

Melbourne Symphony Orchestra

ANNUAL REPORT 2016



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GOVERNOR'S MESSAGE



OFFICE OF THE GOVERNOR
VICTORIA

MESSAGE FOR THE MELBOURNE SYMPHONY ORCHESTRA'S 2016 ANNUAL REPORT

As Patron, I am proud of the MSO for its breadth of programming, its commitment to music education across Victoria, and its representation of us on the global stage.

From the soaring heights of Strauss's *Alpine Symphony* to Handel's mighty *Messiah*, season 2016 showcased the artistic brilliance of one of the world's finest orchestras.

I am especially proud of the community engagement that the MSO achieved throughout 2016. With performances alongside artists like Hilltop Hoods and Missy Higgins, and collaborations such as the one with the AFL, the year certainly saw an extension of the MSO's reach throughout our community.

Congratulations to the board, management, Chief Conductor and musicians for their continued dedication to the successes of the MSO. And thank you to the generous sponsors, donors, subscribers and supporters who made 2016 a year to remember.

The Honourable Linda Dessau AC
Governor of Victoria

CHAIRMAN'S REPORT



Looking back over my first year as Chairman, 2016 was a challenging year for the Melbourne Symphony Orchestra. As we entered the year, the search for a new Managing Director was underway, and the negative financial outlook from 2015 looked set to continue. On a positive note, the Orchestra was in great shape, continuing to perform to critical acclaim with strong support from all segments of our audience demographic, our donors, and our corporate partners. It was against this backdrop that the Board took decisive action to reduce the administrative cost base. This was a difficult time for all our staff and, on behalf of the Board, I would like to thank them for their incredible commitment and support as we took the necessary first steps to restore the financial sustainability of the MSO.

The arrival of Sophie Galaise in April as the MSO's first female Managing Director has been an extremely important and successful next step in this journey. Sophie has worked with the Board to establish a strategic vision built around four pillars – being an arts leader, a gateway to great music and musicians, a champion of music education, and deepening the engagement with all our communities. New appointments have been made to the senior leadership team. Significant progress has been made on reviewing all aspects of the organisation's effectiveness. And the Orchestra has broadened its reach across our community, while continuing to maintain the highest level of artistic vibrancy.

The changes to achieve organisational effectiveness have positioned the Orchestra for sustained growth to ensure our current performance scale, quality and vibrancy can be maintained and enhanced. I am pleased to report that the operating result for the year was a profit of \$761,000. Investment income and capital contributions to our Foundation reserves of \$476,000 results in an operational profit of \$285,000 for the year. This is a remarkable achievement for the MSO and all staff are to be commended for their hard work in achieving this result.

Our commitment to a sustainable financial base was reinforced by the retention of JBWere as our investment advisers, and the development of a long term investment strategy for our Reserves portfolio.

Under the baton of Chief Conductor, Sir Andrew Davis, and Associate Conductor, Benjamin Northey, performances of our core classical repertoire continued to be well received in Melbourne, regional Victoria and overseas (via our residency with the Shanghai Symphony Orchestra). At the same time, we continued to reach out to new audiences with a record year for special events returning an extremely positive net result, with the series of four sell-out Indiana Jones concerts (MSO at the Movies) the highest netting program in our long history. We will continue to explore ways of engaging with a broader demographic, while maintaining our commitment to performing our core classical repertoire at the highest artistic level. With the strong support of our patrons, the MSO education programs continued to provide opportunities for people of all ages across Victoria to learn more about the joy of music.

In 2016, we were delighted to welcome the Honourable Linda Dessau AC, Governor of Victoria, as Patron of the MSO and congratulate her on her Companion of the Order of Australia. Her support of the arts and education in Victoria is well recognised and we are fortunate to have her with us.

I would like to thank all Board Directors and members of our sub-committees and advisory panels for their work on ensuring the sustainability of our great Orchestra. I also wish to acknowledge Kee Wong, who retired from the Board in December 2016, and thank him for his important contribution to the MSO, in particular his support in governance and stakeholder relations.

I recognise the support of the Australia Council for the Arts and Creative Victoria, which is fundamental to our capacity to deliver this important art form, and thank them for their forbearance during this challenging period of transition.

Finally, thank you to our Principal Partner Emirates and all our other corporate supporters, our Patrons and Donors, all of whom give so generously to ensure our great Orchestra continues to do what it does best – inspire and engage audiences, and be an essential part of Melbourne's rich cultural fabric.

A handwritten signature in dark ink, appearing to read 'Michael Ullmer', with a stylized flourish at the end.

Michael Ullmer
Chairman

MANAGING DIRECTOR'S REPORT



“Our music comes first, it’s our passion. It’s what drives us to be at the top of our game. It’s what gets us out of bed every morning...”

It is an honour to deliver my first report as Managing Director of the Melbourne Symphony Orchestra. After combining another year of artistic excellence with a strengthening of our financial position, I am delighted that 2016 saw the MSO return to surplus.

Since arriving at the MSO in April 2016 I have had the pleasure of working with MSO’s dedicated staff, our brilliant Chief Conductor in Sir Andrew Davis, our outstanding musicians and an engaged Board led by a new and experienced Chairman in Michael Ullmer. I have also been fortunate to work with our highly-valued donors and corporate partners whose continued support and passion for the work we do must be graciously acknowledged.

The MSO is an arts leader in Australia, and as such it has been exciting to work with not only the oldest orchestra in the country, but one that is still extremely engaged with a wide range of audiences.

There is no doubt that 2016 was a year of great challenge and structural change at the MSO. With an accumulated deficit, there were tough decisions to be made across all levels of the organisation. I thank everyone for their support, commitment and hard work through this transitional phase. The results speak for themselves.

Of course, the successes the MSO achieved throughout 2016 far outweighed the challenges. The MSO continued to play its central role in our artistic landscape, presenting a wide array of Australian and international guest artists and soloists, commissioning new works, and expanding our collaborations with like-minded performing and visual arts institutions. By securing a three-year partnership with the Shanghai Symphony Orchestra and delivering our first ever music camp in Yogyakarta we consolidated our position as a world-class orchestra and one of Asia-Pacific’s artistic leaders. We look to build on this international standing through 2017 and beyond.

While expanding our global footprint, we strive to engage our communities and 2016 also saw the MSO maintaining our high standards on the local arts scene. With 160 performances including 19 free performances, our role in Melbourne’s cultural industry is stronger than ever.

From our sell-out Jams for Juniors series and our Pizzicato Effect program for children in Melbourne’s outer north, through to our MUSO program (18-35 year olds) and Ears Wide Open Series, the MSO continues to be a champion of music education. All who work at the MSO are passionate about music, and it brings us great joy to witness people of all ages discover the wonders of orchestral music.

I could not have hoped for a better first year at the helm of the Melbourne Symphony Orchestra. I thank all who have contributed to our successes, both on the concert stage and behind the scenes. Together, we will continue to be a gateway for great music and musicians, and that – as the MSO manifesto so eloquently puts it – is what gets us out of bed in the morning.

A handwritten signature in dark ink, reading 'Sophie Galaise'.

Sophie Galaise
Managing Director

A WORD FROM SIR ANDREW DAVIS CHIEF CONDUCTOR



The Melbourne Symphony Orchestra is one of the world's great orchestras, and as I have said many times over my four years as their Chief Conductor, making music together is a real privilege. Through the dedication and commitment of our musicians to be the very best in their field, we have together achieved an intuitive and deep level of trust and willingness to collaborate. Our ability truly to recreate the music in front of our audiences means that no two concerts are the same. It is the most remarkable form of music-making and something very rarely achieved.

In our Mahler Cycle we have now established our own voice and our performances of the Fifth and Sixth Symphonies in 2016 testify to this. We also finished our Charles Ives Cycle with the most exciting and wondrous Symphony No.4, a concert received by the audience with such rapture, insight and understanding. The last CD in this cycle to appear on Chandos, with live recording of those concerts, as well as a studio recording of Symphony No.3 is already receiving critical acclaim here in Australia and internationally.

Over 13 weeks and nine programs with the MSO this season, I have again been fortunate to see the passion Victorian audiences have for their beloved Orchestra and the arts in general. On a personal note, Elgar's *In the South* is one of my favourite pieces and one I have conducted many times, yet I have rarely heard it achieve the sound the MSO was able to give me. There were works that were totally new to me, and I am not only talking about new pieces by Australian composers, like James Ledger's *Hollow Kings*, but also my first attempt to climb the colossal peak that is Beethoven's *Missa Solemnis*. A milestone in any conductor's career, I would not have wanted any other collaborators for this project than our own MSO and MSO Chorus. In short, despite conducting many wonderful orchestras all over the world, the MSO and its audience are my musical home. I am proud of the vibrant musical culture in this city and so should be all Melburnians, Victorians and Australians!

MANIFESTO

Our music comes first, it's our passion.
It's what drives us to be at the top of our game.
It's what gets us out of bed every morning.
Our music is nothing if we can't share it.
We connect with our audiences and take them on a journey.

Music is a universal language.
It's inclusive, and so are we.
People from all walks of life should be able to enjoy our performances.

Melbourne is our home and it's where we play.
We never play in the background, always in the fore.
We are the sound and the soul of the city.
We are Melbourne's Symphony Orchestra.
Come play with us.

VISION, MISSION AND VALUES

VISION

To be a truly great orchestra that evolves to inspire and engage audiences, and is an essential part of Melbourne's rich cultural fabric.

MISSION

A cornerstone of Melbourne's rich cultural heritage and leading orchestra on the world stage, the MSO evolves to inspire and engage audiences across Victoria, Australia and internationally.

VALUES

Excellence:

We are the best we can be, artistically and commercially.

Leadership:

We lead by example as proud and passionate advocates of our art form and our people, in Australia and on the global stage.

Innovation:

We are creative and seek new ways to inspire and engage our stakeholders.

Collaboration:

We are one orchestra, and work cohesively with our Chorus, our partners and communities to achieve our goals.

Accountability:

We are responsible and accountable.

Respect:

We respect all those with whom we interact. We are ethical, honest, and transparent.

Diversity:

We reflect the diversity of our stakeholders to remain relevant, vibrant and inclusive, and engage all aspects of the Victorian community we represent.

MEET THE ORCHESTRA

Sir Andrew Davis, Chief Conductor

Benjamin Northey, Patricia Riordan Associate Conductor Chair

Hiroyuki Iwaki AO (1974–2006), Conductor Laureate

FIRST VIOLINS

Dale Barltrop
Concertmaster

Eoin Andersen
Concertmaster

Sophie Rowell
Associate Concertmaster
The Ullmer Family Foundation#

Peter Edwards
Assistant Principal

Kirsty Bremner

Sarah Curro
Michael Aquilina#

Peter Fellin

Deborah Goodall

Lorraine Hook

Kirstin Kenny

Ji Won Kim

Eleanor Mancini
David and Helen Moses#

Mark Mogilevski

Michelle Ruffolo

Kathryn Taylor
Michael Aquilina#

SECOND VIOLINS

Matthew Tomkins
Principal
The Gross Foundation#

Robert Macindoe
Associate Principal

Monica Curro
Assistant Principal
Danny Gorog and
Lindy Susskind#

Mary Allison

Isin Cakmakcioglu

Freya Franzen
Anonymous#

Cong Gu

Andrew Hall

Francesca Hiew
Tam Vu, Peter and
Lyndsey Hawkins#

Rachel Homburg

Christine Johnson

Isy Wasserman

Philippa West

Patrick Wong

Roger Young

VIOLAS

Christopher Moore
Principal
Di Jameson#

Fiona Sargeant
Associate Principal

Lauren Brigden

Katharine Brockman

Christopher Cartlidge

Gabrielle Halloran

Trevor Jones

Cindy Watkin

Caleb Wright

CELLOS

David Berlin
Principal
MS Newman Family#

Rachael Tobin
Associate Principal

Nicholas Bochner
Assistant Principal

Miranda Brockman
Geelong Friends of the MSO#

Rohan de Korte

Keith Johnson

Sarah Morse

Angela Sargeant

Michelle Wood
Andrew and Theresa Dyer#

DOUBLE BASSES

Steve Reeves
Principal

Andrew Moon
Associate Principal

Sylvia Hosking
Assistant Principal

Damien Eckersley

Benjamin Hanlon

Suzanne Lee

Stephen Newton
Sophie Galaise and
Clarence Fraser#

FLUTES

Prudence Davis
Principal
Anonymous#

Wendy Clarke
Associate Principal

Sarah Beggs

PICCOLO

Andrew Macleod
Principal

OBOES

Jeffrey Crellin
Principal

Thomas Hutchinson
Associate Principal

Ann Blackburn

COR ANGLAIS

Michael Pisani
Principal

CLARINETS

David Thomas
Principal

Philip Arkinstall
Associate Principal

Craig Hill

BASS CLARINET

Jon Craven
Principal

BASSOONS

Jack Schiller
Principal

Elise Millman
Associate Principal

Natasha Thomas

CONTRABASSOON

Brock Imison
Principal

HORNS

Geoff Lierse
Associate Principal

Saul Lewis
Principal Third

Jenna Breen

Abbey Edlin
Nereda Hanlon and
Michael Hanlon AM#

Trinette McClimont

TRUMPETS

Geoffrey Payne
Principal

Shane Hooton
Associate Principal

William Evans

Julie Payne

TROMBONES

Brett Kelly
Principal

Mike Szabo
Principal Bass Trombone

TUBA

Timothy Buzbee
Principal

TIMPANI

Christine Turpin
Principal

PERCUSSION

Robert Clarke
Principal

John Arcaro

Robert Cossom

HARP

Yinuo Mu
Principal

Position supported by

MEET THE CHORUS

Anthony Pasquill, Associate Chorus Master
 Stephen Jackson, Guest Chorus Master
 Warren Trevelyan-Jones, Guest Chorus Master
 Brett Kelly, Guest Chorus Master

SOPRANO

Philippa Allen
 Julie Arblaster
 Carolyn Archibald
 Helena Balazs
 Aviva Barazani
 Ellen Brown
 Eva Butcher
 Jessica Chan
 Thea Christie
 Veryan Croggon
 Esther Crowley
 Samantha Davies
 Cornelia Elmelid
 Laura Fahey
 Rita Fitzgerald
 Catherine Folley
 Susan Fone
 Carolyn Francis
 Rashika Gomez
 Camilla Gorman
 Karina Gough
 Jillian Graham
 Karling Hamill
 Juliana Hassett
 Penny Huggett
 Jasmine Hulme
 Naomi Hyndman
 Tania Jacobs
 Gwen Kennelly
 Ester Litvak
 Judith McFarlane
 Ruth McIntosh
 Faraha Diyanah Mohd Hisham
 Lynne Muir
 Caitlin Noble
 Karin Otto
 Jodie Paxton
 Elizabeth Potter
 Isobel Pyrke
 Natalie Reid
 Jo Robin
 Elizabeth Rusli
 Natalia Salazar
 Jodi Samartgis
 Martha Sanderson
 Jemima Sim Shu Xian
 Lynda Smerdon
 Freja Soininen
 Elizabeth Tindall
 Chloe Toh
 Vanessa Tunggal
 Eloise Verbeek
 Beth Ylvisaker
 Tara Zamin

ALTO

Aleksandra Acker
 Ruth Anderson
 Catherine Bickell
 Cecilia Björkegren
 Kate Bramley
 Jane Brodie
 Elize Brozgul
 Alexandra Cameron
 Serena Carmel
 Alexandra Chubaty
 Andrea Clifford
 Katharine Daley
 Jill Giese
 Natasha Godfrey
 Debbie Griffiths
 Alexandra Hadji
 Ros Harbison
 Sue Hawley
 Jennifer Henry
 Kristine Hensel
 Rebecca Kmit
 Jade Leigh
 Helen MacLean
 Christina McCowan
 Rosemary McKelvie
 Helen Nikolas
 Siobhan Ormandy
 Sharmila Periakarpan
 Alison Ralph
 Mair Roberts
 Helen Rommelaar
 Kerry Roulston
 Annie Runnalls
 Katherine Samarzia
 Rosemary Saunders
 Lisa Savige
 Wilma Smith
 Helen Staindl
 Libby Timcke
 Jenny Vallins
 Emma Warburton

TENOR

James Allen
 Tony Barnett
 Nicholas Beecher
 Steve Burnett
 Peter Campbell
 Ed Chan
 Denny Chandra
 Peter Clay
 John Cleghorn
 Alexander Davie
 James Dipnall
 Simon Goldman
 Lyndon Horsburgh
 Wayne Kinrade
 Dominic McKenna
 Michael Mobach
 Peter Duy-Lam Nguyen-Hoang
 Jean-Francois Ravat
 Daniel Riley
 Malcolm Sinclair
 Tim Wright

BASS

Maurice Amor
 Richard Bolitho
 David Brown
 Paul Alexander Chantler
 Barry Clarke
 Ted Davies
 Phil Elphinstone
 Gerard Evans
 Douglas Eves
 Michael Gough
 Tom Griffiths
 Andrew Ham
 Andrew Hibbard
 Jemly Kalangie
 Gary Levy
 Andreas Loewe
 Alastair McKean
 Andrew Murrell
 Vern O'Hara
 Edward Ounapuu
 Douglas Proctor
 Stephen Pyk
 Robert Stove
 Liam Straughan
 Matthew Toulmin
 Maurice Wan
 Foon Wong
 Maciek Zielinski

ARTS LEADERSHIP



Image: Sir Andrew Davis conducts Ives 4
Photo: Daniel Aulsebrook

As an arts leader, the MSO is recognised as a national icon and ambassador for the arts, is financially secure and contributes significantly to the social and intrinsic value of Victoria's cultural economy.

