
PERTH THEATRE TRUST

Annual Report 2018-19



PERTH
THEATRE
TRUST

Perth Theatre Trust

825 Hay Street
Perth WA 6000
Postal address: PO Box 7118
Cloisters Square WA 6850
T: (08) 9265 0900
E: info@ptt.wa.gov.au
www.ptt.wa.gov.au

His Majesty's Theatre

825 Hay Street
Perth WA 6000
T: (08) 9265 0900
www.hismajestystheatre.com.au

Perth Concert Hall

5 St Georges Terrace
Perth WA 6000
T: (08) 9231 9900
www.perthconcerthall.com.au

State Theatre Centre of Western Australia

174-176 William Street
Perth WA 6000
T: (08) 6212 9200
www.statetheatrecentrewa.com.au

Subiaco Arts Centre

180 Hamersley Road
Subiaco WA 6008
T: (08) 9382 3000
www.subiacoartscentre.com.au

Albany Entertainment Centre

2 Toll Place (off Princess Royal Drive)
Albany WA 6330
T: (08) 9844 5000
Box Office: (08) 9844 5005
www.albanyentertainment.com.au

Perth Cultural Centre

James St
Northbridge WA 6003
T: (08) 9427 3365
www.perthculturalcentre.com.au

Goldfield Arts Centre

35 Cheetham Street
Kalgoorlie WA 6430
T: (08) 9021 0999
Box Office: (08) 9021 0999
www.goldfieldsartscentre.com.au

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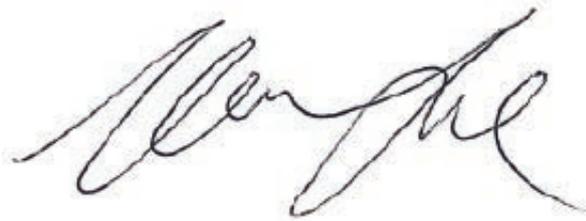
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Statement of Compliance

For the year ended 30 June 2019

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 2019.

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', is positioned above the printed name and title.

Morgan Solomon
Chairman

Executive Summary

Chairman's report

Perth Theatre Trust (PTT) is continuously striving to achieve its vision of vibrant, full theatres. This vision may appear simple, but success is the result of dedication to the task of managing and maintaining the theatres under PTT's control. This is done with the greatest care for these cherished venues, each 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. *The Curious Incident of the Dog in the Night*, presented by the UK National Theatre was a huge success with 10,769 attendees, while Shake and Stir's production of *George's Marvellous Medicine* - presented by PTT - attracted 8,317 people across 15 shows. We thank the artists who make such a wonderful contribution to all our performances.

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. In particular, His Majesty's Theatre is undergoing significant work to protect its status as one of Western Australia's great public buildings. Improvements to the orchestra pit and ongoing refurbishments planned for the foyer areas will ensure "The Maj" remains a comfortable, welcoming place for staff, artists and visitors alike.

PTT has continued its progression towards a new management and operations model, which is set to ensure the Trust will remain directly responsible for core venue owner functions on behalf of all Western Australians. A new venue operating services not-for-profit will allow day-to-day running of the activities to be more responsive and agile, and perfectly placed to support the growth of Western Australia's performing arts sector.

The Trust took over the management and activation of the Perth Cultural Centre public realm (PCC) on 1 July 2018. A two-year Strategic Plan has been developed and will be implemented in the lead-up to the opening of the new Museum. PCC is one of WA's greatest cultural assets and it draws visitors from near and far, attracting an average of 4.5 million visitors a year.

PTT has responsibility for a number of venues which are owned or managed by local councils. We acknowledge and thank our civic partners - City of Perth, City of Albany, City of Subiaco and City of Kalgoorlie-Boulder.

These initiatives and improvements are led by the energetic Duncan Ord who carries out dual roles as the Trust's General Manager and as Director General of the Department of Local Government, Sport and Cultural Industries. At PTT Duncan is supported by a dedicated and talented staff of more than 368 full-time, contracted and casual employees and I thank them for their ongoing professionalism and hard work.

The strategic direction of the Trust could not be set without the expertise of our ever-enthusiastic board and I thank them for their dedication. I would like to welcome new members Gaye McMath who joined in December 2018 and Andrew Hammond, who joined in January 2019. I also wish to acknowledge Cr Janet Davidson, who served on the Board from January 2008 – December 2018. Janet also served as Chair of the Finance and Audit Committee and brought deep knowledge and skill to her role. I thank her sincerely for her contribution and wish her well for the future.

Finally, 2019 was the year we farewelled long-term Board member and beloved public figure in the West Australian arts scene, Max Kay. Max passed away in June and after a public outpouring of grief, a memorial service was held at His Majesty's Theatre, a venue Max held dear. Vale Max.

Mr Morgan Solomon
Chairman

General Manager's report

This year has seen Perth Theatre Trust deliver on its mission is to offer wide-ranging arts experiences in well-managed venues.

Many of these experiences are presented by funded arts organisations presenting regular seasons in Trust venues as part of a vibrant arts ecology in Western Australia. These include the Barking Gecko Theatre Company, Black Swan State Theatre Company, Yirra Yaakin Theatre Company, West Australian Ballet and West Australian Opera, as well as the Perth Festival and Fringe World.

PTT also presented a wide range of First Nations work across all our venues including Bangarra's *Dark Emu* (State Theatre Centre of WA), *Which Way Home?* by Ibijerri Theatre Company (Albany Entertainment Centre), *The Season* by Tas Performs (His Majesty's Theatre), *Cracked* by resident company Yirra Yaakin Theatre Company (Subiaco Arts Centre), and the Pujiman exhibition (Goldfields Arts Centre).

In 2018 Cabinet approved the transfer of the Sunset Heritage Precinct to the Minister for Culture and the Arts. After 24 years, the former public hospital has now been set aside for arts, cultural, community and ancillary commercial uses, managed and activated by the Perth Theatre Trust on behalf of the Department of Local Government, Sport and Cultural Industries (DLGSC).

In February 2019 after an upgrade of the P-Block (Perth's second longest running picture theatre) Perth Festival launched their 2019 season with Strut Dance, bringing together a stunning cast of Australian performers that transferred Sunset into a waiting room between worlds, where classical myth collided with Western Australian stories.

With the Precinct's highly successful transition to a performing arts venue and in keeping with the State Government's vision, an Expression of Interest seeking appropriately credentialed organisations to invest in the Sunset Heritage Precinct was released in February 2019, with three Western Australian organisations invited to submit proposals later in the year.

Upgrades to His Majesty's Theatre are ongoing, with planning for the front-of-house works underway. The theatre's public areas will be improved, providing more hospitality opportunities and upgrading the foyer areas. The orchestra pit building works are continuing with the installation of the pit lift to be finalised by February 2020. These upgrades will assist to conserve the theatre's cultural significance, enhancing the conservation and preservation of this iconic building.

As part of the refurbishment the Museum of the Performing Arts (MOPA) collection has been moved from His Majesty's Theatre to King Street Arts Centre, awaiting its return in a new format, as a highlight of the front-of-house works. We thank MOPA archivist Ivan King for his hard work and care for this important cultural collection.

PTT is committed to ensuring that the buildings in our care are as accessible as possible to all members of the Western Australian community, as well as other visitors. To ensure this, the PTT Disability Access and Inclusion Plan (DAIP) was renewed in 2018. The DAIP is not just about performances, but also about how PTT communicates with, and works to meet the needs of, people living with disability in our community. The DAIP is now being included in online staff induction, and improved access to venues and ongoing consultation have taken place this year.

I thank PTT 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: \$21.46 million

Revenue: \$8.33 million

Funding from State Government:
\$12.37 million

Performances: 1,161

Performance attendance: 477,715

Events: 505

Event attendance: 48,547

PTT supported events: 143

Attendances at PTT supported events:
44,992

Total Attendances: 526,262

Performance by venue:

Perth Concert Hall

157 performances, attended by 178,194 patrons
104 events, attended by 8,947 patrons

His Majesty's Theatre

290 performances, attended by 111,960 patrons
11 events, attended by 1,008 patrons

State Theatre Centre of WA

490 performances, attended by 141,471 patrons
147 events, attended by 18,679 patrons

Albany Entertainment Centre

101 performances, attended by 22,824 patrons
47 events, attended by 4,819 patrons

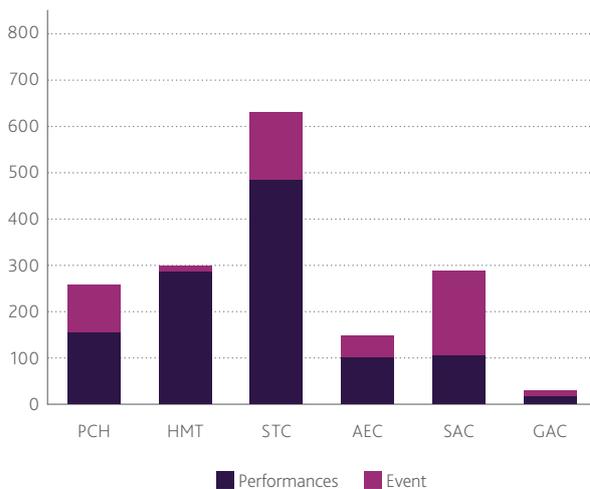
Subiaco Arts Centre

106 performances, attended by 16,850 patrons
184 events, attended by 12,509 patrons

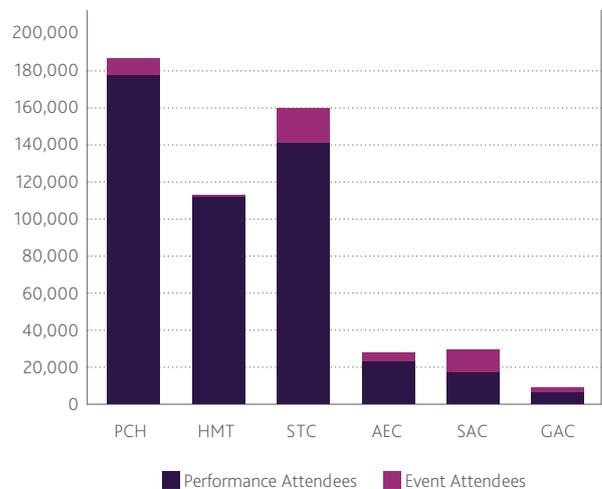
Goldfields Arts Centre

17 performances, attended by 6,416 patrons
12 events, attended by 2,558 patrons

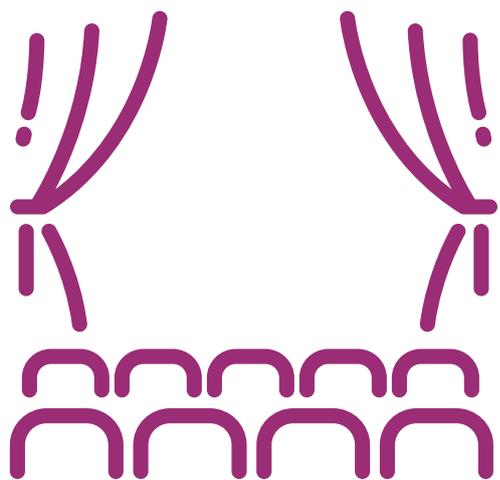
Activity by Venue



Attendance by Venue



Perth Theatre Trust results by the numbers



In 2018-19 PTT delivered

1,161

performances to

477,715

people across all venues

Perth Theatre Trust experienced a rise in online interaction including:



24%

increase in eNewsletter subscriber reach



45%

increase in website sessions

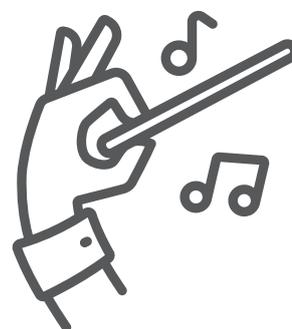


+38k

attracted over 32,000 followers on Facebook and nearly 6,000 on Instagram across all four venues

subilicious

created and programmed the first Subiaco Fringe Hub with 32 live performances and 3,777 attendances.



