



Heide Museum of Modern Art
2008 Annual Report

Heide
Museum of
Modern Art
Heide

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Front cover:
Melinda Harper
Untitled 2003
oil on canvas
183.0 x 152.0 cm
Purchased through the Heide Foundation
with the assistance of the Heide Foundation
Collectors' Group 2008
© Melinda Harper

Back cover:
The art of existence, Les Kossatz exhibition
Photograph: David Pidgeon 2009

I. VISION & MISSION

Vision

Heide's vision is to be a significant national and international public museum of modern and contemporary art respected as a cultural destination combining art, architecture, landscape and heritage as well as a site for the innovative generation of new ideas and exhibitions.

Mission

The purpose of Heide Museum of Modern Art is three-fold:

- to provide high quality stewardship and development of Heide's unique assets comprising the collection, architecture, landscape and heritage
- to provide public access to and enjoyment of a unique cultural destination
- to generate and present new ideas in modern and contemporary culture

2. HONORARY APPOINTMENTS

Heide Patrons

Terry Bracks
Sir Rupert Hamer AC KCMG
(1916–2004)
Barbara Tucker

Heide Fellows

Dr H Norman B Wettenhall AM (1915–2000)	1988
Georges Mora (1913–1992)	1989
Maria Prendergast OAM	1990
Baillieu Myer AC	1992
Loti Smorgon AO	1993
Victor Smorgon AC	1993
Dr Barrett Reid AM (1926–1995)	1994
Dr Tom Quirk	1995
Maudie Palmer AO	1997
Stephen Charles	1998
Christine Collingwood	1999
Albert Tucker AO (1914–1999)	2000
Barbara Tucker	2000
Tom Lowenstein	2002
William J Forrest AM	2005
John Gollings	2006
Inge King	2006
Neil Everist	2007
Mirka Mora	2008

3. CHAIRMAN & DIRECTOR'S REPORT

Heide Museum of Modern Art experienced an exciting and challenging year in 2008, including significant changes in our Senior Executive Team, finalisation of the planning for the new café, the establishment of the Heide Foundation Collectors' Group, and the achievement of a three-year grant from the Victorian Government Sustainability Fund to support our initiatives in environmental sustainability.

Heide continues to develop as a cultural destination and as a public facility with 2008 being the first year of implementation of the three year Corporate Plan: Heide SMart Strategy 2008–2010. This plan drives Heide's commitment to becoming a sustainable art museum through the application of methodologies and philosophies across all aspects of the Museum's cultural, financial, and environmental objectives.

During the year we commenced the final phase of Heide's redevelopment project, which commenced in 2005 with the additions to Heide III of the new Albert & Barbara Tucker Gallery, the Kerry Gardner & Andrew Myer Project Gallery, the Tony & Cathy Hancy Sculpture Plaza, new Heide Store and collection storage, as well as the Sidney Myer Education Centre. The Heide Café was closed during 2008 to enable planning for the commencement of the new café, with construction commencing in early 2009 for completion in November 2009.

This will be a much-needed and superb addition to the Heide experience. We have an outstanding design created by Chris Connell Design which will enhance not only the appearance of the entire courtyard and adjoining sculpture plaza, but will provide modern facilities for our Members and the visiting public.

A major change for Heide during 2008 related to our Senior Executive Team, with our Chief Executive Officer/Director of four years, Lesley Alway, and our Deputy Director, Senior Curator of almost seven years, Zara Stanhope, both resigning to further their careers in other directions. We have been extremely fortunate to appoint two exceptional people in Jason Smith as Chief Executive Officer/Director, and Linda Michael as Deputy Director, Senior Curator. The Board believes Jason and Linda, in conjunction with our other curatorial and executive team, will build on the wonderful work of their predecessors and take Heide into an exciting future.

During 2008 approximately 60,000 people visited the Heide site, including almost 38,000 ticketed visitors. These figures were slightly below our targets due in part to the closure of the Heide Café and the early impact in late 2008 of the global economic downturn.

Heide's 2008 financial results show a pleasing surplus, though this is predominantly due to the accounting treatment of donations of works of art as income. We continue to manage our finances well under extremely tight budgetary constraints.

With the impact of the global financial crisis still to flow completely through the Australian economy, Heide will confront a major challenge in 2009 to generate sufficient income from its commercial operations as well as from government, philanthropic and business sources to undertake the Museum's core operations. The protection, maintenance and development of Heide's assets to the high standards and professionalism expected and required of the Museum will be a key focus of Senior Management.

We are extremely grateful for the ongoing support of the Victorian Government through Arts Victoria and in particular the support of The Hon. John Brumby MP, Premier of Victoria, who joined us for the Heide autumn exhibition opening on 31 March 2008.

The Premier spoke highly of Heide's ongoing capital development and strong exhibition program, and officially launched the Heide Café Redevelopment. We are also appreciative of the ongoing support of the The Hon. Lynne Kosky MP, Minister for the Arts, who also joined us at Heide in December to announce Mirka Mora as the 2008 Heide Fellow.

We maintained a range of outstanding exhibitions, publications, education and public programs during the year, which addressed the core business of the Museum: to present and interpret Heide's nationally significant collection and wide-ranging modern and contemporary visual cultures. Heide's unique integration of art, architecture, and landscape enlivened the experience of visitors to the Museum and their enjoyment of Heide's heritage gardens.

Program highlights for 2008 centred on Heide-curated exhibitions including the very successful survey *A single mind: Rick Amor; Hinterlands: Albert Tucker's landscapes 1960-75; Order and Dissent: works from the Heide Collection*; and *The world in painting*, the touring exhibition established in partnership between Heide and Asialink.

Heide's commitment to environmental sustainability and ambition to be a 'green' museum were supported with a grant of \$375,000 through the Sustainability Fund administered by the Victorian Treasurer and the Minister for Environment and Climate Change, and managed on behalf of the Victorian Government by Sustainability Victoria. First applications of this grant enabled Heide to implement a range of workplace activities and sustainable resource management initiatives that have included the installation of water tanks near Heide III, a sophisticated kitchen waste and composting system, and the formation of an internal Sustainability Working Group.

A partnership with Shaper Group was established, assisting to consolidate Heide's Sustainability Vision and develop the Museum's leadership within the sector and its capacity to communicate new ways of working and programming.

Significant progress was made in 2008 on asset improvement with funding secured and deployed to finalise the upgrade of the Heide II climate control system. These works ensured that Heide II is equivalent in standard to the recently upgraded system in Heide III, enabling ambitious exhibition programming for this important heritage-listed exhibition space.

The Heide Foundation Collectors' Group was established in June 2008 to reactivate financial support for the Museum's acquisitions program, and to ensure the ongoing consolidation and development of Heide's outstanding collection of modernist and contemporary Australian art. Heide's twenty-first century focus on contemporary art and culture honours the Reeds' passion and practice of engaging with the art of the present and facilitating interaction between art and the widest possible audience.

Important additions through this funding include *Untitled* (2003) by Melinda Harper and *After Colonial Cubism* (1993) by Robert Rooney (in partnership with the Robert Salzer Fund).

Another major group of works by Albert Tucker was gifted by Museum Patron Barbara Tucker as part of her ongoing commitment to the Museum's Collection. Barbara Tucker also made an outstanding joint gift to Heide and the State Library of Victoria of Albert Tucker's photographic archive. The Library will store the Archive and make it available to Heide's cultural programs and publications.

Heide's heritage gardens and park are considered the 'living' museum of the site, and their careful maintenance is vital to the ongoing enjoyment of them by Heide's disparate visitors. Garden maintenance and its inclusion in public programs proceeded through ongoing drought and water restrictions. A range of sustainability initiatives have been implemented to 'drought-proof' Heide's gardens and will be further developed in 2009.



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Heide received exceptional support in 2008 from Government Partner Arts Victoria; Principal Partners Design By Pidgeon and Domaine Chandon; Heide Partners Ed Dixon Food Design, Gollings Photography, Gunn & Taylor Printers, International Art Services, Mecca Medialight, Spicers Paper; Education and Public Programs Partner Manningham City Council; Heide Supporters Image On Line, Outlook Communications, Resolution X and Splitrock & Tiro Beverages; and Education and Public Programs Supporter Zart Art. We look forward to their ongoing support in the future.

We wish to acknowledge the commitment and work of Heide's Board of Directors, who provided leadership, guidance and support to Heide management and staff throughout the year. We welcome Fiona Bennett to the Board: Fiona was appointed in October 2008 and brings outstanding governance, audit and risk management skills to Heide.

Heide's Patrons Terry Bracks and Barbara Tucker continued to provide exemplary support to the Museum throughout 2008 and we thank them most sincerely for their commitment.

Heide's professional staff continued the important work of maintaining Heide's status as an iconic institution greatly valued for its historical foundations and legacy, and its resolve to engage with arts practitioners and socially diverse audiences to promote new ideas and research, and creative, unpredictable evolutions in contemporary cultures.

Our dedicated volunteers are integral to the life, dynamism and success of the Museum and we thank them very sincerely for their ongoing work ranging across Visitor Services, Retail, Curatorial, Development, Communications, Education and Public Programs, Heide's Collection and archives and heritage gardens. Our volunteers' standards of excellence in front and back of house roles ensure Heide's reputation as a leading art museum.

As Chairman and Chief Executive Officer/Director of Heide Museum of Modern Art we are proud of the achievements of Heide over the last year. We look forward to working with the Board, management and staff, and all our partners and supporters in the coming year.

Trevor Tappenden
Chairman, Heide Board of Directors

Jason Smith
Chief Executive Officer/Director

1 Jason Smith, Heide Director
and Trevor Tappenden, Heide Chairman



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4. CULTURAL PROGRAMMING

4.1 EXHIBITIONS

In 2008 Heide presented a number of international projects. Fernando Palma Rodríguez created an engaging interactive work for the Kerry Gardner & Andrew Myer Project Gallery as part of an artist-in-residence exchange with Stour Valley and Arts Council England; four artists from Asia participated in *The world in painting*, a joint Heide and Asialink travelling exhibition that toured to Thailand, Vietnam and the Philippines; and architectural designs from around the world were included in the Di Stasio Ideas Competition for the Venice Biennale New Australian Pavilion.

Two major surveys from local artists whose personal histories are interlinked with Heide – *A single mind: Rick Amor* and *The art of existence*, Les Kossatz – were extremely successful and attracted many visitors to related public program events. A striking new work was made for a project exhibition by artist Fiona Abicare, and an interactive installation donated to the Heide Collection by the artist collective DAMP was also shown in the Project Gallery and proved popular with visitors.

Heide I, the original house of John and Sunday Reed, was opened twice weekly for tours of an archival exhibition *Heide: Making history*, which presented photographic and other material relating to various aspects of Heide's history and incorporated a timeline of key moments from Heide's past. In the Reeds' modernist 1960s house, Heide II, *Order and dissent: works from the Heide Collection* explored notions of diversity and non-conformity in a selection of art works ranging from the 1930s to the present day.

Collection works were also an integral part of the exhibitions presented in the Albert & Barbara Tucker Gallery in 2008, which focused on the themes of portraiture and landscape. *Those who made and those who saw. Portraits of the Heide circle* examined a remarkable array of works of and by artists connected with Heide in the 1940s, and *Hinterlands: Albert Tucker's landscapes 1960–1975* presented the artist's resonant depictions of the Australian landscape in the two decades following his return from Europe in 1960.

All 2008 exhibitions were accompanied by catalogues supported by Heide Partners, Design By Pidgeon, Gunn & Taylor Printers and Spicers Paper, with Design By Pidgeon being awarded a Premier's Design Mark for Heide publications. In partnership with Macmillan Publishing Heide published an extensive monograph on Les Kossatz to celebrate the exhibition *The art of existence*, Les Kossatz.

Exhibition staff were greatly assisted by the introduction of the Vernon database system to Heide, with its 'activities' module introduced to assist with streamlining exhibition management, along with six interns who supported staff in 2008 as part of the Heide Programming Internship.

