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# Strategic Plan 2016–2019

1 January 2016 – 31 December 2019



## **A Note on the Queensland Theatre Company Strategic Plan – January 2016**

In accordance with the requirements of the Queensland Government, and as noted in the text, this Plan was prepared prior to the new Artistic Director, Sam Strong, being appointed.

During 2016, the Plan will be revised to reflect the change in artistic leadership that took place in November 2015.

The revised strategic plan will retain what the Queensland Theatre Company is currently renowned for, including its commitment to Indigenous work and artists, education and touring.

However, the revised strategic plan will also reflect a new ambition and energy. In the next five years, Queensland Theatre Company aspires to lead the nation from Brisbane. This will include the company establishing itself as the national leader in the creation of new Australian stories and in the creation of career pathways for artists.

If you have any questions about the strategic plan, or the Queensland Theatre Company more generally, please do not hesitate to contact the company on [mail@queenslandtheatre.com.au](mailto:mail@queenslandtheatre.com.au)

# Contents

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Executive Summary .....	4
Mission and Artistic Vision .....	6
Mission .....	6
Purpose.....	6
Values.....	6
Goals/Objectives.....	6
Artistic Vision .....	6
Strategic / Context Analysis .....	8
Framework.....	8
Key Issues .....	8
Artistic Vibrancy.....	9
History .....	10
Internal Situation .....	10
Artistic reputation .....	11
Current financial position .....	11
External Situation.....	11
Markets and Relationships .....	12
Current Financial Situation.....	15
Financial Forecast .....	16
Management Plans .....	19
Role of Board and Governance.....	19
Succession Plan.....	19
Ancillary Plans .....	19
Risk Management Plan.....	20

# Executive Summary

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The Queensland Theatre Company Strategic Plan for the next four years is based on four key goals:

1. Deliver programs of exceptional quality
2. Reach a broader audience
3. Strengthen relationships with industry, community and the corporate sector
4. Maintain a strong and sustainable infrastructure for the Company

These goals reflect the commitment of the Company to dynamic and diverse programming (including Indigenous work), the desire to attract the widest possible audience (both in Brisbane, throughout Queensland and elsewhere) and the understanding that these efforts will only be sustainable with strong financial results.

The goals reflect changes brought about by:

- Analysis of attendance patterns at QTC Main Stage shows which are relatively static despite changes in programming.
- The increasing costs of producing new work.
- The short “shelf life” of the work we produce coupled with a strong desire to have a greater return for our investment and our ambition to be more environmentally sustainable.
- Our unique position as the no-borders “State Theatre Company of the North” which in the past toured the Top End regularly – something we hope to reinvigorate. In addition our proximity and connection to Asia and the Pacific.
- The need to reflect the unique demographic of Queensland – the most decentralized state with huge distances between towns.

The artistic direction of QTC is in a process of change. Current Artistic Director Wesley Enoch leaves in October 2015 and is unlikely to be replaced until early 2016. For that reason QTC programming for 2016 will continue the pattern set over the previous four years, ranging from classics to large scale international and national work, new Australian work and non-traditional theatre. The focus is on building audiences and ensuring the relevance and longevity of work. The Company remains committed to the Indigenous Program and the goal of presenting at least two Indigenous works each year. Main Stage works will be presented predominantly in the Playhouse at QPAC, with some smaller works at the Bille Brown Studio at QTC.

The Company will produce fewer Main Stage works alone, seeking out co-production opportunities or presentations, in the interests of reserving resources for the development and production of more new works, often in collaboration with the small to medium (s2M) sector and independent artists. This activity will take place at QTC where a new performance space has been created (the Diane Cilento Studio). The Theatre Access program will continue to provide space and equipment to the S2M sector.

As the largest and best resourced theatre company in the state, whole of industry development is a key preoccupation for QTC. This is reflected through a wide range of artist development programs including new writing programs, commissions and opportunities for artistic residencies. Two new, year-long residency opportunities are planned for 2016: a resident early-career designer and a Trainee Tour Production Manager, both positions reflecting skills shortages in the industry. QTC’s commitment to cultural and gender diversity will be evident throughout these programs.

QTC’s regional commitment remains strong with at least one annual Main Stage production to tour to regional Queensland, along with in-depth educational and community engagement activities in selected areas. Digital broadcasts of Main Stage work are also of interest, following the positive response the *Black Diggers* simulcast.

The Company also intends to continue its national touring – again with at least one production per year – and to extend into international touring, which we have been developing for the past two years, and are scheduled to commence in 2017.

The Youth and Education Programs remain a hallmark of QTC and will continue to expand and develop over the coming years with programs ranging from Youth Ensembles for individuals to artists-in-schools, professional development for drama teachers, educational resources and *The Scene Project*.

A key focus over the duration of this strategic plan will be further enhancement of the QTC building in Montague Road (encompassing our administration, workshop, wardrobe and The GreenHouse performance spaces) to address the increasing development in the Kurilpa precinct. We will work closely with both Brisbane City Council and other local organisations to make The GreenHouse at QTC a desired arts destination.

# Mission and Artistic Vision

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## Mission

We excite and inspire audiences through our theatre making.

## Purpose

We present, produce, develop and tour classic and contemporary theatrical programs to encourage participation and dialogue and to showcase our stories and creative talent.

## Values

We value being:

- Dynamic
- Entrepreneurial
- Collaborative
- Storytellers
- Diverse
- Sustainable

## Goals/Objectives<sup>1</sup>

1. Deliver programs of exceptional quality
2. Reach a broader audience
3. Strengthen relationships with industry, community and the corporate sector
4. Maintain a strong and sustainable infrastructure for the Company

## Artistic Vision

QTC is currently in a state of change as the current Artistic Director is leaving the Company at the end of October 2015 and it is likely the new Artistic Director will not begin until early 2016. Hence the artistic vision for QTC remains as currently set which is to be a leader in the artistic community, identify the key social narratives, reflect the broader community through its storytelling, provide the best international/national/local work which includes cultural and linguistically diverse stories, audiences and artists; provide Indigenous theatre; provide large scale theatrical offerings and family programming.

In addition QTC provides the stepping stones for artists to build a sustainable career in the theatre.

