



ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2006

30 September 2006

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LETTER OF TRANSMITTAL (INCLUDES REPORT HIGHLIGHTS)

30 September 2006

The Hon John Hill MP
Minister Assisting the Premier in the Arts
GPO Box 2555
ADELAIDE SA 5001

Dear Minister

It is with pleasure that State Theatre Company of South Australia submits its 2005-06 Annual Report, prepared under the *State Theatre Company of South Australia Act 1972*, the *Public Sector Management Act 1995* and the *Public Finance and Audit Act 1987*. We are delighted to report the following highlights for the year under review:

- A mainstage Adelaide season of seven productions that entertained 55 535 audience members
- 4777 subscribers for the 2006 season – the highest number of STCSA subscribers since 1984
- The world premiere and sell-out season of *Honk If You Are Jesus*, a new Australian work commissioned and facilitated by the company
- A successful Sydney tour of the company's production of *The Goat (or Who is Sylvia?)* in association with Company B Belvoir
- Five nominations for 2006 Helpmann Awards for *The Goat (or Who is Sylvia?)* and *Honk If You Are Jesus* and the nomination of *Honk If You Are Jesus* as a finalist in the Best New Work category of the inaugural Ruby Awards
- A surplus of \$39 000 for the financial year ended 30 June 2006 and an increase in total equity to \$286 000
- The continuation of significant development opportunities for SA artists, and accessibility programs to encourage audience development

STCSA's vision is to create works for the broader community that are challenging, entertaining and of the highest quality, while continuing to contribute to the development and sustainability of the arts in South Australia and nationally. The information contained in this report reflects our achievements to date and our continued commitment to attaining our vision and goals.

Noelene Buddle
Chief Executive Officer

CHAIR'S REPORT

It has been another year of great achievement by State Theatre Company of South Australia. Artistic Director Adam Cook has continued to provide a program that balances strong commercial outcomes with an entertaining and thought-provoking repertoire. This has been reflected in a record number of subscribers, box office success and critical acclaim.

In a very competitive market, the company continued its strong record of achieving an operational surplus. In 2005-06 a surplus of \$39 000 was achieved – an increase from the previous year's surplus of \$8000, and resulting in total equity increasing to \$286 000. Given the number of variables and risks the company is exposed to, in particular box office takings and other revenue sources, this is an excellent result and one that reflects the stringent financial management and risk assessment parameters that are applied within the company's operations. While STCSA is proud of its ability to manage within its budgetary parameters, it recognises that external economic forces are placing considerable strain on the resources of the company.

Audience development continues to be a core focus of our activity and I am delighted to report that the company currently has its highest level of subscribers since 1984, with 4777 subscribers for our 2006 season. We have also experienced growth in our total box office, which again is reflective of exceptional programming together with a reinvigorated marketing campaign, including the continuation of our re-launched branding. More detail is provided in other sections of this report but, in summary for the 2005-06 reporting period, STCSA's mainstage season consisted of seven productions that generated a total audience of 55 535 patrons across 159 performances. The company also performed a six-week tour season of *The Goat (or Who is Sylvia?)* in Sydney with Company B in April 2006, which received wide critical acclaim, attracted an audience of over 11 000 people and further developed our national reputation.

It is recognised that the company has a significant role to play in providing development opportunities within the industry. This has been achieved through our Assistant Director Fellowships, Young Guns Playwrights' Competition and a commitment to our policy of having South Australians comprise 70 per cent of actors and creative staff. Accessibility is also an important component of our strategic plan, and our Education program, Pay What You Can scheme and Nights for the Vision Impaired program continued to experience heavy demand.

A highlight for the year was the world premiere of *Honk If You Are Jesus*, which formed part of the Adelaide Festival of Arts in March 2006. Reflective of our commitment to new Australian works, the work was commissioned by the company in 2005 and extensively workshopped before its very successful season – in fact so successful that it was sold out before its opening performance. The success of the production also reinforces the difficult

decision the company made early in the financial year to reduce its season by one play when additional funding to facilitate the new work was unable to be sourced. Innovation is an important component of the company's strategy, and development continues on another new Australian work to be premiered as part of our 2007 season.

A record number of five nominations in the prestigious 2006 Helpmann Awards were received for work produced by the company, with Marion Potts winning the category of Best Director for *The Goat (or Who is Sylvia?)*. *Honk If You Are Jesus* has also received a number of other accolades, including a nomination for Best New Work in the inaugural Ruby Awards, and winning the Best Show, Comedy category in the 2006 Adelaide Theatre Guide "Curtain Call" Awards.

The company has focused on philanthropy as an area that has potential to further develop our capacity. Valuable assistance has been provided through the Australia Council to provide mentorship to the company's employees. I also extend my thanks to the hard-working members of STCSA's Philanthropy Committee, chaired by board member Nicky Downer AM, whose efforts were instrumental in a most successful fundraiser held in June 2006. Almost \$50 000 was raised at a Shakespearean banquet and these funds will be applied against major works in our 2007 season.

The company also continued to receive outstanding support from its corporate partners. In 2006 we have celebrated the tenth anniversary of Mistral's involvement with the Youth Curtain Raiser Subscription Series and the fifteenth anniversary of sponsorship from The Booze Brothers, both milestone achievements. In an environment of increasing costs, the support of our corporate partners, donors and other benefactors is vital to the ongoing success of the company and is very much appreciated.

In October 2005 I was pleased to announce the appointment of Noelene Buddle as the company's new Chief Executive Officer. Over the course of the past year, I have also had the pleasure of welcoming Peter Siebels to the Board of Governors and of congratulating Rachel Spencer and Richard Flynn, who were both re-elected in March 2006 as Subscriber Elected Governors for a further two-year term. I also convey my thanks to Areste Nicola, who completed his term as Staff Elected Governor in August 2005, and congratulate Jen Smith, who was elected to the board by STCSA staff in August 2005. I would like to acknowledge the sterling work of Kathie Massey, who acted as Interim CEO for the three months prior to Noelene's appointment.

As always I must acknowledge and commend the efforts of both the staff and board of the State Theatre Company, whose passion and commitment to excellence has continued to drive the success of the company. I also pay tribute to the continuing support and investment of the State and Federal Governments, through Arts SA and the Australia Council, and our wonderful sponsors, donors and audiences. We look forward to continuing to provide great theatre that is stunning, entertaining and challenging.

Brenton Wright

Chair

ARTISTIC DIRECTOR'S REPORT

This is my second report as Artistic Director for the State Theatre Company of South Australia.

It has been another exciting year of artistic activity and strong audience development at STCSA. Despite previous ticket-buying trends indicating that numbers would decrease during an Adelaide Festival period, the company experienced a substantial growth in subscriptions – 4318 subscribers in 2005, and 4777 in 2006. Single ticket sales also increased and our productions met with strong critical and commercial success. The company's profile on a national level was greatly enhanced by the critical and commercial success of *Honk If You Are Jesus* and a Sydney season of *The Goat (or Who is Sylvia?)*. STCSA's five nominations in the recent Helpmann Awards also generated focus on the company at a national level.

All these achievements led to a heightened awareness of the company in the marketplace and a high level of interest and enthusiasm in both the public and industry sectors. This then increased ticket sales even further.

Audiences praised the variety of theatrical entertainment on offer to them through STCSA – newly commissioned work from South Australian writers and new works from overseas, in addition to fresh examinations of classics from the repertoire. Balance was the key determinant in selecting the plays for the season. Balancing new and emerging talents with the established; new plays with classics; and within that mix, new plays from England and America like *Frozen* and *The Goat (or Who is Sylvia?)*.

A depth of talent ran through a rich and diverse season. We gave audiences emotional experiences to treasure – fine performances, high production values, intelligent direction and interesting stories. That mix has held great appeal for the South Australian public and we will continue to offer it.

FROZEN

This contemporary English play by Bryony Lavery proved to be a critics' favourite, featuring three standout performances from three Adelaide actors, a striking and austere set design from Gaele Mellis and a bold lighting design from David Gadsden. The play is very confronting, dealing with child murder, pederasty and grief. It proved too gruelling for some, and did not reach a huge audience, although its box office performance was strong. I believe we should not resist presenting such tough and uncompromising plays.

THE GOAT (OR WHO IS SYLVIA?)

This was a resounding success for the company. We anticipated we might receive volumes of complaint mail due to its highly provocative subject matter, but we were greeted instead with

glowing feedback from audiences and critics alike. This production was bought by Company B Belvoir and was presented in the York Theatre of the Seymour Centre, Sydney, in April 2006 to great critical and audience acclaim. It also received four Helpmann Award nominations, including Best Production, Best Actress, Best Supporting Actor and Best Director, the last of which it won, for Marion Potts.