2 James Morrison
Elizabeth 2004
oil on canvas
3 panels
100.0 x 300.0 cm (overall)
Private collection, Melbourne
Courtesy the artist and
Darren Knight Gallery, Sydney
© James Morrison



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3 Rick Amor
Self portrait with postcard of Greco Roman bust 2003
oil on canvas
97.0 x 130.0 cm
Collection of The University of Queensland
Purchased 2005
© Rick Amor

4 Fiona Abicare
COVERS, Heide Museum of Modern Art publicity still, 2008. Courtesy of Sweet Caroline, Melbourne.
type C photograph
30.1 x 36.6 cm
© Fiona Abicare

5 Richard Tipping
Sing c. 1980
vinyl tape on aluminium
59.0 cm (diameter)
Heide Museum of Modern Art Collection
Gift of Ruth Cowan 2000
© Richard Tipping

6 Les Kossatz
Hard slide 1980
sheepskins, aluminium, Douglas-fir
(*Pseudotsuga* sp.), leather, steel
372.0 x 100.0 x 304.0 cm (installation)
National Gallery of Victoria, Melbourne
Presented through The Art Foundation of Victoria
by The Ian Potter Foundation as one of the joint
winners of The Ian Potter Foundation Sculpture
Commission, Governor 1981
© Les Kossatz

7 Robert Dickerson
The Bather c. 1954
enamel paint on composition board
122.0 x 91.1 cm
Heide Museum of Modern Art Collection
Purchased from John and Sunday Reed 1980
© Robert Dickerson

8 Kamin Lertchaiprasert
Born, Old, Sick and Dead (detail) 2007
from the series *Beyond* 2007
synthetic polymer paint on scrolled canvas
4 parts
120.0 x 220.0 cm each
Courtesy the artist and 100 Tonson Gallery,
Bangkok, Thailand
© Kamin Lertchaiprasert



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9 Davide Marchetti
Venice Biennale New Australian Pavilion
competition entry
exterior view
© Davide Marchetti

10 Les Kossatz
Digger's throne 1966
oil on canvas
Private collection, Melbourne
Photographer: Viki Petherbridge
© Les Kossatz

11 DAMP
Scene 1 2001
synthetic polymer paint on MDF,
photographs, camera
3 panels: 242.0 x 366.0 cm (overall)
Heide Museum of Modern Art Collection
Gift of the artists through the Heide
Foundation 2007
© DAMP

12 Albert Tucker
Parrots in bush c. 1973
oil and mixed media on composition board
60.5 x 75.9 cm
Cbus Collection of Australian Art
© Barbara Tucker

13 Rick Amor
Studio with a covered painting 2006
oil on canvas
117.0 x 130.0 cm
Private collection, Melbourne
Courtesy Niagara Galleries, Melbourne
© Rick Amor



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Exhibition	Exhibition Dates	Venue	Curator(s)
<i>Heide: Making history</i>	July 2007–ongoing	Heide I	Kendrah Morgan
<i>COMBINE: Janet Burchill, Jennifer McCamley, Melinda Harper</i>	27 October 2007– 24 February 2008	Heide II	Kendrah Morgan, project curator
<i>Those who made and those who saw. Portraits of the Heide circle</i>	3 November 2007– 15 June 2008	Heide III: Albert & Barbara Tucker Gallery	Lesley Harding and Linda Short
<i>Power & Beauty, Indigenous art now</i>	17 November 2007– 10 March 2008	Heide III: Central Galleries	Judith Ryan, guest curator
<i>Scene 1 DAMP</i>	15 March– 22 June 2008	Heide III: Kerry Gardner & Andrew Myer Project Gallery	Kendrah Morgan, project curator
<i>A single mind: Rick Amor</i>	22 March– 13 July 2008	Heide III: Central Galleries	Linda Short
<i>Venice Biennale New Australian Pavilion: Di Stasio Ideas Competition</i>	28 June– 3 August 2008	Heide III: Kerry Gardner & Andrew Myer Project Gallery	A Café di Stasio project David Pidgeon, Creative Director
<i>Hinterlands: Albert Tucker's landscapes 1960–1975</i>	28 June 2008– 22 February 2009	Heide III: Albert & Barbara Tucker Gallery	Lesley Harding
<i>Order and dissent: works from the Heide Collection</i>	1 July 2008– 1 March 2009	Heide II	Kendrah Morgan
<i>The world in painting</i>	26 July– 9 November 2008	Heide III: Central Galleries	Zara Stanhope
<i>Butterflown of love, Fernando Palma Rodríguez</i>	5 August– 26 October 2008	Heide III: Kerry Gardner & Andrew Myer Project Gallery	Zara Stanhope and Linda Short
<i>COVERS, Fiona Abicare</i>	1 November 2008– 22 February 2009	Heide III: Kerry Gardner & Andrew Myer Project Gallery	Zara Stanhope and Linda Short
<i>The art of existence, Les Kossatz</i>	22 November 2008– 9 March 2009	Heide III: Central Galleries	Zara Stanhope

14 Fernando Palma Rodríguez

15 Albert Tucker
Trees I 2006–07
synthetic polymer paint,
sand and bark on hardboard
91.3 x 10.8
Art Gallery of New South Wales, Sydney
On Loan from Barbara Tucker
© Barbara Tucker

Exhibition lenders 2008

100 Tonson Gallery	Rick Frolich
Fiona Abicare	Geelong Gallery
Rick Amor	Gold Coast City Art Gallery
Teana Amor	Michelle Gordon
Peter Andersen	Robert Grieve
Art Gallery of Ballarat	Reuben Hall
Art Gallery of New South Wales	Felix Hamer
Art Vietnam Gallery	Hamilton Art Gallery
Sam Ballas	Robert Hershan
Kate Bêchet	Sam Hill-Smith
Benalla Art Gallery	Emmanuel Hirsh
Bendigo Art Gallery	Holmes à Court Collection
Gordon Bennett	Bryan Hoy
Robert Bingley-Pullin	Raafat Ishak
Norma Brand	Cynthia Jenkins
Tania Brougham	Joan Jones
Jeff Brown	Les Kossatz
Cbus Collection of Australian Art	Lander & Rogers Lawyers
Tony Chamberlain	Henrik Lassen
Peter Clarke	Latrobe Regional Gallery
Peter Corrigan	Nick Lolatgis
Darren Knight Gallery	Susan Luff
Amanda Davies	Gael McCalman
James Devine	McClelland Gallery + Sculpture Park
Carol Evans	Rob McGauran
Ray Finkelstein	David McGovern
Howard Freeman	John Mannix
Zoltan Friedman	Michael Buxton Collection
	Alex Miller

Exhibition lenders 2008 (continued)

Bruce Miller
Brian Mitchell
Luke Mullins
National Australia Bank
National Gallery of Australia
National Gallery of Victoria
Elizabeth Newman
Niagara Galleries
William Nuttall
David Payes
Tom Pearce
Dorothy Porter
Queensland Art Gallery
Rosemary Ricker
Norman Rosenblatt
Michael Roux
Jim Runseman
Lisl Singer
Geoffrey Smith
Tang Contemporary Art Bangkok
TarraWarra Museum of Art
Jay Taruc
Tasmanian Museum and Art Gallery
Barbara Tucker
University of Queensland Art Museum
Victorian College of the Arts
Tony Wenzel
David Williams
Ross Wilson
Olivia Yao
Yooralla



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16 Guests viewing *The art of existence*, Les Kossatz at the summer exhibition opening, Monday 24 November 2008

17 Zara Stanhope, guest curator, *The art of existence*, Les Kossatz, & Les Kossatz at the summer exhibition opening, Monday 24 November 2008

18 John & Christine Collingwood with William Nuttall at the autumn exhibition opening, Monday 31 March 2008

19 Barbara Tucker, Heide Patron, Lyn Williams AM & Helen Maudsley at the autumn exhibition opening, Monday 31 March 2008

20 Trevor Tappenden, Heide Chairman, Jennifer Phipps, Mirka Mora, 2008 Heide Fellow & The Hon. Lynne Kosky MP, Minister for the Arts & Public Transport at the summer exhibition opening, Monday 24 November 2008



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21 Trevor Tappenden, Jonathan Metcalfe, Connex Chairman, Rick Amor & The Hon. John Brumby MP, Premier of Victoria at the autumn exhibition opening, Monday 31 March 2008
22 Lesley Harding, Curator, Tucker Collection & Archive, Craig Kimberley, Heide Board Director, Lesley Alway & Paul Hewison at the autumn exhibition opening, Monday 31 March 2008

23 Guests viewing *The art of existence*, Les Kossatz at the summer exhibition opening, Monday 24 November 2008
24 Cath Stutterheim, Leon van Schaik & Fiona Abicare at the summer exhibition opening, Monday 24 November 2008

25 William, Lily, Lucy & Freddie Mora at the summer exhibition opening, Monday 24 November 2008
26 Barbara Blackman, Meegan Sellick & Dawn Looper at the summer exhibition opening, Monday 24 November 2008
* Photographs 16–26: Jim Lee 2008



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4.2 HEIDE PUBLIC PROGRAMS

A range of public programs appealing to Heide's diverse audience were presented in 2008, including artist talks, studio visits and guided tours. A total of 4,107 attendees were recorded with almost all feature events attracting capacity audiences.

Panel discussions held in association with Heide's exhibition program included: *Art is political*, in which speakers across a range of art disciplines discussed the politics of Indigenous art; *Visions: a new Australian pavilion*, in which architects and artists debated their concepts for a new national pavilion at the Venice Biennale; and *Worldwide/Art World*, which saw international and Australian artists and curators discuss issues of cultural exchange. A further highlight was *Writers in conversation*, in which authors Gavin Fry, Shane Maloney and Dorothy Parker spoke with artist Rick Amor about his art-making practice in relation to the exhibition at Heide.

Public lectures in the Sidney Myer Education Centre included Dr Nancy Underhill's talk *Sidney Nolan and Kenneth Clark: a mutual admiration*, which offered new insights into Nolan's expatriate career and his place within the British artworld. International artist-in-residence Fernando Palma Rodríguez gave an illustrated talk on his work exploring his Mexican heritage and commitment to the environment.

Informal talks held in the galleries included; Barbara Tucker, Heide Patron, Judith Pugh, writer and art dealer and Lesley Harding, Curator, Tucker Collection & Archive in discussion about the cultural and personal context of Albert Tucker's landscape paintings, and a lively *Curators in conversation* session featuring talks on collection works displayed in Heide II by guest speakers Ted Gott, Vincent Alessi and Heide Director Jason Smith.

Springtime saw the return of *Growingrowing Heide* with garden tours and talks highlighting sustainability issues, Heide's Kitchen Garden and the newly restored Wild Garden. Two successful *Pick & Eat: garden and culinary* tours were held, one culminating in lunch at Heide Café, the other in a barbeque in the Connie Kimberley Sculpture Park. *Heide Art Bubs* sculpture park tours once again proved popular for parents and carers with young children, and *Heide Arvo Tea* was well-received as part of the Victorian Seniors' Festival.

Throughout the year, Heide's Volunteer Guides gave outstanding service, delivering 234 well-attended exhibition and site-related tours. A return to full offerings of Heide Public Program will commence with the opening of the new Heide Café in late-2009.



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4.3 HEIDE EDUCATION

Heide Education had a very successful year in 2008, with attendance across the various programs totalling over 2,700 participants. As well as servicing a range of school groups visiting the Museum, Heide Education continued to offer a diverse range of professional development sessions for teachers, linking gallery visits and exhibitions to education curricula through practical and theoretical workshops relevant to teaching methods and programs. These professional development sessions were popular in 2008, with five of six selling out. Education kits were available on Heide's website for students and teachers, incorporating learning activities and information about Heide's exhibitions for primary, secondary and tertiary levels, strategically linked to prescribed curricula.

Heide was well-attended by all levels of the education sector. Primary and secondary schools, and groups from art schools and universities, responded to opportunities to attend both regular tours and targeted workshops. Education visits totalled ninety-two in 2008, from seventy-eight institutions comprising two preschools, eighteen primary schools, forty-five secondary colleges, eleven tertiary institutions and two teaching associations. Schools embraced the unique opportunity for their students to view not only changing exhibitions, but also the Connie Kimberley Sculpture Park, heritage buildings and gardens, with related art-making workshops conducted in the Sidney Myer Education Centre.

The Education Centre has continued to enable Heide to offer a wide variety of education programs. In 2008, it was a venue for art workshops during the school holidays, providing opportunities for children to work with local and international artists, including those represented in Heide exhibitions. These programs for children were popular, with the range of subject matter including assemblage, stencil art, landscape painting, dance, video art and print-making.

Heide Education was greatly supported by a team of sixteen specialist Education Volunteers, who assisted with servicing school visits, school holiday activities and professional development programs for teachers. Heide Education values all volunteers' commitment and professionalism.

29 *Corrugated cows* School Holiday Activity April 2008
Sidney Myer Education Centre, Heide Museum
of Modern Art

30 *Masked warriors* School Holiday Activity April 2008
Sidney Myer Education Centre, Heide Museum
of Modern Art



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5. COMMERCIAL OPERATIONS

5.1 HEIDE STORE

Heide Store operated in a reduced capacity during 2008, due to the co-location of the conTEMPORARY CAFÉ in the dedicated retail space. Heide Store will return to full operating capacity in November 2009, once the Heide Café Redevelopment is complete.

Despite the disruptions to the Store's operations, sales continued to be strong, achieving 42% above budget. The retail spend per head also exceeded expectations, 57% above budget, at an average of \$5.65 per person.

Sales by category saw Heide publications and Heide merchandise account for 65% of the total sales, an increase of 25% from the previous year. The expansion of these product lines included the introduction of the limited edition *Angel Embrace* vase by Mirka Mora (exclusive to Heide); new postcards based around the exhibition program and Heide Collection; Mirka Mora gift tags; and new Heide exhibition publications. The exclusive Heide merchandise played a key role in creating a point of difference from other gallery retailers for Heide Store, an area the Museum plans to develop further.



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Throughout 2008, Heide Store continued to offer a variety of products with an emphasis on Australian design. Environmentally conscious brands also continued to be a key focus, with concentrated research and product sourcing of sustainable gift lines.

Standout retail campaigns were *Growingrowing Heide* (26 October–2 November) and *Sip & Shop* (Saturday 29 November). Both events were promoted in print media, translating into excellent sales of featured merchandise. *Sip & Shop* went from strength to strength, providing a 49% increase in sales from 2007. The event was again held on a Saturday, with the trading hours extended to 10.30am–3.00pm.

31 *A single mind*: Rick Amor exhibition catalogue
Design: Design By Pidgeon 2008

32 *Angel Embrace* vase by Mirka Mora 2008
© Mirka Mora



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5.2 VISITOR SERVICES

Visitor Services administers five of the Museum's main revenue streams: Heide Membership, exhibition admissions, Education & Public Programs ticketing, event hire and retail (Heide Store and the conTEMPORARY CAFÉ). Visitor Services also manages safety, security and the public environment, and collaborates with other departments of the Museum in event management. In April 2008 the ambit of Visitor Services expanded to include the management and operation of the conTEMPORARY CAFÉ following the temporary closure of Heide Café for redevelopment.

Visitor feedback throughout 2008 continued to demonstrate a high level of satisfaction with Heide's strong team of paid and volunteer Visitor Services staff. As the main point of contact with visitors and Heide Members, Visitor Services is committed to maintaining high professional standards that meet or exceed the expectations of all who interact with the Museum.

Two Visitor Services recruitment campaigns were conducted during 2008, with an internal campaign in May employing four new casual Visitor Services Officers/Baristas from the Visitor Services Volunteer pool. A second recruitment campaign occurred in December, with the appointment of a new Senior Visitor Services Officer and four additional Visitor Services Officers. Fifteen new Visitor Services Volunteers were also welcomed to a total team of ninety-five Visitor Services Volunteers, who collectively contributed to an outstanding 5,690 hours of service to the Museum.