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<sup>1</sup> QTC reports to both the Australia Council for the Arts and Arts Queensland. The former requests companies to state 'Goals' and the latter requests 'Objectives' to remain consistent with terms used in the *Agency Planning Requirements*.

	GOALS/Strategies	KPI	2015	2016	2017	2018
	<b>Deliver programs of exceptional quality</b>					
A1	Diverse programming across productions/events/works	<ul style="list-style-type: none"> <li>• Number of Main Stage and Studio plays</li> <li>• Number of new works</li> </ul>	8 + 6 3	8 + 2 3	8 + 2 3	8 + 2 3
A2	Development of a vibrant artistic culture within QTC	<ul style="list-style-type: none"> <li>• Number of Artistic residencies</li> </ul>	4	4	4	4
A3	Ensure flexible and responsive systems and programs to support the creation/commissioning of a diversity of work	<ul style="list-style-type: none"> <li>• Number of commissions</li> </ul>	2	2	2	2
A4	Maintain strong Indigenous Program	<ul style="list-style-type: none"> <li>• Number of Indigenous works</li> </ul>	2	2	2	2
	<b>Reach a broader audience</b>					
B1	Ongoing research into Queensland theatre market	<ul style="list-style-type: none"> <li>• Qualitative and quantitative customer research</li> </ul>	4 surveys	4	4	4
B2	Strengthen our brand identity	<ul style="list-style-type: none"> <li>• Media presence (all platforms &amp; social) &gt; 70% positive review</li> </ul>	> 70%	> 70%	> 70%	> 70%
B3	Attract and retain more customers	<ul style="list-style-type: none"> <li>• Audience numbers - Main Stage and studio</li> </ul>	73,000	68,000	70,000	75,000
B4	Increase audience accessibility	<ul style="list-style-type: none"> <li>• Youth and Education tickets provided/sold</li> </ul>	9,000	9,500	9,700	10,000
B5	Broaden the Company's geographic reach	<ul style="list-style-type: none"> <li>• Number of tours and interstate co-productions</li> </ul>	5	3	3	3
	<b>Strengthen relationships with industry, community and the corporate sector</b>					
C1	Support a vibrant and diverse local performing arts sector	<ul style="list-style-type: none"> <li>• Partnerships with S2M companies/independent artists</li> </ul>	3	3	4	4
C2	Provide pathways within the youth and education sector	<ul style="list-style-type: none"> <li>• Attendees at youth development activities (Youth Ensembles, TRW, Scene, workshops)</li> </ul>	950	975	1,000	1,100
C3	Engage with regional artists, companies and under-served communities	<ul style="list-style-type: none"> <li>• Attendees at regional residencies, tours and workshops</li> </ul>	40,000	25,000	25,000	25,000
C4	Highlight the value of our work to existing and potential partners	<ul style="list-style-type: none"> <li>• Additional government &amp; private sector partnerships (&gt; \$5,000)</li> </ul>	8	8	10	10
	<b>Maintain a strong and sustainable infrastructure for the Company</b>					
D1	Strong governance and management capabilities	<ul style="list-style-type: none"> <li>• Reserves (20% and above)</li> <li>• Exceed operating margin by 1% each year</li> <li>• Venue hire and bar sales</li> </ul>	27% 1% \$150k	22.50% 1% \$160k	22.50% 1% \$170k	22.50% 1% \$180k
D2	Increasing income through existing revenue streams and new initiatives					
D3	Ensuring strong expenditure controls	<ul style="list-style-type: none"> <li>• Maintain positive working capital</li> <li>• # weeks that can operate if funding lost</li> </ul>	1:1 10 weeks	1:1 10 weeks	1:1 12 weeks	1:1 12 weeks
D4	Improve environmentally sustainable practices within the Company	<ul style="list-style-type: none"> <li>• Reduction in power costs</li> </ul>	\$6,000	\$18,000	\$18,000	\$18,000
D5	Create a positive work environment	<ul style="list-style-type: none"> <li>• Staff turnover</li> </ul>	< 10%	< 10%	< 10%	< 10%
D6	Enhance QTC building infrastructure	<ul style="list-style-type: none"> <li>• Building improvements</li> </ul>	Studio 2	BBS start	BBS completed	Completed

Note 1: 2015 had a large number of Studio shows (6) which inflated audience figures. 2016 has been more conservatively programmed to manage the transition year of the new Artistic Director. Similarly 2015 had an unusual touring program with five tours when a more regular program would be two to three tours / transfers each year.

# Strategic / Context Analysis

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## Framework

In preparing this plan QTC is cognisant of the Queensland Government's objectives for the community:

- Creating jobs and a diverse economy
- Delivering quality frontline services
- Protecting the environment
- Building safe, caring and connected communities.

In addition to the above, in performing its functions, the Company must have regard to the object of, and guiding principles of the *Queensland Theatre Company Act 1970*.

The object of the Act is to contribute to the cultural, social and intellectual development of all Queenslanders. The guiding principles behind achievement of this object are:

- (a) leadership and excellence should be provided in the arts of the theatre;
- (b) there should be responsiveness to the needs of communities in regional and outer metropolitan areas;
- (c) respect for Aboriginal and Torres Strait Islander cultures should be affirmed;
- (d) children and young people should be supported in their appreciation of, and involvement in, the arts of the theatre;
- (e) diverse audiences should be developed;
- (f) capabilities for life-long learning about the arts of the theatre should be developed;
- (g) opportunities should be supported and enhanced for international collaboration and for cultural exports, especially to the Asia-Pacific region; and
- (h) content relevant to Queensland should be promoted and presented.

## Key Issues

### Artistic

In 2015 QTC embarked on an ambitious and unprecedented artistic program which included eight Main Stage productions, six 'add ons' and five tours. In 2016, taking into account the change in Artistic Director, the Company will return its output to previous levels thus allowing the new Artistic Director the time to develop a thorough artistic plan for the Company over the next five years.

### Social

Brisbane is a city in which people rise early and retire early to bed. People love the outdoor life, big spectacles, musicals and free deals. Presenting text based theatre is challenging although there remains a strong appetite for it amongst a core community.