Australia's oldest, and one of its largest, professional orchestras, the MSO works to improve the quality and vibrancy of our mainstage concerts through artistic leadership, providing the best customer experience, developing our artistic family and continuing our commitment to Australian music and musicians, creation of new work and collaborations.

In 2016, the MSO engaged over 3.05 million people through digital and broadcast channels, and over 300,000 people live in iconic venues, at favourite festivals and free events, on tour, via workshops and in schools.



ARTS LEADERSHIP

MEASURES	RESULT
Peer assessment of artistic performance quality, vibrancy and excellence	Achieved
Qualitative evaluation of audience satisfaction and engagement	Completed
Independent recognition through critical reviews and awards in Australia and abroad	Achieved
Presentation and commission of new/Australian work	Achieved
Presentation of an annual season of 30 core programs	Achieved

With an unwavering pursuit of artistic leadership and excellence comes a relentless determination to reach the top of our field. Through effort and hard work, internal consultation and review, and a celebrated synergy between Orchestra and Chief Conductor, the MSO is highly regarded across Australia and around the world. It is attractive to world-class conductors and soloists, can secure invitations to prestigious international music festivals and events, is assessed as having a high performance standard by visiting (and MSO) conductors and musicians, and receives praise for its reviewed performances.

EXTERNAL ASSESSMENT

MSO concerts continue to be reviewed in the media, and in 2016 received 156 critical peer reviews syndicated across Victoria and Australia. International reviews of MSO recordings are also monitored and in 2016, ten reviews were received. Three award nominations for MSO performances, including two Helpmann Award nominations and an ARIA Award win were also received.

MSO's artistic and marketing departments survey audiences to gauge feedback around satisfaction, aesthetic growth and emotional engagement and, in 2016, all performance targets were exceeded.

- 90% Audience Satisfaction (up 10%)
- 74% Intellectual Satisfaction (up 4%)
- 86% Aesthetic Growth (up 16%)
- 84% Emotionally Engaged (up 14%)

MSO also reviews informal audience feedback received through letters, e-mails and via its website, verbal feedback at concerts, as well as via telephone and social media.

MSO IN THE MEDIA:

MSO and its artists appeared in the media close to 3,000 times in 2016 (20% increase on 2015).

Estimated media reach – 100 million people.

Estimated value (based on ASR Value) – \$30 million (up 17% on 2015).

PEER ASSESSMENT

A new bi-annual peer review assessment process implemented in 2016 to measure artistic vibrancy returned strong results from the 40 journalists, music educators, performers, former MSO musicians and arts administrators surveyed.

- 83% believed MSO is an essential part of Melbourne's cultural life
- 80% believed MSO attracts the world's best artists
- 75% believed MSO was inventive and imaginative and delivered meaningful musical experiences
- 80% believed MSO makes classical music accessible and actively engages with different communities/cultural groups through diverse programming.

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 is then tabled at the MSO Artistic Committee meetings for further review. Through these discussions, the MSO is able to obtain artists' feedback about the performance of the Orchestra, and benchmark it against other orchestras with which the artists had performed.

The MSO also receives feedback from its recording partners. Each of the MSO programs recorded through ABC Classic FM receives a Live Music Production Advice which contains an assessment of the Orchestra's performance, as well as feedback on its suitability for broadcast.

MSO Education and Community Engagement Programs also receive external feedback from a range of music education specialists, including teachers, academics, musicians, presenting partners and parents. Written feedback is also sought from teachers and students attending a variety of MSO Education Week concerts, and from program participants attending the Orchestra's community engagement activities.

INTERNAL ASSESSMENT

The following MSO sub-committees are charged with the responsibility of meeting throughout the year to oversee the MSO's internal review and self-assessment processes:

MSO Artistic Committee – comprised of management representatives, the Chief Conductor and/or artistic leader, Concertmaster and elected musicians, its main purpose is to review:

- All performances including soloists, conductors and programming choices
- Orchestral performance standards
- Audition processes
- Special projects
- Rostering issues
- Recording projects
- Annual repertoire and season plans
- Future artistic leadership issues.

MSO Players' Committee – including the Players' Executive, meets throughout the year with the Director of Operations. Members of the committee are elected on an annual basis by all Orchestra members.

Two MSO Consultative Committees – for musicians and administrative staff. The Musicians Consultative Committee consists of members of the Players' Committee and Players' Executive, plus management representatives.

The Staff Consultative Committee includes representatives from across the administration and senior management.

The committees' roles include the discussion of day-to-day MSO operations as they relate to the Musicians and Staff Agreements.

MSO Chorus Committee – made up of eight singers and two management representatives, plus the Director of Artistic Planning, this committee meets to discuss issues of artistic quality and performance standards and provide written advice to the Board on Choral issues.

Occupational Health and Safety Committee – consists of two elected Health and Safety representatives from the Orchestra, plus the Director of Operations, Operations Manager, Production staff, Director of Human Resources and Chorus Manager.

The committee monitors standards of occupational health, safety and rehabilitation and initiates plans and procedures with a view to minimising the effects of workplace hazards.

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

CRITICAL REVIEWS

Simone Young conducts Bruckner and Wagner

★★★★★

'The force of around 100 MSO musicians struck gold'
Paul Selar, *Herald Sun*

Missa Solemnis

★★★★★

'[Sir] Andrew Davis gave a solid and moving account of the work; the MSO handled its virtuosity with élan.'
David Barmby, *Arts Hub*

Indiana Jones and the Raiders of the Lost Ark

★★★★★

'Melbourne Symphony Orchestra knows how to put on a great movie night.'
Paul Selar, *Herald Sun*

Jeff Mills + Derrick May

★★★★★

'The audience loved this pairing techno and symphony. Much of the night's music were aural thought pieces as we sat quietly to appreciate the size, sound and complexity of the orchestration, but at other times we just got down and funky.'
Shane Murphy, *Daily Review*

Classical Year in Review: Passion, high-quality performances in superior efforts

'It's hard to recall a time when the Melbourne Symphony Orchestra worked to such consistently impressive interpretative and emotionally satisfying effect, particularly under Sir Andrew Davis. From a powerful Strauss Alpine Symphony, through Mahler 5 and 6 in the ongoing cycle, an authoritatively expansive In the South (Alassio) of Elgar, supporting James Ehnes in the amiable Strauss Violin Concerto and Richard Tognetti in his idiosyncratic and transporting version of The Lark Ascending by Vaughan Williams, the chief conductor raised his musicians' operating temperature level significantly.

Much the same energetic verve recurred when Simone Young fronted a commanding and resonant Bruckner Symphony No.9, Jakub Hrusa introduced most of us to Suk's Asrael, Christoph Konig revisited with flair the Brahms E minor Symphony, and Benjamin Northey brought out the best from the MSO Chorus in a luminous Faure Requiem. Almost as rewarding, Vadim Gluzman fronted the Brahms Violin Concerto, his fusion with Davis' orchestral support exemplary; and, in Paul Lewis' informed review of the Beethoven piano concertos, a group of 15 put together a riveting account of Schoenberg's Chamber Symphony No.1.'
Clive O'Connell, *The Age*



300,354

**Total live audience
across all MSO
performances,
workshops and
other events**

Image: Ray Chen performs in *An Alpine Symphony*
Photo: Daniel Aulsebrook

PERFORMANCE OVERVIEW

	2016	2015
TOTAL MSO ENGAGEMENT	3.35 Million	2.55 Million
Total MSO performances	163	158
Total live attendance (MSO performances only) §	283,759	317,501
Attendance at free events	84,941 ^v	121,848
METROPOLITAN MELBOURNE (paid attendance)		
Core season	82,961	102,444 [#]
Special events	51,119	42,439
Family*	5,050	3,961
Total	139,130	148,844
REGIONAL VICTORIA		
Geelong	6,598	7,127
Bendigo	721	723
Shepparton	243	-
Wangaratta	384	-
Warragul	243	-
Total	8,189	8,521
INTERNATIONAL		
China – Shanghai Residency	2,050	-
Indonesia – Yogyakarta Music Camp	600	-
Total	2,650	-
COMMERCIAL HIRES		
Quartet performances – Chadstone Shopping Centre (3 concerts)	450	-
AFL The Draw	2,000	-
BBC Proms (2 concerts)	4,050	-
Diana Krall (2 concerts)	4,400	-
Dorcas McClean Scholarship Concert	441	-
Hilltop Hoods	12,000	-
Horsham Performing Arts Centre Opening	500	-
Missy Higgins with the MSO	5,000	-
Star Trek – 50 th Anniversary	3,836	-
Total	32,677	20,087
EDUCATION		
Metropolitan education concerts:	13,282	14,481
(Meet the Orchestra, Secondary Symphony Performance, Open Rehearsals, Symphony in a Day, Classic Kids)		
Regional education concerts (total)	2,890	3,720
Bendigo	721	(2 concerts) 1,356
Shepparton	1,681	-
Wangaratta	488	-
Workshops/Lectures†	13,991	13,996
In school visits†	1,541	3,594
Total	31,704	35,791
OTHER EVENTS		
MSO Season Launch (Melbourne & Geelong) (Free)	483	#
Christmas at the Docklands Library with MSO Chorus (Free)	40	-
Make-A-Wish performance	200	-
Indonesia State Government Dinner	40	-
Emirates 20 th Birthday Performance – Melbourne Airport	300	-
Total	1,063	
BROADCAST & DIGITAL ENGAGEMENT		
Radio including ABC Radio / Classic FM	2.8 million	2.1 million
Television including Foxtel Arts & free to air	123,000	50,000
Online including ABC Splash, download of education resources & MSO Learn App	122,154	67,436
Total	3,045,154	2,217,436

^v MSO Chorus ANZAC Day performances attracted a significantly smaller audience due to inclement weather.

§ Free, metropolitan, regional, international, commercial hires, and education (metro and regional) concerts.

* Family Classic Kids + Education Week Family Concert: An Adventurer's Guide to the Orchestra (Fast Cars, Spaceships and Swords).

An additional 12 concerts were included in this 2015 core tally – 4 Pop concerts (series retired in 2016), 2 Soloists Choice, 2 Keys to Music, and 2 extra Monash series concerts. The Season Launch and Chorus Christmas performance were also counted as performances in 2015 (counted as Other in 2016).

† Includes Work Insights work experience program in 2016. Open Rehearsals were free in 2015 and counted as workshops. These were counted as performances in 2016 so are not included here.

ARTS LEADERSHIP

20 MSO CHORUS PERFORMANCES (14 WITH THE MSO / 6 FREE)

The MSO Chorus attracted an audience of 78,506 people across its season of MSO/stand-alone performances. This includes the 52,250 attending MSO Chorus performances at ANZAC Day Dawn and Commemorative Services. Due to popular demand, a dedicated Choral series of concerts featuring the MSO Chorus was introduced for the 2017 season.

NEW NGV PARTNERSHIP

MSO and the National Gallery of Victoria are working together to present Art and Music, an annual series of performances/lectures that connect multi-sensory Arts experiences. Two events were held in 2016.

2 WEEK MSO BEETHOVEN FESTIVAL

Four concerts, 12 programs and a host of presenters and performers collaborated in this highly successful MSO Festival. In Hamer Hall, the NGV and open spaces of Melbourne's Arts precinct, there were concerts, panel discussions, pre/post concert talks, even Jams for Juniors for the little ones. This extended festival was generously supported by Joy Selby Smith.

69 PRE/POST CONCERT TALKS AND INTERVAL CONVERSATIONS

Reaching an audience of 8,770 people interested in the wider context of life behind the music.

7 SALES OF MSO'S SELF-DEVELOPED ORCHESTRAL PRODUCTIONS

MSO self-developed product Babe in Concert was sold to Sydney, Tasmania, Canberra and Darwin Symphony Orchestras, as well as the New York Philharmonic. Receiving high praise in The New Yorker, this was MSO's first commercial sale outside of Australia. Similarly, Tripod: This Gaming Life was sold to Adelaide Cabaret Festival and Adelaide Symphony Orchestra.

3 AWARD NOMINATIONS / 1 WIN

2 Helpmann Award nominations – 'Best Australian Contemporary Concert' (Flight Facilities with MSO, Melbourne Festival) and 'Best Symphony Orchestra Concert' (Britten's War Requiem), and an ARIA award win for 'Best Classical Recording' for our performance with Flight Facilities.

13 COMMERCIAL HIRES, UP FROM 5 IN 2015

MSO hire for the Hilltop Hoods concert at Rod Laver Arena in April was reportedly Australia's biggest hip hop concert based on a capacity audience attendance.

10 MSO PROGRAMS THAT CHAMPION AUSTRALIA'S EMERGING ARTISTS

Image: Nigel Westlake conducts Babe in Concert
Photo: Tim O'Connor





Image: NGV choral performance
Courtesy: National Gallery of Victoria. Photo: Narelle Wilson



Image: Tripod - This Gaming Life
Photo: Tim O'Connor

GATEWAY FOR GREAT MUSIC AND MUSICIANS



Image: Beethoven Festival
Courtesy: National Gallery of Victoria. Photo: Narelle Wilson

The MSO attracts the very best artists from Australia and across the globe, as guests and musicians. Developing the talent of emerging artists through professional development, competitions, commissions and collaborations serves to build our art form for future generations.



GATEWAY FOR GREAT MUSIC AND MUSICIANS

MEASURES	RESULT
Develop series to showcase Australian artists	Achieved
Collaborate with tertiary institutions to develop new programs with MSO	Achieved

In 2016, the MSO presented a colourful program in which familiar masterworks were often put in a new light.

Sir Andrew Davis pursued his Mahler Cycle with Symphonies No.5 and 6. The combination of Mahler's Fifth Symphony and Ravel's Piano Concerto for the Left Hand, magnificently played by Pierre-Laurent Aimard, was absolutely an artistic highlight. The Ives Cycle drew to a close with performances of the monumental Symphony No.4, contrasted on the same program by an early Haydn symphony and Rachmaninov's Paganini Rhapsody. In the ongoing Strauss-series, Sir Andrew Davis conducted the evocative *Alpine Symphony*.

