

VICTORIAN ARTS CENTRE TRUST

Annual Report

2020 – 2021



Arts Centre Melbourne is a place for everyone. Our values around inclusion are clear and unequivocal: to embrace equality, love and respect, regardless of our cultural heritage, ethnicity, race, religion or political beliefs.

Arts Centre Melbourne sits on a site which has been a space for song, storytelling and culture for First Nations people for millennia. Victoria has a strong and proud Aboriginal history, comprising complex ownership and land stewardship systems stretching back many thousands of years. The Victorian Government supports Acknowledgements of Traditional Owners as part of the process of reconciliation and healing, in addition to affording the appropriate respect to Traditional Owners of Country. Arts Centre Melbourne shares this commitment as a centre of culture that belongs to all Victorians.

The Melbourne Arts Precinct, including all Arts Centre Melbourne buildings, sits on the land of the Wurundjeri, Woi-Wurrung people.

The Victorian Arts Centre Trust (the "Trust"), trading as "Arts Centre Melbourne", is a statutory authority of the Creative Industries portfolio, which is administered by Creative Victoria, a division of the Department of Jobs, Precincts and Regions.

The Trustees are appointed by the Governor in Council on recommendation of the Minister for Creative Industries.

The Trust's core purpose is to enrich the lives of Victorians – culturally, educationally, socially and economically (*Victorian Arts Centre Act 1979*, s.5(2)). This purpose drives our overarching strategic goal to enhance the creativity of Victoria. For further detail on the Trust's role refer to page 52.

RESPONSIBLE BODY'S DECLARATION

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victorian Arts Centre Trust's Annual Report for the year ending 30 June 2021.



Mr Ian Carson AM

President
Victorian Arts Centre Trust

ABBREVIATIONS USED IN THIS REPORT

"F2021" refers to the 2020–21 Financial Year (the reporting year covered by this report). Other reporting years are indicated by a year preceded by "F", for example "F2016" refers to the 2015–16 Financial Year.

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Arts Centre Melbourne from Princes Bridge.
Photo credit: Mark Gambino.

About Us

Arts Centre Melbourne is a key contributor to Melbourne's identity as a vibrant, creative and sophisticated city. Our performance venues, programs and services provide an essential vehicle for supporting, developing and showcasing the creative industries of Victoria.

Located in Southbank along St Kilda Road, Arts Centre Melbourne is one of Australia's leading performing arts centres, whose collection of buildings and public spaces form the heart and gateway of the Melbourne Arts Precinct. Established and operated through the *Victorian Arts Centre Act 1979*, Arts Centre Melbourne comprises the Theatres Building and its iconic Spire, Hamer Hall and the Sidney Myer Music Bowl.

Our Vision

To "enrich the cultural, educational, social and economic lives of Victorians".

Our Purpose

Create, Connect, Enrich

What we do makes a difference:

- Making Melbourne more creative and vibrant.
- Making the arts more welcoming and accessible.
- Presenting works of local, national and international significance to engage, inspire and challenge our audiences.
- Being the Victorian home for Australia's leading performing arts companies.
- Bringing families and communities together across generations and cultural divides.
- Inspiring curious minds of all ages through innovative and contemporary arts practice.
- Preserving the legacy of and building the Australian Performing Arts Collection.
- Leveraging our unique position in the industry, providing leadership within the creative and cultural sector.

Our Values

- Leadership
- Community
- Care More
- Creativity
- Equity (added during F2021 as part of *Transition21*, see page 36)

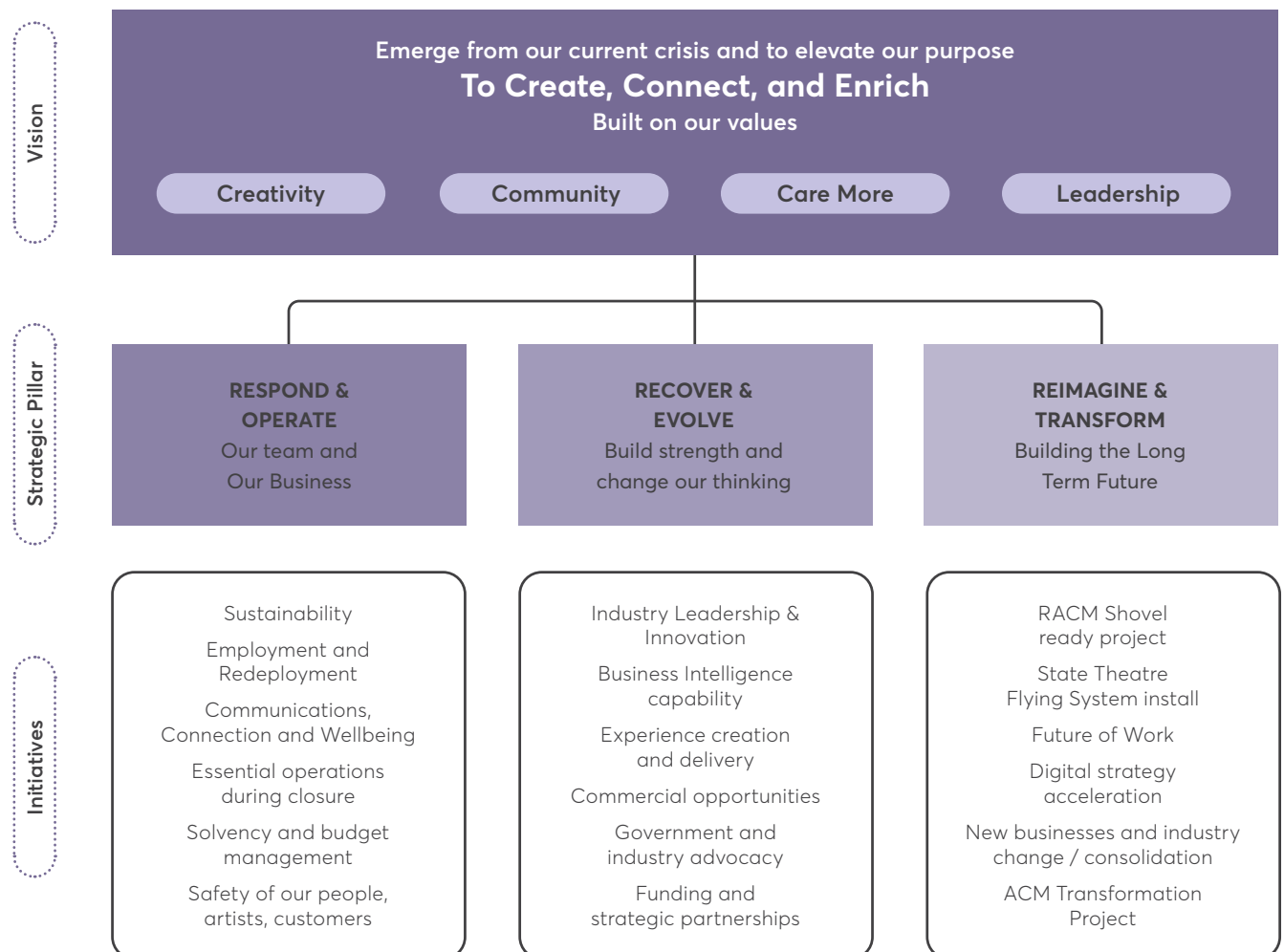
Response and Recovery Plan 2021

Recognising that organisational agility would be the key to success in these rapidly changing times of the global COVID-19 pandemic, Arts Centre Melbourne developed a plan for F2021 that enabled us to respond quickly to the current crisis, establishing and de-establishing work streams across the business as required. This method of working enabled us to work at a faster pace, while focusing our energies on where we, as both a collective and as individuals, would have the most impact. It also gave us the opportunity to encourage new collaborations and methods of working, and to question existing projects and operations. The plan below outlines the three strategic pillars that were introduced (Respond & Operate, Recover & Evolve and Reimagine & Transform), what each area of focus was, and how success would be achieved.

A new strategic delivery plan, *Transition21*, began development in March 2021 and is designed to take the organisation through to the end of June 2022, a year of transition and focus where our goals are simple. We need to keep the lights on, keep the business running, and strengthen our independence, while continuing to work on our future through Reimagining and Transforming Arts Centre Melbourne. *Transition21* has four focus areas:

- First Nations
- Equity and Inclusion
- COVID-19 Recovery
- Reimagining Arts Centre Melbourne

Further details are outlined on page 36.





**98% of ticket buyers
said they felt safe
and comfortable at
Live at The Bowl.**

Contribution to Government Policy

In addition to our ongoing commitment to the Victorian Government's Creative State strategy, in F2021 our planned contribution to government policy includes continued focus on the fostering and development of the following initiatives:

- The Australian Music Vault, the planned Australian Performing Arts Gallery supports Visit Victoria's Visitor Economy Strategy.
- Asia TOPA supporting the delivery of the objectives of the China Strategy, India Strategy and ASEAN priorities more broadly, as well as creating a platform for cultural diplomacy opportunities, supporting international trade and investment and creating engagement opportunities for international students.
- Arts Wellbeing Collective supporting the WorkSafe Victoria mental health initiative and the Victorian Government Public Service Mental Health and Wellbeing Charter. Arts Wellbeing Collective also aligns with the *Respect Now, Always* campaign, and addresses some of the recommendations coming out of the Mental Health Royal Commission.
- Supporting the objectives of Education State through our Creative Learning Framework, including the Australian Music Vault Creative Learning Program.
- Despite our minimised footprint due to COVID-19, our participation and access programs, our Registered Training Organisation's regional training offer and broadcast and digital technology, continued to support the government's skills, training and jobs agenda, and priorities in regional Victoria. 2021 celebrates our 10th year of our in-house Production Traineeship program, this year offering four 12-month traineeships, one in each of our Production Lighting, Staging, Sound & Vision and Broadcast & Digital departments.
- Supporting access and inclusion objectives through relaxed performances, audio description, AUSLAN interpretation and our Hamer Hall Changing Places facility.
- Supporting the government's LGBTIQ+ equality agenda by ensuring our workplaces and public spaces are safe and inclusive, reflecting the government's commitment to remove discrimination from all laws, services and society.
- Aligning our Impact & Evaluation Framework to the *Victorian Arts Centre Act 1979*, *Creative State* and broader government policy objectives and continuing to measure and report our social, cultural, educational and economic impact.
- In alignment with the Office for Women, we adhere to the principles of the *Know the Line* campaign, reflecting Arts Centre Melbourne as an organisation committed to creating a safe and secure environment for everybody, with an emphasis on prevention of gendered violence in both the workplace and in our homes.

President's Report



The impacts of the COVID-19 pandemic on the operations of the Victorian Arts Centre Trust and its oversight of the daily operations of Arts Centre Melbourne have continued to provide extraordinary challenges across the reporting year.

Whilst we sit to a great degree removed from the day to day operation of the organisation, safe in the trusted hands of Chief Executive Officer Claire Spencer AM and her team, we are fundamentally dedicated to the prosperity of the institution, the success of its partners and collaborators, and in the health, safety and wellbeing of our team.

We have watched on intently and with great pride at the truly outstanding ways in which everyone has responded to the challenges of the pandemic – moving decisively and swiftly to the rapidly shifting sands around the team. First, in closing the venues to keep everyone safe; then to securing solvency and funding certainty; supporting the team and each other through the difficult early days, weeks and months; and then developing a plan for response, recovery – and now transition and transformation.

I acknowledge the continued support we have received from the Victorian Government. The Premier, the Acting Premier, the Treasurer and the former and current Minister for Creative Industries, as well as Creative Victoria have supported our survival and industry leadership strategy every step of the way. I thank them for their continued faith in our approach to the pandemic issues, which have been felt widely and deeply. This support will be critical for our sustainability and contribution in coming years and Arts Centre Melbourne is placing reliance upon Government's committed support to allow its financial statements to be prepared on a going concern basis.

Our role as Trustees is to ensure Arts Centre Melbourne meets the responsibilities and obligations required of it under the *Victorian Arts Centre Act*, and to provide the guidance, support and decision-making as required to the CEO and Executive to ensure the organisation achieves the objectives of its core purpose.

Despite long periods of closure in the most challenging of circumstances, the organisation has managed to do just that, by keeping the magic of live performance alive for artists, presenters and audiences, in many innovative ways.

The Trust is immensely proud of what the organisation has made possible responding to a constantly dynamic operating environment, having to close and reopen a whole business (several times), and all the while, mindful of the real human and financial cost to our own people, our artists and presenters, and our audiences.

Delivering a major infrastructure project during closure, in our new State Theatre flying system – on time and on budget – is an extraordinary example of what was achieved.

Our digital program, *Together With You*, and new initiatives like *Live at The Bowl*, not only led our State in bringing cultural life back to Victorians through live performance, they were instrumental in returning artists to our screens and stages when they needed it most. They also changed the way people see our role, and demonstrated with spectacular results, the huge future potential of our beloved Sidney Myer Music Bowl.

These efforts over the last year have validated the huge value Arts Centre Melbourne delivers for the Victorian community. That is evidenced by the really extraordinary support of our donors, existing and new, who responded in record numbers to the empathetic and thoughtfully conceived fundraising campaigns by our Philanthropy team. It is with great thanks that I acknowledge the role and engagement which has come from our many philanthropic and corporate supporters. Like the team who turn the wheels and help make the performing arts happen in our performance spaces, they have also been impacted by these extraordinary circumstances, yet they have embraced our journey and continued to show passion and support for what we do for the community.

I also acknowledge the continued passion of my fellow Trustees who have all stood shoulder to shoulder with the organisation through these troubled times. During the year, Andrew Myer AM and Nora Scheinkestel stepped down from the Trust after many years of dedication and support. I thank them for their contribution and very much look forward to working further with Andrew in his continuing role with the Arts Centre Melbourne Foundation; thank you Andrew.

The dedication and determination of Claire Spencer in her role as Chief Executive Officer to ensure the wellbeing of the organisation and its many team members continues to reflect her outstanding leadership alongside her hard-working Executive team. The future might look different, but by all accounts, it is assured. So many people who work at the Arts Centre Melbourne give everything for the Arts.

A handwritten signature in dark ink, appearing to read 'Ian Carson', written in a cursive style.

Mr Ian Carson AM
President
Victorian Arts Centre Trust

Chief Executive Officer's Report



This past year has been a truly formative one for Arts Centre Melbourne as we manage the day-to-day connection to all our stakeholders alongside the complications and disruption created by the continued impacts of the COVID-19 pandemic. The immense scale of the pandemic's impact has enveloped us all.

Through the various periods of operating through closure, with our emphasis on digital experiences, or with our doors open and performance spaces welcoming artists and audiences back to experience live performance, Arts Centre Melbourne has maintained the strong foundation of our values: Leadership, Community, Care More and Creativity. A fifth value, Equity, was added during the year, reflecting results from extensive community consultation and transformation of our organisation plan.

Our interim Response and Recovery Plan allowed us to successfully adapt how we operated across all areas of the business as we developed new ways of working. The next stage of this organisation plan, *Transition21* was launched in June and will take the organisation through to the end of June 2022.

Transition21 has been influenced and informed by important themes emerging from internal and external performing arts sector consultations conducted at the end of 2020. These consultations provided powerful foundations to our future and the development of *Transition21*. This new plan will support Arts Centre Melbourne's sustainability in a period of continued disruption and rapid change by enabling us to look beyond ourselves to make sense of the forces shaping the future, to lead and strengthen Victoria's performing arts sector. We thank all those across the industry and community who have worked with us in this respect. See page 36.

Team

It has been an exhausting year for all Arts Centre Melbourne team members as they have shuffled their lives, physically and mentally, to keep alive the spirit of live performance across our community. It has been an extraordinary effort and I cannot thank them enough – not just for their hard work but for the kindness and support they have shown for one another.

To help understand how the team felt during these unsettling times we increased the regular internal pulse surveys to quarterly, with the last for the reporting year attracting more than 370 candid and constructive comments.

89% of survey respondents told us in the December Pulse Check that they would want to continue to work from home in some capacity, after having worked almost completely remotely during the COVID-19 lockdowns.

These important surveys provide feedback which informs future direction of the organisation. Recent feedback has resulted in increased focus on equity and inclusion (as reflected in *Transition21*) as well as a stronger emphasis on retrospective reviews of important projects such as the Return on OnSite work strategy and our New Ways of Working strategy - recognising the need for an ongoing hybrid working modelling to meet changing COVID-19 restrictions and to support the safety and wellbeing of team members - and the *Live at The Bowl* season so that future projects can be better informed.

Connecting Artists and Audiences

Through the support of the Victorian Government we were able to reconfigure the Sidney Myer Music Bowl for a COVIDSafe experience and a diverse *Live at The Bowl* season. For many, it was a saving grace in their COVID-impacted lives, bringing together artists and audiences over several months. It was a Herculean effort by everyone concerned and much appreciated by a community starved of live performance. See page 44.

While our indoor venues remained closed for much of the year, we continued to connect with audiences through the *Together With You* online program utilising live performances streamed into audience living rooms, and tapping into elements of the Australian Performing Arts Collection and the Australian Music Vault, reaching more than 13 million people.

As restrictions eased we were able to focus more on bringing artists and audiences together in our traditional performance spaces and our venues once again were lit up with energy and atmosphere.

The completion of the landmark State Theatre flying system project can be labelled a momentous success for both artists and audiences. It was a complex project achieved with precision and completed in time for the return of performance in May. See page 50.

Performing Arts Industry

The turmoil of the past 12 months has continued to have a major impact on the arts industry. The significant lead provided by our peak body Live Performance Australia has helped ensure the best possible environment for us all, in what can be best described as exhausting and extremely complex circumstances. We thank them for their support, encouragement and oversight.

Much of the live music industry continues to feel the impacts of the pandemic restrictions but to help ensure the future of

the sector we were pleased to support more than 1200 artists and 100 venues across Victoria create new works and performances as part of a commitment to the Music for Victoria Fund. See page 16.

Throughout the year, the Arts Wellbeing Collective played a major role in helping the arts industry deal with the impact of COVID-19. It has been a momentous time for this important facet of our industry support. We developed the Arts Wellbeing Collective well in advance of the COVID-19 pandemic and our pre-pandemic experience has helped us expand our support considerably. See page 32.

Donors and Partners

It goes without saying that we are ever grateful for the continued philanthropic support from individuals, trusts and the business community for Arts Centre Melbourne and all our programs, be they delivered on stages to live audiences, or through the technical wizardry of online presentations. So much of what we do could not happen without them. We thank them for their passion for what we can achieve together.

The success of our partnerships continues to be a mainstay of our activities and we acknowledge the continued connection we have to all our business partners through our common values and a passion for the performing arts.

Government

We have continued to work closely with the Victorian Government to ensure the best outcomes for the Arts Centre Melbourne community. We especially acknowledge the work done by the Minister for Creative Industries the Hon. Danny Pearson MP, and thank his predecessor the Hon. Martin Foley MP for the passion he gave to the arts sector during his tenure in the ministerial role and his on-going interest in our activities.

We also thank the City of Melbourne for their continued advocacy of our activities, especially their support during the *Live at The Bowl* season and the impressive David Greybeard activation overlooking the Yarra River.

Thanks

As always, the advisory groups which help support our activities around the Australian Music Vault and the Arts Wellbeing Collective provide a vital component in Arts Centre Melbourne's reach to broader audiences. During the extended *Live at The Bowl* season we were able to tap extensively into our contemporary music community through the Australian Music Vault, while the work delivered by the Arts Wellbeing Collective to support those impacted by restrictions during lockdown provided important tools for day-to-day survival.

We were saddened by the death of legendary music entrepreneur Michael Gudinski AM early in March. As a leader in Australia's contemporary music industry, Michael played a driving role in helping Arts Centre Melbourne establish the



Michael Gudinski AM (1952-2021).

Photo credit: Brian Purnell of Mushroom Creative House.

hugely popular Australian Music Vault. As a Founding Patron of the project, he was a passionate supporter of all our activities, his reach far and wide, including particular interest in the enduring talent of Archie Roach and through projects such as *Music from the Home Front*. He was a friend to many and his knowledge and expertise is sadly missed.

It has been a complex year for us all, and through the important support given by the Victorian Arts Centre Trust led expertly by Ian Carson AM as President, and the crucial role played by the Arts Centre Melbourne Foundation, led by Chair Andrew Myer AM, we have emerged a bit bruised but far from beaten.

Over the past year we have said goodbye to several team members who have given much to the industry but have now decided to move on, either to retirement or other opportunities. In particular, we thank Janine Barrant, a guiding light with the Australian Performing Arts Collection, and Ann Darby, a familiar and welcoming face for many in her role in Visitor Experience. Their decades of service have left an indelible mark on the industry.

Challenges have come in many forms for the team at Arts Centre Melbourne during the past year and the spirit they demonstrate for the continued delivery of our programs and our contribution to the Victorian community remains steadfast. I thank them for their dedication and support for everything Arts Centre Melbourne stands for.

A handwritten signature in cursive script that reads "Claire Spencer". The signature is written in dark ink on a light background.

Claire Spencer AM
Chief Executive Officer
Arts Centre Melbourne

Arts Centre Melbourne by numbers



4,358

number of donations
to The Recovery Fund

\$550,000

funds raised for
Music For Victoria



330

team members supported by
salary maintenance or casual
financial support under the
Victorian Government's Industrial
Relations Framework

\$78.5m

combined value
of the Collections

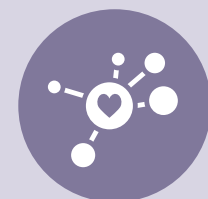


347

new acquisitions
to the collections

465

contributors to equity and
inclusion consultation



13 million

saw *Together With You*
content online.

\$27.26m

Live at The Bowl's contribution
to the Victorian economy





70

Live at The Bowl performances across 49 events



90

percentage of Arts Centre Melbourne's digital content that is captioned



11

number of control consoles used in the State Theatre flying system



49,476

approximate number of tickets refunded due to COVID-19 restrictions



1547

individual cancelled performances

97,843

people attended Live at The Bowl



3000m

amount of 6mm diameter steel wire rope used in the State Theatre flying system



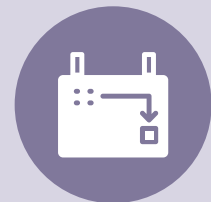
\$2,216,802.90

value of refunded tickets due to COVID-19 restrictions



37

shows/seasons rescheduled



Don't take our word for it!

On behalf of all of us at MSO, I wanted to express our appreciation for your support in navigating the delicate process of managing risk, commercial and artistic interests. Your dedication to working with us has enabled us to make significant changes in the way we have been operating, which will be of enormous benefit to our great orchestra. Along with the exceptional sense of partnership from the Presenters Team led by Glen Hirst, the MSO's return to concert-giving in recent months has been a consistent series of steps forward.

**GUY ROSS, CHIEF OPERATING OFFICER,
MELBOURNE SYMPHONY ORCHESTRA**

I would like to thank you and your incredible team at Arts Centre Melbourne for your support and partnership that enabled us to deliver what we could of RISING 2021.

While we are devastated that the festival could not run in its entirety, we are incredibly proud of what we achieved together in the short time we had. ... Please pass on our thanks to the team – we couldn't have done it without them.

KATH MAINLAND CBE, EXECUTIVE DIRECTOR/CO-CEO, RISING

The single most influential thing anyone has done in this industry.

**ARTS CENTRE MELBOURNE SECTOR
CONSULTATION PARTICIPANT, 2020**

Thank you for your donations – and for helping put shows like mine back on stage. Your gift isn't just supporting the people on stage, you're also helping the managers, production managers and people working in the venue too. You are helping a lot more people than perhaps you imagine.

**ALAN BROUGH, CREATOR OF CHARLIE AND THE WAR
AGAINST THE GRANNIES**

This is an imperative resource for all performers! For anyone involved in the performing arts industry, this podcast, 'House Lights Up' is a truly authentic, and valuable listen. I'll be recommending it to all.

**PERFORMING ARTIST, COMMENTING ABOUT
THE ARTS WELLBEING COLLECTIVE PROGRAM**

I was just beyond grateful to the Arts Wellbeing Collective and blown away by the extent of the care - the passionate care - the openness to discussing ideas and where those ideas might lead in terms of supporting as many artists as possible. To be able to support so many different artists at this time, it's an extraordinary thing. And then to reach all of the audience members in our wider community. The Arts Wellbeing Collective made that possible.

**ALEX RATHGEBER, PERFORMING ARTIST AND PRODUCER
OF SOUND MIND**

Thanks for taking such beautiful care of this very special team, and for making our beautiful audiences feel so welcome. Every staff member I interacted with was kind and thoughtful and encouraging. Thank you for a season that was, put simply: a dream come true.

MICHAEL LYNCH, PRODUCER, AND YVE BLAKE, CREATOR, FANGIRLS

It's such a privilege and a pleasure to work with an institution such as the Arts Centre who have such a powerful understanding of what we go through in the creative arts and to really be putting some solutions in place rather than continually talking about the problems. You show a path forward and provide a place for sanctuary and for advocacy, which is just valuable beyond words. The Arts Wellbeing Collective is so important, and your work in that space is invaluable for the arts community. I am not sure if you hear it enough, but it is something you should be incredibly proud of.

ARTS WELLBEING COLLECTIVE MEMBER ORGANISATION

That was a truly wonderful session and we have already had emails and messages from participants feeding back how helpful and useful that it was. Thank you again for your time and energy. You provided us with some really great advice that we will be using and distributing to our communities for years to come.

ARTS WELLBEING COLLECTIVE MEMBER ORGANISATION

Live at The Bowl

Packed with an absolutely cracking line-up that will start the year right

THE BRAG

The 2021 live music resurgence is well and truly underway with flagship Melbourne venue, the Sidney Myer Music Bowl, leading the way

MUSIC FEEDS

The success of the Live at The Bowl summer program has been outstanding

SOUTHBANK NEWS

A newfound destination for socially distanced entertainment

BROADSHEET

A shining light... there was so much that appealed to so many different sorts of music fans. It was a reenergising and rejuvenating thing for the Melbourne industry

HIT DIFFERENT

The way it kick started the local economy is massive! This is huge because it was the Victorian Government's first major initiative dedicated to live music. It meant that there were plenty of jobs created; it helped a lot of people in the sector

HIT DIFFERENT

Our stakeholders

Arts Centre Melbourne partners with those who share our values, passion for the performing arts and vision to enrich the lives of all Victorians. Without the support of our generous and committed philanthropic and partnership community, it would be impossible for us to deliver on our vision to bring people together for remarkable experiences.

This year has been marked by continued transformation and evolution in the ways we engage, work and partner with our donors, trusts and foundations, business partners and the Victorian, Australian and local governments.

Government

We would like to thank the Victorian and Australian Governments and City of Melbourne for supporting our business priorities during a very challenging and unprecedented year.

In particular we'd like to express our gratitude to the Victorian Government which generously invested \$5.7m in our *Live at The Bowl* program – a joint initiative of Arts Centre Melbourne and the Victorian Government.

This program of 70 ticketed and free performances over 4 months from January until May was critical to supporting the Victorian live performing sector, injecting an economic stimulus into the CBD economy and importantly providing Victorians with a reason to rediscover the joy of live and shared experiences.

Market research company IER undertook an independent evaluation of the economic impact of *Live at The Bowl*. Its key findings were beyond our expectations and demonstrated the power of live music to support economic and social recovery. See page 44. We're also thrilled the Victorian Government continued to invest in our skills and training enterprise Techconnect enabling us to help build performing arts production capabilities in regional Victoria.

We also welcome the Australian Government's investment in Asia TOPA's "virtual" Labs bringing together Australian and Asia Pacific artists to create new works through innovative collaboration and new ways of working whilst travel was brought to a halt during the pandemic.

Redeployment Opportunities Through Government Partnership

Our transferable skills were demonstrated to great effect during the pandemic, as we worked with government to provide front line and rapid response to the State's efforts in minimising the impact of COVID-19. Arts Centre Melbourne team members were redeployed to the Department of Jobs, Precincts and Regions, Department of Health & Human Services, and the Department of Justice and Community Safety.

We are grateful to the Victorian Government for supporting our team members through continued employment through what was a difficult time for the creative industries sector, and so proud of our team members for demonstrating the Arts Centre Melbourne values and work ethic to contribute to the State's efforts.

Some 66 team members (including many casuals) were redeployed to work in other areas of the Victorian Government during the pandemic. We thank them for their contribution and service to the broader community.



Charlie and the War Against the Grannies.
Photo credit: Mark Gambino

Philanthropy

The Arts Centre Melbourne philanthropic community provided extraordinary support over the past year, and were integral to sector recovery after the prolonged shutdown period. Philanthropic giving throughout F2021 supported our work in the five pillars of philanthropy:

- Access and Inclusion, including the First Call Fund (funding arts experiences for schools and communities needing support)
- Education, including Creative Learning and the Registered Training Organisation
- Arts Wellbeing Collective, supporting positive mental health for performing arts workers
- Commissions, including Sector Recovery after COVID-19
- Collections: conserving, digitising and exhibiting the Australian Performing Arts Collection and the Australian Music Vault.

Recovery Fund

Following the strong response to our Emergency Appeal to raise funds for the Arts Wellbeing Collective at the end of F2020, in November 2020 we moved our focus to sector recovery, and launched the Recovery Fund appeal. The Recovery Fund was established to breathe life back into the Arts by getting cancelled shows back on our stages and into the digital arena as quickly as possible, and to provide much needed employment opportunities for arts workers. The campaign proved to be our most successful fundraising campaign ever, receiving 4,358 donations and raising \$568 308. This total was further bolstered by a \$100 000 matched giving pledge from Major Donors. These funds supported ten shows during the hugely successful *Live at The Bowl* season. A further ten shows that were cancelled or postponed during the COVID-19 closure periods have received funding and will be presented in our theatres in 2021 and 2022.

The Recovery Fund put performing arts workers back to doing what they love. One of the artists helped was Alan Brough, the creator of the Families hit musical *Charlie and the War Against the Grannies*. Before the shutdown, Alan spent three years crafting the show. Days before opening night (March 2020) all performances were cancelled. Recovery Fund donations helped reassemble the cast and support its debut season in April 2021.

Music for Victoria

In March 2021, we partnered with a generous group of Melbourne business leaders, the Aussie Pops Orchestra and James Morrison AM to establish the Music for Victoria Fund. With the \$550,000 raised, artists and technicians were employed to stage a special Hamer Hall concert to launch a non-competitive grant program. Grants of \$2,000 each were given to venues all across Victoria to pay to artists or bands a performance fee. By June 2021, the Music for Victoria Fund had made possible 190 gigs and supported more than 1200 artists. Grants were paid to venues all across the state, from Brunswick and Beaumaris through to Wangaratta and Warrambool. As well as stimulating employment for musicians, the Music for Victoria fund has helped to revive the Victorian economy by bringing patrons back to pubs and clubs to experience the energy and joy of live music.

Arts Access For All

Arts Centre Melbourne donors dug deep during our tax time Arts Access appeal in May/June to help bring life-changing performing arts experience to children from disadvantaged communities. 2263 donors gave \$404,639 through the Appeal. With an additional \$175,000 in matched funding from major donors to support the appeal strategy, we raised a combined

total of \$579,639 to support our Access programs. These funds will be used over the coming year to cover the cost of tickets and transport for children from disadvantaged communities to visit Arts Centre Melbourne (the First Call Fund), provide free face-to-face schools workshops taught by performing artists to inspire the next generation of creatives and beam Victoria's best creative educators directly into classrooms to deliver arts learning online. This campaign also drew support from two generous major donors who made matched giving gifts of \$175,000 to support our Access program.

