



# 2012 ANNUAL REPORT





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COVER: SIR ANDREW DAVIS CONDUCTING THE MELBOURNE SYMPHONY ORCHESTRA  
IN THE MELBOURNE TOWN HALL

LEFT: MARKUS STENZ CONDUCTING THE MELBOURNE SYMPHONY ORCHESTRA  
IN **A SPECTACULAR RETURN** IN THE RE-OPENED HAMER HALL

ANNUAL REPORT DESIGNED BY SPUTNIK AGENCY

  
**Emirates**  
Principal Partner

  
**mso**  
melbourne symphony orchestra

# CHAIRMAN'S REPORT



The year just passed was one in which the MSO was in transition. We bade farewell to Managing Director (2011-2012) Matthew VanBesien in February, at which point the announcement of our major artistic appointments – of Sir Andrew Davis as Chief Conductor and Diego Matheuz as Principal Guest Conductor from the 2013 season – were still some months away. We also began implementation of a major new content management system, which saw us begin the transition to a proprietary box office and customer relationship platform. This will have profound positive benefits for our business.

Financially, 2012 was also a year of transition but a difficult one as, mid-year, the MSO completed its two-year relocation to the Melbourne Town Hall, following the extensive renovation of Hamer Hall. While the MSO was able to post a small surplus in both 2010 and 2011 due to the generous business interruption funding that was provided by the Victorian Government to help offset the negative impact of the relocation on revenue and costs, the funding that was provided in 2012 was not sufficient to make up for the loss in revenue and the increase in costs following the return to Hamer Hall. More specifically, subscription revenue continued to be negatively impacted through the entire year despite returning to Hamer Hall in August, and the business interruption funding that had been expected from August to December did not materialise.

As a result of consistently rigorous financial management over a long period, the MSO has a balance sheet that allows us to absorb a deficit for 2012 of slightly under \$800,000 whilst still retaining reserves in excess of \$3 million going forward.

It is important to stress, however, that 2013 will also be financially challenging, especially as more time is needed to restore the subscriber base that was adversely impacted by the closure of Hamer Hall, and to address the significant increase in the cost of performing in our refurbished home. Management and the Board are currently reviewing the appropriate actions to restore the Company to a sustainable financial footing.

Artistically, the return to a beautifully refurbished and acoustically outstanding **Hamer Hall** was of course one of the highlights of the year for the MSO instrumentalists, choristers and staff. The three-concert festival **A Spectacular Return** reunited the musicians with their former Chief Conductor Markus Stenz over varied and exciting programs, and in works that called for forces varying in size from solo cello to full orchestra, chorus and vocal soloists. These concerts showcased the MSO's superlative artistic achievements in this new space for music.

A week after these concerts, Sir Andrew Davis returned to Melbourne as Chief Conductor-designate, and directed Orchestra and Chorus in a beautifully crafted program devoted largely to Percy Grainger. Many of these works were then recorded for CD and digital download release on Chandos, as part of an on-going series of MSO recordings for the label. These form an important part of the work Sir Andrew is doing in putting the MSO's achievements in the international spotlight.

The second annual **Education Week** saw us interact with some 10,000 students in five days, in events ranging from **Classic Kids** to the project in which MSO musicians played alongside the members of the Melbourne Youth Orchestra, **Share the Chair**. For the first time, we invited amateur musicians from around Victoria to rehearse and perform with the Orchestra in **Symphony in a Day** under Benjamin Northey's direction, and the result – in terms of the number of participants, the musical result and the sheer joy of the whole experience – exceeded everyone's expectations. As I write, we are several months away from the 2013 **Symphony in a Day** and already have hundreds of applicants keen to take part.

The Orchestra's versatility and success in engaging a wide range of audiences came to the fore in concerts as diverse as the **Doctor Who Symphonic Spectacular** at Plenary Hall and the screen and symphony screening of the first film in the **Lord of the Rings** trilogy, *The Fellowship of the Ring* in Hamer Hall. We took **Carnival of the Animals** to Melbourne Zoo with narrator Noni Hazlehurst during the September school holidays and collaborated with Bell Shakespeare for a celebration in words and music of Shakespeare's **Romeo and Juliet**.

The appointment of **Sir Andrew Davis** as **Chief Conductor**, which we announced in July, was a hugely important step forward for the Company. From his first downbeat of his first concert as a guest conductor in 2009, it was clear that the musicians' relationship with Sir Andrew was a very special one. It is a privilege to have one of the most widely admired figures in classical music on the MSO podium, and we are looking forward to an extraordinary journey with this inspirational man and musician.

At the same time, we announced that **Diego Matheuz** would take up the position of **Principal Guest Conductor**. Diego made a huge impression on audience and Orchestra alike with his debut in the Sidney Myer Free Concerts in 2012. We are thrilled that a conductor so clearly destined for great things will be playing a major part in the life of the Orchestra and Chorus.

The quality of our classical presentations during the year was consistently fine. Particular highlights for me were the return of young Czech conductor **Jakub Hruša**, who stepped in at short notice to conduct a program which included a thrilling performance of the Mussorgsky/Ravel **Pictures at an Exhibition**. Our presentation of *The Planets* under Alexander Shelley's direction, in which Holst's music was married to vision taken by NASA using the Hubble Space Telescope, was an example of a wonderful new concert-giving format. **Tadaaki Otaka's** term as Principal Guest Conductor concluded with two programs presented in partnership with pianist Garrick Ohlsson. Their interpretation with the Orchestra of the two Brahms piano concertos constituted a major event in the 2012 musical calendar.

In November, in another major step forward, we welcomed **André Gremillet** as Managing Director. He had been, from 2007, President and CEO of the New Jersey Symphony Orchestra and made a major contribution to the turnaround of that organisation. A native of Québec, Canada, he is a conservatory-trained pianist, and holds a Master's degree from the Mannes College of Music, New York and an MBA from McGill University, Montreal.

He brings a new outlook, energy and level of musical appreciation which will allow the MSO to maintain its path of innovation and artistic excellence, as well as strong commercial, fundraising and strategic skills which will help the Orchestra continue to build a solid foundation of financial stability.

Thanks to our enduring relationship with **Emirates**, our Principal Partner since 2004, and to the support of our many other corporate partners, donors and the MSO Friends, we are able to present an ever-broadening range of programs, allowing us to reach out to the community more effectively than ever before. I would also like to thank my colleagues on the MSO Board for their high level of involvement in and major contribution to the MSO's activities.



**HAROLD MITCHELL AC**  
CHAIRMAN

# MANAGING DIRECTOR'S REPORT



Since my arrival here at the end of 2012, I have seen how deeply the community values the many roles the Melbourne Symphony Orchestra plays: as a cultural ambassador for the City and State, as a point of aspiration artistically, and as an organisation that breaks down barriers for people of all ages through its multi-faceted and extensive education, outreach and touring work.

Our Chairman, Harold Mitchell, has rightly characterised 2012 as a year of transition. In addition to our move back to Hamer Hall mid-year, we delivered a range of projects across Victoria which helped re-define the relationship between instrumentalists, choristers and the communities we serve.

These ranged from evening concerts and schools' programs in **Ballarat, Bendigo, Hamilton, Shepparton, Warragul and Warrnambool** to our ongoing late night **Secret Symphony** projects in collaboration with the City of Melbourne and our inaugural **Symphony in a Day** program, in which we invited amateur musicians from all over the State to rehearse and perform as part of the MSO.

These events were among many during the year – the **Doctor Who Symphonic Spectacular**, the second **Education Week** and our presentation of Holst's **The Planets: A Journey in Music and Film** were perhaps the most significant – which brought to our performances audiences for whom the MSO had been a novel (or even unknown) experience.

The success of these, and many other events, is an indication that we are heading in the right direction in our efforts to engage with the community as broadly as possible. However, our sobering financial result tells of a year in which, like many other performing arts companies, tickets sales and sponsorship fell short of expectations.

Needless to say, we are addressing the implications of our financial result swiftly and rigorously. We are, for example, working on the expansion of our audience development programs and allocating more resources to attracting philanthropic donations, while looking carefully at our costs and our mix of activity.

As I was not present for the first part of the year, I draw your attention to the report by the Orchestra's Director of Artistic Planning, Huw Humphreys, on page 12, for a detailed chronicle of the year in music for the Orchestra and Chorus.

In retrospect, and from my perspective, the key events of the year include Diego Matheuz' debut with the Orchestra at the **Sidney Myer Free Concerts** in February, which was hugely impressive for Orchestra and audience alike, and quickly led to his appointment as Principal Guest Conductor from the 2013 season.

The announcement of this appointment in July coincided with the announcement of **Sir Andrew Davis** as Chief Conductor, also from 2013. With **Benjamin Northey** already in place as an outstanding Associate Conductor, the completion of these key artistic appointments marked a real turning point for the Company, particularly as we were, at that point, only a few weeks away from moving back to Hamer Hall for most of our performances.

The last few years have seen an increasing refinement of our Education activity, and the result in 2012 was a particularly successful series of events, culminating in **Education Week** in June. The projects led by guest animateur **Paul Rissmann**, in particular, demonstrated how powerfully engaged school students of all ages can be when they take part in thoughtfully-designed, well-presented programs that open up the world of the orchestra to them on their terms.

The return to the Hall was of course a deeply symbolic moment, and **Markus Stenz'** three ambitious programs not only acted as a showcase for the Hall's new acoustic possibilities, but re-introduced musicians and audiences to a much-loved figure from the Orchestra's recent past. The following week Sir Andrew Davis returned in a program with Orchestra and Chorus devoted largely to Percy Grainger, which demonstrated his mastery in this repertoire and acted as a kind of valentine to the city to which he is about to devote his artistic energies.

I was also impressed at the Orchestra's ventures into new fields of concert-giving: the multi-media presentation of Holst's *The Planets* under Alexander Shelley, using NASA imagery; the first of the screen-and-symphony **Lord of the Rings** films and the words-and-music collaboration with **John Bell** and **Bell Shakespeare** on the **Romeo and Juliet** concerts in November all brought us into contact with new audiences and point to a future in which the word "concert" takes on a new flexibility of meaning.

In that regard, **Ears Wide Open**, the demonstrably successful entry-level series in which **Richard Gill** deconstructs a well-known orchestral work, is helping audiences become more familiar with cornerstones of the classical repertoire. Moreover, as we then play these works complete in subsequent concert performances, we are able to translate the success of this series into greater attendances at subscription concerts.

The artistic and commercial collaborations we undertook in 2012 – with **Bell Shakespeare**, **Melbourne Youth Music**, the **City of Melbourne**, **Melbourne Recital Centre**, the **Sydney Opera House**, **Melbourne Zoo** and the **Melbourne Festival** – are examples of the kind of partnerships we will continue to develop into the future. I would like particularly to acknowledge the support of the **Sidney Myer Fund** and the **University of Melbourne** in the presentation of our annual Bowl season and the **City of Melbourne** for its continuing support of the **Secret Symphony** events. At time of writing our Principal Partner, **Emirates**, is celebrating a ten-year relationship with us, and I thank them and all our Patrons and corporate partners for their invaluable support for the Orchestra's work.

The Company's new **website**, which offers us far greater functionality than the previous one, was unveiled early in the year, and we continue to refine and improve it, particularly as its implementation went hand in hand with that of the Orchestra's new Customer Relationship Management system, using the Tessitura platform. These are both major investments for the Company, and have begun to make a significant difference to our ability to market events and series more effectively.

During 2012 we held many successful orchestral auditions. New arrivals in the MSO were Ji Won Kim in the first violins and Michael Pisani (previously MSO oboe) to the position of Principal Cor Anglais. We also farewelled a number of long-serving musicians including Roy Theaker (Associate Concertmaster), Michael Kisin (Principal First Violin), Rolf Kuhlmann (Principal Bassoon) and Andrew Bain (Principal Horn).

The MSO's musicians, staff, board and choristers are an incredibly dedicated group of people, and with them I look forward to the creation of a successful and exciting future for the MSO.



**ANDRÉ GREMILLET**  
MANAGING DIRECTOR

# CORPORATE GOVERNANCE STATEMENT

This statement outlines the Melbourne Symphony Orchestra's corporate governance practices in line with the eight Good Practice Governance Principles published and monitored by the Major Performing Arts Board of the Australia Council for the Arts. These principles are based on the recommendations published by the ASX Corporate Governance Council. The statement sets out the Melbourne Symphony Orchestra's compliance with the eight Principles as at the end of the financial and calendar year.

## **PRINCIPLE 1: Lay solid foundations for management and oversight**

The practice of the MSO's Board of directors is governed by the company's Constitution.

The Board delegates the management of the organisation to the Managing Director (or Acting CEO) and senior management team, and retains oversight of each of the MSO's significant business streams through Board sub-committees. Membership of the sub-committees includes at least four Board members as well as senior management. The Chair of each sub-committee acts as a Board interface by representing the Board and reporting back at full Board meetings.

Each year, a calendar of Board and Board sub-committee meetings is set. The Board met five times in 2012 with one additional meeting carried out by e-mail. In addition, the Board and senior management attend two strategy days each year to review pertinent issues outside the scope of a regular Board meeting and develop a response and implementation plan to these issues. The scope of the Board meetings include, but are not limited to, the MSO's three-year Business Plan, artistic program, budget for the forthcoming season and financial year, updates from the Managing Director and sub-committees and any priority issues (such as the arts precinct redevelopment and artistic leadership). Members of the senior management team report to the Board face-to-face and in writing at each Board meeting.

In 2012, the following Board sub-committees met with the following responsibilities and membership:

### **i) Finance and Revenue Committee**

- a) MSO financials and long-term financial modelling
- b) Earned income streams
- c) Contributed revenue streams
- d) Driving diversity in audiences and revenue

Membership: Six Board members including the Managing Director (or Acting CEO), plus the Director of Marketing, Director of Development, Chief Financial Officer (or Acting CFO) and external representatives. The Chief Financial Officer (or Acting CFO) served as the Management Liaison.

### **ii) Governance and Community Relations Committee**

- a) Community relationships and partnerships with musical institutions
- b) Government relations
- c) Education and Community Engagement programs
- d) Board assessment, recruitment and succession planning

Membership: Five Board members including the Managing Director (or Acting CEO), plus the Director of Artistic Planning (with responsibility for Education). The Director for Artistic Planning served as the Management Liaison.

In addition, the MSO Artistic Committee comprises management representatives, the Chief Conductor and/or artistic leader, Concertmaster and elected musicians. Its main purpose is to assess the quality of past performances, performers and performance standards of the Orchestra (both sections and individuals), take action where required to address performance issues, and to assess forthcoming projects. Significant findings of the Artistic Committee are reported to the Board. Regarding Education matters, the management team receives advice from industry experts on a periodic basis whose feedback is reported back to the MSO Board. The MSO Chorus Committee, made up of eight singers and two management representatives plus the Director of Artistic Planning, provides advice to the Board on Choral issues.

**PRINCIPLE 2:  
Structure the Board to add value**

The Board includes Directors with a range of skills including finance and accounting, business (both public companies and small business) and commercial experience, law, government, marketing, fundraising, I.T. and philanthropy. This full list of Board Directors is included in the Directors' Report, on page 37.

Directors are appointed for an initial term of three years. Terms may be extended at the discretion of the Chair and the Board.

As noted in Principle 1, the Board delegates the oversight of the MSO's significant business streams to the Finance and Revenue, Governance and Community Relations, Strategic Planning and Technology, and MSO Foundation and Development sub-committees.

**PRINCIPLE 3:  
Promote ethical and responsible decision making**

The MSO Board is charged with a number of procedural matters including:

- review of annual operating plan and budget
- articulation of the MSO's vision and mission
- establishment and communication of expectations in regard to the cultural values and ethics of the Company.

The MSO, in its formal Code of Conduct, outlines its expected standard of conduct based on three main principles:

- Professionalism and integrity
- Fairness and equity
- Avoidance of real or apparent conflict of interest

The Board Induction Manual includes a copy of the MSO Code of Conduct, and in addition, the Board holds itself to the highest standards of ethical and responsible decision-making. Codes of conduct exist for musicians and administrative staff, and are included in a Board Induction Manual which is provided to new directors.