THE DAYLIGHT ATHEIST

Just prior to my relocating to Adelaide in early 2005, I directed this one-man tour de force by Tom Scott, starring Max Cullen. It was a co-production between STCSA and Sydney Theatre Company (STC), designed by Adelaide designer Dean Hills and built by the STCSA workshop staff in Adelaide. The show's Sydney season played in January/February 2005 and its Adelaide season opened in September 2005. It was a fruitful collaboration with STC, a true creative partnership, although the show received a mixed reception in Sydney. When we revived the production six months later for its Adelaide run, Mr Cullen was completely on top of the difficult text and gave audiences a rich and confident performance, which garnered strong and positive feedback from the media and the public.

I included the project in our 2005 season as a co-production to re-forge STCSA's lost links with STC – the two had often co-produced in the 1980s – and to enable an Adelaide creative team to have its work seen in another capital city.

BOMBSHELLS

Following a sell-out season in Edinburgh, the West End and two huge seasons in Melbourne, this critically praised one-woman show exploded onto the Playhouse stage starring the phenomenal Caroline O'Connor. A rich, impressive and insightful script from Joanna Murray-Smith was explored in all its dynamic range and was rapturously received by both audiences and critics. It well and truly surpassed its box office target.

NOISES OFF

Michael Frayn's mind-bogglingly intricate and hugely entertaining comedy was our 2005 season closer and a suitably popular choice for the end of year. Dubbed "the office Christmas party" slot within our company, it worked well to present an easily digested comedy with wit and panache to our public as we moved into the festive season.

HONK IF YOU ARE JESUS

The company's first show for 2006 was a world premiere of a work commissioned by STCSA. Adapted from the cult Peter Goldsworthy novel by the author himself and his director, Martin Laud Gray, the season was highly anticipated and sold out its entire season at the Odeon Theatre even before its first dress rehearsal. It was received with almost universal praise by

the critical fraternity and showcased the work of South Australian actors and creative teams within the high-level focus of the 2006 Adelaide Festival of Arts.

THE BLONDE, THE BRUNETTE & THE VENGEFUL REDHEAD

This highly acclaimed one-woman show, a new Australian play, profiled the broad range and versatility of one of Australia's most popular and much loved actresses, Jacki Weaver. It played to big and appreciative audiences.

NIGHTS WITH STATE/DAYS WITH STATE

STCSA continues to offer a Night With State post-show feedback and discussion forum with audiences for every show and these are well attended and very well received. They are a means of building more personal links with our audiences and illuminating our work practices for them. Audiences have the opportunity to listen to the director, designers and cast members relay their experiences working on the particular production and are then encouraged to ask questions and engage in discussion with them. Subscribers and single-ticket buyers find this experience invaluable. The discussions are often dynamic and informative on both sides of the stage!

STCSA also provides a Day With State for schools audiences for selected productions where appropriate. This follows the same principle as Night With State but is designed specifically for schools audiences, providing an opportunity to see matinee performances of selected plays, with question-and-answer sessions following each. It is our wish to expand our Education program in 2007 and beyond, particularly in the area of custom-made workshops for students and teachers in specific areas of interest to their theatre studies. This can only be achieved with increased financial resources to channel in that direction. We have collaborated in this regard with the Adelaide Festival Centre Trust to some degree but would like to offer secondary students productions more specifically tailored to the plays and genres they are studying.

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Our greatest challenge, as always, is the tension between creative and commercial considerations – between financial sustainability and artistic vibrancy. I want to more often explore the esoteric areas of the theatrical repertoire and yet I know it is the commercial and popular work that brings in audiences, both loyal and new. So our work in the past 12 months provided a mix of the bold and the familiar – plays that provided platforms for extraordinary performances, bright comedies and fresh contemporary plays from overseas.

I have hopes for delivering greater artistic experimentation and output; commissioning more new works; employing more artists; expanding the Education program; and doing much more touring – intrastate, interstate and overseas – but such ambitions can be prohibitively expensive. It is therefore imperative for STCSA to continue to build close and mutually

beneficial relationships with government and private sectors, other arts organisations and, of course, audiences, all of whose support I acknowledge here.

STCSA looks to the future from a very strong position, with excellent attendances from the ticket-buying public, critical and industry accolades, and a company profile that is becoming more and more prominent both in the Adelaide marketplace and on a national level.

Adam Cook
Artistic Director

COMPANY OVERVIEW (INCLUDES ORGANISATIONAL CHART)

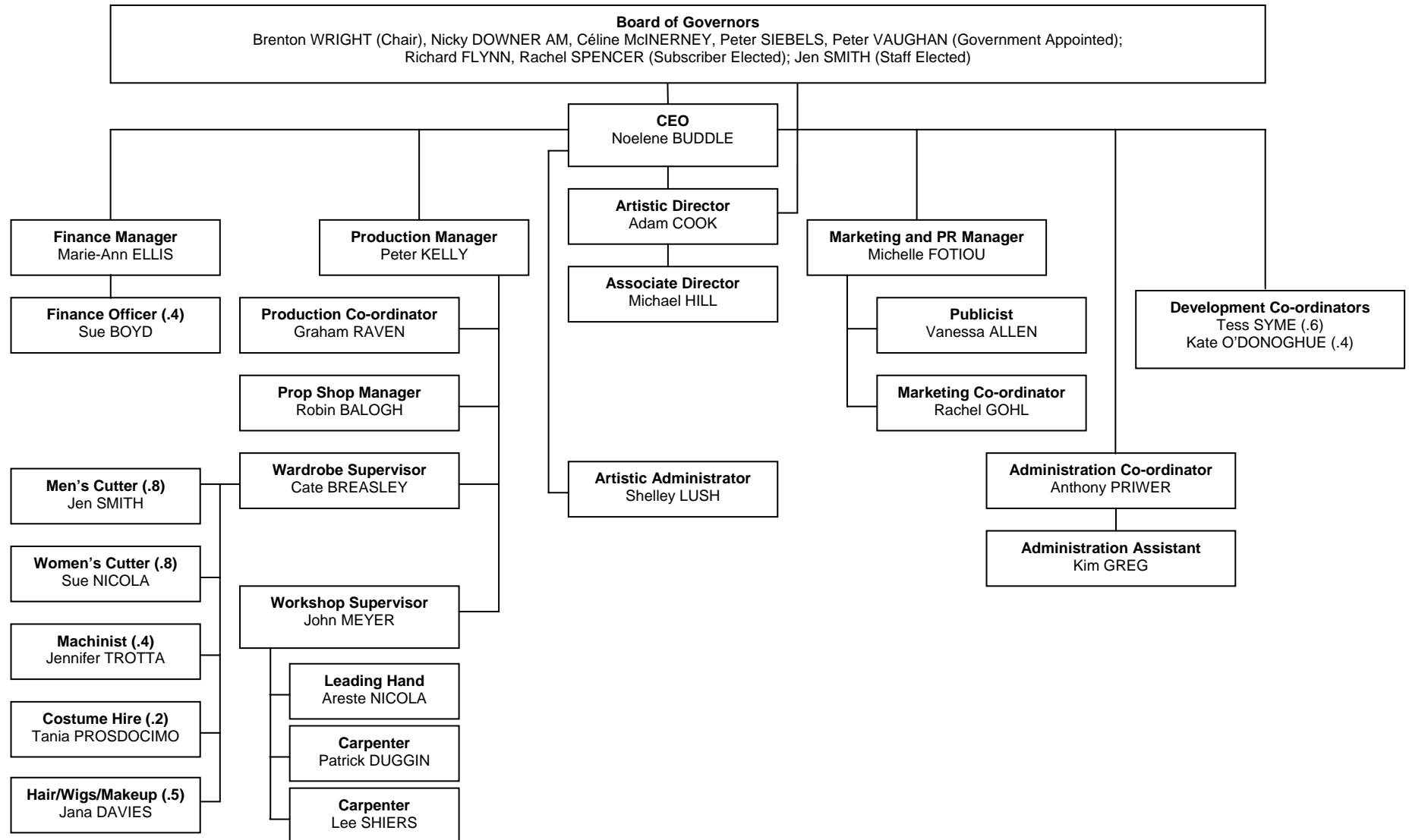
STCSA is a statutory authority established under the *State Theatre Company of South Australia Act 1972*. The company is overseen by a Board of Governors, five of whom are government appointed, two of whom are elected by STCSA subscribers and one of whom is elected by STCSA staff. The board reports to the Minister Assisting the Premier in the Arts via Arts SA – the Government of South Australia’s agency for arts and cultural development. STCSA receives major funding from Arts SA, other SA government agencies and from the Major Performing Arts Fund of the Commonwealth Government’s Australia Council for the Arts. STCSA generates income through its operating activities and from corporate sponsors and private donors.