Arts Centre Melbourne Foundation

The Arts Centre Melbourne Foundation (the Foundation; page 54) was established by the Victorian Arts Centre Trust to provide practical support and actively participate in identifying and cultivating prospective supporters and raising funds in order to realise the Trust's philanthropic fundraising goals.

The Foundation continued to play a crucial role over the past year in supporting the work of Arts Centre Melbourne's team, by establishing relationships with existing and prospective individual donors and philanthropic funding bodies so that they could be sufficiently informed, educated and involved in the life of Arts Centre Melbourne, and to maintain and grow their support.



Music for Victoria launches at Hamer Hall.
Photo credit: Jayden Ostwald.

Music for Victoria. Thando and Belle sing Jill Scott and Lalah Hathaway at the Paris Cat Jazz Club.
Photo credit: Lachlan Hol.



Philanthropic Supporters

Philanthropy plays a critical role in extending the reach and impact of Arts Centre Melbourne's five philanthropic pillars: Access and Inclusion, Education, Commissions, Collections and the Arts Wellbeing Collective. We offer our heartfelt thanks to all our donors whose generosity, loyalty and commitment play a crucial role in supporting the performing arts.

Lifetime Benefactors

Those who have made landmark gifts to Arts Centre Melbourne.

The late Miss Betty Amsden AO, DSJ
The Clemenger Foundation
Mr Carrillo Gantner AC & Mrs Ziyin Gantner
The late Mrs Neilma Gantner
Mrs Diana Gibson AO
Mr Richard Pratt & Mrs Jeanne Pratt AC
Sidney Myer Fund
The Smorgon Family
The Estate of the late Kenneth Baillieu Myer AC, DSC

Major Supporters

Those who have given significant and sustained support to Arts Centre Melbourne.

Mr Richard Pratt & Mrs Jeanne Pratt AC
The late Miss Betty Amsden AO, DSJ
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Giving young disadvantaged Victorians the invaluable opportunity to experience the performing arts at Arts Centre Melbourne.

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Stage Left Gifts in Wills

Those who have made the visionary commitment of recognising Arts Centre Melbourne in their Will.

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There are many ways you can support Arts Centre Melbourne. To discuss becoming part of our community of supporters, please email donations@artscentremelbourne.com.au

Thank you

Every gift, large or small, has a lasting and important impact on the arts for all Victorians.

Corporate partners

Arts Centre Melbourne works strategically with our valued partners to deliver meaningful collaborations. COVID-19 disrupted the performing arts and challenged business-as-usual, however we continue to work collaboratively with partners to create social impact initiatives and work towards rebuilding a thriving arts and culture sector.

Arts Centre Melbourne is incredibly proud to continue working alongside our portfolio of business partners including PwC, MINI Australia, Singapore Airlines, JCDcaux and Mantra Southbank; and our strategic alliances include University of Melbourne, Australasian Performing Right Association (APRA), Australasian Mechanical Copyright Owners Society (AMCOS), Australian Recording Industry Association (ARIA), National Film and Sound Archive of Australia (NFSA), Nightlife and the Australian Broadcasting Corporation (ABC).

For the past three years we have enjoyed a productive partnership with our official Innovation Partner, PwC, and we were delighted the relationship will continue, successfully secured in a Memorandum of Understanding that commits both teams to working on the next iteration of the partnership beyond December 2021.

As part of *Live at The Bowl* we partnered with Melbourne's only Aboriginal and Torres Strait Islander radio station and digital platform, 3KND as media partner, while a partnership with the City of Melbourne enabled exciting programming initiatives for Melbourne Music Week – Extended.

In 2020, we partnered with Creative Partnerships Australia and Spark Strategy to conduct research on what the future of arts and business partnerships will look like, acknowledging shifts and accelerations as a result of COVID-19. The result is a paper which explores trends in the arts partnership space, and confirms Arts Centre Melbourne's approach to long-term, strategic partnerships that are multi-faceted, solutions focused and have social impact. This paper will act as a tool for the arts sector in developing partnerships based on mutual benefits and alignment of values between organisations.

As we move towards a post-pandemic era, strategic partnerships will be crucial in building sector capability, creating social change and driving innovation. Arts Centre Melbourne is poised to lead in this space, with increased focus, drive and passion. Our relationships with our partners have never been more important, and they will be right by our side as we reopen, and continue to deliver remarkable experiences for our shared communities.

Victoria is home to one of the world's most celebrated arts and cultural sectors in the world, and this industry will become even more important to our state as we recover from the COVID-19 pandemic.

The arts might have been hit particularly hard by the pandemic, but it hasn't dented Victoria's reputation as an international leader - and nor has it stopped the thousands of Victorians who, together, give Victoria its reputation as a creative capital.

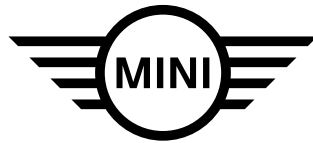
PwC Australia is proud to be the Innovation Partner of Arts Centre Melbourne - and we are determined to play our role in helping the sector recover - and ensuring the arts is a key driver of Victoria building back better.

PETER KONIDARIS, MANAGING PARTNER - MELBOURNE, PWC, ARTS CENTRE MELBOURNE INNOVATION PARTNER

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Year in Review



Hamer Hall concert platform expands to accommodate COVID-19 social distancing. Concept plan.

Respond and Operate

The *Respond and Operate* work streams dealt with a turbulent mix of ambiguity, complexity and elements of 'keeping the organisation ticking' during the periods of COVID-19 closure. The People, Statutory Obligations, Business Operations and Sustainability teams were often at the 'pointy end' of the crisis, when complex people, physical environment, legal and financial issues needed to be worked through. Immediate actions and planning, along with clear and frequent internal communication ensured we secured financial solvency, looked after our people and our treasured assets.

We lived our *Care More* value and supported our team members' wellbeing and development during the crisis, particularly once it became apparent that the closure of our venues would be extended. As COVID-19 restrictions eased, team members were supported to return to on-site work with confidence for several weeks, only to be faced with a further lockdown period towards the end of May.

Through our Statutory Obligations working group, we ensured that we continued to operate with strong governance and risk controls during the period of closure to re-opening. We supported the Trust to meet regularly to ensure a strong

oversighting of our operations and strategy. We revised our business continuity plans to take account of the COVID-19 closure and steps to re-opening.

Working collaboratively with Government, our Sustainability working group focused on our cash flow and ongoing solvency to ensure that we could continue to deliver impactful programming, maintain employment and support our suppliers. Additionally, the Sustainability group undertook a project to comprehensively review our levers of sustainability, which will be further developed and incorporated into the Transformation and Reimagining projects over the coming years.

Through our Business Operations working group, we continued to deliver the operational backbone of the organisation, including OHS, IT, Facilities and Finance, despite the challenges of working remotely, and our venues being closed for several months of the year. We secured our assets and maintained critical infrastructure and services, ensuring we were strongly positioned to return as restrictions eased. We successfully implemented a new contractor management system, to support safe working for all people who work in our venues, whether as contractors, artists, technicians, or volunteers.

Recover and Evolve

We developed and evolved our COVIDSafe & Wellbeing Plan, to ensure we placed physical and mental health as our priority in Opening Up.

We planned a phased opening of our venues, facilities and services over the summer and enabled the magic of live performance back to the Melbourne Arts Precinct. These

experiences ranged from our popular Protagonist Café, the gigantic David Greybeard installation outside Hamer Hall to *Live at The Bowl* – our biggest and most exciting Sidney Myer Music Bowl season ever. We were thrilled to welcome back our resident companies, artists and audiences to be together again – a return which was halted temporarily as a result of a two-week lockdown at the end of May when our doors were once again closed by further COVID-19 restrictions.



David Greybeard installation outside Hamer Hall.
Photo credit: John Gollings

Reimagine and Transform

We aimed to drive Arts Centre Melbourne's transformation by enabling adaptation and growth to remain relevant, distinct and sustainable for the people of Victoria. By working holistically across the organisation we have designed and established the foundations and capabilities needed to reimagine and transform, and to build a stronger more resilient sector. Our success is underpinned by lived values, evidence-based decision making and the principles of collaboration, equity, inclusion and diversity.

Our objectives are:

- Complete and progress foundations needed for Reimagining, including implementation of a new State Theatre flying system, a business case for redevelopment and critical maintenance projects.
- Kick start phase one, prepare and advocate for phase two of the Melbourne Arts Precinct Transformation project
- Develop and deliver initiatives and establish organisational readiness, including the ability to drive change and innovation needed to support transformation

- Enhance and support sector capability building through partnerships, knowledge-sharing and communicating our learnings

Transforming the Sidney Myer Music Bowl

Support from the Victorian Government to explore the future of the Sidney Myer Music Bowl has allowed Arts Centre Melbourne to appoint ARM as the architectural services lead. ARM are no strangers to Arts Centre Melbourne, having previously worked on our Hamer Hall redevelopment 2010-2012.

The team identified 6 key areas of focus for the future of the venue:

- multi-venue events landscape for contemporary Melbourne
- increased visibility – clearer paths of travel and sense of arrival, and link to the Melbourne Arts Precinct
- improved loading/logistic zone
- event-ready performance infrastructure
- improved food and beverage opportunities
- all-weather protection



Collaboration

Collaboration and partnership are at the core of what Arts Centre Melbourne does. Our varied and vast networks allow us to elevate voices, platform fantastic creatives and bring meaningful experiences to our audiences, staff and stakeholders. In F2020, our relationships with collaborators and partners were more crucial than ever, as we banded together in a time of shared difficulty and humanity.

These relationships, spanning tertiary education, not-for-profit, government, corporate enterprise and more, saw Arts Centre Melbourne bolster arts sector capability in response to COVID-19. Despite all odds, collaborations with valued partners garnered incredible results, including the inaugural *Live at The Bowl* season program, Arts Wellbeing Collective's 'Mental Health Matinees', Australian Music Vault's virtual reality project, content for the Victorian Government's *Together With You* platform and much more.

Project	Lead collaborators
Asia TOPA	
<i>Lu Yang - Delusional World Livestream</i>	ACMI, Exhibitionist Digital, Chronos Art Center (Shanghai)
<i>The Seen and Unseen</i> (Asia TOPA Documentary)	Performing Lines, Esplanade - Theatres on the Bay, with Fourcolours Films, Komunitas Bumi Bajra, Fraught Outfit, Komunitas Salihara
<i>Virtual Intimacy</i> (Asia TOPA Documentary)	Very Theatre, ActNow Theatre, National Theatre and Concert Hall, Taipei
<i>Samsara - Asia TOPA</i> (Asia TOPA Documentary)	Aakash Odedra Dance Company, Birmingham Hippodrome, Curve Leicester, Royal Ballet, Shanghai International Dance Centre, Theatre National de Chaillot
<i>Dragon Ladies Don't Weep</i> (Asia TOPA Documentary)	The SUBSTATION, Chamber Made, CultureLink Singapore
<i>The Planet - A Lament</i> (Asia TOPA Performance Footage)	Theater der Velt, Holland Festival, Prototype NY
<i>Metal</i> (Asia TOPA Performance Footage)	Lucy Guerin Inc, Ensemble Tikoro, Theatre de la Ville
Asia TOPA Virtual LABS: <i>Epoch Wars</i>	Pony Express, Performing Lines
Asia TOPA Virtual LABS: <i>Bedhaya</i>	Matthias Schack-Arnott, Garin Nugroho, Monica Lim, Rianto, Sage Arts
Asia TOPA Virtual LABS: <i>Lu Yang Delusional World</i>	Lu Yang, ACMI, Exhibitionist Digital, Chronos Art Center
Asia TOPA Virtual LABS: Teom Chen x Mat Spisbah Virtual Performance <i>Environment</i>	Teom Chen, Mat Spisbah
Asia TOPA Virtual LABS: <i>Betty Error Trip</i>	Betty Apple, Betty Grumble, Performing Lines
Asia TOPA Virtual LABS: <i>The Interpreters</i>	Nicola Gunn, Nobuko Aiso, Séverine Magois
Asia TOPA Virtual LABS: <i>Nina and the Wolf</i>	Hannie Rayson, Nina Wei
Asia TOPA Virtual LABS: <i>Facing the Sea 2.0</i>	Wang Chong, Mark Pritchard, Daniel Koerner, Théâtre du Rêve Expérimental and Gaming
Asia TOPA Virtual LABS: <i>Lovely People</i>	Griffin Theatre Company, Shahmen Suku, Declan Greene
Asia TOPA Virtual LABS: <i>The beginning is the end is the beginning is the end</i>	Five Arts Centre, Alternative Facts Pty Ltd, David Williams, Mark The, June Tan
Contemporary Programs - Contemporary Music	
Melbourne Music Bus Tour IV	Various artists
<i>Together With You - Vault Sessions</i>	Creative Victoria, Victoria Together
<i>Together With You - Big Night In - Series 1 & 2</i>	Aussie Pops Orchestra, Watch This Space Media, various artists
<i>Aussie Pops Orchestra New Year's Eve Extravaganza</i>	Aussie Pops Orchestra, Watch This Space Media, Channel10, various artists
Soju Gang Presents <i>SorBaes</i>	Penny Drop, Soju Gang
Sidney Myer Music Bowl <i>Unstaged</i>	Cypher Culture, Gondwana Choirs, Archie Roach, Midsumma

Archie Roach <i>Tell Me Why</i>	Play On Presents PL
Vika & Linda Bull	Premier Artists Pty Ltd
Government House "Thank You" Concert	Government House
<i>Rockwiz Really Good Friday</i>	Rockwiz/Renegade Pty Ltd
<i>Pasifix</i>	Gaba Musik, Turning World, Megafun
<i>Mo'Ju with Orchestra Victoria</i>	Orchestra Victoria and Village Sounds
<i>Vault Sessions - The Teskey Brothers with Orchestra Victoria</i>	Orchestra Victoria and Select Music
<i>Happy Mondays</i>	The Old Bar, The Tote, The Gasometer, The Curtin Hotel, Bar Oussou, Colour Nightclub, Northcote Social Club, The Evelyn Hotel, various artists
<i>Live At The Bowl Season</i>	Victorian Government, various artists
<i>Live At The Bowl Season Launch</i>	Djirri Djirri Dancers, Wurundjeri Land and Tribe Foundation, Boonwurrung Foundation, various artists
<i>Share the Spirit</i>	Songlines Aboriginal Music Organisation
<i>Blaktivism</i>	Gaba Musik, Turning World, Megafun
<i>Spinifex Gum</i>	Gondwana Choirs
Contemporary Programs - Families & Children	
<i>Together With You - A Not So Traditional Story</i>	Terrapin Puppet Theatre
The Umbrella Men	Thomas and Wells
<i>Together With You - Bambert's Book of Lost Stories</i>	Barking Gecko Theatre
<i>Together With You - The Listies Crash the Collection - Creative Development</i>	The Listies
<i>Together With You - Families Archival On Demand (A Simple Space by Gravity and Other Myths)</i>	Gravity and Other Myths
Born in a Taxi – Roving Performances	Born in a Taxi, Circus Oz, Midsumma
Teeny Tiny Stevies	Love Your Records
Justine Clarke, Jimmy Giggle, Dan Sultan and Pevan & Sarah - Moomba Weekend - <i>Live at the Bowl</i>	Live Nation Australasia, Born in a Taxi
<i>Charlie and the War Against the Grannies</i>	Honeymoon Fresh, CDP Kids, Melbourne International Comedy Festival
<i>Boats by Polyglot</i>	Polyglot Theatre
<i>The Lighthouse - Patch Theatre Company</i>	Patch Theatre Company
Contemporary Programs - Theatre & Contemporary Performance	
<i>F*ck Fabulous</i>	Yana Alana / Fat Fruit
<i>Together With You - The Kiln 2019 Online (recorded footage broadcast)</i>	Melbourne Fringe
<i>Together With You - Dear Australia</i>	Playwriting Australia
<i>Together With You - Take Over! At Home Residency Showing: Brian Lipson and Mark Wilson</i>	Melbourne Fringe
<i>Together With You - Take Over! At Home Residency Showing: Marcus Ian McKenzie</i>	Melbourne Fringe
<i>Together With You - Take Over! At Home Residency Showing: Karma Dance</i>	Melbourne Fringe
<i>Together With You - Take Over! At Home Residency Showing: David Williams</i>	Melbourne Fringe
<i>Together With You - Choose Your Own Variety with Ali McGregor</i>	Ali McGregor
<i>Together With You - Take Over! At Home Residency Showing: Joel Bray</i>	Melbourne Fringe
<i>Together With You - Take Over! At Home Residency Showing: Jonathan Homsey</i>	Melbourne Fringe
<i>Together With You - Take Over! At Home Residency Showing: Moira Finucane</i>	Melbourne Fringe
<i>Together With You - Take Over! At Home Residency Showing: Soreti Kadir</i>	Melbourne Fringe
<i>Together With You - Take Over! At Home Residency Showing: Kate Hood</i>	Melbourne Fringe
<i>Together With You - MULTI-HYPHO Podcast by Candy Bowers</i>	Candy Bowers, Bobbcreative.com, various artists
<i>Together With You - Take Over: Melbourne Fringe: Jonathan Homsey</i>	Melbourne Fringe
<i>Together With You - Take Over: Melbourne Fringe: Marcus Ian McKenzie</i>	Melbourne Fringe
<i>Takeover! 2020 Filming</i>	Melbourne Fringe
<i>Together With You - Take Over! Melbourne Fringe: Karma Dance</i>	Melbourne Fringe
<i>Together With You - Take Over! Melbourne Fringe: Soretti Kadir</i>	Melbourne Fringe

<i>Together With You - Take Over! Melbourne Fringe: Moria Finucane</i>	Melbourne Fringe
<i>Together With You - Take Over! Melbourne Fringe: Brian Lipson and Mark Wilson</i>	Melbourne Fringe
<i>Together With You - Take Over! Melbourne Fringe: David Williams</i>	Melbourne Fringe
FANGIRLS	Belvoir Theatre Company
YIRRAMBOI <i>Bighouse Dreaming</i>	YIRRAMBOI Festival, various artists
<i>Together With You - Jack Charles v The Crown</i> digital	VicNAIDOC, ILBIJERRI Theatre Company
<i>Rainbow Families Cabaret</i>	Midsumma, CircusOz, Born in a Taxi
<i>Gospel According to Paul</i>	Soft Tread Enterprises
<i>Miss Peony</i> - Pre-Production development investment	Belvoir Theatre Company
<i>Morning Melodies 2021 - En Pointe - The Australian Ballet School</i>	The Australian Ballet School
Creative Engagement - Creative Learning	
<i>Stories in the Wall</i>	University of Melbourne, St Thomas Aquinas (Norlane), St Keiran's (Moe), Mallacoota P-12, Wooranna Park PS, Ardeer Sth PS
<i>Together With You</i> – Melbourne International Jazz Festival Career Development Panels	Melbourne International Jazz Festival
<i>Together With You</i> - 5x5x5 Composition Commission 2020	Various emerging artists
<i>Together With You</i> - New Slang x Vic Parliament Project	Parliament of Victoria; The Push
<i>Together With You</i> - The Channel - September School Holiday Workshops ONLINE	L2R Dance
Andy Griffiths Live Stream	Sydney Opera House
MESS Rehearsal	MESS
<i>Together With You</i> - Re Connect (Barpirdhila)	Barpirdhila Foundation
City Sessions Zoom Workshops - School Holidays	Cypher Culture, Signal (City of Melbourne)
AMV - Stories	RMIT
ABC Interviews - New Writers Collective	ABC
<i>Together With You - Slingsby by Request Emil and the Detectives</i>	Slingsby Theatre Company
<i>Skeggs & Ruby Fields</i>	The Push, Melbourne Music Week
Creative Engagement - Access and Inclusion	
<i>Together With You</i> - Dance It Out	Rawcus
YIRRAMBOI <i>History Salon: Celebrating 30 Years of ILBIJERRI</i>	ILBIJERRI Theatre Company & YIRRAMBOI Festival
<i>Queering The Collection</i>	All the Queen's Men and the Australian Queer Archives
Audio Described Shows	Description Victoria, Vision Australia
Access Consultation - Website	Description Victoria
Captioned Shows and Events	Rev.com, Red Bee, The Captioning Studio
Auslan show - families, schools and general public	Auslan Stage Left
Relaxed Performances - general public and families	CDP Theatre Productions, Alan Brough and Sarah Kriegler
Creative Development (inclusive theatre)	Polyglot Theatre, Oily Cart, ArtPlay
Community Partner Program (First Call Fund community)	La Mama Theatre, Pinarc Disability Support, ArtPlay, Kid's Own Publishing, Arena Theatre, Banksia Gardens Community Services, MOIRA, St Jude's Anglican Church rEcess respite Programme, Asperger's Victoria, The Huddle, Asking for Trouble Theatre, Platformarts, Music with Mates, Queen Victoria Women's Centre, L2R, Pacific Island Creative Arts Australia.
<i>Alter State</i> - pre-festival year	Arts Access Victoria, Arts Access Australia, Polyglot Theatre, Oily Cart, Metro Tunnel, ArtPlay, Women's Circus
Creative Engagement - Public Realm	
<i>Me and UooUoo: The Royal Children's Hospital 150 Anniversary Art Trail</i>	Royal Children's Hospital and Blu Event Productions
Child of Now: creative development	Robert Walton and University of Melbourne
Public Realm co-commission	Metro Tunnel Creative Program
YIRRAMBOI - <i>Yulendji</i>	YIRRAMBOI Festival and Boon Wurrung Foundation
<i>Ancestral Memory</i>	RISING

Creative Engagement - Schools	
<i>Puppetmasters</i>	Iris Radovic
<i>Together With You – Jack Charles versus The Crown - Student Q&A</i>	ILBIJERRI
<i>Together With You - Emil and the Detectives (Slingsby) Schools Only</i>	Slingsby Theatre Company
Top Class Drama and Theatre Studies 2021: On-demand Video Stream	Victorian Curriculum and Assessment Authority
Use Your Words - teaching artist in schools pilot	Candy Bowers, N'Fa Jones & Sukhjit Kaur Khalsa
Creative Engagement - Young Connectors	
<i>Together With You - Future Echoes 2019 Podcast</i>	Digital Writers Festival
<i>City Sessions – Live at the Bowl</i>	Cypher Culture, SIGNAL, Brothers in Arms, Burn City Krump, L2R Dance, Burn City Waack, House of Devine and Jungle City Studios
Australian Music Vault and Collections	
<i>Steri-Live</i> . Online project - youth engagement	Victorian Government, The Push
<i>Framing the Stage</i> . Online exhibition developed in collaboration with a creative practitioner (photographer -Jeff Busby)	Jeff Busby
<i>Banding Together</i> - Australian Music Vault online project. Interview series of COVID-19 impact on music industry	Creative Victoria, music industry
<i>Banding Together: Highway to Hope</i> - Australian Music Vault online project. Interview series of COVID-19 impact on music industry	Creative Victoria, music industry
<i>Drawn to Dance</i> - Online exhibition developed in collaboration with David McAllister and The Australian Ballet	The Australian Ballet
Australian Music Vault x RMIT – Music Writing & Criticism 101. Online project	RMIT
<i>Stranger Than Kindness</i> exhibition, Denmark	Royal Danish Library and Nick Cave Productions
Deakin University and Arts Centre Melbourne Virtual Reality project	Deakin University
Open House Melbourne 2020 - shared Collections digital content for virtual weekend.	Open House Melbourne
Gender Equality	
Gender Equality Action Plan 2021	ACMI, Music Victoria, Fed Square
Philanthropy	
Fundraising and Philanthropy knowledge sharing including Policy samples	Geelong Performing Arts Centre, State Library of Victoria
Fundraising Campaigns	Various
Registered Training Organisation	
Provide the wider concert crewing industry with Worksafe Vic accredited safety training for out of work roadies	Crew Care
COVID Safety Training and Production Staff Training	Frankston Performing Arts Centre, Geelong Performing Arts Centre, and various Victorian Performing Arts Centre organisations
Reimagining	
A new arts precinct.	MAPT Group, Development Victoria, Creative Victoria, National Gallery of Victoria, Snohetta, NH Architecture
Team	
Team Member redeployment under COVID-19 Industrial Relations Framework	Department of Jobs Precincts and Regions, Department of Health Department of Justice and Community Safety, Creative Victoria
Team Member employment opportunities	Melbourne Convention and Exhibition Centre
Arts Wellbeing Collective	
Arts Wellbeing Collective	ACMI, Geelong Arts Centre, Film Victoria, Melbourne Recital Centre, Malthouse Theatre, Victorian Association of Performing Arts Centres and many, many more
<i>Hopefully</i>	Maker Productions, Hansen Management, Williamson Management, The Little Red Company, Sugar Hope Records, The Australian Ballet, Essential Theatre, Working Dog Productions, Apple Pie Advertising, Sass Concepts, Workshop Creative, Beaver Touring

Arts Wellbeing Collective program: <i>Mental Health Matinees</i>	Australian Institute for Human Wellness, Sage Psychology, Why Discovery, Reality Based Mindfulness, Notable Values, A Stronger Narrative, Wayapa Wuurrk, Talking Emotions
Arts Wellbeing Collective program: <i>Spotlight Magazine</i>	Freelance writers
Arts Wellbeing Collective program: Support Act Wellbeing Helpline	Support Act
Arts Wellbeing Collective program: <i>House Lights Up</i>	Independent artists and arts workers
Arts Wellbeing Collective program: <i>Power Up!</i>	Fog Theatre Ensemble, Vitae Veritas, Kate Geck
Arts Wellbeing Collective workshops, training and consultation offers	Multiple member organisations
Strategic Partnerships and Alliances	
Innovation Partner	PwC
Vision Partners	MINI Australia, Singapore Airlines
Supporting Partners	JCDecaux, Mantra Southbank
Strategic Alliances	University of Melbourne, ABC, Australian Performing Right Association, Australasian Mechanical Copyright Owners Society, Australian Recording Industry Association, National Film and Sound Archive of Australia, Nightlife
Collaboration and partnership – <i>Live at The Bowl</i>	3KND

The role of the Arts Wellbeing Collective during COVID-19

COVID-19 exacerbated the mental health and wellbeing challenges faced by performing arts workers, and highlighted several sector-wide systemic problems. The Arts Wellbeing Collective needed to not only to respond to the unique challenges faced by the performing arts industry at this time, but to also rebuild a resilient, strengthened sector.

In 2020, a philanthropic campaign sought funding to fast-track initiatives and ensure the program's capacity to respond to the impact of COVID-19 on the performing arts industry. More than \$700,000 was raised. In March 2021, Arts Centre Melbourne was honoured to be the recipient of two awards in the Fundraising Institute Australia (FIA) annual National Awards for Excellence in

Fundraising. From the 173 entries judged this year, our 2020 *Arts Wellbeing Collective COVID-19 Crisis Appeal*, won both the "Best Pivot or Initiative Award" and the "Principal Award – Most Outstanding Fundraising Project". The Awards are testament to the hard work of the many people across the organisation who worked together during lockdown to raise much needed funds to support mental health and wellbeing for performing arts workers.

During the year it was also heartwarming to have received an incredibly generous contribution from Gandel Philanthropy to the Arts Wellbeing Collective - a \$75,000 donation in response to the impact of COVID-19 on the live performance industry.

2020 numbers in summary



Website visits **tripled** in March 2020 (compared March 2019)



Overall 2020 website visitation more than **doubled** on 2019



Subscribers to our electronic direct mail **doubled** between February 2020 and February 2021



In less than 12 months (July 2020 – May 2021), **80 new members** signed on



In 2020 we accelerated delivery of resources, programs and services across three key focus areas that support our purpose;

1. *Being Well in the performing arts industry: Looking after yourself and supporting others* – building knowledge and skills in individuals through workshops, tool kits, resources, and support, tailored to the unique workplace context of the performing arts industry.

The 2020-21 initiatives that support *Being Well*:

- Design and delivery of workshops to develop mental health literacy.
- Delivery of tailored Mental Health First Aid training, including Youth and Aboriginal and Torres Strait Islander Mental Health First Aid.
- Continuing to work with Support Act to deliver three dedicated helplines for people working in the performing arts industry.
- Commissioning *Mental Health Matinéés*, a series of on-demand webinars addressing pertinent topics in the performing arts industry.
- Commissioning series 2 of *House Lights Up*, a podcast series that explores the challenges of working in the performing arts, and strategies for overcoming them.
- Commissioning additional meditations specifically designed for performing arts practitioners.
- Commissioning the inaugural *Sound Mind*, a brand-new series of music and conversation exploring mental health and the performing arts.

2. *Working Well in the performing arts industry: Creating mentally healthy workplaces* - developing organisational capacity for psychosocial safety through consultancy frameworks, how-to guides, organisational psychological safety assessments, vision planning, and change journey mapping.

The 2020-21 initiatives that support *Working Well*:

- Increasing the member base to over 400 member organisations, each of whom has made a commitment to promoting positive mental health and wellbeing in the performing arts industry.
- Supporting a number of member organisations to develop strategic action plans to promote positive mental health and wellbeing in their organisations
- Design and delivery of the Creating Mentally Healthy Workplaces Masterclass to assist arts and cultural organisations to examine organisational design in order to improve psychosocial safety and build thriving workplaces. Design and delivery of a Psychosocial Safety Framework: COVID-19 to help arts organisations and companies consider psychosocial safety as they navigate their productions, companies and organisations through the pandemic.
- 3. *Creating Change in the performing arts industry: Shaping our shared future together* - advocating for changed systems and structures by engaging with key sector stakeholders, informing systems level changes and sharing stories that inspire, empower and galvanise positive action.
- The 2020-21 initiatives for *Creating Change*:
- Contributing to the Royal Commission into Victoria's Mental Health System, including formal submissions, participation in a round table, and inclusion as a featured case study in the final report.
- Contributing to the National Mental Health Commission National Workplace Initiative as a featured case study.
- Design and delivery of edition 2 of *Spotlight* - the Arts Wellbeing Collective magazine, a collection of articles highlighting those who are promoting positive mental health and wellbeing in the performing arts industry.

