

CENTRAL COAST CONSERVATORIUM Inc.
Chairman's Report for the year ending 31st December 2015

I am pleased to present my second report as President of the Management Board of the Central Coast Conservatorium of Music. 2015 was a year of new direction from a management perspective for the Conservatorium. The Conservatorium has prided itself on being able to deliver high quality programmes, tuition and performance experience for its students. This was maintained throughout 2015 with the assistance of the excellent staff whose level of proficiency is second to none of any other music providers on the Central Coast. The Board also acknowledges the financial contributions of the NSW Department of Education and Arts NSW through their various funding arrangements.

A. CONSERVATORIUM ACTIVITIES

1. Tuition and Courses

Throughout the 2015 year the Conservatorium has continued to offer one-to-one tuition on a vast array of instruments and voice, in both classical and contemporary studies. In addition to the one-to-one tuition, the Conservatorium offers courses in musicianship, composition and the Diploma of Music for those contemplating higher study following high school.

Further to the one-to-one and ensemble provision there has been an increase in the number of schools programmes. This has been brought about by the work of Patrick Brennan and the Schools Co-ordinator, Dr Phil Rutherford, who have been instrumental in the growth of this area of the Conservatorium's involvement in music provision on the Central Coast.

The Conservatorium has continued to provide a number of ensemble groups enabling enriching opportunities for our students to be involved in music making, including vocal, flute, wind, percussion, music theatre and chamber groups. Congratulations must go to Patrick and his team of teachers for providing such a plethora of music experience.

2. Events

Examination of the calendar of events which the Conservatorium hosts, co-hosts or supports (as shown in the CEO's report), highlights the benefits to the Central Coast community that the Conservatorium provides. The concert programme continues to appeal to a wide range of musical tastes from classical to contemporary and indigenous to ethnic genres. It is also pleasing to note that many of the concerts and projects have proven to be operating on the positive side of the ledger, which means that Patrick and his team can continue to present a diverse array of musical events.

3. Support for Symphony Central Coast and CC Concertante Ensemble

The 2015 Conservatorium academic year has seen the maintenance of support for both these excellent CC musical institutions. The Conservatorium has continued to assist in the marketing and presentation of each of their concerts and is keen to continue this support. Memorandums of Understanding have been entered into with Symphony Central Coast and shortly to be finalised with the CC Concertante Ensemble.

4. Con Moto

The Conservatorium newsletter, *Con Moto*, whose aim is to keep our members and the CC community informed of what is happening at the Conservatorium and in the music community in general, is published at least three or four times a year and is a highly regarded publication whose editions are eagerly anticipated by the Conservatorium's teachers, students, parent body and supporters.

B. FINANCIAL POSITION

1. Revenue

Contained within this annual report are audited financial statements detailing the income and expenditure of the Conservatorium for the period from 1 January 2015 through to 31 December 2015. The report shows a net operating deficit of around \$36,000, as illustrated in Figure Four below and comparing such with the previous three years. In that same period (2015) there has been a slight decrease in revenue, as illustrated in Figure Two from \$1.78M to \$1.73M. The breakdown of the key areas of income over the three-year period is illustrated in Figure Two.