The powers of STCSA under the STCSA Act include inter alia to:

- Present, produce, manage and conduct theatrical performances ... and entertainments of any kind as may in its opinion tend to promote the art of theatre
- Promote or commission the writing of plays or dramas ... and other works for theatrical performance
- Promote the training of all persons concerned in the production, presentation or performance of theatrical presentations
- Assist financially or otherwise in the presentation, production, management or conduct of any art of the theatre in this State
- Do all things necessary or expedient to promote public interest and participation in the art of the theatre

The board appoints the company’s CEO and Artistic Director, and the CEO, on the advice of the Artistic Director and relevant managers, is then charged with employing a range of personnel across the organisation. The organisational chart on the next page details STCSA’s board members and ongoing employees at 30 June 2006. The chart does not include additional staff and artists employed on a short-term basis during 2005-06 to work on specific projects.

ORGANISATIONAL CHART (AT 30 JUNE 2006)



COMPANY MISSION, VISION AND STRATEGIC PLANNING

STCSA's *Strategic Plan with Business Plan (2006-09)* was updated in June 2006. The company's mission is as follows:

We exist to create great theatre that is stunning, entertaining and challenging

In fulfilling this mission, STCSA's long-term vision is to:

- Create productions that are sought after locally, nationally and internationally
- Present exciting and innovative work
- Be accessible and inviting to local audiences and be a frequently chosen entertainment option
- Reflect Australia's cultural diversity
- Have the capacity to employ artists from expert backgrounds both locally and nationally
- Continue to be an employer of choice for artists and support staff who see the company as a place where they can learn and grow
- Be respected as a benchmark for excellent production and performance practices
- Have excellent government support
- Have outstanding private sector support

STCSA's strategic drivers for 2006-09 will be to:

- Create outstanding productions
- Focus on innovation to increase our competitive advantage
- Build our brand and profile
- Ensure sound financial management
- Develop audiences
- Develop and sustain our team/people: a talent strategy

Clear links exist between STCSA's strategic planning objectives and the objectives outlined in *South Australia's Strategic Plan (SASP)*. STCSA's emphasis on creativity and innovation aligns with Objective 4 of *SASP*: Fostering creativity; STCSA's financial management, strategic partnership, and job creation priorities align with Objective 1 of *SASP*: Growing prosperity; STCSA's community access programs align with Objective 5 of *SASP*: Building communities; and STCSA's commitment to education aligns with Objective 6 of *SASP*: Expanding opportunities.

HUMAN RESOURCE MANAGEMENT (AT 30 JUNE 2006)

The following Human Resource Management data is based on STCSA's ongoing employees at 30 June 2006, as detailed in the organisational chart in the Company Overview section of this report. The data does not include additional staff and artists employed on a short-term basis during 2005-06 to work on specific projects.

EMPLOYEE NUMBERS, SALARIES AND CLASSIFICATIONS

Total number of employees	
Persons	26
FTEs	22.1

Gender	% Persons	% FTEs
Male	38.5	45.2
Female	61.5	54.8

Number of persons during the 2005-06 financial year	
Separated from the agency	6
Recruited to the agency	6

Number of persons on leave without pay at 30 June 2006	NIL
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Number of employees by salary bracket			
Salary Bracket	Male	Female	Total
\$0 - \$40 399	3	5	8
\$40 400 - \$54 999	5	8	13
\$55 000 - \$67 999	1	2	3
\$68 000 - \$88 999	NIL	NIL	NIL
\$89 000+	1	1	2
TOTAL	10	16	26

Status of employees in current position					
	FTEs				
	<i>Ongoing</i>	<i>Short-term contract</i>	<i>Long-term contract</i>	<i>Other (casual)</i>	<i>Total</i>
Male	NIL	NIL	9	1	10
Female	NIL	NIL	10.4	1.7	12.1
TOTAL	NIL	NIL	19.4	2.7	22.1
	Persons				
	<i>Ongoing</i>	<i>Short-term contract</i>	<i>Long-term contract</i>	<i>Other (casual)</i>	<i>Total</i>
Male	NIL	NIL	9	1	10
Female	NIL	NIL	11	5	16
TOTAL	NIL	NIL	20	6	26

Number of executives by gender, classification and status in current position								
Classi- fication	<i>Ongoing</i>		<i>Contract tenured</i>		<i>Contract untenured</i>		<i>Total</i>	
	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>	<i>Male</i>	<i>Female</i>
	NIL	NIL	NIL	NIL	1	1	1	1
TOTAL	NIL	NIL	NIL	NIL	1	1	1	1

LEAVE MANAGEMENT

Average days' leave taken per full time equivalent employee				
Leave type	2002-03	2003-04	2004-05	2005-06
<i>Sick leave</i>	1.6	2.7	3.8	3
<i>Family carer's leave</i>	NIL	0.1	NIL	0.07
<i>Special leave without pay</i>	NIL	0.5	NIL	1.6

WORKFORCE DIVERSITY/EQUAL EMPLOYMENT OPPORTUNITY

STCSA is committed to providing a workplace environment that supports diversity and is free from discrimination, harassment and bullying. STCSA supports a workplace environment where all staff can aim to reach their full potential.

Number of employees by age bracket by gender					
Age bracket	Male	Female	Total	% of total	Workforce benchmark*
15-19	NIL	NIL	NIL	0	7.9
20-24	NIL	1	1	3.8	10.7
25-29	1	4	5	19.2	9.8
30-34	NIL	2	2	7.7	10.5
35-39	3	2	5	19.2	11.4
40-44	3	3	6	23.2	12.4
45-49	1	3	4	15.4	12.4
50-54	2	NIL	2	7.7	10.9
55-59	NIL	1	1	3.8	8.3
60-64	NIL	NIL	NIL	0	4.4
65+	NIL	NIL	NIL	0	1.3
TOTAL	10	16	26	100	100

* Benchmark from ABS Supertable LM8 as at January 2006

Number of Aboriginal and/or Torres Strait Islander employees					
	Male	Female	Total	% of agency	Target %*
Aboriginal/Torres Strait Islander people	NIL	NIL	NIL	0	2

* Target from South Australia's Strategic Plan

Cultural and linguistic diversity					
	Male	Female	Total	% of agency	% of SA community*
Number of employees born overseas	1	1	2	7.7	20.3
Number of employees who speak language(s) other than English at home	1	2	3	11.5	15.5

* Benchmark from ABS publication *Basic Community Profile (SA)* Cat No 2001.0

Number of employees with ongoing disabilities requiring workplace adaptation				
	<i>Male</i>	<i>Female</i>	<i>Total</i>	<i>% of agency</i>
TOTAL	NIL	1	1	3.8

VOLUNTARY FLEXIBLE WORKING ARRANGEMENTS

Number of employees using voluntary flexible working arrangements by gender			
	<i>Male</i>	<i>Female</i>	<i>Total</i>
<i>Purchased leave</i>	NIL	NIL	NIL
<i>Flexitime</i>	NIL	NIL	NIL
<i>Compressed weeks</i>	NIL	NIL	NIL
<i>Part-time job share</i>	NIL	4	4
<i>Working from home</i>	NIL	NIL	NIL

TRAINING AND DEVELOPMENT

Documented review of individual performance development plan			
<i>Total number of employees</i>	<i>% with a plan reviewed within the past 12 months</i>	<i>% with a plan older than 12 months</i>	<i>% with no plan</i>
26	19.2	7.7	73.1

OCCUPATIONAL HEALTH, SAFETY AND WELFARE

	2005-06	2004-05	2003-04
OHS legislative requirements			
<i>Number of notifiable occurrences pursuant to OHS&W Regulations Division 6.6</i>	NIL	NIL	NA
<i>Number of notifiable injuries pursuant to OHS&W Regulations Division 6.6</i>	NIL	2	NA
<i>Number of notices served pursuant to OHS&W Act s35, s39 and s40 (default, improvement and prohibition notices)</i>	NIL	NIL	NA
Injury management legislative requirements			
<i>Total number of employees who participated in the rehabilitation program</i>	1	1	3
<i>Total number of employees rehabilitated and reassigned to alternative duties</i>	1	1	3
<i>Total number of employees rehabilitated back to their original work</i>	1	NIL	NIL
<i>Number of open claims as at 30 June</i>	1	10	NA
<i>% of workers compensation expenditure over gross annual remuneration</i>	0.5	0.1	0.08
Number of claims			
<i>Number of new workers compensation claims in the financial year</i>	4	10	3
<i>Number of fatalities (F), lost time injuries (LTI) and medical treatment only (MTO)</i>	NIL	NIL	NIL
<i>LTI</i>	2	3	NIL
<i>MTO</i>	2	7	NA
<i>Total number of whole working days lost</i>	6	6	NA
Cost of workers compensation			
<i>Cost of new claims for financial year</i>	\$9843	\$2500 (insured cost) \$1500 (cost to company)	\$1423

<i>Cost of all claims excluding lump sum payments</i>		\$9843	\$2500 (insured cost) \$1500 (cost to company)	NA
<i>Amount paid for lump sum payments on the settlement of a claim (under the WRC Act)</i>	s42	NIL	NIL	NA
	s43	NIL	\$23 388 (insured cost)	NA
	s44	NIL	NIL	NA
<i>Total amount recovered from external sources (WRC Act s54) including from a negligent third party</i>		NIL	NIL	NIL
<i>Budget allocation for workers compensation</i>		\$2000	\$2000	NA
Trends				
<i>Injury frequency rate for new lost time injury/disease for each million hours worked</i>		37.4	48	NIL
<i>Most frequent cause (mechanism) of injury</i>		Physical strains on body in moving staging components (set and props)	Physical strains on body in carrying out stage directions	NA
<i>Most expensive cause (mechanism) of injury</i>		Physical strains on body in moving staging components (set and props)	Physical strains on body in carrying out stage directions	NA

STCSA has an OHS&W Committee registered with WorkCover SA. Its membership consists of two management representatives, one of whom is STCSA's CEO (the person responsible under the *OHS&W Act 1986*), and three staff-elected representatives (an office/artistic representative, a wardrobe/costume hire representative and a workshop/prop hire representative).