\$6.5m

to modernise His Majesty's Theatre's orchestra pit and front-of-house spaces



Overview of the Agency

Vision

To have vibrant, full theatres

Mission

To offer wide-ranging arts experiences in well-managed venues

Agency profile

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

The venues currently managed by the Trust are:

- His Majesty's Theatre (Government owned)
- State Theatre Centre of Western Australia (Government owned)
- Subiaco Arts Centre (leased from the City of Subiaco)
- Albany Entertainment Centre (Government owned).
- Perth Cultural Centre public realm

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

In 2018 Cabinet approved the transfer of the Sunset Heritage Precinct to the Minister for Culture and the Arts. The site is set aside for arts, cultural, community and ancillary commercial uses, overseen by the Perth Theatre Trust.

Enabling legislation

The Perth Theatre Trust 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, Perth Theatre Trust 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*

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 Janet Davidson OAM JP (Appointed January 2008 – December 2018)

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. Cr Davidson is a member of the Australian Institute of Company Directors. She has been a Justice of the Peace for 21 years and presently serves on RAJWA (Royal Association of Justices WA) as Vice President. She is Vice Patron to NCWWA (National Council of Women of Western Australia), having served 6 years on the National Board of NCWA as Board Co-ordinator and Vice President.

Cr Davidson 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. Cr Davidson served on the National Board for Australian Local Government Women's Association, 7 years as Vice President. 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).

**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 21C 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 and has significant leadership experience gained in a career spanning the commercial and arts sectors. He is committed to the National Trust's mission to connect Western Australian communities to the value of their diverse natural and cultural heritage. The successful co-presentation of REST at East Perth Cemeteries with WA Youth Theatre Company in the 2019 Fringe Festival spoke to the National Trust's role in building a valued sense of our place through reflection on our rich and diverse cultural heritage.

Mr Donaldson led the Perth International Arts Festival over a decade before joining the National Trust in 2016. He retains his involvement in the arts through membership of the board of the Perth Theatre Trust.

**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, Artopia and writingWA.

Tanya is the current Chair of the Highgate Primary School Board and is past vice president and secretary of the Leederville Early Childhood Association. 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.

**Andrew Hammond
(Appointed January 2019)**

Andrew Hammond is currently the Chair Commissioner for the City of Perth. He previously held the position as Chief Executive Officer of the City of Rockingham after 10 years in the role. Andrew has significant senior experience in Local Government having held CEO positions in Albany, Wyndham East Kimberley and Nannup.

He holds an Executive Master of Business in Administration from the University of Western Australia and is a Fellow of Local Government Managers Australia, the Australian Institute of Management and a graduate of the Australian Institute of Company Directors.

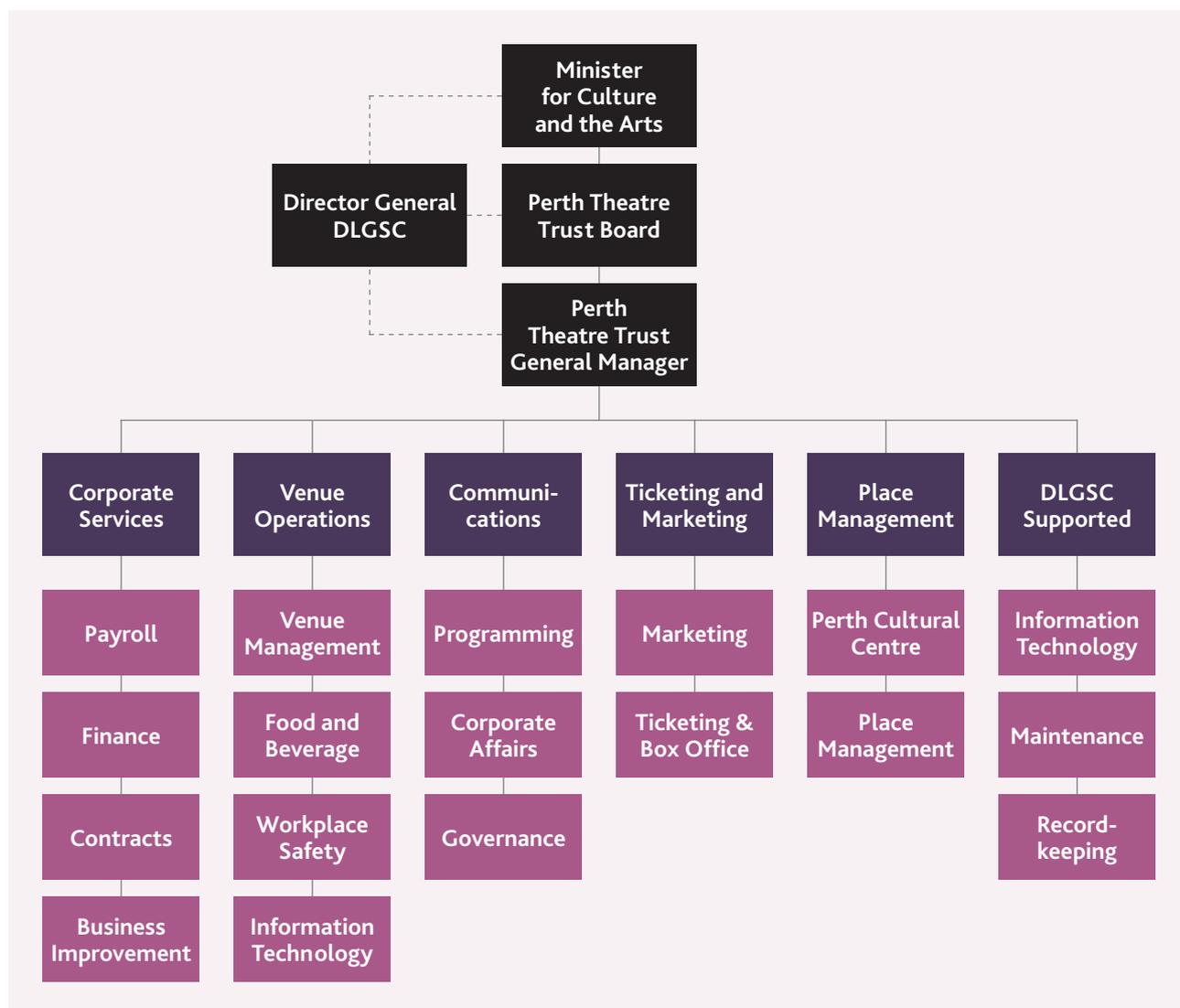
**Gaye McMath
(Appointed October 2018)**

Gaye McMath's executive career included senior strategic and operational roles over a 23-year career in resources and 15 years in higher education.

Gaye is currently Deputy Chair Commissioner at the City of Perth. Her current board roles include Gold Corporation, Southern Ports Authority, Power and Water Corporation, NT, the Chamber of Arts and Culture WA, Perth Convention Bureau, Study Perth, The Perth Public Arts Foundation and Heritage Perth.

Gaye holds a Bachelor of Commerce from Melbourne University, a Masters of Business Administration from Melbourne Business School and has completed the Advanced Management Program at the Harvard Business School. She is a fellow of CPA Australian and the Australian Institute of Company Directors.

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

Director, Place Management
Mr Paolo Amaranti

Manager, Communications and Programming
Ms Shauna Weeks BA Eng.

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

Agency Performance

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 2015-2017. While a new Strategic Plan will be developed during the transition to a new operating model to come into effect later in 2019, the Strategic Objectives remain unchanged for 2018-19.

PTT is guided by six strategic areas that 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:

- Companies in the Perth Tessitura Consortium shared information, professional development opportunities and joint marketing initiatives.
- Expanded the Perth Tessitura Consortium to include Perth Festival, in time for the 2020 Perth Festival.
- His Majesty's Theatre (HMT) has developed an important relationship with the Intercontinental Hotel as an alternative food and beverage destination close to the venue, particularly during venue refurbishment.
- In partnership with Ace's Cabaret, HMT presented more than 60 events across Fringe World Festival.
- Subiaco Arts Centre (SAC) partnered with CircuitWest to present the third TechWest and Showcase WA conferences – now including GalleriesWest, with 150 people registered for the four-day Showcase event.
- SAC supported West Australian Youth Theatre Company's *24hr Play Generator* for a second year, with 230 attending.
- Albany Entertainment Centre (AEC) partnered with Great Southern Grammar on an artist-in-residence exhibition.
- AEC partnered with Jenna Robertson to produce an Opera Gala Concert, which included international, interstate and local artists.
- State Theatre Centre (STC) partnered with Perth Festival to create an artist's bar - Bar Underground.
- STC held its first public full-venue smoking ceremony as part of NAIDOC Week celebrations. This event will become annual, with members of the public invited to follow the ceremony throughout the venue.
- An Acknowledgement of Country has been designed and launched on the Perth Concert Hall (PCH) website.
- Donations are now accepted via ticketing pathways for WASO and Musica Viva at PCH.
- The Goldfields Arts Centre (GAC) partnered with CircuitWest to deliver the Building Arts Audiences Project, conducting audience research with the help of an external facilitator.
- Perth Cultural Centre (PCC) partnered with the City of Perth to deliver key activations in line with their annual campaigns.
- A new mentoring relationship between PCC and the North Metropolitan TAFE was developed to assist with the creation of a NAIDOC Week program in the precinct

Strategic Objective 2: Audiences

To build new audiences while continuing to service existing patrons.

Achievements against this objective during the reporting year included:

- HMT presented *The Season* by Tas Performs, attracting a First Nations audience to the venue.
- *Downstairs at the Maj* (DSATM) season and the popular *Morning Melodies* series were successful, exceeding targeted audience numbers.
- At SAC, Yirra Yaakin Theatre Company's *Cracked* attracted a full house on opening night and higher attendances than in recent years.
- A successful Activ Foundation art exhibition enabled community engagement and created new relationships for SAC.
- AEC created and produced the first Australian Shanty Festival, with the opening event held at the venue.
- Raise the Roof Funding supported a new community engagement role and works aimed at reaching new audiences for AEC.
- AEC conducted community surveys with results to be implemented in future programming.
- STC and RTRFM once again presented *Courtyard Club*, enlivening the venue on Friday evenings over the summer holiday season.
- The *Ngurra Nyingu* art exhibition was held during Fringe World Festival in the STC Studio Underground foyer.
- PCH hosted the RTX Convention Exhibition, a gaming and internet event which brought a new demographic to the venue.
- The ANZAC Commemorative Service held at PCH was broadcast on ABC television.
- Australia's largest performing arts event for schools, The Wakakirri Festival, was held over five days at PCH.

- GAC has developed a new informed audience development and engagement strategy and programming approach.
- Staff working within the PCC received accreditation from the Tourism Council WA China Ready program, aimed at building capacity.

Strategic Objective 3:

Customer experience

To provide excellent customer experiences.

