentage of injured workers returned work:				
(i) Within 13 weeks	20%	100%	80%	Target Met
(ii) Within 26 weeks	20%	100%	80%	Target Met
Percentage of managers trained in occupational safety, health and injury management responsibilities	47.5%	50% <sup>1</sup>	80%	Target Not Met

<sup>1</sup> Due to the nature of the business, PTT has focussed its training efforts on high risk activity such as: event security awareness, advanced roping techniques and rope rescue training. This training is not captured in the table above.

### Government Building Training Policy

Building Management and Works are responsible for the management of building works with a value of over \$2 million. There were no works in 2017-18 that met this threshold.

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# Financial Statements

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# Certification of Financial Statements

For the year ended 30 June 2018

The accompanying financial statements of Perth Theatre Trust have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2018 and the financial position as at 30 June 2018.

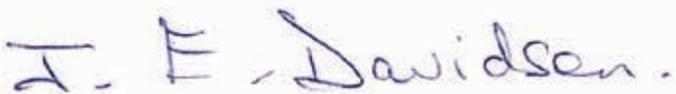
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Acting Chief Finance Officer  
Wednesday, August 29, 2018



Chairman of Perth Theatre Trust  
Wednesday, August 29, 2018



Member of Perth Theatre Trust  
Wednesday, August 29, 2018

# Statement of Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
<b>Cost of services</b>			
<b>Expenses</b>			
Employee benefits expense	3.1	9,271	8,478
Supplies and services	3.2	2,598	3,265
Depreciation and amortisation expense	5.1, 5.2	2,617	3,593
Accommodation expenses	3.3	1,764	2,097
Cost of sales	4.3	222	190
Grants and Subsidies	3.4	502	500
Other expenses	3.5	429	291
<b>Total cost of services</b>		<b>17,403</b>	<b>18,414</b>
<b>Income</b>			
<b>Revenue</b>			
User charges and fees	4.2	5,623	5,391
Sales	4.3	748	676
Sponsorship	4.4	172	148
Interest revenue	4.5	57	48
Other revenue	4.6	2,876	1,528
<b>Total Revenue</b>		<b>9,476</b>	<b>7,791</b>
<b>Total income other than income from State Government</b>		<b>9,476</b>	<b>7,791</b>
<b>NET COST OF SERVICES</b>		<b>7,927</b>	<b>10,623</b>
<b>Income from State Government</b>			
	4.1		
Service appropriation		9,277	9,090
State grants and subsidies		646	356
Services received free of charge		553	839
Royalties for Regions Fund		474	503
<b>Total income from State Government</b>		<b>10,950</b>	<b>10,788</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>3,023</b>	<b>165</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit and loss</b>			
Changes in asset revaluation surplus		(2,276)	(3,880)
<b>Total other comprehensive income</b>		<b>(2,276)</b>	<b>(3,880)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>747</b>	<b>(3,715)</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

As at 30 June 2018

	Note	2018 \$000	2017 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	1,581	2,870
Restricted cash and cash equivalents	7.1	2,803	1,932
Inventories	4.3	22	23
Receivables	6.1	941	811
Other current assets	6.3	743	687
<b>Total Current Assets</b>		<b>6,090</b>	<b>6,323</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	7.1	37	16
Amounts receivable for services	6.2	37,551	34,048
Property, plant and equipment	5.1	113,579	94,068
Intangible assets	5.2	1,025	354
<b>Total Non-Current Assets</b>		<b>152,192</b>	<b>128,486</b>
<b>TOTAL ASSETS</b>		<b>158,282</b>	<b>134,809</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.4	225	516
Funds held in trust	6.6	2,345	1,931
Employee related provisions	3.1	719	623
Other current liabilities	6.5	1,444	900
<b>Total Current Liabilities</b>		<b>4,733</b>	<b>3,970</b>
<b>Non Current Liabilities</b>			
Employee related provisions	3.1	387	243
<b>Total Non Current Liabilities</b>		<b>387</b>	<b>243</b>
<b>TOTAL LIABILITIES</b>		<b>5,120</b>	<b>4,213</b>
<b>NET ASSETS</b>		<b>153,162</b>	<b>130,596</b>
<b>EQUITY</b>			
Contributed equity	9.9	117,166	95,349
Reserves		1,716	3,992
Accumulated surplus		34,280	31,255
<b>TOTAL EQUITY</b>		<b>153,162</b>	<b>130,596</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

For the year ended 30 June 2018

	Note	Contributed equity \$000	Reserves \$000	Accumulated surplus \$000	Total equity \$000
<b>Balance at 1 July 2016</b>	9.9	194,378	7,872	31,090	233,339
Total comprehensive income for the period		0	(3,880)	165	(3,715)
Transactions with owners in their capacity as owners:					
Land and Building Transfer		(99,645)	0	0	(99,645)
Capital appropriations		616	0	0	616
Other Contributions by owners		0	0	0	0
Distribution to owners		0	0	0	0
Total		<u>(99,029)</u>	<u>(3,880)</u>	<u>165</u>	<u>(102,744)</u>
<b>Balance at 30 June 2017</b>		<b><u>95,349</u></b>	<b><u>3,992</u></b>	<b><u>31,255</u></b>	<b><u>130,596</u></b>
<b>Balance at 1 July 2017</b>		95,349	3,992	31,255	130,596
Total comprehensive income for the period		0	(2,276)	3,023	747
Transactions with owners in their capacity as owners:					
Land Building Transfer - Goldfields Arts Centre		20,926	0	0	20,926
Other Contributions by owners		891	0	0	891
Distribution to owners		0	0	0	0
Total		<u>21,817</u>	<u>(2,276)</u>	<u>3,023</u>	<u>22,564</u>
<b>Balance at 30 June 2018</b>		<b><u>117,166</u></b>	<b><u>1,716</u></b>	<b><u>34,280</u></b>	<b><u>153,162</u></b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		5,774	5,289
State grants and subsidies		527	204
Capital contributions		347	172
Holding account drawdowns		0	0
Royalties for Regions Fund		474	503
27th Pay holding account movement		21	16
<b>Net cash provided by State Government</b>		<b>7,143</b>	<b>6,184</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Payments from trust fund		(10,510)	(11,328)
Employee benefits		(9,127)	(8,039)
Supplies and services		(3,297)	(3,033)
Accommodation		(1,349)	(1,245)
Grants and Subsidies		(252)	(500)
GST payments on purchases		(587)	(413)
GST payments to taxation authority		(217)	(186)
Other payments		(139)	(434)
<b>Receipts</b>			
Receipts into trust fund		11,383	11,009
User charges and fees		5,513	5,420
Sale of goods and services		748	676
Sponsorship		172	148
Interest received		57	48
GST receipts on sales		756	633
GST receipts from taxation authority		113	35
Other receipts		933	1,786
<b>Net cash provided by/(used in) operating activities</b>	7.1.2	<b>(5,803)</b>	<b>(5,423)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(1,737)	(444)
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		0	0
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,737)</b>	<b>(444)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(397)</b>	<b>317</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>4,818</b>	<b>4,501</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7.1.2	<b>4,421</b>	<b>4,818</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

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# Index of Notes to the Financial Statements

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# Notes to the Financial Statements

For the year ended 30 June 2018

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## 1. Basis of preparation

The Perth Theatre Trust is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. Perth Theatre Trust is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Perth Theatre Trust on 29 August 2018. Perth Theatre Trust has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

### Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The *Financial Management Act 2006* (**FMA**)
- 2) The Treasurer's Instructions (**The Instructions** or **TI**)
- 3) Australian Accounting Standards (**AAS**) Including applicable interpretations
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The Financial Management Act 2006 and the Treasurer's Instructions (The Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

## Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$000).

## Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

## Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

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## 2. Perth Theatre Trust outputs

### How the Perth Theatre Trust operates

This section includes information regarding the nature of funding the Perth Theatre Trust receives and how this funding is utilised to achieve the Perth Theatre Trust's objectives. This note also provides the distinction between controlled funding and administered funding:

Perth Theatre Trust objectives	Note 2.1
Detail of Income and Expenses	Note 3
Detail of Assets and Liability	Note 4

### 2.1 Perth Theatre Trust objectives

#### Mission

The Perth Theatre Trust's mission is to offer wide-ranging arts experiences in well-managed venues. The Perth Theatre Trust is predominantly funded by Parliamentary appropriations. It also provides ticketing and venue hire services on a fee for service basis. The fees charged are based on market and concessionary rates.

The Perth Theatre Trust is constituted under the *Perth Theatre Trust Act 1979*. The Perth Theatre Trust is responsible for the care, control, management, maintenance, operation and improvement of theatres under its control.

#### Services

The Perth Theatre Trust operate under one service called Venue Management Services.

## 3. Use of our funding

### Expenses incurred in the delivery of service

This section provides additional information about how the Perth Theatre Trust's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Perth Theatre Trust in achieving its objectives and the relevant notes are:

	Notes	2018 \$000	2017 \$000
Employee benefits expenses	3.1(a)	9,271	8,478
Employee related provisions	3.1(b)	1,106	866
Supplies and services	3.2	2,598	3,265
Accommodation expenses	3.3	1,764	2,097
Grants and subsidies	3.4	502	500
Other Expenditure	3.5	429	291

### 3.1 (a) Employee benefits expenses

	2018 \$000	2017 \$000
Wages and salaries	7,492	6,817
Superannuation - defined contribution plans <sup>(a)</sup>	503	400
Superannuation - other schemes <sup>(a)</sup>	272	315
Long service leave	301	369
Annual leave	463	437
Termination benefits	83	0
Other related expenses	157	140
<b>Total employee benefits expenses</b>	<b>9,271</b>	<b>8,478</b>

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

#### Wages and salaries

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

### Termination benefits

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

### Superannuation

The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

The Perth Theatre Trust does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the agency to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

### 3.1 (b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2018	2017
	\$000	\$000
<b>CURRENT</b>		
Employee benefits provision		
Annual leave <sup>(a)</sup>	465	363
Long service leave <sup>(b)</sup>	187	159
	<u>652</u>	<u>522</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	67	101
<b>Total current employee related provisions</b>	<b>719</b>	<b>623</b>
<b>NON CURRENT</b>		
Employee benefits provision		
Long service leave	347	218
	<u>347</u>	<u>218</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	40	25
<b>Total non-current employee related provisions</b>	<b>387</b>	<b>243</b>
<b>TOTAL EMPLOYEE RELATED PROVISIONS</b>	<b>1,106</b>	<b>866</b>

### (a) Annual leave liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$000	2017 \$000
Within 12 months of the end of the reporting period	310	260
More than 12 months after the reporting period	155	103
	<u>465</u>	<u>363</u>

### (b) Long service leave liabilities

Unconditional long service leave provisions are classified as current liabilities as Perth Theatre Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Perth Theatre Trust has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$000	2017 \$000
Within 12 months of the end of the reporting period	76	52
More than 12 months after the reporting period	458	107
	<u>534</u>	<u>159</u>

The provision for long service leave are calculated at present value as the Perth Theatre Trust does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds

with terms to maturity that match, as closely as possible, the estimated future cash outflows.

### (c) Employment on-costs

The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Perth Theatre Trust's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2018 \$000	2017 \$000
<b>Employment on-cost provision</b>		
Carrying amount at start of year	126	78
Additional/(reversals of) provisions recognised	100	73
Payments/other sacrifices of economic benefits	(119)	(25)
<b>Carrying amount at end of year</b>	<u>107</u>	<u>126</u>

### Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Perth Theatre Trust's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

### 3.2 Supplies and services

	2018 \$000	2017 \$000
Communications	163	124
Consultants and contractors	51	46
Consumables	144	223
Advertising and promotion	254	187
Programming	507	857
Equipment purchases	154	318
Insurance premiums	265	300
Lease hire	40	58
Legal fees	45	37
Licences	140	139
Maintenance	334	410
Printing	76	71
Bank and credit card charges	46	4
Temporary staff	123	211
Travel	23	21
Entertainment	26	15
Other	207	244
<b>Total supplies and services expenses</b>	<b>2,598</b>	<b>3,265</b>

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

### 3.3 Accommodation expense

	2018 \$000	2017 \$000
Repairs and maintenance	633	929
Rent	11	41
Electricity and gas	704	707
Water	177	149
Cleaning	61	88
Security	139	138
Other	39	45
<b>Total accommodation expenses</b>	<b>1,764</b>	<b>2,097</b>

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

### 3.4 Grants and Subsidies

	2018 \$000	2017 \$000
<b>Recurrent</b>		
Perth Concert Hall - Operations	502	500
	<u>502</u>	<u>500</u>

Transactions in which the Perth Theatre Trust provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant expenses'. Grants can either be operating or capital in nature.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, non-government schools, and community groups.

### 3.5 Other Expenditure

	2018 \$000	2017 \$000
Sponsorship	65	117
Employment on-costs	265	63
Audit Fees	77	73
Doubtful debts expense	22	38
<b>Total Other expenses</b>	<b>429</b>	<b>291</b>

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

Doubtful debt expense is recognised as the movement in the provision for doubtful debt. Please refer to note 6.1.1 Movement of the allowance for impairment of receivables.

Employee on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

## 4. Our funding sources

### How we obtain our funding

This section provides additional information about how the Perth Theatre Trust obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Perth Theatre Trust and the relevant notes are:

	Notes	2018 \$000	2017 \$000
Income from State Government	4.1	10,950	10,788
User charges and fees	4.2	5,623	5,391
Sales	4.3	748	676
Sponsorship	4.4	172	148
Interest revenue	4.5	57	48
Other revenue	4.6	2,876	1,528

## 4.1 Income from State Government

	2018 \$000	2017 \$000
Appropriation received during the year:		
Service appropriation <sup>(a)</sup>	9,277	9,090
	<b>9,277</b>	<b>9,090</b>

State grants and subsidies <sup>(b)</sup>

Grant payments made by the Department of Local Government Sport and Cultural Industries (DLGSC) for the following projects:

(i) HMT Carpet Replacement	259	0
(ii) STC Projector	0	85
(iii) HMT Theatre Drapes	0	58
(iv) HMT Theatre Equipment	0	152
(v) SAC Dimmers and Other Equipment	22	34
(vi) SAC Acoustic Treatment	0	27
(vii) SAC Foyer Renovations	194	0
(viii) AEC Oven Upgrade	12	0
(ix) HMT Equipment Upgrades	159	0
	<b>646</b>	<b>356</b>

Services received free of charge from other State government agencies during the period <sup>(c)</sup>:

(i) State Solicitors Office	25	0
(ii) Building Maintenance paid by DLGSC	528	839
<b>Total Services received</b>	<b>553</b>	<b>839</b>
Royalties for Regions Fund:		
Albany Entertainment Funding (Regional Community Services Fund)	474	503
<b>Total Royalties for Regions Fund</b>	<b>474</b>	<b>503</b>
<b>Total Income from State Government</b>	<b>10,950</b>	<b>10,788</b>

- (a) Service Appropriations are recognised as revenues at fair value in the period in which the Perth Theatre Trust gains control of the appropriated funds. The Perth Theatre Trust gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered as set out in the Statement of Comprehensive Income. Appropriation revenue comprises the following:

Cash component; and

A receivable (asset).