Beethoven's five piano concertos were the central theme in a 2-week festival with British pianist Paul Lewis. Here, Beethoven's music was presented as the turning point between the 'classical style' of the late Haydn and the development into a new world sound at the beginning of the twentieth century (the so-called Second Viennese School).

In the Metropolis New Music Festival, the MSO concentrated on music about cities. In two programs, works from composers as different as Steve Reich, Heiner Goebbels, Olivier Messiaen and Barry Conyngham evoked the soundscapes of large cities. In contrast, vocal works by renaissance composers Clement Jannequin and Orlando Gibbons rubbed shoulders with Luciano Berio.

As always, some of the world's greatest artists performed with the MSO: Pierre-Laurent Aimard, Lars Vogt, James Ehnes, Jakub Hrůša, Nelson Freire, Simone Young, Stuart Skelton and Michelle DeYoung, to name but a few. And the BBC Proms started a new initiative in Melbourne with the MSO as core partner: a short version of the famous Proms including the Last Night, conducted by Sir Andrew Davis.

CONTINUING OUR COMMITMENT TO AUSTRALIAN MUSIC AND MUSICIANS

Australian soloists feature exclusively in MSO's Town Hall, Play Conduct series at the Melbourne Recital Centre and Sidney Myer Music Bowl Free Summer Concert Series, as well as across all core series and special events.

MSO continues to work with Australian Youth Orchestras on its string fellowship program for musicians, Melbourne University on its Composers workshop and students across Australia's leading tertiary institutions on its annual Snare Drum award. The Cybec 21st Century Australian Composers Program – generously supported by The Cybec Foundation – continues to promote Australia's emerging talent, with two finalists – Alex Turley and Michael Bakrnčev – presenting works featured in MSO's 2016 Metropolis New Music Festival.

Presented in partnership with Melbourne Recital Centre, Metropolis examined all facets of city life, through time, place and history. Showcasing the best interpreters of new music in Australia in a striking overview of state-of-the-art contemporary music, dynamic American conductor and pianist Robert Spano programmed three concerts – City Life, Cityscapes and Heavenly Cities that cross continents and centuries in their depiction of Music of the City. A festival of new music and premiere works which celebrate emerging artists, Metropolis has a strong and loyal following across all ages. All three festival concerts were also broadcast on ABC Classic FM, providing access to the arts for audiences beyond the concert hall.

AUSTRALIAN GUEST ARTISTS & SOLOISTS (24)

CONDUCTOR

Benjamin Northey
Brett Kelly
Simone Young

BASS

Christopher Richardson

CONTRALTO

Liane Keegan

DANCER

Rebecca Jensen

ENSEMBLE

Australian String Quartet

FLUTE

Prudence Davis

GUITAR

Leonard Grigoryan
Slava Grigoryan

ORGANIST

Calvin Bowman

PIANO

Andrea Lam
Daniel de Borah
Michael Kieran-Harvey
Stefan Cassomenos

SOPRANO

Emma Matthews
Jacqueline Porter

TENOR

James Clayton
Stuart Skelton

VIOLIN

Dale Barltrop
Grace Clifford
Ray Chen
Richard Tognetti
Sophie Rowell

COLLABORATIVE PARTNERSHIPS WITH EDUCATION/TERTIARY INSTITUTIONS (3)

Institution	Program
Australian Youth Orchestras	Annual String Fellowship Program
Australian National Academy of Music	Side by Side Project
University of Melbourne	Composers Workshop

MSO COMMISSIONS OF AUSTRALIAN WORKS (8)

Developing our art form by commissioning new works for the classical canon provides our artists and musicians with opportunities to innovate and create. MSO initiatives such as the Metropolis New Music Festival, Cybec 21st Australian Composers Program, University of Melbourne Composers Workshop, and from 2017 new Composer/Young Composer in Residence programs are central to our

commissioning strategy and fuel our annual commitment of five or six new works per season.

Our ability, in our role as cultural ambassador for Australia, to re-program new Australian commissions later in current or subsequent seasons, and potentially in an international touring schedule continues to remain a MSO priority.

AUSTRALIAN PREMIERES (13)

Composer	Work
Sally Greenaway	<i>Worlds within Worlds</i> (MSO Commission)
Michael Bakrnčev	<i>Sky Jammer</i> (MSO Commission)
Samuel Smith	<i>interior cities</i> (MSO Commission)
Alex Turley	<i>City of Ghosts</i> (MSO Commission)
Nigel Westlake	<i>Dream of Flying</i> (MSO Commission)
Barry Conyngham	<i>Diasporas</i> (MSO Commission)
James Ledger	<i>Hollow Kings</i> (MSO Commission)

Composer	Work
Luke Hutton	<i>The Descent of Doctor Semmelweis</i>
Jakob Bragg	<i>Ochrellila</i>
Caerwin Martin	<i>Geographe Bay</i>
Alon Trigger	<i>Cantillations</i>
Tamil Rogeon	<i>The Art of Football</i>
Ian Munro	<i>Flute Concerto</i> (MSO Commission)



GATEWAY FOR GREAT MUSIC AND MUSICIANS

INTERNATIONAL ARTISTS (36)

BRAZIL

Marcelo Lehninger* conductor
Nelson Freire* piano

CANADA

Michelle Losier soprano

CHILE / SWEDEN

Luciana Mancini* contralto

CHINA

Li-Wei Qin cello
Tan Dun conductor

CZECH

Jakub Hrůša conductor

FRANCE

Jean-Efflam Bavouzet piano
Pierre-Laurent Aimard piano

GERMANY

Alban Gerhardt cello
Christoph Koenig conductor
Lars Vogt piano

ISRAEL

Vadim Gluzman violin

KOREA

Joyce Yang piano

TAIWAN

Ray Chen violin

UK

Sir Andrew Davis conductor
Alexander Shelley conductor
Andrew Litton conductor
Andrew Staples tenor
Charles Daniels* tenor

Douglas Boyd conductor
James Ehnes violin
Laura van der Heijden cello
Lawrence Power viola
Paul Goodwin# conductor
Paul Lewis piano
Sir Andrew Davis conductor

USA

Christian Van Horn* bass
Emily Birsan* soprano
Eoin Andersen violin
Jonathan Biss piano
Joshua Weilerstein conductor
Justin Freer conductor
Michelle de Young soprano
Robert Spano conductor

VENEZUELA

Diego Matheuz conductor

*First performance in Australia

#First performance in Melbourne

WORLD PREMIERES (14)

Composer	Work
Sally Greenaway	<i>Worlds within Worlds</i>
Michael Bakrnčev	<i>Sky Jammer</i>
Samuel Smith	<i>interior cities</i>
Alex Turley	<i>City of Ghosts</i>
Nigel Westlake	<i>Dream of Flying</i>
Barry Conyngham	<i>Diasporas</i>
James Ledger	<i>Hollow Kings</i>
Luke Hutton	<i>The Descent of Doctor Semmelweis</i>
Jakob Bragg	<i>Ochrelila</i>
Caerwin Martin	<i>Geographe Bay</i>
Alon Trigger	<i>Cantillations</i>

Composer	Work
Tamil Rugeon	<i>The Art of Football</i>
Ian Munro	<i>Flute Concerto</i>
Derrick May	<i>various works arranged for DJ & orchestra</i>



Image: Tan Dun conducts Chinese New Year Concert
Photo: Daniel Aulsebrook

CHAMPION OF MUSIC EDUCATION

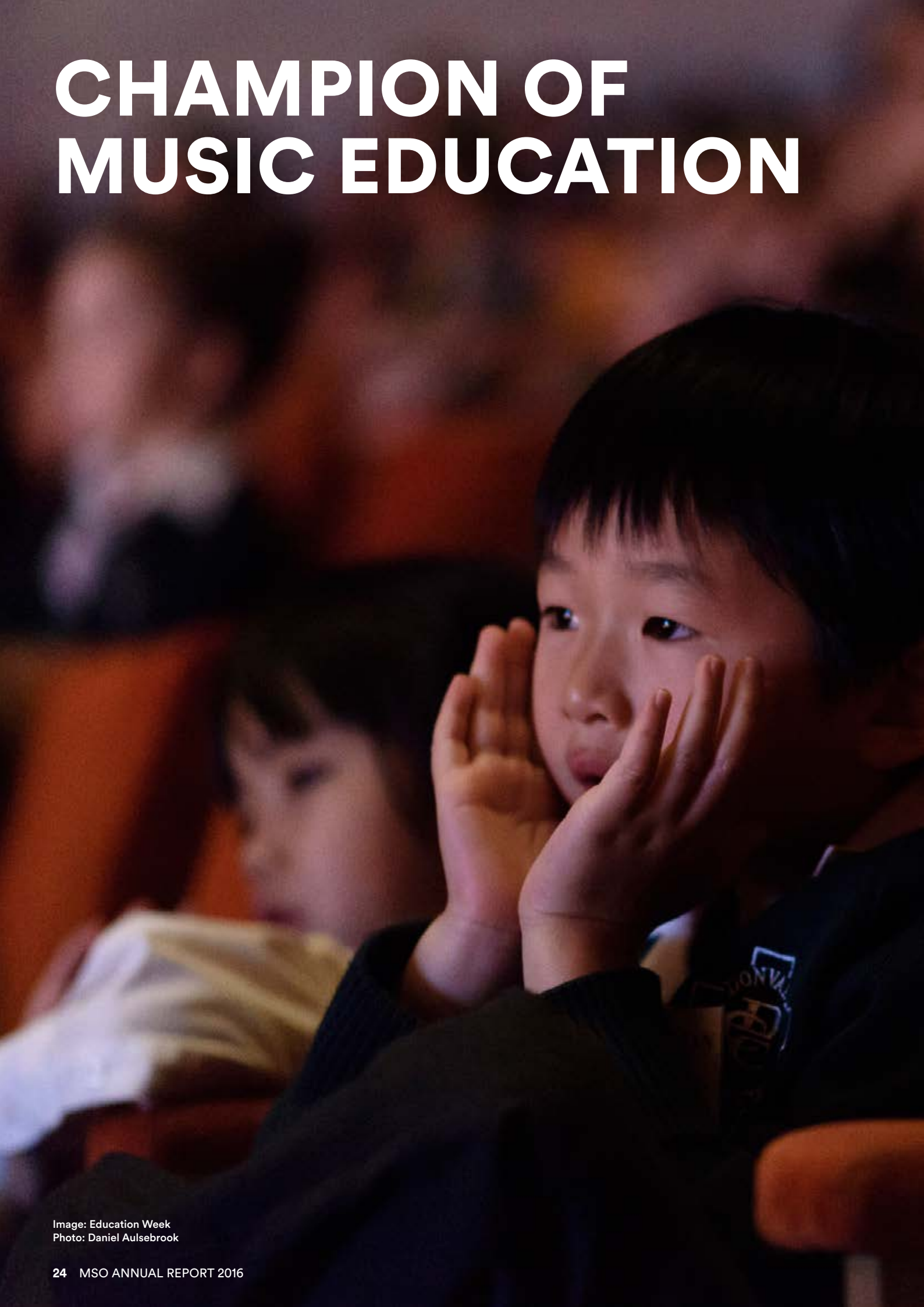
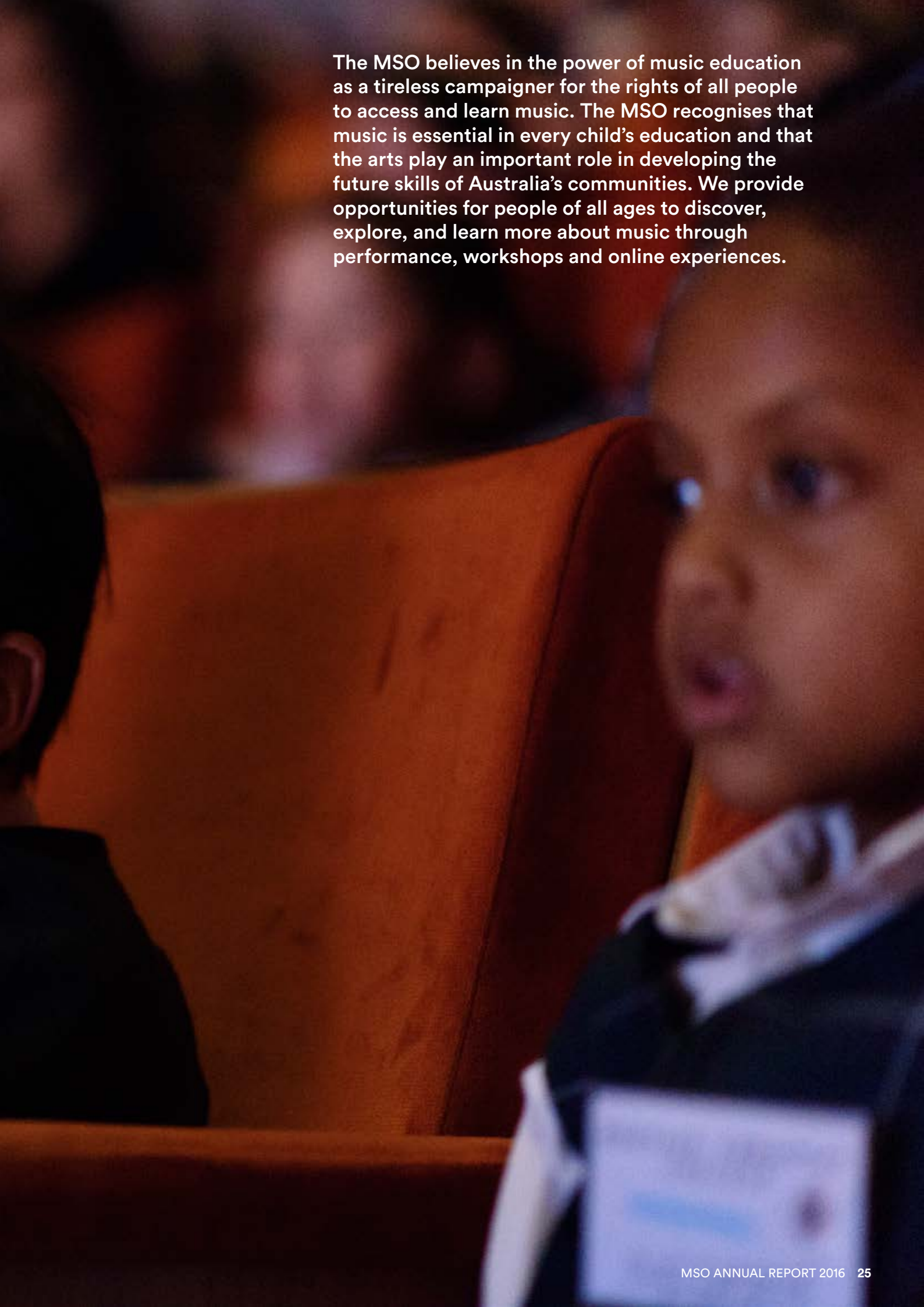
A young child with dark hair, wearing a dark school uniform with a crest, is shown from the chest up. They are sitting in what appears to be an orchestra, with their hands raised in a clapping motion. The background is blurred, showing other children and the warm, dim lighting of a concert hall.

Image: Education Week
Photo: Daniel Aulsebrook

A young child with dark hair is seated in a wooden chair, looking off-camera with a curious expression. The child is wearing a dark sweater over a light-colored collared shirt. The background is blurred, showing other people in a dimly lit room.