Achievements against this objective during the reporting year included:

- The PTT website was upgraded to be fully mobile responsive.
- Ongoing training for box office staff ensures a consistent customer service level is provided at all times.
- 1361 people accessed venue tours, foyer visits and the Museum of Performing Arts at HMT.
- A Guide Dogs graduation ceremony was held at SAC. Guide Dogs WA expressed their appreciation for the level of support offered and the ease of venue operations.
- At the audience's request, general admission seating was offered at AEC for specific performances.
- AEC increased children's program content to meet the needs of the Great Southern community.
- Activation of the Courtyard space at STC encouraged greater public use throughout the year and during non-performance times.
- The PCH ticketing website was upgraded in order to provide an enhanced customer experience.
- GAC presented *Up, Up & Away*, a cabaret performance, and partnered with a local food business to offer a full night-out experience for patrons.
- A quarterly precinct-wide promotion was developed for all PCC stakeholders.
- A new Nature Play Passport allows visitors to learn and discover the PCC environment.

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

Achievements against this objective during the reporting year included:

- HMT took part in Heritage Perth Day, which attracted more than 600 visitors.
- Yirra Yaakin Theatre Company's free Family Picnic attracted around 500 patrons into the SAC gardens.
- SAC created and programmed the first Subiaco Fringe Hub, with 32 live performances and 3,777 attendances across all the participating venues.
- AEC hired studio space to artists for development workshops. This included three dance companies that later performed at the venue (Annette Carmichael, Ochre Dance Company, and Rapp Dance Company).
- AEC's View Restaurant updated its décor and wall hangings with work from a local artist.
- CircuitWest provided AEC with a facilitated staff vision and values session and community engagement training.
- STC, through greater participation in events such as NAIDOC week and Open House Perth, increased public access outside of performance operations.
- PCH encouraged local artists to use the venue, with live performances by WA bands such as Methyl Ethel.
- Art exhibitions including works on loan from the Wesfarmers and Holmes à Court collections changed quarterly to improve patron experience at PCH.
- The GAC Christmas Market had over 50 stalls across the centre, with free entertainment provided.

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:

- Commenced the works at HMT to improve the Occupational Health and Safety of staff and save resources, through the installation of a new mechanised orchestra pit.
- HMT replaced the boilers, to provide a more economical solution for heating.
- Additional exterior lighting was installed at HMT to address OH&S issues.
- New seat covers at SAC allow the auditorium to easily transform from a 300 to a 150 seat venue, increasing hire opportunities for the arts community.
- AEC purchased two new data projectors for the Princess Theatre, as well as a new digital sound desk for studio and foyer concerts.
- Improved maintenance standards and responsiveness at AEC by engaging a local mechanical services contractor.
- New audio equipment was installed at STC in Rehearsal Room One.
- Ongoing major structural works to resolve weight-loading issues took place across the PCH precinct.
- Blinds were installed in the PCH Café and on the Terrace foyer windows to improve patron comfort.
- PCH purchased a new Main Auditorium projector, lenses and screen.
- A truck ramp was installed at PCH to reduce the risk of injury when moving equipment from trucks without a tail lift, or from the front edge of stage.
- Works undertaken by the City of Perth at PCH included a new fire panel and electrical wiring interconnect system (EWIS) system, as well as major waterproofing and paving works.
- GAC received upgrades to rigging and lighting, as well as new equipment for the auditorium.

Strategic Objective 6:
Economic viability
To maintain and enhance our economic viability.

Achievements against this objective during the reporting year included:

- AEC secured three new sponsors for the Albany Arts Festival and the Harbourside program.
- AEC obtained support from Southern Ports for the Albany Shanty Festival.

- At PCH, WA Venues and Events (WAVE)-WASO Operations teams have merged to be more streamlined and scalable to event demands.
- All school graduations at PCH were converted from hard ticket prints to venue sales channels, resulting in increase in ticketing revenue.
- GAC partnered with CircuitWest to deliver the Building Arts Audiences project





Events with Perth Theatre Trust support

Event	Producer	Performances	Attendance
His Majesty's Theatre			
The Season	Tas Performs	3	1,198
Downstairs at the Maj Season	Perth Theatre Trust	31	3,656
Morning Melodies	Perth Theatre Trust	4	3,395
State Theatre Centre of WA			
George's Marvellous Medicine	Shake & Stir Theatre Co.	15	8,420
Dark Emu	Bangarra Dance Theatre	5	2,647
Julius Caesar	Bell Shakespeare	6	3,024
Cockfight	The Farm	5	810
Courtyard Club RTR	RTR FM and Perth Theatre Trust	8	4,595
Precipice	Rachel Arianne Ogle	5	570
Tim Ferguson: A Fast Life on Wheels	Serious Comedy	3	724
Subiaco Arts Centre			
The Orchid and the Crow	Critical Stages	3	335
Bruce	The Last Great Hunt	2	610

Event	Producer	Performances	Attendance
Albany Entertainment Centre			
Which Way Home - Ilbijeri	Ilbijeri Theatre Company	1	137
The Legend of Luke Kelly	Troubadour Music	1	90
Julius Caesar	Bell Shakespeare	1	420
Comedy Gold	Anthony Lamond Productions	1	128
Small Voices Louder	Performing Lines	1	135
Ensemble Offspring	Tura New Music	1	121
British Invasion	Lennard Promotions	1	258
Mahler's Resurrection	Albany Sinfonia	1	486
Grigoryan Brothers	RAZ Music	1	131
B2M Mamanta	Artback NT	1	230
Kwongkan Sand Tour	Ochre Dance Company	1	302
Chris Norman and David Greenburg	Boxwood Festival	1	147
Reclaimed Pianos	CIRCA	3	183
Mike Compton Live	Paul Duff	1	61
Always... Patsy Cline	HIT Productions	1	295
Christmas Around the World	Perth Theatre Trust	1	145
Albany Arts Festival	Perth Theatre Trust	13	2,991
Spike the Echidna	Little Wings Productions	1	73
Paul Fenech - The Aussie Thong Warrior	Antichocko Productions	1	195
Melbourne International Comedy Festival Roadshow	Melbourne International Comedy Festival	1	408
Possum Magic	Monkey Baa Theatre	2	635
Whoosh - Sensorium	Sensorium Theatre and Performing Lines	3	121
TOTAL		129	37,676

Partnerships with Perth Theatre Trust

Venue	Event	Events	Number
Albany Entertainment Centre	Albany Arts Festival Films	7	1,146
Perth Concert Hall	Performing Arts Perspectives	1	1,667
State Theatre Centre	State Art Partnership Cultural Honours	1	100
State Theatre Centre	Confluence	4	799
State Theatre Centre	Rehearsal Room 3	1	3,434
State Theatre Centre	DADAA Partnership	1	30
State Theatre Centre	NAIDOC Week Open Day	1	154
Subiaco Arts Centre	Circuitwest - TechWest and Showcase WA	6	845
TOTAL		22	8,175



Performance diversity at all venues

	2018-19		2017-18	
	Performances	%	Performances	%
Ballet/Dance	124	11%	115	10%
Children's /Family	178	15%	101	9%
Classical Music	97	8%	110	9%
Circus and Physical Theatre*	3	0%	2	0%
Comedy	69	6%	45	4%
Non-Classical music*	132	11%	150	13%
Theatre*	301	26%	303	26%
Musical Theatre	39	3%	116	9%
Opera	11	1%	20	2%
Special Events/Other	84	7%	75	6%
Festivals (Multi-category)	106	9%	99	8%
Festivals (Single-category)	17	1%	43	4%
TOTAL	1,161	100%	1,179	100%

Notes to the Performance diversity charts

In previous years the performance diversity charts at each venue have only represented main-stage or studio performances.

With better data being collected, performance diversity is now captured for all spaces. Any event that was recognised as a performance, in line with Live Performance Australia's annual Ticketing Attendance and Revenue Survey, has been reported in the Venue Attendance and Capacity charts.

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 seat in the Upper Gallery, 260 in the Lower Gallery and 1,117 in the Stalls. Wardle Room seats up to 330 guests.

Performances	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	150	176,789	135	155,924
Wardle Room	5	1,205	4	649
Balcony/Verandah/Forecourt	0	0	0	0
Foyer and Other Spaces	2	200	4	661
Total	157	178,194	143	157,234

Other Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	0	0	15	8,772
Wardle Room	13	1,267	21	119
Balcony/Verandah/Forecourt	6	2,814	9	11,098
Foyer and Other Spaces	85	4,893	97	1,500
Total	104	8,974	142	21,489

Attendance and capacity by performance type

	2018-19 Total Performances	2018-19 Total Attendance	% Capacity	2017-18 Total Performances	2017-18 Total Attendance	% Capacity
Ballet/Dance	1	623	36%	1	570	33%
Children's/Family	13	6,798	52%	3	3,170	61%
Classical Music	78	92,269	68%	91	105,235	67%
Circus and Physical Theatre	-	-	-	-	-	-
Comedy	3	4,254	82%	-	-	-
Non-Classical music	26	30,903	69%	21	24,858	68%
Theatre	-	-	-	-	-	-
Musical Theatre	1	711	41%	1	1,600	92%
Opera	-	-	-	-	-	-
Special Events/Other	35	42,636	70%	9	10,652	68%
Festivals (Multi-category)	-	-	-	-	-	-
Festivals (Single-category)	-	-	-	9	9,839	63%
Total	157	178,194	68%	135	155,924	67%

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. 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.

Main Spaces Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	119	98,733	142	116,588
Downstairs at the Maj	143	11,887	102	8,283
Dress Circle & Other	10	568	52	2,198
King's Lair	18	772	-	-
Total	290	111,960	296	127,069

Other Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	11	1,008	1	260
Downstairs at the Maj	0	0	0	0
Dress Circle & Other	0	0	0	0
King's Lair	0	0	-	-
Total	11	1,008	1	260

Annual visitors figures to His Majesty's Theatre foyer and other spaces:

- Foyer: 446
- Museum of Performing Arts: 765
- Perth Heritage Open Day: 616
- 11 venue tours: 157
- **Total visitors: 1,984**

Museum of Performing Arts

The Museum of Performing Arts had 765 visitors to two exhibitions:

- June – December 2018 – *Top Silk* – Stunning Silken Souvenirs. Programmes from the 1850-1950's and Perth's first outdoor movie screenings by the Swan River. Exhibited with On Your Toes – Famous artists' shoes showcase.
- February – July 2019 – *They Played the Maj* – World Artists in Perth, including Percy Grainger, Eileen Joyce, Nellie Stewart, Johnny O'Keefe, Cliff Richard and Olivia Newton-John

Attendance and capacity by performance type

	2018-19 Total Performances	2018-19 Total Attendance	% Capacity	2017-18 Total Performances	2017-18 Total Attendance	% Capacity
Ballet/Dance	55	51,293	75%	77	63,688	67%
Children's/Family	8	876	0%	0	0	0%
Classical Music	1	925	75%	1	861	69%
Circus and Physical Theatre	0	0	0%	0	0	-
Comedy	8	2,096	65%	4	2,193	44%
Non-Classical music	30	7,403	77%	14	11,336	65%
Theatre	33	19,749	50%	17	14,180	67%
Musical Theatre	32	3,594	0%	11	9,188	67%
Opera	11	10,625	78%	18	15,142	68%
Special Events/Other	5	452	0%	0	0	0%
Festivals (Multi-category)	92	14,116	59%	0	0	0%
Festivals (Single-category)	15	831	0%	-	-	
Total	290	111,960	67%	142	116,588	66%

State Theatre Centre of WA

The State Theatre Centre of Western Australia opened in 2011 and features the 577-seat Heath Ledger Theatre, the 250-seat flexible Studio Underground and 200-seat Rehearsal Room Downstairs. Also included in the Centre is The Courtyard, a multi-purpose outdoor events space, two rehearsal rooms and two flexible-use private suites.