The receivable (holding account – note 6.2) comprises the following:

The budgeted depreciation expense for the year; and

Any agreed increase in leave liabilities during the year.

- (b) State grants and subsidies relates to capital works and maintenance projects funded by the DLGSC.
- (c) Assets or services received free of charge or for nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised direct to equity.
- (d) Transfer of assets: Discretionary transfers of assets (including grants) and liabilities between State government agencies are reported under Income from State Government. Transfers of assets and liabilities in relation to a restructure of administrative arrangements are recognised as distribution to owners by the transferor and contribution by owners by the transferee under AASB 1004. Other non-discretionary non-reciprocal transfers of assets and liabilities designated as contributions by owners under TI 955 are also recognised directly to equity.

## 4.2 User Charges and Fees

	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Venue hire and related charges	5,051	5,391
Ticketing Fee Income <sup>(a)</sup>	572	0
	<u><b>5,623</b></u>	<u><b>5,391</b></u>

Revenue is recognised and measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Revenue is recognised by reference to the stage of completion of the transaction for venue hire and ticketing services.

- (a) Venue ticketing services were brought back in-house from 1 October 2017 through the implementation of the Tessitura Ticketing and CRM system. Before this date, the delivery of this service was outsourced to Ticketek.

### 4.3 Trading Profit

	2018	2017
	\$000	\$000
Sales	748	676
Cost of Sales:		
Opening inventory	(23)	(16)
Purchases	(221)	(197)
	(244)	(213)
<b>Closing inventory</b>	<b>22</b>	<b>23</b>
Cost of Goods Sold	(222)	(190)
<b>Trading Profit</b>	<b>526</b>	<b>486</b>

Closing Inventory comprises:

#### Current Inventories

Raw materials & stores (at cost)	22	23
Work in progress (at cost)	0	0
Finished goods	0	0
At cost	0	0
At net realisable value	0	0
<b>Total Current inventories</b>	<b>22</b>	<b>23</b>

Non-current Inventories

<b>Total Non-current inventories</b>	<b>0</b>	<b>0</b>
<b>Total Inventories</b>	<b>22</b>	<b>23</b>

### Sales

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

### Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis.

Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

### 4.4 Sponsorship

	2018	2017
	\$000	\$000
Sponsorship	172	148
	<b>172</b>	<b>148</b>

### 4.5 Interest revenue

	2018	2017
	\$000	\$000
Bank interest	57	48
	<b>57</b>	<b>48</b>

### 4.6 Other revenue

	2018	2017
	\$000	\$000
Grants and subsidies	2,221	437
Commission	189	182
Recoup of previous years expenditure	0	8
Other	78	127
Royalties	35	136
Rebates	325	612
Production Investments	28	26
	<b>2,876</b>	<b>1,528</b>

## 5. Key assets

### Assets the Perth Theatre Trust utilises for economic benefit or service potential

This section includes information regarding the key assets the Perth Theatre Trust utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2018	2017
		\$000	\$000
Property, plant and equipment	5.1	113,579	94,068
Intangibles	5.2	1,025	354
<b>Total key assets</b>		<b>114,604</b>	<b>94,422</b>

## 5.1 Property, plant and equipment

	Freehold Land	Buildings	Works in progress	Leasehold improv.	Plant, equipment and vehicles	Works of art	Total
Year ended 30 June 2017	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Carrying amount at start of period</b>	<b>26,400</b>	<b>167,348</b>	<b>0</b>	<b>2,037</b>	<b>4,527</b>	<b>6</b>	<b>200,318</b>
Additions	0	0	0	27	794	0	821
Transfers <sup>(a)</sup>	(13,971)	(85,674)	0	0	0	0	(99,645)
Other disposals	0	0	0	0	(8)	0	(8)
Revaluation increments / (decrements) (Note 8.3)	(229)	(3,651)	0	0	0	0	(3,880)
Impairment losses <sup>(b)</sup>	0	0	0	0	0	0	0
Impairment losses reversed	0	0	0	0	0	0	0
Depreciation	0	(2,506)	0	(205)	(827)	0	(3,538)
Classified as held for sale	0	0	0	0	0	0	0
<b>Carrying amount at 30 June 2017</b>	<b>12,200</b>	<b>75,517</b>	<b>0</b>	<b>1,859</b>	<b>4,486</b>	<b>6</b>	<b>94,068</b>

	Freehold Land	Buildings	Works in progress	Leasehold improv.	Plant, equipment and vehicles	Works of art	Total
Year ended 30 June 2018	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>Carrying amount at start of year</b>	<b>12,200</b>	<b>75,517</b>	<b>0</b>	<b>1,859</b>	<b>4,486</b>	<b>6</b>	<b>94,068</b>
Additions	1,780	0	47	0	2,165	0	3,992
Transfers	3,000	17,926	0	0	(615)	0	20,311
Other disposals	0	0	0	0	(130)	0	(130)
Revaluation increments / (decrements) (Note 8.3)	(616)	(1,661)	0	0	0	0	(2,277)
Impairment losses	0	0	0	0	0	0	0
Impairment losses reversed	0	0	0	0	0	0	0
Depreciation	0	(1,374)	0	(210)	(801)	0	(2,385)
<b>Carrying amount at end of year</b>	<b>16,364</b>	<b>90,408</b>	<b>47</b>	<b>1,649</b>	<b>5,105</b>	<b>6</b>	<b>113,579</b>

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(a) The Department of Planning, Lands and Heritage (DPLH) is the only Department with the power to sell Crown land. The land is transferred to DPLH for sale and the Perth Theatre Trust accounts for the transfer as a distribution to owner.

(b) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

### **Initial recognition**

Items of property, plant and equipment costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

### **Subsequent measurement**

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land; and
- buildings

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

### **Land and buildings**

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to current use for land: \$16,364,000 (2017: \$12,200,000) and depreciated replacement cost for buildings: \$90,408,000 (2017: \$75,517,000).

Revaluation model:

- (a) Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

- (b) Fair value in the absence of market-based evidence:

Buildings are specialised or where land is restricted: Fair value of land and buildings is determined on the basis of existing use.

Existing use buildings: Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

Restricted use land: Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

## 5.1.1 Depreciation and impairment

### Charge for the period

	2018	2017
	\$000	\$000
<b>Depreciation</b>		
Buildings	1,374	2,506
Leasehold improvements	210	205
Plant, equipment and vehicles	931	836
<b>Total depreciation for the period</b>	<b>2,515</b>	<b>3,547</b>

As at 30 June 2018 there were no indications of impairment to property, plant and equipment.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

### Finite useful lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Buildings	66 years
Air conditioning upgrades	4 to 25 years
Leasehold improvements	3 to 40 years
Communication equipment	4 to 10 years
Computer hardware	3 to 4 years
Furniture, fixtures and fittings	4 to 20 years
Plant and machinery	3 to 25 years
Office equipment	5 to 10 years
Other equipment	4 to 20 years

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

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

## **Impairment**

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As Perth Theatre Trust is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

## 5.2 Intangible assets

Year ended 30 June 2017	Licences \$000	Computer Software \$000	Total \$000
<b>Carrying amount at start of period</b>	<b>0</b>	<b>218</b>	<b>218</b>
Additions	0	182	182
Classified as held for sale	0	0	0
Impairment losses	0	0	0
Impairment losses reversed	0	0	0
Amortisation expense	0	(46)	(46)
<b>Carrying amount at 30 June 2017</b>	<b>0</b>	<b>354</b>	<b>354</b>

Year ended 30 June 2018	Licences \$000	Computer Software \$000	Total \$000
<b>1 July 2017</b>			
Gross carrying amount	0	1,329	1,329
Accumulated amortisation	0	(975)	(975)
Accumulated impairment losses	0	0	0
<b>Carrying amount at start of period</b>	<b>0</b>	<b>354</b>	<b>354</b>
Additions	0	812	812
Classified as held for sale	0	0	0
Transfers	0	(39)	(39)
Impairment losses	0	0	0
Impairment losses reversed	0	0	0
Amortisation expense	0	(102)	(102)
<b>Carrying amount at 30 June 2018</b>	<b>0</b>	<b>1,025</b>	<b>1,025</b>

### Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset, and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

### Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

## 5.2.1 Amortisation and impairment

### Charge for the period

	2018	2017
	\$000	\$000
Computer software	102	46
	<u>102</u>	<u>46</u>

As at 30 June 2018 there were no indications of impairment to intangible assets.

