



THE UNIVERSITY OF  
MELBOURNE

# Melbourne Theatre Company Charter

Made under Section 16(5) of the Council Regulation

Web: <https://www.mtc.com.au/>

## Part A Introduction

### 1. Establishment

Melbourne Theatre Company (MTC) is Victoria's leading theatre company and one of the major performing arts companies in Australia. Its standing as a department of the University of Melbourne (the University) reflects MTC's unique origins and enables it to contribute to the University's strategy as a core component of the University's cultural engagement agenda.

MTC attracts large audiences and enjoys a committed subscriber base. It regularly partners with leading theatre companies nationally and internationally. MTC has its own education development programs involving large numbers of students from metropolitan and regional schools each year. It is the only state theatre company to tour an education show regionally supported by education workshops. Through its Next Stage program, unique in Australia, MTC is developing new authors and creating major new productions designed to tell Australian stories to Australian audiences. Through partnerships with the Faculty of Fine Arts and Music, MTC is providing opportunities for theatre, music theatre and production students to undertake work-integrated learning experiences to further their studies. MTC stands as a flagship component of the University's Southbank campus. These attributes make MTC a world-class theatre company that complements the global standing and aspirations of the wider University.

Section 9(2)(e) of the *University of Melbourne Act 2009* states that Council has, and is deemed always to have had, power to establish and conduct the repertory company known as The Melbourne Theatre Company. Section 16 of the Council Regulation states that the Melbourne Theatre Company is established by Council as a department of the University.

This Charter articulates the governance, financial and operational arrangements that make possible this distinctive structure and unique relationship. The Charter satisfies the requirement prescribed in Section 16(5) of the Council Regulation for Council to 'set in a charter of MTC appropriate governance and structural arrangements including composition of the Board, the manner for the appointment of a Head, however designated, and provision for required reporting'.

### 2. Origins

The University established the Union Theatre Repertory Company in 1953. In recognition of the financial assistance given by the State Government of Victoria, the company's name was subsequently changed to Melbourne Theatre Company.

MTC now stands as Australia's oldest and longest-running professional theatre company, a model for all the state theatre companies that followed. It is among the largest theatre companies in the English-speaking world.

### 3. Purpose

Under Section 16 of the Council Regulation, MTC aims to produce contemporary and classic Australian and international theatre with style, passion and world-class artistic excellence in order to entertain, challenge and enrich audiences in Melbourne, Victoria and Australia.

In addition, MTC aims to create excellence in all forms of theatrical storytelling – including existing and new Australian stories, international hits and classics – with imagination and passion in order to entertain, challenge, inspire and grow audiences.

These are consistent with, and support, the objects of the University, as articulated in section 5 of the *University of Melbourne Act 2009*, most notably '... to serve the Victorian, Australian and international communities and the public interest by:

- (a) enriching cultural and community life;
- (b) elevating public awareness of educational, scientific and artistic developments; ...'

## **4. Objectives**

The objectives of MTC are to:

- a) provide world-class theatre for Melbourne residents and visitors by presenting a season of plays in Melbourne chosen from the world repertoire and, wherever practicable, to present those plays to audiences outside Melbourne;
- b) present a quality of performance and production that acts as a benchmark for Australian theatre, including a focus on developing and producing outstanding new productions telling Australian stories to Australian and international audiences;
- c) contribute to the advancement of Australian theatre through the development of artists and theatre workers and the support of other theatre companies and performing arts organisations;
- d) build an audience for live theatre in Australia; and
- e) operate a cost-effective and creative theatre company with the financial capacity to implement its aims now and in the future.

## **Part B Governance**

### **5. Adherence to University Regulatory Framework**

#### **(a) Overarching Obligation**

As a University department, MTC will adhere to the University Regulatory Framework except where agreed with Council.

#### **(b) Business Plan and Budget**

Without limiting Section 5(a), the budget of MTC will follow the University Planning and Accountability Framework in accordance with the principles applicable to all budget divisions of the University.

#### **(c) MTC Staff**

While MTC staff are employees of the University, their terms and conditions of employment are set out in separate contractual arrangements and a separate MTC Enterprise Agreement. These terms and conditions take into account the distinctive requirements of MTC's workforce and operations.