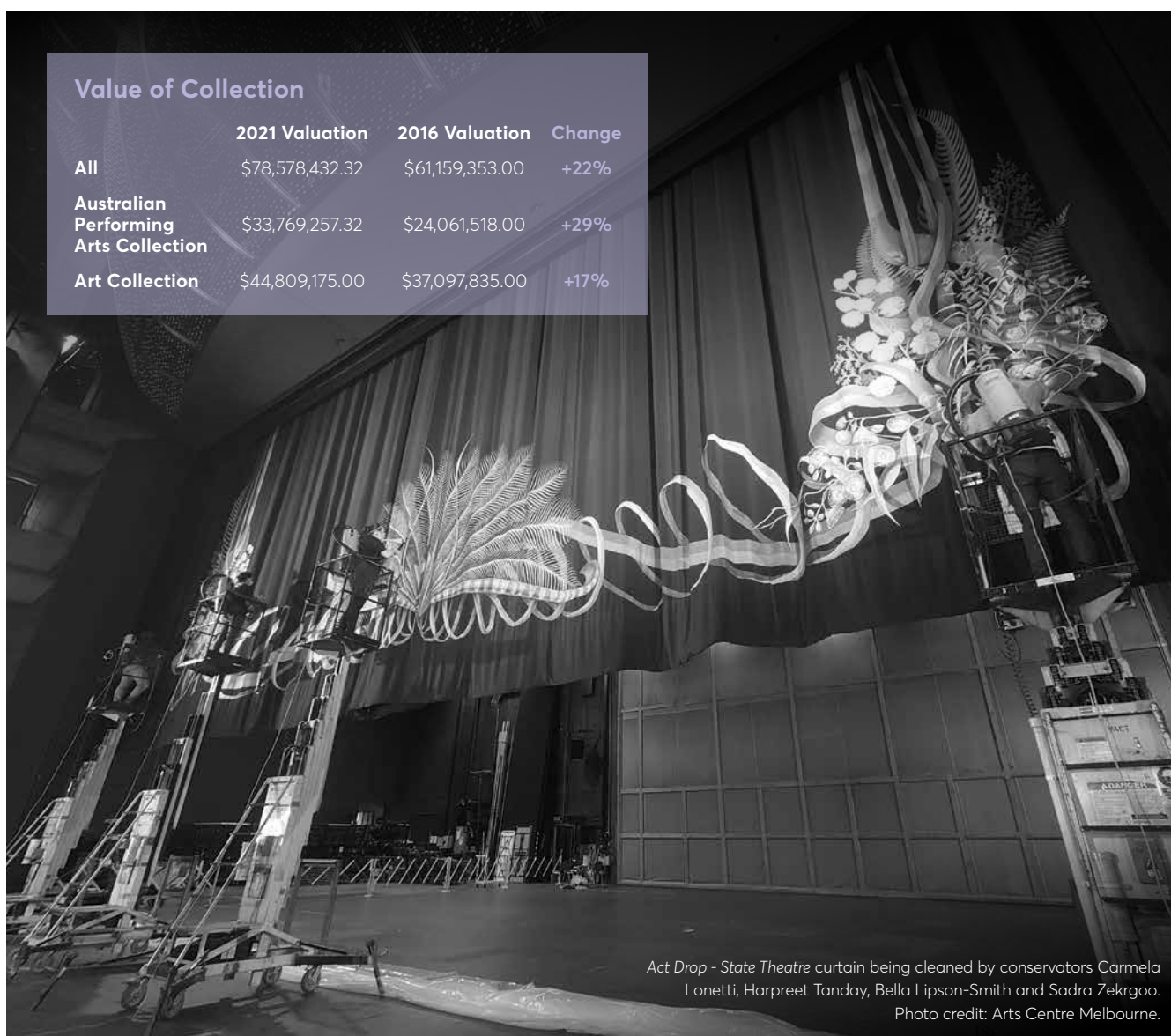
The State Collections

We continued to meet our statutory responsibilities to the Public Art Collection and the State Performing Arts Collection, including undertaking a legacy data project to ensure the digital preservation of fragile audio-visual items in the collection and completing a stocktake and valuation of both Collections. This valuation, directed by the Victorian Valuer General occurs every five years.

The support of current donors and bequests made by 'Stage Left' Gifts in Wills supporters has seen the Australian Performing Arts Collection go from strength to strength. Philanthropic support in F21 made possible Collections digitisation and online exhibitions, conservation of gowns in the Dame Joan Sutherland Collection, research and storytelling through the Frank Van Straten Fellowship and an exciting new exhibition storage project – APAC Reveal.

Value of Collection

	2021 Valuation	2016 Valuation	Change
All	\$78,578,432.32	\$61,159,353.00	+22%
Australian Performing Arts Collection	\$33,769,257.32	\$24,061,518.00	+29%
Art Collection	\$44,809,175.00	\$37,097,835.00	+17%



Act Drop - State Theatre curtain being cleaned by conservators Carmela Lonetti, Harpreet Tandy, Bella Lipson-Smith and Sadra Zekrgoo. Photo credit: Arts Centre Melbourne.

We continued to develop, document, maintain and make our Public Art and State Performing Arts Collections accessible in the following ways:



Number of new acquisitions:

347



Number of objects digitised:

1,653



Number of items accessed through the research service:

42,824



Number of objects registered:

1,927



Number of objects preserved:

833



Number of visitors to the Australian Music Vault:

5,569



Number of Australian Music Vault mixtapes downloaded:

652



Number of items copyright cleared:

479



Number of new holder records created:

1,967



Number of items undergoing conservation treatment:

248

Key Collection acquisitions were Craig Holmes' images of the iconic Pokey's drag show from the 1990s, and digital photographs documenting the COVID-19 shutdown and reopening of Australian performing arts venues, including Melbourne theatres and the Canberra Theatre Centre.

During the year we have also found time to increase documentation of the important assets associated with the Australian Performing Arts Collection and took the opportunity to clean items from the Visual Art Collection which have hung on foyer walls for nearly 40 years.

To coincide with the updated State Theatre flying system technology, the conservation team gave the State Theatre curtain a thorough clean, brush-vacuuuming the front to remove years of dust and freshen the rich, red velvet and subtle tonal variations in the design.

John Olsen's 'Largo al Factotum: tribute to Rossini', usually seen in the State Theatre foyer, left the Theatres Building for

the first time since it was installed in the 1980s, on loan for an exhibition about Olsen titled *Goya's Dog* at the National Art School in Sydney.

Frank Van Straten Fellowship

Together with You saw the commencement of the inaugural Frank Van Straten Fellowship - which brought to life the collection in a series of docu-drama podcasts and online exhibitions.

Dr Kate Rice explored a range of subjects to produce historical theatrical performances from items in the Australian Performing Arts Collection. Stories brought to life in "Performing the Past" a series of docu-drama podcasts include the 1919 Influenza Pandemic and the story of Marian Clarke's fight for performative copyright to her husband's work *For the Term of His Natural Life*. The Fellowship was extended to the end of June 2021 due to the closure of the collection in 2020.

Evolution of the Response and Recovery Plan to Transition21

More than 16 months ago a historic global event gained an unassailable momentum upon our lives, workplace and sector in both small and significant ways. At Arts Centre Melbourne, our collective determination, courage and care to navigate these times has been strong.

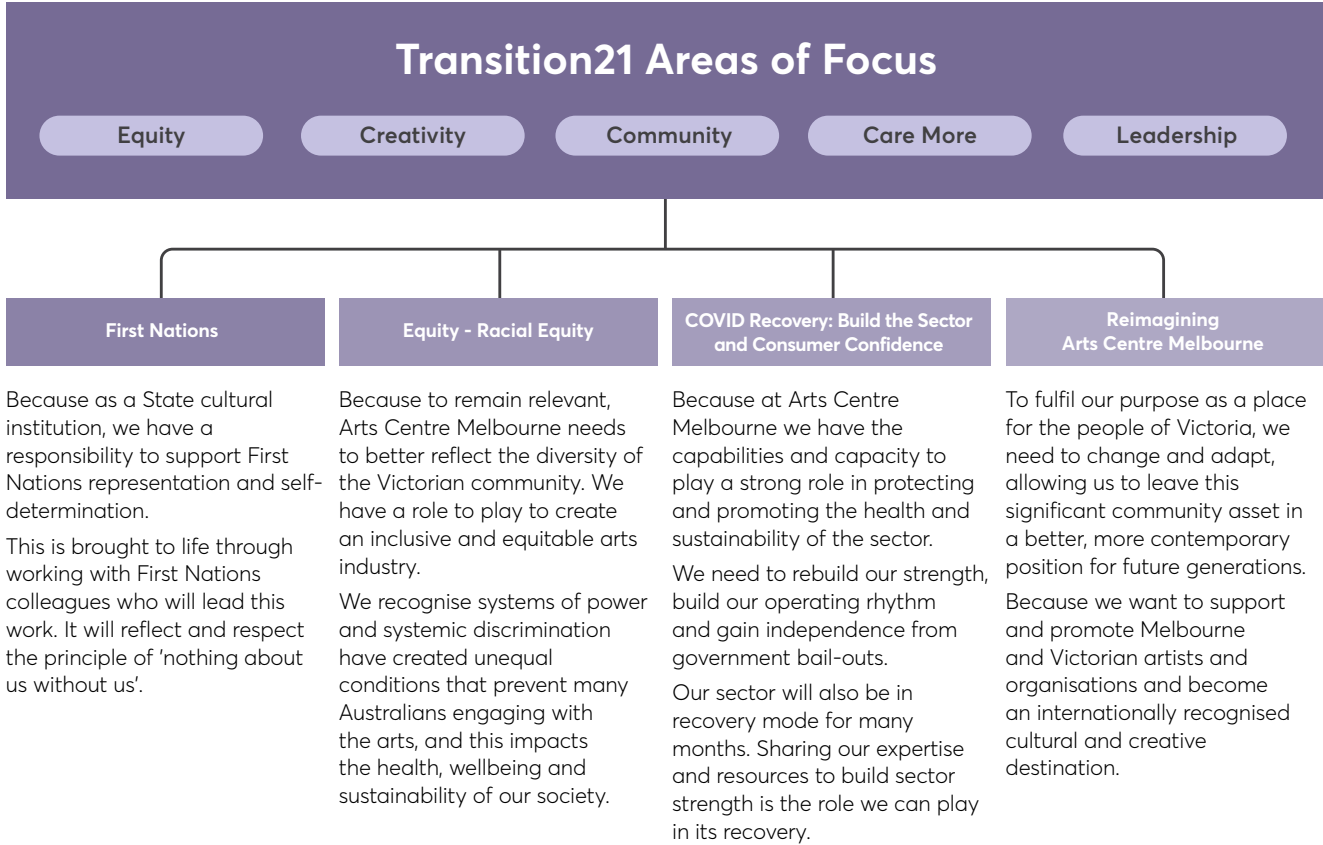
We've adapted and moved through the past year with flexibility and we have worked through complexities that required our best business acumen, creativity and communication.

And as we continue to move through the different stages of this pandemic, we need to apply the same attitude and approach to the next iteration of our plan. After the immediate steps were in place to deal with COVID-19 we recognised we were not just going to snap back, and that the recovery would be long – for Arts Centre Melbourne and for the sector. 2021 has continued

to demonstrate this with unfortunate consistency. To deal with constant change we needed to organise our work, and ways of working, to deal with the immediate response, prepare for opening, and begin the work to future-proof ourselves. This was the Response and Recovery Plan.

Now, after two iterations we are ready to move to the next stage: *Transition21*. This interim plan represents a moment in time: from June 2021 to June 2022.

This is a year of transition and focus where our goals are simple. We need to keep the lights on, keep the business running, and gain independence from Government bail-outs, while continuing to work on our future through Reimagining and Transforming Arts Centre Melbourne.



Focus areas of Transition21

First Nations

Our venues sit on the lands of the Kulin nations and we are dedicated to the processes of listening and healing as we work towards a future where indigenous culture is front and centre.

In reflecting this direction we continue to provide spaces for people from First Nations communities to create, share and inspire, working alongside and learning from Aboriginal people.

As part of YIRRAMBOI, a premier First Nations arts and cultural festival in Melbourne, Arts Centre Melbourne co-presented several works including Declan Furber Gillick's award-winning *Bighouse Dreaming*; *Yulendj*, an audio exploration of the past, present and future of the ancient and evolving Birrarung-marr (Yarra River); and a celebration of 30 Years of ILBIJERRI Theatre Company, as part of a very special *History Salon*.

At the start of the festival a Welcome to Country by N'Arweet Carolyn Briggs (Boon Wurrung) and Auntie Diane Kerr (Wurundjeri), and a Smoking Ceremony conducted by Jaeden Williams (Boon

Wurrung) and Melissa Kerr (Wurundjeri), began on the Theatres Forecourt and then moved through the Theatres Building.

For *Rising Festival*, Maree Clarke and Mitch Mahoney's *Ancestral Memory* brought spirit eels across the façade of Hamer Hall in a spectacular night time projection display.

As part of Arts Centre Melbourne's *Together With You* digital program, we recorded and broadcast a series of Vault Sessions from an empty Hamer Hall, including Indie singer-songwriter Alice Skye and hip hop artist Ziggy Ramo's *Black Thoughts*. The Vault Sessions returned to live performances at the Bowl for a unique collaboration between Mo'Ju and Orchestra Victoria.

For the Australian Music Vault, an epic First Nations playlist *SouReign Sounds* (including 85 tracks from more than 80 First Nations artists from across Australia) was curated by Yorta Yorta musician and composer Allara Briggs Paterson.

First Nations program highlights in the *Live at The Bowl* season are out lined on page 44.



A smoking ceremony heralds the start of YIRRAMBOI, a premier First Nations arts and cultural festival.
Photo credit: Arts Centre Melbourne.



Mo'Ju joined Orchestra Victoria as part of *Live at The Bowl*.
Photo credit: James Henry.

Equity and Inclusion

September 2020 was the start of an extensive consultation period with Government, Industry, Community and Partners as part of Arts Centre Melbourne's transformation journey. It was clear from the collective voices from the consultations that Arts Centre Melbourne has an important role to play to reflect the community in our State and that to remain relevant we must lead the way toward a more inclusive, and equitable arts industry.

To be in a position to lead this change successfully, Arts Centre Melbourne conducted an Equity and Inclusion 360 Review that drew on the insight, experience and expertise of over 465 contributors across our internal and external stakeholders to better understand Arts Centre Melbourne's current state of maturity and readiness in relation to diversity, equity, inclusion and justice.

The outcomes and insights from our consultations and research confirmed that to be relevant and sustainable, we must ensure equity and inclusion underpins the way in which we deliver our core functions and interact with those around us.

Arts Centre Melbourne is committed to fostering a culture of equity and inclusion that enables the people of Victoria to access, participate and to feel a sense of belonging when interacting with our organisation, in any capacity both on and off our stages.

COVID-19 Recovery

At Arts Centre Melbourne we have the capacity and capability to play a strong role to protect and promote the health and sustainability of the live performance sector in Melbourne and Victoria.

This is particularly important as our sector seeks to recover and rebuild from an extended period of closure.

In addition to supporting the sector, we are also focused on our own COVID-19 recovery. We seek to rebuild our strength, re-establish our operating rhythm and return to financial sustainability without the need for crisis funding from Government.

We have seen a great number of achievements in these areas during this year.

In the second half of the year we successfully re-opened all our venues in a COVIDSafe way, commencing with *Live at The Bowl* in January, and were delighted to welcome back audiences. However lockdown interruptions continued to take their toll on continuity. From March to 28 May all our indoor venues opened with limited capacity before being forced to close again until 10 June, when the Theatres Building reopened for just 28 days before closing its doors again on 16 July.

We have continued to invest in the capacity and capability of our sector through our production department as part of our status as a Registered Training Organisation.



Opera Australia made it back to Melbourne and the State Theatre.



Concept drawing, Arts Centre Melbourne public realm.

Reimagining Arts Centre Melbourne

In November 2020, the Victorian Government announced a \$1.4 billion commitment to the Melbourne Arts Precinct Transformation (MAPT), the biggest cultural infrastructure project in Australia that will transform Melbourne's creative precinct, creating jobs and establishing a new public realm and creative spaces in the heart of Melbourne.

This city-shaping project will be delivered across two phases and includes: a refurbishment of Arts Centre Melbourne's Theatres Building; the addition of a fourth Arts Centre Melbourne campus at 1 City Road; 18,000m² of new public realm; and the construction of a new gallery of contemporary art.

The Phase 1 funding commitment kicks-off detailed design and planning for construction on the MAPT along with the first stages of early works and upgrades at Arts Centre Melbourne in the Theatres Building, enabling other elements such as the public realm to be delivered as well as the introduction of shared services infrastructure to support the operations of the precinct and its venues.

The creation of the new public realm will also provide significant opportunity to reimagine our outdoor offering and how the community can interact and enjoy the space. The new public garden will also allow Arts Centre Melbourne to elevate the importance of some significant works in our art collection, including the heritage listed Inga King sculpture, *Forward*

Surge, and create a new setting and benchmark for outdoor performances, installations and activation.

The second phase of the project includes a new Centre for Creativity. The Centre will be run by Arts Centre Melbourne with spaces and facilities for Victoria's small to medium and independent arts sector, a new performing arts gallery and an expanded Australian Music Vault.

The Victorian Government also provided additional funding to Arts Centre Melbourne to help address critical infrastructure challenges facing the 36-year-old Theatres building. The funding will address maintenance in the short term, as we ready the building for its refurbishment.

Reimagining Arts Centre Melbourne is a once in a generation opportunity to ensure the publicly-owned cultural facilities are accessible and enjoyed by Victorians in the years to come.

Melbourne Arts Precinct Transformation

We were excited to hear that the Victorian Government has created a single entity to deliver the Melbourne Arts Precinct Transformation, including Reimagining Arts Centre Melbourne.

The Melbourne Arts Precinct Corporation (MAP Co) will assume responsibility for the operation of Federation Square and the new 18,000 square metre immersive public garden to be delivered as part of the Melbourne Arts Precinct Transformation.

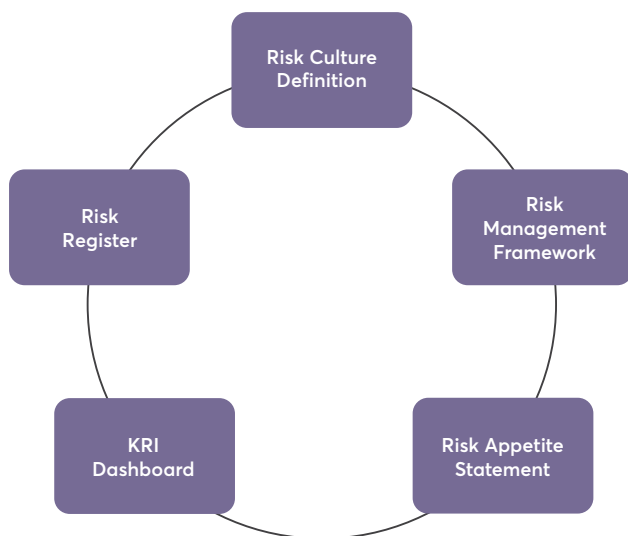
This will create a single, seamlessly connected arts, cultural and civic precinct, stretching across both sides of the river.

Risk Management at Arts Centre Melbourne

The formal definition of risk – “The effect of uncertainty on objectives” – could not be more pronounced than during 2020-21. The key to effective risk management in practice is being able to keep a strong future-focussed eye on any changes to both the internal and the external environment, and to adapt to any uncertainties and changes. There are seldom years with as significant events and changes in the external environment, and to that end Arts Centre Melbourne’s has been actively ensuring the all aspects of its risk management activity have been responsive to these, especially in regards to the global pandemic.

Effective Risk Management is imperative in protecting and creating value for the organisation by being an enabler to the organisation’s strategy and corporate plans and assisting with risk intelligent decision making. Arts Centre Melbourne is aiming to establish a risk intelligent culture.

Risk management at Arts Centre Melbourne is performed in accordance with the AS/NZS 31000 – Risk Management standard, the Victorian Government’s Risk Management Framework and the Standing Directions 2018 under the *Financial Management Act 1994*. The diagram below depicts the key elements that drive Risk Management at Arts Centre Melbourne towards a risk intelligent culture.



A critical review of Arts Centre Melbourne’s Risk Appetite Statements has been undertaken during F2021, with a particular focus on how this changing context effects our risk appetite. These statements cover key business areas including customer service, safety and health, service delivery, service disruption, governance and conduct, political and reputational, financial, human resources, information systems and technology, innovation and impact, and venue yield.

The statements guide our strategic decision making, and the key risk indicators dashboard is used to monitor our risk appetite and alert the Risk Management and Audit Committee and the Trust when business performance is at risk of moving outside agreed parameters.

To support this, the Strategic Risk Register has been closely monitored and updated to enable both our response and recovery and the Corporate Plan, with risks being actively managed across all three pillars of the COVID-19 Response and Recovery Plan. COVID Safety has been a strong focus for the year.

More broadly, Arts Centre Melbourne continues to embed risk management principles and practices into every aspect of our organisational culture and decision-making processes including governance and accountability arrangements, systems and processes, planning, reporting, performance review, change management, partnerships and event planning.

Quarterly risk reports are provided to the Trust’s Risk Management and Audit Committee and Creative Victoria.

Arts Centre Melbourne continues to conduct self-evaluations of its progress towards a mature risk management environment and risk intelligent culture, providing further opportunities to embed an effective risk culture across the whole organisation. This focus will continue into F2022.

Report of Operations 2020-21 Focus Areas

Digital Experiences

In response to the venue closure and live experience disruption due to COVID-19, Arts Centre Melbourne created *Together With You*, a program of online experiences for audiences. Since July the program has reached^[1] more than 13 million people who have seen the content campaign across our channels, and has engaged^[2] nearly 1.5 million people who have liked, commented or shared our content, in addition to 136,702 video views^[3] on YouTube.

With the focus areas of equity and representation, connecting audiences, small-to-medium and independent sector, and "in partnership", *Together With You* offered live streamed performances, archival show content, facilitated virtual classes, on-demand workshops, innovative digital adventures, creative development performances, blog posts, playlists, podcasts, creative activities, online exhibitions and panel discussions.

Highlights across the period include exclusive online performance content, often delivered in partnership with key industry, sector, and government stakeholders. Such projects included the *Vic NAIDOC Week Concert 2020 'Always Was, Always Will Be'* (over 9,500 video views during the live stream); and the *Vault Sessions* series filmed in Hamer Hall, celebrating Australian artists and showcasing the breadth of the Australian Music Vault.

Sector partnerships included the reimagining of *Take Over!*, a commissioning project with Melbourne Fringe, presenting the new works solely online during the festival in September; a partnership with The Helpmann Awards to stream *Keeping the*

Curtain Up; and working with Victoria Together to extend the *Big Night In* series with John Foreman.

Arts Centre Melbourne further supported the industry by amplifying digital content through our channels to help increase audience reach and engagement, with projects such as Rawcus' *Dance It Out* (recent Green Room Award winner) and Melbourne Digital Concert Hall ticketed online performances.

Family-friendly online content included interactive theatre experience *Mountain Goat Mountain*, the stream of First Nations archival performance *A Not So Traditional Story*, Helpmann Award-winning production *Bambert's Book of Lost Stories*, Ali McGregor's fun show *Choose Your Own Variety for Families*, and a delayed stream of the Teeny Tiny Stevies sold-out *Live at The Bowl* concert.

Digital Experiences also delivered pilot revenue-generating paid models, such as Victorian Curriculum Assessment Authority *Top Acts* - a long-term hire partner. The 2021 partnership now includes a Creative Learning delayed stream offering for schools and communities who have been unable to purchase tickets to the live Playhouse performance due to restricted capacity and increased audience demand for hybrid content.

Another hybrid achievement was the *Share the Spirit Festival* on 26 January 2021. Delivered in partnership with Songlines Aboriginal Music Cooperation, and in collaboration with Federation Square, SBS and NITV, as well as Triple R, the event exceeded 59,000 views and reached 85,000 people with 3,000 engagements across partner channels.



Home residency, part of Take Over! a commissioning project with Melbourne Fringe. Screen shot from Joel Grey.



In July the Collections team further developed new ways of interpreting the digital content offer by launching *Grand*, an online exhibition exploring the Dame Joan Sutherland costumes in our Australian Performing Arts Collection. *Grand* was closely followed by *Drawn to Dance*, developed in collaboration with The Australian Ballet's former Artistic Director David McAllister, and *Framing the Stage*, developed in collaboration with one of Australia's leading performance photographers, Jeff Busby. The total visitation for the online exhibitions is at more than 20,000, with *Grand* achieving 11,977 page views, *Drawn to Dance* 4,588, and *Framing the Stage* 3,475.

In addition, a successful Performing Arts Heritage Network submission to the UNESCO Memory of the World register has allowed more than 3,000 J.C. Williamson Collection archives in our holdings to be added to the prestigious national J.C. Williamson Collection.

The Australian Music Vault responded to the challenges of COVID-19 by creating *Banding Together*, a series of videos capturing the impact of the pandemic by interviewing and sharing the stories of nearly 40 members of the music community.

In addition to video content, there was a focus on both written and audio storytelling. Over 50 blogs were shared on varying topics including Collection items, artist interviews and the venue history.

Digital Experiences has strengthened the Arts Centre Melbourne brand in the areas of access, inclusion and representation, reinforcing the organisation's strategy and principles of *Play the Right Role, Create for COVID-Normal, Focus on Audience, Distinctly Arts Centre Melbourne and High Impact*.

Creative Learning has continued to design and deliver tailored, often interactive, uniquely Arts Centre Melbourne online experiences. With a vision to 'support and facilitate creativity and creative learning in the arts for all ages and all communities', 23,492 students and school community participants have created, connected, shared, participated in and experienced transformative creative projects and inquiry based learning opportunities. Through our philanthropically supported First Call Fund Partner School program we are also able to ensure schools who would not usually be able to afford such experiences are provided the same opportunity to engage with the arts in a meaningful way.

Notes:

[1] Reach is the total number of people who have seen the campaign – they have viewed a social post, opened an enewsletter, visited the website content hub.

[2] Engagements indicates someone has interacted with our content – they have liked, commented, shared etc.

[3] Video views are measured through YouTube views of 30 seconds or more.

Live at The Bowl

When the Victorian Government announced its intention to provide the people of Victoria with a summer of hope and joy, returning live experiences to the community after the devastating impacts of COVID-19, we mobilised quickly to identify opportunities for the Sidney Myer Music Bowl to play a leading role and within days, we had a pitch into government for funding.

The vision for *Live at The Bowl* was to provide a creative, safe and uplifting space that reflected contemporary Victorian society, provided opportunities for artists to work, and engaged a breadth of our diverse community in an exciting festival – a signal of hope after extended periods of lockdown in our state. And it achieved that in spades.

The festival was designed to cater to diverse audiences and demographics, with performances and experiences curated to facilitate, recover and deepen our connections to the arts, to our city and to each other. We knew it was something we couldn't achieve on our own, and nor did we want it to be. This was an unprecedented opportunity to work with a range of partners from the commercial, not-for-profit and community sector to realise the vision and maximise the benefit to the live performance industry, and the Victorian community.

Live at The Bowl was a triumphant success in bringing people together with a strong sense of connection and shared celebration and returning to live performance. It represented

a landmark collaboration with the Victorian Government, the Melbourne Arts Precinct and the wider arts community.

A diverse arrange of events ran from mid-January until late April. Some of these were also live-streamed.

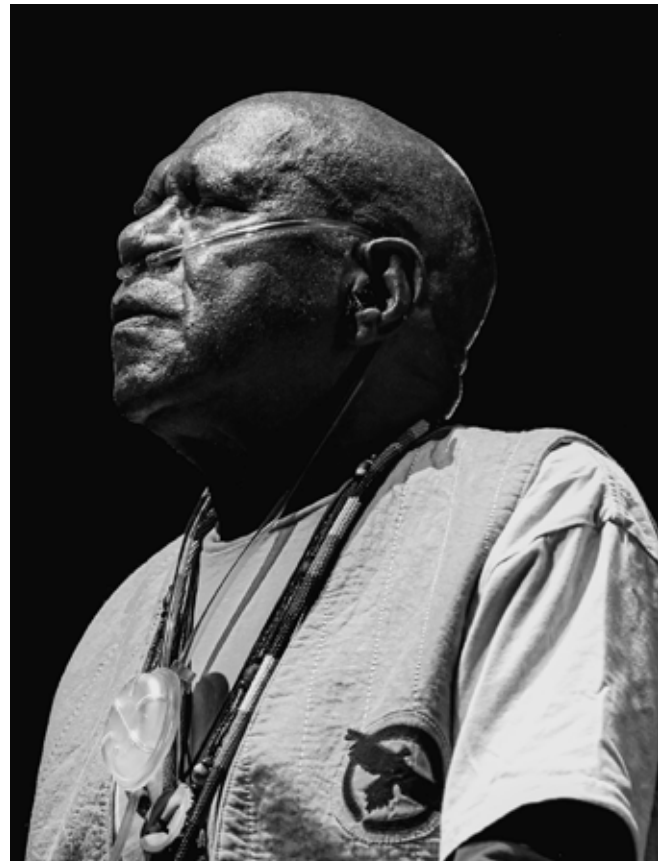
Highlights included:

- *PASIFIX* and *Blaktivism* – events highlighting Pacific Island and First Nations communities held on successive weekends as part of *Live at The Bowl*. *PASIFIX* was made possible by supporters of the Arts Centre Melbourne Recovery Fund and Asia TOPA. Gaba Musik and Turning World also received Australian Government funding to make a documentary about *PASIFIX* event.
- *No Friend But the Mountains* – a new symphonic song cycle composed by Luke Styles with lyrics from refugee Behrouz Boochani's award-winning novel, written from Manus Island while he was in detention. The performance, co-presented by Arts Centre Melbourne, featured Zelman Symphony Orchestra. The journey from page to stage featured in a two-part documentary screened on ABC television. As part of the presentation, we established a Refugee Commission Fund to create opportunities for artists with lived experience as a refugee or asylum seeker to create a live performance work. Thanks to the generous donations received, we will call for Expressions of Interest in the second half of 2021.

His final performance embodied his generosity of spirit to this country, his desire to heal his people and connect us all to this land.

THE AGE (commenting about Archie Roach's performance as part of *Live at The Bowl*).

Archie Roach appears in *Live at The Bowl*.
Photo credit: Lisa Businovski.



As the largest outdoor amphitheatre in Australia, health and safety were also at the forefront of transforming the Bowl into a COVIDSafe space. The main lawn of the Bowl was fitted with purpose-built private decks where every audience member had the best seat in the house, separated safely from others.

As part of the *Live at The Bowl* season, Arts Centre Melbourne formed a new media partnership with 3KND, Melbourne's first and only Aboriginal and Torres Strait Islander radio station and digital platform. We first worked with the 3KND radio team last year during Asia TOPA and when we hosted the Vic NAIDOC 2020 *Concert Always Was, Always Will Be*. The synergy between our two

organisations has continued to grow and through the unending support of the radio station's general manager Gerry "GMan" Lyons, we have developed an important First Nations focus which will be an important part of our future transformation and support cultural and social impact for the arts community and the wider Victorian community.

Our core objectives of *Live at The Bowl* were to: animate our city; invigorate the live performance sector; and bring joy to audiences. We were delighted that *Live at The Bowl* has met these objectives, and so much more.

Key outcomes

Reinvigorating the sector



A **\$27.26 million** contribution to the Victorian economy



Provided employment for more than **3,250** people, including artists and performers, arts workers and production crew, security personnel, cleaners, food and beverage staff.



A total of **1,357** artists and performers took to the stage, of which **56%** had never performed at the Bowl before.



Throughout the season there were **70** performances across **49** events (**10** of which were made possible through philanthropic support from the Recovery Fund appeal, see page 15).



Arts Centre Melbourne collaborated with more **60** sector partners on the season, including community groups, non-profit organisations and commercial presenters.



21% of ticket buyers said they bought tickets specifically to support the return of live performance in Melbourne [1].

Bringing joy to audiences



91% of ticket buyers said they came to Melbourne's CBD specifically to attend *Live at The Bowl*.



Live at The Bowl motivated **52,724** people to travel into the city of Melbourne.



A total of **97,843** people attended *Live at The Bowl* and **52%** were new ticket buyers for Arts Centre Melbourne [2].



Affordability was a priority: **one third** of performances had tickets available for \$30 and under, and **10** performances were free of charge to general public audiences.



98% of ticket buyers said they felt safe and comfortable at *Live at The Bowl*.



93% of ticket buyers said the performance they attended was high-quality.

[1] More than 1,300 ticket buyers responded to a survey about their Live At The Bowl experience (a high survey response rate and representative of the total audience).

[2] Ticket buyers were 'new to file', meaning they may have previously attended performances at Arts Centre Melbourne (for example as a subscriber to a resident company) but had not purchased tickets directly from Arts Centre Melbourne.