The Perth Theatre Trust held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Perth Theatre Trust have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Licenses	up to 10 years
Development cost	3 to 5 years
Software <sup>(a)</sup>	3 to 10 years
Website cost	3 to 5 years

(a) Software that is not integral to the operation of any related hardware.

### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

## 6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Perth Theatre Trust's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018	2017
		\$000	\$000
Receivables	6.1	941	811
Amount receivable for services	6.2	37,551	34,048
Other current assets	6.3	743	687
Payables	6.4	225	516
Other liabilities	6.5	1,444	900
Funds held in trust	6.6	2,345	1,931

### 6.1 Receivables

	2018	2017
	\$000	\$000
<b>Current</b>		
Receivables	941	811
Allowance for impairment of receivables	0	0
GST receivable	0	0
<b>Total current</b>	<u>941</u>	<u>811</u>

#### 6.1.1 Movement of the allowance for impairment of receivables

	2018	2017
	\$000	\$000
<b>Reconciliation of changes in the allowance for impairment of receivables</b>		
Balance at start of year	38	1
Doubtful debts expense recognised in the statement of comprehensive income	13	0
Amounts written off during the period	(38)	37
Amounts recovered during the period	0	0
<b>Balance at end of year</b>	<u>13</u>	<u>38</u>

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Perth Theatre Trust will not be able to collect the debts.

## 6.2 Amounts receivable for services

	2018	2017
	\$000	\$000
Non-current	37,551	34,048
	<u>37,551</u>	<u>34,048</u>

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Perth Theatre Trust receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

## 6.3 Other assets

	2018	2017
	\$000	\$000
<b>Current</b>		
Prepayments	315	258
Accrued income	428	429
	<u>743</u>	<u>687</u>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## 6.4 Payables

	2018	2017
	\$000	\$000
<b>Current</b>		
Trade payables	104	487
Other payables	25	0
GST payable	96	29
<b>Total Current Payables</b>	<u>225</u>	<u>516</u>

Payables are recognised at the amounts payable when the Perth Theatre Trust becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 30 days.

## 6.5 Other liabilities

	2018	2017
	\$000	\$000
<b>Current</b>		
Accrued expenses	730	400
Accrued salaries	18	16
Income received in advance	619	406
Funds Held - Catering Contract	77	78
<b>Total Current</b>	<u>1,444</u>	<u>900</u>

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Perth Theatre Trust considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.5.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from the Perth Theatre Trust appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

## 6.6 Funds held in trust

	2018	2017
	\$000	\$000
Perth Theatre Trust bookings account	0	0
Ticketing Trust Account - Event Settlements	2,344	1,929
Robert Finley Trust Account	1	2
	<u>2,345</u>	<u>1,931</u>

## 7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of Perth Theatre Trust.

<b>Cash and cash equivalents</b>	Note 7.1
Reconciliation of cash	Note 7.1.1
Reconciliation of operating activities	Note 7.1.2
Commitments and Non-cancellable operating lease commitments	Note 7.2.1

### 7.1 Cash and Cash equivalents

#### 7.1.1 Reconciliation of cash

	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents	1,581	2,870
Restricted cash and cash equivalents		
Event Settlements <sup>(a)</sup>	2,802	1,929
Robert Finely Trust Account	1	3
Accrued salaries suspense Accounts <sup>(b)</sup>	37	16
	<u><b>4,421</b></u>	<u><b>4,818</b></u>

(a) Funds from ticket sales held on behalf of promoters and other parties in relation to the staging of events and shows, pending due and proper performance of contractual obligations.

(b) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

#### 7.1.2 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Net cost of services	(7,927)	(10,623)
Non cash items:		
Depreciation and amortisation expense (note 5.1, 5.2)	2,617	3,593
Doubtful debts expense	22	38
Services received free of charge (note 4.1)	553	839
Land transfer from the City of Albany (note 4.6, 5.1)	(1,780)	0
Net loss on sale of property, plant and equipment	0	0
(Increase)/decrease in assets:		
Current inventories	1	(7)
Current receivables <sup>(a)</sup>	(140)	17
Other current assets	(56)	152
Increase/(decrease) in liabilities:		
Current payables <sup>(a)</sup>	(356)	442
Funds held in trust	414	(306)
Current provisions	96	454
Other current liabilities	544	(15)
Non current provisions	144	0
Net GST receipts/(payments) <sup>(b)</sup>	65	(7)
<b>Net cash provided by/(used in) operating activities</b>	<u><b>(5,803)</b></u>	<u><b>(5,423)</b></u>

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received, i.e. cash transactions.

The mandatory application of AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 imposed disclosure impacts only. The Perth Theatre Trust is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

## 7.2 Commitments

### 7.2.1 Non-cancellable operating lease commitments

	2018 \$000	2017 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	7	5
Later than 1 year and not later than 5 years	22	5
Later than 5 years	3	0
	32	10
Representing:		
Non-cancellable operating leases	32	10
	<u>32</u>	<u>10</u>

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

## 8. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of Perth Theatre Trust.

Financial risk management	Note 8.1
Contingent assets and Liabilities	Note 8.2
Fair value measurements	Note 8.3

### 8. Risks and Contingencies

Financial instruments held by Perth Theatre Trust are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables and payables. Perth Theatre Trust has limited exposure to financial risks. Perth Theatre Trust's overall risk management program focuses on managing the risks identified below.

### (a) Summary of risks and risk management Credit risk

Credit risk arises when there is the possibility of the Perth Theatre Trust's receivables defaulting on their contractual obligations resulting in financial loss to Perth Theatre Trust.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures' and Note 6.1 'Receivables'.

Credit risk associated with Perth Theatre Trust's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, Perth Theatre Trust trades only with recognised, creditworthy third parties. Perth Theatre Trust has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that Perth Theatre Trust's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

### Liquidity risk

Liquidity risk arises when Perth Theatre Trust is unable to meet its financial obligations as they fall due.

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

Perth Theatre Trust has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

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## Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Perth Theatre Trust's income or the value of its holdings of financial instruments. The Perth Theatre Trust does not trade in foreign currency and is not materially exposed to other price risks [for example, equity securities or commodity prices changes]. The Perth Theatre Trust's exposure to market risk for changes in interest rates relate primarily to the long-term debt obligations.

## (b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2018	2017
	\$000	\$000
<b>Financial Assets</b>		
Cash and cash equivalents	1,581	2,870
Restricted cash and cash equivalents	2,840	1,948
Receivables <sup>(a)</sup>	38,920	35,288
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	3,918	3,318

(a) The amount of payables excludes the GST payable to the ATO (statutory payable).

## (c) Financial instrument disclosures

### Credit risk

The following table discloses Perth Theatre Trust's maximum exposure to credit risk and the ageing analysis of financial assets. Perth Theatre Trust's maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Perth Theatre Trust.