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5.3 HEIDE CAFÉ

Heide Café continued to be operated on behalf of the Museum by Heide Partner Ed Dixon Food Design until April 2008 and is scheduled to re-open in November 2009.

conTEMPORARY CAFÉ

Following the closure of the Museum's permanent café, a temporary facility known as the conTEMPORARY CAFÉ opened in April 2008, co-located within the existing Heide Store. The conTEMPORARY CAFÉ offers a limited menu of packaged sandwiches, salads, soup, hot and cold beverages and sweet treats. While visitor feedback indicates the gap arising from the temporary closure of the Heide Café and guests' desire for a full service and licensed café, sales in the conTEMPORARY CAFÉ have exceeded budget by 20% in revenue, with a total of 22,290 covers.



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5.4 HEIDE MEMBERSHIP

As anticipated, the temporary closures of Heide II for air-conditioning maintenance works and Heide Café for redevelopment impacted upon Heide Membership growth and retention during 2008.

At 31 December 2008 there were:

- 725 active subscriptions; and
- 969 Members (i.e. multiple cardholders in relevant categories).

New incentive campaigns were introduced for new and renewing members, including a hamper prize for Mother's Day and a hot air balloon ride, provided by Heide Principal Partner, Domaine Chandon, for the 2008/09 summer. In August, Heide hosted a Members Only event, which included brunch by Ed Dixon Food Design, a Domaine Chandon sparkling wine tasting and a private exhibition tour of *The world in painting*.

The results from 2008 benchmarking research showed Heide's membership benefits continue to compare well to other programs, despite a relatively small subscription base. Heide is particularly competitive across three areas:

- 1 offering all Heide Members twelve months of unlimited entry to ticketed exhibitions, whereas other organisations offer all visitors free entry to permanent collection displays and discounts on ticketed admission to members for 'special' or 'blockbuster' exhibitions;
 - 2 discounts on public program events, education events, school holiday programs and retail; and
 - 3 leading in the premium membership level, currently the only Australian organisation to offer complimentary catalogues at premium levels of membership.
- In September Heide Membership conducted the Museum's first online survey. Key findings from the survey are outlined below:
- Heide Members are regular visitors; 76% of respondents visit the Museum more than twice a year, with 93% having visited in the last six months;
 - the program is building strong recurrent subscriptions with 76% of Members subscribing for more than one year, and 44% for more than three years; and
 - the most important benefits for the surveyed Members by percentage of responses are:
 - supporting the Museum, 95%
 - free entry to Heide exhibitions, 89%
 - communication from Heide (brochures, letters, e-bulletins), 80%



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6. HEIDE COLLECTION

Improving access to the Heide Collection was the primary aim of collection activities in 2008, particularly in the areas of documentation, conservation and storage. Special projects were enabled by the generous support of the Gordon Darling Foundation, which provided funds for a review of collection data and image integrity for future online access, and the Helen Macpherson Smith Trust, which assisted Heide in implementing a conservation strategy that involved the professional assessment and treatment of a number of Collection works.

Other key collection management activities included the finalisation and ratification of the Collection Policy, the relocation and rehousing of 75% of the Collection, a restructure of off-site Collection storage, the completion of a full inventory of works, and an external valuation of the entire Collection.

In addition to these activities the Vernon Collection Management System was fully integrated into all collection and exhibition management activities, including the documentation, movement and display of works in the Collection and on loan to the Museum. The ongoing in-house training of Heide Collection staff in using Vernon was expanded to include personnel across the organisation.

The Collection was represented in exhibitions at key regional galleries through outward loans. Significant works by Sidney Nolan and Charles Blackman were made available to Geelong Gallery for the exhibition *True crime – murder and misdemeanour in Australian art*, and exhibition prints and plans of McGlashan and Everist buildings were lent to Mornington Peninsula Regional Gallery for the exhibition *Out of the square: Beach architecture on the Mornington Peninsula*.

Important works from Heide's Collection continued to be on display across Australia in touring exhibitions including: *Sidney Nolan* (Art Gallery of New South Wales, National Gallery of Victoria), *Gordon Bennett* (National Gallery of Victoria, Queensland Art Gallery, Art Gallery of Western Australia) and *Modern times: the untold story of modernism in Australia* (Powerhouse Museum).

The Collection was significantly enhanced by a substantial number of donations. In addition to her generous gift of ten major works by Albert Tucker, Barbara Tucker also donated the Albert Tucker Photograph Collection as a joint gift to Heide and the State Library of Victoria. This gift comprises hundreds of contact prints, photographic prints and negatives, archival material and seventy-eight large limited-edition prints by Albert Tucker. The photographs provide a rich insight into the life of the artist, as well as documenting many of his paintings and the 1940s period in Melbourne and at Heide.

36 Robert Rooney
After Colonial Cubism 1993
synthetic polymer paint on canvas
122.0 x 198.3 cm
Purchased through the Heide Foundation with
the assistance of the Heide Foundation Collectors'
Group and the Robert Salzer Fund 2008
© Robert Rooney



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Contemporary artist Melinda Harper donated ten works from her recent corpus and, together with collaborators Janet Burchill and Jennifer McCamley, gifted two works created for their joint exhibition *COMBINE*, Janet Burchill, Jennifer McCamley, Melinda Harper, held in 2007–08 at Heide. Other gifts included works on paper by Charles Blackman and Rick Amor, the latter donated by long-term Heide supporters Christine and John Collingwood.

The Connie Kimberley Sculpture Park was enhanced with the addition of Andrew Rogers' *Unfurling* (2006), a gift of the artist, while Heide's archive of McGlashan and Everist material was enriched by current McGlashan Everist Director John Lee's gift of two original architectural plans for the architects' award-winning building Heide II.

In 2008 the Heide Foundation Collectors' Group was launched with a view to strengthening the future development of the Heide Collection through an annual acquisitions program of modern and contemporary art. With generous support from donors, funds were raised for the purchase of two new works – Melinda Harper's *Untitled* (2003), Elizabeth Newman's *Untitled* (2004) – and assisted with the purchase of Robert Rooney's *After Colonial Cubism* (1993), which was acquired in partnership with the Robert Salzer Fund. For further details, please refer to Heide Foundation pg. 31.

6.1 ACQUISITIONS

2008.19

Rick Amor
John Perceval 1988
woodcut, edition 5/10
51.5 x 36.5 cm (sheet)
Gift of Christine and
John Collingwood 2008

2008.7

Charles Blackman
Martin and Elsie Smith c.1951
conté and graphite on paper
53.1 x 69.0 cm
Gift of Charles Blackman 2008

2008.18

Janet Burchill, Jennifer McCamley
and Melinda Harper
Charlotte vase 2007
oil paint on glazed ceramic
47.0 x 7.0 x 19.0 cm
Gift of Janet Burchill, Jennifer McCamley
and Melinda Harper 2008

2008.22

Janet Burchill, Jennifer McCamley
and Melinda Harper
COMBINE 2007
synthetic polymer paint, oil paint,
hessian, thread, aluminium,
stainless steel mesh and vinyl mesh
420.0 x 340.0 cm
Gift of Janet Burchill, Jennifer McCamley
and Melinda Harper 2008

2008.6

Melinda Harper
Untitled 2003
oil on canvas
183.0 x 152.0 cm
Purchased through the Heide Foundation
with the assistance of the Heide
Foundation Collectors' Group 2008

38 Elizabeth Newman

Untitled 2004
wool, thread
150.0 x 100.0 cm
Purchased through the Heide Foundation
with the assistance of the Heide Foundation
Collectors Group 2008
© Elizabeth Newman



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2008.11

Melinda Harper
Untitled (ceramic 6—curved vase) 2005
ceramic, oil on wood and mirrors
12.5 x 17.9 x 9.3 cm
Gift of Melinda Harper 2008

2008.12

Melinda Harper
Untitled (ceramic 15—maroon vessel) 2005
ceramic, oil on wood and mirrors
9.2 x 7.2 x 7.1 cm
Gift of Melinda Harper 2008

2008.10

Melinda Harper
Untitled (cockatoo) 2005
ceramic and oil on wood
21.0 x 15.0 x 15.0 cm
Gift of Melinda Harper 2008

2008.13

Melinda Harper
Untitled (orange vase) 2005
ceramic, oil on wood and mirrors
19.0 x 11.2 x 11.1 cm
Gift of Melinda Harper 2008

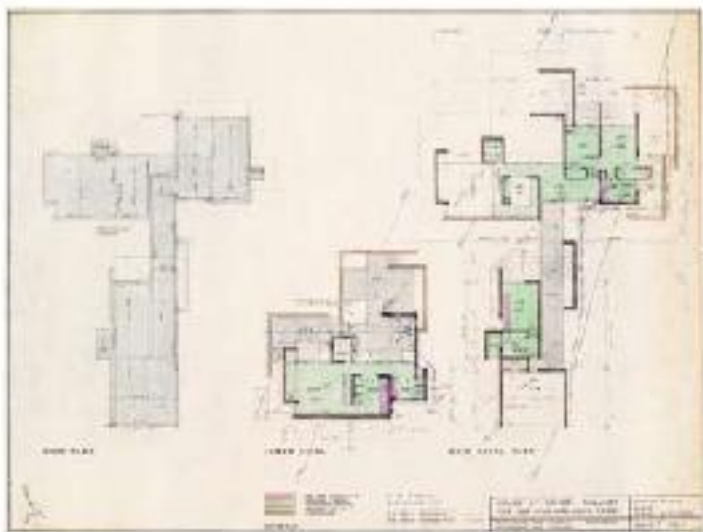
2008.14

Melinda Harper
Untitled (square vase) 2005
ceramic, oil on wood and mirror
10.9 x 12.0 x 10.9 cm
Gift of Melinda Harper 2008

2008.15

Melinda Harper
Untitled (egg cup) c. 2005–07
ceramic, oil on wood and mirrors
5.5 x 6.1 x 6.1 cm
Gift of Melinda Harper 2008

37 Andrew Rogers
Unfurling 2006
bronze
270 x 125 x 125 cm
Gift of Andrew Rogers 2008
Photograph: John Gollings 2008



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2008.17

Melinda Harper
Untitled (kangaroo) 2006
ceramic and oil on wood
25.0 x 13.5 x 13.0 cm
Gift of Melinda Harper 2008

2008.16

Melinda Harper
Untitled (yellow vessel) 2006
ceramic and oil on wood
18.4 x 18.7 x 17.5 cm
Gift of Melinda Harper 2008

2008.9

Melinda Harper
Untitled (black spots) 2007
screenprint, edition 2/10
76.0 x 56.0 cm
Gift of Melinda Harper 2008

2008.8

Melinda Harper
Untitled (silver spots) 2007
screenprint, edition 2/10
76.0 x 56.0 cm
Gift of Melinda Harper 2008

McGlashan and Everist
Reed house (Heide II), Bulleen,
plans, working drawings, 1964
dye-line print, watercolour and colour
pencil on paper
56.5 x 75.3 cm each (sheet)
Gift of John Lee 2008

McGlashan and Everist
Reed house (Heide II), Bulleen,
plans, elevations, 1964
dye-line print and watercolour on paper
56.5 x 75.3 cm each (sheet)
Gift of John Lee 2008

2008.26

Elizabeth Newman
Untitled 2004
wool, thread
150.0 x 100.0 cm
Purchased through the Heide Foundation
with the assistance of the Heide
Foundation Collectors' Group 2008

2008.21

Andrew Rogers
Unfurling 2006
bronze
270 x 125 x 125 cm
Gift of Andrew Rogers 2008

2008.20

Robert Rooney
After Colonial Cubism 1993
synthetic polymer paint on canvas
122.0 x 198.3 cm
Purchased through the Heide Foundation
with the assistance of the Heide
Foundation Collectors' Group
and the Robert Salzer Fund 2008

Albert Tucker Photograph Collection
Comprises a large number of copy
prints, archival material and 78 large
limited edition prints by Albert Tucker
Gift of Barbara Tucker (joint gift to
Heide and SLV)

2000.304

Albert Tucker
Self portrait 1939
oil on paper on composition board
51.8 x 42.9 cm
Gift of Barbara Tucker 2008

2000.311

Albert Tucker
Spring in Fitzroy 1942
watercolour, gouache and brush
and ink on paper
12.7 x 17.2 cm
Gift of Barbara Tucker 2008

2008.25

Albert Tucker
Yvonne Boyd 1945
oil on paper on composition board
45.1 x 34.3 cm
Gift of Barbara Tucker 2008

2000.308

Albert Tucker
Dog and moon 1949
ink, gouache and synthetic polymer
paint on paper
52.6 x 37.6 cm
Gift of Barbara Tucker 2008

2000.287

Albert Tucker
Beach Totem 1950
gouache and watercolour on paper
27.0 x 34.5 cm
Gift of Barbara Tucker 2008

2008.24

Albert Tucker
Homicide 1951
oil on canvas on plywood
50.8 x 45.5 cm
Gift of Barbara Tucker 2008

39 McGlashan and Everist
Reed House (Heide II), Bulleen,
Plans, elevations, 1964
Dye-line print, watercolour and colour
pencil on paper
56.5 x 75.3 cm each (sheet)
Gift of John Lee



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2000.315

Albert Tucker
Wounded mountain (also exhibited
 as *Ayers Rock*) 1955
 oil on composition board
 61.0 x 131.0 cm
 Gift of Barbara Tucker 2008

2000.212

Albert Tucker
Parrots in landscape 1961
 synthetic polymer paint
 on composition board
 60.5 x 81.0 cm
 Gift of Barbara Tucker 2008

2008.23

Albert Tucker
(Springbrook landscape) 1974
 synthetic polymer paint, watercolour,
 ink and chalk on paper
 51.0 x 66.5 cm
 Gift of Barbara Tucker 2008