Re-opening Hamer Hall and the Theatres Building

It was a slow and steady return to our indoor venues with many complex issues to resolve as a result of the COVID-19 pandemic. Submissions were made via the Victorian Government's Public Events Framework which outlined what Arts Centre Melbourne was doing to make our venues and operations COVIDSafe and ultimately achieve 100% capacity. Most of our resident and regular companies chose to launch digitally, with phased and staggered announcements about what their seasons entailed as restrictions eased. Impacts of the two-week Melbourne lockdown at the end of May meant that once again the doors of Arts Centre Melbourne were closed, resulting in either cancellations or deferrals of some performances.

Melbourne Theatre Company

Melbourne Theatre Company reduced their footprint for 2021 as they continue to work through the rescheduling of their work affected by COVID-19 venue closures. The company returned to the Fairfax Studio with the Australian premiere of *The Lifespan of a Fact*, directed by Petra Kalive, with the planned commencement of the season curtailed by the lockdown during the first weeks of June.

In April the company announced Anne-Louise Sarks as their new Artistic Director, taking over from Brett Sheehy. Arts Centre Melbourne thanks Brett for his contribution to the company during his tenure and wish him well in his future endeavours.

April also saw the launch of MTC Digital Theatre with the broadcast recording of *Sexual Misconduct of the Middle Classes* and *Berlin*. This new way of presenting work, a direct response to the pandemic, was a collaboration with MTC, the Arts Centre Melbourne's broadcast and technical team.

Opera Australia

Opera Australia were the first company presenting on the State Theatre stage since the commissioning of the new flying system. The company's autumn season – featuring two Verdi works, *Aida* followed by *Ernani* – saw a welcome return for the company after a challenging year.

We acknowledge the collaborative work which was done with Arts Centre Melbourne as company General Manager Rory Jeffes announced his departure during the year. His support throughout the State Theatre flying system project was invaluable.

One thing that we at OA knew that we could rely on was the mutual commitment of support and calm reasoning from you good folk at The Arts Centre Melbourne, and I wanted to write to acknowledge that and to celebrate it as we approach the opening night tomorrow of the first Opera Australia season in Melbourne for 18 months. I have a real sense that we have prevailed in partnership together, where on our own we might well have not done so.

In particular, I wanted to acknowledge that it is only the strength of relationships and trust between us that has allowed the season to go ahead tomorrow, given the decisions to proceed were made at a time of continued uncertainties on the restrictions that would be in place for this time.

Your offer of direct support to OA from Arts Centre Melbourne should capacity restrictions remain was both unprecedented and an enormous part of enabling me to give the Board of OA the confidence to proceed with this season.

RORY JEFFES, CHIEF EXECUTIVE OFFICER, OPERA AUSTRALIA



Deborah Cheetham, appointed the Melbourne Symphony Orchestra's inaugural First Nations Creative Chair.
Photo credit: Jorge de Araujo

Melbourne Symphony Orchestra

Following successful concerts at the Sidney Myer Music Bowl as part of the *Live at The Bowl* season, Melbourne Symphony Orchestra switched off the ghost lights in Hamer Hall with their performance of *Cheetham and Beethoven*. This was followed shortly after by the announcement that soprano Deborah Cheetham was appointed the orchestra's inaugural First Nations Creative Chair.

Like others, MSO launched their 2021 season in two halves and focused on shorter performances that allowed them to fit two performances in the one night, addressing COVID-19 capacities in their own way. They also launched their own digital platform MSO.LIVE. Thanks go to Michael Ullmer AO, who stepped down as Chair of the orchestra, and we look forward to continued collaboration with his successor David Li AM, and to welcoming new Artistic Director Jaime Martin.

The Australian Ballet

The Australian Ballet continued the exploration of digital content during closure through their own platform Ballet TV and after nine months away from the stage they performed their return season at Margaret Court Arena, while the work on the installation of the new flying system continued in the State Theatre.

As a result of the May lockdown, *New York Dialects* season was deferred and scheduled performances of *Anna Karenina* were deferred.

Arts Centre Melbourne acknowledges the tremendous contribution of outgoing Artistic Director David McAllister, after 20 years in the role. Awarded the Elizabeth II Coronation Award from the UK's Royal Academy of Dance, and made a Companion of Honour in the 2021 Queen's Birthday Honours, David continues to have a strong connection to Arts Centre Melbourne, particularly through his advocacy of the Australian Performing Arts Collection. He will be succeeded by David Hallberg, the company's new Artistic Director.

Other performances

VCAA *Top Class* – the best solo performances from VCE Drama & Theatre Studies, opened in the Playhouse. This event was one of the first shows to cancel due to COVID-19, and so was fittingly one of the first events to “re-open” the Playhouse. Soon after, Victorian Opera’s double bill directed by Sam Strong - *Echo and Narcissus / Cassandra* took to the Playhouse stage. Both of these Playhouse performances were hybrid events with Live Stream components reflecting the digital changes we have seen across the industry.

FANGIRLS, popular with school groups, and *The Gospel According to Paul*, both enjoyed well-attended seasons in the Playhouse, attracting enthusiastic audiences. *The Gospel According to Paul* was a sell-out in its last performance as the theatre faced another COVID-19 closure.

The return to our venues saw back-to-back festivals activate our spaces from March through to May. The Melbourne International Comedy Festival got Victorians laughing again and activated almost every one of our venues, including the

return of *The Famous Spiegeltent* on the forecourt. Big name acts such as Daniel Sloss, Peter Helliard, Wil Anderson and Lano & Woodley drew in large crowds at Hamer Hall and the Theatres Building. This led into a rescheduled Midsumma Festival (normally a January event), YIRRAMBOI, a celebration of First Nation work and then the inaugural *RISING* festival which only after a couple of days was sadly impacted by the May lockdown. After the lockdown lifted, family audiences were welcomed back by *Bluey’s Big Play* throughout the school holidays.

Engaging with schools

Throughout the year our schools team has continued to engage students and their communities with transformative arts learning experiences through digital workshops, outreach offers and online performances. We were thrilled in the early part of 2021 to welcome schools back onsite. Almost 5,000 school students, their teachers and carers visited to see performances of *Charlie and the War Against the Grannies*, *FANGIRLS* and *Bighouse Dreaming*. What a welcome we gave them!



FANGIRLS, a popular hit with school groups.
Photo credit: Daniel Boud.

Digital Tickets

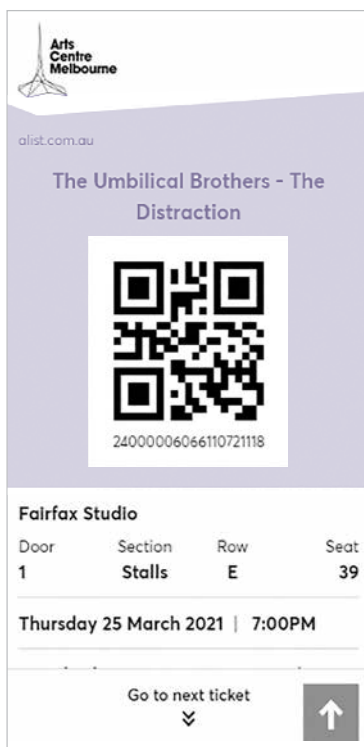
During the COVID-19 pandemic it became clear that reopening our venues and providing a safe experience for customers and our team required us to comply with physical distancing measures. We needed to minimise box office queues and physical ticket handling by limiting venue collection. Implementing digital ticket delivery options and an access control system would drastically reduce the need for customers to queue to collect tickets from the box office and also allow our front of house team to maintain a safe distance at entry doors by removing the need to physically handle tickets.

The closure period during 2020 provided a great opportunity to progress this important digital ticketing project to cover all Arts Centre Melbourne venues.

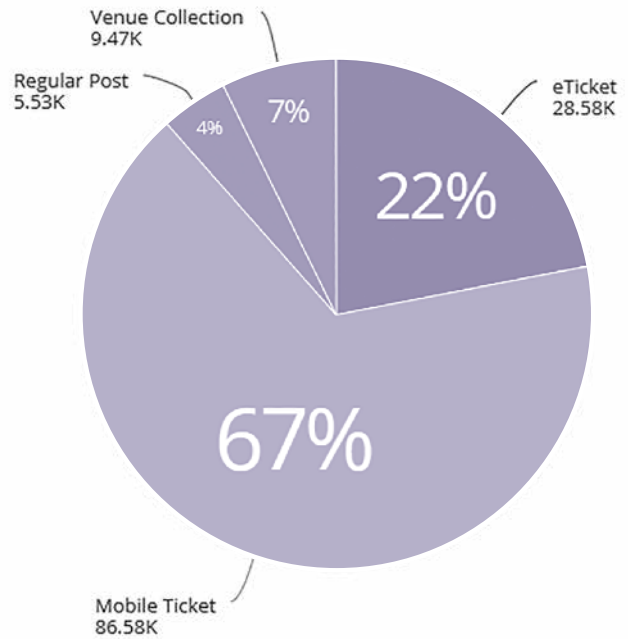
The project was a collaborative experience with a cross functional team from IT Services, Marketing, Ticketing Set-up and Ticketek. It took 7 months to build and was completed during the COVID-19 lockdown. The team took inspiration from the arts and managed the work as an Agile Project. We built, tested and iterated to develop the product quickly and accurately. The team had short daily stand-up meetings, to discuss what was completed yesterday and what was being built today.

The project was an example of determination and grit to achieve something extraordinary for Arts Centre Melbourne and its customers by a team of people working from home all facing their own challenges.

To quote a few team members when they recently reflected on the project: "it gave me purpose", "it gave me a reason to get up in the morning", "it was challenging and fun."



Example of a digital ticket.



How people accessed their tickets.

Customers can now more easily engage with Arts Centre Melbourne as they no longer need to queue to collect tickets or to remember where hard tickets are stored. Front of house teams can more easily resolve ticketing issues prior to customers entering the performance spaces.

The project provided a significant contribution to Arts Centre Melbourne's Digital Transformation and demonstrated excellence in solution development and process with a mobile ticket customisation.

Team members were empowered to develop and deliver an industry leading solution, increasing enjoyment within their roles. Access control functionality will offer more data and support to our teams, so they can focus more of their time on providing valuable customer service.

The outcome of the project allows savings due to significant reduction in physical ticket fulfilment including reduction in postage, ticket stock/wallet costs and box office resource costs. Front of House teams can access real-time attendance data to proactively enhance customer experience, security and presenter experience. We eliminated manual attendance reporting processes and can build more accurate attendance forecasting. The project also enabled a reduction in environmental footprint, with fewer hard tickets being printed, and has enhanced relationships with our Presenters by improving the service for their audiences attending events at Arts Centre Melbourne.

Since launching digital ticket functionality in February 2021, Arts Centre Melbourne has issued more than 100,000 digital tickets for events held in Hamer Hall and the Theatres Building. 89% of our customers are now selecting digital tickets as their preferred delivery option, which is a significant milestone to reach so soon after launching the functionality.

State Theatre Flying System

Since 2017, Arts Centre Melbourne has been working on the replacement of the State Theatre flying system, the first deliverable of the Melbourne Arts Precinct Transformation. The project was part of the Victorian Government's initial \$208 million commitment, announced in June 2018 and a crucial element of Arts Centre Melbourne's asset renewal strategy.

Through a competitive process, the project selected Waagner Biro Stage Systems, based in Austria, to manufacture and install the system, also taking on full construction management responsibilities. Waagner Biro is one of the world's leading manufacturers of stage machinery and automation systems, with similar systems all over the world. Toward the end of 2019, the team visited Arts Centre Melbourne several times, familiarising themselves with the venue and building relationships with the project team.

The specification set by Arts Centre Melbourne was a challenging brief for the Waagner Biro team, requiring a like-for-like replacement of the old system as well as introducing a number of additional features to help increase safety and efficiency of the State Theatre.

The team was already well practiced in online meetings by the time the pandemic took hold in Australia and travel bans were put in place. However, this meant there were no further scheduled visits by the Waagner Biro team for the foreseeable future. This meant thinking differently about how we communicated and we quickly put in place new measures such as 360-degree views of the worksite and more frequent online meetings. One of the greatest tests for the designers and the Arts Centre Melbourne team was the acceptance testing of the new machinery. A multi-camera setup from Austria of hoists performing pre-determined high-performance tests, over 10 hours' worth, was watched remotely by the team in Melbourne from their home offices.

Challenges continued to arise as the pandemic took hold all over the world as risks to supply chains began to emerge. As Italy went into lockdown, specialist parts manufactured there for assembly in the Austrian factory were under careful watch. As the new machinery was completed, it was quickly packed and shipped to Australia to reduce the potential risk of delayed shipping lanes. On more than one occasion, the team was tracking cargo ship locations in the Indian Ocean to ensure there was no holdup. Also, of great importance was ensuring that ultimately the Austrian experts were able to come to Australia for the installation process. Arts Centre Melbourne is grateful for the support of the Victorian Government in assisting this to happen.

Because the pandemic forced the closure of the State Theatre in March 2020, we handed the venue to Waagner Biro in July 2020 and they were quick to make a start. The major task of installing 300 tonnes of new "Betty Blue" steelwork, manufactured in Victoria, commenced in earnest. This was quickly followed by the more than 100 tonnes of new hoists and 111 industrial computers, or "unicorns", to control the new system.

The construction team of Waagner Biro, Merkon Constructions, Stage Electrics and Vertex Engineering, along with a range of other sub-contractors, worked through construction restrictions, mask-wearing and social-distancing to complete the installation and commence commissioning by mid-January. Achieving the safety level requirements set by Arts Centre Melbourne required

rigorous testing and confirmation of the installation and we were supported through this by the theatre planning team, Schuler Shook. Together with NH Architecture, Aurecon and Acoustic Studio set a high standard and quality of installation.

Of the many achievements during the project, one of most important was the engagement from our resident companies, The Australian Ballet and Opera Australia, during the project and, the level of engagement of the Arts Centre Melbourne production team. Not only were the team engaged from the very beginning during the selection of the Waagner Biro system but also, five members of the team were assigned to the project throughout the installation works. Providing this level of involvement and ownership is unprecedented and a model that we hope to continue using in future projects.

Without doubt, the project had many hurdles, potential roadblocks and challenges thrown at it however, with a clarity of mission, the flexibility to respond to outside influence and a great team of people, Arts Centre Melbourne successfully delivered the largest and most significant project since Hamer Hall was redeveloped in 2012 and the most significant infrastructure project in the Theatres Building since it was built in 1984.

The project was led by experts from within the Arts Centre Melbourne team who revelled in the opportunity to help fashion the technical capabilities of the theatre for artists and audiences of the future. It continues as one of the great performance spaces in the world, with these technical improvements foreshadowing the exciting further changes to come through the Reimagining project. Arts Centre Melbourne would like to thank Trustees Paul Barker and Andrew Myer AM, and project adviser Caroline Martin for their commitment to the project steering committee, the Project Partners including Creative Victoria, Development Victoria, Waagner Biro, Merkon Constructions, Stage Electrics and Vertex Engineering for their support, guidance and skills brought to the project.

Project by colour

The winches are painted white because any iron filings or other debris caused by faulty alignment etc in the winches will become evident.

The floor of the winch rooms is painted "Betty Blue" in honour of our dear ambassador Betty Amsden.

All of the rigging and the battens which can be seen from the auditorium in an open stage setting is painted matt black, of course.

The ends of the battens are safety yellow to make them stand out.

All the new steelwork is painted deep blue except for the trolley beams in the grid which are painted safety yellow.



Alter State, a new festival that is currently in full planning.
 Photo credit: Image of Rodney Bell by Tom Hoyle for Meremere by Movement of the Human.

Disability, Equity and Inclusion Plan

Arts Centre Melbourne is committed to making our performances, programs and venues accessible for everybody by planning for access up front, and by understanding the barriers many Victorians face to participate fully with friends and family. To further this commitment, in 2020 we started work on our new Disability, Equity and Inclusion Plan. Our plan articulates our ambitions, establishes goals and priorities, and guides our actions towards disability equity, organisation-wide.

Arts Centre Melbourne's Disability, Equity and Inclusion Plan draws on the four goals of the *Disability Act 2006 (Vic)*: changing attitudes and practices which discriminate against people with disability; reducing barriers to people with disability obtaining and maintaining employment; reducing barriers to people with disability accessing goods, services and facilities; and promoting inclusion and participation in the community of people with disability.

Through this Plan we aim to make disability inclusion business-as-usual at Arts Centre Melbourne and a lens through which we plan, present, engage and lead. It extends our access conversation from one about ramps, venues and access services, to a dialogue that also centres on our stages, collections, customers, visitors, people and leadership. Through partnerships with artists, strengthening our relationship with community groups, amplifying the voices of Victorians who are marginalised, and celebrating cultural connections, we are confident our future is strong and inclusive of everyone.

Arts Centre Melbourne has a significant access history, and while we have made progressive, bold decisions in some areas, there is a lot we can and must do to raise the bar for inclusion in the performing arts. When we start from a place of inclusion we innovate, we reimagine ourselves and the experiences we seek to create.

Alter State

Arts Centre Melbourne has a long standing commitment to access and inclusion for audiences, visitors and artists, realising equity through program initiatives and disability access,

including accessible ticketing and services, as reflected with our Auslan, audio description and captioning. Our pivot to online programming allowed us to develop guidelines for digital access that saw us caption 100 per cent of our short and long form videos on social media and YouTube for the first time. 90% of Arts Centre Melbourne's digital content overall is captioned.

Inclusive programming is a powerful way to advocate for and bring about change. To that end, Arts Centre Melbourne has embarked on its boldest ambition yet, a major festival to celebrate art, creativity and disability - *Alter State*, scheduled to be launched in November 2021, with a full festival planned for September-October 2022.

Alter State is an Arts Centre Melbourne strategic initiative engaging the whole organisation, a biennial festival co-created and co-founded by Arts Centre Melbourne in partnership with Arts Access Victoria. An expression of our commitment for the long term. Not about or for Arts Centre Melbourne, our role is one of ally-ship, aligned to our strategic intent for cultural equity and inclusion.

Alter State is an arts festival engaging artists, allies, creatives and audiences from Australia and Aotearoa (New Zealand) centering on lived experience of disability.

Lived experience of disability is at the core of *Alter State*. The voices and leadership of disabled artists are central to decision-making, and this approach has established a strong foundation of trust and connection with the disability arts sector and the broader disability community.

Alter State gets its foundation from a radical disability-led creative development with three independent artists, each reflecting core components of First Nations, Oceania focus and multi art form viewpoints. This foundation ensures lived experience is centred from concept to execution, including curators who identify as disabled.

Artistically and culturally, *Alter State* presents a national and international platform for artists and creatives, telling non-normative stories from our region, and promoting artistic exchange.

The Victorian Arts Centre Trust

The Victorian Arts Centre Trust's core purpose is to enrich the lives of Victorians – culturally, educationally, socially and economically (*Victorian Arts Centre Act 1979*, s.5(2)).

Statutory functions

The Trust is a statutory entity subject to the general direction and control of the Minister for Creative Industries for the Victorian Government.

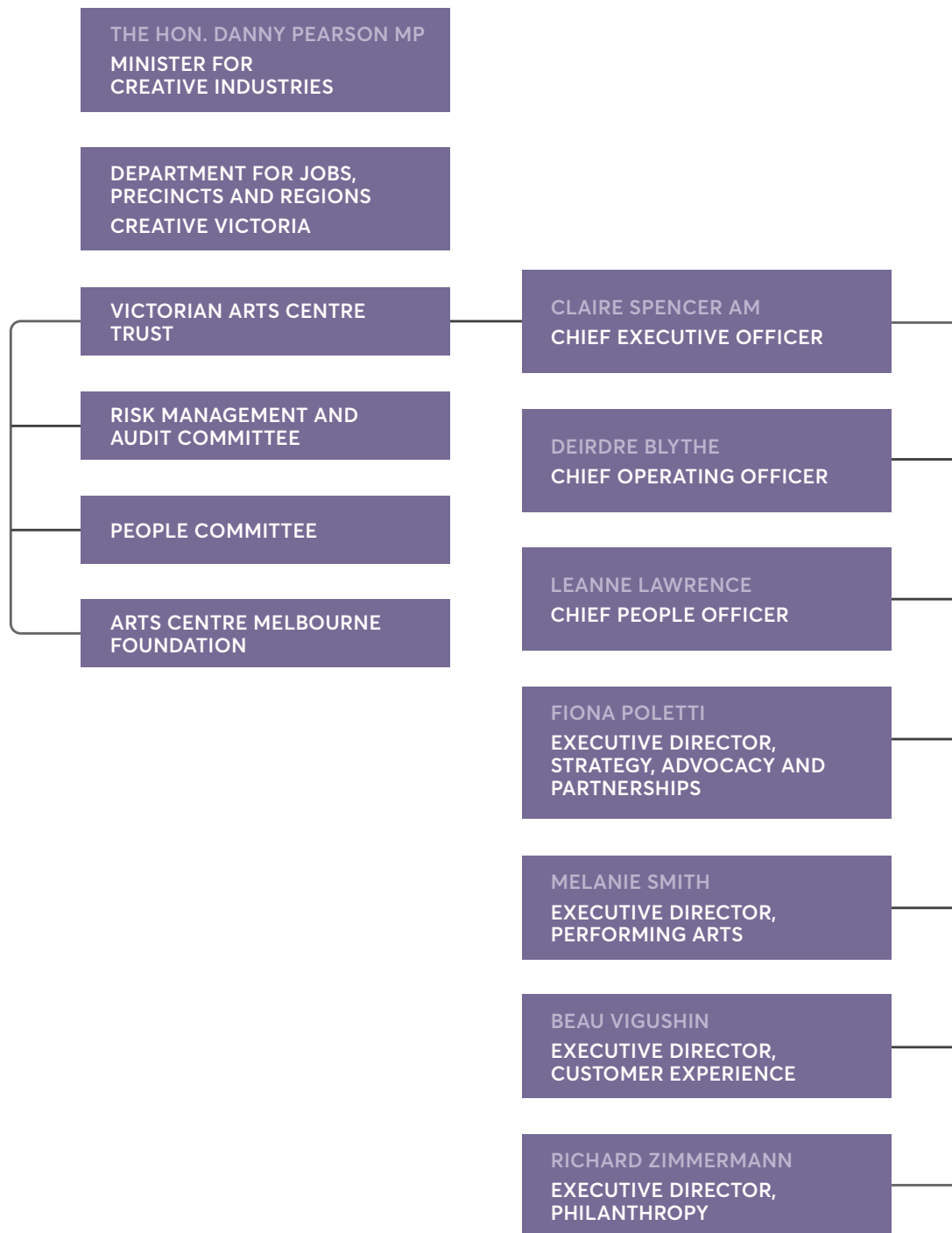
The functions of the Trust are described in section 5(1) of the *Victorian Arts Centre Act 1979* (as amended), which are:

- to control, manage, operate, promote, develop and maintain the Centre; and
- to present and produce theatrical performances, operas, plays, dramas, ballets and musical and other performances and entertainment of any kind at any place; and
- to promote the use of the theatres, concert hall and other places of assembly by suitable persons and bodies; and
- to provide leadership in the promotion and development of the performing arts; and
- to ensure the maintenance, conservation, development and promotion of the State collection of performing arts material; and to oversee the exhibition of performing arts material from the State collection and make any performing arts material from the State collection available on loan to persons or institutions; and
- to establish, maintain, conserve, develop, promote and exhibit the public art collection; and
- to make any object from the public art collection available for study or loan to persons or institutions, subject to any conditions that the Trust determines; and
- to carry on, whether within or outside Victoria, whether alone or in association with any other person or persons and whether or not in relation to the Centre, a business of providing ticketing, inventory management of admissions, marketing and related services; and
- to perform any other functions appropriate to the Centre as the Minister may approve; and
- to carry out any other function conferred on the Trust under this Act.

In carrying out its functions, the Trust must endeavour to contribute to the enrichment of the cultural, educational, social and economic life of the people of Victoria.

Organisational context

The Victorian Arts Centre Trust is a statutory authority of the Creative Industries portfolio. The Creative Industries portfolio is administered by Creative Victoria, a division of the Department of Jobs, Precincts and Regions. The Trustees are appointed by the Governor in Council on recommendation of the Minister for Creative Industries. During the reporting period, the responsible Ministers were The Hon. Martin Foley MP, Minister for Creative Industries (1 July to 29 September 2020) and The Hon. Danny Pearson MP, Minister for Creative Industries (from 29 September 2020 to 30 June 2021).



Trust and Committee meeting attendance

Figures below indicate the number of meetings attended / the total possible attendances for each Trustee

	Ian Carson AM President	Frankie Airey	Paul Barker	Andrew Myer AM ¹	Ian Roberts	Nora Scheinkestel ²	Helen Silver AO	Leigh Johns OAM	Greta Bradman
The Victorian Arts Centre Trust (the Trust)	10/10	10/10	10/10	8/8	8/10	6/6	10/10	10/10	8/10
The Trust met 10 times in F2021. ³									
Risk Management and Audit Committee	6/6	-	6/6	3/4	-	-	-	6/6	-
Consistent with the requirements of the Standing Directions of the Assistant Treasurer, this Committee provides advice to the Trust on matters relating to financial management, security and emergency management, risk management and all aspects of internal and external audit and compliance matters. This Committee must exercise independent judgement and be objective in its deliberations, decisions and advice. All members are independent as defined by -Standing Direction 3.2 of the <i>Financial Management Act 1994</i> .									
This Committee met six times in F2021.									
People Committee	2/2	-	-	-	2/2	1/1	2/2	-	-
This Committee provides advice to the Trust on Executive remuneration, Executive performance and general remuneration policy matters.									
This Committee met twice in F2021.									
Arts Centre Melbourne Foundation	3/3	3/3	-	3/3	-	-	-	-	2/3
The Arts Centre Melbourne Foundation provides practical support and active participation in identifying and cultivating prospective supporters and raising funds in order to realise the Trust's financial goals.									
The Arts Centre Melbourne Foundation met three times in F2021.									
<i>Non-Trustee Foundation Members:</i>	<i>John Barlow</i> <i>Krystyna Campbell-Pretty AM</i> <i>Andy Dinan</i> <i>Lisa Hennessy</i> <i>Snowe Li</i> <i>Jennifer Prescott</i> <i>Eleanor Langford</i> <i>Vas Katos</i>								

¹ Resigned effective end of term, 12 March 2021. Continued in role as Chair of Arts Centre Melbourne Foundation

² Resigned effective 21 December 2020

³ Includes 4 ad hoc meetings

Trustees

Ian Carson AM (President)

Ian Carson AM is the Executive Chair of Tanarra Restructuring Partners (TRP). TRP rescues companies affected by external events. It seeks to save businesses and jobs and invests 10 per cent of profits in social entrepreneurs.

Previously, Ian was Chairman of Markets at PWC and the Co-founder of SecondBite. Mr Carson founded Carson McLellan, becoming PPB Advisory; a consulting firm that merged with PWC in 2018.

Co-founding SecondBite, Mr Carson and his partner Simone revolutionised food rescue in Australia, creating a new sector involving the rescue of fresh food on a national scale. They were named Melburnians of the Year in 2018, and were awarded the Order of Australia in 2017 for 'significant service to the community through contributions and leadership in the food rescue sector, and to business'.

Mr Carson holds various board positions such as Chair of the Australian Reinsurance Pool Corporation and member of the Melbourne Cricket Ground Trust.

Frankie Airey

Frankie Airey has a long and distinguished career in development and philanthropy in both the UK and Australia commencing with a hugely successful stint in the university sector including at Oxford University and the University of London. In the 1990s, she moved to Australia and was Director of Development at Arts Centre Melbourne from 1994-1997. Over the years Frankie has established an in-depth knowledge of the philanthropic sector and a track record of achievement in senior positions and consultancy. She founded boutique consulting firm Philanthropy Squared in 2003, and she and her team have worked with more than 140 non-profit organisations, including 60 art and cultural institutions. Frankie has served on the Boards of the Malthouse Theatre in Melbourne and Sadler's Wells in London, and is currently Chair of the Betty Amsden Foundation.

Paul Barker

Paul Barker is a financial services professional with extensive experience at both board and executive level in Australia and overseas. He is currently a Director of Fed Square Pty Ltd and is a member of the Suburban Rail Loop Authority Advisory Board and Interim Melbourne Arts Precinct Board. He is the former Chairman of WorkSafe Victoria, the Transport Accident Commission, the Emergency Services Telecommunication Authority, VicForests, Mirvac Funds Management Ltd and Stadium Operations Ltd (Marvel Stadium) and the former Chairman of Cricket Victoria, Melbourne Stars and Melbourne Renegades.

Ian Roberts

Ian Roberts is the Executive Chair of the Annamila Foundation. He is also a freelance writer specialising in speeches and editing for daily press. Previously Ian has served as the Chief Executive Officer of the Harold Mitchell Foundation, General Manager of the Melbourne Festival, and General Manager of the Geelong Performing Arts Centre. Ian also spent six months as the Interim CEO of Arts Centre Melbourne in 2014.

Ian's board appointments have included terms as Chair of the Victorian Australia Day Committee, as Deputy Chair of the Melbourne International Film Festival, and as Deputy Chair of the Australian Centre for Contemporary Art. Ian has also served as a member of the Major Performing Arts Board of the Australia Council for the Arts.

Helen Silver AO

Helen Silver is Allianz Australia's Deputy Managing Director with responsibilities for leading strategic projects and providing advice to the Managing Director, Allianz Australia Board and the Allianz worldwide Group. Helen is a member of the Allianz Executive Board.

Prior to joining Allianz Australia, Helen had spent more than 30 years in executive roles in the Victoria and Commonwealth public sectors, culminating in 2008 as Head of the Victorian Public Service in the position of Secretary to the Department of Premier and Cabinet.

Helen was a respected negotiator at the highest levels of government and played a key role in a number of Commonwealth and State reform initiatives as well as leading the administration and development of the Victorian Public sector.

Helen has taken a lead role in promoting and advocating for gender equality and diversity both within Allianz and in the community; she has a deep interest in public policy and the Arts. In 2015 Helen was awarded an Officer of the Order of Australia (AO) for distinguished service to public administration, business and commerce and the Victorian community.

Helen has a Bachelor of Economics (Hons) and a Master of Economics from Monash University. She is a National Fellow of the Institute of Public Administration Australia and a Distinguished Fellow of ANZSoG.

Helen also serves on a number of boards including: Melbourne Symphony Orchestra, the Victorian Arts Centre Trust and the Judicial Commission of Victoria.

Leigh Johns OAM

Commissioner Leigh Johns holds a Bachelor of Economics and Bachelor of Laws from Monash University and a Master of Laws from the University of Melbourne. Leigh is a Fair Work Commissioner. He has previously held senior roles in private legal practice and in government as the Chief Counsel of the Fair Work Ombudsman and then appointments as the Chief Executive Officer of two independent Commonwealth Government statutory agencies.

Leigh has a long history of governance experience in the arts sector. Prior to his appointment to the Trust Leigh had been a Director of The Australian Ballet School for 17 years and its Chairman for 8 years. He is also a former long serving Board Member and President of the Midsumma Festival, Victoria's premier LGBTQIA+ cultural festival. Between 2018-2020 Leigh was Deputy Chair of the Victorian College of the Arts Secondary School. In 2017 Leigh was awarded the Medal of the Order of Australia in the General Division for services to the performing arts, primary health care organisations and industrial relations.