Our audience numbers have slowly increased in the past few years but remain below levels experienced pre-2011 when the Brisbane floods had a devastating impact. This has also coincided with the onslaught of home entertainment options such as iView and NetFlix. We have oriented our programming to provide a strong mix of work that will appeal to a wide cohort. Since 2012 we have increased audiences for Indigenous work and this remains a priority for the Company and is underpinned by our Stretch Reconciliation Action Plan (RAP).

The Company has ambitions to grow our younger audiences. There is however a natural reaction by younger people to our Main Stage productions which they perceive are oriented to an older demographic.



Even with more dynamic and attractive programming and accessible ticket prices, younger audiences prove challenging.

The GreenHouse is the public space of QTC incorporating an outdoor courtyard, large theatre foyer and bar, the Bille Brown Studio and Diane Cilento Studio which now can hold performances with an audience of 90. It is in the GreenHouse that we will challenge audience members with new and edgy work, including Main Stage. These works will be produced by both QTC and independent companies and artists.

### Economic

The QTC demographic has a strong base in middle class retirees who are particularly sensitive to changes in the economy. This then affects their ticket buying behaviour.

Philanthropy and sponsorship are also challenging in the Brisbane market compared to Melbourne and Sydney. Few corporations have head offices in Brisbane, few major Foundations are located in Queensland and private philanthropy for the arts is still in its infancy. Significant progress has been made in these areas in the past three years and it is hoped that a capital campaign for the Bille Brown Studio renovation will encourage increased support from current and new donors.

### Technological

We currently have a strong social media presence and constantly interact with our audiences this way. It is difficult however to gauge the success of these interactions in terms of ticket sales. We have also integrated digital technology into some of our performances and see this as ongoing artistic practice.

In 2014 QTC conducted its first digital broadcast (*Black Diggers* to nine regional Queensland centres) and given our responsibility to service all of Queensland this is something we would like to continue provided we can secure funding to support it.

### Artistic Vibrancy

The role of a State Theatre Company is to be a leader in an artistic community, identify the key social narratives, and reflect the broader community through its storytelling. Queensland has a very strong event audience and a growing independent theatre movement. The missing areas of the theatrical landscape include family programming; culturally and linguistically diverse stories, audiences and artists; Indigenous theatre; large scale theatrical offerings and the stepping stones for artists to build a sustainable career in the theatre. QTC has been attempting to address these gaps in the past few years.

Very few theatre companies in Queensland can offer the same level of durability, artistic standards and investment. The pressure to grow attendances however is sometimes at odds with our brief to tour throughout the state, focus on local employment, maintain a well-established education program and develop industry building activities.

The QTC core audiences are enthusiastic and the dialogue that QTC has with them through the various play briefings, nights with artists, social media interactions, season launches and special events are extremely important. They provide valuable feedback which assists us in shaping an artistic program.

As part of ongoing artistic vibrancy in the Company and our engagement with the community QTC has a resident director program, a pitching process for artists, a commissioning program, artistic residencies, a formalised internal programming process and a peer review process through the selection of 10 Associate Artists. These mechanisms help identify ideas and artists who need support whilst reviewing the work of the Company to maintain standards and connection with the artistic community and the general public.

## History

Queensland Theatre Company was established as a statutory body when the Queensland parliament passed the Queensland Theatre Company Act in 1970. From its outset, the Company has placed priority on educational, youth and regional activities, furthering the skills and creating employment for Queensland artists as well as providing a diverse range of experiences for its Main Stage audiences. The Main Stage program offers a diverse program in style, era and a mix of Australian and international work.

The Company has a history of regional and national touring of our Main Stage shows and of co-productions with other major performing arts theatre companies, and continues to do so. Over the past decade the Company has gained a reputation for developing emerging artists i.e. actors, writers and other theatre practitioners.

Two key components of the Company have been the education program and the Youth Ensemble. QTC has had a strong education program for almost the whole of its 45 year history and this is a distinguishing factor when compared with other peer companies. In contrast the Youth Ensemble – a group that developed talent such as Deborah Mailman, Scott Maidment and Wesley Enoch – was only reinstated in 2012 after an absence of 17 years but continues to grow and flourish. It now includes a program that runs in Logan for a diverse group of 46 young people, supported by the Department of Social Services Social Cohesion Program.

A key new program, added to the QTC offering in 2012, is the Indigenous Program which aims to develop and produce Indigenous theatre, provide opportunities for Indigenous artists and arts workers and develop audiences for this work. The Program has twice been awarded Queensland Premier's Reconciliation Awards and has made a significant contribution to the Anzac Centenary with the production *Black Diggers*.

QTC has also placed particular emphasis on touring since 2012 and has a strong commitment to it. The touring plan that was introduced in 2013 achieved considerable success in 2015 with four national and one state tour.

## Internal Situation

A summary of the strengths and weaknesses of the Company at present is as follows:

### Strengths

- QTC brand. We have a national reputation for high quality work, and excellent staff.
- Excellent facilities for all areas of the organisation and ability to provide accommodation for other organisations and positions.
- Strong inter-governmental support.
- Strong education and youth programs.
- High satisfaction from audiences/sponsors/donors/artists connected with the Company.
- National reputation through touring.
- Supportive of new ideas - willingness to try.
- Dedicated audience and subscriber base who are loyal to the Company and the genre of work we produce.

### Weaknesses

- Change in Artistic Director.
- Limited environmental and artistically sustainable practices.
- Lack of diversity in audiences.
- Limited pool of well-known theatre practitioners in Queensland.
- Lack of local multi skilled production/technical coordinators for our tours.
- Lack of local partners (with good revenue streams) for artistic collaborations/co-productions.
- Low levels of philanthropic giving and leadership.
- High cost involved in servicing regional Queensland.

## Artistic reputation

QTC is a company known for high production values. Through the Artistic Director, Wesley Enoch, and the new programming that has occurred during his tenure, the artistic reputation of QTC has changed. The Company is seen as more of a risk-taker artistically and open to new ideas. Our connection to the S2M sector is a strong demonstration of our interest in developing new and edgier programs while also continuing a mainstream artistic base for our subscribers.

## Current financial position

In 2014, Queensland Theatre Company delivered a surplus of \$300,000 (2013 - \$700,000 surplus). QTC Reserves were at \$3.7 million as at 31 December 2014. This is well above the minimum requirement of at least 20% of annual expenditure as set out in the Tripartite Agreement.