**PRINCIPLE 4:  
Safeguard integrity in financial reporting**

The Finance and Revenue sub-committee comprises at least two directors and company secretary and, by invitation, the Managing Director (or Acting CEO), Chief Financial Officer (or Acting CFO) as well as other operational staff and external representatives as required. The committee met four times in 2012, with one additional meeting held via e-mail, and its functions included:

- Reviewing and monitoring progress against Strategic Plan and Budget/forecast, and reporting to the Board on management and annual financial statements
- Management of the MSO's governing policies and procedures, specifically approving any new or altered policies
- Provision of input to management in setting the Strategic Plan and Budget
- Evaluation and approval of executive expenditure
- Ensuring compliance with applicable laws and regulations
- Ensuring strong internal control, policies and procedures are in place
- Development and monitoring of investment policy
- Approval of Capital expenditure

The Finance and Revenue sub-committee requires the Managing Director (or Acting CEO) and Chief Financial Officer (or Acting CFO) to attest in writing to the truth and fairness of the MSO's annual financial statements. In addition, the Managing Director (or Acting CEO) and Chief Financial Officer (or Acting CFO) must attest that the operational results are in accordance with relevant accounting standards. The annual accounts are independently audited.



PHILIP LATJA, A MEMBER OF THE MSO SECOND VIOLIN SECTION, RETIRED FROM THE MSO IN 2012 AFTER 37 YEARS' SERVICE.

**PRINCIPLE 5:  
Recognise and manage risk**

The Board delegates oversight of risk management procedures and actions to all Board sub-committees, and recognition and management of risk to the Managing Director (or Acting CEO) and senior management team. The charter of the Finance and Revenue sub-committee includes the safeguarding of company assets incorporating the amendment of the company's investment policy.

**PRINCIPLE 6:  
Encourage enhanced performance**

The charters of the MSO Board and of the Governance and Community Relations sub-committee include the requirement to:

- Recommend to electing bodies possible new Board members, with regard to the diversity of the skills of the MSO Board members and organisation skill requirements
- Develop Board criteria and skill requirements
- Evaluate the Board's performance as a whole, and the performance of individual members
- Actively manage the Board rotation system
- Ensure succession planning for Managing Director and other key management roles, including Chief Conductor and/or artistic leader
- Ensure that new Board members are adequately educated about the MSO

In addition, the Board relies on the advice of the Artistic Committee, a group comprising the Managing Director (or Acting CEO), Director of Artistic Planning, Director of Operations and Orchestra members. The group meets on a regular basis to assess and improve artistic quality and performance standards, and review artistic standards and achievements of the MSO's program.

**PRINCIPLE 7:  
Remunerate fairly and responsibly**

The Board is specifically charged with ensuring the achievement, development and succession of the Company's senior management team, including remuneration. The Board assesses and, when necessary, takes professional advice on market benchmarks for remuneration. The Board provides the Managing Director (or Acting CEO) with parameters within which to negotiate musician and administration staff agreements.

The Board itself is not remunerated.

**PRINCIPLE 8:  
Recognise the legitimate interests of stakeholders**

The Board is charged with ultimate responsibility to ensure that productive working relationships with key MSO stakeholders are maintained. The day to day management of key stakeholder relationships is delegated to the MSO's Managing Director (or Acting CEO) and in turn to the senior management team. The MSO actively encourages and actions audience feedback via its website as well as by verbal, postal and electronic communication channels.

The Managing Director (or Acting CEO), senior management team and Board members regularly meet with key stakeholders including government, sponsors, audiences, the Orchestra itself and those providing professional advice to the MSO. From 2009, a peer-review panel was implemented, providing valuable additional artistic feedback to Board and management regarding orchestral quality and performance standards.

# THE YEAR IN PERFORMANCE



DIEGO MATHEUZ CONDUCTING AT THE SIDNEY MYER FREE CONCERTS



THE SILENCE MEETS THE AUDIENCE AT THE DOCTOR WHO SYMPHONIC SPECTACULAR

The **Doctor Who Symphonic Spectacular** got the 2012 season off to a sensational start. Packing out the Plenary Hall at the Melbourne Exhibition and Convention Centre for two performances on a single day, more than 11,000 people experienced this highlight in our recent special projects programming. The show was unique, using music from the last two seasons of the BBC's iconic program, mixed with visuals from these series as well as assorted Daleks, Cyberman and Silurians walking through the auditorium. A number of key personnel from the BBC's *Doctor Who* team were present in Melbourne, including composer Murray Gold, conductor and orchestrator Ben Foster and producer Paul Bullock. The MSO has forged an excellent relationship with the BBC through this production, which was developed especially for Melbourne as an Australian exclusive. The response to the show was overwhelmingly positive, particularly through social media channels; especially gratifying was the comment on *Twitter* that 'the Melbourne Symphony demonstrates so well that the symphony orchestras can be relevant and entertaining to people of all generations.'

The first weeks of the year also included the **Cybec 21st Century Australian Composers Program**. This concert was the culmination of several months of mentoring by the MSO – especially by Librarian Alastair McKean and eminent composers chosen by Brenton Broadstock, including Nigel Butterley, Tony Gould and Julian Yu – of four young musicians: Simon Charles, Lisa Illean, Daniel Portelli and Catherine Sullivan. The performance also included an interview with each composer by the MSO's Associate Conductor Benjamin Northey and – as a result of the evening – the works by Lisa Illean and Catherine Sullivan were chosen by the panel to be performed as part of the MSO's **Metropolis New Music Festival** in 2012.

Highlights of the first part of the season included two electrifying **Sidney Myer Free Concerts** under the baton of Diego Matheuz, which led to his subsequent appointment as Principal Guest Conductor; the Melbourne premiere of a new work by Matthew Hindson, *Kalkadungu*, at the Bowl conducted by Benjamin Northey and featuring William Barton as soloist on didjeridu; the return to the MSO of Richard Tognetti as violin soloist and director, in a program that also featured a performance of Nigel Westlake's award winning *Missa Solis – Requiem for Eli*, recorded for broadcast and for CD release on ABC Classics; Kolja Blacher's three-week "Artist in Residence" project with the MSO, which included concerts as soloist in the Stravinsky violin concerto, play/direct concerts in the Melbourne Recital Centre and chamber music with members of the orchestra; a regional tour conducted by young Australian maestro Matthew

Wood in Frankston, Warragul and Ballarat; the conclusion of Olli Mustonen's three-year project to perform all of the Beethoven concertos for piano and orchestra and the return of Bramwell Tovey to the MSO in an all-British program containing music by Britten, Lambert and Walton (*Belshazzar's Feast*).

Of particular significance this year was the development of the **Metropolis New Music Festival**, which changed homes from the CUB Malthouse to the Melbourne Recital Centre and was co-promoted by the MRC. The Festival was curated by and featured outstanding performances by the Chicago-based ensemble eighth blackbird and centred around contemporary American music, including works by Steve Reich, John Adams, Philip Glass and John Luther Adams. As a result of our collaboration with the MRC, the Festival expanded from three events to 16, using spaces including the MRC's Elisabeth Murdoch Hall, Salon and foyer spaces, and even the South Lawn of Melbourne University. The final two performances at the Elisabeth Murdoch Hall sold out, meaning that we had successfully expanded our audience from a capacity of 300 at the Malthouse to over 900 at the MRC.



SECRET SYMPHONY STREET POSTERS



SECRET SYMPHONY WITH THE MSO CHORUS IN THE MYER MURAL HALL

The MSO Chorus' main focus for the period was on Lambert's *The Rio Grande* and Walton's *Belshazzar's Feast*, with the women of the Chorus also singing in our unique presentation of Holst's *The Planets* as **A Journey in Music and Film**, featuring footage shot by NASA from the Hubble Space Telescope. These concerts at Melbourne Town Hall, conducted by Alexander Shelley, represented another successful audience development project.

The first of the late-night **Secret Symphony** projects for the year was presented to a capacity house at the Platform One nightclub underneath Flinders Street Station. This performance of Steve Reich's *Different Trains* by Sarah Curro, Roger Young, Lauren Brigden and Rohan de Korte, was both venue-appropriate and acted as a preview of the then-forthcoming **Metropolis** Festival. Secret Symphony is promoted almost entirely through social media, and receives ongoing funding by the City of Melbourne.

The Education's teams first events for 2012 were the first of the interactive **MSO Jams** for the year, at the Arts Centre and at the Sidney Myer Music Bowl. The latter was an audience participation event prior to the final Sidney Myer Free Concert.

In terms of performances, audiences, profile and community engagement, the MSO's second annual **Education Week** at Melbourne Town Hall in June was an even greater success than the inaugural events in 2011. More than 10,000 young people took part in a variety of events, including *Classics Kids* with Playschool presenter Jay Laga'aia, schools concerts with visiting British music educator Paul Rissmann and *Ears Wide Open* with Richard Gill. The Orchestra also shared the stage in two different projects: *Share the Chair* with members of the Melbourne Youth Orchestra under the baton of Norwegian maestro Eivind Aadland and *Symphony in a Day*, for which Benjamin Northey directed an orchestra of more than 140 players, with 100 amateur musicians from around Melbourne making up the vast majority of the ensemble.

A large part of the success of Education Week can be attributed to **Benjamin Northey**, the MSO's Patricia Riordan Associate Conductor, who conducted the *Classic Kids*, *Meet the Orchestra*, *Meet the Music* and *Symphony in a Day* projects. While we were disappointed to lose the services of Scottish maestro Donald Runnicles from the June Master Series concerts he was due to conduct – as his visit would have been a highlight of the season – Ben stepped into the breach to direct this demanding program, which featured Shostakovich's Violin Concerto No.1 (with soloist Julian Rachlin) and Mahler's Symphony No.4 (featuring soprano Emma Matthews). This program was something of a triumph for Ben, while also clearly demonstrating the value of our Associate Conductor position.

Cancellations continued to have an effect on our programs as the year progressed, with four visiting artists cancelling their trips to Australia due to ill health. While this proved to be a challenge, I feel that we rode these obstacles well. The cancellation of the Russian conductor Tugan Sokhiev allowed us to schedule a swift return for Jakub Hruša, the Czech conductor who made a sensational debut in 2011 and who is also due to return to us in future seasons. His performances of Mussorgsky's *Night on Bald Mountain* and *Pictures at an Exhibition* were music-making of the highest order, and proved a suitably triumphant way to end the MSO's residency at Melbourne Town Hall.

Losing German mezzo-soprano soloist Petra Lang three days before the first rehearsal of Mahler Symphony No.3 for our return concert to Hamer Hall was the direst of the emergencies, although conductor Markus Stenz was thrilled that we were able to secure the services of Karen Cargill. The most high profile cancellation was by Deborah Voigt. Fortunately we were able to secure the services of Angela Denoke to take over the entire program, and she triumphed in both Melbourne and on the Orchestra's tour to Sydney in June. She had concluded a run of *Salome* performances at the Royal Opera House, Covent Garden, only five days earlier.

The rich orchestral component of the Strauss and Wagner repertoire in these concerts with Angela Denoke saw as much attention given to the recently appointed **Sir Andrew Davis** and the MSO itself as to the soloist. Many members of the Orchestra reported on the Sydney Opera House concert as a real career highlight. There is no doubt that the players were inspired by performing



SIR ANDREW DAVIS IN MELBOURNE



NICHOLAS MASTERS AS ROMEO IN *ROMEO AND JULIET*, PRESENTED IN ASSOCIATION WITH BELL SHAKESPEARE

at this iconic venue, with the added spotlight of performing in front of numerous colleagues from north of the border. I also received tremendous feedback from Sydney Opera House management about the concert.

This program was obviously a major highlight of Sir Andrew's first visit as Chief Conductor designate, which began with sustained applause from the musicians as he started his first rehearsal.

Sir Andrew's first rehearsal in June was also part of the first round of the Orchestra's acoustic testing at **Hamer Hall**. Our time in the Hall in the weeks before it opened to the public allowed us to experiment with seating configurations as well as allowing the acousticians to adjust a number of moveable settings. The feedback about the refurbished space from the Orchestra has been overwhelmingly positive, with one musician telling me that he felt that he could hear another two or three dynamic levels. Markus Stenz turned around to the acousticians after ten minutes of his first rehearsal and said: "Great job". There was, therefore, great excitement building towards our return in August.

Other mid-year highlights included the visit from the incoming Chief Conductor of the Sydney Symphony Orchestra, David Roberston, in a program that culminated in a memorable performance of Respighi's epic *The Pines of Rome*; the concert also featured the talents of our wonderful Principal Clarinet David Thomas in Debussy's First Rhapsody.

**Principal Guest Conductor Tadaaki Otaka** conducted an all-Ravel program, which included the sensational Melbourne debut of French pianist Jean-Efflam Bavouzet in Ravel's Piano Concerto in G major, while our final Melbourne Recital Centre program for the year was an all-Mozart affair, with the period-performance specialist Reinhard Goebel on the podium.

The MSO Chorus' activity at this time was centred on the choral music of Percy Grainger, although the women of the chorus were also involved in Mahler's Symphony No.3 for our return to Hamer Hall (about which see more below.) The Grainger was taxing but the chorus showed tremendous dedication for what was an important project for the whole Company, as the repertoire formed part of our first Master Series concerts in the new Hall and our first Hamer Hall concerts with Sir Andrew, and were recorded for international release via CD and download on **Chandos Records**, completing the label's complete Grainger edition.

The MSO continued its Secret Symphony series with a performance of Australian chamber music in the Gold Vaults under the Old Treasury Building, to mark the 150th anniversary of the building. A second performance had to be scheduled to accommodate demand.

The long-awaited return to Hamer Hall took place in August, with the three-program project called **A Spectacular Return**, under the baton of the Orchestra's former Chief Conductor Markus Stenz. The programming was big and bold and proved a real work-out for the Orchestra in the new acoustic environment. Highlights of these three weeks included Ross Edwards' atmospheric solo cello work *Water Spirit Song*, performed by David Berlin, which opened the first concert; an exciting and dynamic reading of Mahler's titanic Symphony No.3; the extraordinary portrayal of Siegmund from Act 1 of Wagner's *Die Walküre* by Stuart Skelton, alongside the Australian debut of American soprano Meagan Miller as Sieglinde. We were also able to release a recording of Thomas Adès' new work *Polaris* from the opening two nights; this is the first commercially available recording of the work and the first time that the MSO, through ABC Classics, has released a recording on iTunes for download only.



SECRET SYMPHONY AT THE OLD GOLD VAULTS

It was clear that Markus had lost none of his popularity with Melbourne audiences and, in the absence of a Chief Conductor, he was in the ideal position to lead these concerts. He charmed audiences not only with his music-making, but also at numerous talks, lunches, discussions and comments and introductions from the stage.

The third instalment of the opening program, Act III, was perhaps the most ambitious project of the lot – an unannounced program, which contained a masterpiece from the 1980's, Olivier Messiaen's *Éclairs sur l'au-delà (Reflections of the beyond)*. This was performed with members of the Australian Youth Orchestra swelling the ranks of the MSO and was preceded by two world premieres from "graduates" of the MSO's Cybec 21st Century Australian Composers Program, Julian Langdon and Elias Constantopedos. I can't think of a conductor who could have pulled off this ambitious undertaking better than Markus Stenz, and he has indicated his willingness to return to Melbourne more regularly as his commitments in Cologne start to lessen.

Following the visit from our past Chief Conductor came two weeks with our future Chief Conductor, Sir Andrew Davis – comprising, in turn, a concert week and a recording week. The repertoire for both projects centred around choral works by Percy Grainger, with one outcome being an international release of this music on the Chandos label. Sir Andrew is a past master in the studio and ensured that we were able to launch his tenure as Chief Conductor in April 2013 with two international CD releases. Special mention should also be made of Piers Lane's poetic reading of the Grieg Piano Concerto; it was wonderful to welcome back this important Australian artist after a gap of several years.



NONI HAZELHURST AND MSO MUSICIANS AT MELBOURNE ZOO FOR CARNIVAL OF THE ANIMALS

I also want to make particular mention of the dedicated work of the MSO Chorus, under the direction of **Jonathan Grieves-Smith**, in both Grainger weeks. The choristers either rehearsed or performed for ten evenings out of 13, in repertoire that certainly presented some challenges. In *Tribute to Foster*, Grainger even demanded that they play tuned wine glasses at the same time as singing! Their work as an ensemble during these weeks was outstanding.