Figure Two: Total Revenue, 2012- 2015

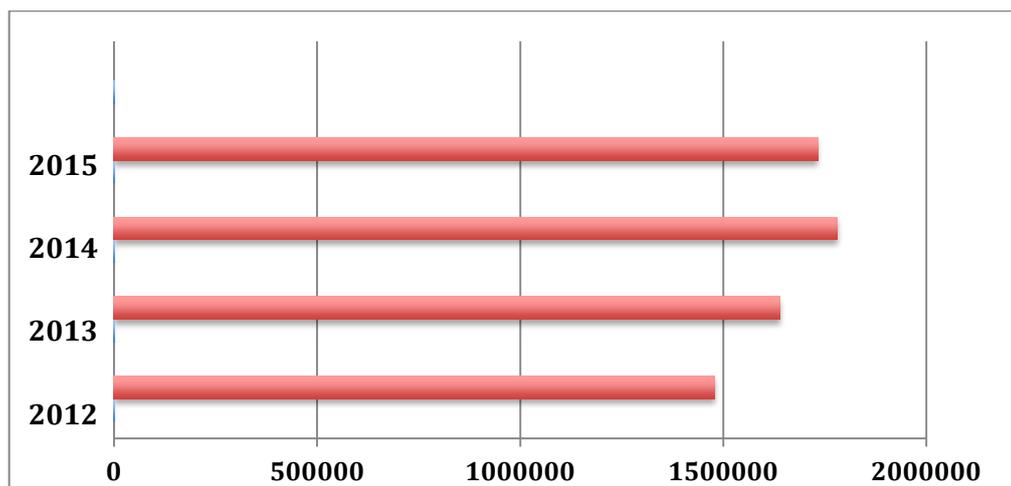
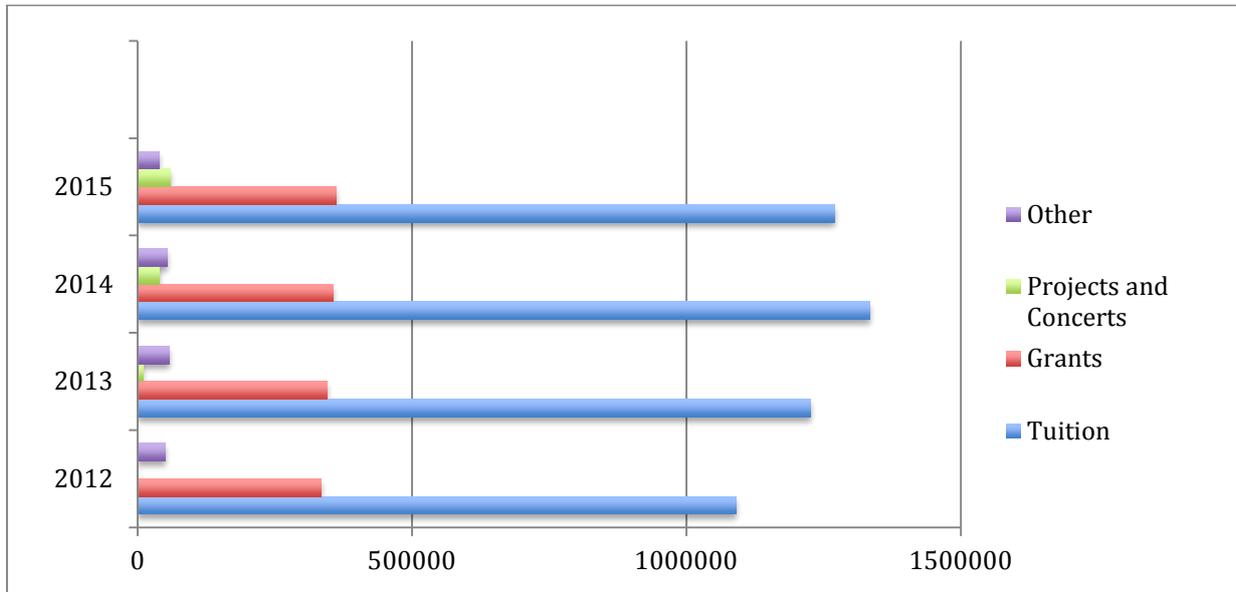