The MSO believes in the power of music education as a tireless campaigner for the rights of all people to access and learn music. The MSO recognises that music is essential in every child's education and that the arts play an important role in developing the future skills of Australia's communities. We provide opportunities for people of all ages to discover, explore, and learn more about music through performance, workshops and online experiences.

CHAMPION OF MUSIC EDUCATION

MEASURE	RESULT
Refine the education and community engagement strategy for greater participation and impact	Achieved
Undertake education and learning initiatives within schools and the wider community	Achieved
Number of schools attending MSO concerts	201
Percentage of students receiving subsidised tickets to Education Week	28%

In 2016, the MSO presented 25 programs and initiatives through education and community engagement to reach more than 41,000 people, almost 10,000 of those via digital channels directly linked to core programming.

112,000

A record number of 'MSO Learn' downloads (295,000 cumulative since 2011), with high level interest in the learning app from across Australia, USA, UK and New Zealand.



EDUCATION WEEK

- 15 concerts and workshops over five days
- 11,824 Live Audience reach
- One in four students (28%) from low socio-economic schools attended Education Week through access initiatives including Arts Centre Melbourne's First Call Fund and MSO Sponsored Schools program.
- 4,800 Digital reach via the ABC Splash live stream of Meet the Orchestra (double that of 2015), with an additional 2,027 page views of ABC Splash online resources across the year. Meet the Orchestra is made possible by The Ullmer Family Foundation.

THE PIZZICATO EFFECT

- 14 languages spoken by students of The Pizzicato Effect, MSO's flagship community program which provides free instrumental tuition to children living in the City of Hume.
- In its new format, 70 children from 20 schools enrolled in the program and participated in 528 workshop sessions.
- Three public performances were held for the school/Hume community attracting a total audience of 500 people.
- Five senior Pizzicato Effect students attended Melbourne Youth Orchestras' Summer School on fully-subsidised scholarships.



Image: Education Week
Photo: Daniel Aulsebrook

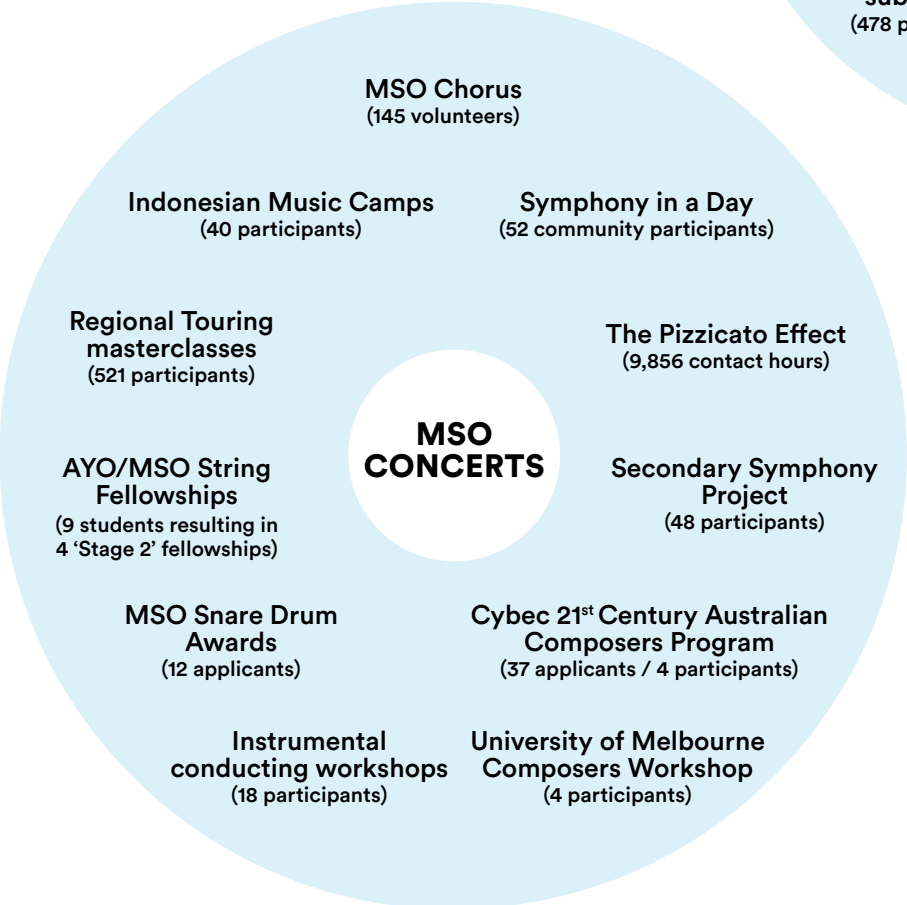
EDUCATION & COMMUNITY ENGAGEMENT



ARTS ACCESS



ARTS PARTICIPATION



ENGAGING OUR COMMUNITIES



Image: MSO performs at the Sidney Myer Music Bowl
Photo: Daniel Aulsebrook

The MSO engages with communities in person and online, in the city and outer suburbs of Melbourne, within regional Victoria, across Asia and the world. It does this by listening to, understanding the needs and expectations of, and delivering on its commitment to its stakeholders, its audiences and its people.



ENGAGING OUR COMMUNITIES

MEASURES	RESULT
Reflect the diversity of the community in MSO programming	Achieved
Increase regional activity and engagement	Achieved
Extend audience reach through digital engagement	Achieved
Develop programs that build the youth audience	Achieved
Provide accessible performances for families and other community sectors	Achieved

Regardless of cultural background, age, gender or ability, regardless of where they live or what they earn, all Victorians are entitled to see themselves reflected in our cultural life. The MSO is eager to fuel diverse arts practice from artists of many cultural backgrounds and collaborate with its partners to develop and present work that reflects the cultural diversity of Melbourne and Australia.

In line with Victoria's 2016 China Strategy, the MSO is building stronger engagement with China and Asia by developing and extending 'connections through reciprocal, cultural partnerships, and establishing new platforms for people to people engagement.' A number of high profile artists from across Asia featured broadly across the 2016 season in key MSO series. Celebrated conductor Tan Dun returned for the third successive year for our Chinese New Year Concert. A highlight on Melbourne's cultural calendar, the Chinese New Year Concert (supported by the Li Family Trust) continues to attract enormous diplomatic support from the Consul General of People's Republic of China in Melbourne, Ambassador of People's Republic of China and the Chinese Ministry of Culture, abundant sponsorship support and concertgoers from Victoria's Chinese Community.

From special events, iconic venues and highlights in our Masters and Great Classics series to further engagement with our residency partners, the Shanghai Symphony Orchestra, Asia was well represented in 2016 by artists arriving in Melbourne to present new commissions, collaborations and premieres with the MSO.



FREE CONCERTS

From ANZAC Day performances by MSO Chorus, to the 30,000 attending our (Sidney Myer Free Concerts), and late night Secret Symphony concerts presented in hidden Melbourne spaces, the MSO connects with its communities in many ways.

22
free concerts
84,941
live audience

REGIONAL TOURING

80% increase in regional tour activity – 27 concerts, interactive workshops, pre-concert talks and community-based programs over the two week tour.

2,890 downloads of MSO's first online, pre-concert teaching resources available prior to the tour.

"The workshop was AMAZING!! Hard to tell which was better, the whole orchestra or the actual workshop. Excellent in its hands-on activities, the presenters were very engaging and child friendly and so close up and personal for the students. A 'once in a life time' opportunity for some!"

Teacher, Shepparton

Image: Chinese New Year Concert
Photo: Daniel Aulsebrook

SPECIAL EVENTS

Beethoven Festival (4 concerts)

Cirque De La Symphonie (2 concerts)

David Bowie 'Nothing Has Changed' (3 concerts) – with Melbourne Festival

MSO at the Movies:

Dreamworks (2 concerts)

Hitchcock and Hermann (2 concerts)

Indiana Jones (4 concerts) – the most profitable program in MSO history

The Godfather (2 concerts)

Chinese New Year Concert – with celebrated conductor Tan Dun

Messiah (2 concerts)

MSO + Jeff Mills + Derrick May – An important MSO collaboration with Arts Centre Melbourne and Mushroom Group, Australia and New Zealand's leading music company. Based on the the success of this partnership, future programs are being developed for 2017 and beyond.

The Idea of North: A World of Christmas

A record year for MSO self-presented special events:

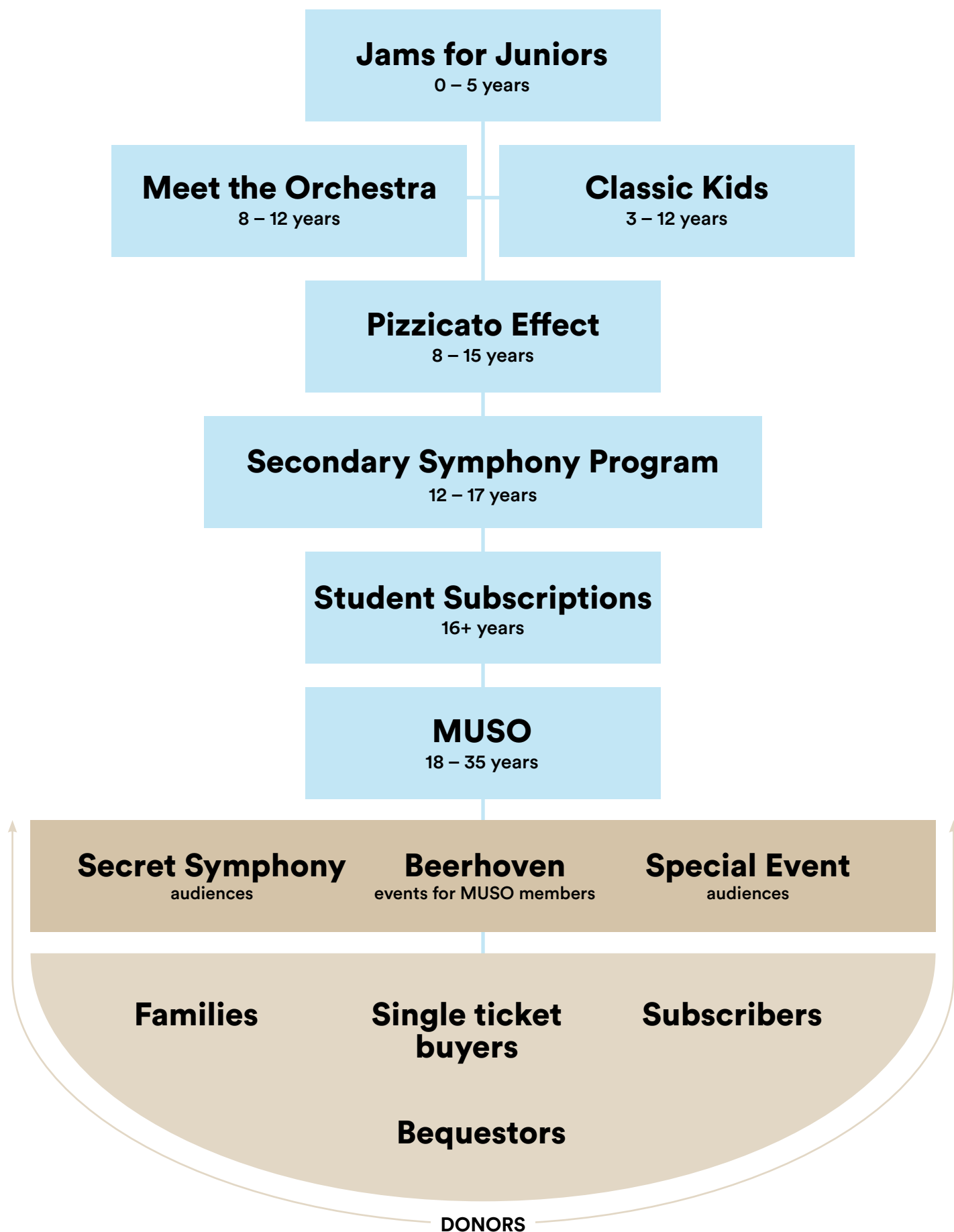
**24
concerts**

**51,119
live audience**

Images (clockwise from top left): Cirque De La Symphonie; David Bowie 'Nothing Has Changed'; MSO + Jeff Mills + Derrick May; Indiana Jones
Photos: Daniel Aulsebrook



BUILDING PATHWAYS FOR YOUNGER MSO AUDIENCES AND LIFE-LONG ENGAGEMENT



YOUTH

20% GROWTH IN MUSO MEMBERSHIP

Our ability to build future audiences is a key focus for the MSO. Development of our MUSO membership program, which is free for 18-35 year olds, provides \$30 B-Reserve tickets across core concerts and exclusive members-only Beerhoven events throughout the year. Demand for access to MUSO tickets in 2016 continued to be high, with all allocations selling out across the year. A total of 965 tickets were sold across 13 MSO concerts (up 25% on 2015) and membership grew by almost 20% to 3,870 active and loyal members. MUSO is proudly supported by Crown Resorts Foundation and Packer Family Foundation.

16 JAMS FOR JUNIORS WORKSHOPS AT CHADSTONE SHOPPING CENTRE

Held for the first time at this venue for children aged 0 to 5 and their carers.



Left and above –
Images: Education Week
Photos: Daniel Aulsebrook

Below –
Images: Secret Symphony
Photos: Daniel Aulsebrook



ENGAGEMENT THROUGH LIVE PERFORMANCE

● METROPOLITAN MELBOURNE



Arts Centre Melbourne, Hamer Hall
127,694 people



Melbourne Town Hall
8,569 people



Iwaki Auditorium
1,725 people



Melbourne Recital Centre
12,754 people



**Robert Blackwood Hall,
Monash University Clayton**
5,515 people



Sidney Myer Music Bowl
39,492 people



**Intimate venues and unique Melbourne
spaces for three Secret Symphony Concerts**



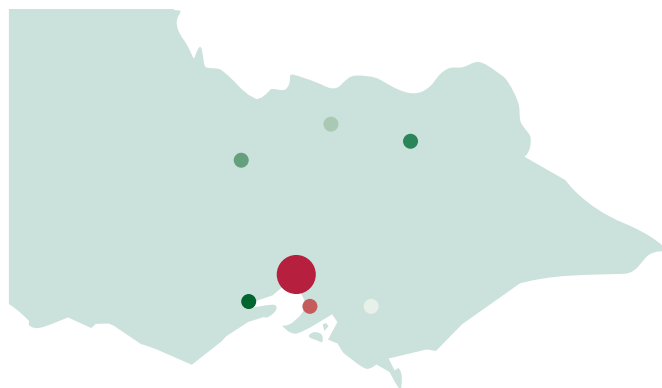
National Gallery of Victoria



Plenary, MCEC



Circus Oz Bigtop



● OUTER METROPOLITAN

● Frankston (Frankston Arts Centre)



REGIONAL VICTORIA

- Geelong (Geelong Performing Arts Centre)
- Wangaratta (Wangaratta Performing Arts Centre)
- Bendigo (Ulumbarra Theatre)
- Shepparton (Riverside Theatre)
- Warragul (West Gippsland Arts Centre)



SIDNEY MYER MUSIC BOWL

MSO's Summer Free Concert Series at the Sidney Myer Music Bowl, Melbourne's largest outdoor venue, attracted a diverse audience of 30,000 people across three concerts.



PLENARY, MCEC

Missy Higgins and the MSO, and an audience of 5,000. Kirsten Maree in her 'AU.Review' (29 Nov 2016) cites 'There are only a few truly perfect pairings in life... now I'm happy to say I've witnessed another; Missy Higgins and the Melbourne Symphony Orchestra.'