Sandwiched in between the visits of Stenz and Davis were three concerts with **The Wiggles**, the first time the group has ever worked with a symphony orchestra. The collaboration was extremely successful on all fronts. The orchestral arrangements, by a graduate of the MSO's Cybec 21st Century Australian Composers Program, Joseph Twist, were excellent and will prove to be a financial asset for the MSO; other orchestras are already enquiring about their availability. Antony Field (aka "The Blue Wiggle") was so taken with the show that he insisted that his family fly down from Sydney on Saturday morning, following the first concerts the previous afternoon. Presenting these events just after the Orchestra's return to Hamer Hall provided a major family element to these festivities. The timing of the retirement of three of the original four members of the band also heightened interest in the performances, which will hopefully lead to further collaborations in the near future.

Education projects in the third quarter of the year included **Jams for Juniors** at BMW Edge and **Family Jams** at the same venue. Our ongoing collaboration with ArtPlay included the final workshop for the year for the **MSO ArtPlay**

**Ensemble**, with a project – led by Gillian Howell – around Tchaikovsky's Symphony No.6, the *Pathétique*. We also marked the Melbourne Zoo's 150th anniversary with performances of Saint-Saëns' *Carnival of the Animals* at the Zoo in October, which featured Noni Hazlehurst narrating the delightful text by Australian playwright Nick Enright.

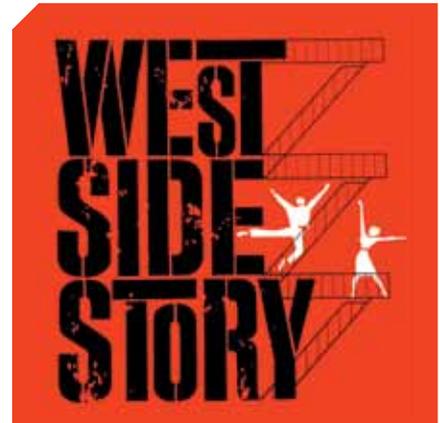
Other artistic highlights as we settled back into Hamer Hall were the performances of Tchaikovsky's Piano Concerto No.2 by Stephen Hough, returning to Melbourne for the first time since 2007; his musicianship and technical ability were quite staggering. This concert also featured popular guest conductor Andrew Litton, who featured the rarely performed Seventh Symphony by Prokofiev as the main work on the program. Frenchman Louis Langrée, Chief Conductor of New York's *Mostly Mozart* Festival and of the Salzburg Camerata, directed a spiritual and sympathetic reading of Tchaikovsky's *Pathétique* Symphony, combined with Dvořák's Cello Concerto with Chinese cellist Jian Wang.



ROMEO AND JULIET: BENJAMIN NORTHEY CONDUCTING THE MSO. NICHOLAS MASTERS AS ROMEO, ANDREA DEMETRIADES AS JULIET

Three projects within the space of 24 hours across 31st October and 1st November demonstrated the full range, diversity and vibrancy of the MSO. The MSO Chorus gave a late-night **Secret Symphony** performance, singing three Australian premieres as well as excerpts from the Duruflé Requiem under the direction of Jonathan Grieves-Smith in the Mural Hall in Myer's Bourke Street store. After three weeks of workshops and rehearsals, young musicians from **Huntingtower School, Footscray City College** and the **Massive Hip Hop Choir** united with members of the MSO under the direction of Catherine Milliken, an Australian composer and – until recently – Director of the Berlin Philharmonic's Education program, for the performance of a new work inspired by the story and text of Shakespeare's *Romeo and Juliet*. This was a pre-performance in the renovated Stalls Foyer at Hamer Hall, which preceded the Orchestra's first collaboration with John Bell and his **Bell Shakespeare Company**, in *Romeo and Juliet: A celebration in words and music of the world's favourite love story*. Actors performed scenes from Shakespeare's text, interspersed with music by Tchaikovsky, Prokofiev and Delius conducted by Benjamin Northey. This presentation pushed several concert presentation boundaries, to stunning effect.

Benjamin Northey was enjoying a busy few weeks with the orchestra at this time. Aside from the *Romeo and Juliet* performances and the *Carnival of the Animals* school holiday season at Melbourne Zoo, his regional tour performances took in **Bendigo, Shepparton** and **Albury** with associated morning schools performances, which he also presented. He also directed the Orchestra for the recording of scores for saxophone and orchestra by John Williams, Michael Kamen and Mark Knopfler, featuring as soloist the wonderful young Australian saxophonist **Amy Dickson**, released by ABC Classics in 2013; and he conducted two performances of the score of Leonard Bernstein's *West Side Story*, alongside screenings of the original 1961 film. Ben's expertise across a wide range of repertoire and genres was amply shown across these weeks and the results were testament to the trust and investment that the MSO has placed in him.



WEST SIDE STORY: THE MSO PERFORMED THE SCORE LIVE TO A SCREENING OF THE CLASSIC FILM

November's concert calendar was dominated by a visit from **Garrick Ohlsson**, the master American pianist, in performances of both Brahms piano concertos, conducted by our outgoing **Principal Guest Conductor Tadaaki Otaka**. The results were extremely impressive and have attracted outstanding press from *The Age* and *The Australian*; we are planning to release an MSO Live recording through **ABC Classics** of both concertos. The accompanying works on these programs were also very successful: rare performances of the complete Duruflé Requiem featured supremely accomplished singing by the MSO Chorus (this work will also be featured on a forthcoming MSO Live recording) while Maestro Otaka's tenure ended with excellent performances of Richard Strauss' *Don Juan* and *Death and Transfiguration*. In a new series for 2012, Garrick Ohlsson also combined with our principal string players (Wilma Smith, Matthew Tomkins, Chris Cartlidge and David Berlin) in a performance of Brahms' Piano Quintet, the second of our inaugural **Soloists' Choice** series at the Melbourne Recital Centre.



CLASSIC KIDS WITH RICHARD GILL



LORD OF THE RINGS: THE FELLOWSHIP OF THE RING IN HAMER HALL

On the **Special Projects** front, our performances of *West Side Story* were complemented by three performances of Howard Shore's score to *The Fellowship of the Ring*, the first of Peter Jackson's three *Lord of the Rings* films. With capacity houses at each of the three shows at Hamer Hall, plans are in place to bring *The Two Towers* and *The Return of the King* to Melbourne in 2013 and 2014 respectively.

Early November saw the final performance in the MSO's ever-popular **Chamber Music** series, in which concertmaster Wilma Smith was among the performers in a program of Stravinsky, Hindemith and Brahms. It has capped an excellent year for these concerts, giving players from the strings, wind, brass and percussion sections professional development opportunities in modern works by composers such as Ligeti, Kraft and Lam alongside great works of the chamber repertoire such as the Schubert String Quintet and Mozart's Quintet for Piano and Winds.

There were two sets of **Classic Kids** performances near the year's end, presented by Noni Hazlehurst and Richard Gill respectively. Artist development activities included a workshop with full orchestra for young composers from the **University of Melbourne** as well as a **Symphony Services International conductor training** module, led by visiting Canadian maestro Bernard Labadie. **The Pizzicato Effect** students from Meadows Primary were given the honour of performing in front of the Prince of Wales and the Duchess of Cornwall as part of a Victorian schools' showcase featuring the performing arts, while we were able to discuss and plan further developments for The Pizzicato Effect through a day-long workshop hosted by NAB as part of our NAB Schools First scheme award. The Pizzicato Effect year ended with a concert at Meadows Primary School.

The Chorus' year culminated in fine performances of Handel's *Messiah* conducted by Bernard Labadie, with a stellar cast including Ian Bostridge and Teddy Tahu Rhodes. Many orchestral players and choristers felt that they were among the MSO's most outstanding performances of this ever-popular work so far.

**HUW HUMPHREYS**  
DIRECTOR OF ARTISTIC  
PLANNING



# ARTISTIC SELF-ASSESSMENT PROCESS

## INTERNAL PROCESSES

In 2012, the MSO **Artistic Committee** was made up of management representatives, Concertmaster, and elected musicians. Its main purpose is to assess the quality of past performances, performers and performance standards of the orchestra and to assess forthcoming projects and program choices.

During 2012, the Artistic Committee met on six occasions. All meetings are minuted and the agenda items included, but were not limited to:

- Review of performances in 2012, including soloists, conductors and programming choices
- Orchestral performance standards
- Audition processes
- Commercial projects
- Rostering issues
- Recording projects
- 2012 repertoire and season plans
- Future artistic leadership issues

In addition, the MSO **Artistic Leadership Committee** comprised four management representatives (including one board member), and four elected MSO musicians from the Artistic Committee. Its main purpose was to consider various Artistic Leadership models as well as identify and research potential Chief Conductor candidates for consideration. With the July 2012 announcement of Sir Andrew Davis as Chief Conductor (initial contract from 2013 to 2016) and Diego Matheuz as Principal Guest Conductor (initial contract from 2013 to 2015), the Artistic Leadership Committee ceased to meet for the immediate future.

Established since the integration of the Melbourne Chorale and the Melbourne Symphony Orchestra in 2008, the **Chorus Committee** comprises eight elected members of the MSO Chorus plus the Chorus Master and Chorus Co-ordinator; the Director of Artistic Planning attends each meeting by invitation. Since mid-

2010, the Committee has formally discussed issues of artistic quality and performance standards; these deliberations are then fed back to management in writing. Additionally, each member of the MSO Chorus was surveyed in writing about a number of issues, including artistic preparation, breadth of repertoire, reaction to individual conductors and overall workload of the MSO Chorus.

The MSO continues to work diligently to maintain a formal and transparent procedure for managing artistic proficiency for its orchestral musicians. This process continues to be refined.

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## EXTERNAL PROCESSES

The MSO's concerts continue to be reviewed frequently in the media, primarily through Melbourne newspapers. More than 80% of its main stage concerts had published reviews in 2012.

Visiting artists (both conductors and soloists) continue to provide feedback through informal discussions with the Director of Artistic Planning and/or the Managing Director. Where appropriate, this feedback was then tabled at the Artistic Committee meetings for further discussion. Through these discussions, the MSO was able to obtain these artists' feedback about the performance of the Orchestra, and benchmark the Orchestra's performances against other orchestras with which the artist had performed.

The MSO continues to receive feedback from recording partners, with each program recorded through ABC Classic FM receiving a **Live Music Production Advice**, which contains an assessment of the Orchestra's performance as well as views on its suitability for broadcast.

The MSO also received audience feedback informally through letters and e-mails, feedback via its website, verbal feedback in person at the concerts, as well as via telephone and social media.

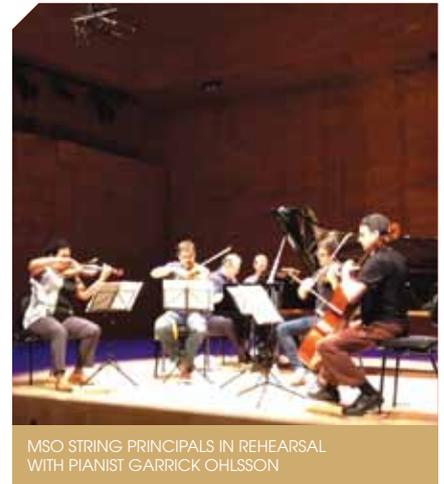
In 2012, the MSO continued the formalised process of self-assessment through the **Peer Review Panel**. This panel comprises members of Melbourne's arts community, including journalists, music educators, performers and arts administrators; former members of the Orchestra are also included in this group. Panel members attend approximately five concerts per year from our core Master and Great Classics series along with Town Hall Proms and various other programs. Confidential feedback is received regarding the performances of conductors, soloists and the Orchestra. Other considerations are given to concert presentation, repertoire selection and their overall enjoyment of the concerts. This information is presented to the Director of Artistic Planning for feedback and review.

With increased focus on Education within the MSO management, the **Education Advisory Committee's** formal meeting structure was disbanded in 2012, and in its place, we organised to work with our external advisors on an individual basis (i.e. advisors were invited to attend our education events and provide critique in person, via email or over the phone shortly after the event). We also took advantage of the added flexibility in this new external assessment model to expand our advisory base to include key musicians, parents and other music education specialists. Additionally, the Education Manager held numerous meetings and forums with orchestral musicians seeking their feedback and response to new initiatives and periods of heightened activity. Written feedback was also sought from teachers and students attending a variety of MSO Education concerts in 2012, and from program participants of the Orchestra's community outreach activities.

# ARTISTIC SURVEY RESULTS



MELBOURNE RECITAL CENTRE

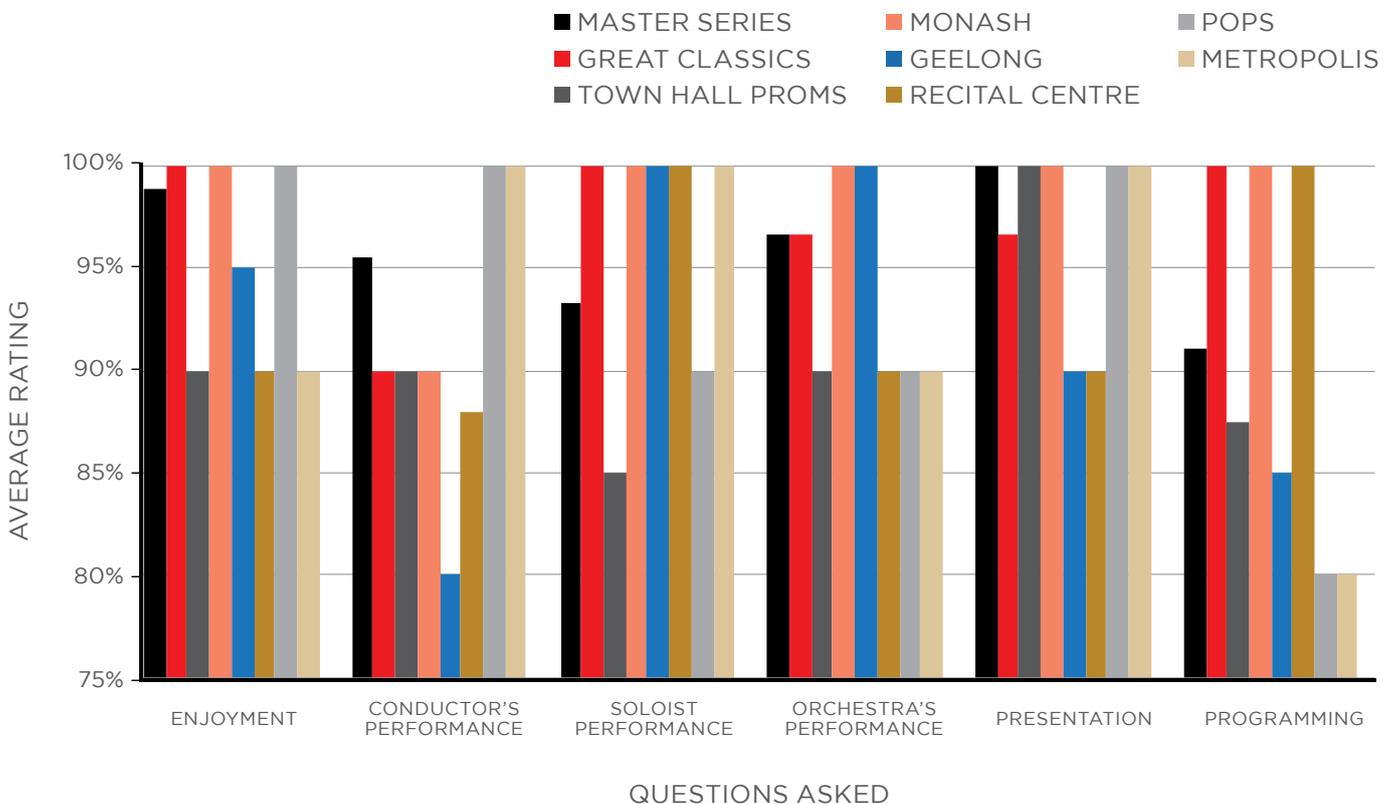


MSO STRING PRINCIPALS IN REHEARSAL WITH PIANIST GARRICK OHLSSON

The MSO implemented an online Artistic Survey in 2009. Since that time, feedback has been collected on a regular basis from a number of external industry professionals concerning the artistic standards of MSO concerts.