2000.203

Albert Tucker
Extinction express 1988
 synthetic polymer paint
 on composition board
 61.0 x 137.0 cm
 Gift of Barbara Tucker 2008

6.2 OUTWARD LOANS

Mornington Peninsula Regional Gallery
*Out of the square: Beach architecture on the
 Mornington Peninsula*
 13 Nov 2008–22 Feb 2009

McGlashan and Everist
 Courtyard, Grimwade house, Rye 1960
 Photographer: Mark Strizic 1962
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Plan, Grimwade house, Rye 1960
 printed for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Fly-screened breezeway,
 Grimwade house, Rye 1960
 Photographer: Mark Strizic 1962
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Garden entry, Grimwade house, Rye 1960
 Photographer: Ian Hawthorne c. 1963
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Open breezeway and courtyard,
 Grimwade house, Rye 1960
 Photographer: Mark Strizic 1962
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*, Heide
 Museum of Modern Art, 2006

McGlashan and Everist
 Cliffside deck, Carnegie house,
 Sorrento 1967
 Photographer: Wolfgang Sievers 1967
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Plan, Carnegie house, Sorrento 1967
 printed for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Cliffside garden, Carnegie house,
 Sorrento 1967
 Photographer: Wolfgang Sievers 1967
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Entry forecourt, Carnegie house,
 Sorrento 1967
 Photographer: Wolfgang Sievers 1967
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006

McGlashan and Everist
 Living room, Carnegie house, Sorrento 1967
 Photographer: Wolfgang Sievers 1967
 reprinted for *Living in landscape: Heide
 and houses by McGlashan and Everist*,
 Heide Museum of Modern Art, 2006



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Geelong Gallery
*True crimes – murder and
misdemeanour in Australian art*
1 Nov 2008–1 Feb 2009

1980.13
Charles Blackman
The shadow 1953
tempera on cardboard
59 x 75 cm
Purchased from John and
Sunday Reed 1980

1980.14
Charles Blackman
Prone schoolgirl c.1953
enamel on cardboard
79 x 93.5 cm
Purchased from John and
Sunday Reed 1980

1980.75
Sidney Nolan
Kelly at the mine 1946–1947
enamel on composition board
90 x 121.3 cm
Purchased from John and
Sunday Reed 1980

Powerhouse Museum
*Modern Times: the untold story
of modernism in Australia*
8 Aug 2008–15 February 2009

1980.92
Albert Tucker
The futile city 1940
oil on cardboard
45 x 54.5 cm
Purchased from John and
Sunday Reed 1980

1982.247
Sidney Nolan
Bathers 1943
ripolin enamel on canvas
64 x 76.5 cm
Bequest of John and Sunday Reed 1982

1987.10
Mike Brown
Happenings on a wintry morn 1964
oil on composition board
122 x 91.5 cm
Gift of Sir Roderick Carnegie 1987

41 Albert Tucker
The futile city 1940
oil on cardboard
45 x 54.5 cm
Purchased from John and Sunday Reed 1980
© Barbara Tucker

42 Mike Brown
Happenings on a wintry morn 1964
oil on composition board
122 x 91.5 cm
Gift of Sir Roderick Carnegie 1987
© Estate of the artist



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7. FACILITIES

7.1 MAINTENANCE

Heide has continued to enhance its systems of strategic facilities maintenance throughout 2008. Improvements to whole-of-site security, lighting and contractor management saw Heide awarded a Gold rating by the Victorian Managed Insurance Authority as part of their annual site Risk Assessment.

The Victorian Government, through its Arts & Cultural Facilities Maintenance Fund, provided Heide with vital funding to conduct essential facilities maintenance and services upgrades. This has facilitated upgrades to the air-conditioning systems which, in conjunction with improvements made to the external lighting, has effectively reduced power and gas usage while maintaining international museum-standard environmental conditions to the galleries and improving visitor amenities.

The Heide II air-conditioning upgrade project, conducted by A.G. Coombs and project managed by Atkinson Project Management (a division of Connell Wagner), was successfully completed in late-May, consolidating existing air-conditioning services.

With support from the Victorian Government Sustainability Fund Heide installed two 32,700 litre water tanks located at the rear of Heide III, collecting rain water and condensation produced from the gallery air-conditioning system. This innovative system was developed by Gardens and Facilities staff in response to the objectives of the Heide SMart Strategy, with the aim of transforming pre-existing museum conditions into more sustainable practices.

43 Heide's new 32,700 litre water tanks
Photograph: David Pidgeon 2008



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7.2 GARDENS

New works in the gardens in 2008 included extensive replanting of the woodland under-storey behind Heide II. Recent disturbances in this area due to excavation works meant that much bare ground had to be planted with fast and fierce green cover. Thirty trees plus many new shrubs were installed with the aim of making navigation and movement through the grounds easier.

Heide's gardens continues to rely on water diverted from the Yarra River for irrigation, in accordance with the allocation provided by Melbourne Water. With many mature exotic tree specimens in the park and summer arriving with its usual severity, the access to this non-drinking water was vital for the ongoing growth of the gardens. Heide I maintained its exemption from Stage 3a restrictions, allowing the gardens to be irrigated sixteen hours a week using subsurface, low pressure driplines.

The Heide I Vegetable Garden growing space was extended with a variety of new annual and perennial edible plants to complete the area marked as 'kitchen garden' on the heritage overlay. This expansion of the planting area continues to reclaim land that was used to house temporary offices during the 2005–06 Redevelopment Program, and will see the full garden returned by 2010.

In collaboration with Conservation Volunteers Australia (CVA) the restoration of the Wild Garden was undertaken as a six-month Community Stewardship Program, with three volunteers working in the garden for half a day, once a week. The result was an invigoration of the Wild Garden with mature fruit trees such as the persimmon bearing fruit for the first time in many years, and a return to a colourful flux of ephemeral plantings. The program was completed in November, however CVA agreed to extend the program until June 2009. CVA assistance in the garden was completed with a Hands-on-Heritage 'working bee' day to lift and divide mass plantings of irises in the Kitchen Garden to maintain their vigour and flowering potential.

Root barriers were installed at the Heide I Vegetable Garden and the northern side of the Heide II Kitchen Garden to halt root exploration of mature trees, thus facilitating soil building and longer retention of organic matter in the topsoil of cultivated garden beds.

Recovery Tree Services continued their arboreal work in the gardens and grounds, with removal of deadwood and natural targeted pruning to remove hazardous branches and to maintain tree health. All prunings were mulched on-site and used after decomposition to dress garden beds.



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7.3 HEIDE CAFÉ REDEVELOPMENT

In 2008 Heide saw the development of an exciting new milestone for Heide – the design of the new Heide Café by Chris Connell Design. The aesthetically simple scheme presents a glass pavilion and outdoor area that incorporates surrounding landscape and heritage elements, most notably the reinstatement of the motor court designed by Heide II architects, McGlashan and Everist.

Chris Connell Design joins a distinguished list of architects who have contributed to the lineage of Heide's site, including: McGlashan and Everist, Gregory Burgess, Andrew Andersons and O'Connor + Houle Architecture.

The Museum would like to extend its warmest appreciation to those organisations and individuals who have directly contributed to this project: the Victorian Government through Arts Victoria and the Victorian Government Sustainability Fund, Mark and Hyeon-Joo Newman, the Yulgilbar Foundation and the Myer Foundation.

The project team will complete all documentation and planning requirements in early 2009, with the new Heide Café scheduled to open in late November 2009. Heide thanks the Project Control Group: Katherine Armstrong (Lateral Projects), Gail Conman (Arts Victoria), Anna Draffin (Heide), Paula Greene (Heide), Joel Murray (Arts Victoria), Dick Roennfeldt and Jason Smith (Heide).

The project team:

Project Manager
Lateral Projects

Architect
Chris Connell Design

Structural Engineer
Antonov & Snashall

Services Engineer
Quirkeir Engineering Design
Enlightened Design

Quantity Surveyor
Currie & Brown

Building Surveyor
McKenzie Group

Landscaping
Heide Museum of Modern Art



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8. COMMUNICATIONS & MARKETING

A strong line-up of exhibitions and related programs and a number of exciting partnerships provided new opportunities for communications & marketing to attract visitors to Heide in 2008. This exciting year also saw the expansion of the Communications team with the appointment of Jade Enge in the newly created position of Marketing Assistant.

Heide continued to build upon its centralised communications strategy and marketing mix, with each campaign including single or multiple elements of the following components:

Printed collateral	Distribution
Publicity/Media	Website
Direct marketing	Signage
Advertising	Events

Due to the Museum's diverse audiences, Heide's marketing campaigns were segmented according to the varied interests of visitors. In 2008, Heide once again targeted Victorian, interstate and international visitors chiefly focusing on Heide's changing exhibition program but also on the Museum as a premier 'cultural destination' with emphasis on the Museum's gardens (*Growingrowing Heide*), Public Programs, architecture and Collection, as well as sub-brands such as Heide Store and Heide Membership. Corporate marketing campaigns profiled Heide staff and recruitment, developed corporate materials and released the biannual publication *Heide Magazine*.

Three key exhibitions opened in 2008 in the Museum's main exhibition space, Heide III: Central Galleries – *A single mind: Rick Amor*, *The world in painting* and *The art of existence*, Les Kossatz – each of which incorporated a strategically focussed marketing campaign. Individual opening events were held for each suite of exhibitions, including the simultaneous opening of Heide's autumn exhibitions and the launch of the Heide Café Redevelopment by The Hon. John Brumby MP, Premier of Victoria, with over 500 guests in attendance.

Heide was fortunate to once again engage Connex Melbourne as a Presenting Partner (exhibition), enabling use of this organisation's exceptional marketing opportunities such as the banners displayed at Flinders Street Station and posters displayed throughout Melbourne train stations. *A single mind: Rick Amor* received record-breaking exhibition visitation, a feat due in no small part to the support of Heide Partners.

Other partnerships in 2008 included that with Asialink – for the touring exhibition *The world in painting* – which provided opportunities to reach new audiences through its extensive and varied networks. Heide is also fortunate to have strong relationships with organisations such as Tourism Victoria, who offer continued support of the visual arts and Melbourne's public institutions, through avenues such as the mini-documentary it commissioned about Heide. Tourism Victoria included this on their website and it is also now available online at www.heide.com.au as a virtual tour of Heide.

46 *A single mind: Rick Amor* banners at Flinders St Station, Melbourne April 2008
Photograph: John Gollings 2008



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Smaller marketing campaigns (chiefly publicity driven) were staged for exhibitions held in other areas of the Museum, including *Those who made and those who saw. Portraits of the Heide circle* in the Albert & Barbara Tucker Gallery, *Order and dissent: works from the Heide Collection* in Heide II and *Butterflown of love*, Fernando Palma Rodríguez in the Kerry Gardner & Andrew Myer Project Gallery. Promotion of *Butterflown of love* also embraced new technology with the launch of Heide's first online 'blog'. International artist-in-residence Rodríguez kept an online electronic diary accessible via Heide's website, detailing his experience at the Museum and in Australia and inviting visitor comment and interaction.

Media coverage remains one of the most effective and efficient tools in Heide's marketing mix for attracting new and existing audiences. Highlights for coverage in 2008 include:

Print

Architecture Australia; Art & Australia; Art World; Canberra Times; mX; Qantas Magazine; Sydney Morning Herald; Vogue Entertaining + Travel; Vogue Living; The West Australian; and regular, extensive coverage in *The Age, The Australian, The Australian Financial Review, Herald Sun* and local press. International coverage in Japan, New Zealand and the United Kingdom.

Television

Stories featured on ABC TV's *Sunday Arts* and general news coverage on all networks.

Radio

Interviews with 774 ABC Melbourne, ABC Radio National, SBS Radio Australia, regular segments on 3MBS and 3RRR, and coverage on commercial stations including 2SM, 3AW and Nova.

Online

Interviews, listings and reviews on an ever-growing number of local, national and international websites

Recognising the importance of market research, Heide once again undertook a program of on-site audience surveys facilitated by the Heide Visitor Services team with data analysis by Millward Brown. The aim of this research was to gain a better understanding of Heide's audience and to measure general visitor perceptions of the Museum, ranging from changes since the 2005-06 Redevelopment Program, to responses to exhibitions, Heide's Collection, Heide Café and Heide Store. These questionnaires continued research conducted in 2006 and 2007, providing valuable information of emerging trends and patterns in the way visitors experience and perceive Heide, which will inform future programming and marketing campaigns. Of the total number of visitors surveyed 54% were repeat visitors with the largest proportion having visited Heide more than five times previously. Almost all visitors surveyed (93%) stated that they would visit again in the future.



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In a first for the Museum, 2008 saw the introduction of online research, targeted exclusively at Heide Members via email. With an overwhelming response rate and some fascinating results received, the Museum has plans to continue this new approach to research and to expand the reach to Heide's extensive database in 2009.

After much planning, new tourism signs were installed on the approach to Heide in June 2008. This signage provides 'reassurance direction' to visitors en route to Heide, indicating proximity to the Museum to both drivers and pedestrians i.e. 'Heide 750m ahead' and 'Heide 100m on left/right'. To further profile the property, new signage was also installed at the Museum's main entrance at 7 Templestowe Road. These panels, attached to the existing steel frame, use reflective vinyl to enable greater visibility from the road (both in daylight and at night) without distraction from the existing signs which promote exhibitions currently on display.

47 Templestowe Road brown tourism sign

48 *The art of existence*, Les Kossatz exhibition entry signage
Design: Design By Pidgeon 2008
Photograph: David Pidgeon 2008



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9. DEVELOPMENT

As external economic and social factors continue to put pressure on all aspects of Heide's operations, the Museum's philanthropic and partner relationships play an increasingly important role in the successful delivery of programming, events and capital campaigns. With the generous support of the Heide Foundation and Heide Partnership, total Development income for 2008 was 19% of total operating income, including philanthropic donations and cash. Donations of artworks and cash to support acquisitions in 2008 exceeded \$1.35 million.