REGIONAL VICTORIA

An MSO team of teaching artists and musicians took to the road travelling over two weeks to Bendigo, Shepparton and Wangaratta to provide our regional communities with an intensive program of 27 events (almost double that of 2015). From pop ups on local trams and yoga class accompaniment, to concert hall performances, side-by-side masterclasses with local orchestras and a host of education workshops for school groups from prep to year 11, the tour engaged close to 5,000 regional supporters. The 2016 regional tour was generously funded by Creative Victoria, and the Robert Salzer and Erica Foundations.



NATIONAL GALLERY OF VICTORIA

A new partnership between the MSO and the National Gallery Victoria will see the presentation of six new and unique art, dialogue and music events at the NGV each year. The NGV 'Tuneful Talks' held in 2016 engaged audiences with a mesmerising discussion about Beethoven and Turner with a trio of MSO string players, and then in November the MSO Chorus explored Mahler and his connection to the Gallia family.



CIRCUS OZ BIGTOP

An active collaboration between MSO and Circus Oz – 'The MSO Runs Away to the Circus' attracted a capacity audience of close to 2,000 people across eight shows. Families and students from 17 schools delighted in the work of local Australian composers as much as the musicians and performers enjoyed providing the fun, colourful and high-energy learning environment.



INTIMATE VENUES AND UNIQUE MELBOURNE SPACES

Three live late-night Secret Symphony performances at NGV, ArtPlay and Chapter House in 2016 attracted close to 400 people. Promoted exclusively through social media, @ASecretSymphony has 2,846 Twitter followers and 607 Instagram followers.

INTERNATIONAL

Shanghai

The MSO began its 3-year partnership with China's oldest and most prestigious orchestra, the Shanghai Symphony Orchestra (SSO), with a 7 day Residency Tour to China. Thanks to the generous support of the Australia Council, Creative Victoria, and private donations from Harold Mitchell AC and Li Family Trust, the MSO and Sir Andrew Davis proudly represented Melbourne and Australia as cultural ambassadors, strengthening our international diplomatic and artistic relationships.



INTERNATIONAL

Special Region of Yogyakarta

Working together with the Government of the Special Region of Yogyakarta, with the support of the Sultan of Yogyakarta, Hamengkubuwono X, Creative Victoria and the Australia - Indonesia Centre, five MSO musicians travelled to Indonesia in October to deliver an inaugural Youth Music Camp for 40 local students and teachers – a first in this format for any western orchestra in the region.



INTERNATIONAL

Jakarta

MSO Performance, State Government of Victoria Dinner – Facilitated by Mr Brett Stevens, Commissioner for Victoria to South East Asia.

ACCESS TO MSO THROUGH DIGITAL CHANNELS



TOTAL BROADCAST AUDIENCE

3.05 MILLION



DOWNLOAD OF ONLINE EDUCATION RESOURCES

116,917



LIVE STREAM EVENTS

2

Close to 5,000 (4,800) students and teachers across Australia watched Education Week's Meet the Orchestra via ABC Splash in 2016. For the first time, the MSO also streamed its annual season launch, with 432 unique views watching for an average 12 minutes.



ABC RADIO BROADCASTS

56



TELEVISED PERFORMANCES

3

An exciting new partnership with Foxtel Arts will see three MSO concerts broadcast each year across Australia. Tognetti and The Lark Ascending was MSO's first partnership broadcast in 2016.



Across metro and regional rankings, **The Wiggles Meet The Orchestra** was the 4th highest rating kids program on ABC Kids TV for 0-4's and 0-12's, between January and October 2016. ABC Kids is Australia's #1 children's TV station. A fantastic result for MSO given the number of high-profile kids properties that air on ABC Kids.



MSO WEBSITE
USER SESSIONS

729,113



DOWNLOAD OF MSO
CONCERT PROGRAMS

44,916



FACEBOOK

47,864

Friends
(1,111,660 likes)



YOUTUBE

81,858

Views of 35 videos



INSTAGRAM

7,094

Followers



TWITTER

11,618

Followers

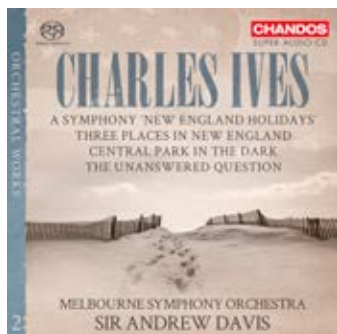


LINKEDIN

1,523

Followers

ACCESS TO MSO THROUGH RECORDINGS



Ives: Orchestral Works, Volume 2

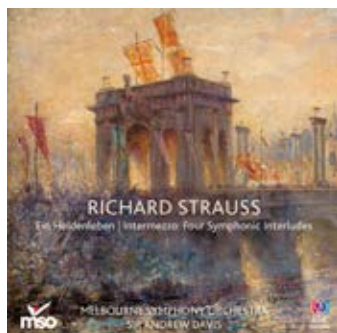
Chandos

Released January 2016



'MSO exposes inner details of Ives' New England soundscapes' – Limelight Review (6 May 2016)

'Davis achieves the balance as well as anyone I've heard. It is up there with my favourite recordings by Tilson Thomas (in Boston) and the Orpheus Chamber Orchestra. Recommended.'



STRAUSS Ein Heldenleben / Intermezzo: four symphonic interludes

ABC Classics

Released 11.03.16

'Reveals the orchestra in all of its glory... It's truly wonderful to listen to.'

Meldi Arkinstall
thecultureconcept.com



Emma Matthews: Agony and Ecstasy

ABC Classics

Released 02.09.16



No.1 on the Limelight chart of Australia's top 20 classical music albums

Limelight magazine's Australian Artist of the Year
Runner-up – Opera Recording of the Year



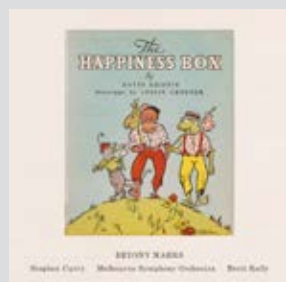
A Symphonic Christmas

ABC Classics

Released 25.11.16

Recorded live at Hamer Hall, Arts Centre Melbourne. Featuring conductor, arranger and pianist Bramwell Tovey, MSO and MSO Chorus. The CD was the only classical release in the iTunes Top 10 in the lead up to Christmas 2016.

IN THE NEWS



'A charming Aussie children's tale brought to life by Marks...Bringing merriment to the youngest of Australian listeners' Limelight Magazine (Nov 2016)



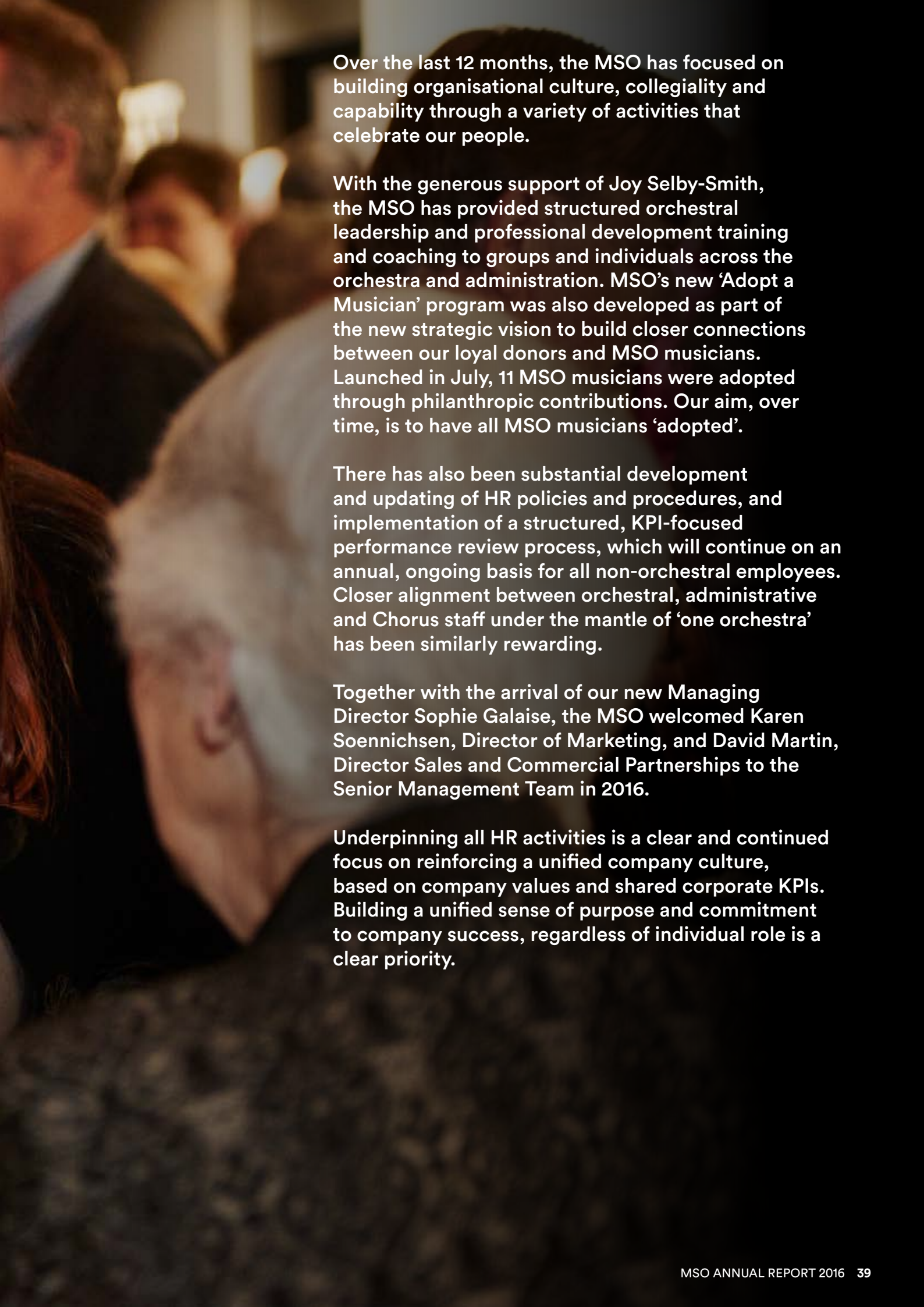
ARIA Award Win

Along with rave reviews in *The Australian*, *Herald Sun* and *The Age*, and a Helpmann Award nomination for 'Best Australian Contemporary Concert', MSO was proud to be acknowledged for our collaboration with Flight Facilities with an ARIA Award.

FOCUS ON OUR PEOPLE



Image: MSO Patrons and musicians enjoying the 2016 Benefactors' Dinner
Photo: Tim O'Connor



Over the last 12 months, the MSO has focused on building organisational culture, collegiality and capability through a variety of activities that celebrate our people.

With the generous support of Joy Selby-Smith, the MSO has provided structured orchestral leadership and professional development training and coaching to groups and individuals across the orchestra and administration. MSO's new 'Adopt a Musician' program was also developed as part of the new strategic vision to build closer connections between our loyal donors and MSO musicians. Launched in July, 11 MSO musicians were adopted through philanthropic contributions. Our aim, over time, is to have all MSO musicians 'adopted'.

There has also been substantial development and updating of HR policies and procedures, and implementation of a structured, KPI-focused performance review process, which will continue on an annual, ongoing basis for all non-orchestral employees. Closer alignment between orchestral, administrative and Chorus staff under the mantle of 'one orchestra' has been similarly rewarding.

Together with the arrival of our new Managing Director Sophie Galaise, the MSO welcomed Karen Soennichsen, Director of Marketing, and David Martin, Director Sales and Commercial Partnerships to the Senior Management Team in 2016.

Underpinning all HR activities is a clear and continued focus on reinforcing a unified company culture, based on company values and shared corporate KPIs. Building a unified sense of purpose and commitment to company success, regardless of individual role is a clear priority.

OUR BOARD



MICHAEL ULLMER **CHAIRMAN**

Member GC, FDC, FC, SRC, ECEC

London-trained chartered accountant Michael Ullmer spent the first half of his career with professional accounting firms in London, the US and Australia, and the second half in banking, most recently as Deputy Group CEO of National Australia Bank (NAB). Today, he divides his time between public company directorships and not-for-profit roles in the arts.

A Fellow of the Institute of Chartered Accountants, Senior Fellow of the Financial Services Institute of Australasia and a Fellow of the Institute of Company Directors, Mr Ullmer is also a Director of Lendlease and Woolworths Limited, and a Trustee of the National Gallery of Victoria.

Appointed Chairman Oct 2015

Appointed to MSO Board Jan 2007



ANDREW DYER

Chair FC

Member FDC, SRC

Andrew Dyer is a Chairman and Company Director and has extensive career experience in the energy, telecommunications, technology and services industries. He currently serves on a number of boards including Keystone Radiology, Cancer Council Victoria and The Good Foundation/Jamie Oliver Ministry of Food.

Mr Dyer also serves on advisory boards for the Victorian College of the Arts, the Australian Regenerative Medicine Institute, Monash Sustainable Development Institute, Monash Business School and the Monash Industry Council of Advisors. He was also appointed as Australia's first National Wind Farm Commissioner in 2015.

Previous board roles include the Transport Accident Commission and Chair of the Telecommunications Industry Ombudsman Council. A Professorial Fellow at Monash University, Mr Dyer holds a Bachelor of Engineering from Monash University and an MBA from Georgetown University.

Appointed Dec 2013



DANNY GOROG

Chair ECEC

Member SRC

Danny Gorog is an experienced technology executive having founded and sold Outware Mobile, Australia's leading app development company, to ASX-listed Melbourne IT in 2015.

Mr Gorog is also a recognised technology commentator and holds a double degree in IT and marketing, and a postgraduate diploma in management from University of Melbourne.

Mr Gorog is a current Director and Board member of Melbourne University Publishing, a trustee of the Telematics Trust and Director of Biteable, a Tasmanian-based startup that has created the world's simplest online video maker.

Appointed Feb 2014



MARGARET JACKSON AC

Chair GC
Member FDC

Chairman of Ansett Aviation Training Limited and the Prince's Charities Australia.

Ms Jackson has an extensive list of previous roles including Chairman of Spotless Group Holdings, Chairman of Qantas, FlexiGroup Ltd, and the Victorian Transport Accident Commission. She was President of Australian Volunteers International, and Director of The Australian and New Zealand Banking Corporation, Pacific Dunlop Limited and John Fairfax Holdings Limited.

Ms Jackson was awarded a Companion of the Order of Australia in the General Division (AC) in June 2003 for service to business in diverse and leading Australian corporations and to the community in the area of support for medical research, the arts and education. She also received the Centenary Medal in 2001 for service to Australian society in business.

Appointed May 2015



BRETT KELLY

Staff-elected representative

Member ECEC

Brett Kelly has been Principal Trombonist of the Melbourne Symphony Orchestra since 1981. He studied conducting with the distinguished Austrian/Romanian conductor Robert Rosen, and has regularly conducted the Melbourne, Sydney, Tasmanian, Queensland, Adelaide and West Australian Symphony Orchestras, along with the Auckland Philharmonia Orchestra (NZ), the Southern Sinfonia (Dunedin) and the Victorian Opera. Previous roles include Artistic Director of The Academy of Melbourne, Resident Conductor of Chamber Made Opera, and Artistic Director of the 1999 and 2001 Castlemaine State Festivals.

Appointed Apr 2015



DAVID KRASNOSTEIN

Chair FDC
Member FC

David Krasnostein is Chairman of Arch Finance Pty Ltd and Melbourne University Advisory Board for the Master of Banking and Financial Services Law. He is a member of the Advisory Board of Qualitas Pty Ltd, and a Director of Work Health Pty Ltd and the National Breast Cancer Foundation.

Mr Krasnostein was formerly CEO of MLC Private Equity, Chief General Counsel of National Australia Bank and Telstra's first General Counsel and Head of Strategic and Corporate Planning.

