

CENTRAL COAST CONSERVATORIUM Inc.
Chairman's Report for the year ending 31st December 2016

2016 represents my third year as President of the Management Board of the Central Coast Conservatorium of Music. It has been a delight to oversee the many positive changes, which have occurred in the course of the year. I noted last year of the change in direction of the management of the CCCM, which has been enhanced by the appointment of Financial Controller, Rod Bowman, who has overseen a professional approach to all fiscal and management procedures.

The Conservatorium has always prided itself on being able to deliver high quality programmes, tuition and performance experience for its students of all ages. This has continued throughout 2016, under the leadership of Artistic Director and CEO, Patrick Brennan and with the assistance of the dedicated CCCM administration and teaching staff. The Board also acknowledges the financial contributions of the NSW Department of Education and Arts NSW through their various funding arrangements.

As noted elsewhere in this report, the Conservatorium is actively seeking new sponsors for scholarships and other activities. At the conclusion of this report I have listed all our sponsors whose support is very much appreciated by the Conservatorium.

A. CONSERVATORIUM ACTIVITIES

1. Tuition and Courses

Throughout the 2016 period the Conservatorium has continued to offer one-on-one tuition on a vast array of instruments and voice, in both classical and contemporary studies. In addition to the one-on-one tuition the Conservatorium offers courses in musicianship, composition and the gap year Diploma Course for those contemplating higher study following secondary school.

Further to the one on one and ensemble provision there has also been an increase in the number of schools in our specially designed Schools Programme. This has been brought about by the work of Patrick Brennan and the 2016 Schools Co-ordinator, Dr Phill Rutherford, who have both been instrumental in developing this area of the Conservatorium's involvement in the provision of music on the Central Coast. Sadly Dr Rutherford resigned from this position at the end of 2016 to pursue his own musical interests and spend more time with his family. The Board acknowledges the wonderful contribution he has made to the growth of the Schools Programme. His replacement, Mr Nathan Henshaw, brings a wealth of experience in the provision of ensemble music and is himself a world-renowned saxophonist.

The Conservatorium's ensemble groups have continued to thrive, 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 wonderful and wide ranging music experience.

2. Events

The Events Calendar as shown on the CCCM's website highlights the diversity of events, hosted, co-hosted or supported by the Conservatorium. Furthermore it emphasizes the benefits the Conservatorium delivers to the Central Coast

community. 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, meaning Patrick and his team can continue to present a diverse array of musical events.

In 2016 the Conservatorium produced and staged Mozart's, *The Magic Flute*. The opera proved to be a huge success and we thank the Allen family for its generous support of this ambitious project. Because of the *Flute's* success it was decided to perform another Opera in 2017; Bizet's *Carmen*. Once again we are indebted to the Allen family for its support for the 2017 production.

3. Support for Symphony Central Coast, CC Philharmonia, Crossroads Festival and CC Concertante Ensemble

The 2016 Conservatorium academic year has seen the continuation of support for each of these excellent Central Coast groups and the Crossroads Festival of Chamber Music, organised in collaboration with Charmian and Friends. The Conservatorium is keen to assist in the marketing and presentation of each of these concerts and will continue this support.

4. Con Moto and Events Calendar

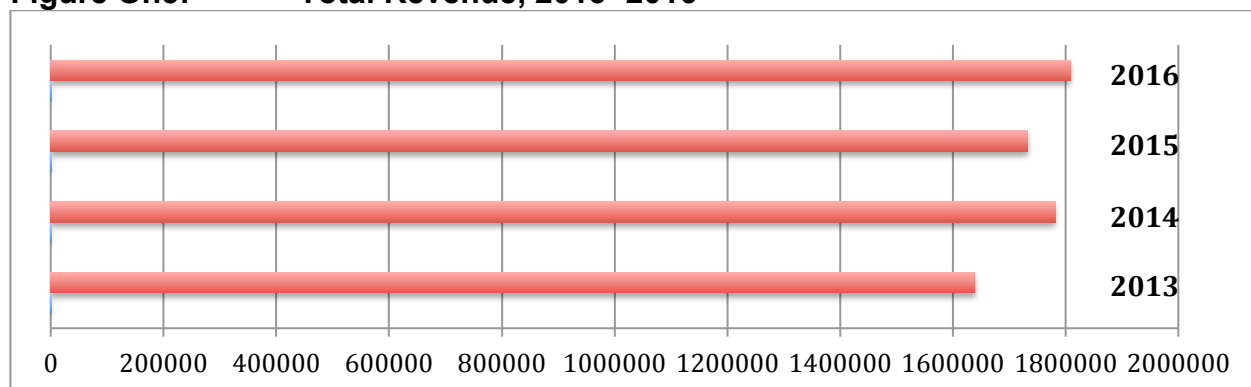
The newsletter, *Con Moto*, continues to keep our members and the CC community informed of what is happening at the Conservatorium and in the music community in general. It is published three or four times a year and in 2017 will be revamped with an electronic version becoming available. A comprehensive Events Calendar is also published each year and is available online.