The committee meets at least every three months and its main functions are to:

- Discuss and address OHS&W issues that affect the organisation in general
- Assist in the resolution of specific OHS&W problems for which other in-house resolution possibilities have been exhausted

Committee initiatives for the 2005-06 financial year included:

- A new flowchart for the resolution of STCSA OHS&W problems
- A new risk register and priority classification system for OHS&W problems reported to the committee
- OHS&W employee work instructions for STCSA's new company operations manual

STCSA's primary performance venues and administration/production areas are leased from Adelaide Festival Centre Trust, and members of the STCSA OHS&W Committee continue to represent STCSA at regular meetings of the AFCT Principal OHS&W Committee.

FINANCIAL ISSUES

CONSULTANTS

Consultancy ranges	2005-06 consultancy expenditure	Number of consultants	Names and descriptions of consultants
<i>Below \$10 000</i>	\$11 000	2	Not required
<i>\$10 000 to \$50 000</i>	\$24 000	1	Confidential
<i>Above \$50 000</i>	\$60 500	1	Confidential
TOTAL	\$95 500	4	

CONTRACTUAL ARRANGEMENTS

STCSA entered into no contractual arrangements during the 2005-06 financial year where the total value of the contract exceeded \$4 million and the contract extended beyond a year.

OVERSEAS TRAVEL

Number of employees	Destination(s)	Reasons for travel	Total cost to agency
NIL	NA	NA	NIL

ACCOUNT PAYMENT PERFORMANCE

Particulars	Number of accounts paid	% of accounts paid (by number)	Value in \$A of accounts paid	% of accounts paid (by value)
<i>Paid by the due date*</i>	1510	82	\$4 096 393	86
<i>Paid late, but paid within 30 days of due date</i>	327	18	\$683 466	14
<i>Paid more than thirty days from due date</i>	NIL	0	NIL	0

* "Due date" is defined as per section 11.7 of *Treasurer's Instruction 11*

FRAUD

No instances of fraud occurred during the 2005-06 financial year of which STCSA is aware.

DISABILITY ACTION PLAN

STCSA's primary performance venues and administration/production areas are leased from Adelaide Festival Centre Trust, whose disability action plan is detailed in AFCT's annual report.

STCSA is itself committed to welcoming disabled persons to STCSA work areas and performances venues and, wherever possible, providing equitable access and services. STCSA's own disability initiatives include:

- Holding up to 12 discounted seats per performance for patrons in wheelchairs
- Programming two performances of each production specifically for vision impaired patrons, who receive discounted tickets, a pre-show briefing and, during the performance, audio descriptions by Royal Society for the Blind volunteers

STCSA regularly consults with organisations that represent disabled persons to ensure optimal service delivery and that information about STCSA's disability initiatives is widely circulated.

ENERGY EFFICIENCY ACTION PLAN

STCSA's primary performance venues and administration/production areas are leased from Adelaide Festival Centre Trust. Separate energy use data is not available for STCSA, most of whose energy use is integrated with AFCT's energy use and invoiced directly to AFCT.

STCSA understands the importance of energy efficiency for environmental conservation and organisational cost effectiveness. Ongoing initiatives to reduce energy and resource consumption and limit waste include:

- Switching off electricity when equipment or lighting is not in use
- Re-using and/or recycling paper and cardboard, printer toner cartridges and other office supplies
- Minimising printed materials by encouraging staff to use electronic communication where possible
- Co-ordinating use of the company vehicle to complete multiple tasks in a single trip where possible

ASBESTOS MANAGEMENT PLAN

STCSA's primary performance venues and administration/production areas are leased from Adelaide Festival Centre Trust. As detailed in AFCT's annual report, AFCT has an asbestos management plan to ensure AFCT buildings comply with legislation and protect the health and safety of employees, lessees, contractors and visitors.

FREEDOM OF INFORMATION STATEMENT

STCSA is a statutory authority established under the *State Theatre Company of South Australia Act 1972*. The company presents performances of theatrical productions open to all members of the public via purchase of tickets from a range of ticketing categories designed to maximise community access. STCSA functions and structure are further described elsewhere in this report.

Members of the public can participate in STCSA policy formation and the exercise of the company's functions via the mechanism of two subscriber-elected board representatives or via direct feedback to the company.

Recent annual reports can be accessed free of charge as downloads from STCSA's website (www.statetheatrecompany.com.au) or by phoning the company on (08) 8231 5151. Requests under the *Freedom of Information Act 1991* for access to other STCSA documents, including current policy documents, should be directed in writing to:

FOI Officer
State Theatre Company of South Australia
PO Box 8252
Station Arcade
ADELAIDE SA 5000

Members of the public seeking simple amendment (ie change of name or address) to STCSA records concerning their personal affairs may phone (08) 8231 5151, email info@statetheatrecompany.com.au or write to:

Administration Assistant
State Theatre Company of South Australia
PO Box 8252
Station Arcade
ADELAIDE SA 5000

SPONSOR AND DONOR LIST

GOVERNMENT

The Government of South Australia funds STCSA through Arts SA.



Government of South Australia
Arts SA

The Commonwealth Government funds STCSA through the Australia Council for the Arts.



PRINCIPAL PARTNER

Health Promotion SA

MAJOR PARTNERS

Channel Nine

Mistral

Qantas

The Advertiser

Angove's

NRG

Origin Energy

EDS

Fusion

Optus

SA Lotteries

Maunsell

Smallacombe Real Estate

Savings & Loans Credit Union

CORPORATE PARTNERS

Booze Brothers

Business SA

Council for International Trade & Commerce

Flotek

Norman Waterhouse

SA Great

Sims Partners

Tynte Flowers

uberart.com.au

KAZ

Prescott Securities Ltd

FOUNDATION PATRON

Maureen Ritchie

FEATURED PLAYERS

Anonymous (1)
David & Alison Smallacombe
Perpetual Trustees Co Ltd
Urban Construct

PATRONS

Anonymous (1)
Robert Bryce & Lyn Edwards
Barbara & Ian Buttfeld
Don George
Zen & Susie Herzberg
Margo Hill-Smith
Rob & Susan Hunt
Jim & Skye Jarvis
David & Pam McKee
Céline McInerney
Tom Phillips
Robert & Deborah Pontifex
Don Sarah AM & Meredyth Sarah AM
Adrian & Leon Saturno
Fiona Symon
Sue Tweddell
Wattle Holdings Pty Ltd
Elizabeth & Richard Wilson

GOLD SUBSCRIBERS

Ashelwood Office Partitioning & Furniture
Daryl & Imelda Blackwell
Kaye Dowling
Anne Levy
Drs Jane Ferguson & Trevor Mudge
Finlaysons
Margo & Sam Hill-Smith
Valeria Molnar & Prof Paul Rolan
Alan Moskwa
Simon Slade & Jason Groves

MEN AT WORK

RH Allert	Ron Dent
Chris Doak	Andrew Ford
Perry Gunner	Mark Hender
Jim Howard	John Irving
David Shannon	David Smallacombe
Daryl Stillwell	Peter Vaughan
Brenton Wright	

DRAMATIC WOMEN

Sue Averay	Dianne Barron-Davis
Coralie Cheney	Dallas Colley
Francene Connor	Marie Danvers
Mandy-Jane Giannopoulos	
Janet Grieve	Deborah Hamilton
Janet Hayes	Madeleine Hedges
Chris Jenner	Glenys Jones OAM
Hon Stephanie Key	Simone Linehan
Martha Lott	Frances Magill
Céline McInerney	Hon Justice Murray AO
Carmel O'Loughlin	Julie Redman
Loretta Reynolds	Jennifer Weaver

DOCTORS IN THEATRE

Abbott Pathology
Dr Geoff Bryant
Dr Stephanie Cooper
Drs Jane Ferguson & Trevor Mudge
Dr Arthur Giannopoulos
Noel Grieve
Michael Hayes
Simon James
Dr James Katsaros
Drs DMK Keefe & RJ Prowse
Prof John Kerin & Mrs Ashley Kerin
Prof Sandy McFarlane & Debbie Kneebone
Dr Alan Moskwa
Judy Potter
SA Great
Richard Sarre
Tony Seymour
E & M Sheppard
Dr Anthony Spriggins
Jane & Peter Steele
Peter & Mary Sutherland
Richard & Elizabeth Wilson