Main Spaces Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Heath Ledger Theatre	297	113,675	303	110,488
Studio Underground	125	20,313	131	20,958
Courtyard	24	3,951	134	20,149
Rehearsal Rooms (and others)	44	3,532	169	5,995
Total	490	141,471	737	157,590

Other Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Heath Ledger Theatre	31	5,865	13	4,227
Studio Underground	52	5,139	13	1,712
Courtyard	27	6,607	5	375
Rehearsal Rooms (and others)	37	1,068	15	702
Total	147	18,679	46	7,016

Attendance and capacity by performance type

	2018-19 Total Performances	2018-19 Total Attendance	% Capacity	2017-18 Total Performances	2017-18 Total Attendance	% Capacity
Ballet/Dance	55	14,160	61%	25	6,294	44%
Children's/Family	144	49,915	66%	38	12,104	55%
Classical Music	0	0	0%	0	0	0%
Circus and Physical Theatre	0	0	0%	0	0	0%
Comedy	46	14,933	88%	14	7,351	91%
Non-Classical music	25	2,089	54%	5	2,077	72%
Theatre	198	49,556	59%	72	25,535	62%
Musical Theatre	0	0	0%	7	2,989	74%
Opera	0	0	0%	0	0	0%
Special Events/Other	22	10,818	90%	20	8,986	78%
Festivals (Multi-category)	0	0	0%	35	15,968	79%
Festivals (Single-category)	0	0	0%	6	2,330	68%
Total	490	141,471	67%	222	83,634	66%

Albany Entertainment Centre

The centrepiece of the Albany Entertainment Centre is the Princess Royal Theatre, a magnificent 618 seat proscenium arch theatre. 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.

Main Spaces Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Princess Royal Theatre	59	19,857	78	29,246
Kalyenup Studio	31	2,334	6	966
Harbourside Foyers and Hanover Room	11	633	9	985
Total	101	22,824	93	31,197

Other Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Princess Royal Theatre	6	1,365	9	1,718
Kalyenup Studio	29	2,541	45	3,435
Harbourside Foyers and Hanover Room	12	913	72	2,106
Total	47	4,819	126	7,259

Attendance and capacity by performance type

	2018-19 Total Performances	2018-19 Total Attendance	% Capacity	2017-18 Total Performances	2017-18 Total Attendance	% Capacity
Ballet/Dance	10	3,097	55%	5	2,384	77%
Children's/Family	7	772	51%	8	2,599	53%
Classical Music	16	2,953	50%	6	1,792	48%
Circus and Physical Theatre	2	183	0%	1	453	73%
Comedy	7	1,744	48%	10	3,737	60%
Non-Classical music	34	11,086	60%	19	6,776	58%
Theatre	18	1,067	35%	10	2,630	43%
Musical Theatre	0	0	0%	4	2,138	86%
Opera	0	0	0%	2	1,112	90%
Special Events/Other	7	1,922	54%	13	5,625	70%
Festivals (Multi-category)	0	0	0%	0	0	0%
Festivals (Single-category)	0	0	0%	0	0	0%
Total	101	22,824	54%	78	29,246	61%

Subiaco Arts Centre

Subiaco Arts Centre boasts three dedicated performance areas including the Main Auditorium with a corner stage and raked seating three sides for 305, The Studio with an intimate performance area seating 119 and Subiaco Theatre Gardens with a stunning amphitheatre for outdoor concerts.

Main Spaces Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	55	13,250	69	8,553
The Studio	49	3,560	74	4,942
Community Spaces	2	40	2	1,050
Total	106	16,850	145	14,545

Other Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	12	2,232	3	614
The Studio	55	1,174	1	42
Community Spaces	117	9,103	562	5,976
Total	184	12,509	566	6,632

Attendance and capacity by performance type

Main Auditorium						
	2018-19 Total Performances	2018-19 Total Attendance	% Capacity	2017-18 Total Performances	2017-18 Total Attendance	% Capacity
Ballet/Dance	1	278	91%	0	0	0%
Children's/Family	5	3,314	65%	11	2,068	62%
Classical Music	1	296	97%	0	0	0%
Circus and Physical Theatre	0	0	0%	0	0	0%
Comedy	3	515	56%	0	0	0%
Non-Classical music	13	2,644	77%	6	1,073	59%
Theatre	52	5,110	48%	49	4,703	31%
Musical Theatre	4	834	78%	0	0	0%
Opera	0	0	0%	0	0	0%
Special Events/Other	13	2,576	84%	3	709	77%
Festivals (Multi-category)	14	1,283	0%	0	0	0%
Festivals (Single-category)	0	0	0%	0	0	0%
Total	106	16,850	65%	69	8,553	41%

Goldfields Arts Centre

Goldfields Arts 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, Foyer, Dance Studio, Function Room, Ensemble Room, Bar, Box Office, and 7 small meeting rooms.

Main Spaces Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	17	6,416	24	9,291
Ensemble Room	0	0	1	240
Gallery	0	0	-	-
Foyers and other	0	0		
Total	17	6,416	25	9,531

Other Usage	2018-19		2017-18	
	Events	Attendance	Events	Attendance
Main Auditorium	-	-	8	3,735
Ensemble Room	-	-	65	12,326
Gallery	11	2,458	14	3,523
Foyers and other	1	100	-	-
Total	12	2,558	87	19,584

Performance Diversity

Main Auditorium	2018-19			2017-18		
	Total Performances	Total Attendance	% Capacity	Total Performances	Total Attendance	% Capacity
Ballet/Dance	2	789	64%	3	1,804	86%
Children's/Family	1	254	41%	5	1,398	40%
Classical Music	1	496	80%	3	1,698	81%
Circus and Physical Theatre	1	700	113%	0	0	0
Comedy	2	485	39%	6	2,543	61%
Non-Classical music	4	1,108	45%	4	1,088	39%
Theatre	0	0	0%	1	153	22%
Musical Theatre	2	1,000	81%	2	607	43%
Opera	0	0	0%	0	0	0%
Special Events/Other	2	800	65%	0	0	55%
Festivals (Multi-category)	0	0	0%	0	0	0%
Festivals (Single-category)	2	784	63%	0	0	0%
Total	17	6,416	61%	24	9,291	55%

Perth Cultural Centre

The Perth Cultural Centre (PCC) is a state and municipal heritage-listed precinct that functions as one of the capital city's primary visitor destinations – attracting an average 4,500,000 visitors each year, including local, interstate and international tourists.

Located between the CBD and Northbridge, and bound by Roe, Aberdeen, Beaufort and William Streets, the PCC is home to the State's most significant cultural and learning institutions, including:

- Art Gallery of Western Australia
- Western Australian Museum
- State Library of Western Australia
- State Records Office
- Perth Institute of Contemporary Arts
- Blue Room Theatre
- State Theatre Centre of Western Australia
- North Metropolitan TAFE (Perth campus)

Perth Theatre Trust is responsible for the management and activation of the PCC public realm.

Events for 2018-19 and Visitation Estimates*

Over 25 events and attractions were held in the space across 2018-19.

Major Events

- Fringe World Festival – 274,000 visitors
- Awesome Festival – 170,000 visitors
- Christmas Lights Trail – 415,000 visitors
- Disrupted Ideas Festival – 3,000 visitors
- NAIDOC week – 80,000 visitors

*Estimates based on Wi-Fi statistics



Significant issues impacting the Agency

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

The Perth Concert Hall (PCH) lease

In February 2014 the lease between Perth Theatre Trust (PTT) and the City of Perth for the PCH expired. The lease is in holdover and a new lease is in development. A management agreement, aligned to the lease, is in place, with the management of PCH contracted to WA Venues and Events; a subsidiary of WA Symphony Orchestra.

Future management model and funding of the Albany Entertainment Centre

In June 2015 the City of Albany (CoA) and the State Government agreed on a four-year funding arrangement commencing in 2015-16. On 26 April 2018 the State Government confirmed a further four years of funding to 30 June 2022. The State Government is continuing to work with the CoA towards an agreed management and ownership arrangement.

The PTT new operating model

Following an external review, the PTT Board has adopted the recommendation to transfer venue management services to a new not-for-profit company, through a funding contract model.

A more flexible operating arrangement will allow the Perth Theatre Trust to be better able to meet the needs of a modern arts sector. Improved mechanisms in the operating environment will ensure State funds are maximised for both the venues and the State-funded arts organisations.

PTT carried out extensive engagement across the arts sector and within government to ensure support for the transition. Ministerial support has been received for these changes and unions representing staff have also given their support. The transition is expected to take place in 2019-20, pending the Premier's approval.

The transfer of the Perth Cultural Centre to PTT

PTT took over responsibility for the management and activation of the Perth Cultural Centre public realm (PCC) on 1 July 2018.

Work is underway to ensure the PCC is recognised as a major cultural asset prior to the opening of the New Museum in 2020. The PCC is being realigned as an attractive tourism destination for Western Australians, interstate and international visitors.

A co-ordinated whole-of-Government approach will enable the implementation of venue and place-making strategies that will attract investment in new events and experiences throughout the year.

Upgrades for His Majesty's Theatre

Works are underway to modernise His Majesty's Theatre's (HMT) infrastructure and public spaces to maintain it as a world-class premier venue for opera, dance and theatre.

\$6.5 million was allocated in the 2018-19 budget for Orchestra Pit and front of house upgrades. Works have begun to automate the Orchestra Pit, which increases workplace safety for staff in the venue and reduces costs to hirers.

Front of House upgrades will improve functionality, patron safety, aesthetics and heritage conservation; leading to an improved tourism offering and longevity for a State icon.

Sunset Heritage Precinct

In 2018, Cabinet approved the transfer of the Sunset Heritage Precinct to the Minister for Culture and the Arts. After 24 years, the former public hospital has now been set aside for arts, cultural, community and ancillary commercial uses, managed and activated by the PTT on behalf of the Department of Local Government, Sport and Cultural Industries.

With the Sunset Precinct's successful transition to a performing arts venue, and in keeping with the State Government's vision, an Expression of Interest seeking appropriately credentialed organisations to invest in the Sunset Heritage Precinct was released in February 2019. This resulted in an invitation to three Western Australian organisations to submit proposals.

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 2019, 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 2019 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.

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 2019.

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 2019. 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 2019.

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 2019 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
5 September 2019



Disclosures and legal compliance

Certification of Performance Indicators

For the year ended 30 June 2019

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 2019.



Chairman of Perth Theatre Trust

Tuesday, September 3, 2019



Member of the Perth Theatre Trust

Tuesday, September 3, 2019

Performance Management Framework

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

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

PTT is a statutory authority within the Department of Local Government, Sports and Cultural Industries (DLGSC) Portfolio and is shown under Venue Management Services in the 2018-2019 Budget Papers.

The Key Performance Indicators of PTT have been developed in accordance with *Treasurers Instruction 904* to evaluate PTT'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

Actual results versus budget targets

Financial Targets	2018-19 Budget	2018-19 Actual	Variance from Budget	
	\$000	\$000	\$000	%
Total Cost of Services (as per Income Statement)	17,463	21,464	4,001 ¹	23%
Net Cost of Services (as per Income Statement)	10,430	13,128	2,698	26%
Total Equity (As per Statement of Financial Position)	162,103	151,979	(10,124) ²	-6%
Approved Salary Expense Limit	8,299	8,183	(116)	-1%
Approved Working Cash Limit	741	1,340	599 ³	81%

¹ The increase in both the total cost of services and the net cost of services was mainly attributable to costs associated with the Perth Cultural Centre (PCC) which came under the management of the PTT from 1 July 2019. This increase in this expenditure was funded from an increase in appropriation.

² The decrease in Total Equity mainly relates to an over estimation of the revaluation movement for buildings and land. The decrease could also be attributable to less contributed equity, for the building works at His Majesty's Theatre, being recognised in 2019 (\$1.2 million) than what was budgeted for (\$6.5 million). These works are expected to be completed in early 2020.

