



TSO 2018

GOALS AND KPIs
GOVERNANCE REPORT



TASMANIAN
SYMPHONY
ORCHESTRA

Goals and KPIs

Artform

The Tasmanian Symphony Orchestra is recognised as a symphonic orchestra that displays innovation, adventure and excellence, and is:

- acknowledged as a leader in developing and presenting new works and reinvigorating existing works
- seen as fostering experimentation and risk taking through an innovative mix of programming
- contributing to greater recognition of diverse Australian work locally, nationally and internationally

Strategic Goals – Artistically excellent/well recognised/loved by the community				
Required Outcome	Mechanism	Measure	Target	YTD Actual
Developing and implementing a measureable artistic vibrancy assessment process	Improved ratings from Peer Panel	Season Average (base 2012-15 average)	> 8	8.5
Commissioning and presenting new work at the forefront of artistic practice including Australian work independently and/or as co-pros	Australian Works:			
	Performed	Season Total	> 12	49
	Recorded	Season Total	> 3	8
	New Works:			
	TSO Commissions	Season Total	> 7	15
	Premieres of Australian Works	Season Total	2	6
Australian premiere of International works	Season Total	> 1	5	
Contributing to the development and presentation of high quality arts programs and cultural practice in Tasmania	Tasmanian & Festival collaborative performances	Season Total	> 4	14
Developing and progressing an international engagement strategy focused on China	Opportunities identified	Number	1	1

Sector development

The Tasmanian Symphony Orchestra demonstrates sector leadership and grows the profile of Australian arts and artists through,

- strengthened local, national and international artistic collaborations and partnerships
- inclusion of diverse practice by artists from different backgrounds
- increased capacity of artists to make excellent work
- development of artists including Aboriginal and Torres Strait Island artists

Strategic Goals – Well recognised/loved by the community/ a great place to work				
Required Outcome	Mechanism	Measure	Target	YTD Actual
Supporting and developing connections and collaborations with individual artists and the small to medium sector	Artistic Collaborations	Total number of artists/companies	> 3	5
Demonstrating commitment to nurturing and development of artists at various stages of their career	Participants in National artist training programs	Total number	> 50	52
	Training workshops/ programs	Season total of sessions & calls	> 35	47

Access

The Tasmanian Symphony Orchestra ensures more Australians have access to and engagement with the arts, through

- continued development of audiences of scale for symphonic music performing arts locally, regionally, nationally
- strengthened artistic experiences for children and young people
- development of collaborative ways of presenting work through advanced technology
- actively engaged audiences from culturally and linguistically diverse backgrounds through specific initiatives
- increased experience and understanding of Aboriginal and Torres Strait Islander arts and cultures
- increased access and participation for audiences with a disability
- broadened access or participation in arts and cultural activity which contributes to strengthening the economic, social and cultural base of communities

Strategic Goals – Loved by the community/well recognised

Required Outcome	Mechanism	Measure	Target	YTD Actual
Presenting an annual season of performances in Hobart & Launceston	Total number of concerts	Season Total	> 28	38
	Total audience	Season Total	> 23,000	30,855
Development of audiences that reflect the diversity of the company's marketplace	Total number of concerts	Season Total	> 70	83
	Total audience	Season Total	> 52,000	59,810
Undertaking education and learning activities within schools and/or the wider community as agreed	Number of Education concerts	Season Total	> 15	13
	Education concert attendance	Season Total	> 6,000	4,727
	Number of workshops	Season Total	> 15	40
	Number of workshop attendees	Season Total	> 1,100	4,573
	Contact hours	Season Total	3,350	2,976
Delivering engagement with regional Tasmania including through touring, education/learning & digital platforms	Number of regional concerts	Season Total	> 3	5
	Total concert attendance	Season Total	> 800	1,049
	Regional education concerts & workshops	Season Total	> 5	14
	Number of education audiences & participants	Season Total	> 1,000	859
Developing nationally and internationally recognition through broadcasts and recordings	Total number of broadcasts	Season Total	> 18	51
	Estimated listening audience	Season Total	average weekly reach of 736,000 in 2017/18	
	Total number of recordings	CDs released	> 3	2

Financial & Governance

The Tasmanian Symphony Orchestra will demonstrate sound financial and governance practices, which result in