The continuing support of Heide's Foundation donors and corporate partners has enabled the organisation to complete major capital projects, deliver an expanded exhibition program and expand the Heide Collection, positioning the Museum in the strongest place possible as it moves towards its thirtieth anniversary in 2011.

9.1 HEIDE FOUNDATION

A significant milestone in the development of the Heide Foundation occurred in June 2008, with the launch of the Heide Foundation Collectors' Group. This group of supporters enabled Heide to actively acquire works in a manner not possible in recent years, including Melinda Harper's *Untitled* (2003), Elizabeth Newman's *Untitled* (2004), and a contribution to Robert Rooney's *After Colonial Cubism* (1993) (also supported by funding from the Robert Salzer Fund).

Contributors to the Collectors' Group were invited to a private viewing of the impressive collection of Heide Patron, Barbara Tucker, in November. This extraordinary display included many works previously included in Heide exhibitions as well as unseen works from across Tucker's oeuvre as well as by Joy Hester, Arthur Boyd and Sidney Nolan. In 2009 Heide Development will host a range of events enabling Collectors' Group donors to explore further collections in Melbourne.

Organisational support of Heide has continued to grow in 2008, with new relationships established and existing connections reinvigorated. Support from the Helen Macpherson Smith Trust (a significant donor to the 2005–06 Redevelopment Program) has enabled Heide to begin work on an ambitious Collection Access initiative, a project consisting of conservation, digitisation, research and display of Heide's artworks.

49 Guests viewing Melinda Harper's *Untitled* (2003) at the launch of Heide Foundation Collectors' Group, Monday 23 June 2008
Photograph: Jim Lee 2008

This project is augmented by further support from the Gordon Darling Foundation and specialist work in Heide's archives funded by the Sidney Myer Fund. These projects, together with the Heide Foundation Collectors' Group, will focus attention on Heide's important and historic Collection and archives, and will provide greater on- and off-site access for old and new visitors to Heide.

Throughout the year, the Heide Foundation received considerable philanthropic support for its 2008 program: from the Ivor Ronald Evans Foundation for the exhibition *Order and dissent: works from the Heide Collection* and a group of dedicated donors for the major exhibition *A single mind: Rick Amor*. In 2009 will see the Foundation will work towards developing strategic partnerships and initiating projects in the lead-up to the Museum's thirtieth anniversary in November 2011, including the development of an endowment.

Through the Heide Foundation, individuals and organisations can support the Museum's creative programs, capital projects or long-term sustainability as a major destination of cultural significance.

Heide Foundation donors are publicly acknowledged at five levels:

- Life Benefactor
giving from \$500,000
- Benefactor
giving from \$100,000
- Principal Donor
giving from \$20,000
- Donor
giving from \$5,000
- Supporter
giving from \$1,500

As at 31 December 2008 the Heide Foundation included:

Life Benefactor

Kate Bêchet
Tony & Cathie Hancy
Craig & Connie Kimberley
John & Sunday Reed
Victor Smorgon AC & Loti Smorgon AO
Barbara Tucker
The Yulgilbar Foundation

Benefactor

Willam J Forrest AM*
Lindsay Fox AC & Paula Fox
Kerry Gardner & Andrew Myer
Georges Mora Memorial Fund
Diana Gibson AO
Helen Macpherson Smith Trust
James Kenney
Mark & Hyeon-Joo Newman*
Dr Tom Quirk & Sue Quirk
Andrew Rogers
Sidney Myer Fund
Truby & Florence Williams Trust,
ANZ Trustees



50



51



52



53



54



55

Principal Donor

Robert O Albert AO & Elizabeth Albert
Rick Amor
Arthur A Thomas Trust, Equity Trustees
Max & Lorraine Beck
Besen Family Foundation
Norman & Pauline Bloom
Dean Bowen
Yvonne Boyd
Janet Burchill & Jennifer McCamley
Stephen & Jenny Charles
Joan Clemenger & Peter Clemenger AM
Christine & John Collingwood
James & Rachel Colquhoun
Sir James Cruthers AO
Helen Dick
Lauraine Diggins
John Downer AM & Rose Downer
Diana Fletcher
The Graeme Sturgeon Trust
Richard & Isabella Green
Lesley Griffin
Melinda Harper
The Ian Potter Foundation
John T Reid Charitable Trust
Andrea & Richard King
Inge King
Elizabeth H Loftus*
Corbett & Yueji Lyon
The Myer Foundation
Norman, Mavis and Graeme Waters
Perpetual Charitable Trust
Parncutt Family Foundation
Sophia Pavlovski-Ross & Philip Ross*
Tom Pearce
Pearson Group Australia
Stuart Purves AM
John Rickard
Dick Roennfeldt

Trevor & Christine Tappenden
Chris & Cheryl Thomas
Robyn & Gary Upfield
Ralph Ward-Ambler AM
& Barbara Ward-Ambler
Ross & Robyn Wilson

Donor

Charles Blackman
Bill Bowness
Dr Joseph Brown AO OBE
Terry Campbell AO & Christine Campbell
Peter D Cole
Julius Coleman
DAMP Artists' Collective
Jennifer Darbyshire & David Walker*
Stephen Davies
David & Kristene Deague
James Fairfax AO
Neilma Gantner
Ian Hicks
Dr Alison Inglis
Ivor Ronald Evans Foundation,
Equity Trustees
Lily Kahan
Julie Kantor
Michael & Sylvia Kantor
Gordon Kennett
Tom & Sylvia Lowenstein
John & Marita McIntosh
Naomi Milgrom & John Kaldor
Dame Elisabeth Murdoch AC DBE
William Nuttall & Annette Reeves*
Dr Richard Reed & Vivienne Reed
Robert Salzer Foundation*
Margaret S Ross AM & Dr Ian C Ross
Rae Rothfield*
Sherman Foundation

Rosemary Simpson
Dr Thomas Smyth & Karin Smyth
Trust Company Ltd, as Trustee for the
Fred P Archer Charitable Trust
Vicki Varvaressos
Velik Charitable Trust
David & Margaret Walsh
The William Angliss (Victoria)
Charitable Fund
Lyn Williams AM
Dr Leith Woodgate
Sir John Young AC KCMG
Barbara Yuncken
Anonymous (4)

Supporter

Lesley Alway & Paul Hewison
Jim & Libby Cousins
Amanda & Justin Feenstra*
Stephanie & Julian Grose*
Sam Hill-Smith
Nellie Castan Gallery*
Louis W Partos
Sarah Patterson
Sonia & David Payes
Dr Jenny Proimos & Nicholas Glenning*
Elizabeth Sevier
Irene Sutton*
Jenny Yau & Jeremy Loftus-Hills
Anonymous (2)

*Heide Foundation
Collectors' Group donors

50 John Downer AM & Mark Newman, Heide Board Directors & Trevor Tappenden, Heide Chairman at the launch of Heide Foundation Collectors' Group, Monday 23 June 2008

51 Rose Downer, Zara Stanhope & Bill Nuttall at the launch of Heide Foundation Collectors' Group, Monday 23 June 2008

52 Nick Glenning, Jenny Proimos, Jennifer Darbyshire, Heide Board Director & David Walker at the launch of Heide Foundation Collectors' Group, Monday 23 June 2008

53 Lesley Harding, Curator, Tucker Collection & Archive, Philip Ross, Sophie Pavlovski-Ross & Zara Stanhope at the launch of Heide Foundation Collectors' Group, Monday 23 June 2008

54 Bill Forrest, Heide Fellow, John Collingwood & Kendrah Morgan, Curator, at the launch of Heide Foundation Collectors' Group, Monday 23 June 2008

55 Zara Stanhope, Jason Smith, Director & Connie Kimberley at the launch of Heide Foundation Collectors' Group, Monday 23 June 2008



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9.2 HEIDE PARTNERSHIPS

Heide Museum of Modern Art continues to operate with the generous assistance of all of its Corporate Partners, a number of which have been supporting operational activities for over five years. Heide's seventeen Annual Partners provided much-needed financial and in-kind support towards the dynamic calendar of programming and events in 2008.

Heide's Government Partner, Arts Victoria, continued to provide essential operational funding and further support through its Indemnification Scheme for Heide's 2008 exhibitions *The world in painting*, *Those who made and those who saw. Portraits of the Heide circle* and *The art of existence*, Les Kossatz, offering audiences unique and important opportunities to view artworks that may not have otherwise been included.

In 2008 Heide was successful in securing a grant of \$375,000 from the Victorian Government Sustainability Fund for the Heide SMart Project. This partnership has enabled Heide to review current operations and implement a range of measures aimed at reducing the organisation's carbon footprint across the next three years, including the construction and operation of the new Heide Café. The project aims to position the Museum as a 'green' model within the gallery and museum sector.

For the third consecutive year Heide welcomed Connex as a Presenting Partner for a major exhibition. *A single mind: Rick Amor* was a popular and critical success, with visitor response and interest increased through marketing opportunities generously supplied by Connex.

With the support of Exhibition Partners such as Asialink, NETS Victoria, Australia-Thailand Institute and Arts Council England, Heide continued to develop and deliver expanded curatorial and education projects.



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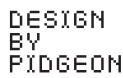
59

2008 Heide Partners

Government Partner



Principal Partners



Heide Partners



Education & Public Programs Partner



Heide Supporters

Image Online
Outlook Communications

Resoution X
Splitrock & Tiro Beverages

Education & Public Programs Supporter

Zart Art

58 Domaine Chandon sparkling wine

59 Ed Dixon Food Design Stilton tarts with truffled Heide honey

* Photographs 50-59: Jim Lee 2008



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2008 Exhibition Partners

A single mind: Rick Amor

Presenting Partner



The world in painting

Presenting Partner



Government Partner



Indemnification for this exhibition
is provided by the Victorian Government

Exhibition Partners



Australian Tour Partner



Exhibition Supporters

Australia-Thailand Institute
Gordon Darling Foundation
RMIT University – Global Cities

The art of existence, Les Kossatz

Government Partner



Indemnification for this exhibition is provided by the Victorian Government

Those who made and those who saw. Portraits of the Heide circle

Government Partner



Indemnification for this exhibition is provided by the Victorian Government

Hinterlands: Albert Tucker's landscapes 1960-1975

Exhibition Partners



Managed by
Sustainability Victoria



Butterflown of love, Fernando Palma Rodríguez

Project Partners



10. GOVERNANCE

Heide Park and Art Gallery (trading as Heide Museum of Modern Art) is a company limited by guarantee. It is a not-for-profit entity formed in 1981 for the purposes of operating and managing the assets of Heide, which were purchased by the State Government on behalf of the people of Victoria. Its objectives and purposes are outlined in its constitution and include acting as a Committee of Management under the Crown Lands Reserve Act 1978 (Vic) with respect to the property known as Heide II, Heide III and surrounding parks and gardens. The company owns, in its own right, the property and grounds known as Heide I.

Company Members at 31 December 2008:

Helen Alter
Fiona Bennett
Janine Burke
Ken Cato
Stephen Charles
Joan Clemenger
Christine Collingwood
James Colquhoun
Patricia Cross
Jennifer Darbyshire
John Downer AM
Jeff Floyd
Kerry Gardner
Alison Inglis
Craig Kimberley
Julia King
Tom Lowenstein
Sarah McKay
Ian McRae
Bryce Menzies
Mark Newman
Dr Tom Quirk
Michael Roux
Ken Ryan
Deryk Stephens
Trevor Tappenden
David Walsh

10.1 BOARD

The Board of Directors of Heide Park and Art Gallery is committed to adopting benchmark corporate governance policies and practices, ensuring delivery of its mission, accountability for operations and stewardship of assets within a sound risk management framework. The Board manages resources responsibly and seeks to provide a high level of transparency in reporting to Company Members and stakeholders.

The Board, working with the Senior Management Team, is responsible for the delivery of Heide's Mission and overall business performance. Its roles and responsibilities include:

- evaluating, approving and monitoring the strategic and financial plans and performance targets
- evaluating, approving and monitoring major capital expenditure
- appointing, monitoring and evaluating the Chief Executive Officer/Director
- approving and monitoring the risk management strategy, internal controls and reporting systems
- maintaining the highest standards of ethical behaviour and legal compliance
- communicating with Company Members

Board Composition

The Heide Board is required to have no less than four Directors. The Minister for the Arts is entitled to appoint two Directors. At the end of 2008, there were seven Company-appointed Directors. The Board considers relevant experience, diverse perspectives and complementary arts and museum knowledge and business skills when nominating and appointing new Directors. Details of each Director's skills and experience are set out in a latter section of this report.

Re-election

In accordance with the Company's constitution, Directors are subject to re-election by rotation at Annual General Meetings at least every three years, to a maximum of nine years.

Board Changes

At the 2007 AGM held on 19 May 2008, Trevor Tappenden offered himself for re-election for three years and was re-elected unanimously. Fiona Bennett was appointed to fill a casual vacancy on the Board on 1 October 2008.

Board Meetings

During 2008, the Heide Board met six times. The Chairman and the Chief Executive Officer/Director meet regularly to discuss business and strategic issues and to agree on board agendas.

Board Committees

Three Board Committees operated during 2008. The Remuneration and Human Resources Policy Committee (RHRPC) and Audit and Risk Management Committee (ARMC) meet at least twice a year. Meeting as required, the Nominations Committee considers Board vacancies, researches possible candidates and recommends appointments. Members of the RHRPC were Jennifer Darbyshire (Chairperson) and Alison Inglis. Members of the ARMC were John Downer (Chairperson) and Trevor Tappenden. The Nominations Committee is chaired by Heide Board Chairman Trevor Tappenden.