Perth Theatre Trust does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

## Ageing analysis of financial assets

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
<b>2018</b>								
Cash and cash equivalents	1,581	1,581						
Restricted cash and cash equivalents	2,840	2,840						
Receivables <sup>(a)</sup>	1,369	1,167	38	71	93			
Amounts receivable for services	37,551	37,551						
	<b>43,341</b>	<b>43,139</b>	<b>38</b>	<b>71</b>	<b>93</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2017</b>								
Cash and cash equivalents	2,870	2,870						
Restricted cash and cash equivalents	1,948	1,948						
Receivables <sup>(a)</sup>	1,240	983	181	22	54			
Amounts receivable for services	34,048	34,048						
	<b>40,106</b>	<b>39,849</b>	<b>181</b>	<b>22</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

## (d) Liquidity risk and interest rate exposure

The following table details Perth Theatre Trust's interest rate exposure and contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

### Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure			Nominal amount	Maturity dates				
			Fixed interest rate	Variable Interest Rate	Non-interest bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2018</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	1.98%	1,581		1,581		1,581	1,581				
Restricted cash and cash equivalents	1.98%	2,840		2,840		2,840	1,163	1,071	606		
Receivables <sup>(a)</sup>	-	1,369		0	1,369	1,369	1,369				
Amounts receivable for services	-	37,551		0	37,551	37,551				37,551	
		<b>43,341</b>	<b>0</b>	<b>4,421</b>	<b>38,920</b>	<b>43,341</b>	<b>4,113</b>	<b>1,071</b>	<b>606</b>	<b>37,551</b>	<b>0</b>
<b>Financial Liabilities</b>											
Payables	-	1,573			1,573	1,573	1,573				
Funds held in trust	-	2,345			2,345	2,345	668	1,071	606		
		<b>3,918</b>	<b>0</b>	<b>0</b>	<b>3,918</b>	<b>3,918</b>	<b>2,241</b>	<b>1,071</b>	<b>606</b>	<b>0</b>	<b>0</b>
<b>2017</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	1.98%	2,870		2,870		2,870	2,870				
Restricted cash and cash equivalents	1.98%	1,948		1,948		1,948	594	902	452		
Receivables <sup>(a)</sup>	-	1,240		0	1,240	1,240	1,240				
Amounts receivable for services	-	34,048		0	34,048	34,048				34,048	
		<b>40,106</b>	<b>0</b>	<b>4,818</b>	<b>35,288</b>	<b>40,106</b>	<b>4,704</b>	<b>902</b>	<b>452</b>	<b>34,048</b>	<b>0</b>
<b>Financial Liabilities</b>											
Payables	-	1,387			1,387	1,387	1,387				
Funds held in trust	-	1,931			1,931	1,931	577	902	452		
		<b>3,318</b>	<b>0</b>	<b>0</b>	<b>3,318</b>	<b>3,318</b>	<b>1,964</b>	<b>902</b>	<b>452</b>	<b>0</b>	<b>0</b>

(a) The amount of payables excludes the GST payable to the ATO (statutory payable).

### (e) Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Perth Theatre Trust's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2018</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	1,581	(16)	(16)	16	16
Restricted cash and cash equivalents	2,840	(28)	(28)	28	28
<b>Total increase/(decrease)</b>		<b>(44)</b>	<b>(44)</b>	<b>44</b>	<b>44</b>
<b>2017</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	2,870	(29)	(29)	29	29
Restricted cash and cash equivalents	1,948	(19)	(19)	19	19
<b>Total increase/(decrease)</b>		<b>(48)</b>	<b>(48)</b>	<b>48</b>	<b>48</b>

### 8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognized in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value.

At the reporting date, the Perth Theatre Trust had no contingent liabilities or contingent assets.

### 8.3 Fair value measurement

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

Assets Measured at fair value:	Fair Value at end of period				Assets Measured at fair value:	Fair Value at end of period			
	Level 1 \$000	Level 2 \$000	Level 3 \$000	\$000		Level 1 \$000	Level 2 \$000	Level 3 \$000	\$000
<b>2018</b>					<b>2017</b>				
Land (Note 5.1)	0	0	16,364	16,364	Land (Note 5.1)	0	0	12,200	12,200
Buildings (Note 5.1)	0	0	90,408	90,408	Buildings (Note 5.1)	0	0	75,517	75,517
	<b>0</b>	<b>0</b>	<b>106,772</b>	<b>106,772</b>		<b>0</b>	<b>0</b>	<b>87,717</b>	<b>87,717</b>

There were no transfers between Levels 1, 2 or 3 during the period.

<b>Fair value measurements using significant unobservable inputs (Level 3)</b>	<b>Land \$000</b>	<b>Buildings \$000</b>
<b>2018</b>		
Fair Value at start of period	12,200	75,517
Transfers from other Departments	3,000	17,926
Revaluation increments/ (decrements) recognised in Profit or Loss	0	0
Revaluation increments/ (decrements) recognised in Other Comprehensive Income	(616)	(1,661)
Transfers (from/(to) Level 2)	0	0
Additions	1,780	0
Disposals	0	0
Depreciation Expense	0	(1,374)
<b>Fair Value at end of period</b>	<b>16,364</b>	<b>90,408</b>
Total Gains or losses for the period included in profit or loss, under 'Other Gains'	0	0
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	0	0
	<b>\$000</b>	<b>\$000</b>
<b>2017</b>		
Fair Value at start of period	26,400	167,348
Additions	0	0
Revaluation increments/ (decrements) recognised in Profit or Loss	(229)	0
Revaluation increments/ (decrements) recognised in Other Comprehensive Income	0	(3,651)
Transfers (from/(to) Level 2)	0	0
Disposals	(13,971)	(85,674)
Depreciation Expense	0	(2,506)
<b>Fair Value at end of period</b>	<b>12,200</b>	<b>75,517</b>
Total Gains or losses for the period included in profit or loss, under 'Other Gains'	0	0
Change in unrealised gains or losses for the period included in profit or loss for assets held at the end of the reporting period	0	0

## Valuation Processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer.

Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

### Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

### Buildings (Level 3 Fair values)

Fair value for existing use specialised buildings assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

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Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

### **Basis of valuation**

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

### **Amendments to AASB 136**

Mandatory application of AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities has no financial impact for the Perth Theatre Trust as Perth Theatre Trust is classified as not-for-profit and regularly revalues specialised property, plant and equipment assets. Therefore, fair value the recoverable amount of such assets is expected to be materially the same as fair value.

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## **9. Other disclosures**

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

Events occurring after the end of the reporting period	Note 9.1
Future impact of Australian standards issued not yet operative	Note 9.2
Key management personnel	Note 9.3
Related party transactions	Note 9.4
Related bodies	Note 9.5
Affiliated bodies	Note 9.6
Special purpose accounts	Note 9.7
Remuneration of auditors	Note 9.8
Equity	Note 9.9
Supplementary financial information	Note 9.10
Explanatory statement	Note 9.11
Contingent liabilities and contingent assets	Note 9.12

### **9.1 Events occurring after the end of the reporting period**

Starting from 1 July 2018 the Perth Theatre Trust took over the responsibility of managing and activating the Perth Cultural Centre public realm from the Metropolitan Redevelopment Authority. This new responsibility was funded via an appropriation transfer of \$1.2 million.

## 9.2 Future impact of Australian Accounting Standards not yet operative

The Perth Theatre Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from TI 1101. Where applicable, the Perth Theatre Trust plans to apply the following Australian Accounting Standards from their application date.