- Increased long-term resilience and sustainability

Strategic Goals – Loved by the community/ well managed/ a great place to work

Required Outcome	Mechanism	Measure	Target	YTD Actual
Diversifying and growing the company's revenue base	Total annual income	% increase	> 3%	3.23%
	Financial analysis	Growth rate in earned income to exceed growth rate in grant income.	> 2%	6.9%
Adopting entrepreneurial and innovative approaches to support viability	Number of hire & collaborative performances	Season Total	> 7	16
Maintaining reserves	Financial analysis	Reserves	> 20%	34.0%
Maintaining operating margin	Financial analysis	Operating margin	> 1%	0.27%
Working capital	Financial analysis	Working capital ratio	2:1	2.1:1
Maintaining adequate liquidity	weeks' use of overdraft	Total weeks	not required	
Having strong governance and management capabilities in accordance with Essential Governance Practices for Arts Organisations guidelines	Reporting & compliance requirements:			
	Instances of non-compliance	Annual total	0	0
	On-time reporting	Annual percentage	100%	100%
	Performance reviews	Conducted	5	2
	Succession planning	Annual review conducted	1	1
Regular and open dialogue with stakeholders including funding bodies	Meetings held	Annual total	> 20	157
New lease for renovated Hobart premises on favourable terms	New lease	In progress	Due by 2020	
	Refurbishment	Progress updates	1	1
Private Sector income	Donation income	Budget	\$346,000	\$390,035
Private Sector income	Partnerships income	Budget	\$409,000	\$409,363
Foundation income	Grant/Trust distributions received	Budget	\$241,143	\$109,846

Governance Report

This Governance Report is provided in respect of Tasmanian Symphony Orchestra Holdings Ltd (TSOH) and its 100% owned subsidiary, Tasmanian Symphony Orchestra Pty Ltd (TSO), for the year ended 31st December, 2018 (the Group).

TSOH's Constitution was designed to effect the governance reforms from the Australian Government's Review of Orchestras. In this regard we are pleased to report that the membership base for TSOH at the end of 2018 was 359 members. TSOH held its Annual General Meeting in May 2018 at which the Members were provided with reports from the Chair and the Managing Director.

During 2018 the Board's oversight of the TSO met or exceeded the 'Essential governance practices for arts organisations', as referred to in the 2016-18 Tripartite Funding Agreement. The following demonstrates TSO's compliance with the eight Principles.

1. Lay solid foundations for management and oversight

A formal Charter for the Board was adopted in 2009. The Charter clearly articulates authority delegated to management for delivering the required outcomes of the strategic direction determined by the Board. Further, it provides the delegation of authority to the following Board Committees:

- Audit and Risk Committee
- Nomination and Remuneration Committee
- Key Artistic Advisory Committee

The roles of the Chair, Managing Director and Company Secretary are all formally recorded in the Charter. The Charter also specifies that the ultimate responsibility for approval of corporate strategies and objectives, budgets, plans and policies developed by management is that of the Board. The Board develops an annual schedule and management brings the major strategic, business and policy matters to the Board in an orderly way.

Early in the year the Board approves the artistic program for the ensuing year subject to subsequent budgeting which must normally be a surplus budget. The Board considers and approves an amended program in light of management recommendations once the budgeting process has been completed.

The annual calendar of meetings also normally includes a specific planning day set aside for strategic planning discussion.

The Board receives monthly financial reports with management commentary on variations from the budget.

Induction for any new directors includes provision of relevant company documentation and an in-depth briefing on major operational, structural and financial aspects of the Group from the Chair, Managing Director and Company Secretary.

All administrative employees have formal position descriptions and letters of appointment which clearly set out conditions of employment, including required outcomes. Administrative employees undergo an annual performance appraisal by their immediate manager, which is in turn reviewed and approved by the Managing Director. The annual review of the Managing Director is undertaken by the Chair in consultation with Board members and reported back to the Board.

The Board has ensured, through its own reservation of authority, its delegation of authority, together with the imposed limits in respect of those delegations, that no individual has unfettered powers.

2. Structure the board to add value

The TSOH Constitution provides for the election of up to eight Directors by members. In addition, the Board may appoint the CEO as Managing Director. Directors elected by Members may serve a maximum of three consecutive three-year terms, after which time they must retire, although in certain circumstances the Chair may serve an additional term of up to three years. An annual election process for directors ensures an opportunity to review the composition of the Board.

The TSO Pty Ltd Constitution provides for the appointment and removal of up to eight Directors by its parent, TSOH and one Director appointed by the Board as the Managing Director.

The Board includes Directors with a broad range of skills and experience including accounting and finance, company secretarial, business, law, music and education. A full list of the Board Directors which includes their qualifications and experience is included in the Annual Report.

The Nomination and Remuneration Committee regularly reviews the Board's skills mix.

The responsibilities and authorities of the Board, Managing Director and Company Secretary not otherwise contained within the *Corporations Act 2001* are clearly stated in the Delegations Manual.

The Chair is elected by the Board and is responsible for the efficient and effective functioning of the Board, including, but not limited to the discussion and determination of the strategic direction of the Group and ultimately the production of the Strategic Business Plan. The Board has established the following Committees to provide closer attention to key areas of governance:

- Audit and Risk Committee – TSOH
- Nomination and Remuneration Committee – TSOH & TSO
- Key Artistic Advisory Committee – TSO

The Board conducts periodic reviews of its own performance and that of its Committees.

3. Act ethically and responsibly

Independence of Directors is considered to be of vital importance.

Interests are routinely listed in Board papers and potential conflicts of interest are declared and managed appropriately. Where a conflict arises it is declared, the Director will generally not be present for consideration of the matter and, in all cases, will not participate in any decision making in relation to the matter.

The Board actively encourages and demonstrates by its actions that it expects an organisational culture based on high ethical values. During the year the Board did not need to examine any matter in detail with regard to ethical behaviour.