³ The higher cash balance relates to an accumulation of savings identified in the Cabinet submission on the new venue management model which received Cabinet approval on 17 March 2014. In that Cabinet submission and supporting documentation, it was noted that 50% of these savings would be retained by PTT and reinvested back into the business with the other 50% being transferred back to Government.

Outcome Based Management Framework

PTT's venue management services contribute to the Government Desired Outcome:

Effectively managed performing art venues attracting optimal utilisation.

PTT'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	2017-18 Actual	2018-19 Budget	2018-19 Actual	Notes and explanation of variances above 10%
OUTCOME 11: Effectively managed performing arts venues attracting optimal utilisation				
Attendance rate across principal performance spaces	536,193	465,000	477,715	In 2018-19 the Perth Theatre Trust changed the definition of performance to align with the Live Performance Australia definition. The change in definition will allow for our data to align with similar organisations nationally. The new definition now excludes categories like religious meetings, speech/ graduation nights, conferences/ meetings and dance schools. Due to this change in definition, the 2017-18 actual figures are not comparable to the 2018-19 actual figures.

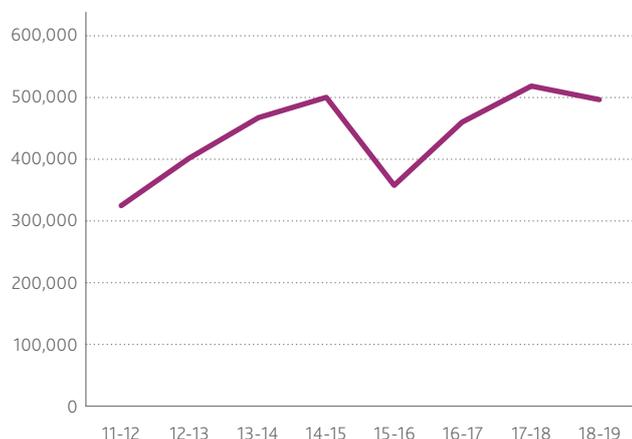
Key Efficiency Indicators

Key Efficiency Indicator	2017-18 Actual \$	2018-19 Budget \$	2018-19 Actual \$	Notes and explanation of variances above 10%
SERVICE 11: Venue Management Services				
Average cost per attendee	\$32	\$38	\$45	The increase in the average cost per attendee relates to an increase in accommodation costs for the Perth Cultural Centre provided via the Department of Local Government Sports and Cultural Industries. These costs were recognised as resources received free of charge in the Perth Theatre Trust's financial statements.
Average subsidy per attendee for PTT funded programs	\$2.78	\$3.00	\$0.21	The decrease in the average subsidy per attendee was due to sold out performances at State Theatre Centre for <i>George's Marvellous Medicine</i> and <i>Julius Caesar</i> shows.

Additional Key Performance Indicator Information

The additional Key Performance Indicators were part of the previous Outcome Based Reporting Framework and have been included for reference.

Attendance rates at PTT venues



Notes to Key Performance Indicator Information

Due to a lack of methodology and comparable data, Perth Cultural Centre has not been included in the 2018-19 Key Performance Indicators.

Key Performance Indicators will be reviewed, and changes implemented from 2019-20, to reflect the changes to PTT's management portfolio and the value of the services provided to Western Australia.

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).

29 August 2018, 25 October 2018, 6 December 2018, 21 February 2019, 11 April 2019, 13 June 2019. The Chair advised that it is agreed that the City of Perth Commissioners have an ongoing noted interest in the Perth Concert Hall.

Employee information as at 30 June 2019

- 63 fixed term and permanent staff
- 57.4 FTE
- 305 Casuals
- 50.721 FTE

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 two employees 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: \$20.20
- Aggregate amount of personal use expenditure settled within 5 working days: \$7.10
- Aggregate amount of personal use expenditure settled after 5 working days: \$13.10
- 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	January 2013 – present (Chair Jan 2016 on)	\$5,220
Member	Nadia van Dommelen	Per meeting	January 2018 - present	\$2,240
Member	Janet Davidson	Per meeting	January 2008 – December 2018	\$1,990
Member	Andrew Hammond	Per meeting	January 2019 – present	\$820
Member	Julian Donaldson	Nil	April 2016 – present	-
Member	Gaye McMath	Per meeting	October 2018 – present	\$2,860
Member	Tanya Sim	Per meeting	December 2016 – present	\$2,760
Member	Michelle Tremain	Per meeting	August 2014 – present	\$2,510
Member ex officio	Colin Walker	Nil	April 2016 – present	-
Total				\$18,400



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 2018-19 is \$281,935.76

Expenditure	Total	Expenditure	Amount
Media Advertising Agencies	Nil		Nil
Advertising	\$254,886.45	Aeries Solutions P/L T/A Just Digital Signage	\$42.50
		Albany Chamber Of Commerce & Industry Inc	\$752.88
		Albany Community Radio Inc	\$909.09
		Amanda Edwin Cruse T/A Greybird Media	\$3,484.00
		Andrew J Adams T/A Andimaps	\$445.45
		Australia's South West Incorporated	\$911.82
		Barry Montague Purcell	\$132.00
		Beaconwood Holdings P/L T/A The Great Southern Weekender	\$55,776.40
		Bell Shakespeare Company	\$540.00
		Buggybuddys	\$381.56
		Dubsat Pty Ltd	\$120.00
		Facebook	\$8,563.85
		Instagram	\$11.63
		Optimum Media Decisions (Wa) Pty Ltd	\$48,948.02
		Shows For Schools Pty Ltd	\$345.00
		Shutterstock	\$49.00
		The Performing Arts Centre Society T/A The Blue Room Theatre	\$700.00
		The Trustee For The Bevdon Trust T/A The Amazing Voucher Book	\$109.09
		Travelwest Publications Wa Pty Ltd	\$1,818.18
		Wayne Michael Harrington T/A Waddyadoin Media	\$3,000.00
		Animation Artroom Pty Ltd	\$71,760.00
		Facebook	\$1,364.12
		The Trustee For Brand Agency Unit Trust T/A The Brand Specialist	\$54,721.86
Direct Mailing	\$9,783.31	Isentia Pty Ltd	\$3,691.00
		Message4u Pty Ltd T/A Message Media	\$1,265.65
		Mailing Solutions Pty Ltd	\$4,826.66
Market Research Organisations	\$17,266.00	Pop Inc T/A Wordfly	\$13,916.91
		Set Apart DJ Services	\$3,000.00
		Survey Monkey	\$349.09
Polling Organisations	Nil		Nil
Total			\$281,935.76

Disability Access and Inclusion Plan Outcomes

The Perth Theatre Trust Disability Access and Inclusion Plan 2018 – 2022 has continued to build awareness within the staff of 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 this Plan some highlights of initiatives in PTT venues include:

- Consultation was held with people living with disability regarding the accessible seats in the auditorium at His Majesty's Theatre. A number of regular patrons were consulted and invited to the theatre to gauge which seats and worked best for them.
- His Majesty's Theatre implemented a consistent program of audio description across the year.
- In January King's Lair at His Majesty's Theatre was the first Fringe World venue to hold an audio descriptor performance with *Playtime with Grace and Fergus*.
- PTT established a Perth Audio Description Facebook page in conjunction with DADAA to promote audio descriptor activities and to facilitate easy communication of events to the community.
- PTT added a listing page of "Calendar of accessible events at PTT venues" to the website, covering audio descriptor (including tactile tours), captioned, Auslan and gentle performances.
- PTT created a service-oriented access committee made up of resident theatre company and PTT staff, with the intent of reviewing the customer service across the entire customer journey, with a focus on the experience of people living with disability in our community.

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 2018-2019 financial year, PTT recorded:

- No breaches in Public Sector Standards in Human Resource Management.
- Three (3) breaches in Public Sector Code of Ethics or the Department of Local Government, Sport and Cultural Industries Code of Conduct
- No incidences of misconduct requiring investigation.
- No Public Interest Disclosures lodged.

Record keeping plans

The PTT Recordkeeping Plan was approved by the State Records Commission on 23 March 2018. Records awareness is still a constant deliverable and induction of new staff is carried out with online training to outline staff responsibilities. Review and evaluation of current records management procedures and processes within the business are undertaken periodically to ensure they are updated in line with business change.

Reviewing offsite storage and applying retention and disposal is a commitment this year with over 250 archive boxes requiring review.

Freedom of Information

Under Schedule 2 of the *Regulations of the Freedom of Information Act 1992* the Department of Culture and the Arts co-ordinates Freedom of Information requests for portfolio agencies including the 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.

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 Culture and Arts Portfolio and the 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 of Substantive Equality forms part of the staff induction program and the policy is available electronically to employees through the intranet.

We remain committed to the Substantive Equality Policy, and have broadened the remit of the Access and Inclusion Committee which met before 30 June 2019 to begin planning the best ways of progressing in this area.

Occupational Safety, Health and Injury Management

PTT is committed to pursuing the highest levels of workplace health, safety and wellbeing.

Workplace culture is supported through ongoing consultation and practice aligned with the requirements stipulated within the *Occupational Safety and Health Act 1984*, and the *Workers Compensation and Injury Management Act 1981*.

The newly aligned Workplace Safety and Health Committee, made up of venue safety and health representatives, continues to facilitate consultation across the workforce, review indicator reporting and disseminate information to all staff.

In addition to the established Employee Assistance Program and ongoing mental health training, PTT has also taken into consideration more progressive concepts such as weekly yoga/mindfulness sessions which complement approaches towards improving general health, wellbeing and performance within the

workplace.

Governance and ongoing assistance from staff within DLGSC has delivered a reduction in work-related injury and illness against the previous reporting period.

Specific improvements in communication strategies and specialised training will continue to be a focal point for PTT, and a fundamental tool for achieving a zero harm workplace.

The Trust aims to continually improve through:

- The adoption of improved communication and analysis strategies across all identified risk areas, including specialised areas such as emergency and crowd management.
- Resourcing appropriately across training requirements specific to identified risk areas.
- Supporting and implementing policy that allows venue operations teams to improve quality and service output.
- Continuing elimination of systems and processes that are found to be redundant.
- Ensuring momentum regarding ongoing framework development, monitoring and review and ensuring that these systems are aligned with the legislative and industry requirements.
- Seeking the latest findings and innovations related to Safety, Health, Security and Environmental management

The following initiatives were delivered in the 2018-19 reporting period:

- Implementation of a GAP analysis process regarding updates for Emergency Management and Business Continuity.
- Emergency Management and Business Continuity Planning.
- Development and planning of improved online OSH management platforms.

Measure	Actual Results		Results Against Target	
	2017-18	2018-19	Target	Comment
Number of Fatalities	0	0	0	Target Met
Lost time injury and disease incidence rate	1.428	nil	0 or 10% reduction in incidence rate	Target Met
Lost time injury and disease severity rate		Target Met	30.00	Target Met
Percentage of injured workers returned work:		nil	Greater than or equal to 80%	No Lost Time Injuries
(i) Within 13 weeks	100%			
(ii) Within 26 weeks	Not applicable			
Percentage of managers trained in occupational safety, health and injury management responsibilities ¹	47.5%	7.69%*	Greater than or equal to 80%	Target Not Met.

¹ 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 \$2million. There were no works in 2018/19 that met this threshold.