	<b>Operative for reporting periods beginning on/after</b>
<p><b>AASB 9</b>            <i>Financial Instruments</i></p> <p>This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>Introducing a number of changes to accounting treatments. The Perth Theatre Trust has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
<p><b>AASB 15</b>            <i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Perth Theatre Trust shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p> <p>The Perth Theatre Trust's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change. However, the Perth Theatre Trust has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenue. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Perth Theatre Trust has discharged its performance obligations.</p>	1 Jan 2019
<p><b>AASB 16</b>            <i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</p> <p>Whilst the impact of AASB 16 has not yet been quantified, the Perth Theatre Trust currently has commitments for \$32,000 worth of non-cancellable operating leases which will mostly be brought onto the Statement of Financial Position. Interest and amortisation expense will increase and rental expense will decrease.</p>	1 Jan 2019
<p><b>AASB 1058</b>            <i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an agency. The Perth Theatre Trust anticipates that the application will not materially impact appropriations or untied grant revenues.</p>	1 Jan 2019
<p><b>AASB 1059</b>            <i>Service Concession Arrangements: Grantors</i></p> <p>This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Perth Theatre Trust has not identified any public private partnerships within scope of the Standard.</p>	1 Jan 2019
<p><b>AASB 2010-7</b>            <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, Perth Theatre Trust is only insignificantly impacted by the application of the Standard.</p>	1 Jan 2018
<p><b>AASB 2014-1</b>            <i>Amendments to Australian Accounting Standards</i></p>	1 Jan 2018

Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. [These changes have no impact as Appendix E has been superseded and Perth Theatre Trust was not permitted to early adopt AASB 9].

**AASB 2014-5** *Amendments to Australian Accounting Standards arising from AASB 15* 1 Jan 2018

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. Perth Theatre Trust has not yet determined the application or the potential impact of the Standard.

**AASB 2014-7** *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* 1 Jan 2018

This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). Perth Theatre Trust has not yet determined the application or the potential impact of the Standard.

**AASB 2015-8** *Amendments to Australian Accounting Standards – Effective Date of AASB 15* 1 Jan 2018

This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.

**AASB 2016-3** *Amendments to Australian Accounting Standards – Clarifications to AASB 15* 1 Jan 2018

This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Perth Theatre Trust has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.

**AASB 2016-7** *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities* 1 Jan 2018

This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.

**AASB 2016-8** *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities* 1 Jan 2019

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

### 9.3 Key management personnel

The Perth Theatre Trust has determined key management personnel to include cabinet ministers and senior officers of the Trust. The Perth Theatre Trust does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

<b>Compensation of trustees of the Perth Theatre Trust</b>	<b>\$</b>	<b>2018</b>	<b>2017</b>
	0 - 10,000	9	8
The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Perth Theatre Trust for the reporting period are presented within the following bands:		<b>2018</b>	<b>2017</b>
		<b>\$000</b>	<b>\$000</b>
	Short-term employee benefits	14	24
	Post-employment benefits	0	0
	Other benefits	0	0
	<b>Total compensation of trustees of the Perth Theatre Trust</b>	<b>14</b>	<b>24</b>

## Compensation of senior officers

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Perth Theatre Trust for the reporting period are presented within the following bands:

\$	2018	2017
0 - 10,000	1	1
110,000 - 120,000	1	0
140,000 - 150,000	0	1
150,001 - 160,000	2	1
	2018	2017
	\$000	\$000
Short-term employee benefits	386	277
Post-employment benefits	37	26
Other long-term benefits	0	0
Termination benefits	0	0
<b>Total compensation of senior officers</b>	<b>423</b>	<b>303</b>

Total compensation includes the superannuation expense incurred by the Perth Theatre Trust in respect of senior officers.

## 9.4 Related Party Transactions

The Perth Theatre Trust is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Perth Theatre Trust is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to the State.

Related parties of the Perth Theatre Trust include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

## Significant transactions with government related entities

Significant transactions include:

- service appropriations (Note 4.1)
- capital appropriations (Note 4.1);
- services received free of charge from the Department of Local Government Sports and Cultural Industries (Note 4.1);
- Royalties for Regions Fund (Note 4.1);
- superannuation payments to GESB (Note 3.1(a));
- audit fees to Auditor General (Note 9.8).

## Material transactions with related parties

There were no material transactions with related parties other than those listed above.

## 9.5 Related bodies

At the reporting date, the Perth Theatre Trust had no related bodies as defined by Treasurer's Instruction 951.

## 9.6 Affiliated bodies

At the reporting date, the Perth Theatre Trust had no affiliated bodies as defined by Treasurer's Instruction 951.

## 9.7 Special purpose accounts

### Special Purpose Account - section 16(1)(c) of Financial Management Act 2006

#### Perth Theatre Trust Ticketing Account

The purpose of the account is to hold funds on behalf of promoters and other parties in relation to the staging of events and shows, pending due and proper performance of contractual obligations.

	2018	2017
	\$000	\$000
Balance at the start of the year	1,929	2,248
Receipts	11,384	11,009
Payments	(10,511)	(11,328)
<b>Balance at the end of the year</b>	<b>2,802</b>	<b>1,929</b>

## 9.8 Remuneration of auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2018 \$000	2017 \$000
Auditing the accounts, financial statements and key performance indicators	26	26

## 9.9 Equity

### Contributed equity

	2018 \$000	2017 \$000
Balance at start of period	95,349	194,378

### Contributions by owners

Capital appropriation	0	0
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### Transfer of net assets from other agencies

Transfer of the Goldfields Arts Centre from the Department of Training and Workforce Development:

Building	17,926	0
Land	3,000	0

Transfer of Land and Building for the State Theatre Centre to DLGSC

(99,645)

Capital Projects Funded By the Department of Local Government Sports and Cultural Industries:

His Majesty Theatre - Seating Replacement	796	559
His Majesty's Theatre Lights	0	57
His Majesty's Theatre - Balustrade	33	0
His Majesty's Theatre - Rehearsal Room floor replacement	62	0

**Total contributions by owners** 21,817 (99,029)

**Balance at end of period** 117,166 95,349

	2018 \$000	2017 \$000
<b>Asset revaluation surplus</b>		
Balance at start of period	3,992	7,872
Net revaluation increments/ (decrements)	0	0
Land	(616)	(229)
Buildings	(1,660)	(3,651)
Plant and equipment	0	0
Non-current assets classified as held for sale	0	0
Other	0	0
<b>Balance at end of period</b>	<b>1,716</b>	<b>3,992</b>

## 9.10 Supplementary financial information

### (a) Write-offs

During the financial year, \$47,978.31 (2017: \$482) in bad debts was written off under the authority of:

	2018 \$000	2017 \$000
The board of Trustees (Perth Theatre Trust)	48	0

### (b) Losses through theft, defaults and other causes

There were no losses of public moneys and public and other property through theft or default during the financial year.

### (c) Gift of public property

There were no gifts of public property provided by the Perth Theatre Trust.

## 9.11 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$355,000 for the Statements of Comprehensive Income and Cash Flows; and
- 5% and \$3.1 million for the Statement of Financial Position.