Major decisions of the Board were typically examined over a number of meetings thereby allowing full consideration of the matters relevant to the decision.

The Board encourages 'whole of company' information sessions and these encompass a wide range of topics including behaviour within the workplace. Relevant policies and procedures are documented and further progress was made on a Code of Conduct.

The company systematically reviews and updates its *Workplace Discrimination, Bullying and Harassment Policy* to ensure compliance with best practice and relevant legislation. The Board formally approved this policy in March 2018 and the next review is scheduled for January 2020.

4. Ensure diversity

The Board actively encourages an organisational culture that embraces diversity and inclusion.

TSO has a *Diversity and Inclusion Policy* having approved a final version during 2018. The policy recognises the value of a diverse and skilled workplace and encompasses acceptance, respect and recognition of individual differences.

Workplace diversity principles will be incorporated into all aspects of human resource management, such as workforce planning, recruitment and selection, performance management, learning and development, leadership development, workplace health and safety and workplace relations.

Above all, we are committed to ensuring that all employees are treated with respect and dignity. Inappropriate attitudes and behaviours are addressed through approved procedures. The company will treat seriously any instance of inappropriate behaviour and address attitudes based on inappropriate stereotypes.

TSO has a program in place to conduct anti-discrimination and diversity training upon commencing employment with the company and refresher training for all employees is conducted every two (2) years. Policies are reviewed and updated every two (2) years or more frequently should legislative changes take place.

5. Safeguard integrity in all reporting

The Audit and Risk Committee has a formal Charter which has been approved by the Board. The Committee has a schedule of regular meetings at which it reviews and considers:

- Financial Statements for the previous year
- Risk Management
- Budget for the forthcoming year
- Any other matter that falls within the scope of the Committee including capital expenditure.

The Committee comprises directors who would each be regarded as having a high level of accounting and finance skills.

The Managing Director and Business Manager attend Audit and Risk Committee meetings.

Deloitte Touche Tohmatsu was appointed as external auditor from 2011 and is invited to attend the AGM of members each year.

The Committee reviewed statutory and management accounting statements and considered related accounting policy issues. The Managing Director and Business Manager provided the Board with a signed representation letter attesting that the company's Financial Statements present a true and fair view of the company's current financial position and are in accordance with relevant legislative requirements and accounting standards.

The Committee meets at least annually with the external auditor without management present.

The review of financial performance is a regular monthly agenda item for the Board.

6. Engage with stakeholders

The Board is charged with ultimate responsibility to ensure that productive working relationships with key TSO Stakeholders are maintained. The day to day management of key stakeholder relationships is delegated to the Managing Director and in turn to the senior management team.

The Managing Director and senior management meet regularly with key stakeholders including Commonwealth, State and Local Government, sponsors, audiences, the Orchestra itself and those providing professional advice to the TSO.

The Board provides an Annual Report which provides information to the general public on its artistic and financial performance.

An annual survey is also conducted state-wide in Tasmania to assess community awareness of the TSO. Feedback and communication is encouraged via social media and via more traditional communication channels.

Management and the Board work to a year planner which is structured to ensure compliance with the legal and reporting requirements of its funding organisations. Additionally, the Company Secretary is delegated with responsibility to ensure the Company complies with all its other statutory requirements.

7. Recognise and manage risk

The Board reviews and manages risk through its Audit and Risk Committee. It has established a Risk Report and Risk Analysis, the objectives of which are:

- To promote a risk aware culture;
- To develop a strategic enterprise risk profile of TSO and to provide a basis to identify relevant priorities and actions to better enable TSO to successfully achieve its objectives;
- To provide an overview of existing control effectiveness;
- To provide input to TSO's planning process;
- To involve management and staff in risk ownership and management and to embed risk management;
- To provide a basis from which to report regularly to stakeholders on key risk issues.

Management prepares draft revisions of the Risk Report and Risk Analysis and these are reviewed during the year by both the Audit and Risk Committee and the Board.

The methodology applied is consistent with the Australian/New Zealand Risk Management Standard AS/NZS ISO 31000:2009 and the key elements of that methodology are the consequences and impact parameters.

A Management Representation letter is signed annually prior to the signing of the financial statements. The company's financial reports present a true and fair view of the company's financial position and operational result and are in accordance with relevant accounting standards. TSO financial statements are founded on a sound system of risk management and internal controls.

8. Remunerate fairly and responsibly

An Enterprise Agreement for administrative staff was agreed in 2015 and the Agreement for musicians was agreed during 2018.

The Board is conscious of the need to keep remuneration of musicians in broad alignment with other orchestras and remuneration for executives and staff in alignment with industry and community standards so that the Company can recruit and retain, but is mindful of the limited resources of the company.

A workforce planning initiative is currently underway and due for completion during 2019. The objective of this planning is to ensure remuneration strategies are fair and consistent with comparable industry standards.

Non-executive Directors do not receive any remuneration from the company.



David Rich
Chair
March 2019



Principal Partner



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The Tasmanian Symphony Orchestra
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