Greta Bradman

Greta Bradman is an Australian soprano and recording artist, registered psychologist, ABC broadcaster, speaker, writer, investor and philanthropist. As a professional solo singer, Greta released four no.1 albums and toured nationally and internationally through USA, UK, EU, and the Asia Pacific. She champions works by Australian composers and female composers. As a psychologist (MAPS, MPsych(clin)), Greta works in clinical practice and (i) has campaigned to support the mental health and wellbeing of Australian performing arts workers; (ii) campaigns for preventative, evidence-based population level measures that support mental health and wellbeing of Australians; (iii) researches the link between individual/firm performance and mental wellbeing, and the flow-through to economic and social outcomes. As an ABC Classic broadcaster, Greta presents "Weekend Brunch" and created the "Music for Wellbeing" series. Greta completes her senior executive MBA at Melbourne Business School in Oct 2021. Other governance work: Arts Centre Melbourne Audit Committee, Foundation & Arts Wellbeing Collective boards, Alfred Foundation, Australian Mental Health Prize.

Outgoing Trustees

Dr Nora Scheinkestel

Term ended on 21 December 2020

Dr Nora Scheinkestel is an experienced company director, having served for more than 20 years as a non-executive chairman and director of companies in a wide range of industry sectors and in the public, government and private spheres. Nora is a director of Telstra Corporation Ltd, Ausnet Services Ltd (where she is currently Chair of its Audit and Risk Committee) and Brambles Ltd. Nora is also an Associate Professor at the Melbourne Business School and a former member of the Takeovers Panel.

Andrew Myer AM

Term ended on 12 March 2021

Andrew Myer pursues a variety of business interests through the A V Myer Group of Companies, including property development, investment, film and philanthropy. He has been a director of The Myer Family Investments since 2013, a Trustee of The Sidney Myer Fund, and was a Vice President of The Myer Foundation from 1999 to 2003. Andrew was appointed as Chair of Trustees of the Sidney Myer Fund in June 2020 and was appointed Chair of Think Tilt Pty Ltd, a tech start up, in August 2019.

Andrew's appointments in the arts include 16 years with the board of the Melbourne International Film Festival, including a term as Chair. In 2017 Andrew was appointed Chair of the Arts Centre Melbourne Foundation, and in the same year became a director of Documentary Australia Foundation. Andrew also joined the board of the Malthouse Theatre in February 2018. As a producer and executive producer, Andrew's cinema credits include the Australian feature films *Radiance*, *Balibo*, *Paper Planes*, *Last Cab to Darwin*, *The Dry*, *Blueback* and the telemovie *Dangerous Remedy* for the ABC.

Executive team

Claire Spencer AM **Chief Executive Officer**

During her first five years as CEO of Arts Centre Melbourne, Claire steered the organisation toward financial stability, securing work for thousands of artists, technical crews and arts workers as the four indoor venues, iconic outdoor Sidney Myer Music Bowl, and cafes returned to operating at near to full capacity.

Throughout this period she positioned the organisation to lead a major redevelopment that is the centrepiece of a \$1.4+ billion transformation of the Melbourne Arts Precinct. Reimagining Arts Centre Melbourne will include the full refurbishment of the nearly 40-year-old Theatres Building and the addition of a new campus, the Centre for Creativity, which will house a permanent and expanded Australian Music Vault and major new gallery celebrating Australia's performing arts history.

In 2020-21, faced with her biggest challenge yet, Claire has led the organisation through the twists, turns and disruption of a global pandemic, with Arts Centre Melbourne's response informed by its values of care more, creativity, leadership, community and the recently added value of equity.

Her leadership through this period has modelled the art of adaptation and has included the launch of a new digital program, *Together With You*, that more than 20 million people engaged with, and new seasonal programming that followed a year dominated by pandemic-related restrictions.

The recent four-month COVIDSafe *Live at the (Sidney Myer Music) Bowl* season helped to bring people back to the city, created work for more than 3,000 artists and production, security, and food and beverage workers, and contributed \$27.26 million to the state's economy, as well as helping to set Arts Centre Melbourne on the road to recovery.

With a long-held commitment to the mental health and wellbeing of her team and the wider live performance sector, Claire was instrumental in setting up the Arts Wellbeing Collective in 2016, which has grown to be a national member body of 400+ organisations, providing invaluable and sought-after resources for an industry deeply impacted by the pandemic.

Throughout this recent period Claire also began a process of organisational reform following widespread consultations across the sector and beyond.

Resulting in a renewed focus working with First Nations people, and on equity and inclusion, digital and technology, which are now at the heart of a transformation that will position the business for a future that is distinct, relevant and sustainable.

As part of her commitment to equity and inclusion, Claire has been a board member of the Pinnacle Foundation since 2017, supporting and providing opportunities for LGBTIQ+ youth. She was appointed Chair in July 2021.

She believes in the power of mentoring and continues her life-long learning by being both a mentor and mentee. She lives the adage of "bring your whole self" to work and encourages her colleagues to do the same.

Claire and her team's work through the Arts Wellbeing Collective has been recognised numerous times with awards, and in 2020, Claire was honoured to be awarded an Order of Merit for her services to community in the performing arts.

Claire has been a Member of Chief Executive Women since 2015. She is a member of several other industry groups, including the Australian Government's Australia-Singapore Arts Group. In June 2020 she was invited to the Board for the Committee for Melbourne joining business, academic and civic sector leaders to help shape a better future for Melbourne.

She lives with her husband, three children and two dogs on Kulin land.

Deirdre Blythe **Chief Operating Officer**

As Chief Operating Officer, Deirdre leads our Operations team, which includes Finance, Information Technology, Infrastructure Planning and Management, Legal and Governance, Risk Management and Compliance.

Deirdre is a Fellow of the Institute of Chartered Accountants with a background in commercial finance and also fulfils the role of Arts Centre Melbourne's Chief Financial Officer. She has held senior finance roles in Melbourne and overseas, including Executive Director Finance of Alfred Health and Chief Financial Officer of BUPA Australia and BUPA International.

Deirdre is also a Director of Peter MacCallum Cancer Centre and a Fellow of the Australian Institute of Company Directors.

Leanne Lawrence **Chief People Officer**

Leanne leads our People team and supports the delivery of Arts Centre Melbourne's strategic goals through workforce planning, industrial and employee relations, change management, succession planning, professional development and talent management, wellbeing, diversity and HR operations.

Leanne has held senior roles in federal and state government agencies including the Fair Work Commission and the Department of Premier and Cabinet, Victoria. Leanne joined Arts Centre Melbourne after working at Benetas, one of Victoria's leading not-for-profit providers of aged care and retirement living. Leanne also has a broader interest in governance and community and is seeking to continue to support the not-for-profit sector after recently retiring from her volunteer role after seven years as Committee Member and President of an education and support services organisation.

Fiona Poletti

Executive Director, Strategy, Advocacy and Partnerships

Fiona leads the Strategy, Advocacy and Partnerships Business Unit designed to enable and support Arts Centre Melbourne's organisational transformation, strategic priority delivery and revenue generation as we adapt to a dynamic internal and an uncertain external environment resulting from the impact of COVID-19.

Fiona has had an extensive and rewarding career working in leadership roles in government and the not for profit sector with a focus on shaping and delivering impactful initiatives and strategic projects through advocacy, policy and partnerships. From her current role as Executive Director of Strategy, Advocacy and Partnerships at Arts Centre Melbourne to her early career as a senior Federal Ministerial Adviser for Arts and Broadcasting policy, Fiona has been in roles enabling her to shape policy and navigate complex stakeholder challenges and opportunities across government, business, tertiary and not-for-profit sectors.

As a passionate advocate for the creative industries sector, Fiona has been fortunate to have pursued this ambition through her career choices including holding senior management and advisory positions at the Australia Council for the Arts, the Australian Embassy in Tokyo, Circus Oz and for the last five years at Arts Centre Melbourne.

Melanie Smith

Executive Director, Performing Arts

Melanie leads the creative content areas, including Programming, Presenter Services, Production, Collections and Asian Arts teams. She is responsible for the development and delivery of the Performing Arts Strategy and Business Plan. Melanie is dedicated to ensuring a breadth of events and programs form part of our programming portfolio; support industry partnerships and the small to medium and independent sectors; engage with young people; offer creative learning experiences for students and families; inspire community participation; and develop Arts Centre Melbourne audiences into the future.

Melanie was previously the Deputy Director and Head of Programming for Auckland Live, New Zealand's largest performing arts centre. She is an Executive Councillor on the Live Performance Australia Executive Council, the national peak body formed to ensure the long-term sustainability of the Australian live performance industry.

Beau Vigushin

Executive Director, Customer Experience

Beau leads the end-to-end experience for customer with a focus on engagement, innovation, service and communications.

Beau has always had a strong connection to the land surrounding the Birrarung, now known as Southbank. Born at the old Prince Henry hospital on St Kilda Road, being in the precinct was always his happy place as a child and he also was a Southbank resident from 2008 – 2021.

Beau started with Arts Centre Melbourne as a casual usher in 2002 and through years of learning and leadership growth joined the Executive team in April 2018. Beau has previously been a Board Member with Arts Access Victoria and worked on customer transformation projects with Melbourne Recital Centre from 2010–14. Beau also worked with the Mushroom Group from 2008–18 leading event-day audience experience for *A Day on the Green* in Victoria and worked on the team that started the iconic Hanging Rock concert venue.

Beau is passionate about the Melbourne Arts Precinct being a welcoming and enriching place for everyone. Beau strives to create unique experiences and strong happy memories for people when they connect with our place and with the performing arts.

Richard Zimmermann

Executive Director, Philanthropy

Richard leads our Philanthropy team and is responsible for growing philanthropic support for Art Centre Melbourne's access, education, commissions, collections and wellbeing programs, all of which are enabled through the generosity of donors.

With a strong background in film, music and the performing arts, Richard's first foray into not-for-profit fundraising occurred when, as Director of Management Enterprises Ltd, an entrepreneurial arts marketing company he co-founded in New Zealand, he mounted a successful fundraising charity rock concert called "Rain Aid", with all proceeds going to provide relief for flood victims.

Since moving to Melbourne in 1990 Richard has continued to work extensively in marketing and fundraising for the film, arts and health sectors. He has headed up successful philanthropy programs at The Australian Film Institute, The Australian Ballet School, Jewish Care, the Australian Centre for the Moving Image (Arts Centre Melbourne), Bush Heritage Australia and the Royal Children's Hospital Foundation.

Richard is a longstanding member of the Fundraising Institute Australia and, outside of his professional work, is actively involved in supporting arts, philanthropy and education.

Financial Overview

The five-year summary of results is presented on page 61. To improve transparency this summary differentiates between Arts Centre Melbourne's operating and non-operating activities, which are not readily distinguished in the comprehensive operating statement on page 69. This distinction is important as under accounting standards the comprehensive operating statement includes a number of income streams and expenditure which are either not available for operating purposes or are subject to differences in timing.

Non-operating items include:

- Philanthropic bequests and endowments
- Donations of items to the Australian Performing Arts Collection
- Timing differences in relation to Fundraising activities
- Funding that is used for capital purposes

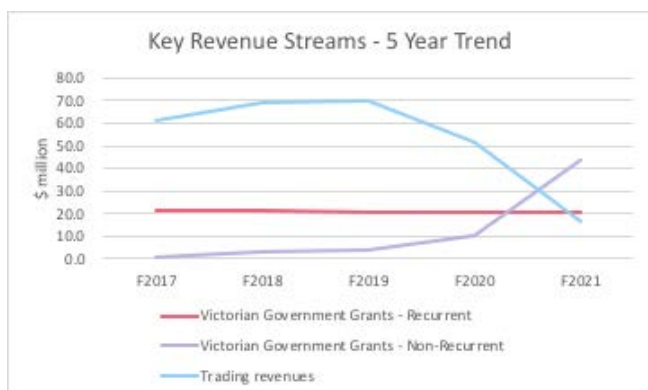
Operating Activities

Arts Centre Melbourne has continued to be significantly impacted by COVID-19 with full closure of performance venues continuing until early January 2021, followed by a gradual and phased reopening under capacity restrictions. Further snap lockdowns in February and May caused significant disruption, with the easing of capacity restrictions being gradual upon lockdowns ending.

Ordinarily, around 80% of revenues are self-generated and are reliant on an open and thriving arts centre. The number of performance events in FY2021 are 73% below pre-pandemic levels experienced in FY2019 with attendance at performances, further restricted by extended capacity constraints down 79%. As a result of these significantly suppressed activity levels, trading revenues are 77% below FY2019 levels, at \$16.3 million. In comparison to the FY2020 year, itself reflecting closure for the final 3.5 months (30%) of the year, performance attendances were down 69%, illustrating the severe limitations under which Arts Centre Melbourne was able to operate when open.

As a State Government entity, Arts Centre Melbourne was not eligible for Federal Government support packages such as the *Jobkeeper* scheme or the *COVID-19 Creative Economy Support Package*. Arts Centre Melbourne did receive financial support from the State Government for critical activity and to maintain employment in line with the conditions attached to that funding, Arts Centre Melbourne sought to reduce expenditure as far as possible, whilst adhering to the Victorian Government's Industrial Relations Framework for managing the coronavirus (COVID-19) pandemic which was effective until 28 March 2021. This Framework sought to protect employment and divert people resources towards critical State Government surge functions associated with responding to and managing the pandemic. Other State Government policy decisions such as providing rent relief to tenants of Government buildings and early payment of suppliers were also in effect in the first half of the financial year.

Recurrent funding from the Victorian Government was \$20.9 million in FY2021 (FY2020 \$20.9 million). Total non-recurrent funding for the FY2021 period was \$43.3 million (FY2020 \$10.6 million), largely consisting of funding support due to the pandemic.



In the previous financial year, Arts Centre Melbourne was required to use all available working capital to meet its liabilities ahead of receiving COVID-19 support funding from the Victorian Government. In recognition of the impact of closure, Arts Centre Melbourne was provided with COVID-19 crisis funding support of \$31.9 million, with a further \$4.1 million provided to reinstate working capital in June 2021. Additionally, \$7.3 million was provided in project funding – the majority of which related to the Live at the Bowl season, as described on page 44.

The graph (previous page, left) illustrates the impact that COVID-19 has had on Arts Centre Melbourne's revenue streams and how the sharp drop in revenue from trading activities when the pandemic took hold resulted in the need for the Victorian Government's support.

Almost \$1.7 million of donated funds was distributed from the Arts Centre Melbourne Foundation to support programming and exhibitions. This is below typical levels, due to the long period of closure of performance venues, with online digital experiences being the focus until in-person experiences could recommence.

Employee expenses in the year totalled \$46.0 million (FY2020: \$51.9 million). 66 team members were deployed to other areas of the Victorian Government, which served to provide meaningful employment whilst also reducing the costs incurred by Arts Centre Melbourne. The Victorian Government's Industrial Relations Framework was effective until 28 March, after which variable labour was rostered and paid reflective of the events and activity profile of the organisation.

The graph (previous page, right) illustrates how employees' income was protected as far as possible. Aside from employee expenses, all other operating expenses amounted to \$32.0 million which reflects a reduction of 31% on pre-pandemic levels (FY2019 \$46.5 million). Whilst the nature of some expenses are variable with activity, and naturally reduce upon closure, some costs such as maintenance are relatively fixed, and reopening and the implementation of strict COVID-safe protocols results in some areas of increased cost. Arts Centre Melbourne has minimised expenditure whilst maintaining core activities as required to ensure programs and services can rebound.

A transfer of \$0.4 million to non-operating activities was made which related to the funds for the purchase of capital equipment.

Non-Operating Activities

Net income from non-operating activities falls into two categories. Philanthropic funds flow represents the timing difference between raising funds and undertaking the activity for which they are designated. There was a net inflow of \$3.4 million in the year, which is representative of major philanthropic fundraising campaigns which occurred during the year, as outlined on page 15. Philanthropic funds are typically raised in one year to fund activities which occur in later years. The long closure of venues significantly impacted Arts Centre Melbourne Presents programs, therefore resulting in a reduced draw-down of Foundation funds in the year.

The other category relates to income that is either capital in nature, for example non-cash donations to the Australian Performing Arts Collection or are used to support Arts Centre Melbourne's capital investment. Investment income on Arts Centre Melbourne's funds fell sharply compared to both the prior year and pre-COVID years. There was a significant reduction in the funds being held due to Arts Centre Melbourne needing to meet its obligations, but also the impact of COVID-19 has adversely impacted interest rates and investment income.

Net Result

The net operating result was a surplus of \$3.9 million, which results from the restoration of working capital by the Victorian Government and directly offsets the prior year operating deficit (FY2020 \$(3.9) million) where reserves were drawn upon to meet operating expenses. Without this timing difference both years would have delivered an operating result very close to zero, in line with the long-term target for the result from operating activities to broadly be break-even. Non-operating activities delivered a surplus of \$3.4 million due to the strength of the fundraising campaign for activities in FY2022 and beyond.

Depreciation and amortisation of \$12.0 million results in a net deficit from transactions of \$4.8 million. Arts Centre Melbourne undertook a full asset revaluation through the Valuer-General Victoria and its appointed providers, which resulted in a net write-down of assets of \$21.1 million, taking the comprehensive result to a deficit of \$23.9 million.

Balance Sheet

Net assets of the Trust amount to \$654.4 million, of which \$628.9 million relates to property, plant and equipment (FY2019: \$637.6 million). In addition to the revaluation adjustment and depreciation outlined above, there were \$24.3 million of additions, which includes \$17.6 million relating to the State Theatre Fly System installation.

Financial assets increased by 27% to \$50.8 million (FY2020: \$40.0 million), driven entirely by box office funds held on behalf of presenters. At the end of June 2020 Arts Centre Melbourne's venues were closed and remained so for a further 7 months, which meant that the box office funds being held for future events was extremely low. Following reopening, at the end of June 2021 box office funds for future events have returned to typical levels.

Of the \$47.8 million held in cash and investments, almost 84% is restricted funds that cannot be used to support operating activities – leaving \$8.3 million in general funds to cover working capital requirements.

Total liabilities increased by 39.5% to \$32.5 million, reflecting the return to trading activity – most notably driven by the increase in box office creditors, where funds are held on behalf of presenters for future events.

Summary of results

F2017–F2021

Financial performance	F2021	F2020	F2019	F2018	F2017
	\$m	\$m	\$m	\$m	\$m
OPERATING REVENUE					
Victorian Government Grants - Recurrent	20.9	20.9	20.9	21.1	21.5
Victorian Government Grants - Non-Recurrent	43.3	10.6	3.6	3.3	0.9
Trading revenues	16.3	51.3	70.1	68.9	60.9
Distribution from Foundation Funds	1.7	4.7	3.0	3.2	6.2
Operating Revenue allocated for Capital Purposes	(0.4)	(1.2)	(0.3)	(0.9)	(1.1)
Total operating revenue	81.9	86.4	97.3	95.5	88.4
OPERATING EXPENSES					
Employee expenses	(46.0)	(51.9)	(51.9)	(48.7)	(45.2)
Performance Generated Expenses	(11.7)	(11.5)	(12.9)	(14.4)	(15.1)
Other operating expenses	(10.0)	(14.9)	(19.0)	(18.7)	(15.1)
Facilities Expenses	(10.2)	(11.9)	(14.5)	(14.1)	(12.0)
Total operating expenses	(78.0)	(90.3)	(98.4)	(95.9)	(87.3)
Net Income From Operating Activities	3.9	(3.9)	(1.0)	(0.5)	1.0
NET INCOME FROM NON-OPERATING ACTIVITIES					
Revenue for Capital Purposes					
Investment Income	0.1	0.3	0.7	0.6	0.4
Bequests & Endowments	0.0	0.1	3.5	1.1	0.1
Donations to the Performing Arts Collection	0.0	0.1	1.1	0.3	0.3
Operating Revenue allocated for Capital Purposes	0.4	1.2	0.3	0.9	1.1
Philanthropic Funding for Capital Purposes	0.1	0.0	0.0	0.0	0.0
Revenue for Capital Purposes	0.7	1.7	5.5	2.9	2.0
Philanthropic Funds Flow					
Philanthropy	3.4	3.3	2.7	2.9	3.9
Other Grants (Federal, International, Local)	0.5	0.6	0.1	0.1	0.7
Foundation Investment Income	0.7	0.9	1.1	0.5	0.3
Distribution to Operating Activities	(1.7)	(4.7)	(3.0)	(3.2)	(6.2)
Distribution to Capital Funding	(0.1)	0.0	0.0	0.0	0.0
Philanthropic Funds Flow	2.7	0.0	0.9	0.2	(1.2)
Net Income From Non-Operating Activities	3.4	1.7	6.5	3.1	0.7
Net result from transactions before depreciation	7.3	(2.2)	5.5	2.6	1.8
Depreciation and amortisation	(12.0)	(11.8)	(23.2)	(22.5)	(22.0)
Net result from transactions	(4.8)	(14.0)	(17.8)	(19.9)	(20.2)
Other Economic Flows Included in Net Result	2.0	(0.8)	(0.8)	0.0	(0.3)
Net Result	(2.8)	(14.7)	(18.5)	(19.9)	(20.5)
Other Economic Flows - other comprehensive income	(21.1)	59.8	0.0	31.4	0.4
COMPREHENSIVE RESULT	(23.9)	45.0	(18.5)	11.5	(20.1)

Patronage Profile	F2021	F2020	F2019	F2018	F2017
	'000s	'000s	'000s	'000s	'000s
Attendances at Performances ¹	302	990	1,431	1,535	1,207
Attendances at Public Programs	1	21	111	497	137
Attendances at Exhibitions	4	440	708	406	494
Other Visitors & Facility Users ³	206	782	1,105	1,324	1,205
Total ACM Attendances	513	2,234	3,355	3,762	3,043
Asia TOPA Consortium/Partner Attendances ²	-	926	-	-	697
Total Visitations	513	3,160	3,355	3,762	3,740

Events Profile	F2021	F2020	F2019	F2018	F2017
	Performance Events ⁴	436	1,173	1,626	1,971
Public Program Events	68	264	834	1,384	1,920
Exhibitions & Displays	1	1	15	20	26
Total ACM Events	505	1,438	2,475	3,375	3,444
Asia TOPA Consortium/Partner Events	-	351	-	-	210
Total Events	505	1,789	2,475	3,375	3,654

Venue Utilisation	F2021	F2020	F2019	F2018	F2017
	%	%	%	%	%
State Theatre	8	62	97	87	93
Playhouse	28	59	95	79	86
Fairfax Studio	21	65	97	92	94
Hamer Hall	28	59	73	84	90
Average mainstage utilisation	21	61	91	86	91
Sidney Myer Music Bowl	28	11	16	51	27
The Globe ⁵	-	-	-	23	-
The Famous Spiegeltent ⁶	71	32	52	58	59

- 1 Attendances at Performances includes education and community engagement related performances.
- 2 Asia TOPA Consortium and Partner events & attendances relate to events held at our partner organisations.
- 3 Other Visitors & Facility Users include visitors to food & beverage outlets, Sunday market, the Hamer Hall visitor hub & car park.
- 4 Performance Events includes education and other community engagement related performances.
- 5 Whilst Pop-Up Globe was co-located at the SMMB, it is shown separately above, and utilisation relates to the period that it was in-situ.
- 6 The Famous Spiegeltent utilisation relates to the period when Spiegeltent is on ACM's premises.

Victorian Arts Centre Trust

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

How this report is structured

Arts Centre Melbourne has presented its audited general purpose financial statements for the financial year ended 30 June 2021 in the following structure to provide users with the information about the Victorian Arts Centre Trust's stewardship of resources entrusted to it.

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Victorian Arts Centre Trust

Accountable Officers' and Chief Financial Officer's Declaration

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Accountable officers' and chief financial officer's declaration

We certify that the attached financial statements for the Victorian Arts Centre Trust have been prepared in accordance with Standing Direction 5.2 of the *Financial Management Act 1994*, the *Australian Charities and Not-for-profit Commission Act 2012* and the *Australian Charities and Not-for-profit Commission Regulations 2013*, applicable Financial Reporting Directions, Australian Accounting Standards, including interpretations and other mandatory professional reporting requirements. We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes presents fairly the financial transactions during the year ended 30 June 2021 and the financial position of the Trust as at 30 June 2021. At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 24 August 2021.



Ian Carson AM
President



Claire Spencer AM
Chief Executive Officer



Deirdre Blythe
Chief Operating Officer

Victorian Arts Centre Trust

Independent Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021



Auditor-General's Independence Declaration

To the Trustees, the Victorian Arts Centre Trust

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

Independence Declaration

As auditor for the Victorian Arts Centre Trust for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE
30 August 2021

A handwritten signature in black ink, appearing to read "S Bohan".

Simone Bohan
as delegate for the Auditor-General of Victoria

Victorian Arts Centre Trust

Independent Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021



Independent Auditor's Report

To the Trustees of the Victorian Arts Centre Trust

Opinion	<p>I have audited the financial report of the Victorian Arts Centre Trust (the trust) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2021• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• accountable officers' and chief financial officer's declaration. <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none">• presenting fairly, in all material respects, the financial position of the trust as at 30 June 2021 and of its financial performance and its cash flows for the year then ended• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the trust in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Trustees' responsibilities for the financial report	<p>The Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Victorian Arts Centre Trust

Independent Auditor's Report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees
- conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the trust's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the trust to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Trustees with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
30 August 2021



Simone Bohan
as delegate for the Auditor-General of Victoria

Victorian Arts Centre Trust

Comprehensive Operating Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000s	2020 \$'000s
CONTINUING OPERATIONS			
REVENUE AND INCOME FROM TRANSACTIONS			
Sales of goods and services	2.2.1	14,873	46,136
Income from fundraising activities	2.2.2	3,646	4,261
Grants	2.2.3	64,718	32,157
Income from financial assets	2.2.4	761	1,175
Fair value of assets and services received free of charge or for nominal consideration	2.2.5	482	854
Other income	2.2.6	774	3,556
Total revenue and income from transactions		85,253	88,139
EXPENSES FROM TRANSACTIONS			
Employee benefit expenses	3.2	(46,022)	(51,883)
Performance generated expenses	3.3	(11,677)	(11,548)
Other commercial expenses	3.4	(2,320)	(6,645)
Facilities expenses	3.5	(10,242)	(11,948)
Other operating expenses	3.6	(7,717)	(8,274)
Depreciation and amortisation	4.1.1	(12,043)	(11,827)
Total expenses from transactions		(90,020)	(102,125)
Net deficit from transactions		(4,767)	(13,986)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non-financial assets ^(a)	8.1	(1)	(2)
Net gain/(loss) on financial assets ^(b)	8.1	1,342	(608)
Other gains/(losses) from other economic flows	8.1	624	(144)
Total other economic flows included in net result		1,965	(754)
Net Result		(2,802)	(14,740)
OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	(21,127)	59,789
Total other economic flows – other comprehensive income		(21,127)	59,789
Comprehensive result		(23,928)	45,049

The comprehensive operating statement should be read in conjunction with the notes to the financial statements.

Notes:

(a) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the asset revaluation surplus.

(b) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments.

Victorian Arts Centre Trust

Balance Sheet

AS AT 30 JUNE 2021

	Notes	2021 \$'000s	2020 \$'000s
ASSETS			
Financial assets			
Cash and cash equivalents	6.2	31,136	20,572
Receivables	5.1.1	2,397	2,511
Contract assets	5.1.2	629	98
Investments and other financial assets	4.3	16,623	16,803
Total financial assets		50,785	39,984
Non-financial assets			
Inventories	5.3	519	570
Property, plant and equipment	4.1	628,859	637,627
Intangible assets	4.2	460	631
Other non-financial assets	5.4	6,256	3,898
Total non-financial assets		636,095	642,726
Total assets		686,879	682,710
LIABILITIES			
Payables	5.2.1	9,496	6,493
Contract liabilities	5.2.2	13,669	7,387
Provisions	3.2.2	9,011	9,254
Lease liabilities	6.1	328	187
Total liabilities		32,504	23,321
Net assets		654,376	659,389
EQUITY			
Contributed capital	8.2.1	577,576	558,661
Donation and endowment reserve	8.2.2	22,340	18,185
Asset revaluation surplus	8.2.3	335,351	356,478
Accumulated deficit	8.2.4	(280,892)	(273,935)
Total equity		654,376	659,389

The balance sheet should be read in conjunction with the notes to the financial statements.

Victorian Arts Centre Trust

Statement Of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

		Contributed capital \$'000s	Donation and endowment reserve \$'000s	Physical asset revaluation surplus \$'000s	Accumulated deficit \$'000s	Total \$'000s
Balance at 30 June 2019		543,558	18,587	296,689	(259,597)	599,237
Net result for the year		-	-	-	(14,740)	(14,740)
Fair value adjustment to financial assets attributed to donation & endowment reserve	(iii)	-	(537)	-	537	-
Other comprehensive income for the year		-	-	59,789	-	59,789
Bequests and endowment funds received	(i)	-	88	-	(88)	-
Net donations and investment income received	(i)	-	4,771	-	(4,771)	-
Donations and endowment distributions	(i)	-	(4,724)	-	4,724	-
Capital appropriations	(ii)	15,103	-	-	-	15,103
Balance at 30 June 2020		558,661	18,185	356,478	(273,935)	659,389
Net result for the year		-	-	-	(2,802)	(2,802)
Fair value adjustment to financial assets attributed to donation & endowment reserve	(iii)	-	1,263	-	(1,263)	-
Other comprehensive income for the year		-	-	(21,127)	-	(21,127)
Bequests and endowment funds received	(i)	-	43	-	(43)	-
Net donations and investment income received	(i)	-	4,513	-	(4,513)	-
Donations and endowment distributions	(i)	-	(1,803)	-	1,803	-
Donations for capital purpose		-	140	-	(140)	-
Capital appropriations	(ii)	18,915	-	-	-	18,915
Balance at 30 June 2021		577,576	22,340	335,351	(280,892)	654,376

The statement of changes in equity should be read in conjunction with the notes to the financial statements.

- (i) During the year \$3.9m was transferred from the accumulated deficit to the donation and endowment reserve. In FY2020 \$0.4m was transferred from the accumulated deficit to the donation and endowment reserve. This represents the net movement between philanthropic income and the income generated from endowed funds and the amounts contributed to the Trust's programming activity during the financial year.
- (ii) Creative Victoria provided capital funding of \$0.4m (FY2020: \$0.7m) in relation to the Cultural Facilities Maintenance fund, \$18.0m (FY2020: \$13.8m) for Reimagining and \$0.5m (FY2020: \$0.5m) for minor maintenance. These transfers are designated as a contribution from the owners (capital appropriations).
- (iii) The portion of the fair value adjustment under AASB 9 transition that is related to the Arts Centre Melbourne's Foundation is allocated to the donation & endowment reserve.

Victorian Arts Centre Trust

Cash Flow Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000s	2020 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Receipts from customers		13,744	49,479
Receipts from fundraising activities		3,717	4,190
Receipts from bequests and endowments		43	88
Government grants received		65,985	32,510
GST received from the Australian Taxation Office		3,640	-
Interest and distributions received ^(a)		959	1,126
Total receipts		88,088	87,393
Payments			
Payments to suppliers		(24,576)	(43,245)
Payments to employees		(47,057)	(53,421)
GST paid to the Australian Taxation Office ^(b)		-	(1,440)
Interest and other costs of finance paid		(5)	(11)
Total payments		(71,638)	(98,117)
Net cash from/ (used in) operating activities	6.2.1	16,450	(10,724)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(23,750)	(6,028)
Receipts from investments ^(c)		1,523	15,300
Payments for intangible assets		-	(140)
Prepayment for property, plant and equipment		(2,464)	(2,811)
Net cash from/ (used in) investing activities		(24,692)	6,321
CASH FLOWS FROM FINANCING ACTIVITIES			
Owner contributions by State Government		18,969	15,071
Repayment of borrowings and principal portion of lease liabilities ^(d)		(162)	(159)
Net cash provided by financing activities		18,807	14,912
Net increase in cash and cash equivalents		10,564	10,509
Cash and cash equivalents at the beginning of the financial year		20,572	10,063
Cash and cash equivalents at the end of the financial year	6.2	31,136	20,572

The cash flow statement should be read in conjunction with the notes to the financial statements.