Measure	Number
Active contracts within the scope of the GBT Policy in the reporting period	0
Contracts granted a variation to the target training rate in the reporting period	0
Head contractors involved in the contracts	0
Construction apprentices/trainees required to meet target training rate across all contracts	0
Construction apprentices/trainees employed by head contractors; and the subcontractors they are using for the contracts	0
Contracts which met or exceeded the target training rate	0

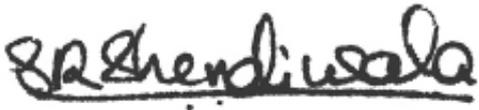
Financial Statements

Certification of Financial Statements

For the year ended 30 June 2019

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 2019 and the financial position as at 30 June 2019.

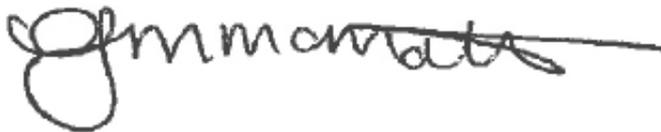
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Chief Finance Officer
Tuesday, September 3, 2019



Chairman of Perth Theatre Trust
Tuesday, September 3, 2019



Member of Perth Theatre Trust
Tuesday, September 3, 2019

Statement of Comprehensive Income

For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
Cost of services			
Expenses			
Employee benefits expense	3.1	9,036	9,271
Supplies and services	3.2	3,200	2,598
Depreciation and amortisation expense	5.1, 5.2	2,813	2,617
Revaluation decrement on land and buildings	5.1	1,414	0
Accommodation expenses	3.3	3,856	1,764
Cost of sales	4.3	212	222
Grants and Subsidies	3.4	540	502
Other expenses	3.5	393	429
Total cost of services		21,464	17,403
Income			
Revenue			
User charges and fees	4.2	6,389	5,623
Sales	4.3	707	748
Sponsorship	4.4	441	172
Interest revenue	4.5	57	57
Other revenue	4.6	742	2,876
Total Revenue		8,336	9,476
Total income other than income from State Government		8,336	9,476
NET COST OF SERVICES		13,128	7,927
Income from State Government			
	4.1		
Service appropriation		9,187	9,277
State grants and subsidies		198	646
Assets Transferred / (Assumed)		355	0
Services received free of charge		2,167	553
Royalties for Regions Fund		464	474
Total income from State Government		12,371	10,950
SURPLUS / (DEFICIT) FOR THE PERIOD		(757)	3,023
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit and loss			
Changes in asset revaluation surplus		(1,716)	(2,276)
Total other comprehensive income		(1,716)	(2,276)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(2,473)	747

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

Statement of Financial Position

As at 30 June 2019

	Note	2019 \$000	2018 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7.1	1,340	1,581
Restricted cash and cash equivalents	7.1	2,455	2,803
Inventories	4.3	24	22
Receivables	6.1	432	941
Other current assets	6.3	1,592	743
Total Current Assets		5,843	6,090
Non-Current Assets			
Restricted cash and cash equivalents	7.1	60	37
Amounts receivable for services	6.2	40,126	37,551
Property, plant and equipment	5.1	109,911	113,579
Intangible assets	5.2	825	1,025
Total Non-Current Assets		150,922	152,192
TOTAL ASSETS		156,765	158,282
LIABILITIES			
Current Liabilities			
Payables	6.4	229	225
Funds held in trust	6.6	2,172	2,345
Employee related provisions	3.1	695	719
Other current liabilities	6.5	1,239	1,444
Total Current Liabilities		4,335	4,733
Non Current Liabilities			
Employee related provisions	3.1	451	387
Total Non Current Liabilities		451	387
TOTAL LIABILITIES		4,786	5,120
NET ASSETS		151,979	153,162
EQUITY			
Contributed equity	9.9	118,456	117,166
Reserves		0	1,716
Accumulated surplus		33,523	34,280
TOTAL EQUITY		151,979	153,162

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 2019

	Note	Contributed equity \$000	Reserves \$000	Accumulated surplus \$000	Total equity \$000
Balance at 1 July 2017	9.9	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 and Building Transfer - Goldfields Arts Centre		20,926			20,926
Capital appropriations		0	0	0	0
Other Contributions by owners		891	0	0	891
Distribution to owners		0	0	0	0
Total		21,817	(2,276)	3,023	22,564
Balance at 30 June 2018		117,166	1,716	34,278	153,162
Balance at 1 July 2018		117,166	1,716	34,278	153,162
Total comprehensive income for the period		0	(1,716)	(757)	(2,473)
Transactions with owners in their capacity as owners:					
His Majesty's Theatre Capital Works - Pit Lift		1,273	0	0	1,273
His Majesty's Theatre Capital Seating Project		17	0	0	17
Distribution to owners		0	0	0	0
Total		1,290	(1,716)	(757)	(1,183)
Balance at 30 June 2019		118,456	0	33,523	151,979

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 2019

	Note	2019 \$000	2018 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		6,612	5,774
State grants and subsidies		469	527
Capital contributions		165	347
Holding account drawdowns		0	0
Royalties for Regions Fund		464	474
27th Pay holding account movement		23	21
Net cash provided by State Government		7,733	7,143
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments from trust fund		(10,597)	(10,510)
Employee benefits		(8,983)	(9,127)
Supplies and services		(3,290)	(3,297)
Accommodation		(1,890)	(1,349)
Grants and Subsidies		(750)	(252)
GST payments on purchases		(729)	(587)
GST payments to taxation authority		(471)	(217)
Other payments		(370)	(139)
Receipts			
Receipts into trust fund		10,254	11,383
User charges and fees		6,479	5,513
Sale of goods and services		707	748
Sponsorship		441	172
Interest received		71	57
GST receipts on sales		857	756
GST receipts from taxation authority		106	113
Other receipts		150	933
Net cash provided by/(used in) operating activities		(8,015)	(5,803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current physical assets		(284)	(1,737)
Receipts			
Proceeds from sale of non-current physical assets		0	0
Net cash provided by/(used in) investing activities		(284)	(1,737)
Net increase / (decrease) in cash and cash equivalents		(566)	(397)
Cash and cash equivalents at the beginning of the period		4,421	4,818
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,855	4,421

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

Index of Notes to the Financial Statements

Notes to the Financial Statements

For the year ended 30 June 2019

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 3 September 2019.

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 reduced disclosure requirements
- 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.

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	2019 \$000	2018 \$000
Employee benefits expenses	3.1(a)	9,036	9,271
Employee related provisions	3.1(b)	1,146	1,106
Supplies and services	3.2	3,200	2,598
Accommodation expenses	3.3	3,856	1,764
Grants and subsidies	3.4	540	502
Other Expenditure	3.5	393	429

3.1 (a) Employee benefits expenses

	2019 \$000	2018 \$000
Wages and salaries	7,551	7,492
Superannuation - defined contribution plans ^(a)	453	503
Superannuation - other schemes ^(a)	287	272
Long service leave	195	301
Annual leave	422	463
Termination benefits	0	83
Other related expenses	128	157
Total employee benefits expenses	9,036	9,271

(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.

	2019	2018
	\$000	\$000
CURRENT		
Employee benefits provision		
Annual leave ^(a)	356	465
Long service leave ^(b)	251	187
	<u>607</u>	<u>652</u>
Other provisions		
Employment on-costs ^(c)	88	67
Total current employee related provisions	<u>695</u>	<u>719</u>
NON CURRENT		
Employee benefits provision		
Long service leave	400	347
	<u>400</u>	<u>347</u>
Other provisions		
Employment on-costs ^(c)	51	40
Total non-current employee related provisions	<u>451</u>	<u>387</u>
TOTAL EMPLOYEE RELATED PROVISIONS	<u>1,146</u>	<u>1,106</u>

(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.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(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.

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'.

	2019	2018
	\$000	\$000
Employment on-cost provision		
Carrying amount at start of year	107	126
Additional/(reversals of) provisions recognised	92	100
Payments/other sacrifices of economic benefits	(60)	(119)
Carrying amount at end of year	139	107

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

	2019	2018
	\$000	\$000
Communications	317	163
Consultants and contractors	43	51
Consumables	170	144
Advertising and promotion	359	254
Programming	632	507
Equipment purchases	103	154
Insurance premiums	314	265
Lease hire	21	40
Legal fees	19	45
Licences	189	140
Maintenance	400	334
Printing	66	76
Bank and credit card charges	82	46
Temporary staff	20	123
Travel	18	23
Entertainment	12	26
Other	435	207
Total supplies and services expenses	3,200	2,598

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

	2019	2018
	\$000	\$000
Repairs and maintenance	2,082	633
Rent	6	11
Electricity and gas	717	704
Water	219	177
Cleaning	313	61
Security	331	139
Other	188	39
Total accommodation expenses	3,856	1,764

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

	2019	2018
	\$000	\$000
Recurrent		
Perth Concert Hall - Operations	500	502
PICA	40	0
	540	502

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

	2019	2018
	\$000	\$000
Sponsorship	81	65
Employment on-costs	238	265
Audit Fees	67	77
Doubtful debts expense	6	22
Total Other expenses	393	429

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

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.

Doubtful debt expense is recognised as the movement in the provision for doubtful debt. From 1 July 2018 expected credit losses are recognised as the movement in the allowance for expected credit losses. The allowance of expected credit losses of receivables are measured at the lifetime expected credit losses at each reporting date. The Perth Theatre Trust has established a provision matrix on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

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	2019 \$000	2018 \$000
Income from State Government	4.1	12,371	10,950
User charges and fees	4.2	6,389	5,623
Sales	4.3	707	748
Sponsorship	4.4	441	172
Interest revenue	4.5	57	57
Other revenue	4.6	742	2,876

4.1 Income from State Government

	2019 \$000	2018 \$000
Appropriation received during the year:		
Service appropriation ^(a)	9,187	9,277
	<u>9,187</u>	<u>9,277</u>
State grants and subsidies ^(b)		
Grant payments made by the Department of Local Government Sport and Cultural Industries (DLGSC) for the following projects:		
(ii) Point of Sale Terminals	138	0
(iii) Hand Held Ticket Scanners	60	0
(iv) HMT Theatre Equipment	0	0
(i) HMT Carpet Replacement	0	259
(v) SAC Dimmers and Other Equipment	0	22
(vii) SAC Foyer Renovations	0	194
(viii) AEC Oven Upgrade	0	12
(ix) HMT Equipment Upgrades	0	159
	<u>198</u>	<u>646</u>
Services received free of charge from other State government agencies during the period ^(c) :		
(i) State Solicitors Office	0	25
(ii) Computer equipment	25	0
(iii) Building Maintenance paid by DLGSC	2,142	528
Total Services received	<u>2,167</u>	<u>553</u>
Assets Transferred / (Assumed) ^(d)		
Assets transferred from Metropolitan Redevelopment Authority (MRA) ^(e)	355	0
	<u>355</u>	<u>0</u>
Royalties for Regions Fund:		
Albany Entertainment Funding (Regional Community Services Fund)	464	474
Total Royalties for Regions Fund	<u>464</u>	<u>474</u>
Total Income from State Government	<u>12,371</u>	<u>10,950</u>

- (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.
- (e) This amount represents the assets transferred from MRA. From 1 July 2018 the Perth Theatre Trust took over from MRA the responsibility of managing and activating the Perth Cultural Centre.

4.2 User Charges and Fees

	2019	2018
	\$000	\$000
Venue hire and related charges	5,192	5,051
Ticketing Fee Income ^(a)	1,197	572
	<u>6,389</u>	<u>5,623</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. 2018-19 was the first year in which the system was operated for a full 12 months.