### **6. Board**

In accordance with Section 16 of the Council Regulation, subject to Council direction:

- MTC is governed by a board that reports to Council through the Vice-Chancellor; and
- the Board of the MTC exercises any powers necessary or incidental to carrying out the objects of MTC.

#### **(a) Roles and Responsibilities**

The Board's responsibilities are as follows:

- promote and enhance the reputation of MTC;
- provide strategic oversight, including:
  - to oversee the development, implementation and review of a strategic plan that furthers the aims and objectives of MTC;
  - to oversee the financial strategy to support achievement of the MTC strategic plan and assure longer term sustainability of MTC;
  - ensure appropriate consultation with stakeholders, including the wider University, in relation to MTC's strategic and financial plans; and
  - to further otherwise the aims and objectives of MTC.
- oversee MTC performance:
  - in recommending annual operating plans, budgets and financial reports for approval by Council through the Vice-Chancellor (or delegate);

- by recommending a candidate for appointment as Artistic Director (CEO) and Executive Director (Co-CEO) of MTC to the Vice-Chancellor (or delegate);
  - by ensuring an appropriate suite of MTC guidelines and processes, are maintained and consistent with wider University policy and procedures;
  - in identifying strategic risks and monitoring the actions of a head of MTC to mitigate risk;
  - by monitoring compliance with University and external reporting and other accountabilities.
- approve the form and substance of reporting on MTC performance to meet the requirements of Council or the Vice-Chancellor (or delegate).

**(b) Membership**

The Board of MTC comprises the following members:

- i) the Vice-Chancellor or nominee;
- ii) the Artistic Director and CEO of the MTC;
- iii) the Executive Director and Co-CEO of the MTC;
- iv) up to four members appointed by Council on the recommendation of the Vice-Chancellor; and
- v) up to nine other members appointed by Council in consultation with the Vice-Chancellor on the recommendation of a Nominations Committee of the Board.

**(c) Selection of members**

In recommending persons for appointment under 6 (b)(v), the Nominations Committee will have regard to a skills matrix set by the Board and strive to ensure appropriate diversity in Board membership in respect of gender, cultural and disciplinary background. In appointing members to the Board, Council and the Vice-Chancellor must consider the skills matrix set by the Board and any additional advice provided by the Board (or its Committee).

**(d) Chair and Deputy Chair**

Council, through the Vice-Chancellor, appoints one of the non-University Board members as Chair for a term no greater than the term of the member. The Board may appoint a Deputy Chair. The term of appointment of a Chair or Deputy Chair is equal to the term of membership of the appointee.

Any Board member appointed as Chair or Deputy Chair is eligible for re-appointment as the Chair or Deputy Chair.

Where a Chair is absent, the Deputy Chair, or another Board member appointed by the Chair or the Board to act as the Chair for a meeting, may chair the meeting.

**(e) Terms of membership**

An external person appointed to serve as a member of the Board holds office for three years and is eligible for reappointment for a further two terms.

The Vice-Chancellor's nominee holds office at the discretion of the Vice-Chancellor.

The Artistic Director and CEO and Executive Director and Co-CEO will serve on an ex-officio basis.

A person appointed to fill a casual vacancy on the Board is entitled to hold office for the remainder of the term of the member whose office has been filled.

**(f) Removal of Board Members**

Any Board member may be removed, with or without cause, by Council

Any Board member, excluding ex-officio members, may be removed by a special majority vote where at least 75% of the Board members, including the Vice-Chancellor (or nominee), agree to remove the member.

**(g) Meetings**

The Board meets at least four times in each calendar year. It conducts its meetings in accordance with any standing orders in place.

The Chair, or acting chair, is responsible for the conduct of Board meetings. This includes ensuring that agendas of Board meetings are comprehensive and within the remit of the Board's role and responsibilities. The Chair, or acting chair, may invite other members of the Executive of MTC to attend a Board meeting.

Meetings of the Board may be held by telephone, videoconference, or similar medium, but the Board will hold at least three in-person meetings per year.