Statement of Comprehensive Income	Note	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	1, A	8,521	9,271	8,478	750	793
Supplies and services	2, B	1,131	2,598	3,265	1,467	(667)
Depreciation and amortisation expense	3, C	3,533	2,617	3,593	(916)	(976)
Accommodation expenses		1,958	1,764	2,097	(194)	(333)
Cost of sales		232	222	190	(10)	32
Loss on disposal of non-current assets		0	0	0	0	0
Grants and subsidies		500	502	500	2	2
Other expenses		340	429	291	89	138
<b>Total cost of services</b>		<b>16,215</b>	<b>17,403</b>	<b>18,414</b>	<b>1,188</b>	<b>(1,011)</b>
<b>Income</b>						
<b>Revenue</b>						
User charges and fees	4	4,587	5,623	5,391	1,036	232
Sales	5	0	748	676	748	72
Sponsorship		5	172	148	167	24
Interest revenue		33	57	48	24	9
Other revenue	6, D	1,143	2,876	1,528	1,733	1,348
<b>Total Revenue</b>		<b>5,768</b>	<b>9,476</b>	<b>7,791</b>	<b>3,708</b>	<b>1,685</b>
<b>Gains</b>						
Gain on disposal of non-current assets		0	0	0	0	0
<b>Total Gains</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total income other than income from State Government</b>		<b>5,768</b>	<b>9,476</b>	<b>7,791</b>	<b>3,708</b>	<b>1,685</b>
<b>NET COST OF SERVICES</b>		<b>10,447</b>	<b>7,927</b>	<b>10,623</b>	<b>(2,520)</b>	<b>(2,696)</b>
<b>Income from State Government</b>						
Service appropriation		9,297	9,277	9,090	(20)	187
State grants and subsidies	7	0	646	356	646	290
Services received free of charge		798	553	839	(245)	(286)
Royalties for Regions Fund		474	474	503	0	(29)
<b>Total income from State Government</b>		<b>10,569</b>	<b>10,950</b>	<b>10,788</b>	<b>381</b>	<b>162</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>		<b>122</b>	<b>3,023</b>	<b>165</b>	<b>2,901</b>	<b>2,858</b>

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### Major Estimate and Actual (2018) Variance Narratives

- 1) The increase in employee expenses (\$750,000 or 8.8%) was mainly due to an increase in casual show wages related to increased activities at the venues. This cost is fully recoverable from the hirer, the recovery is recorded as income under user fees and charges which also increased in line with this increase.
- 2) The increase in supplies and services (\$1.5 million or 130%) was mainly due to minor equipment purchases for projects approved by the Department of Local Government Sports and Cultural Industries(DLGSC) which were not included in the estimates. This increase is also attributable to the inclusion of the Albany Entertainment Centre (AEC) which was excluded in the estimates pending the finalisation of the Venue's future management arrangement.
- 3) The decrease in depreciation (\$916,000 or 26%) was due to the transfer of the State Theatre Centre (STC) building to the Department (DLGSC).
- 4) The increase in user charges and fees (\$1 million or 23%) was mainly attributable to item 1 and 2 above i.e. increase in activities at the venues and the inclusion of AEC figures which were not included in the estimates.
- 5) The increase in sales (\$748,000 or 100%) was attributable to the inclusion of AEC's food and beverage income which was excluded in the estimates.
- 6) The increase in other revenue (\$1,733,000 or 152%) was due to the transfer of Land for the Albany Entertainment Centre from the City of Albany to the Perth Theatre Trust.
- 7) The increase in State grants and subsidies (\$646,000 or 100%) was related to the grants not being included in the estimates. The discretionary nature of the grants makes it difficult to come up with an estimate for this revenue line.

### Major Actual (2018) and Comparative (2017) Variance Narratives

- A) The increase in employee expenses (\$793,000 or 9.4%) was mainly due to an increase in the Perth Theatre Trust's FTE due to the insourcing of the Ticketing function in 2018.
- B) The decrease in supplies and services (\$667,000 or 20.4%) was mainly due to the insourcing of the cleaning function at AEC (this is now being reported against employee expense), reduced expenditure on minor equipment purchases and decrease in expenditure against PTT programmed shows in 2018 when compared to 2017.
- C) The decrease in depreciation (\$976,000 or 27%) was due to the transfer of the State Theatre Centre Building to the Department (DLGSC) at the end of 2017.
- D) The increase in other revenue (\$1,348,000 or 88%) was due to the transfer of Land for the Albany Entertainment Centre from the City of Albany to the Perth Theatre Trust.

Statement of Financial Position	Note	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		1,032	1,581	2,870	549	(1,289)
Restricted cash and cash equivalents		1,753	2,803	1,932	1,050	871
Inventories		16	22	23	6	(1)
Receivables		476	941	811	465	130
Amounts receivable for services		0	0	0	0	0
Other current assets		839	743	687	(96)	56
<b>Total Current Assets</b>		<b>4,116</b>	<b>6,090</b>	<b>6,323</b>	<b>1,974</b>	<b>(233)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		36	37	16	1	21
Amounts receivable for services	E	37,581	37,551	34,048	(30)	3,503
Property, plant and equipment	8, F	198,567	113,579	94,068	(84,988)	19,511
Intangible assets		29	1,025	354	996	671
<b>Total Non-Current Assets</b>		<b>236,213</b>	<b>152,192</b>	<b>128,486</b>	<b>(84,021)</b>	<b>23,706</b>
<b>TOTAL ASSETS</b>		<b>240,329</b>	<b>158,282</b>	<b>134,809</b>	<b>(82,047)</b>	<b>23,473</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		1,040	225	516	(815)	(291)
Funds held in trust		449	2,345	1,931	1,896	414
Provisions		1,753	719	623	(1,034)	96
Other current liabilities		695	1,444	900	749	544
<b>Total Current Liabilities</b>		<b>3,937</b>	<b>4,733</b>	<b>3,970</b>	<b>796</b>	<b>763</b>
<b>Non Current Liabilities</b>						
Provisions		351	387	243	36	144
Other non-current liabilities		0	0	0	0	0
<b>Total Non-Current Liabilities</b>		<b>351</b>	<b>387</b>	<b>243</b>	<b>36</b>	<b>144</b>
<b>TOTAL LIABILITIES</b>		<b>4,288</b>	<b>5,120</b>	<b>4,213</b>	<b>832</b>	<b>907</b>
<b>NET ASSETS</b>		<b>236,041</b>	<b>153,162</b>	<b>130,596</b>	<b>(82,879)</b>	<b>22,566</b>
<b>EQUITY</b>						
Contributed equity	8, F	194,779	117,166	95,349	(77,613)	21,817
Reserves	F	12,271	1,716	3,992	(10,555)	(2,276)
Accumulated surplus		28,991	34,280	31,255	5,289	3,025
<b>TOTAL EQUITY</b>		<b>236,041</b>	<b>153,162</b>	<b>130,596</b>	<b>(82,879)</b>	<b>22,566</b>

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**Major Estimate and Actual  
(2018) Variance Narratives**

- 8) The decrease (\$85 million or 44%) in property, plant and equipment was due to the transfer to DLGSC of the STC land and building at the end of 2017. The transfer of the STC land and Building also affected Contributed Equity and Reserves.

**Major Actual (2018) and Comparative  
(2017) Variance Narratives**

- E) The increase (\$3.5 million or 10%) in amounts receivable for services relates to the notional allocation from Treasury for asset replacement.
- F) The increase (\$19.5 million or 20.8%) in property, plant and equipment was due to the transfer the land and buildings for the Goldfields Arts Center from the Department of Training and Workforce Development to PTT. The Goldfields Arts Center also affected Contributed Equity.