4.3 Trading Profit

	2019	2018
	\$000	\$000
Sales	707	748
Cost of Sales:		
Opening inventory	(22)	(23)
Purchases	(214)	(221)
	(236)	(244)
Closing inventory	24	22
Cost of Goods Sold	(212)	(222)
Trading Profit	495	526

Closing Inventory comprises:

Current Inventories

Raw materials & stores (at cost)	24	22
Work in progress (at cost)	0	0
Finished goods	0	0
At cost	0	0
At net realisable value	0	0
Total Current inventories	24	22

Non-current Inventories

Total Non-current inventories	0	0
Total Inventories	24	22

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

	2019	2018
	\$000	\$000
Sponsorship	441	172
	441	172

4.5 Interest revenue

	2019	2018
	\$000	\$000
Bank interest	57	57
	57	57

4.6 Other revenue

	2019	2018
	\$000	\$000
Grants and subsidies	455	2,221
Commission	167	189
Recoup of previous years expenditure	8	0
Other	43	78
Royalties	0	35
Rebates	69	325
Production Investments	0	28
	742	2,876

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	2019	2018
		\$000	\$000
Property, plant and equipment	5.1	109,911	113,579
Intangibles	5.2	825	1,025
Total key assets		110,736	114,604

5.1 Property, plant and equipment

Year ended 30 June 2019	Freehold Land \$000	Buildings \$000	Works in progress \$000	Leasehold improv. \$000	Plant, equipment and vehicles \$000	Works of art \$000	Total \$000
1 July 2018							
Gross carrying amount	16,364	90,412	47	5,250	18,068	6	130,147
Accumulated depreciation	0	(4)	0	(3,601)	(12,963)	0	(16,568)
Accumulated impairment loss	0	0	0	0	0	0	0
Carrying amount at start of year	16,364	90,408	47	1,649	5,105	6	113,579
Additions	0	355	1,425	0	303	0	2,083
Transfers	0	0	(47)	0	0	0	(47)
Other disposals	0	0	0	0	0	0	0
Revaluation increments / (decrements)	(459)	(2,671)	0	0	0	0	(3,130)
Impairment losses	0	0	0	0	0	0	0
Impairment losses reversed	0	0	0	0	0	0	0
Depreciation	0	(1,370)	0	(207)	(997)	0	(2,574)
Carrying amount at end of year	15,905	86,722	1,425	1,442	4,411	6	109,911

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 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to current use for land: \$15,905,000 (2018: \$16,364,000) and depreciated replacement cost for buildings: \$86,722,000 (2018: \$90,408,000). The revaluation decrement of \$3,130,000 has been recognised against the asset revaluation reserve to the extent of \$1,716,000 with the balance of \$1,414,000 being recognised in the Statement of Comprehensive Income.

Fair value for infrastructure 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.

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

	2019	2018
	\$000	\$000
Depreciation		
Buildings	1,370	1,374
Leasehold improvements	207	210
Plant, equipment and vehicles	997	931
Total depreciation for the period	2,574	2,515

As at 30 June 2019 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

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 2019	Licences \$000	Computer Software \$000	Total \$000
1 July 2018			
Gross carrying amount	0	2,102	2,102
Accumulated amortisation	0	(1,077)	(1,077)
Accumulated impairment losses	0	0	0
Carrying amount at start of period	0	1,025	1,025
Additions	0	43	43
Classified as held for sale	0	0	0
Transfers	0	(4)	(4)
Impairment losses	0	0	0
Impairment losses reversed	0	0	0
Amortisation expense	0	(239)	(239)
Carrying amount at 30 June 2019	0	825	825

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

	2019	2018
	\$000	\$000
Computer software	239	102
	<u>239</u>	<u>102</u>

As at 30 June 2019 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 ^(a)	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	2019	2018
		\$000	\$000
Receivables	6.1	432	941
Amount receivable for services	6.2	40,126	37,551
Other current assets	6.3	1,592	743
Payables	6.4	229	225
Other liabilities	6.5	1,239	1,444
Funds held in trust	6.6	2,172	2,345

6.1 Receivables

	2019	2018
	\$000	\$000
Current		
Receivables	415	954
Allowance for impairment of receivables	(13)	(13)
GST receivable	30	0
Total current	<u>432</u>	<u>941</u>

Trade receivables are recognised at original invoice amount less any allowance for uncollectible amounts (i.e. impairment). The carrying amount of net receivable is equivalent to fair value as it is due for settlement within 30 days.

6.2 Amounts receivable for services

	2019	2018
	\$000	\$000
Non-current	40,126	37,551
	<u>40,126</u>	<u>37,551</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.

Amounts receivable for services are considered not impaired (i.e there is no expected credit loss of the Holding Account).

6.3 Other assets

	2019	2018
	\$000	\$000
Current		
Prepayments	1,243	315
Accrued income	349	428
	<u>1,592</u>	<u>743</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

	2019	2018
	\$000	\$000
Current		
Trade payables	165	104
Other payables	64	25
GST payable	0	96
Total Current Payables	<u>229</u>	<u>225</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

	2019	2018
	\$000	\$000
Current		
Accrued expenses	491	730
Accrued salaries	83	18
Income received in advance	590	619
Funds Held - Catering Contract	75	77
Total Current	<u>1,239</u>	<u>1,444</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 7.1 '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

	2019	2018
	\$000	\$000
Ticketing Trust Account - Event Settlements	2,172	2,344
Robert Finley Trust Account	0	1
	<u>2,172</u>	<u>2,345</u>

7. Financing

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

Cash and cash equivalents	Note 7.1
Commitments and Non-cancellable operating lease commitments	Note 7.2

7.1 Cash and Cash equivalents

	2019	2018
	\$000	\$000
Cash and cash equivalents	1,340	1,581
Restricted cash and cash equivalents		
Event Settlements ^(a)	2,454	2,802
Robert Finely Trust Account	1	1
Accrued salaries suspense Accounts ^(b)	60	37
	<u>3,855</u>	<u>4,421</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.

7.2 Commitments

Non-cancellable operating lease commitments

	2019	2018
	\$000	\$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	7	7
Later than 1 year and not later than 5 years	18	22
Later than 5 years	0	3
	<u>25</u>	<u>32</u>
Representing:		
Non-cancellable operating leases	25	32
	<u>25</u>	<u>32</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. Financial Instruments and Contingencies

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

Financial instruments	Note 8.1
Contingent assets and Liabilities	Note 8.2

8.1 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:

	2019 \$000	2018 \$000
Financial Assets		
Cash and cash equivalents	1,340	1,581
Restricted cash and cash equivalents	2,515	2,840
Receivables at amortised cost ^(a)	40,890	38,920
Financial Liabilities		
Financial liabilities measured at amortised cost	3,640	3,918

(a) The amount of receivables at amortised cost excludes the GST recoverable from the ATO (statutory receivables).

8.2 Contingent assets and liabilities

A party to a contractual agreement with the PTT, which expired in 2014, submitted a formal letter of demand in 2018 in the amount of \$243,989. The letter of demand is with regards to a contractual dispute. PTT does not agree nor accept any liability with regards to the dispute. PTT is currently seeking legal advice on this matter.

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
Initial application of Australian Accounting Standards	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

9.1 Events occurring after the end of the reporting period

There were no significant events occurring after the reporting period.

9.2 Initial application of Australian Accounting Standards

AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Perth Theatre Trust applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Perth Theatre Trust has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus / (deficit).

The effect of adopting AASB 9 as at 1 July 2018 was assessed as not material, and therefore no adjustment was required to be made to comparative information.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Perth Theatre Trust's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Perth Theatre Trust's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Perth Theatre Trust. The following are the changes in the classification of the Agency's financial assets:

- Receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Perth Theatre Trust did not designate any financial assets as at fair value through P/L.

In summary, upon the adoption of AASB 9, The Perth Theatre Trust had the following required (or elected) reclassifications as at 1 July 2018.

AASB 9 category	Amortised Cost \$000	Fair value through OCI \$000	Fair value through OCI \$000
AASB 139 category			
Receivables	432	0	0
	432	0	0

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Perth Theatre Trust's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Perth Theatre Trust to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the effect was not considered to be material, therefore no adjustment was made.

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.

Compensation of trustees of the Perth Theatre Trust

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

\$	2019	2018
0 - 10,000	9	9

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:

Compensation band (\$)	2019	2018
0 - 10,000	1	1
110,001 - 120,000	0	1
120,001 - 130,000	1	0
150,001 - 160,000	1	2
160,001 - 170,000	2	0
	2019	2018
	\$000	\$000
Short-term employee benefits	558	386
Post-employment benefits	53	37
Other benefits	0	0
Termination benefits	0	0
Total compensation of trustees of the Perth Theatre Trust	611	423

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

Outside of normal citizen type transactions with the Perth Theatre Trust, 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.

	2019	2018		2019	2018
	\$000	\$000		\$000	\$000
Balance at the start of the year	2,802	1,929	Asset revaluation surplus		
Receipts	10,250	11,384	Balance at start of period	1,716	3,992
Payments	(10,597)	(10,511)	Net revaluation increments/ (decrements)	0	0
Balance at the end of the year	2,455	2,802	Land and Buildings	(1,716)	(2,276)

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:

	2019	2018
	\$000	\$000
Auditing the accounts, financial statements and key performance indicators	26	26

9.9 Equity

Contributed equity	2019	2018
	\$000	\$000
Balance at start of period	117,166	95,349
Contributions by owners		
Capital appropriation	0	0
Transfer of net assets from other agencies		
Transfer of the Goldfields Arts Centre from the Department of Training and Workforce Development:		
Building	0	17,926
Land	0	3,000
Transfer of Land and Building for the State Theatre Centre to DLGSC Capital Projects Funded By the Department of Local Government Sports and Cultural Industries:		
His Majesty Theatre - Seating Replacement	17	796
His Majesty's Theatre Pit Lift and Front of House Renovations	1,273	0
His Majesty's Theatre - Balustrade	0	33
His Majesty's Theatre - Rehearsal Room floor replacement	0	62
Total contributions by owners	1,290	21,817
Balance at end of period	118,456	117,166

9.10 Supplementary financial information

(a) Write-offs

During the financial year, \$6,427 (2018: \$47,978) in bad debts was written off under the authority of:

	2019	2018
	\$000	\$000
The board of Trustees (Perth Theatre Trust)	6	48

(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 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for selected major variances, which are generally greater than:

- 5% and \$350,000 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 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
COST OF SERVICES						
Expenses						
Employee benefits expense	1	8,299	9,036	9,271	737	(235)
Supplies and services	2, A	2,700	3,200	2,598	500	602
Depreciation and amortisation expense		2,575	2,813	2,617	238	196
Revaluation decrement on land and buildings		0	1,414	0	1,414	1,414
Accommodation expenses	3, A	2,102	3,856	1,764	1,754	2,092
Cost of sales		220	212	222	(8)	(10)
Grants and subsidies		500	540	502	40	38
Other expenses		1,067	393	429	(674)	(36)
Total cost of services		17,463	21,464	17,403	4,001	4,061
Income						
Revenue						
User charges and fees	4,B	5,540	6,389	5,623	849	766
Sales		795	707	748	(88)	(41)
Sponsorship		0	441	172	441	269
Interest revenue		41	57	57	16	0
Other revenue	C	657	742	2,876	85	(2,134)
Total Revenue		7,033	8,336	9,476	1,303	(1,140)
Gains						
Gain on disposal of non-current assets		0	0	0	0	0
Total Gains		0	0	0	0	0
Total income other than income from State Government		7,033	8,336	9,476	1,303	(1,140)
NET COST OF SERVICES		10,430	13,128	7,927	2,698	5,201
Income from State Government						
Service appropriation	5	8,154	9,187	9,277	1,033	(90)
State grants and subsidies		445	198	646	(247)	(448)
Assets Transferred / (Assumed)		0	355	0	355	355
Services received free of charge	5,D	1,238	2,167	553	929	1,614
Royalties for Regions Fund		749	464	474	(285)	(10)
Total income from State Government		10,586	12,371	10,950	1,785	1,421
SURPLUS / (DEFICIT) FOR THE PERIOD		156	(757)	3,023	(913)	(3,780)

Major Estimate and Actual (2019) Variance Narratives

- 1) The increase in employee expenses (\$737,000 or 8.8%) was mainly attributable to costs associated with the Perth Cultural Centre (PCC) which came under the management of the PTT from 1 July 2018. This increase can also be attributable to the increase in revenue see point 4 below.
- 2) The increase in supply and services (\$500,000 or 18.5%) was mainly attributable to costs associated with the PCC which came under the management of the PTT from 1 July 2018.
- 3) The increase in accommodation expenses (\$1.754 million or 83%) was mainly attributable to costs associated with the PCC which came under the management of the PTT from 1 July 2018. This increase in expenditure was funded by an increase in appropriation and resources received free of charge from the Department of Local Government Sport and Cultural Industries (DLGSC). See comment 5 below.
- 4) The increase in user fees and charges (\$849,000 or 15.32%) was mainly attributable to better than budget ticketing fee income due to higher ticketing volume sold through the in-house ticketing system.
- 5) The increase in services appropriation (\$1.033 million or 12.6%) and services received free of charge (\$929,000 or 75%) was mainly attributable to additional funding provided for the management of the PCC in 2018-19.