Appointed Aug 2014

OUR BOARD



DAVID LI

Member FC, FDC

David Li was born in Shanghai, China, started music training at an early age and performed with an orchestra in China as a violinist for many years. On arrival in Australia, Mr Li received an Australia-China Council Award and BP scholarship which allowed him to take post graduate studies in Advanced Performing Arts (Victorian College of Arts, University of Melbourne), during which time he also worked for major orchestras in Australia.

After some time as a full time musician, Mr Li decided to get into the business sector. After decades, Mr Li has established a business involving manufacturing and distributing building materials, property development and investment. Mr Li is married with two children.

Appointed Jul 2013



HELEN SILVER AO

Chair SRC
Member GC

Helen Silver is currently Chief General Manager of the Workers' Compensation Division at Allianz Australia. Helen was awarded an Officer of the Order of Australia for distinguished service to public administration, business and commerce and the Victorian community in June 2015.

Previous roles include Secretary of the Department of Premier and Cabinet in Victoria, General Manager Government Business at National Australia Bank and Deputy Secretary Victorian Department of Treasury and Finance. She is a Trustee of Arts Centre Melbourne, a National Fellow of the Institute of Public Administration Australia & Board Member of the Judicial Commission of Victoria.

Appointed Jan 2015



KEE WONG

Member GC, SRC

A leader in ICT across the Asia Pacific, Kee Wong has a Bachelor of Engineering (Hons.) and an MBA and consults globally in the technology, services, retail, food and beverage, trading and property sectors. Mr Wong is currently the Chairman of the Board of the Australian Information Industry Association (AIIA), Deputy Chairman of Asialink, Foundation Board Member of the National Gallery of Victoria (NGV) and Monash University's Faculty of Engineering & IT. He is also a Council Member of Victoria University and was recently appointed as a Board Director to the LaunchVIC Initiative.

Appointed Jan 2007

Retired Dec 2016



SOPHIE GALAISE **MANAGING DIRECTOR**

Member GC, FDC, FC, SRC, ECEC

Sophie Galaise joined the MSO as its first female Managing Director in 2016.

Sophie sits on the Board of Symphony Services International and is a member of the International Advisory Committee for the Masters of Management in International Arts Management (Dallas, Montreal, Milan). She is also a member of the Advisory Council of the Harvard Business Review, the Australian Institute of Company Directors (AICD) and The CEO Institute.

A winner in the Australian Financial Review and Westpac 100 Women of Influence Awards in 2015, she is renowned for her extensive experience working with orchestras, not only at the executive level, but also as a professional musician and musicologist.

Prior to her appointment to the MSO, Sophie was Chief Executive Officer of the Queensland Symphony Orchestra. Previous roles include Executive Director of the Quebec Symphony Orchestra, and Executive and Artistic Director of the Orford Arts Centre.

Starting her career as a flautist in her native Quebec, Canada, Sophie has a PhD in Musicology from the University of Montreal and an Executive MBA from McGill University/HEC Montreal.

Appointed Apr 2016

MSO SUB-COMMITTEES

GC = Governance Committee

FDC = Foundation & Development Committee

FC = Finance Committee

SRC = Stakeholder Relations Committee

ECEC = Education and Community Engagement Committee

The MSO Board Directors wish to acknowledge the following external representatives of the MSO Board sub-committees for their significant contributions in 2016:

Shane Buggle

Oliver Carton

Lisa Dwyer

Dale McKee

Harold Mitchell

Glenn Sedgwick

OUR MANAGEMENT

EXECUTIVE

Sophie Galaise
Managing Director

Fiona Allen*
Executive Assistant to the Managing Director

ARTISTIC

Ronald Vermeulen
Director of Artistic Planning

Stephen McAllan
Artist Liaison

Katharine Plows
Artistic Coordinator

EDUCATION AND COMMUNITY ENGAGEMENT

Michelle Hamilton*
Acting Director of Education and Community Engagement

Jennifer Lang*
Senior Manager, Education and Community Engagement

Lucy Rash
Education Manager

Helena Balazs
Program Manager, The Pizzicato Effect

OPERATIONS

Gabrielle Waters
Director of Operations

Angela Bristow
Orchestra Manager

Michael Stevens
Assistant Orchestra Manager

James Foster
Operations Manager

James Poole
Production Coordinator

Steele Foster
Production Assistant

Alastair McKean
Orchestra Librarian

Kathryn O'Brien
Assistant Librarian

Andrew Pogson
Special Projects Manager

Lucien Fischer*
Chorus Manager

PHILANTHROPY

Erika Jordan
Major Gifts Manager

Rosemary Kellam
Trusts and Foundations Manager

Arturs Ezergailis
Donor Liaison

Tasha Chowdhury
Data and Reporting Analyst

BUSINESS

Francie Doolan*
Chief Financial Officer

Debbie Draper*
Chief Financial Officer

Suzanne Dembo
Manager Government Relations and Strategic Projects

Leonie Woolnough
Financial Controller

Nathalia Andries
Accountant

Grace Gao
Finance Officer

MARKETING

Karen Soennichsen
Director of Marketing

Ali Webb
PR Manager

Kieran Clarke
Digital Manager

Dylan Stewart*
Marketing and Communications Manager

James Rewell
Graphic Designer

Clare Douglas
Marketing Coordinator

SALES AND COMMERCIAL PARTNERSHIPS

David Martin
Director of Sales and Commercial Partnerships

Michelle Monaghan*
Corporate Development Manager

Claire Hayes
Ticketing and Database Manager

Paul Congdon
Assistant Sales Manager

Martin Gray
Sales Supervisor

Matt Jakowenko*
Customer Service Coordinator

HUMAN RESOURCES

Miranda Crawley
Director of Human Resources

*Joined MSO in 2017

#Departed MSO

OUR PARTNERS

Melbourne Symphony Orchestra's corporate partnership community continues to strengthen as MSO aims to forge commercial relationships of extraordinary business value, which are highly innovative and assist with delivering our mission of providing musical and education experiences across Melbourne, Victoria and beyond.

In 2016, the value of cash and in-kind sponsorship was \$1,022,500, which was an improvement of 13.4% over 2015. Cash Sponsorship rose +8.6% to \$763,018. In-kind support rose by +30.4% to \$259,482.

MSO was delighted to announce a new partnership with Foxtel Arts in 2016, which will see three concerts broadcast nationally each year to provide audiences with access to top MSO performances.

We greatly value our all of our partners and remain committed to delivering to our partner's business objectives and building sustainable long-term relationships. Emirates continues as Principal Partner of MSO, an association which has existed since 2002. This successful relationship has been renewed for an additional 3-year term from 2017.



Principal Partner

MAESTRO PARTNERS



OFFICIAL CAR PARTNER



ASSOCIATE PARTNERS



VENUE PARTNER



SUPPORTING PARTNERS

Red Emperor
Fitzroys

Li Family Trust
Quest Southbank

The CEO Institute
Feature Alpha Investment



GOVERNMENT PARTNERS



MEDIA PARTNERS



OUR DONORS

As a not-for-profit organisation, Melbourne Symphony Orchestra relies on our community to help fulfill our mission of providing exceptional musical and educational experiences to Melbourne and greater Victorian. We are truly grateful to the many individuals and private trusts and foundations who choose to contribute to the MSO.

We also recognise the extraordinary commitment of our Patrons, whose philanthropic gifts of \$1,000 or more, and Conductor's Circle members, those who have told us they have left a gift in their Will to the MSO, enable us to continue our vital work in the community. MSO Patrons and Conductor's Circle members are invited to get even closer to the music through special events throughout the year. In 2016, these events included dinner with Vadim Gluzman at the Australia Club, a backstage supper with Paul Lewis, the annual Symphony Gala, as well as private open rehearsals and post-concert and interval drinks functions.

Melbourne Symphony Orchestra thanks the following MSO Patrons, Conductor's Circle members and trusts and foundations for their generosity in 2016:

MSO PATRON

The Honourable Linda Dessau AC,
Governor of Victoria

ARTIST CHAIR BENEFACTORS

Anonymous
Principal Flute Chair

Di Jameson
Principal Viola Chair

Joy Selby Smith
Orchestral Leadership Chair

Patricia Riordan
Associate Conductor Chair

The Gross Foundation
Principal Second Violin Chair

The Newman Family Foundation
Principal Cello Chair

The Ullmer Family Foundation
Associate Concertmaster Chair

PROGRAM BENEFACTORS

Meet The Orchestra
The Ullmer Family Foundation

East Meets West
Li Family Trust

The Pizzicato Effect
(Anonymous)
Collier Charitable Fund
Ivor Ronald Evans Foundation, managed by
Equity Trustees
The Marian and E.H. Flack Trust
Schapper Family Foundation
Scobie & Claire Mackinnon Trust

MSO Education
Supported by Mrs Margaret Ross AM and
Dr Ian Ross

MSO Audience Access
Crown Resorts Foundation
Packer Family Foundation

MSO International Touring
Supported by Harold Mitchell AC
Li Family Trust
Creative Victoria
Australia - Indonesia Centre

Satan Jawa
Australia Indonesia Institute (DFAT)

MSO Regional Touring
Creative Victoria
Robert Salzer Foundation
Erica Foundation

**Cybec 21st Century Australian
Composers Program**
The Cybec Foundation

CHAIRMAN'S CIRCLE \$100,000+

Marc Besen AC and Eva Besen AO
The Gross Foundation °
David and Angela Li
Harold Mitchell AC
The Pratt Foundation
MS Newman Family Foundation °
Joy Selby Smith
Ullmer Family Foundation °
Anonymous (1)

VIRTUOSO PATRONS \$50,000+

Di Jameson °
Anonymous (1)

IMPRESARIO PATRONS \$20,000+

Michael Aquilina °
The John and Jennifer Brukner Foundation
Perri Cutten and Jo Daniell
Rachel and the late Hon. Alan Goldberg
AO QC
Hilary Hall, in memory of Wilma Collie
Margaret Jackson AC
David Krasnostein and Pat Stragalinos
Mimie MacLaren
John and Lois McKay

MAESTRO PATRONS \$10,000+

John and Mary Barlow
Kaye and David Birks
Mitchell Chipman
Mary and Frederick Davidson AM
Sir Andrew and Lady Davis
John Gandel AO and Pauline Gandel

Danny Gorog and Lindy Susskind °

Robert & Jan Green
The Cuming Bequest
Ian and Jeannie Paterson
Lady Potter AC °

Elizabeth Proust AC
Rae Rothfield
Glenn Sedgwick
Helen Silver AO and Harrison Young
Maria Solà

Profs. G & G Stephenson, in honour
of the great Romanian musicians
George Enescu and Dinu Lipatti
Gai and David Taylor
Juliet Tootell
Alice Vaughan
Kee Wong and Wai Tang
Jason Yeap OAM

PRINCIPAL PATRONS \$5,000+

Christine and Mark Armour, Will and
Dorothy Bailey Bequest, Prof Ian
Brighthope, Linda Britten, David and
Emma Capponi, Andrew and Theresa
Dyer °, Mr Bill Fleming, John and Diana
Frew, Susan Fry and Don Fry AO,
Sophie Galaise and Clarence Fraser °,
Geelong Friends of the MSO °, Jennifer
Gorog, Louis Hamon OAM, Nereda
Hanlon and Michael Hanlon AM °, Hans
and Petra Henkell, Francis and Robyn
Hofmann, Hartmut and Ruth Hofmann,
Jack Hogan, Doug Hooley, Jenny and
Peter Hordern, Suzanne Kirkham, Dr
Elizabeth A Lewis AM, Peter Lovell, Lesley
McMullin Foundation, Mr and Mrs D R
Meagher, David and Helen Moses °, Dr
Paul Nisselle AM, Ken Ong, in memory
of Lin Ong, Bruce Parncutt and Robin
Campbell, James and Frances Pfeiffer,
Pzena Investment Charitable Fund, Max
and Jill Schultz, Stephen Shanasy, D &
CS Kipen on behalf of Israel Kipen, Mr
Tam Vu and Dr Cherilyn Tillman °, The
Hon. Michael Watt QC and Cecilie Hall,
Lyn Williams AM, Anonymous (3)

THE MAHLER SYNDICATE \$5,000

David and Kaye Birks, Mary and Frederick Davidson AM, Tim and Lyn Edward, John and Diana Frew, Francis and Robyn Hofmann, The Hon Dr Barry Jones AC, Dr Paul Nisselle AM, Maria Solà, The Hon Michael Watt QC and Cecilie Hall, Anonymous (1)

ASSOCIATE PATRONS \$2,500+

Dandolo Partners, Barbara Bell - in memory of Elsa Bell, Bill Bowness, Stephen and Caroline Brain, Oliver Carton, John and Lyn Coppock, Miss Ann Darby - in memory of Leslie J. Darby, Natasha Davies - for the Trikojus Education Fund, Merrowyn Deacon, Beryl Dean, Sandra Dent, Peter and Leila Doyle, Lisa Dwyer and Dr Ian Dickson, Tim and Lyn Edward, Dr Helen M Ferguson, Mr Peter Gallagher and Dr Karen Morley, Dina and Ron Goldschlager, Colin Golvan QC and Dr Deborah Golvan, Louise Gourlay OAM, Peter and Lyndsey Hawkins^o, Susan and Gary Hearst, Colin Heggen - in memory of Marjorie Drysdale Heggen, Rosemary and James Jacoby, Jenkins Family Foundation, C W Johnston Family, John Jones, George and Grace Kass, Irene Kearsey, Kloeden Foundation, Sylvia Lavelle, Bryan Lawrence, Ann and George Littlewood, H E McKenzie, Allan and Evelyn McLaren, Don and Anne Meadows, Marie Morton FRSA, Annabel and Rupert Myer AO, Ann Peacock with Andrew and Woody Kroger, Sue and Barry Peake, Mrs W Peart, Graham and Christine Peirson, Ruth and Ralph Renard, S M Richards AM and M R Richards, Joan P Robinson, Tom and Elizabeth Romanowski, Jeffrey Sher QC and Diana Sher OAM, Diana and Brian Snape AM, Dr Norman and Dr Sue Sonenberg, Geoff and Judy Steinicke, William and Jenny Ullmer, Elisabeth Wagner, Brian and Helena Worsfold, Peter and Susan Yates, Anonymous (10)

^o *Signifies an 'Adopt a Musician' supporter*

PLAYER PATRONS \$1,000+

Philip Bacon AM, Arnold Bloch Leibler, Marlyn and Peter Bancroft OAM, Adrienne Basser, Prof Weston Bate and Janice Bate, David Blackwell, Michael F Boyt, The Late Mr John Brockman OAM and Mrs Pat Brockman, Dr John Brookes, Suzie and Harvey Brown, Jill and Christopher Buckley, Bill and Sandra Burdett, Lynne Burgess, Peter Caldwell, Joe Cordone, Andrew and Pamela Crockett, Pat and Bruce Davis, Wendy Dimmick, Marie Dowling, John and Anne Duncan, Jane Edmanson OAM, Ruth Eggleston, Kay