<b>Statement of Cash Flows</b>	<b>Note</b>	<b>Estimate 2018 \$000</b>	<b>Actual 2018 \$000</b>	<b>Actual 2017 \$000</b>	<b>Variance between estimate and actual \$000</b>	<b>Variance between actual results for 2018 and 2017 \$000</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		5,764	5,774	5,289	10	485
State grants and subsidies		0	527	204	527	323
Capital contributions		1,120	347	172	(773)	175
Holding account drawdowns		0	0	0	0	0
Royalties for Regions Fund		474	474	503	0	(29)
27th Pay holding account movement		0	21	16	21	5
<b>Net cash provided by State Government</b>		<b>7,358</b>	<b>7,143</b>	<b>6,184</b>	<b>(215)</b>	<b>959</b>
Utilised as follows:						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Payments from trust fund		(10,800)	(10,510)	(11,328)	290	818
Employee benefits		(8,509)	(9,127)	(8,039)	(618)	(1,088)
Supplies and services		(940)	(3,297)	(3,033)	(2,357)	(264)
Accommodation		(1,199)	(1,349)	(1,245)	(150)	(104)
Grants and Subsidies		(500)	(252)	(500)	248	248
GST payments on purchases		(341)	(587)	(413)	(246)	(174)
GST payments to taxation authority		(300)	(217)	(186)	83	(31)
Other payments		(340)	(139)	(434)	201	295
<b>Receipts</b>						
Receipts into trust fund		10,500	11,383	11,009	883	374
User charges and fees		4,587	5,513	5,420	926	93
Sale of goods and services		0	748	676	748	72
Sponsorship		5	172	148	167	24
Interest received		33	57	48	24	9
GST receipts on sales		308	756	633	448	123
GST receipts from taxation authority		333	113	35	(220)	78
Other receipts		1,143	933	1,786	(210)	(853)
<b>Net cash provided by/ (used in) operating activities</b>		<b>(6,020)</b>	<b>(5,803)</b>	<b>(5,423)</b>	<b>217</b>	<b>(380)</b>

<b>Statement of Cash Flows</b>	<b>Note</b>	<b>Estimate 2018 \$000</b>	<b>Actual 2018 \$000</b>	<b>Actual 2017 \$000</b>	<b>Variance between estimate and actual \$000</b>	<b>Variance between actual results for 2018 and 2017 \$000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Proceeds from sale of non-current physical assets		0	0	0	0	0
<b>Payments</b>						
Purchase of non-current physical assets	9, G	(1,120)	(1,737)	(444)	(617)	(1,293)
<b>Receipts</b>						
Proceeds from sale of non-current physical assets		0	0	0	0	0
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,120)</b>	<b>(1,737)</b>	<b>(444)</b>	<b>(617)</b>	<b>(1,293)</b>
Net increase / (decrease) in cash and cash equivalents		218	(397)	317	(615)	(714)
Cash and cash equivalents at the beginning of the period		2,603	4,818	4,501	2,215	317
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>2,821</b>	<b>4,421</b>	<b>4,818</b>	<b>1,600</b>	<b>(397)</b>

### **Major Estimate and Actual (2018) Variance Narratives**

9) The increase (\$617,000 or 55%) was attributable to the implementation of the new ticketing system and the a new records management system.

### **Major Actual (2018) and Comparative (2017) Variance Narratives**

G) The increase (\$1.3 million or 74%) was attributable to the implementation of the new ticketing system, records management system and new seating project at His Majesty's Theatre.

### **9.12 Contingent liabilities and contingent assets**

At the reporting date, the Perth Theatre Trust had no contingent liabilities or assets.

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# Budget Estimates for 2018-19

In accordance with the Treasurer's Instruction 953 the annual estimates for the current financial year (2018-19) are hereby included in the Annual Report.

These estimates do not form part of the financial statements and are not subject to audit.

## Statement of Comprehensive Income

For period ending 30 June 2019

	<b>Estimate \$000</b>
<b>Cost of services</b>	
<b>Expenses</b>	
Employee benefits expense	8,299
Supplies and services	2,700
Depreciation and amortisation expense	2,575
Accommodation expenses	2,102
Grants and Subsidies	500
Cost of sales	220
Other expenses	1,067
<b>Total cost of services</b>	<b>17,463</b>
<b>Income</b>	
User charges and fees	5,540
Sales	795
Sponsorship	0
Donated works of art	0
Bequest trust and special purpose funds contributions	0
Interest revenue	41
Commonwealth grants and contributions	0
Other revenue	657
<b>Total Income</b>	<b>7,033</b>
<b>NET COST OF SERVICES</b>	<b>10,430</b>
<b>Income from State Government</b>	
Service appropriation	8,154
Royalties for Regions Fund	749
Assets Transferred / (Assumed)	0
Grants and subsidies from State Government	445
Resources received free of charge	1,238
<b>Total income from State Government</b>	<b>10,586</b>
<b>SURPLUS / (DEFICIT) FOR THE PERIOD</b>	<b>156</b>

## Statement of Financial Position by Agency

For period ending 30 June 2019

	<b>Estimate \$000</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	2,829
Restricted cash and cash equivalents	1,932
Inventories	23
Receivables	380
Amounts receivable for services	0
Other current assets	672
<b>Total Current Assets</b>	<b>5,836</b>
<b>Non-Current Assets</b>	
Restricted cash and cash equivalents	33
Amounts receivable for services	40,156
Other financial assets	0
Property, plant and equipment	120,129
Library Collections	0
Museum Collections	0
Works of Art	0
Intangibles	37
Other non current assets	0
<b>Total Non-Current Assets</b>	<b>160,355</b>
<b>TOTAL ASSETS</b>	<b>166,191</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Payables	907
Provisions	623
Funds held in trust	1,931
Other	294
<b>Total Current Liabilities</b>	<b>3,755</b>
<b>Non-Current Liabilities</b>	
Provisions	333
Other	0
<b>Total Non-Current Liabilities</b>	<b>333</b>
<b>TOTAL LIABILITIES</b>	<b>4,088</b>
<b>EQUITY</b>	
Contributed equity	122,302
Reserves	8,268
Accumulated surplus/(deficit)	31,533
<b>TOTAL EQUITY</b>	<b>162,103</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>166,191</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

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# Statement of Cash Flows

For period ending 30 June 2019

2017

\$000

## CASH FLOWS FROM STATE GOVERNMENT

Service appropriations	5,579
Capital appropriation	6,500
Holding account drawdowns	0
State grants and subsidies	445
Royalties for Regions Fund: Regional Community Services Fund"	749
<b>Net cash provided by State Government</b>	<b>13,273</b>

## CASH FLOWS FROM OPERATING ACTIVITIES

### Payments

Payment from trust fund	(11,500)
Employee benefits	(8,236)
Supplies and services	(1,109)
Accommodation	(893)
Grants and subsidies	(500)
GST payments on purchases	(918)
GST payments to tax authority	0
Other payments	(1,095)

### Receipts

Receipts into trust fund	11,500
Sale of goods and services	795
User charges and fees	5,540
Commonwealth grants and contributions	0
Interest received	41
Sponsorship	0
Bequest trust and special purpose funds contributions	0
GST receipts	636
GST receipts from taxation authority	282
Other receipts	657

**Net cash from operating activities** **(4,800)**

## CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of non-current assets (6,500)

**Net cash from investing activities** **(6,500)**

**NET INCREASE/(DECREASE) IN CASH HELD** 1,973

Cash assets at the beginning of the reporting  
period 2,821

**Cash assets at the end of the reporting  
period** **4,794**

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### **Image acknowledgements**

**Cover Page** – His Majesty's Theatre interior. Photo by Alison Rodrigues.

**Page 5** – *1984* by George Orwell. Renato Musolino, Paul Blackwell, Ursula Mills, Tom Conroy, Guy O'Grady, Fiona Press, Yalin Ozucelik. Photo by Shane Reid.

**Page 21** – *ab[intra]* featuring Charmene Yap, Sydney Dance Company. Photo by Pedro Greig.

**Page 33** – *Stand Up! For Comedy 2017* featuring Werzel Montague, and Emma Krause. Photo by Alison Rodrigues.

**Page 47** – Heath Ledger Theatre interior. Photo by Robert Frith.

**Page 53** – Simone & Girlfunkle at Courtyard Club. Photo by Cam Campbell.