Figure Two: Revenue by Key Areas, 2012- 2015

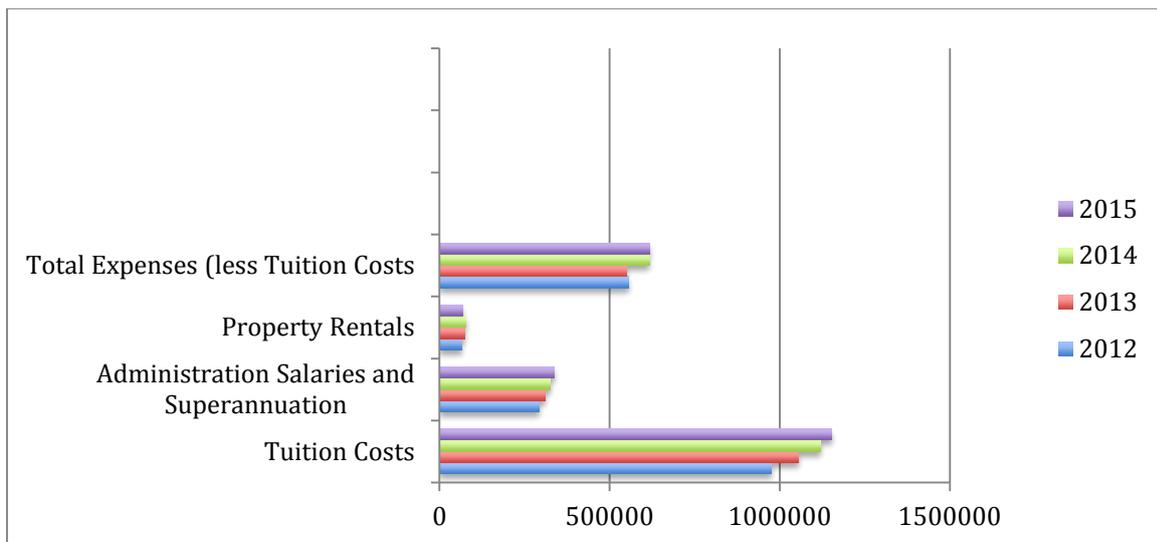


Whilst tuition fees bring in the lion’s share of the Conservatorium’s income, it must be noted the enormous contribution made by the Department of Education in its Grants Funding, which helps cover most of our Administrative costs.

2. Expenditure

As with any institution of this nature the most significant areas of expenditure are tuition costs (Figure Three), Administration staff wages and salaries along with superannuation, property rental and maintenance, marketing and other sundry expenses, which can be seen in the audited financial report. Figure Four compares some of these key expenses alongside our tuition costs and the Total Operating Expenses for the period 2012-2015.

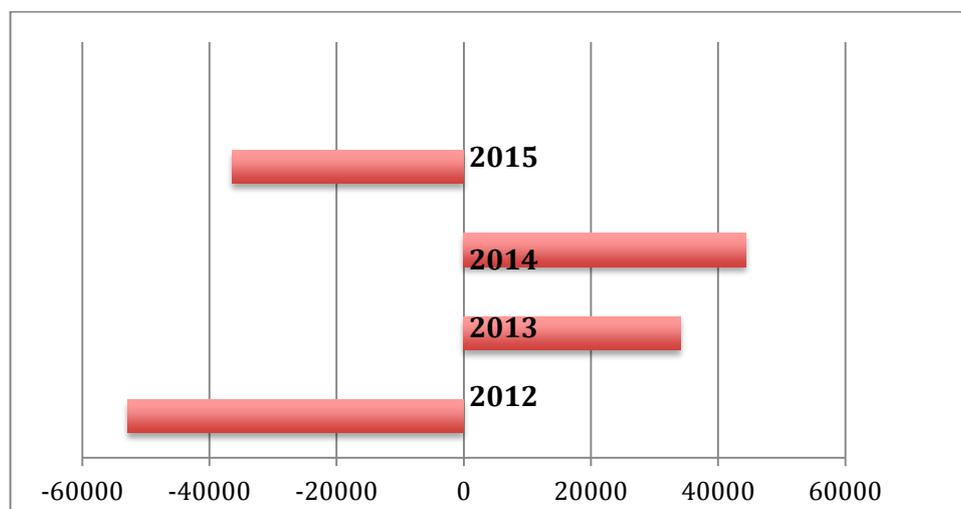
Figure Three: Comparison of Expenses, 2012- 2015



I noted above that the operating deficit for 2015 (refer Figure Four) was around \$36,000 which represents a deficit of 2%. If looked at beside our cash reserves, which are in excess of \$270,000, we remain in strong shape and able to provide more than

adequately for our short and medium term needs. In addition, on current projections for 2016 will see us once more with a surplus.

Figure Four: Surplus/ Deficit, 2012- 2015



As a Board we are forever conscious of the fact that the CCC is a not-for-profit organisation and, whilst there has been a decrease in tuition fees raised and a small increase in grants revenue, there has been a corresponding increase in operating costs. The Board is continually examining ways in which we can increase the revenue of the Conservatorium and to cut down on administrative costs, as we are aware that our teachers are the core of the Conservatorium and we are continually seeking ways to pass on savings in the form of increased remuneration and better conditions.