Notes:

(a) 'Dividends received' is recognised as cash flow from operating activities.

(b) GST paid to the Australian Taxation Office is presented on a net basis.

(c) Includes equity and debt instruments.

(d) The Trust has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

1. ABOUT THIS REPORT

The Victorian Arts Centre Trust (the "Trust"), trading as "Arts Centre Melbourne", is a Victorian Government statutory authority of Creative Victoria, a division of the Department of Economic Development, Jobs, Transport and Resources.

Its principal address is:

Victorian Arts Centre Trust
100 St Kilda Rd
Melbourne VIC 3004

A description of the nature of the Trust's operations and principal activities is included in the report of operations on pages 54-60, which does not form part of these financial statements.

Structure

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1.2 Economic Dependency	73

1.1 BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

These financial statements are in Australian dollars, and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Trust.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

1.2 COMPLIANCE STATEMENT

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994*, the *Australian Charities and Not-for-profit Commission Act 2012* and the *Australian Charities and Not-for-profit Commission Regulations 2013* and applicable Australian Accounting Standards "AAS" which include Interpretations, issued by the Australian Accounting Standards Board "AASB". In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

1.3 ECONOMIC DEPENDENCY

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by Governments, regulators and industry sectors. The Australian Federal Government enacted its emergency plan on 29 February 2020 which saw the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdowns and uncertainties. Since this time, outbreaks in Victoria and interstate have resulted in lockdowns and significant measures to reduce the risk of infection.

For the year ended 30 June 2021, COVID-19 has impacted Arts Centre Melbourne, specifically as follows:

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

- Arts Centre Melbourne remained closed until January 2021, when it began a gradual and phased reopening, adhering to the Victorian Government's COVID safety measures. Almost 80% of Arts Centre Melbourne's revenues were self-generated prior to the pandemic, and during periods of closure or restricted trading those revenue streams are severely impacted.
- Regular lockdowns and gradual easing of restrictions have occurred since reopening resulting in significant capacity restrictions in Arts Centre Melbourne's venues, particularly the larger indoor venues, and many cancelled or rescheduled performances. The recovery of self-generated revenue is reliant upon the organisation being open and operating at regular levels without social distancing requirements.
- As a result of the ongoing closure and disruption, \$32.6m of financial support has been provided by the Victorian Government in the form of additional grant funding during the financial year, and the restoration of working capital to pre-pandemic levels through the disbursement of a further \$4.1m. Additionally, \$6.6m million was provided in project funding, the majority of which related to the Live at the Bowl season.

The Trustees have prepared projected cash flow information for the eighteen months from the date of approval of these financial statements taking into consideration the estimation of the continued business impacts of COVID-19. The projections include a funding shortfall in the region of \$32m over the period based on current expectations, which are highly uncertain and subject to disruption.

Arts Centre Melbourne is wholly dependent on the continued financial support of the State Government and in particular, the Department of Jobs, Precincts and Regions ("DJPR") during disruption and recovery under social distancing measures. The Victorian Government has continued to provide crisis funding since the end of the financial year. Without the continuation of this support Arts Centre Melbourne could not continue as a going concern.

ACM has received written confirmation from the Victorian Government that the Government has agreed policies to address the loss of own source revenue that some of the State's controlled entities have suffered. These policies will help to ensure entities' continued operation and ability to maintain employment throughout this crisis. The correspondence states that "DJPR will continue to work with your agency and DTF to consider and assess any additional funding requirements in accordance with principles agreed to by the Crisis Council of Cabinet" and that "this letter is provided to the Victorian Arts Centre Trust to give it confidence that it can prepare its Annual Financial Report for 2020-21 on a going concern basis to meet the requirements of Australian accounting standard AASB 101 *Presentation of Financial Statements*".

Support is conditional upon Arts Centre Melbourne minimising expenditure while maintaining core activities as required to ensure programs and services can rebound once restrictions are lifted and the consistent application of the Coronavirus (COVID-19) guidance note - Victorian Public Sector and any subsequent policies determined by the Victorian Government.

On this basis Trustees believe that it remains appropriate to prepare the financial statements on a going concern basis.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The core objective of the Trust is to enrich the lives of Victorians – culturally, educationally, socially and economically – by enabling people to enjoy and value the performing arts.

The Trust is a public entity and as such derives its funding from both Victorian Government grants and commercial sources such as ticketing, retail, philanthropy, corporate sponsorship, venue-rental and food and beverage operations.

Structure

2.1 Summary of revenue and income that funds the delivery of our services	75
2.2 Revenue and income from Transactions	75

2.1 SUMMARY OF REVENUE AND INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	Notes	2021 \$'000s	2020 \$'000s
Sales of goods and services	2.2.1	14,873	46,136
Income from fundraising activities	2.2.2	3,646	4,261
Grants	2.2.3	64,718	32,157
Income from financial assets	2.2.4	761	1,175
Fair value of assets and services received free of charge or for nominal consideration	2.2.5	482	854
Other income	2.2.6	774	3,556
Total revenue and income from transactions		85,253	88,139

Revenue and income from transactions of the Trust are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

2.2 REVENUE AND INCOME FROM TRANSACTIONS

2.2.1 SALES OF GOODS AND SERVICES

	2021 \$'000s	2020 \$'000s
Arts Centre Melbourne programming	2,138	6,420
Theatre services	5,227	13,838
Ticketing	1,220	6,563
Food and beverage	4,439	15,019
Car park	1,848	4,225
Other commercial	1	71
Total Sales of goods and services	14,873	46,136

The sale of goods and services included in the table above are transactions that the Trust has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

Key income areas are as follows:

- Arts Centre Melbourne programming income comprises ticket sales from Arts Centre Melbourne presented and produced events. Revenue is recognised at a point in time when the performance obligation is satisfied; when the event or program is completed; and over time when the customer simultaneously receives and consumes the services as it is provided;
- Theatre services income consists of the recovery of event production costs and venue rental. Revenue is recognised at a point in time when the performance obligation is satisfied; when the event or program is completed; and over time when the customer simultaneously receives and consumes the services as it is provided;

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

- Ticketing income comprises commissions on the sale of tickets as well as merchant and transaction fees. Revenue is recognised at a point in time when the performance obligation is satisfied;
- The food and beverage revenue is earned from the various Arts Centre Melbourne bars and restaurants and from the Conference Meetings and Event business. Revenue is recognised at the point of time when a customer uses the bars and restaurants. For events, revenue is recognised when the event is completed; and
- The car park income is earned from the onsite car parking facilities. Revenue is recognised at the point in time when a customer uses the facility.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.1.2).

2.2.2 INCOME FROM FUNDRAISING ACTIVITIES

	2021 \$'000s	2020 \$'000s
Philanthropy	3,376	3,306
Bequests and endowments	43	88
Membership	31	375
Sponsorships	196	492
Total income from fundraising activities	3,646	4,261

All donations, sponsorships and non-reciprocal contributions from the public are included in the Trust's revenue on receipt. Pledged donations are not recognised as income until received.

Bequests and endowment funds received are recognised as income in the year in which they are received. A portion of income generated by these funds is used to fund programming activities and the balance is retained by the Arts Centre Melbourne Foundation ("the Foundation") to generate income through investing activities.

Membership revenue is recognised on a basis that reflects the timing, nature and value of the benefits provided.

2.2.3 GRANTS

	2021 \$'000s	2020 \$'000s
Victorian Government appropriation – recurrent	20,937	20,937
Victorian Government grants - Australian Music Vault	948	876
Other Victorian Government grants – non-recurrent	42,353	9,757
Federal government grants	98	308
Other grants	382	279
Total grants	64,718	32,157

Non-recurrent Victorian Government grants

The Trust received non-recurrent funding from the Victorian Government of \$42.4m in FY2021 (FY2020: \$9.8m) comprising COVID-19 crisis funding support of \$32.6m, an additional \$4.1m provided to reinstate working capital (as the Trust was required to use all available working capital to meet its liabilities ahead of receiving COVID-19 funding in FY2020) and \$5.7m of funding for programming activities (primarily relating to the Live At The Bowl summer season at Sidney Myer Music Bowl).

Grants recognised under AASB 1058

The Trust has determined that grant income recognised under AASB 1058 has been earned under arrangements that are either not enforceable and/ or linked to sufficiently specific performance obligations.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Trust has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Trust recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Related amounts may take the form of:

- (a) contributions by owners, in accordance with AASB 1004;
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- (c) a lease liability in accordance with AASB 16;
- (d) a financial instrument, in accordance with AASB 9; or
- (e) a provision, in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

Grants recognised under AASB 15

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. These grants primarily relate to programming activity, the Australian Music Vault and the Arts Wellbeing Collective. Revenue is recognised when the Trust satisfies the performance obligation. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur.

2.2.4 INCOME FROM FINANCIAL ASSETS

	2021 \$'000s	2020 \$'000s
Interest – bank deposits ^(a)	85	232
Dividends and interest – externally managed unitised trusts ^(b)	676	943
Total income from financial assets classified as available for sale	761	1,175

Note:

(a) Interest includes \$14k (FY2020: \$20k) relating to fundraising activities and \$71k (FY2020: \$212k) relating to operating activities.

(b) Included in dividends is \$644k (FY2020: \$858k) relating to fundraising activities and \$32k (FY2019: \$85k) relating to operating activities.

Interest income includes interest received on bank term deposits and other investments. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Dividend income is recognised when the right to receive payment is established. Dividends represent the income arising from the Trust's investments in financial assets.

Net unrealised gains and losses on the revaluation of investments do not form part of the income from transactions, but are reported as unrealised gains and losses from other economic flows included in the net result.

2.2.5 FAIR VALUE OF ASSETS AND SERVICES RECEIVED FREE OF CHARGE OR FOR NOMINAL CONSIDERATION

	2021 \$'000s	2020 \$'000s
Donations to the Performing Arts and visual art collections	25	132
Sponsorship Income	457	722
Total fair value of assets and services received free of charge or for nominal consideration	482	854

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the Trust obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Donated works of art or Performing Arts Collection assets are recognised when the gift is accepted by the Trust and is recorded at fair value. Fair value is determined by either an average of independent valuations under the Cultural Gifts Program or curatorial assessment by the Trust.

The value of goods and services received by way of sponsorship are included in the Trust's revenue for the year in contra sponsorship. The respective goods and services relating to this income are reflected in the appropriate expense or asset accounts. The values of such sponsorship are brought to account on the proviso that a fair value of the sponsorship could be ascertained.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. The Trust did not receive material volunteer services which would otherwise have been purchased and does not depend on volunteers to deliver its services.

2.2.6 OTHER INCOME

	Notes	2021 \$'000s	2020 \$'000s
Facilities management ^(a)		37	272
Cost recovery from third parties ^(b)	3.5	251	2,031
Rental Income - Properties		304	963
Sundry ^(c)		182	290
Total other income		774	3,556

Note:

- (a) Facilities income comprises the recovery of facilities management services costs from presenters and hirers.
 (b) The Trust shares infrastructure with the National Gallery of Victoria (NGV) and the Trust's food and beverage tenants. The Trust incurs costs in relation to this shared infrastructure, a proportion of which are recovered from the NGV and food & beverage tenants. All recoveries are made at cost.
 (c) Sundry income includes recoveries of general expenses incurred on behalf of organisations hiring Arts Centre Melbourne's facilities.

Rental income from the leasing of investment properties which are operating leases is recognised on a straight-line basis over the lease term.

Operating leases relate to the investment property owned by the Trust with lease terms between 7 and 10 years, currently with no option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that the Trust retains in underlying assets are not considered to be significant, the Trust employs strategies to minimise these risks further. For example, ensuring all contracts include clauses requiring the lessee to compensate the Trust when a property has been subject to excess wear and tear during the lease term.

Victorian Arts Centre Trust

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3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the Trust in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

Structure

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3.4 Other commercial expenses	85
3.5 Facilities expenses	85
3.6 Other operating expenses	86

3.1 SUMMARY OF EXPENSES INCURRED IN DELIVERY OF SERVICES

	Notes	2021 \$'000s	2020 \$'000s
Employee benefit expenses	3.2	46,022	51,883
Performance generated expenses	3.3	11,677	11,548
Other commercial expenses	3.4	2,320	6,645
Facilities expenses	3.5	10,242	11,948
Other operating expenses	3.6	7,717	8,274
Total expenses incurred in the delivery of services		77,977	90,298

3.2 EMPLOYEE BENEFIT EXPENSES

3.2.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2021 \$'000s	2020 \$'000s
Salaries and wages	40,012	45,193
Superannuation	3,596	3,994
Taxes	2,056	2,305
Other employee expenses	358	391
Total employee benefit expenses	46,022	51,883

Employee expenses include all costs related to employment including wages and salaries, superannuation, fringe benefits tax, leave entitlements, termination payments and Workcover premiums.

The superannuation amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Trust to the relevant superannuation plans in respect to the services of the Trust's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Trust is required to comply with.

Victorian Arts Centre Trust

Notes to the Financial Statements

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3.2.2 EMPLOYEE BENEFITS IN THE BALANCE SHEET

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave (LSL) and other entitlements for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2021 \$'000s	2020 \$'000s
Current provisions:		
Annual leave		
Unconditional and expected to settle within 12 months	2,357	2,355
Unconditional and expected to settle after 12 months	905	812
Long service leave		
Unconditional and expected to settle within 12 months	357	299
Unconditional and expected to settle after 12 months	2,938	3,328
Provision of on-costs		
Unconditional and expected to settle within 12 months	383	359
Unconditional and expected to settle after 12 months	603	633
Total current provisions for employee benefits	7,543	7,786
Non-current provisions:		
Employee benefits	1,262	1,268
On-costs	206	200
Total non-current provisions for employee benefits	1,468	1,468
Total provisions for employee benefits	9,011	9,254

Reconciliation of movement in on-cost provisions

	2021 \$'000s
Opening balance	1,193
Additional provisions recognised	587
Reductions arising from payments	(503)
Unwind of discount and effect of changes in the discount rate	(85)
Closing balance	1,192
Current	986
Non-current	206
Total	1,192

Wages and salaries, annual leave and other entitlements: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Trust does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages and other entitlements are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Trust expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and the expense is recognised in the Comprehensive Operating Statement as it is taken.

Victorian Arts Centre Trust

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Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Unconditional LSL is disclosed as a current liability; even where the Trust does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if the Trust expects to wholly settle within 12 months; or
- present value – if the Trust does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3.2.3 SUPERANNUATION CONTRIBUTIONS

Employees of the Trust are entitled to receive superannuation benefits and the Trust contributes to both defined benefit and defined contribution plans. The defined benefit plan provides benefits based on years of service and final average salary. Superannuation contributions paid or payable for the reporting period are recognised as an expense in the Comprehensive Operating Statement when they are made or fall due.

	Paid contribution for the year		Contribution outstanding at year end	
	2021 \$'000s	2020 \$'000s	2021 \$'000s	2020 \$'000s
Defined benefit plans	118	121	8	10
Defined contribution plans	3,980	4,717	-	23
Total	4,098	4,838	8	33

(a) Defined contribution superannuation funds

The majority of the superannuation funds are defined contribution funds. The Trust does not make contributions to these funds other than at the superannuation guarantee levy rate of 9.5% or as per enterprise agreements. The Superannuation Guarantee contribution rate is legislated to progressively increase to 12% by 2025. The Superannuation Guarantee rate will increase to 10% from 1 July 2021, to 10.5% from 1 July 2022 and eventually to 12% from 1 July 2025.

(b) Defined benefit fund

The Trust makes all of its defined benefit employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund "the Fund". This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The Defined Benefit category provides lump sum benefits based on years of service and final average salary. In certain circumstances a defined benefit member may be eligible to purchase a lifetime pension with up to 50% of their lump sum benefit.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Operating Statement when they are made or due.

As provided under Paragraph 34 of AASB 119 of AASB 119 – Employee Benefits, The Trust does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a multi-employer sponsored plan.

As a multi-employer sponsored plan, the Fund was established as a mutual scheme to allow for the mobility of the workforce between the participating employers without attaching a specific liability to particular employees and their current employer. Therefore, there is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of The Trust in the Fund cannot be measured as a percentage compared with other participating employers. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 because of the pooled nature of the Fund's Defined Benefit category.

Victorian Arts Centre Trust

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Funding arrangements

The Trust makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

An interim actuarial review is currently underway for the Defined Benefit category as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2021.

A full actuarial investigation as at 30 June 2020 was conducted and was completed by the due date of 31 December 2020. The vested benefit index (VBI) of the Defined Benefit category of which The Trust is a contributing employer was 104.6% as at 30 June 2020 (107.1% at 30 June 2019). The financial assumptions used to calculate the VBIs were:

	30 June 2020	30 June 2019
Net investment returns	5.6% pa	6.0% pa
Salary information	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation (CPI)	2.0% pa	2.0% pa

Vision Super has advised that the actual VBI at 30 June 2021 was 109.7%

The Australian Prudential Regulation Authority (APRA) superannuation prudential standard (SPS 160) - Defined Benefit Matters determines the funding requirements of a defined benefit (DB) arrangement. Under this standard:

- The VBI is the measure to determine whether there is an unfunded liability, and
- Any unfunded liability that arises must be paid within three years.

Under SPS 160, the VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2020 triennial actuarial investigation showed that the Defined Benefit category was in a satisfactory financial position under SPS 160. As a result, the Fund Actuary determined that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

The Fund's employer funding arrangements comprise of three components as follows:

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls - which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments - which are additional contributions to cover the increase in liability arising from retrenchments.

The Trust is also required to make additional contributions to cover the contributions tax payable on components 2 and 3 referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Employer contributions

Regular contributions

On the basis of the results of the 2020 triennial actuarial investigation conducted by the Fund Actuary, The Trust makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2019/2020). This rate will increase in line with the SG increases.

In addition, The Trust reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- A fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- A fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where APRA may approve a

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period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set the Defined Benefit category's shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including The Trust) are required to make an employer contribution to cover the shortfall. The methodology used to allocate the shortfall was agreed in 1997 to fairly and reasonably apportion the shortfall between the participating employers.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

The pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund are based on:

- The service periods of all active members split between the active members pre-1 July 1993 and post-30 June 1993 service period, and
- The pensioner (including fixed term pension) liabilities which are allocated to the pre-1993 period.

The pre-1 July 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at 30 June 1993.

The post-30 June 1993 component of the shortfall is apportioned between the participating employers based on the employer's share of the total participating employer payroll at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. In the unlikely event that the Fund is wound up and there is a surplus in the Fund, the surplus cannot be applied for the benefit of the defined benefit employers where there are on-going defined benefit obligations. The surplus would be transferred to the fund accepting those defined benefit obligations (including the lifetime pension obligations) of the Fund.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2020 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which The Trust is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which The Trust is a contributing employer:

	2020 (Triennial) \$m	2019 (Interim) \$m
A VBI Surplus	\$100.0	\$151.3
A total service liability surplus	\$200.0	\$233.4
A discounted accrued benefits surplus	\$217.8	\$256.7

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2020.

The total service liability surplus means that the current value of the assets in the Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020.

The Trust was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

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The 2021 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2021. It is anticipated that this actuarial investigation will be completed by 31 October 2021. The financial assumptions for the purposes of this investigation are:

	2021 Interim investigation	2020 Triennial investigation
Net investment return	5.6% pa	5.6% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	2.5% pa for two years and 2.75% pa thereafter
Price inflation	2.0% pa	2.0% pa

Accrued benefits

The Fund's liability for accrued benefits was determined in accordance with the Australian Accounting Standards. The relevant accounting standard is AASB 1056 - Superannuation entities.

	30 June 2020 (Triennial) \$m	30 June 2019 (Interim) \$m
Net Market Value of Assets	2,229.4	2,293.0
Accrued Benefits	2,011.6	2,036.6
Difference between Assets and Accrued Benefits	217.8	256.7
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	2,129.4	2,141.7

The financial assumptions used to calculate the Accrued Benefits for the Defined Benefit category of the Fund were:

	30 June 2020	30 June 2019
Net investment return	5.6% pa	6.0% pa
Salary inflation	2.5% pa for two years and 2.75% pa thereafter	3.5% pa
Price inflation	2.0% pa	2.0% pa

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3.3 PERFORMANCE GENERATED EXPENSES

	2021 \$'000s	2020 \$'000s
Arts Centre Melbourne programming	6,594	6,810
Theatre services	3,907	2,042
Ticketing	97	788
Performance marketing	1,079	1,908
Total performance generated expenses	11,677	11,548

Performance generated expenses are recognised in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

3.4 OTHER COMMERCIAL EXPENSES

	2021 \$'000s	2020 \$'000s
Food and beverage	1,743	5,387
Car park	557	1,022
Commercial marketing	2	165
Other commercial	18	71
Total other commercial expenses	2,320	6,645

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

3.5 FACILITIES EXPENSES

	Notes	2021 \$'000s	2020 \$'000s
Maintenance and renewal		2,945	2,393
Maintenance contracts		2,386	2,571
Equipment		327	271
Cleaning, waste and security services		3,081	3,153
Utilities		1,252	1,529
Other costs recovered from third parties ^(a)	2.2.6	251	2,031
Total facilities expenses		10,242	11,948

Note:

(a) (a) The Trust shares infrastructure with the National Gallery of Victoria (NGV) and the Trust's food and beverage tenants. The Trust incurs costs in relation to this shared infrastructure, a proportion of which are recovered from the NGV and food & beverage tenants. All recoveries are made at cost.

Facilities expenses generally represent the cost of running and maintaining infrastructure.

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3.6 OTHER OPERATING EXPENSES

	2021 \$'000s	2020 \$'000s
Other marketing	619	831
Information systems and technology	2,286	2,082
Operating leases – short term leases	518	684
Operating leases – variable leases	32	30
Insurance	565	594
Legal and professional	2,080	1,591
Finance costs	124	275
Travel, transportation and freight	115	412
Office expenses	174	486
Staff support	614	564
Bad debts	40	8
General	550	717
Total other expenses	7,717	8,274

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Bad and doubtful debts are assessed on a regular basis and written off when appropriate. Refer note 7.1.3 for further details.

Services provided free of charge or for nominal consideration are only recognised when the value can be reliably determined and the services would have been purchased if not donated. Other marketing services provided free of charge in FY2021 were \$0.5m (FY2020: \$0.6m) and Travel, transportation and freight services provided free of charge in FY2021 were \$nil (FY2020: \$0.1m).

Operating lease payments (including contingent rentals) are recognised on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

The following lease payments are recognised on a straight-line basis:

- Short-term leases – leases with a term less than 12 months; and
- Low-value leases – leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000.

Variable lease payments that are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate and which are not, in substance fixed) such as those based on performance or usage of the underlying asset, are recognised in the Comprehensive operating statement (except for payments which has been included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occur.

Victorian Arts Centre Trust

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4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Trust controls infrastructure and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Trust to be utilised for delivery of those outputs.

Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

Structure

4.1 Total property, plant and equipment	87
4.2 Intangible assets	91
4.3 Investments and other financial assets	92

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$'000s	2020 \$'000s	2021 \$'000s	2020 \$'000s	2021 \$'000s	2020 \$'000s
Land at fair value	204,850	191,782	-	-	204,850	191,782
Buildings at fair value	146,180	194,427	(163)	(10,539)	146,017	183,888
Building fit outs at fair value	143,342	216,561	-	(52,073)	143,342	164,488
Work in progress at cost ^(a)	22,253	26,695	-	-	22,253	26,695
Furniture and equipment at cost	76,631	48,308	(42,822)	(40,892)	33,809	7,416
Motor vehicles at cost	137	137	(125)	(111)	11	26
Work of art at fair value	44,809	37,224	-	-	44,809	37,224
Performing art collection at fair value	33,769	26,108	-	-	33,769	26,108
Net carrying amount	671,970	741,243	(43,110)	(103,615)	628,859	637,627

Note:

(a) Work in progress contains \$20.7m (FY2020: \$26.5m) in relation to Critical Asset Renewal projects. These work in progress assets have been designated as contributions by owners and are recognised in contributed capital. A further \$1.5m (FY2020: \$0.2m) relates to miscellaneous work in progress capital projects.

4.1(a) Total right-of-use assets: buildings, plant, equipment and vehicles

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2021 \$'000s	2020 \$'000s	2021 \$'000s	2020 \$'000s	2021 \$'000s	2020 \$'000s
Buildings at fair value	164	177	(163)	(81)	1	96
Motor Vehicles	26	26	(26)	(12)	-	14
Property, Plant and Equipment	437	129	(111)	(54)	326	75
Net carrying amount	627	332	(300)	(147)	327	185

Initial recognition: All non-financial physical assets are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Victorian Arts Centre Trust

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

2021	Buildings at fair value \$'000s	Motor vehicles \$'000	Property, Plant and Equipment \$'000s
Opening balance	96	14	75
Additions	-	-	308
Disposals	(13)	-	-
Depreciation	(82)	(14)	(57)
Closing balance	1	-	326

Right-of-use asset acquired by lessees Initial measurement

The Trust recognises a right-of-use asset (a lessee's right to use an asset over the life of a lease) and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- o any lease payments made at or before the commencement date less any lease incentive received; plus
- o any initial direct costs incurred; and
- o an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

Subsequent measurement: Property, plant and equipment (PPE) are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised below by asset category.

In FY2021 an independent valuation of the Trust's land was performed by Valuer-General Victoria and an independent valuation of the building was performed by Napier & Blakeley Pty Ltd on behalf of the Valuer-General Victoria. An external revaluation process is required every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if material movements in fair value are identified.

Right-of-use asset – Subsequent measurement

The Trust depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation however as at 30 June 2021 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

For the majority of the Trust's specialised buildings, the current replacement cost method is used, adjusting for the associated depreciation.

Artworks are valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

Indefinite life assets: Works of art and Performing arts collection assets, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment: Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

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If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Significant estimation uncertainty in valuation of assets

The Trust's assets relating to land, buildings, infrastructure and cultural assets were independently valued by the VGV (land, buildings and infrastructure) and independent specialist valuers (cultural assets) as at 30 June 2021. The market that the assets are valued in is being impacted by the uncertainty that the coronavirus (COVID-19) outbreak has caused. The VGV has advised that the current market environment, impacted by COVID-19, creates a significant valuation uncertainty. The value assessed at the evaluation date may therefore change over a relatively short time period.

4.1.1 DEPRECIATION AND AMORTISATION

Charge for the period ^(a)

	2021 \$'000s	2020 \$'000s
Buildings	3,058	2,706
Building fit-out	6,917	6,080
Furniture and equipment	1,893	2,855
Motor vehicles	14	14
Intangible assets	161	172
Total depreciation and amortisation	12,043	11,827

Note:

(a) The table incorporates depreciation of right-of-use assets as AASB 16 Leases.

Depreciation and amortisation is calculated on the straight-line method to write off the value of non-current physical assets (excluding land, Works of art and Performing Arts Collection assets) to its residual value over its expected useful life to the Trust.

Estimates of the remaining useful lives for all assets are reviewed at least annually. The maximum useful lives for buildings and building fit-outs is 50 years. This has been assessed as reasonable as there is a public expectation that iconic buildings are maintained to an acceptable level which is not reflective of their physical effective life. The expected useful lives, as assessed as reasonable by management in the current year, are as follows:

Asset	Useful life (years)
Buildings	50
Building fit-outs	3 to 50
Furniture and equipment	3 to 30
Motor vehicles	5 to 6
Software intangible assets	2.5 to 4.5
Works of art and Performing Arts Collection	Non-depreciable

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate. There have been no changes to the useful lives since the prior year.

Major spare parts purchased for plant are capitalised and depreciated on the same basis as the plant to which they relate.

Victorian Arts Centre Trust

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4.1.2 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

2021	Land \$'000s	Buildings \$'000s	Building Fit- out \$'000s	Furniture and Equipment \$'000s	Motor vehicles \$'000s	Work of Art \$'000s	Performing Arts Collection \$'000s	Work in Progress \$'000s	Total \$'000s
Opening balance	191,782	183,888	164,488	7,416	26	37,224	26,108	26,695	637,627
Additions	-	-	379	18,047	-	-	31	5,803	24,260
Disposals	-	(13)	-	-	-	-	-	-	(13)
Transfers	-	-	-	10,239	-	-	-	(10,239)	-
Depreciation	-	(3,058)	(6,917)	(1,893)	(14)	-	-	-	(11,882)
Expensed	-	-	-	-	-	-	-	(8)	(8)
Revaluation of Land and Buildings and Collections	13,068	(34,801)	(14,609)	-	-	7,585	7,630	-	(21,127)
Closing balance	204,850	146,017	143,342	33,809	11	44,809	33,769	22,253	628,859

2020	Land \$'000s	Buildings \$'000s	Building Fit- out \$'000s	Furniture and Equipment \$'000s	Motor vehicles \$'000s	Work of Art \$'000s	Performing Arts Collection \$'000s	Work in Progress \$'000s	Total \$'000s
Opening balance	172,310	164,860	150,649	9,201	14	37,177	25,919	16,491	576,621
Recognition of right-of-use assets on initial application of AASB 16	-	177	-	129	26	-	-	-	332
Adjusted balance at 1 July 2019	172,310	165,037	150,649	9,330	40	37,177	25,919	16,491	576,953
Additions	-	281	731	498	-	47	189	11,182	12,928
Disposals	-	-	-	(105)	-	-	-	-	(105)
Transfers	-	-	147	443	-	-	-	(590)	-
Depreciation	-	(2,706)	(6,080)	(2,855)	(14)	-	-	-	(11,655)
Depreciation on disposal	-	-	-	105	-	-	-	-	105
Expensed	-	-	-	-	-	-	-	(388)	(388)
Revaluation of Land and Buildings and Collections	19,472	21,276	19,041	-	-	-	-	-	59,789
Closing balance	191,782	183,888	164,488	7,416	26	37,224	26,108	26,695	637,627

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4.2 INTANGIBLE ASSETS

	2021 \$'000s	2020 \$'000s
Gross carrying amount		
Opening balance	6,344	6,344
Closing balance	6,344	6,344
Work in Progress	157	166
Accumulated depreciation, amortisation and impairment		
Opening balance	(5,879)	(5,707)
Amortisation of intangible non-produced assets	(161)	(172)
Closing balance	(6,040)	(5,879)
Net book value at end of financial year	460	631

Initial recognition

Purchased intangible assets are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

An **internally generated intangible asset** arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) an intention to complete the intangible asset and use or sell it;
- (c) the ability to use or sell the intangible asset;
- (d) the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight-line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 5 years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight-line basis over their useful lives. The amortisation period is 3 to 5 years.

Impairment of intangible assets

Goodwill and intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in section 7.3.

Significant intangible assets

The Trust has not capitalised any expenditure as intangible assets FY2021 (FY2020: Nil).

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

4.3 INVESTMENTS AND OTHER FINANCIAL ASSETS

	2021 \$'000s	2020 \$'000s
Current investments and other financial assets		
Term deposits: ^(a)		
Australian dollar term deposits > three months – General Funds	-	-
Australian dollar term deposits > three months – Box Office Funds	-	-
Total current investments and other financial assets	-	-
Non-current investments and other financial assets		
Managed investment schemes: ^(b)		
Managed investment schemes – General Funds	-	1,476
Managed investment schemes – Foundation Funds ^(c)	16,623	15,327
Total non-current investments and other financial assets	16,623	16,803
Total investments and other financial assets	16,623	16,803

Note:

(a) Term deposits under 'investments and other financial assets' class include only term deposits with a maturity greater than 90 days.