Nearly 60% of QTC assets are unrestricted cash on hand or deposits. The balance of QTC assets consist of restricted cash (Reserves Incentive Fund), receivables and prepayments. This is a strong liquid asset base to discharge all current and non-current financial obligations. These financial obligations consist of ticket sales in advance and other unearned revenue (67%), employee entitlements (15%) and trade creditors and accruals (18%).

QTC income is mixed. It consists of Box Office, Youth & Education programs and workshops, Touring, Corporate Sponsorship and Philanthropy, Federal and State Government funding, venue hire and bar revenue and interest income. QTC has successfully grown these income streams during our previous tripartite agreement and maintained cost control to achieve our strategic objectives.

In 2014, box office revenue growth was 8% up on 2013. Total income was up by 14% year on year. QTC closely monitors attendances and is continually developing and implementing new audience development strategies. However it is possible that with a change in Artistic Director there may be a reduction in audiences and income. To mitigate against this all program changes are clearly communicated to patrons and there are strong relationships with all industry stakeholders.

High level on-going review of budgets and reforecasts ensures QTC is well placed to mitigate financial risks.

## External Situation

### Positive

- Excellent working relationship with other Brisbane based performing arts companies.
- Strong links with MPA theatre companies nationally.
- Solid relationship with QPAC and interstate performing arts venues.
- Ongoing discussions with national festivals on developing new work.
- Growing international recognition of QTC

### Negative

- Reliance on QPAC venues.
- Limited ability to sell single tickets to our productions in QPAC.
- Static funding.
- Competition for the event dollar, particularly in single ticket sales.
- Uncertainty about Kurilpa precinct development

## Peer analysis

In Brisbane our closest theatre peer is La Boite, which provides a mixed Main Stage program of usually four productions plus an indie season. Its programming and position in QUT means that it tends to attract younger audiences. It is considerably smaller than QTC and unable to fulfill industry development goals and

achieve sustainable careers for artists – this differs significantly to our counterparts in Melbourne and Sydney where there are other companies of scale to complement the State Theatre Company.

QTC's greatest competitor would be QPAC and its programming of classic musicals which, for many Brisbane people, are the definition of theatre.

QTC regularly discusses new productions with Brisbane Festival and we endeavor to have them include a QTC production in their program each year – either through financial investment by the Festival eg *Black Diggers* (2014), or as an umbrella event eg *The Seagull* (2015).

While we are of a similar size to Belvoir, nationally our closest peers are Black Swan State Theatre Company (BSSTC) and State Theatre Company of South Australia (STCSA) as they also battle with the same issues of engaging local artists, shorter runs of productions, the need to combine mainstream productions with new works and the challenges of having fewer commercial headquarters in their city which affects sponsorship.

We continually explore opportunities for co-productions with companies such as Sydney Theatre Company, Malthouse, Belvoir, and Melbourne Theatre Company (MTC). With a new Artistic Director more collaborations may be achieved.

On a broader level our relationship with our Brisbane major performing arts colleagues is extremely positive although the crossover of our audiences with other home companies is low. There have been discussions about co-productions in the past but none have eventuated to date.

## Markets and Relationships

There are three broad QTC consumer target markets, segmented primarily by ticket purchasing practice. Markets can be further segmented by age (e.g. Youth under 30), frequency (e.g. lapsed subscribers) or touchpoint (e.g. e-news subscriber). Consumers are primarily from the Brisbane and South East Queensland catchment, and have high incomes and high education levels.

- 1. Subscriber Market:** Individuals who purchase tickets in a 3, 5 or 8 Play Package in any one year (may include Add-ons). This group includes Youth (under 30s) subscribers and lapsed subscribers (who have not subscribed to any package for the past year).
- 2. Single Ticket Buyer Market:** Individuals who purchase tickets for individual productions (at least one in any one year).
- 3. Potentials (non-theatre goers) Market:** Individuals who have never or seldom attended a QTC production but are open to the experience i.e. have attended musical theatre, other theatre productions, ballet, orchestra or other performing arts or dropped off theatre attendance over the past two years. Potentials are targeted via a number of marketing segment activities.

The QTC Single Ticket Buyer base and Subscriber are similar with the Subscriber base being slightly more affluent and older. There are still significant opportunities for us to grow patronage in individual market segments. This includes opportunities with our education and youth markets, the independent theatre market and student/university programs.

A major challenge facing QTC, as it is for many performing arts companies, is the fact that theatre attendees are time poor. Not only does QTC compete for a share of attendees' leisure time, the organisation also competes for a share of attendees' discretionary spend. It is therefore crucial for QTC to reduce the financial and 'time' risk of attendance. This can be done by ensuring good quality productions, a variety of programming and that the overall theatre experience is a positive one.

In terms of the latter, the experience can be affected by the availability of parking, the comfort of the theatre itself and the availability of food and beverages before, during and after a production.

Barriers to attendance also include:

- Awareness
- Lack of knowledge of production (knowledge of a production reduces the risk associated with attending)
- Style of play
- Timing (March to October are optimum times for attendance and theatre-goers prefer to space out their theatre experiences during the year rather than attend in concentrated bursts)
- Cost

Modifying and enhancing our programs and campaigns provides us with an opportunity to meet these challenges and engage with existing and new audiences in a different way. We achieve this through:

- Targeted campaigns for individual productions, placing a strong emphasis on keeping customers and building brand loyalty through programs focused on quality of our productions, the total theatre experience and customer satisfaction.
- Enhancing the audience experience in our GreenHouse productions - in the Bille Brown Studio and the Diane Cilento Studio - through building improvements and modifications.
- Increasing the number of audience members across regional centres through touring and broadcasts, where possible.
- Building advocacy for our Education and Youth programs.
- Working with co-producers, presenters, our corporate and industry partners to further our influence and audience reach.
- Maintaining a realistic balance of audience with regard to age, gender, income level and location.
- Maximising our investment in the company brand, website and our CRM Tessitura.
- Reviewing the structure of the Marketing and Ticketing department and employing resources and skills where required based on the company's programming and demands.