Major Actual (2019) and Comparative (2018) Variance Narratives

- A) The increase in supplies and services (\$602,000 or 23.17%) and accommodation expenses (\$2.092 million or 119%) was mainly attributable to costs associated with the Perth Cultural Centre (PCC) which came under the management of the PTT from 1 July 2018. This increase in expenditure was mainly funded from an increase in appropriation and resources received free of charge.
- B) The increase in user fees and charges (\$766,000 or 13.62%) was mainly attributable to better ticketing fee income in 2019 due to higher ticketing volumes through the in-house ticketing system when compared with the previous year.
- C) The decrease in other revenue (\$2.134 million or 74.20%) was mainly due to one-off recognition of the land transfer for the Albany Entertainment Centre from the City of Albany in 2018, the value of the land was recognized as other revenue.
- D) The increase in services received free of charge (\$1.614 million or 291%) mainly relates to additional funding provided by DLGSC for the PCC.

Statement of Financial Position	Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
ASSETS						
Current Assets						
Cash and cash equivalents		2,829	1,340	1,581	(1,489)	(241)
Restricted cash and cash equivalents		1,932	2,455	2,803	523	(348)
Inventories		23	24	22	1	2
Receivables		380	432	941	52	(509)
Amounts receivable for services		0	0	0	0	0
Other current assets		672	1,592	743	920	849
Total Current Assets		5,836	5,843	6,090	7	(247)
Non-Current Assets						
Restricted cash and cash equivalents		33	60	37	27	23
Amounts receivable for services		40,156	40,126	37,551	(30)	2,575
Property, plant and equipment	6,E	120,129	109,911	113,579	(10,218)	(3,668)
Intangible assets		37	825	1,025	788	(200)
Total Non-Current Assets		160,355	150,922	152,192	(9,433)	(1,270)
TOTAL ASSETS		166,191	156,765	158,282	(9,426)	(1,517)
LIABILITIES						
Current Liabilities						
Payables		907	229	225	(678)	4
Funds held in trust		623	2,172	2,345	1,549	(173)
Provisions		1,931	695	719	(1,236)	(24)
Other current liabilities		294	1,239	1,444	945	(205)
Total Current Liabilities		3,755	4,335	4,733	580	(398)
Non Current Liabilities						
Provisions		333	451	387	118	64
Other non-current liabilities		0	0	0	0	0
Total Non-Current Liabilities		333	451	387	118	64
TOTAL LIABILITIES		4,088	4,786	5,120	698	(334)
NET ASSETS		162,103	151,979	153,162	(10,124)	(1,183)
EQUITY						
Contributed equity	7	122,302	118,456	117,166	(3,846)	1,290
Reserves	6,E	8,268	0	1,716	(8,268)	(1,716)
Accumulated surplus		31,533	33,523	34,280	1,990	(757)
TOTAL EQUITY		162,103	151,979	153,162	(10,124)	(1,183)

Major Estimate and Actual (2019) Variance Narratives

- 6) The decrease in property plant and equipment (\$10.2 million or 8.5%) was mainly due to an over estimation of the revaluation increase. This over estimation also affected the reserves under equity.
- 7) The decrease in contributed equity (3.846 million or 3.14%) was mainly attributable to less contributed equity being recognised than what was actually budgeted for. The expected contributed equity relates to ongoing capital works at His Majesty's Theatre (HMT). These works are expected to be completed in 2020.

Major Actual (2019) and Comparative (2018) Variance Narratives

- E) The decrease in property plant and equipment (\$3.668 million or 3.23%) was mainly due to a revaluation decrease against both land and buildings. This decrease also affected the reserves under equity.

Statement of Cash Flows	Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation		5,579	6,612	5,774	1,033	838
State grants and subsidies		445	469	527	24	(58)
Capital contributions	8	6,500	165	347	(6,335)	(182)
Holding account drawdowns		0	0	0	0	0
Royalties for Regions Fund		749	464	474	(285)	(10)
27th Pay holding account movement		0	23	21	23	2
Net cash provided by State Government		13,273	7,733	7,143	(5,540)	590
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Payments from trust fund		(11,500)	(10,597)	(10,510)	903	(87)
Employee benefits		(8,236)	(8,983)	(9,127)	(747)	144
Supplies and services		(1,109)	(3,290)	(3,297)	(2,181)	7
Accommodation		(893)	(1,890)	(1,349)	(997)	(541)
Grants and Subsidies		(500)	(750)	(252)	(250)	(498)
GST payments on purchases		(918)	(729)	(587)	189	(142)
GST payments to taxation authority		0	(471)	(217)	(471)	(254)
Other payments		(1,095)	(370)	(139)	725	(231)
Receipts						
Receipts into trust fund		11,500	10,254	11,383	(1,246)	(1,129)
User charges and fees		5,540	6,479	5,513	939	966
Sale of goods and services		795	707	748	(88)	(41)
Sponsorship		0	441	172	441	269
Interest received		41	71	57	30	14
GST receipts on sales		636	857	756	221	101
GST receipts from taxation authority		282	106	113	(176)	(7)
Other receipts		657	150	933	(507)	(783)
Net cash provided by/ (used in) operating activities		(4,800)	(8,015)	(5,803)	(3,215)	(2,212)

Statement of Cash Flows	Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from sale of non-current physical assets		0	0	0	0	0
Payments						
Purchase of non-current physical assets	8, F	(6,500)	(284)	(1,737)	6,216	1,453
Receipts						
Proceeds from sale of non-current physical assets		0	0	0	0	0
Net cash provided by/(used in) investing activities		(6,500)	(284)	(1,737)	6,216	1,453
Net increase / (decrease) in cash and cash equivalents		1,973	(566)	(397)	(2,539)	(169)
Cash and cash equivalents at the beginning of the period		2,821	4,421	4,818	1,600	(397)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		4,794	3,855	4,421	(939)	(566)

Major Estimate and Actual (2019) Variance Narratives

8) The decrease in capital contribution (\$6.335 million or 97.46%) and purchase of non-current physical assets (\$6.216 million or 95.63%) relates to the funding for capital works at HMT. This funding was transferred to DLGSC who are managing the project. PTT will recognise the capital expenditure at year end as a non cash entry.

Major Actual (2019) and Comparative (2018) Variance Narratives

F) 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.

Budget Estimates for 2019-20

In accordance with the Treasurer's Instruction 953 the annual estimates for the current financial year (2019-20) 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 2020

	Estimate \$000
Cost of services	
Expenses	
Employee benefits	9,503
Supplies and services	2,631
Depreciation and amortisation expense	2,724
Accommodation	3,430
Grants and subsidies	500
Cost of sales	250
Other expenses	691
Total cost of services	19,728
Income	
User charges and fees	6,029
Sales	811
Sponsorship	180
Donated works of art	
Bequest trust and special purpose funds contributions	
Interest revenue	46
Commonwealth grants and contributions	
Other revenue	1,164
Total Income	8,230
NET COST OF SERVICES	11,498
Income from state government	
Service appropriation	9,262
Royalties for Regions Fund	500
Assets Transferred / (Assumed)	
Grants and subsidies from State Government	
Resources received free of charge	1,949
Total income from state government	11,711
SURPLUS / (DEFICIENCY) FOR THE PERIOD	213

Statement of Financial Position by Agency

For period ending 30 June 2020

	Estimate \$000
ASSETS	
Current Assets	
Cash and cash equivalents	1,750
Restricted cash and cash equivalents	2,762
Inventories	24
Receivables	440
Amounts receivable for services	
Other current assets	507
Total Current Assets	5,483
Non-Current Assets	
Restricted cash and cash equivalents	38
Amounts receivable for services	42,731
Other financial assets	
Property, plant and equipment	111,000
Library Collections	
Museum Collections	
Works of Art	
Intangibles	918
Other non current assets	
Total Non-Current Assets	154,687
TOTAL ASSETS	160,170
LIABILITIES	
Current Liabilities	
Payables	230
Provisions	1,197
Funds held in trust	2,345
Other	1,428
Total Current Liabilities	5,200
Non-Current Liabilities	
Provisions	540
Other	
Total Non-Current Liabilities	540
TOTAL LIABILITIES	5,740
EQUITY	
Contributed equity	116,473
Reserves	6,636
Accumulated surplus/(deficit)	31,321
TOTAL EQUITY	154,430
TOTAL LIABILITIES AND EQUITY	160,170

Statement of Cash Flows

For period ending 30 June 2020

Estimate
\$000

CASH FLOWS FROM STATE GOVERNMENT

Service appropriations	6,692
Capital appropriation	0
Holding account drawdowns	0
State grants and subsidies	0
Royalties for Regions Fund: Regional Community Services Fund"	500
Net cash provided by State Government	7,192

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Payment from trust fund	(10,500)
Employee benefits	(9,888)
Supplies and services	(2,886)
Accommodation	(2,087)
Grants and subsidies	(500)
GST payments on purchases	(892)
GST payments to tax authority	(217)
Other payments	(1,300)

Receipts

Receipts into trust fund	11,500
Sale of goods and services	811
User charges and fees	6,153
Commonwealth grants and contributions	
Interest received	60
Sponsorship	180
Bequest trust and special purpose funds contributions	0
GST receipts	756
GST receipts from taxation authority	113
Other receipts	1,634
Net cash from operating activities	(7,063)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of non-current assets	0
Net cash from investing activities	0
NET INCREASE/(DECREASE) IN CASH HELD	129
Cash assets at the beginning of the reporting period	4,421
Cash assets at the end of the reporting period	4,550

Image acknowledgements

Cover Page – Perth Cultural Centre. Photo courtesy of Perth Theatre Trust.

Page 9 – His Majesty's Theatre interior. Photo by Christophe Canato.

Page 20 – State Theatre Centre of WA interior. Photo by Adam Nalapraya.

Page 21 – *Dark Emu* featuring Yolanda, Bangarra Dance Theatre. Photo by Daniel Boud.

Page 24 – AEC Opera Gala. Photo by Owen Davies.

Page 39 – Perth Cultural Centre. Photo courtesy of Perth Theatre Trust.

Page 47 – Santa's Castle, Perth Cultural Centre. Photo by Jessica Wyld.

Page 53 – Fringe World Subilicious at Subiaco Arts Centre. Photo by Alison Rodrigues.