(b) The Trust designates all its managed investment schemes at fair value through profit or loss. Unless such assets are part of a disposal group held for sale, all managed investment schemes are classified as non-current.

(c) Investments held relating to Foundation funds are donated for an agreed purpose and not available for general operations

Ageing analysis of investments and other financial assets

All investments and financial assets are not past due and not impaired for FY2021 (FY2020 not past due and not impaired).

Victorian Arts Centre Trust

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

5. OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from the Trust's controlled operations.

Structure

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5.4 Other non-financial assets	96

5.1 RECEIVABLES AND CONTRACT ASSETS

5.1.1 Receivables

	2021 \$'000s	2020 \$'000s
Contractual		
Sale of goods and services	2,212	1,261
Allowance for impairment losses of contractual receivables	-	(64)
Accrued investment income	-	198
Other receivables	38	280
Statutory		
GST receivable	148	825
FBT receivable	-	11
Total receivables	2,397	2,511
Represented by:		
Current receivables	2,397	2,511

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The Trust applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivable are initially recognised at fair value plus any directly attributable transaction cost.

Details about the Trust's impairment policies, the Trust's exposure to credit risk, and the calculation of the loss allowance are set out in note 7.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

5.1.2 Contract assets

	2021 \$'000s	2020 \$'000s
Contract assets		
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	98	889
Add: Additional costs incurred that are recoverable from the customer	629	98
Less: Transfer to revenue recognition	(98)	(889)
Less: impairment allowance		-
Total contract assets	629	98
Represented by:		
Current contract assets	629	98
Non-current contract assets	-	-

Contract assets relate to the Trust's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. This usually occurs when the Trust issues an invoice to the customer. The works are expected to be completed and recovered early next year.

5.2 PAYABLES AND CONTRACT LIABILITIES

5.2.1 Payables

	2021 \$'000s	2020 \$'000s
Contractual		
Supplies and services	2,213	340
Sundry Creditors and accruals	4,656	3,208
Box Office Creditors	729	651
Defined pension superannuation call	1,751	2,151
Statutory		
FBT payable	20	-
Other taxes payable	129	143
Total payables	9,496	6,493
Represented by:		
Current payables	8,036	4,633
Non-current payables	1,460	1,860

Payables consist of:

- **Contractual payables** classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Trust prior to the end of the financial year that are unpaid; and
- **Statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

Payables for supplies and services have an average credit period of 30 days. Box office creditors are held as payables until the performance has occurred.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

5.2.2 Contract liabilities

	2021 \$'000s	2020 \$'000s
Contract liabilities		
Opening balance brought forward from 30 June 2019 adjusted for AASB 15	7,387	13,802
Add: Payments received for performance obligations yet to be completed during the period	11,013	6,688
Add: Grant consideration for sufficiently specific performance obligations received during the year	2,656	2,206
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(6,688)	(13,356)
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(699)	(1,953)
Total contract liabilities	13,669	7,387
Represented by:		
Current contract liabilities	13,578	7,120
Non-current contract liabilities	91	267

Contract liabilities include consideration received in advance from customers in respect of performances. Income is recognised or funds are passed to the presenter after the relevant event has occurred.

In addition, grant consideration was also received from the State Government in support of programming activity and other initiatives. Grant income is recognised when the relevant services are provided each month. The remaining grant revenue is recognised when the services are rendered in the following year.

Maturity analysis of contractual payables ^(a)

2021	Carrying amount \$'000s	Maturity dates				
		Less than 1 month \$'000s	1 – 3 months \$'000s	3 months – 1 year \$'000s	1 – 5 years \$'000s	5+ years \$'000s
Supplies and services	2,213	2,213	--	-		
Sundry Creditors and accruals	4,656	4,656	-	-		
Box Office Creditors	729	570	21	137	1	-
Defined pension superannuation call	1,751	-	-	291	1,167	293
Total	9,350	7,440	21	428	1,167	293

2020	Carrying amount \$'000s	Maturity dates				
		Less than 1 month \$'000s	1 – 3 months \$'000s	3 months – 1 year \$'000s	1 – 5 years \$'000s	5+ years \$'000s
Supplies and services	340	340	-	-	-	-
Sundry Creditors and accruals	3,208	3,208	-	-	-	-
Box Office Creditors	651	572	21	58	-	-
Defined pension superannuation call	2,151	-	-	291	1,275	585
Total	6,350	4,120	21	349	1,275	585

Note:

(a) Maturity analysis is presented using the contractual undiscounted cash flows.

Victorian Arts Centre Trust

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5.3 INVENTORIES

	2021 \$'000s	2020 \$'000s
Current inventories		
Theatre equipment	85	85
Central plant	50	55
Cleaning consumables	8	13
Food and beverage	376	417
Total inventories	519	570

Inventories held for distribution are measured at cost, adjusted for any loss of service potential. All other inventories are measured at the lower of cost and net realisable value.

Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Bases used in assessing loss of service potential for inventories held for distribution include current replacement cost and technical or functional obsolescence. Technical obsolescence occurs when an item still functions for some or all of the tasks it was originally acquired to do, but no longer matches existing technologies. Functional obsolescence occurs when an item no longer functions the way it did when it was first acquired.

5.4 OTHER NON-FINANCIAL ASSETS

	2021 \$'000s	2020 \$'000s
Current other assets		
Prepayments	6,256	3,898
Total current other assets	6,256	3,898

Other non-financial assets include prepayments, which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. Other non-financial assets also include \$5.5m (FY2020 \$2.8m) paid to Development Victoria as a prepayment for property, plant and equipment.

Victorian Arts Centre Trust

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

6. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by the Trust during its operations and other information related to financing activities of the Trust.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

Structure

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6.1 LEASES

6.1.1 Leases

Information about leases for which the Trust is a lessee is presented below.

The Trust's leasing activities

The Trust leases various properties, IT equipment and motor vehicles. The lease contracts are typically made for fixed periods of 1-3 years with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals.

The Trust leases IT equipment with contract terms of one to three years. These leases are short-term and or/leases of low value items. The Trust has elected not to recognise right-of-use assets and lease liabilities for these leases.

At 30 June 2021, the Trust was committed to short-term and low-value leases and the total commitment at that date was \$0.9m.

6.1.1 (a) Right-of-use Assets

Right-of-use assets are presented in note 4.1(a).

6.1.1 (b) Right -of-use Assets Lease liabilities

	2021 \$'000s	2020 \$'000s
Lease liabilities - current	78	148
Lease liabilities – non-current	250	39
Total lease liabilities	328	187

6.1.1 (c) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases

	2021 \$'000s	2020 \$'000s
Interest expense on lease liabilities	5	11
Expenses relating to short term leases	-	-
Expenses relating to leases of low-value assets	536	684
Variable lease payments, not included in the measurement of lease liabilities	32	30
Total amount recognised in the comprehensive operating statement	573	725

6.1.1 (d) Amounts recognised in the Cash Flow Statement

The following amounts are recognised in the Cash Flow Statement for the year ending 30 June 2021 relating to

	2021 \$'000s	2020 \$'000s
Total cash outflow for leases	167	170

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

For any new contracts entered into, the Trust considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Trust assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Trust and for which the supplier does not have substantive substitution rights;
- the Trust has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Trust has the right to direct the use of the identified asset throughout the period of use; and
- the Trust has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Trust's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments);
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

Short-term leases and leases of low value assets

The Trust has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Below market/Peppercorn lease

Right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable the Trust to further its objectives, are initially and subsequently measured at cost.

These right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Presentation of right-of-use assets and lease liabilities

The Trust presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

6.1.2 SHORT-TERM AND LOW VALUE LEASE LIABILITIES

Short-term and low-value leases payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

All incentives for the agreement of a new or renewed short-term and low-value leases are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

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In the event that lease incentives are received to enter into short-term and low-value leases, the aggregate cost of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Note 6.3.1 has details of all the short-term and low-value lease commitments.

6.2 CASH FLOW INFORMATION AND BALANCES

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include the following.

	2021 \$'000s	2020 \$'000s
Cash on hand and in bank	8,259	2,580
Cash held in box office bank account ^(a)	9,765	5,608
Cash held in Foundation bank account ^(b)	4,341	2,930
Bank deposits (restricted use) ^(c)	8,771	9,454
Balance as per cash flow statement	31,136	20,572

Note:

- (a) Cash held in the box office bank account is held on behalf of the ticket purchaser and can only be made available to the Presenter (ticketing receipts) and the Trust (venue rental, ticketing commission and other recoveries) after the relevant event has occurred.
- (b) Cash held in the Foundation bank account represents accumulated revenue received from donations, bequests, investment income and similar sources which is dedicated to be spent for an agreed purpose, usually on ACM's own programming activities, and not available for general operations.
- (c) Restricted funds relate to capital funding and income received in advance held to a specific purpose and not available for general operations.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

6.2.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	2021 \$'000s	2020 \$'000s
Net result for the period	(2,802)	(14,740)
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	1	2
(Gain)/loss on financial assets	(1,342)	608
Depreciation and amortisation of non-current assets	12,053	11,827
Donations of property, plant and equipment	(25)	(132)
Movements in assets and liabilities		
(Increase)/decrease in receivables	59	1,775
(Increase)/decrease in contract assets	(531)	(98)
(Increase)/decrease in inventories	51	(95)
(Increase)/decrease in other current assets	106	(23)
Increase/(decrease) in payables	2,841	(15,863)
Increase/(decrease) in contract liabilities	6,282	7,387
Increase/(decrease) in provisions including employee benefits	(244)	1,181
Increase/(decrease) in other liabilities	-	(2,553)
Net cash flows from/(used in) operating activities	16,450	(10,724)

6.3 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 TOTAL COMMITMENTS PAYABLE

Nominal amounts 2021	Less than 1 year \$'000s	1 – 5 years \$'000s	5+ years \$'000s	Total \$'000s
Operating commitments payable	3,323	34	-	3,358
Capital expenditure commitments payable ^(a)	1,306	7	-	1,312
Short-term and low-value lease commitments payable ^(b)	351	140	-	490
Programming commitments payable	337	-	-	337
Total commitments (inclusive of GST)	5,316	181	-	5,497
Less GST recoverable	(383)	(16)	-	(399)
Total commitments (exclusive of GST)	4,933	164	-	5,097

Note:

(a) Capital expenditure commitments of \$0.9m are funded by Development Victoria in relation to the Reimagining Arts Centre Melbourne.

(b) Short-term and low-value lease commitments predominantly relate to computer equipment with lease terms between one and four years. These contracts do not allow the Trust to purchase the equipment after the lease ends. No material amount of operating leases are expected to be capitalised in the future.

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Nominal amounts 2020	Less than 1 year \$'000s	1 – 5 years \$'000s	5+ years \$'000s	Total \$'000s
Operating commitments payable	2,618	33	-	2,651
Capital expenditure commitments payable ^(a)	17,885	-	-	17,885
Short-term and low-value lease commitments payable ^(b)	432	328	-	760
Programming commitments payable	202	-	-	202
Total commitments (inclusive of GST)	21,137	361	-	21,498
Less GST recoverable	(1,850)	(33)	-	(1,883)
Total commitments (exclusive of GST)	19,287	328	-	19,615

Note:

(a) Capital expenditure commitments of \$17.2m are funded by Development Victoria in relation to the Reimagining Arts Centre Melbourne.

(b) Short-term and low-value lease commitments predominantly relate to computer equipment with lease terms between one and four years. These contracts do not allow the Trust to purchase the equipment after the lease ends. No material amount of operating leases are expected to be capitalised in the future.

6.3.2 COMMITMENTS

	2021 Nominal value (incl. GST) \$'000s	2020 Nominal value (incl. GST) \$'000s
Operating expenditure commitments: Facilities and IT maintenance	3,358	2,651
Capital expenditure commitments: Capital maintenance works	1,312	17,885
Lease commitments: Computers and IT equipment	490	760
Other commitments: Programming	337	202
Total commitments	5,497	21,498

Victorian Arts Centre Trust

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7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Victorian Arts Centre Trust is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Trust related mainly to fair value determination.

Structure

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7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

INTRODUCTION

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Trust's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*.

CATEGORIES OF FINANCIAL ASSETS

Financial assets at amortised cost are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Trust to collect the contractual cash flows; and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Trust recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables); and
- term deposits.

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, the Trust may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Trust has designated all of its managed investment schemes fair value through net result.

CATEGORIES OF FINANCIAL LIABILITIES

The Trust does not recognise **any** liabilities at fair value through net result.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Trust recognises payables and lease liabilities (excluding statutory payables) in this category.

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Offsetting financial instruments: Financial instrument assets and liabilities are offset, and the net amount presented in the consolidated balance sheet when, and only when, the Trust has a legal right to offset the amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the Trust does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

De-recognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Trust retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Trust has transferred its rights to receive cash flows from the asset and either:
 - o has transferred substantially all the risks and rewards of the asset; or
 - o has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Trust has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Trust's continuing involvement in the asset.

De-recognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

2021	Financial assets / liabilities designated at fair value through profit/loss (FVTPL) \$'000s	Financial assets at amortised cost (AC) \$'000s	Contractual financial liabilities at amortised cost \$'000s	Total \$'000s
Contractual financial assets				
Cash and deposits	-	31,136	-	31,136
Receivables ^(a)				
Sale of goods and services	-	2,212	-	2,212
Accrued investment income	-	-	-	-
Other receivables	-	38	-	38
Investments and other contractual financial assets				
Managed investment schemes	16,623	-	-	16,623
Total contractual financial assets	16,623	33,386	-	50,009
Contractual financial liabilities				
Payables ^(a)				
Supplies and services	-	-	2,213	2,213
Box Office Creditors	-	-	729	729
Defined Pension superannuation call	-	-	1,751	1,751
Other payables	-	-	4,656	4,656
Borrowings				
Lease liabilities	-	-	328	328
Total contractual financial liabilities	-	-	9,677	9,677

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable and taxes payable).

Victorian Arts Centre Trust

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

2020	Financial assets / liabilities designated at fair value through profit/loss (FVTPL) \$'000s	Financial assets at amortised cost (AC) \$'000s	Contractual financial liabilities at amortised cost \$'000s	Total \$'000s
Contractual financial assets				
Cash and deposits	-	20,572	-	20,572
Receivables ^(a)				
Sale of goods and services	-	1,197	-	1,197
Accrued investment income	-	198	-	198
Other receivables	-	280	-	280
Investments and other contractual financial assets				
Managed investment schemes	16,803	-	-	16,803
Total contractual financial assets	16,803	22,247	-	39,050
Contractual financial liabilities				
Payables ^(a)				
Supplies and services	-	-	340	340
Box Office Creditors	-	-	651	651
Defined Pension superannuation call	-	-	2,151	2,151
Other payables	-	-	3,208	3,208
Borrowings				
Lease liabilities	-	-	187	187
Total contractual financial liabilities	-	-	6,537	6,537

7.1.2 FINANCIAL INSTRUMENTS – NET HOLDING GAIN/(LOSS) ON FINANCIAL INSTRUMENTS BY CATEGORY

2021	Net holding gain/(loss) \$'000s	Total interest income/(expense) \$'000s	Total \$'000s
Contractual financial assets			
Financial assets at amortised cost – loans and receivables	64	85	148
Financial assets designated at fair value through profit/loss	1,278	676	1,954
Total contractual financial assets	1,342	761	2,103

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

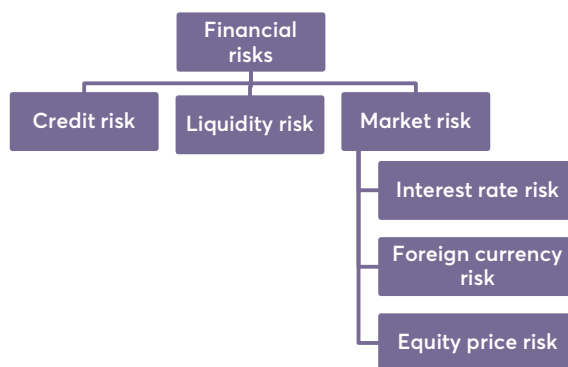
2020	Net holding gain/(loss) \$'000s	Total interest income/ (expense) \$'000s	Total \$'000s
Contractual financial assets			
Financial assets at amortised cost – loans and receivables	(18)	232	214
Financial assets designated at fair value through profit/loss	(590)	943	353
Total contractual financial assets	(608)	1,175	567
Total contractual financial liabilities	-	-	-

Note: Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.

The net holding gains or losses disclosed above are determined as follows:

- for cash and cash equivalents, loans or receivables and available-for-sale financial assets, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.

7.1.3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES



As a whole, the Trust's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.4 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Trust's financial risks within the government policy parameters.

The Trust's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Trust manages these financial risks in accordance with its financial risk management policy.

The Trust uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Trust.

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Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Trust's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Trust. Credit risk is measured at fair value and is monitored on a regular basis.

The Trust's policy is that credit sales are only made to customers that are creditworthy. Provision of impairment of contractual financial assets is recognised when there is objective evidence that the Trust is not able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Trust's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to the Trust's credit risk profile in 2020-21.

Credit quality of contractual financial assets that are neither past due nor impaired

2021	Financial institutions (AA credit rating) \$'000s	Government agencies (AA credit rating) \$'000s	Other \$'000s	Total \$'000s
Cash and deposits	31,128	-	9	31,136
Receivables ^(a)	3	233	1,031	1,267
Investments and other financial assets	-	16,623	-	16,623
Total contractual financial assets	31,131	16,855	1,040	49,026

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

2020	Financial institutions (AA credit rating) \$'000s	Government agencies (AA credit rating) \$'000s	Other \$'000s	Total \$'000s
Cash and deposits	20,564	-	8	20,572
Receivables ^(a)	-	620	363	983
Investments and other financial assets	-	16,803	-	16,803
Total contractual financial assets	20,564	17,423	371	38,358

Note:

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

Impairment of financial assets under AASB 9

The Trust records the allowance for expected credit loss for the relevant financial instruments, applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Trust's contractual receivables, statutory receivables and its investment in debt instruments.

Equity instruments are not subject to impairment under AASB 9. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Although not a financial asset, contract assets recognised applying AASB 15 (Note 5.1.1) are also subject to impairment however it is immaterial.

Contractual receivables at amortised cost

The Trust applies AASB 9's simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Trust has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Trust's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

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On this basis, the Trust determines the closing loss allowance at end of the financial year as follows:

2021	Current	Less than 1 month	1-3 months	3 months – 1 year	1-5 years	Total
Expected loss rate	0%	0%	0%	0%	0%	0%
Gross carrying amount of contractual receivables	1,267	536	447	-	-	2,250
Loss allowance	-	-	0	-	-	-

2020	Current	Less than 1 month	1-3 Months	3 months – 1 year	1-5 years	Total
Expected loss rate	0%	0%	19.3%	0%	0%	4%
Gross carrying amount of contractual receivables	983	360	332	-	-	1,675
Loss allowance	-	-	64	-	-	-

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	2021 \$'000s	2020 \$'000s
Balance at beginning of the year	(64)	(46)
Opening Loss Allowance	(64)	(46)
Increase in provision recognised in the net result	(0)	(64)
Reversal of provision of receivables written off during the year as uncollectible	44	-
Reversal of unused provision recognised in the net result	20	46
Balance at end of the year	(0)	(64)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables and debt investments at amortised cost

The Trust's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

Both the statutory receivables and investments in debt instruments are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance has been recognised.

Financial instruments: Liquidity risk

Liquidity risk is the risk that the Trust would be unable to meet its financial obligations as and when they fall due. The Trust continuously manages risk through monitoring future cash flows to ensure adequate holding of high quality liquid assets.

The Trust's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk. Cash for unexpected events is generally sourced from cash on hand. The maximum exposure to liquidity risk is the carrying amount of financial liabilities.

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The following table discloses the contractual maturity analysis for the Trust's financial liabilities.

Maturity analysis of contractual financial liabilities

2021	Carrying amount \$'000s	Less than 1 month \$'000s	1 – 3 months \$'000s	3 months – 1 year \$'000s	Greater than 1 year \$'000s
Payables:					
Trade creditors	2,213	2,213	-	-	-
Box office creditors	729	570	21	137	1
Other payables	4,656	4,656	-	-	-
Defined pension superannuation call	1,751	-	-	291	1,460
Borrowings:					
Lease liabilities	328	4	14	60	250
Total	9,677	7,443	35	487	1,710

2020	Carrying amount \$'000s	Less than 1 month \$'000s	1 – 3 months \$'000s	3 months – 1 year \$'000s	Greater than 1 year \$'000s
Payables:					
Trade creditors	340	340	-	-	-
Box office creditors	651	572	21	58	-
Other payables	3,208	3,208	-	-	-
Defined pension superannuation call	2,151	-	-	291	1,860
Borrowings:					
Lease liabilities	187	12	25	111	39
Total	6,537	4,132	46	460	1,899

Financial instruments: Market risk

The Trust's exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

The Trust's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. The Trust's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only. The following movements are 'reasonably possible' over the next 12 months:

- a movement of 100 basis points up and down (FY2020: 100 basis points up and down) in market interest rates (AUD);
- a movement of 15% up and down (FY2020: 15%) for the top ASX 200 index.

The tables that follow show the impact on the Trust's net result and equity for each category of financial instrument held by the Trust at the end of the reporting period if the above movements were to occur.

a) Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Trust does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust has minimal exposure to cash flow interest rate risks through cash and deposits, and term deposits that are at floating rate.

The Trust manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded, cash at bank

Victorian Arts Centre Trust

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as financial assets can be left at floating rate without necessarily exposing the Trust to significant risk. Management monitors movement in interest rates on a regular basis.

Interest rate exposure of financial instruments

2021	Weighted average interest rate %	Carrying amount \$'000s	Interest rate exposure		
			Fixed interest rate \$'000s	Variable interest rate \$'000s	Non-interest bearing \$'000s
Financial assets					
Cash at bank and on hand	0.65%	31,136	-	31,136	-
Receivables ^(a)					
Sale of goods and services		2,212	-	-	2,212
Accrued investment income		-	-	-	-
Other receivables		38	-	-	38
Investments and other contractual financial assets		-	-	-	-
Managed investment schemes		16,623	-	-	16,623
Total financial assets		50,009	-	31,136	18,873
Financial liabilities					
Payables ^(a)					
Supplies and services		2,213	-	-	2,213
Box Office Creditors		729	-	-	729
Defined pension superannuation call	7.5%	1,751	1,751	-	-
Other payables		4,656	-	-	4,657
Borrowings					
Lease liabilities	4.0%	328	328	-	-
Total financial liabilities		9,678	2,079	-	7,599

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

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2020	Weighted average interest rate %	Carrying amount \$'000s	Interest rate exposure		
			Fixed interest rate \$'000s	Variable interest rate \$'000s	Non-interest bearing \$'000s
Financial assets					
Cash at bank and on hand	0.61	20,572	-	20,572	-
Receivables ^(a)					
Sale of goods and services		1,197	-	-	1,197
Accrued investment income		198	-	-	198
Other receivables		280	-	-	280
Investments and other contractual financial assets					
Managed investment schemes		16,803	-	-	16,803
Total financial assets		39,050	-	20,572	18,478
Financial liabilities					
Payables ^(a)					
Supplies and services		340	-	-	340
Box Office Creditors		651	-	-	651
Defined pension superannuation call	7.50	2,151	2,151	-	-
Other payables		3,208	-	-	3,208
Borrowings					
Lease liabilities	4.0	187	187	-	-
Total financial liabilities		6,537	2,338	-	4,199

Note:

(a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST input tax credit recoverable).

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Interest rate risk sensitivity

2021	Carrying amount \$'000s	Net result \$'000s	
		-100 basis points	+100 basis points
Cash and deposits ^(a)	18,025	(180)	180
Total impact	18,025	(180)	180

2020	Carrying amount \$'000s	Net result \$'000s	
		-100 basis points	+100 basis points
Cash and deposits ^(a)	8,188	(82)	82
Total impact	8,188	(82)	82

Note:

(a) Cash and deposits include a deposit of \$18.025m (FY2020: \$8.188m) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:
 - FY2021: \$18.025m x (0.01) = (\$180k); and \$18.025m x 0.01 = \$180k; and
 - FY2020: \$8.188m x (0.01) = (\$82k); and \$8.188m x 0.01 = \$82k.

b) Foreign currency risk

The Trust is exposed to limited foreign currency risk through payments to international artists and international software companies. The Trust's exposure is minimised through regular monitoring of movements in exchange rates against the principal currencies and hedging of foreign currency exposures.

c) Equity price risk

The Trust is exposed to equity price risk through its investments in managed investment schemes. Such investments are allocated, traded and managed by VFMC to match the Trust's investment objectives appropriate for the Trust's liabilities.

The Trust has appointed a State organisation to manage its investment portfolio in accordance with the Investment Risk Management Plan approved by the Treasurer. The fund manager on behalf of the Trust closely monitors performance and manages the equity price risk through diversification of its investment portfolio.

The Trust's sensitivity to equity price risk is set out below.

Other price risk sensitivity

2021	Carrying amount \$'000s	Net Result \$'000s	
		-5%	+5%
Managed investment schemes	16,623	(831)	831
Total Impact	16,623	(831)	831

2020	Carrying amount \$'000s	Net Result \$'000s	
		-5%	+5%
Managed investment schemes	16,803	(840)	840
Total Impact	16,803	(840)	840

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7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable.

The Trust is not aware of any quantifiable or non-quantifiable contingent assets.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations; or
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities

A number of potential obligations are non-quantifiable at this time arising from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators;
- performance guarantees, warranties, letters of comfort and the like;
- deeds in respect of certain obligations; and
- unclaimed monies, which may be subject to future claims by the general public against the Trust.

The Trust is not aware of any quantifiable contingent liabilities.

7.3 FAIR VALUE DETERMINATION AND IMPAIRMENT

This section sets out information on how the Trust determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result;
- available-for-sale financial assets;
- land, buildings, infrastructure, plant and equipment; and
- cultural assets.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The Trust determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Significant Judgement: Fair value measurement of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Victorian Arts Centre Trust.

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Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Trust determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Trust, in conjunction with the Valuer-General Victoria "VGV" and other external valuers, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

7.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

The fair values and net fair values of financial assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Trust currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020-21 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	<ul style="list-style-type: none"> • For supplies and services • Box office creditors • Other payables • Defined benefit superannuation call
<ul style="list-style-type: none"> • Sale of goods and services • Accrued investment income • Other receivables 	<ul style="list-style-type: none"> • Lease liabilities
Investments and other contractual financial assets:	
<ul style="list-style-type: none"> • Term deposits • Managed investment schemes 	

There are no financial instruments where the fair value is different from the carrying amount.

Victorian Arts Centre Trust

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Financial assets measured at fair value

2021	Carrying amount as at 30 June \$'000s	Fair value measurement at end of reporting period using:		
		Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s
Managed investment schemes	16,623	-	16,623	-
Total	16,623	-	16,623	-

2020	Carrying amount as at 30 June \$'000s	Fair value measurement at end of reporting period using:		
		Level 1 \$'000s	Level 2 \$'000s	Level 3 \$'000s
Managed investment schemes	16,803	-	16,803	-
Total	16,803	-	16,803	-

Note:

- (a) The fair value hierarchy disclosures shall be disclosed by class of financial instrument where class is the lowest level disclosed in the financial statements or notes and is distinct from a category of financial instrument as specified in AASB 9.4.1 paragraph 9.
- (b) There is no significant transfer between Level 1 and Level 2.

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

Managed investment schemes: The Trust invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions.

The investments are in funds managed by VFMC and are held in their Balanced Fund and Capital Stable Fund.

Impairment of financial assets: At the end of each reporting period, the Trust assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

Fair value measurement hierarchy

2021	Carrying amount as at 30 June 2021 \$'000s	Fair value measurement at end of reporting period using:		
		Level 1 ^{(a), (c), (d)} \$'000s	Level 2 ^{(a), (c)} \$'000s	Level 3 ^{(a), (c)} \$'000s
Land at fair value				
Specialised land	204,850	n.a.	-	204,850
Total of land at fair value	204,850	n.a.	-	204,850
Buildings at fair value				
Specialised buildings and building fit-out	289,359	n.a.	-	289,359
Total of buildings at fair value	289,359	n.a.	-	289,359
Furniture, equipment and vehicles at fair value				
Vehicles ^(b)	11	n.a.	11	-
Furniture and Equipment	33,809	n.a.	33,809	-
Total of Furniture, equipment and vehicles at fair value	33,820	n.a.	33,820	-
Cultural assets at fair value				
Works of art	44,809	n.a.	44,809	-
Performing Arts Collection	33,769	n.a.	33,769	-
Total of cultural assets at fair value	75,678	n.a.	75,678	-

2020	Carrying amount as at 30 June 2020 \$'000s	Fair value measurement at end of reporting period using:		
		Level 1 ^{(a), (c), (d)} \$'000s	Level 2 ^{(a), (c)} \$'000s	Level 3 ^{(a), (c)} \$'000s
Land at fair value				
Specialised land	191,782	n.a.	-	191,782
Total of land at fair value	191,782	n.a.	-	191,782
Buildings at fair value				
Specialised buildings and building fit-out	348,376	n.a.	-	348,376
Total of buildings at fair value	348,376	n.a.	-	348,376
Furniture, equipment and vehicles at fair value				
Vehicles ^(b)	26	n.a.	26	-
Furniture and Equipment	7,416	n.a.	7,416	-
Total of Furniture, equipment and vehicles at fair value	7,442	n.a.	7,442	-
Cultural assets at fair value				
Works of art	37,224	n.a.	37,224	-
Performing Arts Collection	26,108	n.a.	26,108	-
Total of cultural assets at fair value	63,332	n.a.	63,332	-

Note:

(a) Classified in accordance with the fair value hierarchy.

(b) Vehicles are categorised to Level 2 assets as the depreciated replacement cost is used in estimating the fair value.

(c) There have been no transfers between levels during the period.

(d) Level 1 hierarchy applies only to the financial assets with readily observable prices and with a reliable fair market value, and therefore not applicable to physical assets.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Specialised land and specialised buildings: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For the majority of the Trust's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

An independent valuation of the Trusts' specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2021.

Cultural assets (Works of art and the Performing Arts Collection) are valued using the best estimate of the price reasonably obtainable in the market at reporting date.

An independent valuation of the Works of art was performed by Charles Nodrum Gallery and the Performing Arts Collection valuation was performed by Ian Armstrong (OAM). The valuation method compared recent auction prices for similar items. Factors taken into account include age, condition, importance of item and relative importance of the performer with which each item was associated.

To the extent that cultural assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach. The effective date of the valuation for Works of art and the Performing Arts Collection is 30 June 2021.

Vehicles are valued using the depreciated replacement cost method. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition use and disposal in the market is managed by experienced fleet managers in the Trust who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Furniture and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2021.