STAGEHANDS (\$100+)

Anonymous (3)	Susan Armitage
Glenys Baker	Kym Bannister
John Barron & Susan Farrelly	
Margaret Bennett	Albert Bensimon
Amanda & David Berman	J Bird
Jean & John Bishop	Justice DJ & EM Bleby
Dr Chris Branson	Charlotte Bright
Clive Brooks	Jane Brooks
Joan Brown	A Chan
Mary J Clarke	Tori Dixon-Whittle
Nicky Downer AM	Janet Duddy
Janice Edwards	Fentons Conveyancing
G & V Fielder	P Joy Fletcher
Robert & Anne Fletcher	Peggy Friedrichs
Diana Fry	Jim & Jennie Garsden
Jock Gilbert	Phil & Margie Grummet
Naomi Guerin	Felicity Gunner
I Haines	Dr Philip Harding
Dennis Harper & Janet Callen	
David Hay & Michael Speers	
Robbie & Tim Hill	Anne Hirsch
HB & SJ Kildea	DB Kirby
Valerie Linton & John Moore	
Wendy MacDonald	Greg Mackie
Prof Ian Maddocks	Richard & Janet Mansfield
Ashley Marshall	Peggy McBride
Alison McPharlin	Janice Menz
Bob Miersch	Ethel Mill
Jonathan Mill	Fij Miller
Grant Morgan	Robyn Morisset
Jane Newland	Glenys O'Brien
Bernie Pfitzner	Diana Ramsay
Rosemarie Rice	William & Elizabeth Riedel
Elaine Rischbieth	
Graham Russell & Kate Warren	
Margie Rymill	Dr Tony Seymour
Judy Stacey	Donald Stokes
Nick Storer	Josephine Tamblyn
The Shelter B&B in Robe	John Wallace
Brian & June Ward	Bronwen Weller
Ian & Mary Wilson	

OPERATING ACTIVITIES

FROZEN

BY BRYONY LAVERY

A State Theatre Company of South Australia production

2-23 July 2005

The Space

Total performances	23
Attendances	5256
Paid	4440
Unpaid	816

Director	Catherine Fitzgerald
Designer	Gaelle Mellis
Music and Sound	Catherine Oates
Assistant Director*	Sasha Zahra
Accent Coach	Jonathan Mill
Stage Manager	Paige Goodwin
Assistant Stage Managers	Lucie Balsamo Corinna McLaine

Cast

Agnetha	Annabel Giles
Nancy	Carmel Johnson
Ralph	Nick Pelomis
Guard	Valery Duval
Guard	Nick Hughes

Sponsored by Dramatic Women

*Assistant Director Fellowship supported by NRG Flinders

THE GOAT (OR WHO IS SYLVIA?)

BY EDWARD ALBEE

A State Theatre Company of South Australia production

5-20 August 2005

The Dunstan Playhouse

Total performances	16
Attendances	6792
Paid	5759
Unpaid	1033

Director	Marion Potts
Designer	Gaelle Mellis
Lighting Designer	Geoff Cobham
Composer	Stuart Day
Assistant Director*	Jack Sheridan
Accent Coach	Jonathan Mill
Design Secondment	Rebecca Johns
Lighting Secondment	Thomas Press
Stage Manager	Françoise Piron
Assistant Stage Manager	Corinna McLaine

Cast

Stevie	Victoria Longley
Martin	William Zappa
Ross	Marco Chiappi
Billy	Cameron Goodall

*Assistant Director Fellowship supported by NRG Flinders

THE GOAT (OR WHO IS SYLVIA?)

BY EDWARD ALBEE

A State Theatre Company of South Australia production presented by Company B

1 April - 7 May 2006

The York Theatre, The Seymour Centre (Sydney)

Total performances	39
Attendances	11 358
Paid	9345
Unpaid	2013

Director	Marion Potts
Designer	Gaelle Mellis
Lighting Designer	Geoff Cobham
Composer	Stuart Day
Assistant Director	Jack Sheridan
Accent Coach	Jonathan Mill
Accent Coach (Sydney)	John Higgins
Stage Manager	Andrew Stewart
Production Co-ordinator	Anneke Harrison
Assistant Stage Manager	Corinna McLaine

Cast

Stevie	Victoria Longley
Martin	William Zappa
Ross	Pip Miller
Billy	Cameron Goodall

THE DAYLIGHT ATHEIST

BY TOM SCOTT

A State Theatre Company of South Australia and Sydney Theatre Company co-production

9 September - 1 October 2005

The Space

Total performances 24

Attendances 5706

 Paid 4966

 Unpaid 740

Director Adam Cook

Designer Dean Hills

Lighting Designer Gavan Swift

Assistant Director Steven Rassios (Sydney Theatre Company)

Stage Manager Juliette Kingcott

Assistant Stage Manager Stuart Crane

Cast

 Max Cullen as Dan Moffatt

BOMBSHELLS

BY JOANNA MURRAY-SMITH

A Melbourne Theatre Company production presented by State Theatre Company of South Australia

5-22 October 2005

The Dunstan Playhouse

Total performances	20
Attendances	10 140
Paid	9062
Unpaid	1078

Director	Simon Phillips
Designer	Shaun Gurton
Lighting Designer	David Murray
Composer	Elena Kats-Chernin
Stage Manager	Alyson Brown
Assistant Stage Manager	Stacey Cedelland

Cast

Caroline O'Connor
as
Meryl Davenport
Tiggy Entwistle
Mary O'Donnell
Theresa McTerry
Winsome Webster
Zoe Struthers

NOISES OFF

BY MICHAEL FRAYN

A State Theatre Company of South Australia production

28 October - 19 November 2005

The Dunstan Playhouse

Total performances	24
Attendances	9936
Paid	8224
Unpaid	1712

Director	Adam Cook
Set Designer	Graham Maclean
Costume Designer	Kathryn Sproul
Lighting Designer	Gavan Swift
Assistant Director*	glen r johns
Design Secondment	Keiran Swann
Stage Manager	Lisa Osborn
Assistant Stage Manager	Beth Whiting

Cast

Poppy Norton-Taylor	Michaela Cantwell
Lloyd Dallas	Marco Chiappi
Garry Lejeune	Michael Habib
Tim Allgood	Brett Hicks-Maitland
Brooke Ashton	Annie Maynard
Belinda Blair	Caroline Mignone
Selsdon Mowbray	Dennis Olsen
Frederick Fellowes	Geoff Revell
Dotty Otley	Bridget Walters

*Assistant Director Fellowship supported by NRG Flinders

HONK IF YOU ARE JESUS

BY PETER GOLDSWORTHY AND MARTIN LAUD GRAY

A world premiere State Theatre Company of South Australia production presented in association with the 2006 Adelaide Bank Festival of Arts

18 February - 19 March 2006

Odeon Theatre

Total performances	34
Attendances	8338
Paid	7561
Unpaid	777

Director	Martin Laud Gray
Designer	Mary Moore
Lighting and Projection Design	Nic Mollison
Composer	Stuart Day
Video Artist	Justin McGuinness
Assistant Director* and Design Secondment	Cassandra Backler
Stage Manager	Emma O'Neill
Assistant Stage Manager	Jess King

Cast

Mother/Heather Sims/	
Maid/Anaesthetist	Cathy Adamek
Mary-Beth Schultz/Midwife	Michaela Cantwell
Mara Fox	Caroline Mignone
Tad Romanowicz	Jonathan Mill
Bill Scanlon	Justin Moore
Rev Hollis Schultz	Greg Stone

Sponsored by Doctors in Theatre

*Assistant Director Fellowship supported by NRG Flinders

THE BLONDE, THE BRUNETTE & THE VENGEFUL REDHEAD

BY ROBERT HEWETT

A D'Arrietta production presented by State Theatre Company of South Australia

10-27 May 2006

The Dunstan Playhouse

Total performances	18
Attendances	9367
Paid	8135
Unpaid	1232

Director	Jennifer Hagan
Assistant Director	Sean Taylor
Designer	Laurence Eastwood
Lighting Designer	Peter Neufeld
Sound Designer	Wei Han Liao
Composer	Stewart D'Arrietta
Stage Manager	Nicole Robinson

Cast

Jacki Weaver
as
Rhonda
Doctor Alex Doucette
Lynette Anderson
Matthew McKinnon
Graham Russell
Mrs Joan Carlisle
Tanya Moisevitch

WORKSHOPS AND DEVELOPMENT

ORIGIN ENERGY STATE THEATRE COMPANY

YOUNG GUNS 7 PLAYWRIGHTS COMPETITION

Entries for Young Guns 7 closed on 18 April and winners were announced in *The Advertiser* on 8 May.