Ehrenberg, Jaan Enden, Amy & Simon Feiglin, Grant Fisher and Helen Bird, Barry Fradkin OAM and Dr Pam Fradkin, Applebay Pty Ltd, David Frenkiel and Esther Frenkiel OAM, David Gibbs and Susie O'Neill, Merwyn and Greta Goldblatt, George Golvan QC and Naomi Golvan, Dr Marged Goode, Max Gulbin, Dr Sandra Hacker AO and Mr Ian Kennedy AM, Jean Hedges, Michael and Susie Hamson, Paula Hansky OAM, Merv Keehn & Sue Harlow, Tilda and Brian Haughney, Penelope Hughes, Dr Alastair Jackson, Basil and Rita Jenkins, Stuart Jennings, Irene Kearsey & M J Ridley, Brett Kelly and Cindy Watkin, Dr Anne Kennedy, Julie and Simon Kessel, Chris and Anna Long, Andrew Lee, Norman Lewis - in memory of Dr Phyllis Lewis, Dr Anne Lierse, Andrew Lockwood, Violet and Jeff Loewenstein, Elizabeth H Loftus, The Hon Ian Macphee AO and Mrs Julie Macphee, Vivienne Hadj and Rosemary Madden, Eleanor & Phillip Mancini, Dr Julianne Bayliss, In memory of Leigh Masel, John and Margaret Mason, Ruth Maxwell, Jenny McGregor AM & Peter Allen, Glenda McNaught, David Menzies, Wayne and Penny Morgan, Ian Morrey and Geoffrey Minter, JB Hi-Fi Ltd, Patricia Nilsson, Laurence O'Keefe and Christopher James, Alan and Dorothy Pattison, Margaret Plant, Kerryn Pratchett, Peter Priest, Eli Raskin, Bobbie Renard, Peter and Carolyn Rendit, Dr Rosemary Ayton and Dr Sam Ricketson, Doug and Elisabeth Scott, Dr Sam Smorgon AO and Mrs Minnie Smorgon, John So, Dr Michael Soon, Jennifer Steinicke, Dr Peter Strickland, Pamela Swansson, Jenny Tatchell, Frank Tisher OAM and Dr Miriam Tisher, P and E Turner, The Hon. Rosemary Varty, Leon and Sandra Velik, Sue Walker AM, Elaine Walters OAM and Gregory Walters, Barbara and Donald Weir, Edward and Paddy White, Nic and Ann Willcock, Marian and Terry Wills Cooke, Lorraine Woolley, Panch Das and Laurel Young-Das, Anonymous (17)

MSO ROSES

(PROGRAM RETIRED IN 2016)

Roses:

Mary Barlow, Linda Britten, Wendy Carter, Annette Maluish, Lois McKay, Pat Stragalinos, Jenny Ullmer

Rosebuds:

Maggie Best, Penny Barlow, Lynne Damman, Francie Doolan, Lyn Edward, Penny Hutchinson, Elizabeth A Lewis AM, Sophie Rowell, Dr Cherilyn Tillman

TRUSTS AND FOUNDATIONS

Alan (AGL) Shaw Endowment, managed by Perpetual Collier Charitable Fund
Crown Resorts Foundation and the Packer Family Foundation
The Cybec Foundation
The Marian and E.H. Flack Trust
Gandel Philanthropy
The Harold Mitchell Foundation
Ken & Asle Chilton Trust, managed by Perpetual
Linnell/Hughes Trust, managed by Perpetual
The Pratt Foundation
Ivor Ronald Evans Foundation, managed by Equity Trustees
Scobie & Claire Mackinnon Trust
Robert Salzer Foundation
Erica Foundation

CONDUCTOR'S CIRCLE

Jenny Anderson, David Angelovich, G C Bawden and L de Kievit, Lesley Bawden, Joyce Bown, Mrs Jenny Brukner and the late Mr John Brukner, Ken Bullen, Luci and Ron Chambers, Beryl Dean, Sandra Dent, Lyn Edward, Alan Egan JP, Gunta Eglite, Marguerite Garnon-Williams, Louis Hamon OAM, Carol Hay, Tony Howe, Laurence O'Keefe and Christopher James, Audrey M Jenkins, John and Joan Jones, George and Grace Kass, Mrs Sylvia Lavelle, Pauline and David Lawton, Cameron Mowat, Rosia Pasteur, Elizabeth Proust AO, Penny Rawlins, Joan P Robinson, Neil Roussac, Anne Roussac-Hoyne, Ann and Andrew Serpell, Jennifer Shepherd, Profs. Gabriela and George Stephenson, Pamela Swansson, Lillian Tarry, Dr Cherilyn Tillman, Mr and Mrs R P Trebilcock, Michael Ullmer, Ila Vanrenen, The Hon. Rosemary Varty, Mr Tam Vu, Marian and Terry Wills Cooke, Mark Young, Anonymous (23)

THE MSO GRATEFULLY ACKNOWLEDGES SUPPORT RECEIVED FROM THE ESTATES OF:

Angela Beagley, Gwen Hunt, Pauline Marie Johnston, C P Kemp, Peter Forbes McLaren, Lorraine Maxine Meldrum, Prof Andrew McCredie, Miss Sheila Scotter AM MBE, Molly Stephens, Jean Tweedie, Herta and Fred B Vogel, Dorothy Wood

HONORARY APPOINTMENTS

Ambassador

Geoffrey Rush AC

Life Members

Sir Elton John CBE
Ila Vanrenen
The Late John Brockman OAM
The Late Alan Goldberg AO QC

CORPORATE GOVERNANCE

This statement outlines the MSO's corporate governance practices and compliance in line with Australia Council for the Arts' Eight Essential Governance Principles for Arts Organisations (Dec 2015), adapted from the Corporate Governance Principles and Recommendations, 3rd edition 2014, ASX Corporate Governance Council and ACNC Governance standards for Charities.

To ensure sound governance of the organisation, the MSO Board works to:

1. Lay solid foundations for management and oversight
2. Structure the Board to add value
3. Act ethically and responsibly
4. Ensure diversity
5. Safeguard integrity in all reporting
6. Engage with stakeholders
7. Recognise and manage risk
8. Remunerate fairly and responsibly

In 2016, the primary role of the Board of Directors was to guide the implementation of the MSO's strategic objectives in order to address the immediate structural deficit facing the organisation and secure a long-term, financially-sustainable future for the Orchestra. To achieve its goal, the Board sets and monitors the management of performance outcomes, oversees changes to the organisation's structure, ensures the integrity of internal controls and processes, and approves and monitors financial and other reporting.

Key activities undertaken by the Board in 2016 included the induction of new Managing Director Sophie Galaise; a review and approval of a revised business strategy 2016-2020 incorporating mandate for international touring; a review of Board sub-committees and their respective charters; and the ongoing review of the organisation's risk management framework. The MSO continues to refine its diversity policy to reflect the communities it engages with. In establishing measurable objectives for achieving diversity in the areas of, but not limited to, gender, age, ethnicity, disability and cultural background, the MSO will be able to assess and report on its progress and achievements.

Throughout the year, the Board delegates the management of the organisation to the Managing Director and Senior Management team, and governs each

of the MSO's significant business streams, supported by Board sub-committees. Membership of the sub-committees includes Board members, Senior Management and external representatives as required. The Chair of each sub-committee acts as a Board interface by representing the Board and reporting back at full Board meetings.

The current sub-committee structure includes five sub-committees, each chaired by a different Board member, with the following areas of responsibility:

1. Governance Committee – Chair, Margaret Jackson

- Overall governance
- Board recruitment, division of roles and performance
- Succession planning
- Managing Director assessment and compensation

2. Finance Committee – Chair, Andrew Dyer

- Audit
- Earned income streams
- Organisational risk
- Review of management framework
- Driving diversity in audiences, government funding, performance revenue streams/profitability

The MSO's Finance Committee oversees the organisational risk compliance reporting, and ensures the financial records of the MSO have been properly maintained. It reviews the short- and long-term financial position and performance of the Orchestra, ensuring this is based on a sound system of risk management and internal control.

3. Foundation Committee – Chair, David Krasnostein

- Contributed revenue streams
- The structure of the MSO Foundation
- Development portfolios: Philanthropy, Corporate Sponsorship, Trusts and Foundations
- Fundraising campaigns
- MSO investments and investment strategy

The purpose of the Foundation Committee is to raise and accumulate capital to ensure the long-term viability and financial security of the MSO, and to fund special initiatives.

4. Stakeholder Relations Committee – Chair, Helen Silver

- Community and Government relations

5. Education and Community Engagement Committee – Chair, Danny Gorog

- Strategy and assessment of effective programs and policy
- Champion for Music Education – advocacy

The MSO sets out an expectation that directors are deeply connected to the mission of the organisation, and as a result will participate in and support the Company's operations, for example as a subscriber and by regular attendance at special events.

MSO directors' positions are on an honorary basis, and non-executive directors and the Company Secretary do not receive remuneration for their roles as directors of the Company.

A summary of Board skills, which includes the mix of professional competencies and diversity of its membership, is updated with each Board appointment. Currently, the MSO Board includes directors with a range of skills including:

- Not-For-Profit
- Arts Management
- Finance and Accounting
- Business and Commercial Experience (Public Companies and Small Business)
- Law
- Government Relations
- Marketing
- Governance
- Music
- Sustainability
- Fundraising
- IT & Digital

An MSO staff-appointed director is also included on the Board, elected for a two-year term. The full list of Board directors is included on pages 40 to 43.

2016 BOARD AND SUB-COMMITTEE MEETINGS

Description	No of Meetings
Board meeting	8
Governance	3
Finance	4
Foundation	4
Stakeholder Relations	1
Education and Community Engagement (ECEC)	3



Image: Cirque De La Symphonie
Photo: Daniel Aulsebrook



Image: Vadim Gluzman performs in Brahms Violin Concerto
Photo: Daniel Aulsebrook

FINANCIAL REPORT

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report together with the financial report of Melbourne Symphony Orchestra Pty Limited (the Company) for the year ended 31 December 2016 and the auditor's report thereon.

DIRECTORS

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

Name	Date of Appointment
Mr M Ullmer (Chairman)	1 January 2007 (Chairman from 1 October 2015)
Mr A Dyer	12 December 2013
Mr D Gorog	17 February 2014
Ms S Galaise (Managing Director)	21 April 2016
Ms M Jackson AC	8 May 2015
Mr B Kelly	20 April 2015
Mr D Krasnostein	12 August 2014
Mr D Li	1 July 2013
Ms H Silver AO	14 January 2015
Mr K Wong	1 January 2007 (resigned 1 January 2017)

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 before investment income and capital contribution to the Foundation Reserves was a profit of \$285,569 (2015, was a loss on the same basis of \$839,900). The operating result for the year ended 31 December 2016 was a surplus of \$761,727 (equivalent result for the year ended 31 December 2015 was a deficit of \$577,653). Overall ticket sales decreases were offset by increases in revenues from sponsorships, and grants and trusts. These increases along with decreases in expenditures contribute to the surplus of the year.

The Company presented 163 performances during the twelve months ended 31 December 2016 (31 December 2015: 158). The majority of the concerts were held in Melbourne.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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.

LIKELY DEVELOPMENTS

The Company will continue to present performances of symphonic and other orchestral music during the next financial year. The Company is focusing on building its philanthropic and corporate sponsorship income.

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. 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 2016. 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

Unless otherwise stated in this report, no matter or circumstance has arisen since 31 December 2016 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 s. 60-40 of the Australian Charities and Not for Profits Commission Act 2012 is set out on page 54.

Signed in accordance with a resolution of the Directors:

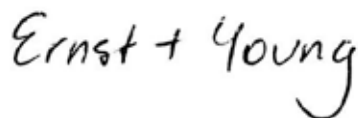


Michael Ullmer
Chairman

Melbourne
18 April 2017

Auditor's Independence Declaration to the members 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 2016, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Australian Charities and Not-for profits Commission Act 2012* or any applicable code of professional conduct.



Ernst & Young



Joanne Lonergan
Partner
18 April 2017

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
REVENUES			
Government grants – direct	3a	761,590	425,590
Government grants - via parent entity	3b	12,983,963	12,815,405
Ticket sales	4	9,814,679	10,280,866
Sponsorship and donation revenue	5	4,276,708	3,980,669
Other revenue	6	1,799,215	1,470,533
Income from financial assets classified as Available for Sale	7	90,207	-
		<u>29,726,362</u>	<u>28,973,063</u>
EXPENSES			
Employee expenses		17,036,264	16,743,867
Artists fees and expenses		3,310,895	3,523,710
Marketing expenses		2,019,002	2,635,237
Production expenses		3,572,084	3,520,173
Selling expenses		273,320	258,063
Depreciation and amortisation	8	122,316	238,361
Management fee		291,441	365,929
Other expenses		2,339,313	2,265,376
		<u>28,964,635</u>	<u>29,550,716</u>
Surplus/(Deficit)		761,727	(577,653)
OTHER COMPREHENSIVE INCOME			
Changes to available-for-sale reserve		93,424	-
TOTAL OTHER COMPREHENSIVE INCOME		<u>93,424</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(DEFICIT)		855,151	(577,653)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	16	3,941,113	2,081,720
Other financial assets	11	7,706,121	7,960,297
Receivables	9	4,426,972	5,309,536
Other current assets	10	514,089	430,738
TOTAL CURRENT ASSETS		<u>16,588,295</u>	<u>15,782,291</u>
NON-CURRENT ASSETS			
Receivables	9	18,936	19,643
Plant and equipment	12	391,793	424,862
Intangible assets	13	-	-
TOTAL NON-CURRENT ASSETS		<u>410,729</u>	<u>444,505</u>
TOTAL ASSETS		<u>16,999,024</u>	<u>16,226,796</u>
CURRENT LIABILITIES			
Payables	14	5,723,859	6,748,764
Unearned ticket sales		5,038,903	4,134,490
Provisions	17	2,927,644	2,918,564
TOTAL CURRENT LIABILITIES		<u>13,690,406</u>	<u>13,801,818</u>
NON-CURRENT LIABILITIES			
Provisions	17	321,447	292,958
TOTAL NON-CURRENT LIABILITIES		<u>321,447</u>	<u>292,958</u>
TOTAL LIABILITIES		<u>14,011,853</u>	<u>14,094,776</u>
NET ASSETS		<u>2,987,171</u>	<u>2,132,020</u>
SHAREHOLDERS' EQUITY			
Contributed equity	15	438,002	438,002
MSO Reserves	22	2,549,169	1,694,018
TOTAL SHAREHOLDERS' EQUITY		<u>2,987,171</u>	<u>2,132,020</u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Contributed Equity	Accumulated deficit	MSO Foundation Reserve	MSO RIS Reserve	Available-for- sale Reserve	Total Equity
	(Note 15)	(Note 22(a))	(Note 22(b))	(Note 22(c))	(Note 22(d))	
SHAREHOLDERS' EQUITY	\$	\$	\$	\$	\$	\$
As at 31 December 2014	438,002	(5,039,812)	3,403,806	3,907,677	-	2,709,673
Total comprehensive income/(deficit)	-	(577,653)	-	-	-	(577,653)
Transferred to reserves	-	(262,247)	125,847	136,400	-	-
As at 31 December 2015	438,002	(5,879,712)	3,529,653	4,044,077	-	2,132,020
Total comprehensive income/(deficit)	-	761,727	-	-	-	761,727
Advance to/(from) RIS Reserve	-	664,541	-	(664,541)	-	-
Change to Available-for- sale Reserve	-	-	-	-	93,424	93,424
Transferred to reserves	-	(476,158)	339,449	136,709	-	-
As at 31 December 2016	438,002	(4,929,602)	3,869,102	3,516,245	93,424	2,987,171

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 \$	2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from government funding (incl GST)		15,061,809	14,661,895
Receipts from ticket sales		10,785,644	10,187,413
Receipts from sponsorships (incl GST) and donations		4,011,352	3,739,217
Receipts from other revenue		1,551,776	1,128,216
Interest received		297,627	315,702
Dividends received		54,338	-
Payments to suppliers, employees and artists (incl GST)		(30,161,506)	(31,235,406)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		1,601,040	(1,202,963)
CASH FLOWS FROM INVESTING ACTIVITIES			
Transfers (to)/from financial assets		347,600	(205,485)
Payment for property, plant and equipment	12	(89,247)	(105,585)
Proceeds from sale of property, plant & equipment		-	23,812
NET CASH FLOWS USED IN INVESTING ACTIVITIES		258,353	(287,258)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		-	-
NET INCREASE/(DECREASE) IN CASH HELD		1,859,393	(1,490,221)
Cash & Cash equivalents at the beginning of the financial year		2,081,720	3,571,941
CASH & CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	16	3,941,113	2,081,720

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. CORPORATE INFORMATION

The financial report of the Company for the year ended 31 December 2016 was authorised for issue in accordance with a resolution of Directors on 18 April 2017.