#### **(h) Quorum**

A quorum for a meeting of the Board requires the presence of a majority of the Board. The Chair or Deputy Chair or Chair of an MTC Committee and one of the Executive Directors must be present to constitute a quorum. Participation in a meeting by telephone, videoconference, email circular or similar medium will constitute presence at a meeting.

#### **(i) Voting**

Unless otherwise specified in this charter, all matters to be voted on will be determined by majority vote of all members of the Board present at the meeting and eligible to vote. In the event of a deadlock, the Chair (or acting chair) will have the deciding vote.

A Board member must declare and withdraw themselves from voting on any matters before the Board which give rise to a conflict of interest.

#### **(j) Annual Performance Review**

- (i) The Board must conduct an annual review of its own performance and provide report on its performance to Council through the Vice-Chancellor. The review must include the views of the Artistic Director and CEO and the Executive Director and Co-CEO on the performance of the Board.
- (ii) Council may determine if any changes should be made to improve performance based on the review.

#### **(k) Committees**

- (i) The Board may establish such committees as it considers necessary for its good governance. This will include a Nominations Committee.
- (ii) Members and non-members of the Board may be appointed by the Board to any committee so established. The Board shall appoint a Chair for each committee who shall be accountable to the Board for ongoing operation of the committee.

### **7. Executive of MTC**

Leadership of MTC is shared between the Artistic Director and CEO and the Executive Director and Co-CEO (together 'the Executive'), who are jointly accountable for the strategic and financial direction of the MTC. The Artistic Director and CEO is responsible for the artistic vision of the Company. The Executive Director and Co-CEO is responsible for the business, human resources and operations of MTC.

- (a) The Vice-Chancellor (or delegate) must appoint an executive of MTC, however designated, to be the head of MTC on the recommendation of the Board.
- (b) The Executive Director is a Level 3a delegate under the University's Delegations Framework.
- (c) The Executive manages, and is responsible for, the operations and financial sustainability of the MTC including but not limited to:
  - i) appointing, providing leadership to, and management of, the staff of the MTC;
  - ii) developing strategic, financial and corporate plans covering all aspects of the MTC's operations, and ensuring their timely implementation;
  - iii) developing guidelines and processes, aligned to University policies and procedures, for the good operation of MTC;
  - iv) developing collaborative relationships within, and external to, the University to further the objectives of MTC;

- v) optimising MTC's participation in services provided by University Services and Advancement campaigns;
  - vi) developing and implementing the MTC Financial Plan, which must include an integrated marketing plan for audience development and maximisation of the MTC's commercial opportunities;
  - vii) representing MTC and the University at public, media and professional forums; and
  - viii) ensuring the University brand is appropriately represented, in association with the MTC brand, in all publications.
- (d) The Executive's annual performance will be reviewed by Council through the Vice-Chancellor (or delegate). Performance will be assessed based upon feedback from the Board on progress against agreed performance measures contained in MTC's operational plan.

## **8. Charter Review**

The Executive Director and Co-CEO shall review this charter annually, in consultation with the Board, and recommend changes to Council, through the Vice-Chancellor (or delegate), for approval.

## **Part C Operational Relations**

### **9. Collaborative Engagement**

MTC collaboration with the wider University spans teaching and learning, research and engagement. An MTC Collaboration Steering Committee comprising representatives of MTC and the wider University, including the Faculty of Fine Arts, will coordinate and oversee this collaborative engagement, identifying and developing new initiatives. The Committee reports, at least annually, jointly to the Board and the Vice-Chancellor (or nominee).

The Committee will identify and oversee a range of collaborative engagements, including:

- student enrichment and curriculum development, including breadth, mentoring and work-integrated learning opportunities;
- industry pathways and graduate placements;
- joint programming, leveraging the expertise, facilities and audiences of MTC and the wider University;
- alumni and stakeholder engagement;
- research collaboration and joint research projects;
- staff exchange and benchmarking;
- organisation of joint workshops and symposia to share best practice and explore areas of mutual interest extending to third parties in Melbourne's Arts Precinct; and
- opportunities for alignment of communications, market research and impact evaluation.

### **10. Branding, Marketing and Development**

MTC will ensure that its marketing and other publications appropriately recognise its relationship with the University. MTC will collaborate with the University to ensure opportunities for promoting the University brand to MTC patrons and sponsors are optimised and undertaken in a manner that enhances both the MTC and University brand.