Competition in the market remains strong, with other performing arts companies in Brisbane and regional areas vying for the same entertainment dollar. Whilst competitors' productions offer a different experience to QTC productions it may still impact on the company if we are performing at similar times of the year or selling over the same period. Musical theatre, in particular, has increased its presence in Brisbane over the past few years and competes heavily in the group sales market.

We are unable to compete with very cheap tickets e.g. other theatre companies and one-off concerts/shows, but where necessary we use appropriate channels to make targeted offers to several markets. Other competition includes at-home leisure experiences e.g. Netflix (TV shows and movies online).

### Market Segmentation

Mosaic analysis of our audience (QPAC shows only) has not changed much over the last few years. Mosaic uses aggregated consumer data for geo-demographic profiling that categorises data into 13 overarching groups designated by the letters A to K. An outline of the top three groups (2013 analysis) making up 63% of our audience is as follows:

#### **Group B: 22% of audience. Knowledgeable Success**

- Settled families with children who are of school age or young adults still at home
- Live in the outer suburbs - home ownership is very important
- Comfortably wealthy with one member earning a good salary in a settled, senior career
- Diverse mix of cultural origins
- Well-educated, they are more likely than average to hold graduate qualifications
- Expenditure high across education and medical insurance, but enough disposable income left for going out and entertainment
- Family time dictates activities - cinema, eat out and occasional outings to sports/zoo
- Medium/heavy readership of national daily newspapers and local community papers

#### **Group C: 22% of audience. Independence and Careers**

- Mix of independent youth and mature, established individuals 25-39 years old

- Live in inner city apartments, on their own or with a friend or a partner
- Strong international representation
- University educated, which is leading/led to well-paid white-collar professions
- Commute to work using public transport, cycle or on foot
- Work hard, but they also play hard, leading very active lifestyles
- Interests range from opera, ballet and theatre to cinemas, pubs and nightclubs
- Avid users of the internet, especially mags, tech, news & social sites (preferred to TV)

**Group A: 19% of audience. Exclusive Environs**

- Wealthiest households within Australia
- Extended family households - parents aged 45-64, and older children still at home
- Predominantly Anglo-Saxon, but also Asian, Greek and Jewish backgrounds
- Employed in professional/managerial roles in finance, science and tech industries
- Have shares, investments and savings - discretionary spend is high
- Enjoy frequent overseas holidays, often to UK, Europe and the USA
- Ballet, opera, theatre and concerts all enjoyed frequently
- Newspapers, online news sites and books read and museums and galleries visited

# Financial Plan

## Current Financial Situation

QUEENSLAND THEATRE COMPANY				
COMPARATIVE ANALYSIS	2016 Budget	2015 Forecast	2014 Actual	2013 Actual
Total Earned Income	5,655,988	7,617,383	5,794,000	4,462,000
% Change in Earned Income	-25.7%	31.5%	29.9%	
Total Expenses	(10,433,616)	(12,454,043)	(10,488,000)	(8,756,000)
% Change in Total Expenses	-16.2%	18.7%	19.8%	
Net Surplus / Deficit per Audited Accounts	47,045	292,958	292,000	682,000
Accounting adjustment AASB 1004	0	(100,000)	203,189	(281,296)
Net Surplus / Deficit excluding the application of AASB 1004	47,045	192,958	495,189	400,704

The table above shows the Company's earned income and total expenses for the four year period from 2013 to 2016. The introduction of *AASB 1004 – Contributions* has a major impact on the Company's reported financial result, therefore the Net Surplus / (Deficit) based on full accrual accounting has also been included.

The expected drop in *Total Earned Income* from 2015 to 2016 (shown in the table above) is due to the inclusion of \$1.65 million in 2015 of Touring income for five touring productions in that year. There is a related drop in *Total Expenses* from 2015 to 2016 of \$1.58 million.

### Financial Goals

The financial goals directly relate to making the Main Stage more cost effective to allow funds to be allocated to other artistic initiatives.

This will be achieved through producing fewer Main Stage works alone (other Main Stage works will be co-productions or presentations) allowing further exploitation of the work through touring regionally, nationally and internationally.

The key financial goals are:

- Minimum four co-productions/ guest productions from 2016 across both the Main Stage and The GreenHouse onwards, ensuring minimum increases in production expenditure.
- Maintaining the increased box office takings achieved in 2014 in the following four years by continued use of the Playhouse theatre at QPAC, use of the Bille Brown Studio (BBS) and ongoing review of subscriptions and ticket pricing.
- Two works touring regionally or nationally in 2016 and later years.
- One work touring internationally from 2017.

## Overall Position

As per our tri-partite agreement QTC is well placed with solid reserves. The reserves as a percentage of annual expenditure are above the minimum 20% requirement and the Board has set a minimum of 22.5% in its Reserves Policy to allow for seasonal fluctuations. There has been preliminary investigation into a further upgrade to the Bille Brown Studio in 2017 to create a larger performance space. This project is dependent on a fund raising strategy as well as a commitment from QTC Reserves. Firm costings are not available due to scoping uncertainty and have not been factored into this financial forecast.

The strength of QTC Reserves ensures continued on-going growth. Projections have been set conservatively. QTC has set realistic targets which are achievable based on historical performance. Cost increases have been limited to tie in with income projections.

We expect an increase in program income and expenditure after the new Artistic Director curates his/her first new season in 2017. In addition, QTC has 50<sup>th</sup> birthday celebrations in 2019-20. Additional programming activities will be planned as part of these celebrations.

The balance sheet of QTC is very liquid with a strong current asset position and a high percentage held in cash. Balance sheet movements are largely due to changes in unearned revenue. This is managed very carefully with tight expenditure control.

The financial forecast is for a surplus in each of the next five years. This will continue to build QTC Reserves. A strong net asset position will encourage increased activity in all areas of the QTC business.