The winning playwrights had dramaturgy sessions for their scripts with a professional director and the scripts were then further developed and prepared for a public reading with the writers, director and a cast of professional actors during the week beginning 15 May. The week concluded with readings on the Dunstan Playhouse stage in front of about 100 people on 19 May.

South Australian writer Peter Goldsworthy and Origin Energy's Danielle Martin presented the winners with their prizes.

Winners

Too Many Rainbows by Brennan Moyne

Reason by Gemma Sneddon

Director/Dramaturg

Michael Hill

Stage Manager

Emma O'Neill

Cast

Too Many Rainbows

Jerry

Nick Pelomis

Charlie

Luke Clayson

Reason

Teenage Girl 1

Emily Hunt

Teenage Girl 2

Ruth Fallon

Security Guard 1

Luke Clayson

Security Guard 2

Nick Pelomis

Sponsored by Origin Energy

Supported by Adelaide Festival Centre Trust, *The Advertiser* and South Australian Government through Arts SA and Department of Education and Children's Services

LION PIG LION

BY MARTY DENNISS

The Patrick White Playwrights Award-nominated script was workshopped on 14 March and 2-3 May with the writer, Marty Denniss, five actors, and direction and dramaturgy from STCSA Associate Director Michael Hill. The workshops concluded with readings for STCSA staff.

Workshop Actors (14 March)

Catherine Fitzgerald

Rory Walker

Elena Carapetis

Patrick Frost

Jono Wood

Workshop Actors (2-3 May)

Irene Tunis

Nick Pelomis

Wendy Bos

Patrick Frost

Eddie White

Student and Teacher Workshops

Directing for Students

10 February 2006

16 students attended

Directed by Michael Hill with actors Rob McPherson and Eliza Lovell

Directing for Teachers

28 April 2006

12 teachers attended

Directed by Martin Laud Gray with actors Nick Pelomis and Michaela Cantwell



state theatre company
OF SOUTH AUSTRALIA

ABN 55 386 202 154

Financial Statements
for the year ended
30th June 2006

State Theatre Company of South Australia

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State Theatre Company of South Australia

Income Statement for the year ended 30 June 2006

	Note	2006 \$'000	2005 \$'000
Expenses			
Employee related expenses		1,952	1,937
Supplies and services	3	2,626	2,576
Depreciation		22	24
Total Expenses		<u>4,600</u>	<u>4,537</u>
Income			
Commonwealth revenues	4	419	409
Box office and related revenue	4	1,822	1,662
Sponsorship and donations	4	388	424
Revenues from non operating activities	4	38	19
Other revenue	4	291	378
Total Income		<u>2,958</u>	<u>2,892</u>
Net Cost of Providing Services		<u>1,642</u>	<u>1,645</u>
Revenues from SA Government			
Revenues from SA Government	4	<u>1,681</u>	<u>1,653</u>
Net Result		<u><u>39</u></u>	<u><u>8</u></u>
The Net Result is attributable to the State Government as owner			

The above statement should be read in conjunction with the accompanying notes.

State Theatre Company of South Australia

Balance Sheet
as at 30 June 2006

	Note	2006 \$'000	2005 \$'000
ASSETS:			
CURRENT ASSETS			
Cash	6	980	478
Receivables	7	227	375
Inventories	8	2	3
TOTAL CURRENT ASSETS		<u>1,208</u>	<u>856</u>
NON-CURRENT ASSETS			
Investments	9	408	363
Plant and equipment	10	46	45
TOTAL NON-CURRENT ASSETS		<u>454</u>	<u>408</u>
TOTAL ASSETS		<u>1,663</u>	<u>1,264</u>
LIABILITIES:			
CURRENT LIABILITIES			
Payables	11	1,166	812
Employee benefits	12	86	81
Special funds	13	4	4
TOTAL CURRENT LIABILITIES		<u>1,257</u>	<u>897</u>
NON-CURRENT LIABILITIES			
Payables	11	11	13
Employee benefits	12	93	91
Special funds	13	16	16
TOTAL NON-CURRENT LIABILITIES		<u>120</u>	<u>120</u>
TOTAL LIABILITIES		<u>1,377</u>	<u>1,017</u>
NET ASSETS		<u>286</u>	<u>247</u>
TOTAL EQUITY			
Accumulated surplus	14	286	247
TOTAL EQUITY		<u>286</u>	<u>247</u>
Commitments for expenditure	16		
Contingent assets and liabilities	17		

The above statement should be read in conjunction with the accompanying notes.

State Theatre Company of South Australia

Statement of Changes In Equity for the year ended 30 June 2006

	Retained Earnings \$'000
Balance at 30 June 2004	239
Total recognised income and expense for 2004-05	8
Balance at 30 June 2005	247
Total recognised income and expense for 2005-06	39
Balance at 30 June 2006	<u><u>286</u></u>

The above statement should be read in conjunction with the accompanying notes.

State Theatre Company of South Australia

Cash Flow Statement
for the year ended 30 June 2006

	Note	2006 \$'000	2005 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Outflows			
Employee benefits		(1,950)	(1,962)
Suppliers		(2,157)	(2,296)
GST paid to suppliers		(231)	(228)
Cash Used in Operations		(4,338)	(4,486)
Cash Inflows			
Grants from funding bodies	4	419	409
Grants with respect to Reserves Incentive Funding Scheme	4	16	-
Box office and other receipts		2,482	2,208
Interest received		41	31
GST refunded by Australian Taxation Office		127	66
GST received		121	115
Cash Generated from Operations		3,206	2,829
CASH FLOWS FROM SA GOVERNMENT			
Grants from SA Government		1,681	1,653
Cash Generated from SA Government		1,681	1,653
Net cash provided by/(used in) operating activities	18.2	548	(4)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Outflows			
Payments for plant and equipment		(22)	(10)
Payments for investments		(24)	-
Cash used in investing activities		(46)	(10)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Repayment of finance leases		-	(3)
Cash used in financing activities		-	(3)
NET INCREASE/(DECREASE) IN CASH		502	(17)
CASH AT 1 JULY		458	475
CASH AT 30 JUNE	18.1	960	458

The above statement should be read in conjunction with the accompanying notes.

1. OBJECTIVES AND FUNDING

The State Theatre Company of South Australia (the Company) was established under the *State Theatre Company of South Australia Act, 1972* and aims to establish itself as a parent body to innovation that is also successful in producing populist and commercial work that appeals to a broad audience. Our vision is to present, produce, manage and conduct theatrical performances, and be a Company that is driven by artists and ideas.

The Company's principal sources of funds are State Government appropriations, Commonwealth Government grants and Box Office and related revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Accounting

a) Basis of Accounting

The financial report is a general purpose financial report. The accounts have been prepared in accordance with applicable Australian Accounting Standards and Treasurer's Instructions and Accounting Policy Statements promulgated under the provision of the Public Finance and Audit Act 1987 (PFAA).

The PFAA and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards.

Accounting Policy Statements issued pursuant to Treasurer's Instructions may modify or clarify accounting standards application, disclosure, format and wording to provide certainty and to ensure consistency and appropriate reporting across the public sector.

These financial statements are the first statements to be prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS).

AASB 1 First time adoption of AIFRS has been applied in preparing these statements. Previous financial statements were prepared in accordance with Australian Generally Accepted Accounting Principles.

There were no material changes required for the transition to AIFRS.

The Company's Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable. The Cash Flow Statement has been prepared on a cash basis.

The financial report has been prepared based on a twelve month operating cycle and presented in Australian currency.

The normal business activities of the Company are dependent on the continuation of grants from the State Government and the Australia Council at appropriate levels. The State Government has advised that funding at current levels will be maintained through to 31 December 2007. Accordingly, this financial report has been prepared on a going concern basis.

2.2 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

2.3 Rounding

All amounts in the financial statements are rounded to the nearest thousand dollars (\$'000).

2.4 Taxation

The activities of the State Theatre Company of South Australia are exempt from Commonwealth income tax but subject to other Commonwealth taxes such as fringe benefits tax, goods and services tax and other State taxes (including payroll tax).

Income, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred by the Company as a purchaser is not recoverable from the Australian Taxation Office. Receivables and payables are stated with the amount of GST included.

2.5 Income and Expenses

Income and Expenses are recognised in the Income Statement when it is probable that the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Income and Expenses have been classified according to their nature in accordance with Accounting Policy Framework 2 *Form and Content of General Purpose Financial Reports* paragraph APS 3.5 and have not been offset unless required or permitted by another accounting standard.

Grants received from SA Government are recognised as revenues when the company obtains control over the assets. Control over these revenues is normally obtained upon receipt and they are accounted for in accordance with Treasurer's Instruction 3 *Appropriation*.

Income from disposal of non-current assets is recognised when control of the asset has passed to the buyer and is determined by comparing proceeds with carrying amount.