Access to Information

Directors are entitled to access all information required to discharge their responsibilities. In addition to the Board Papers, Directors are in regular contact with the Chief Executive Officer/Director on significant issues. Senior Managers also make presentations at each Board meeting to assist Directors in developing an in-depth knowledge of the Company's operations and activities. Most Board meetings are held on-site at the Museum in Bulleen to enhance Directors' knowledge of the Museum's assets and operations. Board meetings may occasionally be held off-site at another cultural institutions to broaden sector-specific knowledge.

Conflicts of Interest

Directors are required to disclose any potential conflicts of interest. The Corporations Act (2001) requires Directors to disclose any conflicts and to generally abstain from participating in any discussion or voting on matters in which they have a material personal interest.

Annual General Meetings

The Board views Annual General Meetings as an important opportunity to communicate with Company Members and sets aside time at these meetings for Company Members to ask questions of the Board. All members of the Board are encouraged to attend and a representative of Heide's auditor, Seward Dawson, is invited to be able to answer questions about the audit preparation and content of the audit report. Both the Chairman and Chief Executive Officer/Director deliver presentations on the Company's performance over the year and respond to questions.

10.2 HUMAN RESOURCES

The purpose of the Remuneration and Human Resources Policy Committee is to:

- assist the Board in overseeing the remuneration packages of the Chief Executive Officer/Director and other senior executives who report directly to the Chief Executive Officer/Director having regard to the circumstances of Heide and the performance of the individuals concerned
- monitor and review Heide's Human Resources policies and procedures as contained in the Human Resources Policy & Procedures Manual
- review the Chief Executive Officer/Director's recommendations in relation to key executive appointments and executive succession planning
- review and monitor changes to Heide's standard Contract of Employment
- performing other duties and activities that it or the Board considers appropriate in the context of this charter
- report and submit recommendations to the Board on these matters as and when required

10.3 RISK MANAGEMENT

Risk Management is a key element of effective corporate governance. Heide has a comprehensive Risk Management policy and framework based on the Australian Standard for Risk Management (AS/NZS 4360: 2004). In 2008 the Museum developed risk action plans and specific procedures for managing the company's financial, asset, operational and project risks.

Heide undertakes an update of the Strategic Risk Assessment on an annual basis and reports on Risk Management activities through the Audit & Risk Management Committee are made to the Board on a quarterly basis. The Heide Board and Senior Management Team encourages a strong understanding of Risk Management within the organisation which then flows on to the whole of the Heide team and provides for the integration of these principals within the Museum's day-to-day operations, particularly in the areas of corporate planning, Visitor Services, volunteer training, facilities and event management.

Key priorities for Heide in Risk Management include:

- Occupational health and safety
- Strategic facilities and gardens planning and maintenance
- Emergency response and disaster management planning
- Human resource management
- Financial management and internal control
- Security
- Event risk management

In 2007, Heide's insurers, the Victorian Managed Insurance Association (VMIA), performed an assessment of the quality, comprehensiveness and maturity of Heide's Risk Management Framework, issuing a positive rating of 'Good.' The framework is expected to be reviewed in 2010. In 2008 Heide was awarded for the first time a 'Gold' rating for the annual site risk survey conducted by the VMIA.

10.4 BOARD DIRECTORS & SENIOR MANAGEMENT PERSONNEL

Directors

Trevor Tappenden **Chairman**

Trevor Tappenden joined the Board in April 2002, taking up the position of Chairman in August 2002. Mr Tappenden is an independent Company Director, Chartered Accountant (ACA), Fellow of the Australian Institute of Company Directors and a former Managing Partner of Ernst & Young (Melbourne). He is currently a Councillor of RMIT University and holds Director roles with RMIT Vietnam, CEDA, VITS Language Link, Dairy Food Safety Victoria, Turtlehouse Corporation, and VisionGATEWAY. For many of those organisations he is Chairman of the Audit and Risk Management Committee. Mr Tappenden is an independent expert on the Audit and Risk Committees of Southern Rural Water and Haileybury College, as well as a Trustee of the Ernest Heine Family Foundation.

Fiona Bennett

Fiona Bennett joined the Board in October 2008. Ms Bennett is a senior executive with six years experience as a director of various entities, including Bayside Health, Institute of Chartered Accountants in Australia, WPC Group Limited and Girl Guides Victoria. Ms Bennett has worked at senior executive level in two major corporations and implemented difficult strategic change initiatives to derive successful and profitable outcomes. Ms Bennett holds a degree in Arts (BA [Hons]) and is a Fellow of the Australian Institute of Management and the Institute of Chartered Accountants in Australia and is a Member of the Institute of Internal Auditors.

Jennifer Darbyshire

Jennifer Darbyshire joined the Board in April 2006. Ms Darbyshire has a corporate legal and executive background with extensive transactional, governance and regulatory experience. Ms Darbyshire joined the National Australia Bank in 2006, her current role being Legal Australia's Head of Corporate and Operations. She has previously worked in private legal practice in Melbourne and London and in major Australian corporations. Ms Darbyshire holds degrees in Arts (BA) and Law (LLB [Hons] and LLM) and a Grad Dip in Company Secretarial Practice. In addition to her role on the Heide Board, Ms Darbyshire is a director of St Vincent's & Mercy Private Hospital and is a member of the Board Quality & Risk Committee. Ms Darbyshire chairs Heide's Remuneration & Human Resources Policy Committee.

John Downer AM

John Downer joined the Board in February 2004. Mr Downer is a consulting engineer with a degree in engineering (BE [Hons]) and was Chief Executive of the international Maunsell Group from 1993 to 1998 and subsequently Chairman. Mr Downer is a Fellow of the Institution of Engineers Australia, Institution of Engineers (UK), and Institution of Engineers (Hong Kong). In 2001 Mr Downer was made a Member of the Order of Australia for service to engineering and international trade. Mr Downer is a member of Heide's Audit & Risk Management Committee.

Dr Alison Inglis

Dr Alison Inglis joined the Board in April 2006. Dr Inglis is a Senior Lecturer and Head of the Art History program at the University of Melbourne. She is also the course co-ordinator for the MA Art Curatorship program. Dr Inglis has been a member of several museum boards, including the Council of Trustees of the National Gallery of Victoria and the Donald Thomson Collection Committee of the Melbourne Museum. She holds a doctorate from the University of Melbourne and her key research areas include the art of nineteenth-century Britain and the history of art museums and collecting in Australia. Dr Inglis is a member of Heide's Remuneration & Human Resources Committee.

Craig Kimberley

Craig Kimberley joined the to the Board in December 2003. Mr Kimberley is the former Chairman of the Just Jeans Group and has been in the clothing and textile industry for over forty years. He is the founding Chairman of the Melbourne Fashion Festival, a former Commissioner of the Australian Football League and a current Board member of Gazal Corporation Limited.

Mark Newman

Mark Newman joined the Board in December 2005. Mr Newman is Executive Officer, CIO and co-founder of Melbourne-based K2 Asset Management. Mr Newman has twenty years experience in financial management and advisory services around the Asia/Pacific and Middle East and is also involved in the Kardinia Park Sports Foundation. Mr Newman is chair of Heide's Audit and Risk Management Committee.

Senior Management

The Senior Management Team comprises four members, whose qualifications and experience is detailed below. This group meets weekly to review operational priorities, develop strategy, plan projects and resolve problems. Decisions and issues are discussed at weekly staff and unit meetings.

Lesley Alway **Chief Executive Officer/Director** **(to February)**

BA (Hons), B.Ed, MBA

Ms Alway joined Heide in August 2003 and has previous CEO experience in cultural organisations, as Director, Arts Victoria (1997–2000) and Director, Artbank (1991–95).

Anna Draffin **Deputy Director,** **Head of Communications** **& Development (returned from** **maternity leave in April)**

BA, B.Comm

Ms Draffin joined Heide in 2003 as the Marketing & Development Manager. Previous positions include marketing/development/project management consultant to Interact Multimedia Festival, St Kilda Film Festival, St Kilda Festival, Cultural Development Unit, City of Port Phillip, Melbourne Fashion Festival, International Asian Art Fair (New York), International Fine Art Fair (New York), International 20th Century Art Fair (New York).

Paula Greene **Business & Finance Manager**

BS (Hons), Postgrad Cert (Art History),
US CPA

Ms Greene joined Heide in December 2006. Previous positions include Chief Financial Officer of Holden New Zealand Ltd, Business Risk Manager of General Motors Holden Australia Pty Ltd and Account Director of Enterprise Risk Services for Deloitte with clients in various industries including the Victorian Arts Sector.

Lesley Harding **Acting Deputy Director,** **Head of Communications** **& Development (to April)** **Acting Director (May–June)** **Acting Deputy Director, Senior Curator** **(July–November)**

BA (Hons), Postgrad dip
(Curatorial Studies), MA

Ms Harding joined Heide in March 2005 as Curator, Tucker Collection & Archive. Previous positions include Senior Curator, Victorian Arts Centre Trust, and Curator & Gallery Manager, National Art School, Sydney.

Linda Michael **Deputy Director, Senior Curator** **(from November)**

BA (First Class Hons), Postgrad cert
(Editing and Publishing)

Ms Michael joined Heide in November 2008. Previous positions include Senior Curator, Monash University Museum of Art, Melbourne; Senior Curator, Museum of Contemporary Art, Sydney; and independent curator on projects including *Patricia Piccinini: We Are Family*, Venice Biennale 2003 and *21st Century Modern: 2006 Adelaide Biennial of Australian Art*.

Jason Smith **Chief Executive Officer/Director (from June)**

BA (Vis Arts), Postgrad cert
(Museum Studies)

Mr Smith joined Heide in June 2008. Previous positions include Curator, National Gallery of Victoria, Melbourne and Director, Monash Gallery of Art, Melbourne.

Zara Stanhope **Deputy Director,** **Senior Curator (to August)** **Acting Director (March–April)**

BA, B.Comm (Hons), MA

Ms Stanhope joined Heide in March 2002 as Senior Curator. Previous positions include Director, Adam Art Gallery at Victoria University of Wellington, New Zealand and Assistant Director, Monash University Gallery, Melbourne.

11. STAFF & VOLUNTEERS**Staff**

Lesley Alway
*Chief Executive Officer/
Director (to February)*

Jason Smith
*Chief Executive Officer/
Director (from June)*

Curatorial & Programming

Zara Stanhope
*Deputy Director, Senior
Curator (to August)
Acting Director
(March–April)*

Linda Michael
*Deputy Director, Senior
Curator (from November)*

Anna Caione
*Education Officer
(from September)*

Sue Cramer
Public Programs Co-ordinator

Lesley Harding
*Curator, Tucker
Collection & Archive
Acting Deputy Director,
Head of Communications
& Development (to April)
Acting Director (May–June)
Acting Deputy Director,
Senior Curator
(July–November)*

Stephanie Karavasilis
*Education Officer (maternity
leave from September)*

Kendrah Morgan
Curator

Katarina Paseta
*Exhibitions & Collection
Manager (returned from
leave July)*

Jennifer Ross
*Registrar (maternity leave
from September)*

Linda Short
*Assistant Curator (maternity
leave from December)*

Laura Stedman
*Exhibitions & Collection
Manager (to September)
Registrar (from September)*

**Communications
& Development**

Anna Draffin
*Deputy Director,
Head of Communications
& Development (returned
from maternity leave April)*

Sarah Aitken
*Acting Communications
Director (to July)
Communications Manager
(from August)*

Effie Belbin
*Visitor Services Officer
(to September)
Senior Visitor Services Officer
(from October)*

Fiona Cabassi
*Senior Visitor Services Officer
(from December)*

Maria Davies
*Visitor & Membership
Services Manager*

Jade Enge
*Marketing Assistant
(from February)*

Jessica Frean
*Acting Development Manager
(to Jan)*

Carolyn Harris
*Senior Visitor Services Officer
(to February)*

Nick Hays
Development Manager

Stella Loftus-Hills
*Visitor Services Officer
(to February)
Senior Visitor Services Officer
(February–October)*

Rebecca Renshaw
*Visitor & Membership
Services Assistant Manager*

Bruce Thomson
*Retail Manager & Buyer
(to November)*

Jacqui Williams
*Senior Development Manager
(from December)*

Visitor Services Officers

Emma Agius
(from May)
Alice Bennett
(from July)
Danny Djurovic
(from April)
Tom Greenaway
(from May)
Esther Gyorki
(from December)
Stacy Jewell
(from December)
Roisin Murphy
(from December)
Simone Nolan
(to May)
Zoe Partington
(from December)
Penny Peckham
Brian Pieper
Rachael Walker
(to September)
Fiona Wilson
(from May)

Business Services

Paula Greene
Business & Finance Manager
Paul Galassi
Facilities Manager
Margaret Swallow
*Finance & Office
Administrator*

Gardens

Nicholas Harrison
Head Gardener
Danae Jeanes
Gardener

Volunteers**Curatorial & Programming
Volunteer Guides 2008**

Davina Johnson
Team Leader
(to November)
Jill Nicol
Team Leader
(from November)
Jennifer Stanisich
Deputy Team Leader
Jan Andrews
Valma Angliss AM
Jenny Anson
Lynne Curtis
Gay Cuthbert
Shirley Daffen
Judy Davies
Gordon Ennis
Susan Fahey
Bill Gillies
Rosanne Green
Esther Gyorki
Elle Hanson
Patty Hodder
Judith Hughes
Jill Nicol
Olivia Porter
Jane Robinson
Bianca Rohjle

Education Volunteers

Julie Batty
Isobel Bond
Judy Bridges
Irene Cook
Jane Dyer
Diane Goetze
Marita Kelly
Prisilla Lane
Grace Longato
Kerry Lucas
Rochelle Matthews
Jill Nicol
Cathy Price
Claire Sarandis
Michela Sirianni
Kate Stones Dattner

**Communications
& Development****Visitor Services Volunteers**

Heather Adam
Emma Agius
Robert Albie
Libby Austen
Margaret Belcher
Alice Bennett
Lula Black
Alyshia Boddenberg
Katy Bowman
Margaret Breare
Barbara Burton
Adam Bushby
Sophine Chai
Ron Chapman
Annie Cleveland
Catherine Copley
Frances Cowie

Mandy Cunningham
Laura Devenish
Ann Dickey
Jessica Disler
Doriana Duo
Robin Edwards
Fiona Efron
Kylie Franklin
Jeanette Fry
Robin Gibson
Bev Gray
Tom Greenaway
Esther Gyorki
Leona Haintz
Cathy Harrison
Del Heaton
Karen Hinde
Heather Howes
Helen Hughes
Jan Kondarovskas
Priscilla Lane
Jacqui Lester
Julie Mackie
Nanette McCubbin
Lorraine McInnes
Monica McKean
Anne McLachlan
Jane Mooney
Roisin Murphy
Helen Murray
Sue Nunis
Rae O'Shaughnessy
Jenny Osborne
Murray Pearce
Judith Perry
Jess Pinney
Jan Raymond
Vivienne Reed
Barbro Roberts
Natasha Salera

Karen Salter
Nicole Salvo
Claire Sarandis
Naomi Savio
Lesley Schmidt
Carrie Smith
Samantha Sokolis
Carmel Speer
Julie Stevens
Bridget Stokell
Jasmine Targett
Denise Thamrin
Griselda Toh
Adriano Toniolo
Margaret Van de Walle
Shirley Walker
Megg Walstab
Mary Waters
Fiona Wilson
Nancy Wood
Camille Woodward
Leonie Wray
Maree Xuereb
Anna Yau
Eleisha Yau

Marketing Intern

Veronika Sedlmeir

Sustainability Intern

Phillippa Baker

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Director's Report

The directors presented their report on the company for the financial year ending 31 December 2008.