B. FINANCIAL POSITION

1. Revenue

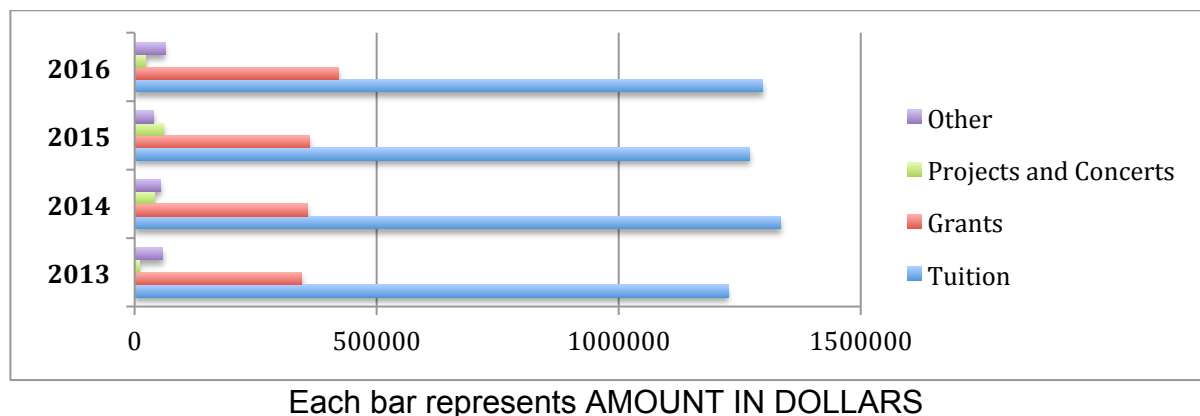
Contained within this annual report are audited financial statements detailing the income and expenditure of the Conservatorium for the period 1 January 2016 through to 31 December 2016. The report shows a net operating surplus of around \$36, 000, as illustrated in **Figure Four** below and comparing such with the previous three years. In that same period (2016) there has been an increase in revenue, as illustrated in **Figures One and Two** from \$1.73 m to \$1.81 m. The breakdown of the key areas of income over the four-year period is illustrated in **Figure Two**.