Goods and services received/provided free of charge are recorded as revenue and expenditure in the Income Statement account line items to which they relate at their fair value in accordance with Accounting Policy Framework III *Asset Accounting Framework* paragraph APS 2.12

Ticket sales for, and production costs of, future productions and productions in progress at year end are carried forward as advance box office revenue and prepayments and are not included in revenues and expenses for the year. They are brought to account when a production has concluded.

2.6 Current and Non Current Items

Assets and liabilities are characterised as either current or non-current in nature. The Company has a clearly identifiable operating cycle of 12 months. Therefore assets and liabilities that will be realised as part of the normal operating cycle will be classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

2.7 Cash and Investments

2.7 (a) Cash

For the purposes of the Cash Flow Statement, cash includes cash at bank and deposits at call that are readily converted to cash and are used in the cash management function on a day-to-day basis. The definition of cash in relation to the Balance Sheet differs slightly as it does not take into account bank overdrafts.

Cash also includes highly liquid investments with short periods to maturity that are readily convertible to cash on hand and are subject to an insignificant risk of changes in value. Cash is measured at nominal value.

Short term deposits (Note 6) include deposits at call with the South Australian Government Financing Authority and are recorded at cost. Interest revenues are recognised as they accrue. Interest rates are at market rates of an average 5.4 percent for the year ended 30 June 2006 (5.2 percent in 2004-05).

2.7 (b) Investments

The Company entered into an agreement, known as the Reserves Incentive Funding Scheme Agreement, with the Australia Council and Arts SA during 2003-04. The Scheme is designed to encourage and assist the Major Performing Arts companies to strengthen their balance sheets by building reserves to a level that is sufficient to underpin their financial health.

Investments include long term deposits with the South Australian Government Financing Authority and are recorded at cost. Interest revenues are recognised as they accrue, and are reinvested in the fund. Interest rates are at market rates of 5.6 percent (5.5 percent in 2004-05).

The balance of the fund as at 30 June 2006 was \$408,000 (\$363,000 in 2004-05). Contributions of \$8,000 each were received from the Australia Council and Arts SA during the year (no contributions were received in 2004-05). The funds received under the Agreement must be placed in escrow and can only be released under certain circumstances, which are set out in the Agreement, which includes the Company making a formal submission, signed by the Board Chair, to Arts SA and the Australia Council.

2.8 Receivables

Receivables include amounts receivable from trade and prepayments.

Trade receivables arise in the normal course of selling goods and services to other agencies and to the public.

Trade receivables are payable within 7-30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement, depending on the nature of the sale.

The Company determines the provision for doubtful debts based on a review of balances within trade receivables that are unlikely to be collected. These are generally receivables that are 90 days or more overdue.

2.9 Inventories

Inventories are stated at the lower of cost or their net realisable value. Inventory is measured at cost, with cost being allocated in accordance with the first-in, first-out method. Net realisable value is determined using the estimated sales proceeds less costs incurred in marketing, selling and distribution to customers.

Inventories include raw materials relating to the construction of sets, props and costumes for theatre productions.

In addition to the assets reported, the Company also holds stocks of costumes and theatre props. However, given the special purpose nature of these items, the Board of Governors does not believe it appropriate to bring the value of costumes and theatre props to account.

2.10 Plant and Equipment

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Useful lives are reviewed annually. The major asset categories and their expected useful lives are as follows:

	Years
Motor Vehicles	5
Office Equipment	5
Computer Equipment	3-4

Depreciation is calculated using the straight line method of allocation and is recognised in the financial statements from the date of acquisition. Acquisitions of \$1,000 or less are expensed.

2.11 Payables

Payables include creditors, accrued expenses and employment on-costs.

Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of The Company.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All amounts are measured at their nominal amount and are normally settled within 30 days in accordance with Treasurer's Instruction 11 *Payment of Creditors Accounts* after the Company receives an invoice.

Employment on-costs include superannuation contributions and payroll tax with respect to outstanding liabilities for salaries and wages, long service leave and annual leave.

The Company makes contributions to several superannuation schemes operated by the State Government and other industry superannuation funds. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as the South Australian Superannuation Board (SASB) and other superannuation funds have assumed these. The only liability outstanding at balance date relates to any contributions due but not yet paid to the SASB and other superannuation funds.

2.12 Employee Benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement of sick leave.

Liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date. The liability for annual leave reflects the value of total annual leave entitlements of all employees as at 30 June 2006 and is measured at the nominal amount.

The liability for long service leave is recognised after an employee has completed 7 years of service in accordance with Accounting Policy Framework IV *Financial Asset and Liability Framework*. An actuarial assessment of Long Service Leave undertaken by the Department of Treasury and Finance based on a significant sample of employees throughout the South Australian public sector determined that the liability measured using the short-hand method was not materially different from the liability measured using the present value of expected future payments. This calculation is consistent with State Theatre Company of SA's experience of employee retention and leave taken.

The unconditional portion of the long service leave provision is classified as current as the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date.

The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 10 years of service.

2.13 Insurance

The Company has arranged, through SA Government Captive Insurance Corporation (SAICORP), to insure all major risks of the Company. The excess payable under this arrangement varies depending on each class of insurance held.

2.14 Leases

The Company has entered into operating leases.

Operating Leases

In respect of operating leases, the lessor effectively retains substantially the entire risks and benefits incidental to ownership of the leased items. Operating lease payments are charged to the Statement of Financial Performance on a basis which is representative of the pattern of benefits derived from the leased assets.

The aggregate benefit of lease incentives received by the Company in respect of operating leases have been recorded as a reduction of rental expense over the lease term on a straight line basis.

2.15 Financial Risk Management

The Company is exposed to a variety of financial risks, market risk (foreign exchange and price), credit risk and liquidity risk.

The Company has non-interest bearing assets (cash on hand and on call and receivables) and liabilities (payables) and interest bearing assets (held to maturity investments).

The Company has no significant concentration of credit risk. The Company has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history.

In relation to liquidity/funding risk, the continued existence of the Company in its present form, and with its present services, is dependent on Government policy and on continuing capital appropriations by Parliament to maintain the Company's asset base.

State Theatre Company of South Australia

Schedule of Company's Expenses for the year ended 30 June 2006

3. SUPPLIES AND SERVICES

			2006	2005
	Production and Performance \$'000	Administration \$'000	Total \$'000	Total \$'000
Transactions with Non SA Government Entities				
Promotion and sponsorship expenses	642	-	642	601
Consultants fees	-	96	96	78
Contractors fees	276	10	286	154
Rent	120	-	120	89
Scenery, sound, lighting and special effects	108	-	108	152
Travel and accommodation	66	2	68	90
Royalties	261	-	261	122
Communications	3	38	41	40
Costume and props	68	-	68	62
Other Production Costs	76	-	76	222
Administration expenses		149	149	179
	1,620	295	1,915	1,789
Transactions with SA Government Entities				
Theatre hire and charges	456	-	456	539
Ticket agency charges	142	-	142	134
Administration expenses	-	36	36	33
Rent	-	77	77	81
	598	113	711	787
Total supplies and services expenses	2,218	408	2,626	2,576

State Theatre Company of South Australia
 Financial Year Ended 30 June 2006
 Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
4. REVENUES		
Grants from the:		
State Government:		
Operating	1,671	1,640
Special Purpose	10	13
Australia Council:		
Operating	419	409
Special Purpose	-	-
Total Grants	2,100	2,062
Box office and Related Revenue	1,822	1,662
There were eight productions staged during the year and seven production staged last year.		
Sponsorship and Donations		
Cash	260	335
In Kind	128	89
Total Sponsorship and Donations	388	424
Other Revenue:		
Interest	15	1
Interest from SA Government	26	30
Prop Shop income	130	106
Company Service Fees	27	174
Miscellaneous revenue	93	67
Total Other Revenue	291	378
Revenues from Non Operating Activities		
State Government grants - Reserves Incentive Funding Scheme	8	-
Australia Council grants - Reserves Incentive Funding Scheme	8	-
Interest - Reserves Incentive Funding Scheme (SAFA)	22	19
	38	19

State Theatre Company of South Australia
 Financial Year Ended 30 June 2006
 Notes to and forming part of the Financial Statements

5. AUDITORS' REMUNERATION

Amount due and receivable by the auditors for auditing the financial report.
 No other services were provided by the auditors.