1. GENERAL INFORMATION**a. Directors**

The names and particulars of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Jennifer Darbyshire	
John Downer	
Alison Inglis	
Craig Kimberley	
Mark Newman	
Trevor Tappenden	
Fiona Bennett	Appointed 1 October 2008

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

b. Operating results

The surplus of Heide Park & Art Gallery amounted to \$1,857,248 (2007: \$1,445,523).

c. Business review

During the year, the company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

d. State of affairs

The following significant change in the state of affairs occurred during the financial year:

In April, the Heide Café closed for redevelopment. As the café provides a necessary amenity for visitors, Heide commenced operation of a temporary café facility in the foyer of the main galleries. Unlike the Heide Café which operated under a third party licensing arrangement, this temporary facility is staffed and managed wholly by Heide staff.

e. Principal Activity

The principal activity of Heide Park & Art Gallery during the financial year was the operation and stewardship of Heide Museum of Modern Art and surrounding gardens and parkland, including special exhibitions, education and public programs and care of the Heide Collections.

No significant change in the nature of this activity occurred during the year:

f. Events subsequent to balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

g. Likely developments

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

h. Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

i. Dividends

The company is precluded from the declaration or payment of dividends by its Constitution. Any accumulated surplus remaining on winding up is to be distributed to like not for profit organisations.

j. Proceedings

A public liability claim has been lodged against the company for alleged negligent maintenance of footpaths. The company is strenuously disputing this claim.

Apart from the above matter, no person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

2. INFORMATION ON DIRECTORS

Jennifer Darbyshire Qualifications	Senior Legal Counsel, National Australia Bank BA, LLB (Hons), LLM, Grad Dip (Company Secretarial Practice)
Special Responsibilities	Chair: Remuneration and Human Resources Policy Committee
John Downer Qualifications	Engineer & Company Director BEng (Hons)
Special Responsibilities	Chair: Audit and Risk Management Committee (Until December 2008)
Alison Inglis Qualifications	Associate Dean, University of Melbourne BA (Hons), PhD
Special Responsibilities	Remuneration and Human Resources Policy Committee
Craig Kimberley	Company Director
Mark Newman	Executive Director & Chief Investment Officer, K2 Asset Management
Qualifications	BEcon
Trevor Tappenden Qualifications	Chartered Accountant, Company Director ACA
Special Responsibilities	Chairman Audit and Risk Management Committee
Fiona Bennett Qualifications	Chartered Accountant, Company Director BA(Hons), FCA, FAICD, FAIM, MIIA
Special Responsibilities	Chair: Audit and Risk Management Committee (from January 2009)

Meetings of Directors

During the financial year, six meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors Meetings

	Number eligible to attend	Number attended
Jennifer Darbyshire	6	6
John Downer	6	6
Alison Inglis	6	3
Craig Kimberley	6	6
Mark Newman	6	4
Trevor Tappenden	6	6
Fiona Bennett	1	1

**3. INDEMNIFYING OFFICERS
OR AUDITORS****Indemnities**

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

Insurance premiums paid for directors

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$789 for each director.

Jennifer Darbyshire
John Downer
Alison Inglis
Craig Kimberley
Mark Newman
Trevor Tappenden
Fiona Bennett

**4. AUDITOR'S INDEPENDENCE
DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 5.

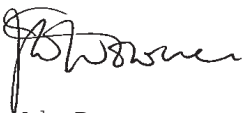
Signed in accordance with a resolution of the Board of Directors:

Director:



Trevor Tappenden

Director:



John Downer

23 March 2009

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Saward Dawson Chartered Accountants

Tim Flowers

4 April 2009

Partner

**Income Statement
for the year ended 31 December 2008**

Operating Activities	Note	2008 \$	2007 \$
Revenue from operating activities	2	2,912,868	2,810,907
Programming expenses		(405,186)	(459,507)
Marketing expenses		(423,073)	(427,633)
Collection expenses		(86,069)	(55,132)
Cost of goods sold		(153,959)	(68,674)
Commercial operations expenses		(18,254)	(13,547)
Repairs and maintenance		(188,035)	(151,714)
Grounds and gardens		(51,667)	(56,882)
Utilities		(101,095)	(102,904)
Insurance		(92,179)	(93,143)
Borrowing costs		(50)	(305)
Depreciation, amortisation and impairment		(414,296)	(352,273)
Employee benefits expense		(1,442,874)	(1,396,719)
Other expenses from operating activities		(128,516)	(204,429)
Total operating expenses		3,505,253	3,382,862
Net surplus (deficit) from operating activities		(592,385)	(571,955)
Investing Activities			
Dividends revenue from other corporations	2	117,602	752,582
		117,602	752,582
Brokerage costs		(5,390)	(11,982)
Net surplus (deficit) from investing activities		112,212	740,600

The accompanying notes form part of this concise financial report

**Income Statement
for the year ended 31 December 2008**

Philanthropic Activities	Note	2008 \$	2007 \$
Donations and sponsorships (including gifts in kind)		49,519	41,425
Donated works of art (at market value)	2	1,314,075	997,943
		1,363,594	1,039,368
Development expenses		(25,956)	(15,596)
Net surplus (deficit) from philanthropic activities		1,337,638	1,023,412
Capital Activities			
Donations		5,917	155,000
Government grants		958,853	128,457
Interest revenue from other persons	2	47,411	2,715
		1,012,181	286,172
Capital redevelopment expenses		(12,398)	(32,706)
Net surplus (deficit) from capital activities		999,783	253,466
Net surplus (deficit) for the year from all activities		1,857,248	1,445,523

The accompanying notes form part of this concise financial report

Balance Sheet
for the year ended 31 December 2008

Assets	Note	2008 \$	2007 \$
Current assets			
Cash and cash equivalents	5	2,096,400	1,603,889
Trade and other receivables	6	1,370,436	1,404,872
Inventories	7	64,485	71,519
Other current assets	8	56,323	48,987
Total current assets		3,587,644	3,129,267
Non-current assets			
Financial assets	9	441,576	1,117,440
Property, plant and equipment	10	12,262,976	11,751,373
Works of Art	8	39,621,830	36,221,109
Total non-current assets		52,362,382	49,089,922
Total Assets		55,914,026	52,219,189
Liabilities			
Current liabilities			
Trade and other payables	11	2,789,930	2,542,232
Short-term borrowings	12	7,524	7,223
Short-term provisions	13	72,749	87,928
Total current liabilities		2,870,203	2,637,383
Non-current liabilities			
Other long-term provisions	13	-	4,134
Total non-current liabilities		-	4,134
Total Liabilities		2,870,203	2,641,517
Net Assets		53,043,823	49,577,672
Equity			
Reserves	14	42,184,789	39,261,810
Accumulated surpluses		10,859,034	10,315,862
Total Equity		53,043,823	49,577,672

The accompanying notes form part of this concise financial report

**Statement of Changes in Equity
for the year ended 31 December 2008**

	Retained Surplus (Deficit) \$	Asset Revaluation Reserve \$	Donated Artworks Reserve \$	Financial Assets Revaluation Reserve \$	Total \$
2008					
Balance at 1 January 2007	10,315,862	22,358,320	16,159,556	743,932	49,577,672
Surplus from ordinary activities	1,857,246	-	-	-	1,857,248
Revaluation increment (decrement)	-	2,043,009	-	(434,106)	(1,608,903)
Transfers to reserve	(1,314,076)	-	1,314,076	-	-
Balance at 31 December 2007	10,859,034	24,401,329	17,473,634	309,826	53,043,823

	Retained Surplus (Deficit) \$	Asset Revaluation Reserve \$	Donated Artworks Reserve \$	Financial Assets Revaluation Reserve \$	Total \$
2007					
Balance at 1 January 2007	9,868,281	22,358,320	15,161,616	1,258,363	48,646,580
Surplus from ordinary activities	1,445,523	-	-	-	1,445,523
Revaluation increment (decrement)	-	-	-	(514,431)	(514,431)
Transfers to reserve	(997,942)	-	997,942	-	-
Balance at 31 December 2007	10,315,862	22,358,320	16,159,558	743,932	49,577,672

The accompanying notes form part of this concise financial report

**Statement Of Cash Flows
for the year ended 31 December 2008**

	Note	2008 \$	2007 \$
Cash from operating activities			
Receipts from customers		43,519	794,323
Receipts from donations and sponsorships		325,124	576,589
Payments to suppliers and employees		(2,532,669)	(2,987,724)
Grant receipts		2,012,206	1,740,158
Dividends received		44,395	94,659
Interest received		106,898	30,839
Interest paid		(50)	(305)
Net cash provided by (used in) operating activities	17	577	248,539
Cash flows from investing activities			
Capital grant and pledge receipts		1,103,029	383,457
Proceeds from sale of investments		359,291	780,254
Acquisition of property, plant and equipment		(925,899)	(208,923)
Acquisition of other non current assets		(43,634)	(16,410)
Acquisition of other investments		-	(100,750)
Net cash provided by (used in) investing activities		492,787	837,628
Cash flows from financing activities			
Repayment of borrowings		301	(2,412)
Net cash provided by (used in) financing activities		301	(2,412)
Net increase (decreases) in cash held		492,511	1,083,755
Cash and cash equivalents at beginning of year		1,603,889	520,134
Cash at end of financial year	5	2,096,400	1,603,889

The accompanying notes form part of this concise financial report

Notes to the Financial Statements for the year ended 31 December 2007

NOTE 1. ACCOUNTING POLICIES

a. General information

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers Heide Park & Art Gallery as a company limited by guarantee, incorporated and domiciled in Australia

b. Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

c. Income taxes

No current or deferred income tax assets or liabilities have been raised by the company as it is exempt from income tax under Division 50 of the Income Tax Assessment Act. The company has sought and received confirmation of its income tax exempt status from the Australian Taxation Office under the Charitable Institution rules outlined in the Act.

d. Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis.

e. Property, plant and equipment

Land and buildings

Freehold land and buildings are shown at cost less subsequent depreciation of buildings. It is the policy of the company to have an independent valuation every three years, with annual appraisals being made by the directors. The company's directors review the depreciated replacement cost of the buildings and leasehold improvements on an annual basis to ensure that the carrying values are not in excess of the valuation, as required by AASB 136 Impairment of Assets.

Improvements

The company acts as a government appointed committee of management with respect to the property known as Heide Park and Art Gallery. The directors are of the opinion that the custodianship over Heide Park is permanent in nature and therefore they believe that it is appropriate to value the leasehold improvements on a basis consistent with AASB 116 Property, Plant and Equipment. The value of capitalised leasehold improvements will be amortised over their expected useful life (applicable amortisation rate used is 2.5%). Leasehold improvements are amortised over 40 years.

It should be noted that a directors' valuation was undertaken in 2006 and indicated no impairment of land and buildings/ lease and freehold improvements.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings	2.5%
Plant and Equipment	20%
Computer Equipment	25%
Leasehold improvements	2.5%

Impairment

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

f. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset or over the term of the lease

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

g. Financial Instruments**Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

All of the company's investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments.

Loans and receivables

Loans and receivables are nonderivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

h. Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Other employee benefits payable later than one year have been measured at present value. The company has not accounted for on costs on these provisions.

Contributions are made by the company to an employee superannuation fund and are charged as expenses when incurred.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

j. Deferred Income

Deferred income shown in the accounts will be brought to account over the service delivery period based on the percentage of completion method. For further details refer to the revenue recognition policy that follows.

k. Revenue

Donated works of art are recognised as revenue at market value at the time the works are donated.

Government grants are recognised as income as they are earned. Where grants relate to activities not yet undertaken, and there is an obligation to repay those funds if they are not spent for the approved purpose then such funds are recognised as deferred income until such time as the funded activities are undertaken.