All feedback was provided anonymously and then used for internal purposes when reviewing the performance standards of the Orchestra and Chorus, featured artists, conductors and concert presentation and programming.

In 2012, reviews for 27 concerts were received from this panel, aggregated as follows:



# AUDIENCE ACCESS TO THE MELBOURNE SYMPHONY ORCHESTRA

The Melbourne Symphony Orchestra (MSO) endeavours to maintain a balance between the financial viability of its operations and the desire to eliminate barriers to entry for many sections of the community. The return to Hamer Hall in 2012 provided further opportunity to expand the Orchestra's accessibility to as broad a range of audiences as possible.

## PRICE

The MSO's 2012 pricing policy offered a diverse pricing structure, with adult single tickets ranging from \$20 to \$179, and new and existing subscribers offered discounts of up to 60% on single ticket prices. This ensured that the MSO experience remained affordable to music lovers throughout the community.

In addition, a limited number of \$40 'last minute rush' tickets were made available to adults one hour prior to most performances; after the MSO's return to Hamer Hall in August, this was formally promoted through [mso.com.au](http://mso.com.au) and Arts Centre Melbourne's website.

In February 2012, the MSO delivered its long-standing commitment to free concerts with four free performances at the Sidney Myer Music Bowl, before an audience of nearly 35,000 people.

Over the course of the year, the MSO delivered a series of late-night concerts as part of its **Secret Symphony** program, funded by City of Melbourne. These concerts, promoted exclusively via social media, provided free late-night entertainment in smaller, less formal settings and an opportunity to enjoy classical music in a more intimate environment than a traditional concert hall.

Additionally, the MSO continued to offer incentives to the following groups with special needs:

- **Students**, through an extensive education program and low-price tickets to main season concerts. Our **UPBEAT** program gave students access to a selection of concerts for as little as \$15. Additionally, \$20 'student rush' tickets were available one hour prior to every performance of the main season (unless already sold out).
- **Seniors**, through low-price single and subscription ticket options to the concert season, including weekend matinees. Seniors' Card discounts are available for selected concerts.
- **Families**, offering children's and bundled family pricing for appropriate concerts.
- **The physically impaired**, through performances in venues which provide access to people with disabilities, and through cooperation with Arts Access, in which the MSO provides a complimentary ticket to a carer accompanying a concertgoer with a disability.

## LOCATION

In 2012, the MSO continued to use a variety of venues within the City (Arts Centre Melbourne – Hamer Hall, Melbourne Town Hall, Plenary Hall, Sidney Myer Music Bowl, ABC Southbank Centre and Melbourne Recital Centre, BMW Edge and ArtPlay) as well as venues in the greater metropolitan area, including Robert Blackwood Hall at Monash University in the south-eastern suburb of Clayton and Frankston Cultural Centre.

The late-night **Secret Symphony** performances took place in venues around the CBD, including Platform One night club near Flinders Street station, the Gold Vaults under the Old Treasury Building and the Myer Mural Hall in Myer's Bourke Street store. In March the Orchestra presented its **Up Close and Musical** program for VCE students at Footscray City College, Footscray; Huntingtower School, Mount Waverley; Ballarat Grammar, Ballarat; and St Catherine's School in Toorak.

The Orchestra presented a five-concert subscription season at Costa Hall in Geelong, and also performed in the regional centres of Ballarat, Warragul, Warrnambool, Hamilton, Bendigo and Shepparton, giving schools and evening concerts in each venue.

## LISTENING OPPORTUNITIES

Through its service agreement with the ABC, the MSO continues its long relationship with ABC Classic FM, with all major concert programs being broadcast nationally. These broadcasts give the opportunity for the whole of Australia (both regional and metropolitan centres) to access the work of the MSO. In 2012, 31 concerts were broadcast nationally and, via the network's web stream, internationally.

## FREE PRINTED PROGRAMS

Printed programs containing extensive information about the artists and repertoire were distributed free at MSO concerts for most MSO-presented concerts, and were also made available as free downloadable PDFs on the Orchestra's web site.

## FREE PRE-AND POST-CONCERT EVENTS

Following the re-opening of Hamer Hall in August, the MSO instigated a series of pre- or post-concert talks and conversations designed to enhance the concert-going experience. These free events took place for ticket holders to most Hamer Hall performances until the end of the year, and will be a regular fixture throughout ensuing concert seasons in the venue.

Free pre-concert talks also took place throughout the season in Geelong and for all evening concerts on regional tour. Ticket-holders to our Melbourne Town Hall Proms concerts were able to enjoy a free recital on the Town Hall organ by Calvin Bowman before each performance.

# EDUCATION AND COMMUNITY OUTREACH

## ARTIST DEVELOPMENT



CONDUCTOR TIMOTHY WEISS AND THE MSO DURING THE METROPOLIS NEW MUSIC FESTIVAL. TWO WORKS COMMISSIONED AS PART OF THE CYBEC 21ST CENTURY COMPOSERS PROGRAM WERE PERFORMED AS PART OF THE FESTIVAL

### CYBEC 21ST CENTURY AUSTRALIAN COMPOSERS PROGRAM

The annual **Cybec 21st Century Australian Composers Program** saw four young Australian composers – Lisa Illean, Simon Charles, Daniel Portelli and Catherine Sullivan – complete a commission for an ensemble of MSO musicians, performed in a free public performance in January 2012. All under the age of 30, the composers were from Melbourne and Sydney and had spent several months working with their mentors – Julian Yu, Brenton Broadstock, Nigel Butterley and Tony Gould – on their ten-minute orchestral composition. The two works by Lisa Illean and Catherine Sullivan were then selected to be performed again and broadcast at the Orchestra's **Metropolis** concerts in May 2012, conducted by Timothy Weiss.



The Cybec 21st Century Australian Composers Program is made possible through the generous support of The Cybec Foundation.

### 2012 YOUNG PERFORMERS AWARDS

The MSO hosted the first two stages of the **ABC Symphony Australia Young Performers Awards** for Victorian applicants in the Iwaki Auditorium, ABC Southbank Centre. A panel comprising the MSO's Director of Artistic Planning Huw Humphreys; the Orchestra's Concertmaster, Wilma Smith, Principal Piccolo, Andrew Macleod and Associate Concertmaster Roy Theaker; pianist Caroline Almonte, harpist Marshall McGuire and violinist Jo Beaumont heard 57 young musicians audition for the prestigious title.

Of these emerging artists, three Victorians progressed through to the Stage III round. However, there were no Victorians among the final three competitors who performed at the Grand Final, which was won by violinist, Tasmanian-born Katerina Nazarova.

For the very first time, **2013's Young Performers Award** competition will comprise only two stages: a preliminary round of national auditions at the start of the year, and a final heat during which 12 young musicians will compete in public recitals, chamber music and a concerto round – all hosted by the MSO in Melbourne.

### AUSTRALIAN YOUTH ORCHESTRA / MELBOURNE SYMPHONY ORCHESTRA STRING FELLOWSHIPS

The Melbourne Symphony Orchestra continued its collaboration with the Australian Youth Orchestra in the presentation of the **String Fellowship** program.

Nine string players from across Australia were accepted into the Fellowship program, spending one week with the MSO. During this time participants were assigned a mentor from within the Orchestra, who provided individual feedback and tuition throughout the week. In addition to attending and playing alongside MSO musicians during rehearsals with conductor Matthias Pintscher, students participated in various professional development sessions including concerto and excerpt preparation workshops, media training and a seminar on life as a professional musician. The week culminated in each Fellow completing a casual audition for the Orchestra. Five students passed these auditions and are now on the MSO's casual musicians list.

## FURTHER LEARNING



L-R TIM AND LYN EDWARD, MATHEW LEVY,  
ROBERT COSSOM

### SNARE DRUM AWARD

An initiative of MSO percussionist Robert Cossom, the MSO Snare Drum Award continued in 2012, with 12 first- and second- year tertiary percussionists from Melbourne, Perth, Adelaide, Canberra, Sydney and Brisbane auditioning. Four students progressed to the performance final, with Mathew Levy from the Sydney Conservatorium of Music winning the Award – a Maestro concert snare drum and case, a bitsandpieces trap table and a one-year mentorship with the Melbourne Symphony Orchestra.

Bursaries and Commission of the Snare Drum Award test piece kindly supported by Tim, Lyn and Kris Edward.



RICHARD GILL, CONDUCTOR AND PRESENTER OF EARS WIDE OPEN

### PRE-CONCERT TALKS

These talks, attended by concertgoers of all ages, were given before MSO performances held in Deakin University, Costa Hall, Geelong, in all regional tour venues and, after the opening of the renovated Hamer Hall in August, in the stalls foyer at every MSO given concert presented at the Arts Centre.

### ARTISTS IN CONVERSATIONS

Huw Humphreys, the MSO's Director of Artistic Planning, hosted pre-concert discussions with a number of guest artists throughout 2012. Those interviewed included Bernard Labadie, Teddy Tahu Rhodes, Markus Stenz, Andrew Litton and Stephen Hough.

### EARS WIDE OPEN

Richard Gill presented three 80-minute musical lectures for audiences of all ages with the full MSO, taking them on an interactive tour through orchestral masterworks which would subsequently feature within the Orchestra's main-stage series. These informative presentations offer a wonderful learning experience for newcomers and seasoned-concert goers alike, in addition to being fantastic complementary material for all students undertaking elective music courses.

### KEYS TO MUSIC

Graham Abbott hosted **Keys to Music** in the Iwaki Auditorium, featuring the Melbourne Symphony Orchestra in a performance/lecture of Haydn's Symphony No. 99. This event was recorded for national broadcast on ABC Classic FM.

## SCHOOLS CONCERTS



PAUL RISSMANN



MEET THE ORCHESTRA

### EDUCATION WEEK

The Melbourne Symphony Orchestra's second Education Week was held from 5-9 June at the Melbourne Town Hall. The week focused on bringing the magic of music to Melburnians of all ages through the first-hand experience of a live orchestra.

Much-loved *Play School* presenter Jay Laga'aia hosted the **Classic Kids** concerts and UK music educator Paul Rissmann presented the **Meet the Orchestra** (Primary) and **Meet the Music** (Secondary) concerts for school students. The MSO's Patricia Riordan Associate Conductor, Benjamin Northey, conducted all of the Schools concerts.

On the Wednesday night, Richard Gill presented a special Education Week edition of **Ears Wide Open**, and on Friday night, members of the MSO shared the Town Hall stage with students from Melbourne Youth Orchestra in **Share the Chair**, conducted by Norwegian maestro, Eivind Aadland. On Saturday afternoon, over 100 active amateur musicians from across Victoria joined forces with 50 MSO musicians for **Symphony in a Day** – a larger-than-life performance of symphonic greats, conducted by Benjamin Northey.

This second annual MSO Education Week saw more than 10,000 students, children, parents, teachers and members of the general public interact with the Melbourne Symphony Orchestra. **Share the Chair** and **Symphony in a Day** were free events.

### MEET THE ORCHESTRA AND MEET THE MUSIC

Leading UK education presenter, Paul Rissmann, delivered two very engaging programs for school-aged students, both of which used digital animations and visuals to highlight themes and motifs in the works on the program.

His **Meet the Orchestra** program, for primary school students, incorporated a pre-concert preparation element for the audience, entitled *SUPERSONIC*, which students had prepared in advance, enabling them to perform with the Melbourne Symphony Orchestra during the concert. In order to meet increased demand for Meet the Orchestra, we offered a third concert in 2012.

**Meet the Music** was developed primarily for secondary school students and delved deeper into the inner workings of various compositions. It was presented at a new 'early evening' time of 6.30pm in an effort to attract school groups and individual students who were not able to take leave from school during the daytime. We also welcomed the general public for the first time.

Both programs provided teachers with comprehensive teaching resources, which enabled them to work on the concert material with their students before and after the excursion day.

### MEET THE ORCHESTRA - SPONSORED EXCURSION PACKAGES

Thanks to the generosity of MSO donors, patrons and sponsors, we were able to provide 34 fully-subsidised excursions to **Meet the Orchestra** concerts during Education Week. This enabled over 1,600 primary school students from across Victoria to hear a live Orchestra – most for the very first time. The MSO worked closely with the Department of Education and Early Childhood to identify school groups from low socio-economic backgrounds, including a number of schools with a high percentage of refugee children and new arrivals. As part of the sponsored excursions, an MSO musician visited each school prior to the concert to talk about the Orchestra and their instrument/s, and teachers were offered a day of Professional Development with Paul Rissmann.



JAY LAGA'AIA

### CLASSIC KIDS

The Orchestra presented three programs in the **Classic Kids** series in 2012 to more than 6,000 kindergarten-aged children and their teachers. With a focus on meeting a balance between education and entertainment, all three programs went about introducing young children to a symphony orchestra in a different way. Children's entertainer and actor **Jay Laga'aia** hosted the Classic Kids concerts at the Melbourne Town Hall during Education Week and the remaining two programs in the series were held at Iwaki Auditorium. In early November, **Noni Hazlehurst** narrated *Maximus Musicus Visits the Orchestra*, a loveable story about a mouse who finds himself in a concert hall, where he experiences the sounds and instruments of an orchestra rehearsing and presenting a concert. Later that month, the Orchestra partnered with **Victorian Opera** to present *Sing!* – a program conducted and presented by Richard Gill which advocated the importance of singing in a child's life. This engaged children both aurally and kinetically.



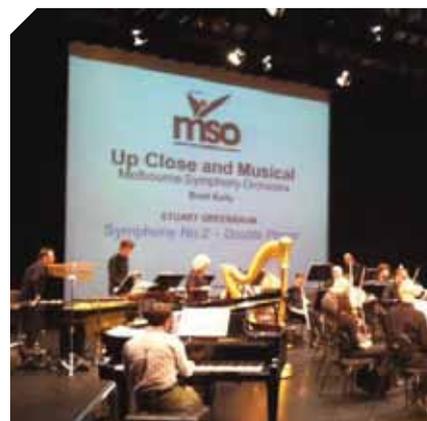
THE BURNSIDE SCHOOL ORCHESTRA FROM CHRISTCHURCH, NZ, WITH MSO CONCERTMASTER WILMA SMITH

### FAMILY CLASSIC KIDS

**Family Classic Kids** is a continuation of the Schools programming outlined above, with the performances being held on Saturdays. They are open to families as a way of introducing their children and grandchildren to the symphony orchestra. The series is highly popular, and in 2012 enabled over 2,600 young children and their parents to enjoy the sights and sounds of a symphony orchestra.

### SCHOOL WORKSHOPS

Musicians of the MSO visited over 30 schools in 2012, to lead workshops, perform or present to class groups about music. These included ESL, outer-metropolitan and regional schools. Additionally, the Burnside School Orchestra (from earthquake-devastated Christchurch, NZ) completed a week-long residency with the MSO in October, with students and MSO musicians interacting across a range of workshops, rehearsal and performances.



UP CLOSE AND MUSICAL IN BALLARAT

### OPEN REHEARSALS

Ten open rehearsals were facilitated for schools wanting their students to experience the Orchestra in rehearsal.

### REGIONAL SCHOOL CONCERTS

The Orchestra presented education concerts in five regional cities throughout Victoria in 2012, as part of its **Powercor Regional Touring** program. In each venue, the orchestra performed two concerts – one to lower primary students and one to upper primary students. All concerts were tailored to the audience's age and musical knowledge and introduced the students to the various sections and instruments of the orchestra in an engaging way.

### UP CLOSE AND MUSICAL

Repeat presentations of **Stuart Greenbaum's** specially-commissioned work to support the 2011-2015 VCE **Music Study** design – **Symphony No. 2 Double Planet** – were staged at four secondary schools in metropolitan and regional Victoria. Presented by the composer and musicians of the Orchestra, these live performance lectures were supported by an interactive online resource which includes an audio-visual performance of the work, downloadable and streamable audio files of each movement, the composer's complete analysis of the work and compositional exercises for the students. Teachers were able to purchase a score and complimentary CD of the work, performed by the MSO, from the Australian Music Centre.



THE ROMEO & JULIET PROJECT TEAM

**UPBEAT**

The discounted three-concert subscription package (previously named “Student Passports”) were rebranded and made available to school groups, music schools and home educators in 2012. Approximately 330 Student Passport subscriptions were sold, equating to over 1,000 teachers, accompanying parents and students enjoying the experience of live orchestral performance through this program.