	19	21
--	----	----

6. CASH ASSETS

Short Term Deposits
 Cash at Bank and on hand

	949	457
	31	21
	980	478

7. RECEIVABLES

Prepayments for future productions
 Trade receivables
 Provision for doubtful debts

	174	281
	65	96
	(12)	(2)
	227	375

8. INVENTORIES

Production materials

	2	3
	2	3

9. INVESTMENTS

Reserves Incentives Scheme Cash Management Fund 2.7(b)

	408	363
	408	363

State Theatre Company of South Australia
 Financial Year Ended 30 June 2006
 Notes to and forming part of the Financial Statements

	2006 \$'000	2005 \$'000
10. PLANT AND EQUIPMENT		
Motor Vehicle - at cost	22	22
Accumulated depreciation	<u>(11)</u>	<u>(7)</u>
	<u>11</u>	<u>15</u>
Office Equipment - at cost	138	151
Accumulated depreciation	<u>(124)</u>	<u>(146)</u>
	<u>14</u>	<u>5</u>
Computer Equipment - at cost	210	200
Accumulated depreciation	<u>(189)</u>	<u>(175)</u>
	<u>21</u>	<u>25</u>
TOTAL	<u><u>46</u></u>	<u><u>45</u></u>

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the financial year are as follows:

	Motor Vehicles \$'000	Office Equipment \$'000	Computer Equipment \$'000	Total \$'000
2005-06				
Balance as at 1 July	15	5	25	45
Additions	-	13	9	22
Depreciation expense	<u>(4)</u>	<u>(4)</u>	<u>(13)</u>	<u>(21)</u>
Carrying amount at 30 June	<u><u>11</u></u>	<u><u>14</u></u>	<u><u>21</u></u>	<u><u>46</u></u>

State Theatre Company of South Australia
 Financial Year Ended 30 June 2006
 Notes to and forming part of the Financial Statements

11. PAYABLES

	2006 \$'000	2005 \$'000
CURRENT		
Trade creditors	234	155
Advance Box Office Revenue	726	553
Accruals and advances	195	90
Employee Benefit On-costs	12	14
	1,166	812
NON-CURRENT		
Employee Benefit On-costs	11	13
	11	13

12. EMPLOYEE BENEFITS

CURRENT		
Annual Leave	69	58
Long Service Leave	17	23
	86	81
NON-CURRENT		
Long Service Leave	93	91
	93	91

EMPLOYEE BENEFITS AND RELATED ON-COST LIABILITIES

Annual Leave		
Included in payables - current (note 11)	11	11
Provision for employee benefits - current (note 12)	69	58
	80	69
Long Service Leave		
Included in payables - current (note 11)	1	3
Provision for employee benefits - current (note 12)	17	23
	18	26
Included in payables - non-current (note 11)	11	13
Provision for employee benefits - non-current (note 12)	93	91
	103	104
Aggregate employee benefit and related on-cost liabilities	202	199

13. SPECIAL FUNDS

The company controls two special funds, the Adele Koh Scholarship Acting Fund and the Jill Blewett Playwright's Award, both of which were financed by public donations.

	2005 \$'000	2005 \$'000
Adele Koh Scholarship Acting Fund		
Balance at 1 July	4	4
Payments	-	-
Balance at 30 June	<u>4</u>	<u>4</u>
Jill Blewett Playwright's Award Fund		
Balance at 1 July	16	16
Interest	2	-
Payments	(2)	-
Balance at 30 June	<u>16</u>	<u>16</u>

14. ACCUMULATED SURPLUS

Accumulated Surplus at 1 July	247	239
Surplus from ordinary activities	39	8
Accumulated Surplus at 30 June	<u>286</u>	<u>247</u>

15. RELATED PARTY INFORMATION

Members of the Board of Governors who have held office during the year are:

	Attendances (9 meetings held)
Mr Brenton Wright	8
Ms Nicky Downer AM	6
Mr Richard Flynn	9
Ms Celine McInerney	8
Mr Areste Nicola	1 (term completed August 2005)
Mr Peter Siebels	7
Ms Jen Smith	8 (term commenced August 2005)
Ms Rachel Spencer	9
Mr Peter Vaughan	8

Four members of the Board of Governors received remuneration from the Company totalling \$6,000 during the reporting period ended 30 June 2006 (no members received remuneration in 2004/05). Members of the Board of Governors use the services of the Company no more favourably than members of the public, except for members receiving complimentary tickets to each production.

16. COMMITMENTS FOR EXPENDITURE

Finance Leases

State Theatre Company had no finance leases during 2005-06. (The company had no finance leases during 2004-05)

Operating Leases

Operating lease commitments (excluding GST) contracted for are payable as follows:

	Ricoh Photocopier	Pennington Lease	AFCT Lease	2006 \$'000	2005 \$'000
Not later than one year	7	78	31	116	3
Later than one year but not later than five years	16	53		68	-
	<u>23</u>	<u>131</u>	<u>31</u>	<u>184</u>	<u>3</u>

The Company leases a photocopier from Ricoh at a total contract cost of \$27,000

The rental lease on the State Theatre Prop Shop building at Pennington was signed in August 2005. It is due to expire in February 2008.

The company sub-lets part of the Pennington storage premises to other companies for a monthly rental fee, based on letters of agreement. These agreements are cancellable at 4 weeks notice.

The rental lease on the State Theatre offices in the Adelaide Railway Station and the workshop and rehearsal areas located in the Adelaide Festival Centre was signed on 15 December 2005. It expires in December 2006, subject to a right of renewal for one further term of 5 years.

Production Contracts

The Company, given the nature of its operations, has entered into contracts with artists and arrangements with interstate Theatre Companies for theatre performances scheduled to take place subsequent to 30 June 2006. The terms and conditions of the contracts and the arrangements may place a liability on the Company to make some payments should the artists or the interstate Theatre Companies not be engaged.

Contracts and arrangements amounting to \$129,000 were entered into as at 30 June 2006 (\$141,000 as at 30 June 2005) and are all due for payment as follows:

Due within one year:			
Artist's salaries		129	141
		<u>129</u>	<u>141</u>

17. CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

The Company is not aware of any contingent liabilities.

Contingent Assets

The Company is not aware of any contingent assets.

State Theatre Company of South Australia
Financial Year Ended 30 June 2006
Notes to and forming part of the Financial Statements

2006 **2005**
\$'000 **\$'000**

18. CASH FLOW RECONCILIATION

18.1 Reconciliation of Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank and short term deposits, net of bank overdraft and cash held in trust. Cash as at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash Flow Statement	960	458
Balance Sheet	<u>980</u>	<u>478</u>
	(20)	(20)
Cash held for specific purposes:		
Adele Koh Scholarship account	4	4
Jill Blewett Award account	<u>16</u>	<u>16</u>
	20	20

18.2 Reconciliation of Net Cash provided by (used in) Operating Activities to Net Cost of Providing Services

Net Cash provided by/(used in) Operating Activities	548	(4)
Less Revenues from SA Government	(1,681)	(1,653)
Add/Less non-cash items:		
Depreciation	(22)	(24)
Interest with respect to Reserves Incentives Funding Scheme	22	19
Changes in Assets/Liabilities		
(Decrease) in receivables	(43)	(38)
(Decrease)/Increase in prepayments	(107)	183
(Decrease) in inventories	(1)	(1)
(Increase) in payables	(355)	(151)
(Increase)/Decrease in employee benefits and oncosts	(3)	24
Net Cost of providing Services from Ordinary Activities	<u><u>(1,642)</u></u>	<u><u>(1,645)</u></u>

State Theatre Company of South Australia
Governors Statement for the year ended 30 June 2006

We certify that the financial statements:

- are in accordance with the accounts and records of the State Theatre Company of South Australia and give an accurate indication of the financial transactions of the Company for the year ended 30 June 2006;
- present fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the State Theatre Company of South Australia as at 30 June 2006, and the result of its operations and its cash flows for the year then ended; and

The internal controls over the financial reporting have been effective throughout the reporting period.

Signed in accordance with a resolution of the Board of Governors



Peter Vaughan
Acting Chair
Board of Governors
State Theatre Company of SA

Noelene Buddle
CEO
State Theatre Company of SA



Marie-Ann Ellis
Finance Manager

State Theatre Company of SA

Dated: 25/9/06

Dated: 25/9/06

Dated: 25/9/06



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TO THE CHAIR**SCOPE**

As required by section 31 of the *Public Finance and Audit Act 1987* and Section 26 of the *State Theatre Company of South Australia Act, 1972*, I have audited the financial report of the State Theatre Company of South Australia for the financial year ended 30 June 2006. The financial report comprises:

- An Income Statement;
- A Balance Sheet;
- A Cash Flow Statement;
- A Statement of Changes in Equity;
- Notes to the Financial Statements;
- Certificate by the Acting Chair, Chief Executive Officer and the Finance Manager.

The Board are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion on it to the Chair.

The audit has been conducted in accordance with the requirements of the *Public Finance and Audit Act 1987* and Australian Auditing and Assurance Standards to provide reasonable assurance whether the financial report is free of material misstatement.

Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, Accounting Standards and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with my understanding of the State Theatre Company of South Australia's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In my opinion, the financial report presents fairly in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the State Theatre Company of South Australia as at 30 June 2006, the results of its operations and its cash flows for the year then ended.

A handwritten signature in black ink, appearing to read 'K I MacPherson'.

K I MacPherson
Auditor-General
26 September 2006