## Financial Forecast

	2016	2017	2018	2019	2020
	Budget	Budget	Budget	Budget	Budget
<b>Income</b>					
<b>Productions/ Programs</b>					
MainHouse Program	3,061,767	3,153,620	3,248,229	3,345,675	3,446,046
The GreenHouse	99,800	102,794	105,878	109,054	112,326
Co-production Contribution	263,195	271,091	279,224	287,600	296,228
Education Program	212,000	218,360	224,911	231,658	238,608
Regional Program	19,000	19,570	20,157	20,762	21,385
	3,655,762	3,765,435	3,878,398	3,994,750	4,114,592
<b>Touring</b>					
Touring - National/Regional	481,226	350,000	350,000	350,000	350,000
Touring - International	-	100,000	100,000	100,000	100,000
	481,226	450,000	450,000	450,000	450,000
<b>Sponsorship</b>					
Cash	525,000	530,000	570,000	585,000	600,000
Contra (In Kind)	250,000	270,000	290,000	300,000	300,000
	775,000	800,000	860,000	885,000	900,000
<b>Philanthropy</b>					
Donations	205,000	240,000	260,000	280,000	300,000
Grants & Foundations	100,000	120,000	120,000	150,000	150,000
Fundraising Events	5,000	5,000	5,000	5,000	5,000
	310,000	365,000	385,000	435,000	455,000
<b>Other</b>					
Interest	180,000	185,000	190,000	195,000	200,000
S/Coast Buses - STH	24,000	25,000	26,000	27,000	28,000
Venue Hire	150,000	155,000	160,000	165,000	170,000
Sundry Income	-	5,000	10,000	10,000	10,000
Bar Sales	80,000	90,000	100,000	110,000	115,000
	434,000	460,000	486,000	507,000	523,000
<b>Core Government Funding</b>					
Recurrent - Tripartite including indexation	3,258,868	3,317,528	3,377,243	3,438,033	3,499,918
Recurrent - Qld State Govt 78 Mntague Road	358,000	358,000	358,000	358,000	358,000
Recurrent - Federal Govnt Aust	819,055	833,798	848,806	864,085	879,638
	4,435,923	4,509,326	4,584,049	4,660,118	4,737,556
<b>Special Government Funding</b>					
Special - Qld State Govt (Qld Premier's Drama A	184,650	123,100	190,190	126,793	195,895
Special - Qld State Govt Subsidy	200,000	200,000	200,000	200,000	200,000
	384,650	323,100	390,190	326,793	395,895
<b>Total Income</b>	<b>10,476,561</b>	<b>10,672,860</b>	<b>11,033,637</b>	<b>11,258,661</b>	<b>11,576,044</b>



Note 1: Production / programs: 2015 MainHouse program included a 50% share in a commercial production.

Note 2: Touring income In 2016, there are 2 confirmed tours compared to 5 tours in 2015.

Note 3: Philanthropy –An increase of 20% is forecast in Philanthropy income in 2015. This has resulted from continued focus in this area with further smaller increases budgeted from 2016 to 2020.

Note 4: Other –Venue hire and bar sales continue to grow with budgeted increases of 5% in the years 2016 to 2020.

	2016	2017	2018	2019	2020
	Budget	Budget	Budget	Budget	Budget
<b>Expenditure</b>					
<b>Productions/Programs</b>					
MainHouse Program	4,830,291	4,951,897	5,104,935	5,235,433	5,373,042
The GreenHouse	244,800	274,696	280,190	305,794	311,910
Education Season & Program	346,825	353,762	360,837	368,053	375,415
Regional Program	40,000	40,800	41,616	42,448	43,297
	5,461,916	5,621,154	5,787,577	5,951,729	6,103,664
<b>Touring</b>					
Touring - National/Regional	433,103	315,000	315,000	315,000	315,000
Touring - International		100,000	100,000	100,000	100,000
	433,103	415,000	415,000	415,000	415,000
<b>Programming</b>					
Qld Premier's Drama Award Program	166,185	110,790	171,171	114,114	176,306
General	17,300	17,819	18,354	18,904	19,471
Emerging Artists	25,000	25,750	26,523	27,318	28,138
Creative Development	75,000	77,250	79,568	81,955	84,413
	283,485	231,609	295,614	242,291	308,328
<b>Marketing and Season Ticket Sales</b>					
Season Ticket Sales Costs	400,000	405,000	420,000	440,000	450,000
Marketing General	68,710	70,000	72,000	74,000	76,000
Marketing Special Offers	40,000	45,000	50,000	50,000	50,000
Marketing - Special Initiative/Research	24,000	26,000	27,000	28,000	29,000
	532,710	546,000	569,000	592,000	605,000
<b>Sponsorship</b>					
Sponsorship Development Costs (includes staff costs)	159,277	162,463	165,712	169,026	172,407
Sponsorship Development Contra	250,000	270,000	290,000	300,000	300,000
	409,277	432,463	455,712	469,026	472,407
<b>Philanthropy</b>					
Donations (includes staff costs)	175,923	179,441	183,030	186,691	190,425
Grants & Foundations	80,000	80,000	80,000	80,000	80,000
Fundraising Events	5,000	5,000	5,000	5,000	5,000
	260,923	264,441	268,030	271,691	275,425
<b>Other</b>					
Bar Operations	40,000	45,000	50,000	55,000	57,500
	40,000	45,000	50,000	55,000	57,500
<b>Salaries &amp; Wages</b>					
Administration (Inc Mktng, Prog, Finance, Exec)	1,463,823	1,493,099	1,522,961	1,553,421	1,584,489
	1,463,823	1,493,099	1,522,961	1,553,421	1,584,489
<b>Administrative Management</b>					
Legal & Consultancy Fees	22,500	25,000	26,000	27,000	27,000
Staff Recruitment Costs	12,000	12,240	12,485	12,734	12,989
Overseas Travel	20,000	20,000	21,000	22,000	22,000
Management Costs	100,000	110,000	120,000	125,000	125,000
Other Administration Costs	82,500	84,150	85,833	87,550	89,301
	237,000	251,390	265,318	274,284	276,290
<b>Production Department</b>	113,490	115,760	118,075	120,436	122,845
<b>Property Management</b>					
Property Maintenance 78 Montague Rd	823,363	839,830	856,627	873,759	891,235
Insurance Costs	72,000	73,440	74,909	76,407	77,935
Asset Maintenance	23,600	24,072	24,553	25,045	25,545
Depreciation	55,000	56,100	57,222	58,366	59,534
	973,963	993,442	1,013,311	1,033,577	1,054,249
<b>Computer Expenses/Communications</b>	127,425	129,974	132,573	135,224	137,929
<b>Operations Costs</b>	98,950	100,929	102,948	105,007	107,107
<b>Total Expenditure</b>	<b>10,436,065</b>	<b>10,640,261</b>	<b>10,996,120</b>	<b>11,218,686</b>	<b>11,520,231</b>
<b>NET RESULT</b>	<b>40,496</b>	<b>32,599</b>	<b>37,517</b>	<b>39,975</b>	<b>55,813</b>