**THE ROMEO & JULIET PROJECT**

The **Romeo & Juliet Project** was a creative compositional and educational initiative of the Melbourne Symphony Orchestra, devised to generate meaningful new relationships with young Melbourne-based artists aged 15 to 25 years, and their schools and communities.

The project involved an exploration of the ongoing influence in music, text and theatre of one of the most iconic works of Western culture. It ran for four weeks throughout the month of October and resulted in two dynamic performances on 1 and 2 November in the new foyer space at Hamer Hall. Thirty-five high school students from Footscray City College and Huntingtower School, and ten members of one of Melbourne’s most exciting young urban ensembles, the Massive Hip Hop Choir, participated in the project, which was led by Berlin-based Australian composer Catherine Milliken, German vocalist Michael Schiefel, and a team of MSO musicians and guest performers. A key aim of the project was to create a link to our core season programming, and offer these young artists access to an all-star team of guest musicians and the Orchestra as a whole. All participants were given access to an MSO concert and the MSO’s general rehearsal of the main-stage Romeo and Juliet production with Bell Shakespeare.

You can read more about The Romeo & Juliet Project by visiting [mso.com.au/education/the-romeo-and-juliet-project/](http://mso.com.au/education/the-romeo-and-juliet-project/), where you’ll find posts, photos and videos which document the creative journey.



CARNIVAL OF THE ANIMALS : MSO MUSICIANS JOHN ARCARO (LEFT) AND PHILIP ARKINSTALL WITH GUEST GIRAFFE

**CARNIVAL OF THE ANIMALS AT MELBOURNE ZOO**

The MSO presented 12 performances of Saint Saëns’ *Carnival of the Animals* at the Melbourne Zoo in celebration of the Zoo’s 150th Anniversary in the October school holidays. Noni Hazlehurst narrated Nick Enright’s verses and the MSO musicians were conducted by MSO Associate Conductor, Benjamin Northey.

## COMMUNITY OUTREACH



SYMPHONY IN A DAY

Melbourne Symphony Orchestra has a strong commitment to its work in the community and each year presents a dynamic and responsive series of workshops and creative projects in schools and other settings around Melbourne.

### SYMPHONY IN A DAY

Symphony in a Day invited active amateur musicians from across Victoria to join the MSO for a larger than life performance of symphonic greats at the Melbourne Town Hall at the conclusion of Education Week. This event resulted in a high level of engagement between the MSO and over 30 community orchestras state-wide, with 105 amateur musicians joining 50 MSO musicians for afternoon workshops, rehearsals and a public performance for family and friends. Symphony in a Day was conducted by the MSO's Associate Conductor, Benjamin Northey.



THE PIZZICATO EFFECT

### THE PIZZICATO EFFECT

The MSO's high-impact partnership with Meadows Primary School in Broadmeadows - *The Pizzicato Effect* - entered its fourth year at the end of 2012. The program has grown significantly since its inception, with over 160 children participating in 2012.

In 2012 our partnership was recognized in the form of a NAB Schools First Impact Award, which enabled us to make further expansion to the teaching team through the addition of a Kodály classroom specialist and formalise the role of the in-school program coordinator. In addition to the new Kodály stream for grade 1-2s, the program also expanded to encompass an after-school Ensemble program for more senior students (now the program's flagship Ensemble), and added double bass to the list of instruments offered to students, thanks to MSO Bassist Ben Hanlon, who kindly offered to volunteer his skills to the program on a weekly basis. The formalisation of assessments for more advanced students, and an initial trial of Skype-led Practice Club, also featured in 2012.

In an effort to meet the need to engage with and train new teachers for this highly specialized instrumental teaching environment, we formed a new partnership with the Master of Music Teaching program at the University of Melbourne, which provides semester-long Intern opportunities for students enrolled in the course. For the teachers already working with the program, we offered a number of professional development and training opportunities, including workshops with leading international Music Educator Paul Rissmann, Kodály Workshops through the Kodály Music



THE PIZZICATO EFFECT

Education Institute of Australia (KMEIA), and access to the Australian String Teaching Association (AUSTA) Conference held in Melbourne in July.

In 2012, students from *The Pizzicato Effect* were invited to perform at a number of high-profile functions, including the Department of Education and Early Childhood Development's Education Showcase for the Prince of Wales and the Duchess of Cornwall; the launch of the events leading up to the ANZAC Day AFL game, hosted by Eddie McGuire; and a concert in honour of John Brumby, the former Premier of Victoria, who was one of the instigators of the Regeneration Project in Broadmeadows, which resulted in *The Pizzicato Effect* happening at Meadows Primary School. Additionally, the students performed in the *Strings Alive* event at BMW Edge, Federation Square, with similar programs such as Harmony in Strings (The Song Room), The Heinze Project (Mooroopna) and Crashendo (Sistema Australia); presented a number of in-school and peer-to-peer performances, including the annual End of Year concert and celebration on Monday 10 December; and attended the MSO's Education Week (Grades 3-6) and Classic Kids (K-2). Paul Rissmann also led a day-long workshop with the whole school (all students and teachers) on Friday 1 June, which resulted in a public performance for parents and the extended school community.



MSO ARTPLAY ENSEMBLE PROGRAM



MSO ARTPLAY ENSEMBLE PROGRAM



CITY BEATS

### MSO ARTPLAY ENSEMBLE PROGRAM

The award-winning **MSO ArtPlay Ensemble** program is a unique suite of collaborative projects between MSO musicians and young players aged between 8 and 13 years. The program focuses on composition and performance, and complements the young musicians' instrumental learning by providing opportunities for intensive development in composition, improvisation, ensemble skills and performance, along with access to MSO rehearsals, performances, conductors and soloists.

The 2012 MSO ArtPlay Ensemble comprised 28 young musicians of varying musical ability from across Victoria, who were selected as a result of their positive involvement in an Open Workshop at the start of the year. The Ensemble met for three intensive school holiday workshops, each being based on a piece of repertoire which was being featured in the MSO's main-stage programming. The first workshop was based on the works of John Cage and included a public performance at the Cage *Musicircus* held at the Melbourne Recital Centre during the MSO's **Metropolis New Music Festival** in early May. The second and third workshops were based on the music of Respighi and Tchaikovsky respectively and included opportunities for the young musicians to attend MSO concerts featuring this repertoire. Subsidised fees were provided by the MSO and ArtPlay for those requiring financial assistance to participate.

### MSO ARTPLAY GRADUATE ENSEMBLE

The **MSO ArtPlay Graduate Ensemble** program brings together Graduates of past MSO ArtPlay Ensemble programs (aged 10-16) for various projects. In 2012, the MSO ArtPlay Graduates met to form the core ensemble for a community "Jam" at the Sidney Myer Music Bowl prior to the second MSO Summer concert at the Bowl. This program was led by Gillian Howell and linked into the Central American-inspired concert repertoire that evening.

### CITY BEATS

**City Beats** is a free annual program that provides four school class groups of 20 children from diverse backgrounds with an opportunity to make music. The program focuses on percussion instruments and collaborative composition; these workshops are co-presented with ArtPlay and lead by music educator Gillian Howell and MSO musicians. Over four workshops throughout the year, children play and improvise with a range of percussion instruments, providing them with a new skill, confidence and a whole lot of fun. In 2012, four schools from across Victoria participated in this program.



MSO FAMILY JAMS

**MSO FAMILY JAMS**

**MSO Family Jams** provide the opportunity for members of the community to make music with musicians of the MSO. Over the course of an hour, participants in these free public workshops develop an original piece of music around repertoire the Orchestra is performing in the current concert season. Each workshop culminates in a performance by participants, open to the general public. The MSO ran four free Family Jams across two mornings in 2012. These sessions were led by Lachlan Davidson and a team of MSO Musicians. Federation Square generously provides sponsored access to BMW Edge for the Jams in support of the Orchestra's Community Outreach programs.



MSO JAM FOR JUNIORS

**MSO JAMS FOR JUNIORS**

Six **Jams for Juniors** sessions were facilitated across two mornings in 2012. These free public Jams for babies, small children and their parents were programmed to link in to MSO main-stage repertoire (Beethoven's Piano Concerto No. 5 *Emperor* and Saint-Saëns' *Carnival of the Animals*) and were led by Karen Kyriakou and an ensemble of MSO musicians. All sessions were fully subscribed, with over 450 young children and their parents participating across the two dates. Federation Square generously provides sponsored access to BMW Edge for the Jams in support of the Orchestra's Community Outreach programs.

**MSO LEARN**

**MSO Learn** for iPhone and iPad was launched in June 2011 to coincide with the Orchestra's inaugural Education Week. The App combines stunning graphics with uncompressed audio to produce an experience which integrates live performance, education and communication technology for users of all ages and enhance their appreciation of the workings of an orchestra. *MSO Learn* continues to attract between 300-500 downloads a week, and by the end of 2012 had achieved over 30,000 downloads internationally.



SCREEN SHOT OF MSO LEARN FOR THE IPHONE

# GOVERNMENT AND PRIVATE SECTOR SUPPORT



DIEGO MATHEUZ (CENTRE) WITH MSO PATRONS LYN AND TIM EDWARD AT THE MAESTRO LUNCH, WHICH INTRODUCED MSO SUPPORTERS TO THE WORK OF THE EDUCATION AND OUTREACH PROGRAMS



JONATHAN GRIEVES-SMITH AND MEMBERS OF THE MSO CHORUS AT *SUMMERLEA AND SONG*, A FUNDRAISING EVENT GENEROUSLY HOSTED BY PERRI CUTTEN AND JO DANIELL

In 2012 the MSO Development team sought to support the delivery of the Orchestra's artistic, education and audience development programs and nurture the Company's long-term future.

Widening our funding base and increasing the breadth of support is a fundamental goal and we gratefully acknowledge the circle of MSO supporters – from individual donors, philanthropic trusts, corporate partners and all three levels of government. The year saw a consolidation of fundraising activity, and vital new support, as well as close involvement with current Partners and Donors who continued their generous involvement. Philanthropic support grew 89% on the previous year, delivering \$1.97M, while sponsorship revenue contributed \$616,605 in value, from a total of 18 sponsors.

## PARTNERSHIPS

Private, corporate and government sector support is fundamental to the success and financial viability of the Melbourne Symphony Orchestra.

In 2012 the MSO continued its strong relationship with Principal Partner, **Emirates** – a celebration of the alignment of two great companies.

**Mercedes-Benz** continued to engage with MSO audience through its support of the MSO Pops concerts, while offering staff and customers the opportunity to meet with artists and conductors throughout the series. **Myer** also continued its support as presenting partner of the Monash Series. **Powercor's** 12-year relationship with the MSO continued to demonstrate a leadership and commitment to regional Victoria through their support of Orchestra's regional touring program.

We also acknowledge the ongoing relationships with our Corporate Partners, which helped make 2012 a wonderful and rewarding year for the MSO.

## GOVERNMENT

All levels of government provided invaluable on-going support for the Orchestra. In particular, the MSO gratefully acknowledges the contributions from the **Australia Council for the Arts, Arts Victoria** and the **City of Melbourne**. Their support is vital to our continued success and underpins the MSO's dedication to providing the best possible live orchestral experience for its diverse audiences.

## GALA DINNER

The MSO Gala Dinner – **The Banquet**, held on Thursday 22 November, raised funds which will enable disadvantaged students to enjoy live orchestral music through the Orchestra's Education and Outreach program. Hosted by George Donikian, **The Banquet** included a live auction and pledge, and raised more than \$110,000. This included \$34,000 in pledge donations which will make it possible for 1600 students from lower social-economic backgrounds to attend the **Meet the Music** concerts for Grades 3-6 during the MSO's Education Week in 2013.

## EVENTS

Along with a busy calendar of events for existing partners, a series of successful fundraising events were held in 2012, including **Summerlea and Song**, generously hosted by Perri Cutten and Jo Daniel at Somers which contributed more than \$10,000 towards new commissions for the Melbourne Symphony Orchestra Chorus. Other events throughout the year offered opportunities for our supporters to meet our musicians, guest artists and leadership including private soirees kindly hosted by members of the MSO's Patron community.

Education continues to be a focus for donor support. The inaugural Maestro Lunch in February with Diego Matheuz provided a special opportunity for key supporters of our education program to share the perspective of the man who would, only a few months later, be appointed our Principal Guest Conductor. Our education donors came together again during Education Week in June for our Education Lunch and performance held at the Melbourne Town Hall. Both these events highlighted the importance of community-wide access to the MSO's Education Program.

## MELBOURNE SYMPHONY ORCHESTRA FOUNDATION

The MSO Foundation serves a vital purpose in developing a capital base and generating interest income for the MSO's long-term sustainability. In 2012 private support contributed \$347,452 to the Foundation.



MSO PATRONS WELCOME SIR ANDREW DAVIS TO MELBOURNE.  
FROM LEFT: MARY DAVIDSON, LADY PRIMROSE POTTER AC, SIR ANDREW DAVIS, FREDERICK DAVIDSON AM AND SUSAN FRY

## SPECIAL PROJECTS

Many special projects need specific support and it was inspiring to have private donors and Trusts enable key projects during the year through their philanthropic giving.

For example, we were privileged to have the generous support of specific grants from the **Cybec Foundation**, **Schapper Family Foundation**, **Pratt Foundation**, **Ivor Ronald Evans Trust as administered by Equity Trustees** and the **Scanlon Foundation**. Each of these grants played an important role in creating pathways for young people and emerging artists to expand their horizons through participation in the Orchestra's Education and Artist Development programs. The benefits flowed through to strongly established programs such as the **Cybec 21st Century Composers** program, and recent high-impact innovations such as **Education Week** and **The Pizzicato Effect**. The very generous grant from the **Pratt Foundation** has also enabled MSO to embark on a new and exciting three-year audience development initiative for young music lovers aged 18-30, called **MUSO**.

We are also particularly grateful for the financial support and for the advocacy and encouragement provided by the Schapper Family Foundation, which has continued its leadership role in The Pizzicato Effect, seeing the program successfully into its fourth year in 2012.

More information about the achievements made possible by these grants can be found on page 32.

The financial support of individual donors supports the vision of the company and we are delighted to have continued and new supporters contribute throughout the year.

Particular support was extended through our **Instrument Appeal** in May, which successfully funded the purchase of very special new instruments for the MSO's wonderful woodwind section – an oboe d'amore, two wooden flutes and the contrabass clarinet have now all made their concert debuts and will have a long and useful life with us.

The key role the MSO's private donors play cannot be over-stated. To recognise the breadth of this support the MSO Patrons Program has been extended to include the Friend Patrons level, recognising annual donors of \$100 or more.

## MSO ARTIST CHAIRS

The MSO Chair program focuses on major multi-year gifts and provides unique opportunities for direct and close associations between major donors and some of the leading orchestral musicians in the country. Importantly, these gifts enable us to implement longer-term plans and we are especially appreciative of the deep commitment to the tradition, and future, of the MSO behind these important gifts.

In 2012, we were privileged to receive an inspirational pledge of support from MSO Patron Joy Selby Smith, for the **Orchestra Leadership** program, a landmark player leadership development program being implemented progressively. This support is recognised through the Joy Selby Smith Orchestral Leadership Chair. As Joy expressed it: "I want the MSO to achieve even greater heights, and by supporting the MSO Leadership Program I am confident that I can make a sound social investment in my passion."

To bring major international artists to Melbourne is an ongoing aspiration for the MSO, particularly in the international

market place. **The Marc Besen AO and Eva Besen AO International Guest Chair**, announced at the end of 2012, will directly help the MSO in this regard and in 2013 will support violinist, Christian Tetzlaff.

Our grateful thanks are extended to our 2012 Artist Chair benefactors:

**Harold Mitchell AC** – Harold Mitchell Concertmaster Chair, held by Wilma Smith

**The Cybec Foundation** – Patricia Riordan Associate Conductor Chair, held by Benjamin Northey

**Joy Selby Smith** – Joy Selby Smith Orchestral Leadership Chair

**Marc Besen AO and Eva Besen AO** – Marc and Eva Besen International Guest Chair

**The late Dame Elisabeth Murdoch AC OBE** – Elisabeth Murdoch Principal Clarinet Chair, held by David Thomas

**MSO Friends** – MSO Friends Chair, held by Kirsty Bremner

We look forward to working with our committed supporters again in 2013, and thank all our Corporate Partners and Donors for their generous involvement and support.