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 Australian Charities and Not for Profits Commission Act 2012, 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

The Company has adopted AASB 1053 Application of Tiers of Australian Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements for the financial year beginning on 1 July 2013.

The Company is a not-for-profit, private sector entity which is not publically accountable. Therefore, the financial statements for the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (Including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not for Profits Commission Act 2012.

The adoption of AASB1053 and AASB 2010-2 allowed the Company to remove a number of disclosures. There are no other impacts on the current or prior year financial statements.

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.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, the State Government of Victoria through the Ministry for Creative Industries and the City of Melbourne.

The current tripartite funding agreement between MSOHL, the Australia Council for the Arts through the Major Performing Arts Board, and the Victoria Ministry for Creative Industries, through Creative Victoria, is for a period of three years ended 31 December 2018. Refer to note 23 “Economic Dependency” with respect to funding secured for 2017.

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.

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 are 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.

Income from financial assets classified as available-for-sale

Income from financial assets classified as available-for-sale is recognised when receivable. Dividends are recognised when the right to receive payment is established.

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 can be measured reliably.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 as at 31 December 2016 are externally managed investment portfolios classified as available-for-sale and measured at fair value in the manner described in Note 11.

Gains on individual assets arising from differences between carrying amount and fair value are credited directly to the Available-for-sale Reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that asset previously recognised as an expense in the Surplus / Deficit, the increment is recognised immediately in the Surplus / Deficit.

Losses on individual assets arising from differences between carrying amount and fair value are recognised immediately as an expense in the Surplus / Deficit, except that, to the extent that a credit balance exists in the Available-for-sale Reserve in respect of the same asset, are debited directly to the Available-for-sale Reserve. Revaluation increases and decreases of different assets are not offset against one another.

Other financial assets as at 31 December 2015 were term deposits that did not meet the definition of cash and cash equivalents. These financial assets were 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 were recorded at face value.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 system 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 8 and 21). Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Depreciation

Useful lives

Items of plant and equipment, leasehold improvements, computer equipment, motor vehicle 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:

<u>Asset class</u>	<u>Depreciation rates</u>
Plant & equipment	10% - 30%
Musical instruments	10% - 20%
Computer equipment	20% - 30%
Leasehold improvement	10% - 33.3%
Motor vehicle	30%

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 corporate bonds at balance date which most closely match the terms of maturity of the related liabilities.

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.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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	2016	2015
	\$	\$
a) Funding from Government		
Creative Victoria - Melbourne Symphony Orchestra Chorus Grant	125,590	125,590
Creative Victoria – 2016 China Tour	50,000	-
Creative Victoria – 2016 Regional Tour	135,000	-
Creative Victoria – Indonesian Music Camp	15,000	-
City of Melbourne – Annual Grant	300,000	300,000
Australia Council – 2016 China Tour	60,000	-
Australia Council – Change Management & Growth Grant	76,000	-
	761,590	425,590

b) Government Funding via Parent Entity		
Australia Council for the Arts - Annual Grant	10,703,441	10,534,883
Creative Victoria - Annual Grant	2,280,522	2,280,522
	12,983,963	12,815,405
Total Funding	13,745,553	13,240,995

Provision of funds by MSOHL to the Company originates from federal and state governments, through the Australia Council for the Arts and Creative 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		
Subscription sales	4,409,120	4,130,964
Single night ticket sales	5,405,559	6,149,902
	9,814,679	10,280,866

5. SPONSORSHIP AND DONATION REVENUE		
Sponsorship	1,022,501	901,389
Donations	2,095,314	2,261,466
Bequests	45,899	-
Grants and trusts	1,112,994	817,814
	4,276,708	3,980,669

6. OTHER REVENUE		
Interest	197,053	364,803
Orchestral hire & performance fees	956,983	421,903
Other	645,179	683,827
	1,799,215	1,470,533

	2016 \$	2015 \$
7. INCOME FROM FINANCIAL ASSETS CLASSIFIED AS AVAILABLE FOR SALE		
Interest	35,869	-
Dividends	54,338	-
	90,207	-

8. EXPENSES

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

Depreciation:		
Plant and equipment	3,720	24,546
Office equipment, furniture and fittings	14,278	5,545
Computers	44,313	41,498
Leasehold improvements	8,055	18,999
Musical Instruments	50,563	49,554
Motor Vehicle	1,387	-
Total Depreciation (Note 12)	122,316	140,142
Amortisation (Note 13)	-	98,219
Total Depreciation and Amortisation	122,316	238,361
Superannuation expense	1,886,142	1,928,283
Operating lease rental expenses		
Lease payments - car	7,977	15,919
Lease payments - office equipment	19,809	25,786
Lease payments - office rental	191,505	189,803

	2016 \$	2015 \$
9. RECEIVABLES		
a) Trade and other receivables		
<i>Current</i>		
Trade receivables	459,933	425,511
Government funding invoiced in advance	3,911,585	4,791,469
Sponsorship invoiced in advance	55,454	35,000
GST receivable	-	57,556
	4,426,972	5,309,536
<i>Non-current</i>		
Other receivables	18,936	19,643
b) Trade and other debtors ageing:		
0 to 60 days	4,405,974	5,204,893
61 to 90 days	199	23,399
Over 90 days	39,735	43,331
Total trade and other receivables	4,445,908	5,271,623

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.

10. OTHER CURRENT ASSETS

Prepayments	476,710	347,682
Accrued interest	4,046	68,751
Accrued income	33,333	14,305
Total Other Current Assets	514,089	430,738

11. OTHER FINANCIAL ASSETS

MSO Foundation externally managed portfolio	4,065,725	-
MSO RIS externally managed portfolio	3,640,396	-
MSO RIS term deposit	-	4,140,316
MSO Foundation term deposit	-	3,819,981
	7,706,121	7,960,297

- a) Investments held in the MSO Reserves Incentive Scheme (RIS) reserve of \$3,640,396 (2015: \$4,140,316) comprises funds which are set aside, unencumbered and held in escrow, for 15 years until 3 June 2019. Refer note 22(c).

Investments held in the MSO Foundation reserve of \$4,065,725 (2015: \$3,819,981) comprise funds set aside for the long term viability of the MSO and are governed by the MSO Foundation Constitution.

11. OTHER FINANCIAL ASSETS (continued)

b) Available-for-sale financial assets

i) Available-for-sale financial assets include the following classes of financial assets:

	2016	2015
	\$	\$
Cash	268,238	-
Australian fixed interest	4,211,283	-
International fixed interest	394,421	-
Australian equities	2,338,539	-
International equities	493,640	-
	7,706,121	-

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long term.

Financial assets are included in non-current assets unless they mature, or management intends to dispose of them within 12 months of reporting date.

ii) Valuation techniques used to determine fair value:

Specific valuation techniques used to value financial instruments include quoted market prices for similar instruments.

12. PLANT AND EQUIPMENT

	Plant and equipment	Musical instruments	Office equipment	Leasehold improvements	Computer equipment	Motor Vehicle	Total
	\$	\$	\$	\$	\$	\$	\$
<i>Cost:</i>							
Opening balance	187,901	1,418,735	91,440	79,938	413,010	-	2,191,024
Additions	-	-	69,377	-	9,870	10,000	89,247
Closing Balance	187,901	1,418,735	160,817	79,938	422,880	10,000	2,280,271
<i>Accumulated depreciation:</i>							
Opening balance	184,181	1,121,750	81,392	59,548	319,291	-	1,766,162
Depreciation expense (Note 8)	3,720	50,563	14,278	8,055	44,313	1,387	122,316
Closing balance	187,901	1,172,313	95,670	67,603	363,604	1,387	1,888,478
Net book value, 31 December 2016	-	246,422	65,147	12,335	59,276	8,613	391,793
Net book value, 31 December 2015	3,720	296,985	10,048	20,390	93,719	-	424,862

13. INTANGIBLE ASSETS

	Website	Tessitura CRM	Total
	\$	\$	\$
<i>Cost:</i>			
Opening balance	142,065	281,885	423,950
Additions	-	-	-
Disposals	-	-	-
Closing balance	142,065	281,885	423,950
<i>Accumulated amortisation:</i>			
Opening balance	142,065	281,885	423,950
Amortisation expense (Note 8)	-	-	-
Disposal	-	-	-
Closing balance	142,065	281,885	423,950
Net book value, 31 December 2016	-	-	-
Net book value, 31 December 2015	-	-	-

14. PAYABLES

	2016	2015
	\$	\$
Trade creditors	910,182	915,819
Other creditors and accruals	581,705	544,372
GST payables	301,343	-
Unearned government funding	3,555,987	4,901,469
Unearned sponsorship revenue	144,936	314,079
Unearned other revenue	229,706	73,025
Total Payables	5,723,859	6,748,764

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

15. CONTRIBUTED EQUITY

Share capital		
438,002 (2014: 438,002) ordinary shares, fully paid	438,002	438,002

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016	2015
	\$	\$

16. 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	1,937,381	2,081,720
Cash equivalents	2,003,732	-
	3,941,113	2,081,720

Cash equivalents at 31 December 2016 included \$2,003,732 in short term deposits which had a maturity date of less than three months at year end.

17. PROVISIONS

Employee Benefits

<i>Current</i>		
Annual Leave	847,172	822,717
Long Service Leave	2,080,472	2,095,847
	2,927,644	2,918,564
<i>Non-current</i>		
Long Service Leave	321,447	292,958
Total	3,249,091	3,211,522

Other Provisions - Current		-
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Assumed rate of increase in wage and salary rates	3.0%	3.0%
Discount rate (weighted average)	3.4%	3.8%
Average full-time equivalent employees	137.48	154.61

18. 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 2016, and the numbers of meetings attended by each director were:

Name	Position Held	Held	Eligible	Attended
Mr M Ullmer	Chairman, Non-Executive Director	8	8	8
Mr A Dyer	Non-Executive Director	8	8	8
Mr D Gorog	Non-Executive Director	8	8	8
Ms S Galaise	Managing Director	8	6	6
Ms M Jackson AC	Non-Executive Director	8	8	7
Mr B Kelly	Director	8	8	7
Mr D Krasnostein	Non-Executive Director	8	8	8
Mr D Li	Non-Executive Director	8	8	7
Ms H Silver AO	Non-Executive Director	8	8	7
Mr K Wong	Non-Executive Director	8	8	5

b) Compensation of Key Management Personnel

	2016	2015
Compensation	\$1,747,027	\$1,584,825
Number of KMP	13	14
Average KMP FTE	8.5	8.9

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, Non-Executive Directors do not receive remuneration for their role as a Director of the Company.

c) Transactions with key management personnel

Refer to note 19 for details of significant transactions between the Company and key management personnel.

19. 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 18(a).

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 the Company 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 Creative Industries through Creative 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.

19. RELATED PARTIES (continued)

c) Key Management Personnel

Details of compensation for key management personnel are in note 18(b).

d) Transactions with other related parties

The following transactions occurred with related parties:

i) Donations

Donations received from Directors and director-related entities in 2016 were \$351,794 (2015: \$551,990). Table purchases and auction proceeds from Directors and director-related entities at the Company's annual gala in 2016 were \$52,700 (2015: \$46,800).

ii) Sponsorship

Sponsorship from Director-related entities in 2016 was \$71,228 (2015: \$121,516).

iii) Complimentary tickets

From time to time, complimentary tickets are provided to Board members as part of their role in development activities for the Company.

e) Loans to/from related parties

There are no loans to or from the Company with related parties (2015: nil).

f) Terms and conditions

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

	2016 \$	2015 \$
20. AUDITOR'S REMUNERATION		
Audit of the financial report	32,530	32,198
Non-audit services	6,500	8,500
	39,030	40,698

	2016 \$	2015 \$
21. EXPENDITURE COMMITMENTS		
<i>Artists fees contracted, but not provided for, and payable:</i>		
Within one year	1,462,780	953,870
One year or later, but not later than five years	1,503,400	1,947,000
	2,966,180	2,900,870
<i>Car lease expenditure committed as per agreements:</i>		
Within one year	3,957	7,915
One year or later, but not later than five years	-	3,957
	3,957	11,872
<i>Consulting (Professional Services) contracts as per agreements</i>		
Within one year	-	351,950
One year or later, but not later than five years	-	-
	-	351,950
<i>Rental leases committed as per agreements (Administrative, Box Office premises and van)</i>		
Within one year	-	93,017
One year or later, but not later than five years	-	-
	-	93,017
<i>Other Contractual Commitments (Office Equipment)</i>		
Within one year	20,014	23,587
One year or later, but not later than five years	4,444	24,458
	24,458	48,045
<i>Venue Rental Commitments</i>		
Within one year	1,345,554	1,165,542
One year or later, but not later than five years	-	-
	1,345,554	1,165,542
Total	4,340,149	4,571,296

The Company has provided the lessor of the MSO Box Office with a bank guarantee of \$25,012 (2015: \$25,012) 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 following dates:

- Artist fees – December 2020
- Office equipment – June 2020

	2016 \$	2015 \$
22. RESERVES		
a) Retained surplus/(accumulated deficit)		
Accumulated deficit at the beginning of the year	(5,879,712)	(5,039,812)
Surplus/(deficit) from ordinary activities for the year	761,727	(577,653)
Advance from MSO RIS Reserve	664,541	-
Transfer of income earned on and donations to the MSO Foundation Reserve	(339,449)	(125,847)
Transfer of income earned on MSO RIS Reserve	(136,709)	(136,400)
Balance at year end	(4,929,602)	(5,879,712)
b) MSO Foundation Reserve		
Opening balance	3,529,653	3,403,806
Transfer from Accumulated deficit	339,449	125,847
Balance at year end	3,869,102	3,529,653
c) MSO Reserves Incentives Scheme (RIS)		
Opening balance	4,044,077	3,907,677
Advance to retained surplus / accumulated deficit	(664,541)	-
Transfer from Accumulated deficit	136,709	136,400
Balance at year-end	3,516,245	4,044,077
d) Available-for-sale Reserve		
Opening balance	-	-
Increment/(decrement) during the year	93,424	-
Balance at year-end	93,424	-
TOTAL	2,549,169	1,694,018

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 to take on 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.

During 2016 Australia Council approved MSO accessing part of these funds to assist with the costs of organisational restructure.

23. 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 Creative Industries 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 Creative Industries.

A tripartite funding agreement between MSOHL, the Australia Council for the Arts through the Major Performing Arts Board, and the Victoria Ministry for Creative Industries, through Creative Victoria was entered into for a period of three years ending 31 December 2018.

This funding is subject to the Company continuing to comply with the terms of the relevant agreement and providing certain financial reports on a monthly basis.

24. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 December 2016 (31 Dec 2015: Nil).

25. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 31 December 2016 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 Australian Charities and Not for Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2016 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 Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not for Profits Commission Regulation 2013; 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:



Michael Ullmer
Chairman

Melbourne
18 April 2017



Sophie Galaise
Managing Director

Melbourne
18 April 2017

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

Opinion

We have audited the financial report of Melbourne Symphony Orchestra Pty Limited (the Company), which comprises the statement of financial position as at 31 December 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the Company's financial position as at 31 December 2016 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Australian Charities and Not-for-Profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Directors 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 *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

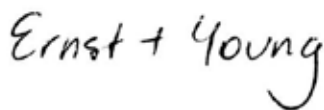
Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Joanne Lonergan
Partner
Melbourne
18 April 2017

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