Figure One: Total Revenue, 2013- 2016



Each bar represents AMOUNT IN DOLLARS

Figure Two: Revenue by Key Areas, 2013- 2016

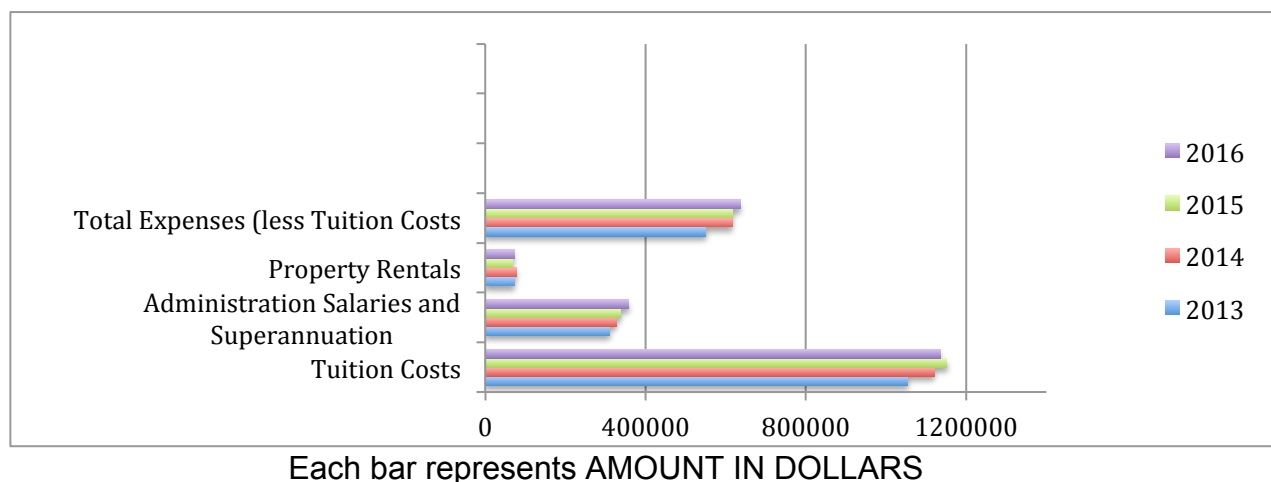


Whilst tuition fees bring in the lion's share of the Conservatorium's income it must be noted the enormous contribution made by the Department of Education and Arts NSW in its Grants Funding, which helps cover a deal of our administrative costs.

2. Expenditure

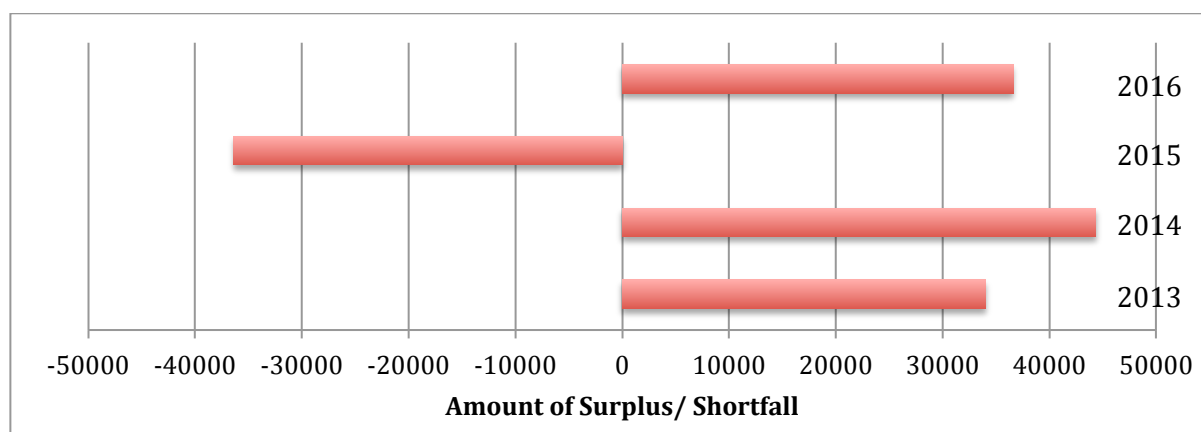
As with any institution of this nature the most significant areas of expenditure are tuition costs, administration staff wages and salaries along with superannuation, property rental and maintenance, marketing and other sundry expenses, which can be seen in far more detail in the audited financial report. **Figure Three** compares some of these key expenses alongside our tuition costs and the Total Operating Expenses for the period 2013-2016.

Figure Three: Comparison of Expenses, 2013- 2016



I noted above that the operating surplus for 2016 (refer **Figure Four**) was around \$36 000 which represents a surplus of approximately 2%. However looked at in the light of last years' shortfall of \$36000 this actually represents a strong turnaround of over \$72000 on the 2015 figures. If looked at beside our cash reserves, which are in excess of \$275 000, the Conservatorium remains in strong shape and able to provide more than adequately for our short and medium term needs.