The University will collaborate with MTC so that marketing and key promotions are able to reach students and staff across campus in order to enhance the University experience for students and staff, grow attendances for performances and create future generations of audiences.

MTC and the University recognise the mutual benefit of collaboration and alignment through Advancement. MTC will be supported and positioned as a key University asset across Advancement, including through comprehensive fundraising and engagement campaigns.

## 11. Operational Services

As a department of the University, MTC has access to the full range of shared services available. The costs of accessing these services are made visible and met within the scope of Chancellery support to MTC.

## 12. Financial, Compliance and Legal Arrangements

A number of factors contribute to making MTC's financial arrangements with the University distinct and special. In part this is due to undertakings provided by the University at the time the State Government provided, or contributed towards the cost of, facilities for the University for MTC purposes; in part due to the fact that the physical assets occupied by MTC are on the University's balance sheet; in part due to the unique requirement for an arts organisation that MTC, as a department of the University, must pay state payroll tax; and in part due to the separate and distinct reporting and funding expectations of arts funding bodies.

Given these considerations, the principles that govern Council's expectations in relation to MTC's financial and compliance arrangements are as follows.

- As a University department, MTC adheres to the University's regulatory framework. The development of its financial plans, budgets and audit reports are overseen by its board, which reports to Council through the Vice-Chancellor.
- As a University department, MTC may access those services provided by University Services. The full cost of contributions and services the University provides to MTC, including overheads, are visible and allocated transparently.
- MTC is accountable for developing and achieving, at a minimum, balanced annual operating budgets. Operating surpluses and deficits remain with MTC, whether over or under budget, planned or unplanned. MTC is held accountable to its net position or accounting result.
- MTC participates in the University's established capital planning process. In terms of respective accountabilities, the University will meet normal landlord obligations at the Southbank Theatre and MTC's Sturt Street headquarters, while MTC is to meet normal tenancy obligations, though with financial arrangements particular to each site, as follows.
  - The University will maintain the Southbank Theatre, in accordance with the funding and development deed with the Victorian Government. MTC is to prepare a five-year Southbank Theatre asset renewal and replacement plan for the University's consideration. The University will appropriate from its capital program the funds necessary to meet normal landlord obligations, with the amount of funds actually allocated subject to annual substantiation by MTC. The University and MTC will jointly manage these accountabilities in a manner that does not prejudice MTC's capacity to bid for, and receive, Victorian Government capital funding for arts facilities.
  - MTC's use of property and associated services for its Sturt Street headquarters is subject to the payment of space charges calculated to take account of the costs of depreciation and reflect MTC's deemed capital contribution to the cost of the property (estimated to be 42.1% of the total cost). To assist with the financial adjustment required in respect of the introduction of space charges, the University will provide a top-up subsidy for a period of eight years. The amount of the subsidy will offset the full cost of space charges for a period of three years (to the end of 2021) and be progressively phased out over the subsequent five years (to the end of 2026), to a maximum contribution of \$140,623 per annum on current figures. Any change to these property holdings should prompt a review of these arrangements.
- The University will consult with, and have regard to, any advice provided by MTC in relation to any proposals likely to impact on MTC's use of the Sturt Street Headquarters or Southbank Theatre.
- Discretionary University financial support to MTC recognising its unique payroll tax obligations is determined annually through the University budgeting process.
- MTC's financial and HR policies and procedures will be informed by, and to the extent practicable, consistent with those of the University.
- MTC will remain up-to-date and comply with the University's occupational health and safety framework.

The objective of these arrangements is to ensure that, notwithstanding its unique relationship, MTC is able to

operate, and to be seen as operating, on a basis equivalent to a standalone major arts company and that any direct or indirect subsidies provided by the University are properly disclosed. This will assist in enabling Council to assess the value of the net contribution MTC makes to the University's engagement agenda. It will also strengthen MTC's contribution to the University by providing essential clarity and greater fiscal certainty.

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<b>Version</b>	<b>Approved by</b>	<b>Approval date</b>	<b>Effective date</b>	<b>Sections Modified</b>
1	Council	19 June 2019	19 June 2019	New revised charter