# MSO DONORS 2012

*The Company proudly acknowledges the support of our benefactors, patrons and bequestors, trusts, foundations and sponsors in helping to realise our vision to be recognised as Australia's leading symphony orchestra. Thank you!*

## ARTIST CHAIR BENEFACTORS

Harold Mitchell AC Concertmaster Chair  
Patricia Riordan Associate Conductor Chair  
Elisabeth Murdoch Principal Clarinet Chair  
Joy Selby Smith Orchestral Leadership Chair  
Marc and Eva Besen International Guest Chair  
MSO Friends Chair

## MSO EDUCATION AND OUTREACH PATRON

Mrs Elizabeth Chernov

### IMPRESARIO PATRONS

M P Chipman  
John McKay and Lois McKay  
Bevelly and Harold Mitchell AC  
Dame Elisabeth Murdoch AC, DBE  
Inés Scotland

### MAESTRO PATRONS

Andrew and Theresa Dyer  
Tim and Lyn Edward  
Rachel and Hon. Alan Goldberg AO QC  
Tom Jacob  
Ilma Kelson Music Foundation  
Mimie MacLaren  
Onbass Foundation  
Elizabeth Proust AO  
The Ullmer Family Endowment  
Lyn Williams AM  
Anonymous (3)

### TRUSTS AND FOUNDATIONS

Pratt Foundation  
The Ian Potter Foundation  
Cybec Foundation  
Erica Foundation  
The Alan (AGL) Shaw Endowment, managed by Perpetual  
Scanlon Foundation  
The Schapper Family Foundation  
Ivor Ronald Evans Foundation, as administered by Mr Russell Brown and Equity Trustees  
The Phyllis Connor Memorial Trust, as administered by Equity Trustees Limited

### PRINCIPAL PATRONS

Christine and Mark Armour  
Kaye and David Birks  
Jennifer Brukner  
The Cuming Bequest  
Dominic and Natalie Dirupo  
Susan Fry and Don Fry AO  
Mr Greig Gailey and Dr Geraldine Lazarus  
Robert and Jan Green  
Jill and Robert Grogan  
Louis Hamon OAM  
Nereda Hanlon and Michael Hanlon AM  
Hartmut and Ruth Hofmann  
Peter and Jenny Hordern  
Norman and Betty Lees  
Mr and Mrs D R Meagher  
Wayne and Penny Morgan  
Ian and Jeannie Paterson  
Mrs Margaret S Ross AM and Dr Ian C Ross  
Maria Sola and Malcolm Douglas  
Kee Wong and Wai Tang  
Anonymous (1)

The Hon. Michael Watt QC and Cecilie Hall  
Barbara and Donald Weir KSJ  
Joanne Wolff  
Brian and Helena Worsfold  
George Worthington and Cameron Mowat  
Anonymous (2)

### THE CONDUCTOR'S CIRCLE

Jenny Anderson  
Joyce Bown  
Ken Bullen  
Luci and Ron Chambers  
Sandra Dent  
Lyn Edward  
Alan Egan JP  
Louis Hamon OAM  
Tony Howe  
John and Joan Jones  
C P Kemp  
Elizabeth Proust AO  
Penny Rawlins  
Joan P Robinson  
Pamela Swansson  
Dr Cherilyn Tillman  
Mr and Mrs R P Trebilcock  
Michael Ullmer  
Mr Tam Vu  
Marian and Terry Wills Cooke  
Mark Young  
Anonymous (15)

We gratefully acknowledge support received from the Estates of Gwen Hunt, Peter Forbes MacLaren, Prof Andrew McCredie, Miss Sheila Scotter AM MBE, Jean Tweedie, Herta and Fred B Vogel

### PLAYER PATRONS

Marlyn and Peter Bancroft OAM, Dr Julianne Bayliss, Stephen and Caroline Brain, M Ward Breheny, Mr John Brockman OAM and Mrs Pat Brockman, Jill and Christopher Buckley, Bill and Sandra Burdett, Dr Lynda Campbell, Judith M Connelly, Ann Darby in memory of Leslie J. Darby, Panch Das and Laurel Young-Das, Mary and Frederick Davidson, Pat and Bruce Davis, Sandra Dent, John and Anne Duncan, William J Forrest AM, Joanna

Foulkes, David I Gibbs and Susie O'Neill, Merwyn and Greta Goldblatt, George H Golvan QC, Dr Marged Goode, Jean Hedges, Stuart and Sue Hamilton, Tilda and Brian Haughney, Julian and Gisela Heinze, Hans and Petra Henkell, Dr Alastair Jackson, Stuart Jennings, John and Joan Jones, George and Grace Kass, Irene Kearsey, Dr Anne Kennedy, Vivien and Graham Knowles, Dr Elizabeth A Lewis AM, Norman Lewis in memory of Dr Phyllis Lewis, Dr Anne Lierse, Violet and Jeff Loewenstein, Peter Lovell, Christopher and Anna Long, Vivienne Hadj and Rosemary Madden, Sandra and Leigh Masel, Trevor and Moyra McAllister, John and Ann McArthur, Allan and Evelyn McLaren, Dr Gabriele Medley AM, John and Isobel Morgan, The Novy Family, Laurence O'Keefe and Christopher James, Mrs W. Peart, John and Betty Pizzey, Lady Potter AC, Peter Priest, Jiaxing Qin, Dr Sam Ricketson, Hugh T Rogers AM, Tom and Elizabeth Romanowski, Delina Schembri-Hardy, Max and Jill Schultz, David Shavin QC, Chris and Jacci Simpson, Gary Singer and Geoffrey A Smith, Dr Robert Sloane and Denise Sloane, Dr Sam Smorgon AO and Mrs Minnie Smorgon, Geoff and Judy Steinicke, Mrs Suzy and Dr Mark Suss, Prof Seong-Seng Tan and Jisun Lim, Margaret Tritsch, Mrs Barbara Tucker, P and E Turner, Mary Vallentine AO, The Hon. Rosemary Varty, Wah Yeo AM, Sue Walker AM, Pat and John Webb, Erna Werner and Neil Werner OAM, Nic and Ann Willcock, Marian and Terry Wills Cooke, Pamela F. Wilson, Ruth Wisniak OAM and Dr John Miller AO, Peter and Susan Yates, Mark Young, Anonymous (10)

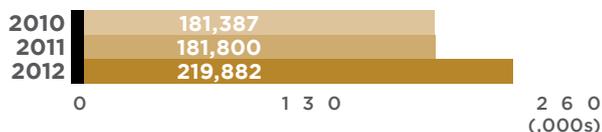
At 4 December 2012

Patrons make annual contributions of \$1,000 (Player), \$2,500 (Associate), \$5,000 (Principal), \$10,000 (Maestro), \$20,000 Impresario or more. The MSO Conductor's Circle recognises notified Bequestors.  
All donors are recognised on our website.  
Inquiries: T 03 9626 1107  
philanthropy@mso.com.au

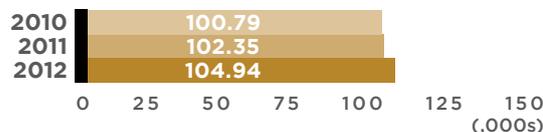
# KEY PERFORMANCE STATISTICS

In 2012 the Melbourne Symphony Orchestra gave 162 performances to an audience of 219,882.

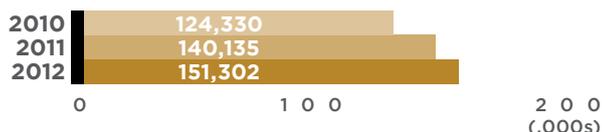
## TOTAL AUDIENCE



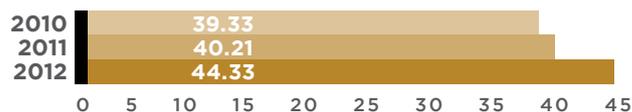
## MUSICIANS (FTEs) - AVG THROUGHOUT YEAR



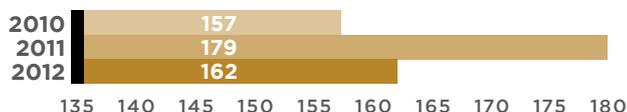
## TOTAL PAID ATTENDANCE



## MANAGEMENT STAFF (FTEs) - AVG THROUGHOUT YEAR



## NUMBER OF PERFORMANCES



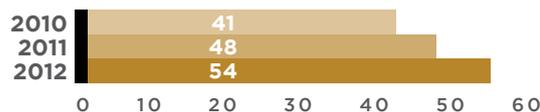
## TOTAL EMPLOYEES (FTEs) - AVG THROUGHOUT YEAR



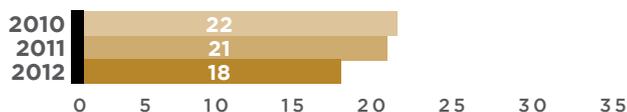
## SELF-PRESENTED CONCERTS



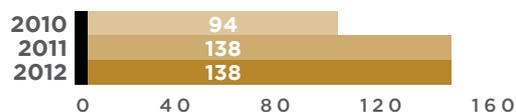
## SCHOOL CONCERTS



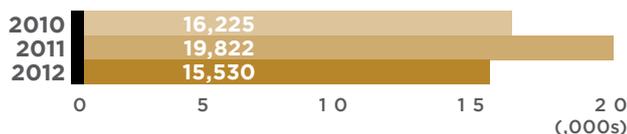
## REGIONAL CONCERTS



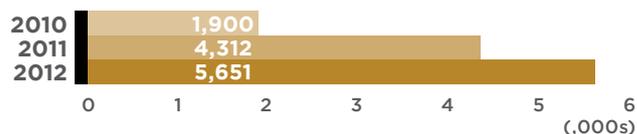
## OUTREACH WORKSHOPS/SEMINARS



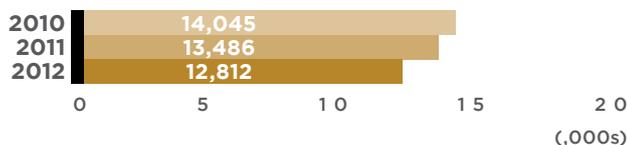
## SCHOOL CONCERT ATTENDANCES



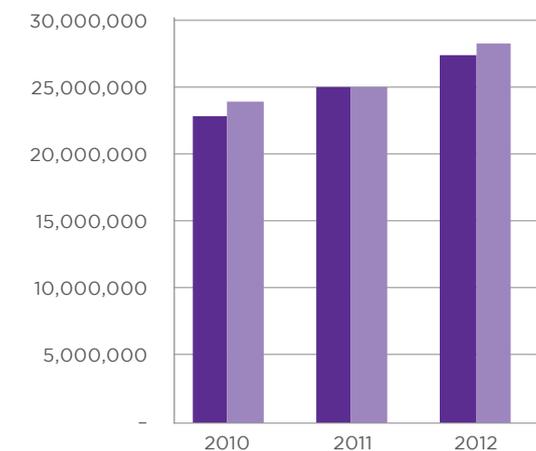
## OUTREACH WORKSHOPS/SEMINARS - PARTICIPANTS



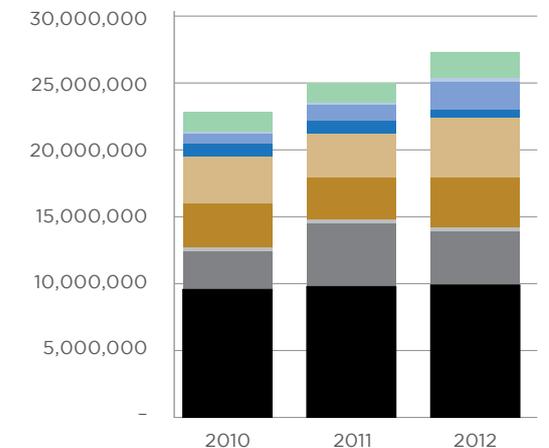
## REGIONAL PAID ATTENDANCES



## REVENUE AND EXPENSES



## INCOME TYPES



- FEDERAL FUNDING
- STATE FUNDING
- LOCAL FUNDING
- SUBSCRIPTION TICKETS
- SINGLE NIGHT TICKETS
- SPONSORSHIPS
- DONATIONS
- GRANTS & TRUSTS
- OTHER INCOME

■ TOTAL REVENUE ■ TOTAL EXPENSE

# ANNUAL FINANCIAL REPORT

## 31 DECEMBER 2012

MELBOURNE SYMPHONY ORCHESTRA PTY LIMITED  
ABN 47 078 925 658



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# DIRECTORS' REPORT

## FOR THE YEAR ENDED 31 DECEMBER 2012

The Directors present their report together with the financial report of Melbourne Symphony Orchestra Pty Limited (the Company) for the year ended 31 December 2012 and the auditor's report thereon.

### DIRECTORS

The Directors of the Company during the financial year and until the date of this report were as follows:

NAME	DATE OF APPOINTMENT
Mr H Mitchell AC (Chairman)	Director since 27 November 2008
Mr M VanBesien (Managing Director)	Director since 15 February 2010 (ceased 23 February 2012)
Mr A Gremillet (Managing Director)	Director since 15 October 2012
Hon. A Goldberg, AO QC	Director since 15 March 2000
Dr B Adams	Director since 24 November 2004
Mr P Biggs	Director since 1 January 2007
Ms A Peacock	Director since 1 January 2007
Mr M Ullmer	Director since 1 January 2007
Mr K Wong	Director since 1 January 2007
Mr A McKean	Director since 23 March 2009
Cr J Kanis	Director since 23 March 2009 (ceased 31 August 2012)
Cr R Leppert	Director since 2 February 2013

### COMPANY SECRETARY

Mr O Carton

Appointed 13 February 2004

### PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were the performance of symphonic music, education and community outreach activities. There were no significant changes in the nature of the activities of the Company during the year.

### REVIEW AND RESULTS OF OPERATIONS

The operating result for the year ended 31 December 2012 was a deficit of \$798,816 (equivalent result for the year ended 31 December 2011 was a surplus of \$72,345). The disappointing result for 2012 was largely driven by significantly higher costs to stage performances and higher marketing costs in part due to the accounting treatment of advertising and promotional costs (refer to Note 2(o) for further details). This is somewhat offset by an increase in ticket sales, which is encouraging as the Company returned to the refurbished Hamer Hall in the second half of 2012, as well as a surge in donations. Further information on the Company's performance is provided in 'Recent Developments'.

The Company presented 162 performances during the twelve months ended 31 December 2012 (31 December 2011: 179). The majority of the concerts were held in Melbourne.

### STATE OF AFFAIRS

Other than is disclosed under recent developments, in the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

### ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements, as they apply to the Company.

### RECENT DEVELOPMENTS

The Victorian government announced in September 2008 that MSO's primary concert venue Hamer Hall was to be renovated as part of a \$129 million upgrade of the Victorian Arts Centre. Accordingly, Hamer Hall closed from July 2010 for a period of approximately 2 years. The Victorian Government provided the Company with business interruption funding that covered the period of the closure of Hamer Hall.

## **RECENT DEVELOPMENTS (CONTINUED)**

The closure of Hamer Hall had an adverse impact on the Company's subscription ticket base that has yet to be restored in returning to Hamer Hall in the second half of 2012. The cost of performing at the refurbished Hamer Hall is significantly higher than was the case previously. Management are reviewing the appropriate actions to restore the Company to a sustainable financial footing. The Company's continuing success is dependent on increasing its current level of government funding, corporate sponsorship, philanthropy and ticket sales.

## **DIVIDENDS**

No dividends were paid, declared or recommended during or since the end of the financial year.

## **INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS**

### **INDEMNIFICATION**

Since the end of the previous financial year, the Company has not indemnified, nor made a relevant agreement for indemnifying against a liability, any person who is or has been an officer or auditor of the Company.

### **INSURANCE PREMIUMS**

During the financial year, the Company has paid premiums in respect of Directors' and officers' liability, legal expenses and insurance contracts for the year ended 31 December 2012. Since the end of the financial year, the Company has paid or agreed to pay premiums in respect of such insurance contracts for the year ended 31 December 2013. Such insurance contracts insure persons who are or have been directors or officers of the Company against certain liabilities (subject to certain exclusions).