Figure Four: Surplus/ Shortfall, 2013- 2016



Each bar represents AMOUNT IN DOLLARS

The Board remains conscious that the CCC is a not-for-profit organisation serving the community. Whilst there has been a small increase in the amount raised from tuition fees and a small increase in grants revenue there has been a corresponding minor decrease in operating costs. The Board is continually examining ways in which it can increase the revenue of the Conservatorium, reduce administrative costs and pass on savings in the form of increased remuneration and better conditions to our highly valued teachers.

C. MANAGEMENT COMMITTEE

The Management Committee has been working on a number of projects throughout 2016 to the present. In 2014 the Board instituted a restructure of our management/ administrative setup and a refurbishment of many of the Conservatorium's buildings. I am pleased to report that each of these initiatives remains on track. Refurbishments to the cottage and the de-mountables were completed in 2016 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 2017 we will have put in place a robust and competent structure, which will carry the Conservatorium through into the future. With the employment of our new Financial Controller, evidence of this can already be seen.

D. ACHIEVEMENTS

The Board of Management along with Patrick Brennan and his team and teachers have assisted in achieving a number of goals throughout 2016.

1. The maintenance of a skills based Board of highly qualified individuals from diverse career backgrounds.
2. Continuing Tier I status
3. New system for school enrolments and payment, which has encouraged more schools to join our schools program.
4. Extension of Schools program with an increased number of instruments for hire.
5. Expansion of the instrument hire program for one-on-one and ensemble students.
6. Refurbishing existing premises
7. Continued focus on professional development for teachers and staff.
8. Continued focus on grant opportunities and implementing support and educational programmes to ensure successful and appropriate applications.

9. Updated employment contracts and recognition of a new award for our teaching staff.
10. The Constitution has been updated and ratified at last year's AGM.
11. The engagement of Employsure who provide the Conservatorium with support on employment issues including, compliance, Work, Health and Safety, Legal Issues and Insurance.

E. FUTURE PLANS

1. Continuation of the facilities upgrade programme
2. Continue to investigate the possibility of new premises for the Conservatorium.
3. Investigate the possibility of taking over the lease for the current premises thus enabling a total refurbishment and extension of the current building, thus providing first class facilities for our students and teachers.
4. Continue to maintain our status as one of NSW's leading conservatoria.
5. Continue to investigate ways of enhancing Curriculum delivery
6. Upgrade of IT resources
7. Increased consultation with teachers
8. Capitalize on local and national Grant opportunities.
9. Achieve greater community engagement.
10. Exploration of more sponsorship opportunities.
11. Continue to provide high caliber performance opportunities.
12. Introduction of a "mini-sabbatical" to help staff enhance their professional skills for the good of their career and for the Conservatorium.

F. CONCLUSION /TRIBUTES

As President I cannot do my job without the willing support of the Board of Management. I have been privileged to work with a Board whose number one aim is to see the growth of the Conservatorium and to see it retain its position as the leading provider of Music Education on the Central Coast.

Every member of the Management Board deserves special mention for their wise counsel and the special skill sets that they bring to the Board.

- Vice President Vinay Srivastava is to be thanked for his huge support to the Chair and assistance to the Treasurer
- Treasurer, Michael Mitchelmore, has done a commendable job 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 and thoughtful input into these meetings has been highly valued.
- Other members of the committee; Mary Ellen Wallace, Charmian Gadd, Hilary Day, Liz Hemphill, Claire Braund 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. A special thank you to Charmian whose Instrument Concerts have raised funds for a harpsichord and a new double bass.

Sadly, we farewell Liz and John from the Board at this AGM. Liz's contribution, especially with her business knowledge, has been most valuable. Our University of Newcastle representative John Kellaway has resigned from the University and therefore gives up his position on the Board. I thank him for his contribution and the wealth of knowledge he brought to the table.

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.

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 our highly qualified and professional teachers which Patrick has gathered around him. Thank you also to the administrative staff and Rod Bowman for your work in supporting the teaching and management staff.

Finally I would like to thank the parents of our many young musicians. The many hours spent transporting their children to and from lessons, exams, performances, attending concerts, encouraging their children and paying fees on time go largely unnoticed. To me, the parents are really our unsung heroes.

The Management Board has striven to ensure compliance in all its actions. Already in 2017 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.

Peter Brandon,

President

24 February, 2016

THANK YOU TO OUR SPONSORS...