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Donation income is recognised when it is received.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

m. Pledges

The company did not receive any income relating to pledges during the 2008 year.

n. Capital work in progress

Work in progress is valued at cost where the costs incurred meet the definition of an asset within the AASB Framework for the Preparation and Presentation of Financial Statements and where no impairment indicators are present as defined by AASB 136 Impairment of Assets.

o. Works of art

The company undertook an independent valuation of the works of art in full as at 31 December 2008. Further details of the valuation are provided as part of Note 8. The directors have determined that where the works of art are owned by the company or provided to the company under an enduring stewardship arrangement, their value should be disclosed as assets of the company. Works of art on loan or provided to the company under a nonenduring stewardship arrangement are not disclosed as assets of the company. Industry standards stipulate that the company must maintain and insure all works of art held.

r. Impairment of assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use or where appropriate depreciated replacement cost, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

s. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the group.

NOTE 2: REVENUE

Note	2008 \$	2007 \$
Operating activities		
–sale of goods	286,476	193,333
–admissions	300,224	324,926
–government grants	1,537,342	1,494,952
–onations and sponsorship (including gifts in kind)	543,420	535,163
–interest and dividends	103,882	109,800
–other	141,524	152,862
Total Revenue from Operating Activities	2,912,868	2,810,907
(a) Dividend revenue from: other corporations	44,395	81,676
(b) Interest revenue from: other persons	106,898	30,839

Significant Revenue**The following significant revenue items are relevant to explaining the financial performance:**

Donated works of art at market value	1,314,075	997,943
Government grants	1,537,342	1,494,952
Gain on sale of investments	117,602	752,582

NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES

	2008 \$	2007 \$
<hr/>		
Surplus (deficit) from Ordinary Activities has been determined after:		
(a) Expenses from Ordinary Activities		
Depreciation of property, plant and equipment	159,892	67,673
Amortisation of leasehold improvements	254,404	284,598
Remuneration of auditor		
Auditing or reviewing the financial report	16,450	16,000
Other services	4,600	2,250
Foreign currency translation deficits (gains)	–	–
(b) Revenue and Net Gains		
Net gain on disposal of non-current assets:		
–Investments	117,602	752,582

**NOTE 4: KEY MANAGEMENT PERSONNEL
COMPENSATION****Key Management Personnel—Directors**

Names of the company's key management personnel in office at any time during the financial year are:

(There is no compensation associated with these appointments)

Jennifer Darbyshire

John Downer

Alison Inglis

Craig Kimberley

Mark Newman

Trevor Tappenden *Chairman*

Fiona Bennett

**Other Key Management
Personnel—Compensation**

Jason Smith

BA (Vis Arts), Postgrad cert (Museum Studies) (Gallery Chief Executive Officer/Director from June 2008)

Linda Michael

BA (Hons), Postgrad dip (Editing & Publishing) (Deputy Director, Senior Curator from November 2008)

Lesley Alway

BA(Hons), B.Ed, MBA (Gallery Chief Executive Officer/Director until February 2008)

Anna Draffin

BA, B.Comm (Deputy Director and Head of Communications and Development from August 2008)

Paula Greene

BS(Hons), Postgrad cert (Art History), USCPA, (Business and Finance Manager)

Lesley Harding

BA(Hons), Postgrad dip (Cultural Studies), MA (Acting Gallery Director from January 2008 until June 2008, Deputy Director, Senior Curator from August 2008 until November 2008)

Zara Stanhope

BA, B.Comm(Hons), MA (Deputy Director, Senior Curator until August 2008)

	Short-term benefits		Total
	Salary & fees \$	Superannuation \$	\$
2008			
Total compensation	352,394	31,136	383,530
	352,394	31,136	383,530

	Short-term benefits		Total
	Salary & fees \$	Superannuation \$	\$
2007			
Total compensation	396,807	35,629	432,436
	396,807	35,629	432,436

NOTE 5: CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash on hand	3,191	3,272
Cash at bank	376,980	1,243,408
Deposits at call	1,716,229	357,209
	2,096,400	1,603,889

NOTE 6: TRADE AND OTHER RECEIVABLES**Current**

Trade receivables	38,969	152,128
Government grant - operations	730,761	712,937
Government grant - capital	88,000	250,000
Other receivables	512,706	289,807
	1,370,436	1,404,872

NOTE 7: INVENTORIES**Current**

At net realisable value		
Stock on hand	64,485	71,519
	64,485	71,519

NOTE 8: OTHER ASSETS

	2007 \$	2006 \$
Current		
Prepayments	56,323	48,987
Non-Current		
Works of art	39,621,830	36,221,109

The directors have based their valuation of Works of Art on an independent valuation performed as at 31 December 2008.

In addition to the works of art owned by the company or subject to enduring stewardship arrangement disclosed above, the value of works of art on longterm loan to the company or subject to nonenduring stewardship arrangements total \$8,761,875 which has not been recorded as an asset of the company.

NOTE 9: FINANCIAL ASSETS**Available-for-sale Financial Assets Comprise:**

Listed investments, at fair value		
Shares in listed corporations	441,576	1,117,440
Total available-for-sale financial assets	441,576	1,117,440

Availableforsale financial assets comprise of investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

NOTE 10: PROPERTY PLANT AND EQUIPMENT

	2008 \$	2007 \$
Land and Buildings		
Freehold land at deemed cost	500,000	500,000
Buildings		
At deemed cost	1,100,000	1,100,000
Less accumulated depreciation	(165,000)	(137,500)
Total buildings	935,000	962,500
Plant and Equipment		
Capital works in progress	277,371	68,504
Plant and equipment		
At cost	1,439,865	723,818
Less accumulated depreciation	(715,956)	(589,751)
Total plant and equipment	723,909	134,067
Computer software		
At cost	30,941	30,941
Less accumulated depreciation	(9,798)	(3,610)
Total computer software	21,143	27,331
Leasehold improvements		
Improvements	10,776,200	10,775,214
Less accumulated amortisation	(970,647)	(716,243)
Total leasehold improvements	9,805,553	10,058,971
Total property, plant and equipment	12,262,976	11,751,373

Movements in Carrying Amounts 31 December 2008	Freehold land €	Buildings €	Leasehold improvements €	Plant and Equipment €	Capital works in progress €	Computer Software €	Total €
Balance at the beginning of year	500,000	962,500	10,058,971	134,067	68,504	27,331	11,751,373
Additions	-	-	986	716,047	208,866	-	925,899
Depreciation expense	-	(27,500)	(254,404)	(126,204)	-	(6,188)	(414,296)
Carrying amount at the end of year	\$500,000	\$935,000	\$9,805,553	\$723,910	\$277,370	\$21,143	\$12,262,976

Movements in Carrying Amounts 31 December 2007	Freehold land €	Buildings €	Leasehold improvements €	Plant and Equipment €	Capital works in progress €	Computer Software €	Total €
Balance at the beginning of year	500,000	990,000	10,253,996	150,727	-	-	11,894,723
Additions	-	-	58,465	51,014	68,504	30,941	208,924
Depreciation expense	-	(27,500)	(253,490)	(67,674)	-	(3,610)	(352,274)
Carrying amount at the end of year	\$500,000	\$962,500	\$10,058,971	\$134,067	\$68,504	\$27,331	\$11,751,373

NOTE 11: TRADE AND OTHER PAYABLES

	2007 \$	2007 \$
Current		
Unsecured liabilities		
Trade payables	408,858	499,709
Deferred income—other	150,000	150,000
Deferred income—government grants	1,658,411	1,542,808
Other payables	572,661	349,715
	2,789,930	2,542,232

NOTE 12: BORROWINGS

Current		
Credit card amounts payable	7,524	7,223
	7,524	7,223

NOTE 13: PROVISIONS

Employee Entitlements		
Opening balance at 1 January	92,062	97,049
Additional provisions	90,948	87,072
Utilised during the period	(110,261)	(92,059)
Balance at 31 December	72,749	92,062
Analysis of Total Provisions		
Current	72,749	87,928
Non-current	-	4,134
	72,749	97,049

NOTE 14: RESERVES**a. Asset Revaluation Reserve**

The asset revaluation reserve records revaluations of non current assets. The balance of the Asset Revaluation Reserve at 31 December 2007 was \$22,358,320.

b. Financial Asset Revaluation Reserve

The financial asset revaluation reserve records the unrealised gain on financial investments. The balance of the Financial Asset Revaluation Reserve at 31 December 2008 was \$309,826.

c. Donated Artworks Reserve

This reserve represents the value of works of art donated or bequeathed to the company. The balance of the Donated Artworks Reserve at 31 December 2008 was \$17,473,634. Subsequent revaluation of the Works of Art are recognised in the Asset Revaluation Reserve.

NOTE 16: ECONOMIC DEPENDENCE

The continued operation of Heide Park and Art Gallery is dependent on funding provided by the State Government of Victoria.

NOTE 16: SEGMENT REPORTING

The company operates predominately in one business and geographical segment being the operation of Heide Museum of Modern Art and surrounding parkland, located at 5 and 7 Templestowe Road, Bulleen Victoria.

NOTE 17: CASH FLOW INFORMATION

Reconciliation of cashflow from operations with surplus for the year	2008 \$	2007 \$
Net surplus / deficit for the year	1,857,248	1,445,523
Non-cash flows in surplus		
Amortisation	254,404	284,599
Depreciation	159,892	67,674
Net gain/(loss) on sale investments	(117,533)	(752,582)
Works of art (donated)/written off	(1,314,075)	(997,942)
Capital grants and donations	(1,103,029)	(383,457)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(256,824)	(1,211,430)
(Increase)/decrease in other assets	(7,336)	(6,938)
(Increase)/decrease in inventories	7,034	(3,716)
Increase/(decrease) in trade payables and accruals	715,997	364,051
Increase/(Decrease) in grants received in advance	(690,689)	1,447,745
Increase/(decrease) in provisions	(19,314)	(4,988)
	(577)	248,539

NOTE 18: CAPITAL AND LEASING COMMITMENTS

a. Capital Expenditure Commitments	2008 \$	2007 \$
	121,213	-

NOTE 19: FINANCIAL INSTRUMENTS**19a. Interest Rate Risk**

The company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Maturing within 1 Year		Non-interest Bearing		Total	
	2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets										
Cash and cash equivalents	6.37	3.87	261,775	706,933	1,716,229	357,209	118,396	539,747	2,096,400	1,603,889
Trade and sundry receivables	-	-	-	-	-	-	1,370,436	1,404,872	1,370,436	1,404,872
Investments	-	-	-	-	-	-	441,576	1,117,440	441,576	1,117,440
Total Financial Assets			261,775	706,933	1,716,229	357,209	1,930,408	3,062,059	3,908,412	4,126,201
Financial Liabilities										
Trade and sundry payables	-	-	-	-	-	-	408,357	499,259	408,357	499,259
Total Financial Liabilities			-	-	-	-	408,357	499,259	408,357	499,259

NOTE 19: FINANCIAL INSTRUMENTS (CONT.)**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Cash flow sensitivity analysis for variable interest rate instruments

A change of 1% in interest rates on floating debt at reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	2008 \$	2007 \$
1% increase in interest rate	(2,6186)	(7,069)
1% decrease in interest rate	2,6186	7,069

Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying values. No financial assets or financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the company intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

	2008		2007	
	Carrying amount \$	Net Fair value \$	Carrying amount \$	Net Fair value \$
Financial Assets				
Listed investments	441,576	441,576	1,117,440	1,117,440
	441,576	441,576	1,117,440	1,117,440

NOTE 20: MEMBERS' GUARANTEE

The company is limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$50 each towards any outstanding obligations of the company. At 31 December 2008 the number of members was 28 (2007: 27).

NOTE 21: CONTRA SPONSORSHIP

Heide receives sponsorship in the form of graphic design, printing, catering and advertising in exchange for promoting the provider as a corporate supporter of the gallery. The value of contra sponsorship included in the financial statements is \$267,814 (2007: \$223,981).

NOTE 22: CHANGE IN ACCOUNTING POLICY

Accounting Standards issued but not yet effective

The following Australian Accounting Standards have been issued or amended and are applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

AASB Amendment	AASB Standard Affected	Nature of change in Accounting Policy and Impact	Application Date of the Standard	Application Date for the company
AASB 20076 Amendments to Australian Accounting Standards	AASB 1, 101, 107, 111, 116, 138)	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the entity's financials as the company already capitalises borrowing costs related to qualifying assets.	1 January 2009	1 January 2009
AASB 123	AASB 123 Borrowing Costs	As above.	1 January 2009	1 January 2009
AASB 20078 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of recognised income and expenditure.	1 January 2009	1 January 2009
AASB 101	AASB 101 Presentation of Financial Statements	As above	1 January 2009	1 January 2009
AASB 104	AASB 104 Contributions	The revised AASB 1004: Contributions has been based on the review of the requirements of AAS 27: Financial Reporting by Local Governments, AAS 29: Financial Reporting by Government Departments and AAS 31: Financial Reporting by Governments. Specific considerations have been made in relation to Contributions, Liabilities Assumed by Other Entities, Government Department Disclosures Relating to Revenue, Restructures of Administrative Arrangements and Compliance with Parliamentary Appropriations and Other Externally Imposed Requirements by Government Departments, to ensure that these are appropriately addressed in AASB 1004. It is not expected that the revisions to AASB 1004 will result in a material change to the recognition and measurement policies of the entity	1 July 2008	1 January 2009

NOTE 23: COMPANY DETAILS

The registered office of the company is:
Heide Park & Art Gallery
7 Templestowe Road
Bulleen Vic 3105

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 27, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2008 and of the performance for the year ended on that date of the company.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

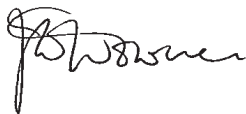
This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Trevor Tappenden

Director:



John Downer

23 March 2009

Report on the financial report

We have audited the accompanying financial report of Heide Park & Art Gallery (the company), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Heide Park & Art Gallery on , would be in the same terms if provided to the directors as at the date of this auditor's report.

Audit Opinion

In our opinion the financial report of Heide Park & Art Gallery is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



Saward Dawson Chartered Accountants

Tim Flowers

4 April 2009

Partner



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Museum of
Modern Art
Heide

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