Directors have not included details of the nature of the liabilities covered or the amount of the premium paid as such disclosure is prohibited under the terms of the contract.

## **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

No other matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the Company's state of affairs in future financial years.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 38.

Signed in accordance with a resolution of the Directors:



**HAROLD MITCHELL AC**  
CHAIRMAN

Melbourne  
27 March 2013

## Auditor's Independence Declaration to the Directors of Melbourne Symphony Orchestra Pty Limited

In relation to our audit of the financial report of Melbourne Symphony Orchestra Pty Limited for the financial year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

*Ernst & Young*

Ernst & Young

*Joanne Lonergan*

Joanne Lonergan  
Partner  
27 March 2013

# STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
<b>REVENUES</b>			
Revenue from government	3a	1,955,801	2,742,284
Revenue from parent entity	3b	12,251,751	12,072,714
Ticket sales	4	8,147,822	6,360,431
Sponsorship and donation revenue	5	2,984,298	2,348,534
Other revenue	6	1,989,266	1,481,301
		<b>27,328,938</b>	<b>25,005,264</b>
<b>EXPENSES</b>			
Employee expenses		15,466,257	14,995,921
Artists fees and expenses		3,095,433	2,451,940
Marketing expenses		2,554,195	1,554,780
Production expenses		4,036,285	3,205,483
Selling expenses		538,348	358,278
Depreciation and amortisation	7	157,049	105,543
Management fee		366,079	329,758
Other expenses		1,914,108	1,931,216
		<b>28,127,754</b>	<b>24,932,919</b>
<b>Surplus/(Deficit)</b>		<b>(798,816)</b>	<b>72,345</b>
<b>TOTAL COMPREHENSIVE INCOME/(DEFICIT)</b>		<b>(798,816)</b>	<b>72,345</b>

# STATEMENT OF FINANCIAL POSITION

## FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	15	2,312,985	2,962,289
Other Financial Assets	10	7,106,904	6,213,854
Receivables	8	1,522,525	606,558
Other	9	310,130	1,138,329
<b>TOTAL CURRENT ASSETS</b>		<b>11,252,544</b>	<b>10,921,030</b>
<b>NON-CURRENT ASSETS</b>			
Receivables	8	23,093	25,910
Plant and Equipment	11	483,773	416,085
Intangible Assets	12	380,853	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>887,719</b>	<b>441,995</b>
<b>TOTAL ASSETS</b>		<b>12,140,263</b>	<b>11,363,025</b>
<b>CURRENT LIABILITIES</b>			
Payables	13	1,821,365	1,987,947
Prepaid Ticket Sales		4,127,495	2,455,670
Provisions	16	2,701,790	2,619,514
<b>TOTAL CURRENT LIABILITIES</b>		<b>8,650,650</b>	<b>7,063,131</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	16	239,891	251,356
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>239,891</b>	<b>251,356</b>
<b>TOTAL LIABILITIES</b>		<b>8,890,541</b>	<b>7,314,487</b>
<b>NET ASSETS</b>		<b>3,249,722</b>	<b>4,048,538</b>
<b>SHAREHOLDERS' EQUITY</b>			
Contributed Equity	14	438,002	438,002
MSO Foundation Reserve	21b	3,116,927	2,590,734
MSO RIS Reserve	21c	3,600,783	3,405,654
Retained Surplus/(Accumulated Deficit)	21a	(3,905,990)	(2,385,852)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>3,249,722</b>	<b>4,048,538</b>

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2012

	Contributed Equity (Note 14) \$	Retained Surplus/(deficit) (Note 21) \$	MSO Foundation Reserve (Note 21) \$	MSO RIS Reserve (Note 21) \$	Total Equity \$
<b>SHAREHOLDERS' EQUITY</b>					
<b>As at 31 December 2010</b>	<b>438,002</b>	<b>(1,339,498)</b>	<b>1,639,917</b>	<b>3,237,772</b>	<b>3,976,193</b>
Total comprehensive income	-	72,345	-	-	72,345
Transferred to reserves	-	(1,118,699)	950,817	167,882	-
<b>As at 31 December 2011</b>	<b>438,002</b>	<b>(2,385,852)</b>	<b>2,590,734</b>	<b>3,405,654</b>	<b>4,048,538</b>
Total comprehensive income/(deficit)	-	(798,816)	-	-	(798,816)
Transferred to reserves	-	(721,322)	526,193	195,129	-
<b>As at 31 December 2012</b>	<b>438,002</b>	<b>(3,905,990)</b>	<b>3,116,927</b>	<b>3,600,783</b>	<b>3,249,722</b>

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from government funding		15,628,307	13,882,466
Receipts in the course of operations		13,176,975	9,022,720
Payments to suppliers, employees and artists		(28,714,797)	(22,714,720)
Interest received		749,760	504,591
<b>NET CASH FLOWS PROVIDED BY/ (USED IN) OPERATING ACTIVITIES</b>		<b>840,245</b>	<b>695,057</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Monies placed on term deposit		(893,050)	(1,720,973)
Payment for plant and equipment	11	(223,780)	(110,972)
Payment for intangible assets	12	(381,810)	-
Proceeds from sale of plant and equipment		9,091	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>		<b>(1,489,549)</b>	<b>(1,831,945)</b>
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>			
		-	-
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>			
		<b>(649,304)</b>	<b>(1,136,888)</b>
Cash & Cash equivalents at the beginning of the financial year		2,962,289	4,099,177
<b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	15	<b>2,312,985</b>	<b>2,962,289</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2012

### 1. CORPORATE INFORMATION

The financial report of the Company for the year ended 31 December 2012 was authorised for issue in accordance with a resolution of Directors on 27 March 2013.

The Company is a proprietary limited company incorporated in Australia. The ultimate parent of the Company is Melbourne Symphony Orchestra Holdings Limited (MSOHL).

MSOHL is a public company limited by guarantee and was incorporated in Australia on 19 October 2006 and subsequently purchased all shares in the Company from the Australian Broadcasting Corporation (ABC) for \$10.

The nature of the operations and principal activities of the Company are described in the Directors' Report.

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### A) BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on the basis of historical costs and, except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by the Company and, except where there has been a change in accounting policy, are consistent with those of the previous period.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The financial report is presented in Australian dollars.

#### B) STATEMENT OF COMPLIANCE

##### COMPLIANCE WITH IFRS

The financial report complies with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the International Accounting Standards Board.

#### C) REVENUE RECOGNITION

Revenues are recognised at fair value of the consideration received net of the amount of Goods and Services Tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

##### TICKET SALES

Ticket sales are recognised at the time of concert performance. The value of tickets sold in advance of each concert is recorded as prepaid ticket sales and recognised as a liability.

##### SPONSORSHIP REVENUE

Sponsorship revenue is recognised during the period in which sponsorship benefits are provided. Sponsorship revenue is traditionally paid in advance – the value of unearned sponsorship revenue is recognised as a liability.

##### GOVERNMENT FUNDING REVENUE

Funding revenue comprises funding from the Federal Government through the Australia Council for the Arts and the State Government of Victoria through the Ministry for the Arts and the City of Melbourne.

Funding revenue was received from the Australia Council for the Arts through the Major Performing Arts Board, and the Victoria Ministry for the Arts, through Arts Victoria, under the terms of the Tripartite Funding Agreement entered into in January 2007 and the Deeds of Variation dated 22 December 2009 and 23 December 2010. Funding is received based on payment schedules contained in those agreements between the funding bodies and MSOHL. The agreement was entered into for the three years ending 31 December 2014.

A Tripartite funding agreement between MSOHL, the Australia Council for the Arts through the Major Performing Arts Board, and the Victoria Ministry for the Arts, through Arts Victoria was entered into for a period of three years ending 31 December 2014.

Funding revenue is recognised when due under the terms of the funding agreement. Special purpose funding, which requires the Company to fulfil an obligation outside its normal operations, is recognised at the time the obligation is fulfilled.

## **2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **C) REVENUE RECOGNITION (CONTINUED)**

#### **GOVERNMENT GRANTS**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received. Government grants relating to costs are deferred, held as unearned revenue, and recognised in the profit or loss over the period necessary to match them with the costs that they intended to compensate.

#### **INTEREST REVENUE**

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

#### **SALE OF NON-CURRENT ASSETS**

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The surplus or deficit on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

#### **DONATIONS, BEQUESTS AND GRANTS**

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

### **D) INCOME TAX AND GOODS AND SERVICES TAX (GST)**

The Company is exempt from income tax as it is an exempt charitable institution in accordance with Subdivision 50-B of the Income Tax Assessment Act 1997.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### **E) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents, including short-term deposits with a maturity of three months or less, are carried at face value of the amounts deposited. The carrying amounts of cash and cash equivalents, including short-term deposits, approximate net fair value.

### **F) RECEIVABLES**

Trade receivables, which generally have 30-90 day terms, are recognised at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Company will not be able to collect the debt. Management consider such objective evidence to include, but not be limited to formal correspondence from a trade receivable indicating its inability to repay the amount outstanding.

### **G) OTHER FINANCIAL ASSETS**

Other financial assets are term deposits that do not meet the definition of cash and cash equivalents. Other financial assets are recorded at amortised cost using the effective interest rate method where the amount is materially different from the face value of the term deposit. Otherwise, the term deposits are recorded at face value.

### **H) IMPAIRMENT OF NON-FINANCIAL ASSETS OTHER THAN GOODWILL**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed.

## **2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **I) PLANT AND EQUIPMENT**

All items of plant and equipment are carried at their historical cost of acquisition, being the fair value of the consideration provided plus the incidental costs directly attributable to the acquisition, less any accumulated impairment losses, less accumulated depreciation, and recoverable amount.

#### **SUBSEQUENT ADDITIONAL COSTS**

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits, in excess of the originally assessed performance of the asset, will flow to the Company in future years.

Costs that do not meet the criteria for capitalisation are expensed as incurred.

The residual values, useful lives and amortisation methods of all items of plant and equipment are reviewed and adjusted if appropriate, at each financial year-end.

#### **INTANGIBLE ASSETS**

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Intangible assets include the online ticket purchases on the Company's website and Tessitura Customer Relationship Management (CRM) ticketing system. Costs capitalised include external direct costs of materials and service and payroll related costs relating to the time spent by those employees' directly engaged on the project. Amortisation is calculated on a straight line basis over 3 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

### **J) LEASES**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases (notes 7 and 20). Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

### **K) DEPRECIATION**

#### **USEFUL LIVES**

Items of plant and equipment, leasehold improvements, computer equipment and musical instruments are depreciated using the straight-line method over their estimated useful lives. Assets are depreciated from the date of acquisition. Depreciation rates and methods are reviewed annually for appropriateness. Depreciation is expensed.

The depreciation rates used for each class of asset are as follows:

<b>ASSET CLASS</b>	<b>DEPRECIATION RATES</b>
<b>Plant &amp; equipment</b>	10% - 30%
<b>Musical instruments</b>	10% - 20%
<b>Computer equipment</b>	20% - 30%
<b>Leasehold improvement</b>	10% - 20%

### **L) PAYABLES**

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### **M) EMPLOYEE BENEFITS**

Employee benefits comprise wages and salaries, annual and long service leave, and contributions to superannuation plans.

#### **WAGES, SALARIES AND ANNUAL LEAVE**

Liabilities for wages and salaries expected to be settled within 12 months of balance date are recognised in other payables in respect of employees' services up to the reporting date. Liabilities for annual leave in respect of employees' services up to the reporting date which are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised in the provision for annual leave. Both liabilities are measured at the amounts expected to be paid when the liabilities are settled.

#### **LONG SERVICE LEAVE**

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the reporting date.

The provision is calculated using estimated future increases in wage and salary rates, including related on-costs, and expected settlement rates based on turnover history and is discounted using the rates attaching to national government bonds at balance date which most closely match the terms of maturity of the related liabilities.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### N) CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. The following critical accounting policies have been identified for which significant judgements, estimates and assumptions are made.

#### PROVISION FOR EMPLOYEE BENEFITS

Probabilities regarding staff turnover, when staff take leave and future wage rates are based on historical experience.

### O) MARKETING COSTS

Advertising and promotional costs are expensed as incurred. The treatment has been applied from 1 January 2012. Prior to 1 January 2012, marketing costs for the next year's performances were capitalised in prepayments. Marketing costs in 2011 for the 2012 program of approximately \$509,000 were capitalised in prepayments as at 31 December 2011. This amount has been expensed in 2012. Marketing costs in 2012 also includes the advertising and promotional costs for the 2012 and 2013 program as these have been expensed as incurred.

### P) COMPARATIVES

Where a change in accounting treatment has resulted in significant differences between financial years, prior year data has been reclassified to assist comparison.

## 3. FUNDING REVENUE

### A) FUNDING FROM GOVERNMENT

	2012 \$	2011 \$
Arts Victoria - Melbourne Symphony Orchestra Chorus Grant	130,144	127,838
Arts Victoria - Hamer Hall Closure Revenue impacts funding	1,069,570	1,714,187
Arts Victoria - Hamer Hall Closure Expense impacts funding	399,977	513,349
Australia Council for the Arts - "Geek in Residence" Grant	-	25,000
Australia Council for the Arts - "Settlement Stories" Grant received/(refunded)	(20,000)	20,000
Australia Council for the Arts - "Interconnections" Grant	30,000	-
City of Melbourne - Annual Grant	316,110	316,110
City of Melbourne - "Late Nights" Festival Grant	30,000	25,800
	<b>1,955,801</b>	<b>2,742,284</b>

### B) FUNDING FROM PARENT

Australia Council for the Arts - Annual Grant	9,888,516	9,675,652
Australia Council for the Arts - Orchestra Review Implementation Grant	-	61,020
Arts Victoria - Annual Grant	2,363,235	2,321,449
Arts Victoria - Orchestra Review Implementation Grant	-	14,593
	<b>12,251,751</b>	<b>12,072,714</b>
<b>Total Funding</b>	<b>14,207,552</b>	<b>14,814,998</b>

Provision of funds by MSOHL to the Company is in respect of funds payable as a result of the Orchestra Review Implementation Funding Agreement. It originates from federal and state governments, through the Australia Council for the Arts and Arts Victoria and is paid to MSOHL. A funding agreement between MSOHL and the Company provides the basis for the funds to be passed to the Company.

**4. TICKET SALES REVENUE**

	2012 \$	2011 \$
Subscription sales	3,708,000	3,092,031
Single night ticket sales	4,439,822	3,268,400
	<b>8,147,822</b>	<b>6,360,431</b>

**5. SPONSORSHIP AND DONATION REVENUE**

Sponsorship	656,605	1,009,786
Donations	2,013,000	1,151,033
Bequests	3,543	36
Grants and trusts	311,150	187,679
	<b>2,984,298</b>	<b>2,348,534</b>

**6. OTHER REVENUE**

Interest	542,063	476,282
Orchestral hire	1,280,446	871,786
Other	166,757	133,233
	<b>1,989,266</b>	<b>1,481,301</b>

**7. EXPENSES**

Net Surplus/(Deficit) for the year has been arrived at after charging the following items:

Depreciation:

Plant and equipment	5,458	-
Office equipment, furniture and fittings	12,697	12,785
Computers	26,284	24,661
Leasehold Improvements	2,774	1,537
Musical instruments	66,739	66,560
Total Depreciation	113,952	105,543
Amortisation	43,097	-
<b>Total Depreciation and Amortisation</b>	<b>157,049</b>	<b>105,543</b>

Superannuation expense	1,830,550	1,759,435
Operating lease rental expenses		
Lease payments - office equipment	23,506	15,733
Lease payments - office rental	208,154	204,435

## 8. RECEIVABLES

### A) TRADE AND OTHER RECEIVABLES

#### *Current*

Trade receivables	1,445,803	492,699
GST receivable	85,412	113,859
Provision for impairment of receivables	(8,690)	-
	<b>1,522,525</b>	<b>606,558</b>

#### *Non-current*

Other receivables	<b>23,093</b>	<b>25,910</b>
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### B) TRADE AND OTHER DEBTORS AGEING:

0 to 60 days	1,432,026	472,239
61 to 90 days	-	3,769
Over 90 days	36,870	42,602
Total trade and other receivables	<b>1,468,896</b>	<b>518,610</b>

Trade receivables are non-interest bearing and are normally settled in 30 days. Other receivables amounts generally arise from transactions outside the usual operating activities of the Company.