**QUEENSLAND THEATRE COMPANY  
BALANCE SHEET PROJECTIONS**

	2016	2017	2018	2019	2020
<b>ASSETS</b>					
Cash	3,440,495	3,473,093	3,510,609	3,550,583	3,606,395
Reserves Fund	777,000	777,000	777,000	777,000	777,000
Debtors	200,001	200,002	200,003	200,004	200,005
Other Receivables - GST	33,000	33,000	33,000	33,000	33,000
Prepayments	600,000	600,000	600,000	600,000	600,000
Inventories	10,960	10,960	10,960	10,960	10,960
<b>Total Current Assets</b>	<b>5,061,456</b>	<b>5,094,055</b>	<b>5,131,572</b>	<b>5,171,547</b>	<b>5,227,360</b>
PPE	970,000	970,000	970,000	970,000	970,000
<b>TOTAL ASSETS</b>	<b>6,031,456</b>	<b>6,064,055</b>	<b>6,101,572</b>	<b>6,141,547</b>	<b>6,197,360</b>
<b>LIABILITIES</b>					
Creditors					
Subsidy / Grants in advance	85,000	85,000	85,000	85,000	85,000
Unearned Revenue	1,650,000	1,650,000	1,650,000	1,650,000	1,650,000
Other Payables	400,000	400,000	400,000	400,000	400,000
	2,135,000	2,135,000	2,135,000	2,135,000	2,135,000
Provisions	250,000	250,000	250,000	250,000	250,000
<b>Total Current Liabilities</b>	<b>2,385,000</b>	<b>2,385,000</b>	<b>2,385,000</b>	<b>2,385,000</b>	<b>2,385,000</b>
Total Non-Current Liabilities	180,000	180,000	180,000	180,000	180,000
<b>TOTAL LIABILITIES</b>	<b>2,565,000</b>	<b>2,565,000</b>	<b>2,565,000</b>	<b>2,565,000</b>	<b>2,565,000</b>
<b>NET ASSETS</b>	<b>3,466,456</b>	<b>3,499,055</b>	<b>3,536,572</b>	<b>3,576,547</b>	<b>3,632,360</b>
Opening Retained Earnings	3,425,960	3,466,456	3,499,055	3,536,572	3,576,547
Surplus / (Deficit)	40,496	32,599	37,517	39,975	55,813
<b>ACCUMULATED SURPLUS</b>	<b>3,466,456</b>	<b>3,499,055</b>	<b>3,536,572</b>	<b>3,576,547</b>	<b>3,632,360</b>

# Management Plans

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## Role of Board and Governance

QTC is a statutory body and as such Board members are appointed by the Governor in Council, upon recommendation by the Minister and Cabinet. QTC makes recommendations to the Minister about potential Board appointees. Board members are paid a sitting fee as per Government regulations.

New Board members are given an induction to the Company and to best practice corporate governance. A Board Charter exists which was developed in 2014.

The Board meets eight times per year. A staff member of Arts Queensland attends all Board meetings in an observer capacity. The Board has an established Finance Committee and an Audit and Risk Management Committee. Potential conflicts of interest are declared prior to the commencement of each meeting. The Board holds an in camera session without the Executive team or AQ representative prior to the full board meeting.

The Chair meets with all Board members on an individual basis once a year to discuss issues. Board members also conduct an internal self-assessment process.

Board Member	Special Responsibilities
Prof Richard Fotheringham	Chair of Board; member, Finance Committee & Audit Committee
Elizabeth Jameson	Deputy Chair, Board Member, Finance Committee
Kirstin Ferguson	Board Member
Simon Gallaher	Board Member
Peter Hudson	Finance Committee Chair, , Board Member
Erin Feros	Audit Committee Chair, Board Member
Nathan Jarro	Board Member
Julieanne Alroe	Board member, Finance Committee

## Succession Plan

Queensland Theatre Company is in the process of recruiting for a new Artistic Director to replace Wesley Enoch who leaves at the end of October 2015 after five years. The 2016 season has been programmed by the current Artistic Director. After Wesley leaves the Artistic Associate, Andrea Moor, will provide artistic leadership as required until the new Artistic Director commences.

The Executive Director (appointed in February 2012) is on a contract until February 2017. As the Company has grown in recent years some restructuring of management roles is likely in 2016.

The Board has appointed a Deputy Chair. All Board members' appointments will finish in May 2016.

## Ancillary Plans

Queensland Theatre Company has developed a Disability Action Plan, a Stretch Reconciliation Action Plan and a Cultural Diversity Action plan. .

## Risk Management Plan

### Scales:

#### Likelihood

- 1 - Rare
- 2 - Unlikely
- 3 - Possible
- 4 - Likely
- 5 - Almost Certain/ Certain

#### Consequences

- 1 - Insignificant
- 2 - Minor
- 3 - Moderate
- 4 - Major
- 5 - Catastrophic

#### Action Timeframe

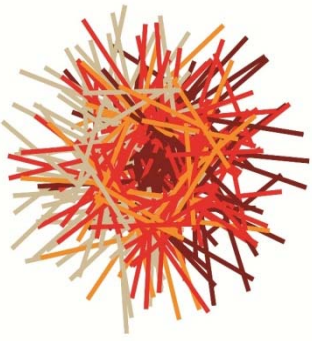
- A - Monitor continuously
- B - Review Yearly
- C - Specific Timeframe (as noted)