C. MANAGEMENT COMMITTEE

The Management Committee has been working on a number of projects throughout 2015 to the present. In 2014 the Board instituted a restructure of our Management/ Administrative setup, a refurbishment of many of the Conservatorium's buildings and a modernisation and revamp of our constitution. I am pleased to report that each of these initiatives is on track. The Constitution has been updated and will be ratified at this meeting. Refurbishments to the Cottage and the demountables were carried out and these are now more pleasant teaching spaces for the staff and students. The administrative restructure is an ongoing process and we are confident that by the end of 2016 we will have put in place a lean, robust and competent structure, which will carry the Conservatorium through into the future.

D. ACHIEVEMENTS

The Board of Management, along with Patrick Brennan, the administration team and teachers, have assisted in achieving a number of goals throughout 2015.

1. The engagement of a professional accountant to streamline our accounts and record keeping.
2. The implementation of a skills based Board of highly qualified individuals from diverse career backgrounds.
3. Maintaining Tier One status.
4. Revised Diploma of Music performance modules.

5. New system for school enrolments and payments, which will encourage more schools to join our schools program.
6. Extension of the Schools program with the addition of instrument hire.
7. Instrument hire program for one-to-one and ensembles students.
8. Refurbishing existing premises.
9. Fund Raising and purchase of Harpsichord and Double Bass instruments.
10. Greater focus on professional development for teachers and staff.
11. Refocusing on grant opportunities and implementing support and educational programmes to ensure successful and appropriate applications.

E. FUTURE PLANS

1. Continuation of the facilities upgrade programme.
2. Investigation of the possibility of new premises for the Conservatorium in light of Gosford CC's announcement that they will be taking over the area of land containing the cottage and demountables for a car park in the future.
3. Continue to maintain our status as one of NSW's leading conservatoria.
4. Investigate ways of enhancing Curriculum delivery.
5. Continue to upgrade IT resources.
6. Increased consultation with teachers.
7. Capitalize on local and national Grant opportunities.
8. Look at ways to achieve greater community engagement.
9. Explore more sponsorship opportunities.
10. Continue to provide high caliber performance opportunities.

F. CONCLUSION /TRIBUTES

Firstly, I would like to pay tribute to a number of individuals, both on and off the Management Board.

Every member of the Management Board deserves special mention for their wise counsel and the special skill sets they bring to the Board. Vice President Mary Ellen Wallace is to be thanked for her level-headed approach to all issues and for being a huge support to the Chair. Vinay Srivastava has done a commendable job in his role as Treasurer, ensuring that our books comply with statutory requirements and that the Conservatorium's fiscal management is up-to-date and accurate. Secretary Francesca Bell has continued to work hard to ensure that the proceedings of our meetings are precisely recorded and provide a true and accurate record of such. Her wise input into these meetings has been highly valued. Other members of the committee; Charmian Gadd, Hilary Day, Greg Woolnough, Adam Gilbert and John Kellaway have each brought their own unique skill sets to the Committee and provided insightful and lively debate, with balanced and intelligent viewpoints. Sadly we farewelled Greg at the end of 2015 when he was transferred to a new parish in Sydney. Liz Hemphill joined the team as Greg's replacement and has already begun to provide expert advice from her extensive business background. It is a diverse group of highly skilled individuals whose collective passion and love of the Conservatorium sees them give willingly of many, many hours of their personal time to ensure that the Conservatorium is governed in an appropriate manner.

Finally I would like to thank Patrick Brennan and his team of dedicated teachers for their hard work and devotion to the Conservatorium. Throughout this report I have made mention of aspects of the Conservatorium's programmes which have been delivered by the talented and highly qualified teachers he has gathered around him.

Thank you to the administrative staff for your hard work in supporting the teaching and management staff. The Board has appreciated your willingness to go that extra yard.

The Management Board has striven to ensure compliance in all its actions. Already in 2016 some exciting developments have occurred and I deliver this report to our members, conscious that the future development of the Central Coast Conservatorium is in very good hands, under the current Management Board, and its hard working, dynamic and innovative staff.

Peter Brandon,
President
20 June, 2016