## 9. OTHER CURRENT ASSETS

Prepayments	227,405	847,907
Accrued interest	82,725	290,422
Total Other Current Assets	<b>310,130</b>	<b>1,138,329</b>

## 10. OTHER FINANCIAL ASSETS

MSO RIS term deposit	3,697,596	3,374,182
Other term deposits	3,409,308	2,839,672
	<b>7,106,904</b>	<b>6,213,854</b>

Investment held in the MSO Reserves Incentive Scheme (RIS) reserve of \$3,697,596 (2011: \$3,374,182) comprise funds which are set aside, unencumbered and held in escrow, for 15 years until 3 June 2019. Refer note 21(c).

Other term deposits are those with maturity more than 90 days. This includes the term deposits held for the MSO Foundation of \$3,409,308 in 2012 (2011: \$2,339,672). These funds are set aside for the long term viability of the MSO and are governed by the MSO Foundation Constitution. Cash and cash equivalents for the MSO Foundation are detailed in Note 15.

**11. PLANT AND EQUIPMENT**

	Plant and equipment \$	Musical instruments \$	Office equipment \$	Leasehold Improvements \$	Computer equipment \$	Work in progress \$	Total \$
<i>Cost:</i>							
Opening balance	103,592	1,170,115	66,506	27,744	240,751	42,140	1,650,848
Additions	84,309	114,005	720	-	24,746	-	223,780
Transfers	-	-	-	-	-	(42,140)	(42,140)
<b>Closing balance</b>	<b>187,901</b>	<b>1,284,120</b>	<b>67,226</b>	<b>27,744</b>	<b>265,497</b>	<b>-</b>	<b>1,832,488</b>
<i>Accumulated depreciation:</i>							
Opening balance	103,592	886,273	36,354	1,537	207,007	-	1,234,763
Depreciation expense (Note 7)	5,458	66,739	12,697	2,774	26,284	-	113,952
Disposal	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>109,050</b>	<b>953,012</b>	<b>49,051</b>	<b>4,311</b>	<b>233,291</b>	<b>-</b>	<b>1,348,715</b>
<b>Net book value, 31 December 2012</b>	<b>78,851</b>	<b>331,108</b>	<b>18,175</b>	<b>23,433</b>	<b>32,206</b>	<b>-</b>	<b>483,773</b>

Net book value, 31 December 2011	-	283,842	30,152	26,207	33,744	42,140	416,085
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Work in progress (WIP) includes project costs relating to the implementation of the *Tessitura* Customer Relationship Management (CRM) ticketing system.

**12. INTANGIBLE ASSETS**

	Website \$	Tessitura CRM \$	Total \$
<i>Cost:</i>			
Opening balance	-	-	-
Transfer from WIP	-	42,140	42,140
Additions	142,065	239,745	381,810
Disposals	-	-	-
<b>Closing balance</b>	<b>142,065</b>	<b>281,885</b>	<b>423,950</b>
<i>Accumulated amortisation:</i>			
Opening balance	-	-	-
Amortisation expense (Note 7)	3,946	39,151	43,097
Disposal	-	-	-
<b>Closing balance</b>	<b>3,946</b>	<b>39,151</b>	<b>43,097</b>
<b>Net book value, 31 December 2012</b>	<b>138,119</b>	<b>242,734</b>	<b>380,853</b>
Net book value, 31 December 2011	-	-	-

### 13. PAYABLES

	2012	2011
	\$	\$
Trade creditors	1,287,680	899,009
Other creditors and accruals	252,906	796,337
Prepaid other revenue	280,779	292,601
<b>Total Payables</b>	<b>1,821,365</b>	<b>1,987,947</b>

Trade payables are non-interest bearing and are normally settled in 30 days.

### 14. CONTRIBUTED EQUITY

Share capital		
438,002 (2011: 438,002) ordinary shares, fully paid	<b>438,002</b>	<b>438,002</b>

On 31 December 2006 MSOHL purchased all shares of the Company that were previously held by the ABC.

### 15. STATEMENT OF CASH FLOWS

#### A) RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and at bank and short-term deposits at call. Cash assets as at the end of the financial year as shown in the statement of cash flows are as follows:

Cash	1,112,985	2,300,197
Cash equivalents	1,200,000	662,092
	<b>2,312,985</b>	<b>2,962,289</b>

Cash equivalents at 31 December 2012 of \$1,200,000 (2011: \$662,092) include short term deposits which had a maturity date of less than three months at year end.

Cash and cash equivalents include amounts for the MSO Foundation at 31 December 2012 of \$Nil (2011: \$662,092).

### 16. EMPLOYEE BENEFITS

<i>Current</i>		
Annual Leave	793,309	650,632
Long Service Leave	1,908,481	1,968,882
	<b>2,701,790</b>	<b>2,619,514</b>
<i>Non-current</i>		
Long Service Leave	239,891	251,356
	<b>2,941,681</b>	<b>2,870,870</b>

Aggregate employee benefits presented above include on-costs. The present value of employee benefits not expected to be settled within twelve months of balance date have been calculated using the following weighted averages:

Assumed rate of increase in wage and salary rates	3.0%	3.0%
Discount rate	3.4%	3.8%
Settlement rate	10 years	10 years
Full-time equivalent employees at year-end	149.27	142.57

## 17. KEY MANAGEMENT PERSONNEL

### A) DETAILS OF KEY MANAGEMENT PERSONNEL

#### (i) Directors

The numbers of meetings of the Company's board of directors held during the year ended 31 December 2012, and the numbers of meetings attended by each director were:

NAME	POSITION HELD	HELD	ELIGIBLE	ATTENDED
Mr H Mitchell AC	Chairman	6	6	5
Mr M VanBesien	Managing Director – ceased 23 February 2012	6	1	0
Mr A Gremillet	Director – commenced 15 October 2012 Managing Director – commenced 5 November 2012	6	1	1
Hon. A Goldberg, AO QC	Deputy Chairman	6	6	6
Dr B Adams	Director	6	6	4
Mr P Biggs	Director	6	6	5
Ms A Peacock	Director	6	6	5
Mr M Ullmer	Director	6	6	5
Mr K Wong	Director	6	6	5
Mr A McKean	Director	6	6	6
Cr J Kanis	Director - ceased 31 August 2012	6	4	3

### B) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2012 \$	2011 \$
Compensation	1,239,248	1,095,238

Key management personnel comprise board appointed personnel and other persons having the responsibilities for planning, directing and controlling the major activities of the Company. The Directors positions are on an honorary basis, as such, Directors do not receive remuneration for their role as a Director of the Company.

### C) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Refer to note 18 for details of significant transactions between the Company and key management personnel.

## 18. RELATED PARTIES

### A) DIRECTORS

The names of each person holding the position of Director of the Company during the financial year are detailed in the Directors' Report and note 17.

### B) PARENT ENTITIES

The ultimate holding company of the Company is MSOHL which owns 100% of the equity in the Company. The Directors of MSOHL are also Directors of the Company. An agreement between MSOHL and MSOPL exists whereby MSOHL has agreed to fund the Company via contributions from the Australia Council for the Arts through the Major Performing Arts Board and the Victoria Ministry for the Arts through Arts Victoria. A service agreement that is governed by the contents of the Tripartite Agreement exists between the two entities MSOHL and the Company. Corporate costs associated with MSOHL have been met by the Company.

### C) KEY MANAGEMENT PERSONNEL

Details of compensation for key management personnel is in note 17(b).

## 18. RELATED PARTIES (CONTINUED)

### D) TRANSACTIONS WITH OTHER RELATED PARTIES

The following transactions occurred with related parties:

i) **Donations**

Donations received from Directors and director-related entities in 2012 were \$1,113,500 (2011: \$469,036).  
Table purchases and auction proceeds from Directors and director-related entities at the Company's annual gala in 2012 were \$32,100 (2011: \$51,400).

ii) **Sponsorship**

Sponsorship from Director-related entities in 2012 were \$20,000 (2011: \$189,295).

iii) **Grants revenue**

Cr Jennifer Kanis is a Councillor of the City of Melbourne which made grants to the Company for various purposes (refer note 3a). Total grants from the City of Melbourne in 2012 were \$346,110 (2011: \$341,910).

iv) **Purchases of services**

A director-related entity, Mitchell Communication Group, supplied media buying services to the Company of \$969,000 in 2012 (2011: \$801,325).

### E) LOANS TO/FROM RELATED PARTIES

There are no loans to or from the Company with related parties (2011: nil).

### F) TERMS AND CONDITIONS

All transactions were made on normal commercial terms and conditions and at market rates.

## 19. AUDITOR'S REMUNERATION

Audit of the financial report

	2012	2011
	\$	\$
	<b>31,000</b>	<b>31,000</b>

## 20. EXPENDITURE COMMITMENTS

*Artists fees contracted, but not provided for, and payable:*

Within one year

693,150

1,513,350

One year or later, but not later than five years

1,755,500

-

**2,448,650**

**1,513,350**

*Office equipment lease expenditure committed as per agreements:*

Within one year

-

15,208

One year or later, but not later than five years

-

24,150

-

**39,358**

*Consulting (Professional Services) contracts as per agreements*

Within one year

20,000

56,616

One year or later, but not later than five years

15,000

8,610

**35,000**

**65,226**

*Rental leases committed as per agreements (Administrative, Box Office premises and van)*

Within one year

70,713

184,270

One year or later, but not later than five years

97,734

72,858

**168,447**

**257,128**

The Company has provided the lessor of the MSO Box Office with a bank guarantee of \$40,687 (2011: \$15,657) which can be drawn upon by the lessor in the event that the Company does not meet its contractual obligations under the lease agreement.

Expenditure commitments are contracted up to the follow dates:

- Artist fees – 31 December 2016
- Consulting (Professional Services) – 31 October 2014
- Office rent – 30 June 2013. The Company has since extended its office rent agreement with the ABC to 30 June 2016.

**21. RESERVES**

**A) RETAINED SURPLUS/(ACCUMULATED DEFICIT)**

	2012 \$	2011 \$
Retained surplus/(deficit) at the beginning of the year	(2,385,852)	(1,339,498)
Surplus/(deficit) from ordinary activities for the year	(798,816)	72,345
Transfer of interest earned on and donations to the MSO Foundation Reserve	(526,193)	(950,817)
Transfer of interest earned on MSO RIS Reserve	(195,129)	(167,882)
<b>Retained surplus/(accumulated deficit) at year end</b>	<b>(3,905,990)</b>	<b>(2,385,852)</b>

**B) MSO FOUNDATION RESERVE**

Opening balance	2,590,734	1,639,917
Transfer from Retained surplus/(accumulated deficit)	526,193	950,817
<b>Accumulated funds at year end</b>	<b>3,116,927</b>	<b>2,590,734</b>

The purpose of the MSO Foundation Reserve is to accumulate capital to ensure the long-term viability and financial security of the Company. The interest accrued on the investment of the Fund, and the capital as permitted in its constitution, may be used for MSO projects that come within the purposes of the MSO Articles of Association.

**C) MSO RESERVES INCENTIVES SCHEME (RIS)**

Opening balance	3,405,654	3,237,772
Transfer from Retained surplus/(accumulated deficit)	195,129	167,882
<b>Accumulated funds at year-end</b>	<b>3,600,783</b>	<b>3,405,654</b>

The MSO Reserves Incentives Scheme (RIS) is designed to encourage and assist major performing arts companies to strengthen their balance sheets by building reserves to a level that is sufficient to underpin their financial health and provide a base from which can be taken appropriate artistic and access risks.

The Australia Council and the Victorian Government have, together with the Company, contributed funds which are set aside, unencumbered and subject to the terms and conditions of the Reserves Incentives Scheme Funding Agreement. All income received on the funds received must be re-invested with the funds received and held in escrow for 15 years. These funds are not accessible to the Company until 3 June 2019 and have not been used to secure any liabilities of the Company.

## **22. ECONOMIC DEPENDENCY**

Provision of federal and state funding via the parent company, MSOHL, to the Company is in respect of funds payable as a result of the Orchestra Review Implementation Funding Agreement. It originates from federal and state governments, through the Australia Council for the Arts and the Victoria Ministry for the Arts and is paid to MSOHL. A funding agreement between MSOHL and the Company provides the basis for the funds to be passed to the Company. As a result, the company is economically dependent on MSOHL, and in turn, on the Australia Council for the Arts and the Victoria Ministry for the Arts.

A tripartite funding agreement between MSOHL, the Australia Council for the Arts through the Major Performing Arts Board, and the Victoria Ministry for the Arts, through Arts Victoria was entered into for a period of three years ending 31 December 2014.

The Victorian government announced in September 2008 that MSO's primary concert venue Hamer Hall was to be renovated as part of a \$129 million upgrade of the Victorian Arts Centre. Accordingly, Hamer Hall closed from July 2010 for a period of approximately 2 years. The Victorian Government provided the Company with business interruption funding that covered the period of the closure of Hamer Hall.

The closure of Hamer Hall had an adverse impact on the Company's subscription ticket base that has yet to be restored in returning to Hamer Hall in the second half of 2012. The cost of performing at the refurbished Hamer Hall is significantly higher than was the case previously. Management are reviewing the appropriate actions to restore the Company to a sustainable financial footing. The Company's continuing success is dependent on increasing its current level of government funding, corporate sponsorship, philanthropy and ticket sales.

## **23. CONTINGENT LIABILITIES**

There were no contingent liabilities as at 31 December 2012 (31 Dec 2011: Nil).

## **24. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

No matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Company's state of affairs in future financial years.

## **25. ENTITY INFORMATION**

Melbourne Symphony Orchestra Pty Limited is a company limited by shares, incorporated in Australia and having its registered office address and principal place of business at:

ABC Southbank Centre  
120 - 130 Southbank Boulevard  
Southbank VIC 3006

The postal address of Melbourne Symphony Orchestra Pty Limited is:

GPO Box 9994  
Melbourne VIC 3001

# DIRECTORS' DECLARATION

In the opinion of the Directors of Melbourne Symphony Orchestra Pty Limited ("the Company"):

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the financial position of the Company as at 31 December 2012 and of its performance, as represented by the results of its operations and its cash flows for the period ended on that date; and
  - (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



**HAROLD MITCHELL AC**  
CHAIRMAN

Melbourne  
27 March 2013



**MICHAEL ULLMER**  
DIRECTOR  
CHAIR, FINANCE & REVENUE COMMITTEE

Melbourne  
27 March 2013

## Independent auditor's report to the members of Melbourne Symphony Orchestra Pty Limited

### Report on the financial report

We have audited the accompanying financial report of Melbourne Symphony Orchestra Pty Limited, which comprises the statement of financial position as at 31 December 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' responsibility for the financial report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

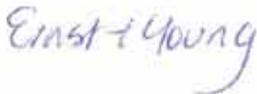
#### *Independence*

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

### *Opinion*

In our opinion:

- a. the financial report of Melbourne Symphony Orchestra Pty Limited is in accordance with the *Corporations Act 2001*, including:
  - i giving a true and fair view of the company's financial position as at 31 December 2012 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'Joanne Lonergan'.

Joanne Lonergan  
Partner  
Melbourne  
27 March 2013



# MSO SPONSORS 2012

## PRINCIPAL PARTNER



## MSO AMBASSADOR

Geoffrey Rush

## GOVERNMENT PARTNERS



## MAESTRO PARTNER



Mercedes-Benz  
MSO POPS SERIES  
PRESENTING PARTNER

## CONCERTMASTER PARTNERS



REGIONAL TOURING  
PARTNER



## ASSOCIATE PARTNERS

KING & WOOD  
MALLESONS

SOFITEL  
LUXURY HOTELS

MYER  
MONASH SERIES PARTNER



## SUPPORTING PARTNERS



## SUPPLIERS

Kent Moving and Storage

Quince's Scenicruisers

Melbourne Brass and Woodwind

Nose to Tail



**MELBOURNE SYMPHONY ORCHESTRA**

ABC SOUTHBANK CENTRE  
120-130 SOUTHBANK BOULEVARD  
SOUTHBANK VIC 3006