Risk	Likelihood	Consequence	Action Timeframe	Action	Responsibility
1. Paid attendance drops significantly below expectation	3	3-4	A	<ul style="list-style-type: none"> <li>➤ Implement Marketing Plan</li> <li>➤ Monitor attendances</li> <li>➤ Develop and Implement new audience development strategies targeted at immediate increases in attendance</li> <li>➤ Review budget expenditure as required</li> <li>➤ New strategies to increase average ticket price</li> </ul>	Executive Director (ED), Marketing Manager (MM) MM, ED Marketing
2. Reduction in government funding	3	4-5	A	<ul style="list-style-type: none"> <li>➤ Report in accordance with tri-partite agreement</li> </ul>	ED
3. Negative response by patrons to subscription package modifications	3	3-4	A	<ul style="list-style-type: none"> <li>➤ Undertake prior research to gauge possible response of patrons prior to implementation of modifications</li> <li>➤ Clear communication to patrons of strategy</li> <li>➤ Clear communication to staff of strategy</li> <li>➤ Training of Season Ticket Team</li> <li>➤ Monitor patron reactions and make adjustments where required</li> </ul>	ED, MM, Artistic Director (AD)
4. Fraud – External & Internal	2	2-4	B	<ul style="list-style-type: none"> <li>➤ Maintain high security on website</li> <li>➤ Address security issues when updating website to new season each year</li> </ul>	ED, Finance Manager (FM), MM
5. Change of Key Players	3	3-4	A	<ul style="list-style-type: none"> <li>➤ New ED appointed and commenced in February 2012</li> <li>➤ New Chair appointment in May 2013</li> <li>➤ New Board appointments May 2013</li> </ul>	Board, Minister

6. Reputational risk due to production quality	3	2-4	A	<ul style="list-style-type: none"> <li>➤ Publicity and communication plan</li> <li>➤ Financial risk managed and monitored by Board.</li> <li>➤ Debriefs after each production addressing production quality</li> <li>➤ Artistic assessment of producer to ensure quality of buy-ins (guest productions)</li> </ul>	AD, MM
7. Major incident involving the public at Bille Brown Studio or Diane Cilento Studio	3	2-4	A	<ul style="list-style-type: none"> <li>➤ Front of House (FOH) continuous training</li> <li>➤ Detailed FOH staff training</li> <li>➤ Adequate insurance cover</li> </ul>	ED, FM, WHS Committee
8. Venues do not purchase touring productions	3	2-4	A	<ul style="list-style-type: none"> <li>➤ Touring Co-ordinator ensures relationships are built with the venues</li> <li>➤ Productions identify as touring productions prior to designing to reduce costs to venues</li> <li>➤ Feedback sought from venue in relation to productions</li> </ul>	Touring Coordinator, Program Manager, AD, ED
9. Fire					
➤ Workshop	2	3-5	B	<ul style="list-style-type: none"> <li>➤ Maintain insurance policies for all premises</li> <li>➤ Document and register all assets</li> <li>➤ Maintain safe and secure work practices in all areas</li> <li>➤ Maintain Business Interruption Insurance</li> </ul>	FM Administrator All staff, Workplace Health & Safety (WHS) Committee
➤ Wardrobe	2	3-5			
➤ Administration	1	2-4			
➤ Rehearsals spaces	2	3-5			
➤ Venue	2	3-5			
10. Flood					
➤ Workshop	2	3-5	B	<ul style="list-style-type: none"> <li>➤ Maintain Disaster Management Plan and Business Continuity Plan</li> <li>➤ Document and register all assets</li> </ul>	FM Administrator All staff, WHS Committee
➤ Wardrobe	2	4-5			
➤ Rehearsals spaces	3	3-5			
➤ Venue	3	3-5			

**QUEENSLAND THEATRE COMPANY – KEY PERFORMANCE INDICATORS 2016-  
2018 – Annexure A  
Reflecting Outcomes Statements**

Outcome	
<b>A</b>	<b>ARTFORM</b>
A2 B1	<ul style="list-style-type: none"> <li>• Developing and implementing a measureable artistic vibrancy assessment process</li> </ul>
A1 A4	<ul style="list-style-type: none"> <li>• Commissioning and presenting new work at the forefront of artistic practice including Australian work independently and/or as co-pros</li> </ul>
A3 B2 B3 A4	<ul style="list-style-type: none"> <li>• Contributing to the development and presentation of high quality arts programs and cultural practice of recognised public value, and enhancing cultural tourism in <b>Queensland</b></li> </ul>
<b>C</b>	<b>SECTOR DEVELOPMENT</b>
C1	<ul style="list-style-type: none"> <li>• Supporting and developing connections and collaborations with individual artists and the small to medium sector</li> </ul>
C1C 2	<ul style="list-style-type: none"> <li>• Demonstrating commitment to nurturing and development of artists at various stages of career</li> </ul>
<b>B</b>	<b>ACCESS</b>
A1A 4 B3	<ul style="list-style-type: none"> <li>• Presenting an annual season of performances in <b>Brisbane</b></li> </ul>
B3 C3 A4	<ul style="list-style-type: none"> <li>• Development of audiences that reflect the diversity of the company's marketplace</li> </ul>
C2 B3 C3	<ul style="list-style-type: none"> <li>• Undertaking education and learning activities within schools and/or the wider community as agreed</li> </ul>
B5 D1 D3	<ul style="list-style-type: none"> <li>• Touring to other capital cities based on collaborative approach with relevant state-based companies (as agreed)</li> </ul>
B5 C3	<ul style="list-style-type: none"> <li>• Broadening the company's geographic reach across <b>Queensland</b> and offering audiences and communities a range of engagement opportunities</li> </ul>
<b>D</b>	<b>FINANCIAL AND GOVERNANCE</b>
D2	<ul style="list-style-type: none"> <li>• Diversifying and growing the company's revenue base</li> </ul>
D2	<ul style="list-style-type: none"> <li>• Adopting entrepreneurial and innovative approaches to support viability</li> </ul>
D1	<ul style="list-style-type: none"> <li>• Maintaining reserves</li> </ul>
D1 D3	<ul style="list-style-type: none"> <li>• Maintaining operating margin</li> </ul>
D1 D3	<ul style="list-style-type: none"> <li>• Working Capital</li> </ul>
D1 D2 D3	<ul style="list-style-type: none"> <li>• Maintaining adequate liquidity</li> </ul>
D1	<ul style="list-style-type: none"> <li>• Having strong governance and management capabilities in accordance with Essential Governance Practices for Arts Organisations guidelines</li> </ul>



queensland  
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