For all assets measured at fair value, the current use is considered the highest and best use.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Reconciliation of Level 3 fair value movements

	Specialised land 2021 \$'000s	Specialised buildings and building fit outs 2021 \$'000s	Specialised land 2020 \$'000s	Specialised buildings and building fit outs 2020 \$'000s
Opening balance	191,782	348,376	172,310	315,509
Purchases (sales)	-	366	-	1,336
Transfers in (out) of Level 3	-	-	-	-
Gains or losses recognised in net result	-	-	-	-
Depreciation	-	(9,974)	-	(8,786)
Impairment loss	-	-	-	-
Subtotal	191,782	9,608	172,310	(7,450)
Gains or losses recognised in other economic flows – other comprehensive income	-	-	-	-
Revaluation	13,068	(49,410)	19,472	40,317
Subtotal	13,068	(49,410)	19,472	40,317
Closing balance	204,850	289,359	191,782	348,376

Description of significant unobservable inputs to Level 3 valuations

2021 and 2020	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised land	Market approach	Community service obligation (CSO) adjustment	30-60% (44%) ^(a)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised buildings	Depreciated replacement cost ^(b)	Direct cost per square metre	\$514- \$6,274/m ² (\$2,812)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	30-100 years (65 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note:

- (a) CSO adjustments ranging from 30% to 60% were applied to reduce the market approach value for the Trust's specialised land, with the weighted average 28% reduction applied.
- (b) For some heritage and iconic assets, cost may be the reproduction cost of the asset rather than the replacement cost if their service potential could only be replaced by reproducing them with the same materials.

Significant unobservable inputs have remained unchanged since June 2020.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8. OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

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8.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

	2021 \$'000s	2020 \$'000s
Net gain/(loss) on non-financial assets		
Net gain/(loss) on disposal of property plant and equipment	(1)	(2)
Total net gain/(loss) on non-financial assets	(1)	(2)
Net gain/(loss) on financial instruments		
Impairment of:		
Financial assets at amortised cost ^(a)	64	(18)
Net gain/loss arising from revaluation of financial assets at fair value through net result ^(b)	1,278	(590)
Total net gain/(loss) on financial instruments	1,342	(608)
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability ^(c)	624	(144)
Total other gains/(losses) from other economic flows	1,965	(754)

Note:

(a) Including increase/(decrease) in provision for doubtful debts and bad debts from other economic flows – refer to Note 7.1.3. Loans and receivables were reclassified as financial assets at amortised cost as per AASB 9.

(b) Revaluation of financial assets reclassified at fair value through net result as per AASB 9.

(c) Revaluation gain/(loss) due to changes in bond rates.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.2 RESERVES

	Note	2021 \$'000s	2020 \$'000s
Donation and endowment reserve	8.2.2		
Balance at beginning of financial year		18,185	18,587
Fair value adjustment to financial assets transferred		1,263	(537)
Bequests and endowment funds received		43	88
Net donations and investment income received		4,513	4,771
Donations received for capital purposes		140	-
Donations and endowment distributions		(1,803)	(4,724)
Transfers to accumulated surplus		-	-
Disposal or transferred out		-	-
Balance at end of financial year		22,340	18,185
Asset revaluation surplus ^(a)	8.2.3		
Balance at beginning of financial year		356,478	296,689
Revaluation (decrements)/ increments		(21,127)	59,789
Balance at end of financial year		335,351	356,478
Net changes in reserves		(16,971)	59,387

Note:

(a) The physical assets revaluation surplus arises on the revaluation of infrastructure, land and buildings.

8.2.1 CONTRIBUTED CAPITAL

Additions to net assets which have been designated as contribution by owners (the State of Victoria) are recognised as contributed capital. Consistent with the requirements of AASB 1004 *Contributions*, other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

8.2.2 DONATION AND ENDOWMENT RESERVE

Represents accumulated revenue received from donations, bequests, investment income and similar sources which is dedicated to be spent on the Trust programming.

8.2.3 ASSET REVALUATION SURPLUS

Represents increments arising from the periodic revaluation of land, building, plant and machinery and cultural assets.

8.2.4 ACCUMULATED DEFICIT

Represents the cumulative net results from current year and all prior years.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.3 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994* the following disclosures are made regarding responsible persons for the reporting period.

Responsible Minister

Mr Martin Foley MP, Minister for Creative Industries (until 29 September 2020)

Mr Danny Pearson MP, Minister for Creative Industries (from 29 September 2020)

Responsible Persons

Ian Carson AM

Frankie Airey

Paul Barker

Greta Bradman

Leigh Johns OAM

Andrew Myer AM (until 12 March 2021)

Ian Roberts

Nora Scheinkestel (until 21 December 2020)

Helen Silver AO

All members of the Trust are appointed by the Governor in Council. They do not receive remuneration for services provided to the Trust in their role as Trustees, although they are eligible to be reimbursed for out of pocket expenses. See Note 8.6 for related party transactions.

Remuneration

The remuneration of the Accountable Officer was in the range of \$380,000 – \$400,000 (FY2020: \$380,000 – \$400,000).

8.4 REMUNERATION OF EXECUTIVES

The number of executive officers, other than the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long service leave, other long service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

Remuneration of executive officers (including Key Management Personnel disclosed in Note 8.6)	Total remuneration	
	2021 \$'000s	2020 \$'000s
Short-term employee benefits	1,317	1,343
Post-employment benefits	116	115
Other long-term benefits	36	36
Termination benefits	-	-
Total remuneration ^(a)	1,469	1,494
Total number of executives	7	7
Total annualised employee equivalents ^(b)	6.9	6.9

Note:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are also reported within the related parties note disclosure (Note 8.5).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.5 RELATED PARTIES

The Victorian Arts Centre Trust (the "Trust"), is a Victorian Government statutory authority of Creative Victoria, a division of the Department of Jobs, Precincts & Regions.

Related parties of the Trust include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- minister for Creative Industries and his close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

Key management personnel of the Trust includes the Portfolio Minister, the Hon. Martin Foley MP, Minister for Creative Industries, all cabinet ministers and their close family members, members of the Trust and members of the Senior Executive Team.

Name of the KMP	Role
Ian Carson AM	President of the Trust
Frankie Airey	Trustee
Paul Barker	Trustee
Greta Bradman	Trustee
Leigh Johns OAM	Trustee
Andrew Myer AM (until 12 March 2021)	Trustee
Ian Roberts	Trustee
Nora Scheinkestel (until 21 December 2020)	Trustee
Helen Silver AO	Trustee
Claire Spencer AM	CEO
Deirdre Blythe	Executive
Leanne Lawrence	Executive
Fiona Poletti	Executive
Melanie Smith	Executive
Beau Vigushin	Executive
Richard Zimmermann	Executive

Compensation of KMPs ^(a)	2021 \$'000s	2020 \$'000s
Short-term employee benefits	1,704	1,736
Post-employment benefits	137	136
Other long-term benefits	46	46
Termination benefits	-	-
Total	1,887	1,918

Note:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.4).

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

Significant transactions with government-related entities

In FY2021, the Trust received operating funding of \$65.2m (FY2020: \$31.3m) and capital funding of \$18.9m (FY2020: \$15.1m) from the Department of Jobs, Precincts & Regions.

The Trust also received the following from other State Government entities:

- Recovery of salaries for redeployed team members of \$0.4m from the Department of Health;
- Funding for programming activities of \$0.2m from the Department of Premier and Cabinet;
- Funding for the Arts Wellbeing Collective of \$0.2m from Worksafe Victoria;
- Funding for programming activities of \$0.1m from the Victorian Health Promotion Foundation (Vic Health); and
- Funding for programming activities of \$0.1m from the Department of Education and Training.

During the year, the Trust had the following transactions with State Government related entities as part of usual business activities, with receipts of \$1.7m (FY2020: \$2.0m) and payments of \$1.0m (FY2020: \$1.1m):

- receipts for shared infrastructure at cost from the National Gallery of Victoria (NGV);
- payments for insurance to Victorian Managed Insurance Authority (VMIA);
- payments for audit services to Victorian Auditor-General's Office (VAGO). Please refer to Note 8.6;
- payments to South East Water Corporation for water and sewerage services;
- payments for rental to Public Records Office Victoria (PROV); and
- payments for rental to Museum Victoria.

Transactions and balances with key management personnel and other related parties

No transactions have occurred between KMP and their related parties that are considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Trust's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

8.6 REMUNERATION OF AUDITORS

	2021 \$'000s	2020 \$'000s
Victorian Auditor-General's Office		
Audit or review of the financial statements	58	58
Other non-audit services ^(a)	-	-
Total remuneration of auditors	58	58

Note:

(a) The Victorian Auditor-General's Office is not allowed to provide non-audit services.

8.7 SUBSEQUENT EVENTS

On 15 July 2021, Stage 4 restrictions were reintroduced across Victoria resulting in the closure of all of Arts Centre Melbourne's venues. The restrictions were eased on 27 July 2021 although strict capacity and density limits remained in place, and no performances were held before Stage 4 restrictions were once again introduced across the State from 5 August 2021. While restrictions eased in regional Victoria from 9 August 2021, Metro Melbourne remained under stay-at-home orders at the date of signing these financial statements. This event does not affect amounts recognised in the FY2021 financial statements. It is not practicable to estimate the potential impact after the reporting date. The situation is continually evolving and there is no certainty as to when Arts Centre Melbourne will be able to reopen its venues at regular capacities without capacity and density limits.

Victorian Arts Centre Trust

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

8.8 OTHER ACCOUNTING POLICIES

Foreign currency balances / transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction or rate as per hedging contract in line with the Trust's policy. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the date when the fair value was determined.

Foreign currency translation differences are recognised in other economic flows in the comprehensive operating statement and accumulated in a separate component of equity, in the period in which they arise.

8.9 CHANGE IN ACCOUNTING POLICIES

There were no changes to accounting policies in FY2021.

8.10 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2020-21 reporting period. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Trust will not early adopt the Standard.

The Trust is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Trust's reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.
- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*.
- AASB 2020-7 *Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures*.
- AASB 2020-8 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform – Phase 2*.
- AASB 2020-9 *Amendments to Australian Accounting Standards – Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments*.

Administrative reporting requirements

Public sector values and employment principles

The *Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The Trust has policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The Trust has implemented policies, training and other processes to advise its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

Occupational health and safety (OH&S)

The goal of the Trust's occupational health and safety (OH&S) strategy is to ensure all staff remain safe and healthy at work. In F2021, our focus was on ensuring that all team members, whether working on site, in redeployment roles or from their homes were able to work safely. Some of the initiatives in place to support safe work included renewed focus on risk assessments, safety protocols, induction information and general communications to the Arts Centre Melbourne team. While supporting the new ways of working, Arts Centre Melbourne team members working offsite were provided resources to ensure this was achieved safely with oversight in conjunction with their managers, Health and Safety and Human Resources.

During F2021, the Trust implemented a number of initiatives to improve the health and safety of staff including SpireSAFE, an online portal capturing all the safety and compliance documentation for contractors, hirers, presenters, performers, consultants or volunteers working onsite. SpireSAFE is complemented by a brand new induction that looks at the level of exposure risk of those completing to ensure the most relevant and streamlined induction can be delivered.

An ongoing focus on wellbeing has seen the launch of the Smiling Mind app to all Arts Centre Melbourne team members, Arts Centre Melbourne's annual Care More Week ran virtually with 38 activities and a participation of over 400 attendees. Resources ensured that, as team members in physically demanding roles returned to onsite work, they were supported through the delivery of the 'gig fit' program.

A number of KPIs have been identified to enable the measurement of OH&S effectiveness at Arts Centre Melbourne and provide a valuable tool in the strategic management of these issues. Results for the year are outlined in the following table.

Category	KPI	F2021	F2020	F2019
Management Commitment	Evidence of OHS Policy statement, OHS objectives, regular reporting to senior management of OHS and OHS plans	Yes	Yes	Yes
Consultation and Participation	Evidence of agreed structure of designated workgroups (DWG), health and safety representatives (HSRs) and Issue Resolution Procedures	Yes	Yes	Yes
Incident Reporting	Number of staff member incidents per 100 full-time equivalent staff members	12.0	31.9	27.3
	Number of visitor incidents per 100 visitors	0.021	0.015	0.016
	Number of hazards per 100 full-time equivalent staff members	35.6	45.9	47.6
Workers Compensation	No. of standard claims ¹	0.47	1.05	1.60
	No. of lost time standard claims ²	0.24	0.26	0.37
	Average cost per standard claim ³	\$10,786	\$6,924	\$10,269
	Number of claims exceeding 13 weeks	1	1	1
	Return to work ⁴	98%	100%	87.5%

¹Rate of standard claims for the year per 100 full-time equivalent staff members.

²Rate of "lost time" standard claims for the year per 100 full-time equivalent staff members.

³Average cost per standard claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe).

⁴Percentage of injured staff members that returned to work in less than 10 days.

Comparative workforce data

The following table discloses the head count and full-time staff equivalent (FTE) of all active employees of the Trust, employed in the last full pay period in June of the current reporting period (2021), and in the last full pay period in June (2020) of the previous reporting period (2020). All employees have been correctly classified in workforce data collections as outlined in the below table.

Details of employment levels in June 2020 and 2021

		June 2021								
		All employees		Ongoing			Variable		Fixed term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE
Demographic data	Gender	566	423.8	224	29	244.2	98	60	215	119.6
	Female	307	226.7	111	27	129.7	36	21.2	131	75.8
	Male	258	196.1	113	2	114.5	62	38.8	81	42.8
	Self-described	1	1.0	0	0	0	0	0	1	1.0
	Age	566	423.8	224	29	244.2	98	60.0	215	119.6
	15–24	54	26.4	6	0	6.0	15	7.8	33	12.6
	25–34	161	119.4	61	7	65.7	23	13.9	70	39.8
	35–44	151	120.8	70	14	79.4	27	17.1	40	24.3
Classification data	45–54	116	95.7	55	5	59.1	16	10.4	40	26.2
	55–64	68	52.1	31	2	32.3	13	8.3	22	11.5
	65+	16	9.4	1	1	1.6	4	2.6	10	5.2
	<i>Arts Centre Melbourne 1-5 grades</i>	552	410.0	219	28	238.4	98	60.0	207	111.6
	Administrative, functional and technical support	275	154.4	41	1	41.6	71	42.7	162	70.2
	Supervisory, base-level professional and senior administrative	140	122.9	77	16	87.2	25	15.8	22	19.9
	Managerial, supervisory and professional	137	132.7	101	11	109.5	2	1.6	23	21.6
	<i>Senior employees</i>	14	13.8	5	1	5.8	0	0.0	8	8
Strategic and professional leadership	7	6.8	5	1	5.8	0	0.0	1	1.0	
Executives	7	7.0	0	0	0.0	0	0.0	7	7.0	
Total employees	566	423.8	224	29	244.2	98	60.0	215	119.6	

		June 2020								
		All employees		Ongoing			Variable		Fixed term and casual	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE
Demographic data	Gender									
	Female	285	210.3	100	23	116.3	31	18.8	131	75.2
	Male	255	184.4	108	0	108.0	54	34.1	93	42.3
	Self-described	0	0	0	0	0	0	0	0	0
	Age									
	15–24	46	14.3	3	0	3.0	7	3.4	36	7.9
	25–34	185	136.6	54	6	58.2	28	17.7	97	60.7
	35–44	141	115.7	67	10	73.9	21	13.7	43	28.1
Classification data	45–54	102	81.5	50	5	54.2	17	10.5	30	16.8
	55–64	54	41.1	32	1	32.4	9	5.7	12	3.0
	65+	12	5.4	2	1	2.6	3	1.9	6	0.9
	<i>Arts Centre Melbourne 1-5 grades</i>	527	381.9	206	22	220.6	85	52.9	215	108.5
	Administrative, functional and technical support	237	111.3	36	1	36.6	62	38.1	138	36.6
	Supervisory, base-level professional and senior administrative	148	131.9	64	14	73.9	22	14.0	48	44.0
	Managerial, supervisory and professional	142	138.8	106	7	110.1	1	0.8	29	27.9
	<i>Senior employees</i>	13	12.7	2	2	3.7	0	0.0	9	9
Strategic and professional leadership	6	5.8	2	1	2.8	0	0.0	3	3.0	
Executives	7	6.9	0	1	0.9	0	0.0	6	6.0	
Total employees	540	394.6	208	24	224.3	85	52.9	224	117.5	

Annualised total salary, by \$20 000 bands, for executives and other senior non-executive staff

Income band (salary)	Executives	Senior Employees
< \$200 000	3	6 [^]
\$200 000 – \$219 999		
\$220 000 – \$239 999		
\$240 000 – \$259 999		
\$260 000 – \$279 999	1	
\$280 000 – \$299 999	1	
\$300 000 – \$319 999		
\$320 000 – \$339 999		
\$340 000 – \$359 999		
\$360 000 – \$379 999		
\$380 000 – \$399 999	1	
Total	7	6

Notes: The salaries reported above are for the full financial year, at a 1-FTE rate, and exclude superannuation.

[^] There is one employee employed on a part-time basis at a 0.8 FTE

Employment and conduct principles

The Trust is committed to a merit-based recruitment and selection process that ensures all positions are remunerated at salaries that are appropriate to their level of responsibilities and is compliant with the *Equal Opportunity Act 2010*.

Workforce inclusion policy

The Trust is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and that reflects the communities we serve. Consistent with the *Gender Equality Act 2020*, the Trust will be developing a Gender Equality Action Plan in 2021. Progress against any targets will be reported in subsequent annual reports.

The Trust values staff with non-binary gender identities at all levels. The Trust acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Public sector agencies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

The MPSG policy applies to all construction projects valued at \$20 million or more.

Arts Centre Melbourne did not commence or complete any applicable projects during F2021.

Details of government advertising expenditure (campaigns with a media spend of \$100,000 or greater)

Name of Campaign	Campaign summary	Start/End date	Advertising (Media) Expenditure F2021 (excluding GST)	Creative and campaign development Expenditure F2021 (excluding GST)	Research and evaluation Expenditure F2021 (excluding GST)	Print and collateral Expenditure F2021 (excluding GST)	Other Campaign Expenditure F2021 (excluding GST)	TOTAL Campaign Expenditure F2021 (excluding GST)
Live at the Bowl	The Live at the Bowl campaign included building a new website, the creation of a visual identity, content creation and marketing of the overall brand and 70 performances across a five month period.	14-Dec to 15-May	\$121,778	0	0	0	0	\$121,778

Consultancy expenditure

Details of consultancies (valued at \$10 000 or greater)

In 2020-21, there were two consultancies where the total fees payable to the consultancies were \$10 000 or greater. The total expenditure incurred during 2020-21 in relation to these consultancies is \$42,015 (excluding GST). Details of individual consultancies can be viewed at www.artscentremelbourne.com.au/annualreport. In 2020-21, there was one consultancy engagement during the year with total fees payable less than \$10 000. The total expenditure incurred during 2020-21 in relation to this consultancy was \$3,264 (excl. GST).

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

For the 2020-21 reporting period, the Trust had a total ICT expenditure of \$5.9 million, with the details shown below.

All operational ICT expenditure		ICT expenditure related to projects to create or enhance ICT capabilities	
		Operational expenditure	Capital expenditure
Business as Usual (BAU) ICT expenditure	NonBusiness as Usual (nonBAU) ICT expenditure		
(Total)	(Total = Operational expenditure and capital expenditure)		
3,833	2,052	1,846	206

ICT expenditure refers to the Trust's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the Trust's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

Freedom of information

The *Freedom of Information Act 1982* (Vic) ("FOI Act") allows the public a right of access to documents held by the Trust. The purpose of the FOI Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the Trust. This comprises documents both created by the Trust or supplied to the Trust by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Trust is available on the Trust's website under its Part II Information Statement: <https://www.artscentremelbourne.com.au/freedom-of-information>

The Act allows the Trust to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the Trust in-confidence.

From 1 September 2017, the FOI Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by the Trust, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought. An application fee of \$30.06 applies. Access charges may also be payable if the document pool is large, and the search for material time consuming.

Requests for documents in the possession of the Arts Centre Melbourne should be addressed to:

Freedom of Information Officer
Arts Centre Melbourne
100 St Kilda Rd
Melbourne 3004

foi@artscentremelbourne.com.au

FOI statistics /timeliness

In the 12 months ending 30 June 2021 Arts Centre Melbourne received no formal FOI applications.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and www.foi.vic.gov.au.

Compliance with the *Building Act 1993*

The Trust continues to comply with the relevant guidelines under the *Building Act 1993*. To ensure compliance, third party surveyors are engaged prior to commencement of works where building permits are required and also following the construction of works, to satisfy compliance with building regulations.

During F2021 the following building type activities were undertaken:

- Three (3) Building Permits issued
- One (1) Final Inspections & Occupancy Certificates issued
- One (1) Building Related Projects valued more than \$50,000
- No buildings needed to be brought into conformity, as all our buildings confirmed to current standards

In addition, there were zero emergency orders / building orders issued and all buildings of the Trust were compliant with the *Building Act 1993*. The Trust had mechanisms in place to ensure inspections, reporting, scheduling and carrying out of maintenance occurred and that the buildings comply with building standards.

Competitive Neutrality Policy

Competitive Neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, that any advantage arising solely from their government ownership are removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. The policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Trust is committed to the ongoing compliance with the requirements of the competitive neutrality principles and is satisfied that its activities comply with the Victorian Government's National Competition Policy including compliance with the requirements of the policy statement, *Competitive Neutrality Policy Victoria* and any subsequent reforms.

Compliance with the *Public Interest Disclosures Act 2012*

The *Public Interest Disclosures Act 2012* ("Act") encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Trust is committed to the aims and objectives of the Act. In particular, the Trust does not tolerate improper conduct by its staff nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Trust will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Reporting Procedures

The Trust is not a public body to which disclosures under the Act may be made. Disclosures of improper conduct or detrimental action relating to the Trust should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC).

Further information about making disclosures to the IBAC can be found at www.ibac.vic.gov.au

Further Information

The Trust's Protected Disclosures Guideline – Summary outlines the procedures of the Trust for protecting people who make protected disclosures from detrimental action by the Trust or its staff. This is available on the Trust's website: <https://artscentremelbourne.com.au/about-us/how-we-work/our-policies>

Compliance with the *Carers Recognition Act 2012*

The Trust seeks to comply with its obligations under the *Carers Recognition Act 2012* (the Act) as an organisation funded by the Victorian Government. The measures taken by the Trust include:

- We are an affiliate of the Companion Card scheme which provides a companion carer with a ticket free of charge.
- We ensure our staff have an awareness and understanding of the role of the Companion Card in supporting carer relationships.
- We consider the carer relationships principles set out in the Act when setting employment policies and provide for carers leave in our Enterprise Agreement.

Compliance with the *Disability Act 2006*

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

The Trust has complied with its obligations under the Disability Act to prepare a Disability Action Plan for the purpose of: reducing barriers to access goods, services and facilities, reducing barriers to person with a disability obtaining and maintaining employment, promoting inclusion and participation in community and achieving tangible changes in attitudes and practices that discriminate against people with a disability as outlined below:

Reducing barriers to accessing goods, services and facilities

During our reopening following the 2020 lockdown to better support visitors requiring access to Hamer Hall, we doubled access usher services, ushers specifically trained to support people with disability. This allows our front of house team greater ability to respond to people requiring access services at Arts Centre Melbourne and information to support their visit.

In this period, we renewed our agreement with Melbourne Theatre Company to provide accessible services for their performances. This meant that *The Lifespan of a Fact* and *Jacky* included AUSLAN interpretation and live captioning. Arts Centre Melbourne has covered the full cost of these services.

During the *Live at The Bowl* season we improved sightlines for audience members in wheelchairs. In the past views were blocked by people standing up in front of other visitors seated in wheelchairs and thus impacting their experience. We are committed to all audience members having equitable experiences at Arts Centre Melbourne.

Reducing barriers to persons with a disability obtaining and maintaining employment

During this financial period we significantly increased flexibility and accessibility as almost 400 team members were supported to work from home. Throughout 2020 The Arts Wellbeing Collective published a range of guides specifically designed to support the mental health of Arts Centre Melbourne team during the extended period of closure. This year the Arts Wellbeing Collective has provided Mental Health First Aider refresher training for 10 contact officers ensuring a strong level of internal knowledge and support capability. As we return to predominantly on-site work, the success of flexible work arrangements through 2020 has been leveraged to become a more accepted, and imbedded way of working.

Promoting inclusion and participation in the community

In response to COVID-19 and resulting lockdowns, Arts Centre Melbourne pivoted in how we program. Moving content from our stages to online in the *Together With You* program. The purpose of *Together With You* was to share in the power of the performing arts, with the focus areas of equity and representation, connecting audiences, small to medium and independent sector, and partnership. Online offers included delayed stream live performances, archival content, facilitated virtual classes, on-demand workshops, innovative digital adventures, creative development performances, blog posts, online exhibitions, and Q&A Panel Discussions. As part of the creation of this program, we developed the Six Steps to Digital Access Guidelines and captioned more programs than ever before. Since July 2020 this content reach has exceed 18 million, engagement over 1.6 million, and over 220,000 video views. By embedding access from the start, *Together With You* has made our experiences more accessible to people with disability removing the requirement to come to our venues to connect with our content.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

In 2020, Executive signed off on *Alter State*, an arts festival engaging artists, allies, creatives and audiences from Australia and Aotearoa in a celebration of culture, creativity and disability.

This is an ambitious and bold program that will promote creative exchange and forge new collaboration in the arts and disability space. The festival is co-created and co-founded by Arts Centre Melbourne and Arts Access Victoria, the state's leading arts disability organisation. Arts Centre Melbourne is committed to a long-term partnership with Arts Access Victoria and supporting the growth of the arts and disability sector.

As required by the *Disability Act*, the Trust reports annually on the implementation of its Disability Action Plan in its annual report.

Office based environmental performance

Key Measures		F2021	F2020	F2019
Electricity Total Consumption	kWh	6,083,923	8,807,984	10,985,324
Electricity Consumption per Visitor	kWh / V	7.90	3.22	3.3
Natural Gas Total Consumption	Gj	21,128	18,831	19,787
Natural Gas Consumption Per Visitor	Gj / V	27.4	6.88	5.9
Water Total Consumption	K/L	25,490	49,795	68,756
Water Consumption per Visitor	L / V	33.1	18.19	20.5
Waste to Land Fill	Tonne	68	206	172
Greenhouse Gas Emissions	KG/CO2-e /V	13,218	12,114.41	15,931
Greenhouse Gas Emissions per Visitor	KG/CO2-e /V	17.2	4.43	4.7

Notes:

The above figures include services supplied to Arts Centre Melbourne only and exclude any National Gallery of Victoria and Tenant usage data.

Total visitation figures used to derive per-visitor consumption exclude off-site activities such as Betty Amsden Participation Program attendance and all online activity.

Prior year water and gas figures have been updated in accordance with final accounts where required.

Budget Paper 3 output reporting

	F2021	F2020	F2019	F2018	F2017
Access – visitors/users ¹	430,573	2,048,065	3,115,240	3,489,047	2,691,062
Access – online visitors to website	1,856,535	3,966,919	3,948,728	4,035,418	4,398,875
Number of members and friends	1,422	1,413	1,422	1,442	1,546
Number of volunteer hours	297	2,043	1,754	1,528	1,313
Number of students participating in education programs	14,341	32,796	54,949	49,231	56,677
% of collections stored to industry standard	73	73	73	73	71
% of visitors satisfied with visit overall	93	94	96	96	98

¹ Access – visitors/users represents the number of attendances as well as visitors to Food and Beverage and Sunday Market (this excludes Carpark).

Financial and other information retained by the Accountable Officer

The following additional information is retained by the Trust for the period covered by the Annual Report and can be accessed subject to a request in accordance with the provisions of the *Freedom of Information Act 1982*, to Arts Centre Melbourne's Freedom of Information Officer as detailed above.

A statement that Declarations of pecuniary interests have been duly completed by all relevant officers of the Trust.

Details of shares held by a senior officer as nominee or held beneficially in a statutory authority.

Details of publications produced by Arts Centre Melbourne about Arts Centre Melbourne and how these can be obtained.

Details of any major external reviews carried out on Arts Centre Melbourne.

Details of major research and development activities undertaken by Arts Centre Melbourne.

Details of changes in prices, fees, charges, rates and levies charged by Arts Centre Melbourne.

Details of overseas visits undertaken, including a summary of objectives and outcomes of each visit.

Details of major promotional, public relations and marketing activities undertaken by Arts Centre Melbourne to develop community awareness of Arts Centre Melbourne and its services.

Details of assessments and measures undertaken to improve the occupational health and safety of employees.

A general statement of industrial relations within Arts Centre Melbourne and details of lost time lost through industrial accidents and disputes.

Details of Trust committees, the purposes of each committee and the extent to which the purposes have been achieved.

Details of all consultancies and contractors including:

- consultants/contractors engaged
- services provided
- expenditure committed to for each engagement.

Subsequent events

On 15 July 2021, Stage 4 restrictions were reintroduced across Victoria resulting in the closure of all of Arts Centre Melbourne's venues, and after being briefly eased in late July were reintroduced in Metro Melbourne on 9 August 2021. The COVID-19 situation is continually evolving and there is no certainty as to when Arts Centre Melbourne will be able to reopen its venues at regular capacities without capacity and density limits. There were no other subsequent events for the year ended 30 June 2021 (see page 132 – 8.7 Subsequent events for further detail).

Attestation for financial management compliance with standing direction 5.1.4

Victorian Arts Centre Trust Financial Management Compliance Attestation Statement

I, Ian Carson, on behalf of the Responsible Body, certify that the Victorian Arts Centre Trust has no material compliance deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Asset management accountability framework (AMAF) maturity assessment

I further certify that Arts Centre Melbourne has materially complied with the Ministerial Standing Direction 4.2.3 – Asset Management Accountability Framework system and processes, including a required 3-yearly Maturity Self-Assessment. The Risk Management and Audit Committee has reviewed the Attestation and is satisfied with the process.

This Attestation relates specifically to the Asset Management Accountability Framework mandatory requirements and does not in any way represent that the current condition of the Victorian Arts Centre Trust’s assets is adequate to meet the service delivery objectives of Arts Centre Melbourne.

The Trust has undertaken a maturity assessment against the mandatory requirements of the Asset Management Accountability Framework (AMAF).

The Trust has assessed that it complies with 41 out of the of the 41 requirements and there are no identified material deficiencies.

Leadership and accountability

The Trust complies and is optimising its target maturity level in this category.

Planning

The Trust complies and is optimising its target maturity level in this category.

Acquisition

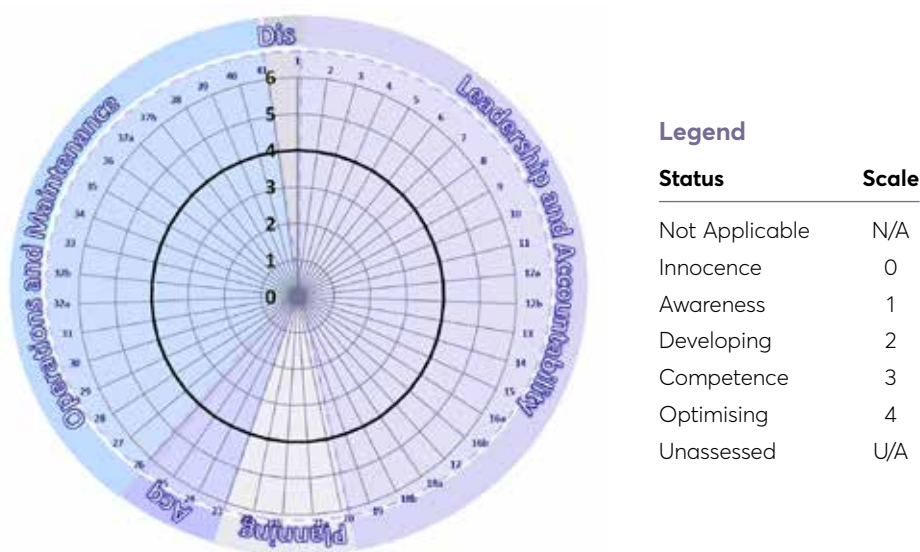
The Trust complies and is optimising its target maturity level in this category.

Operation

The Trust complies and is optimising its target maturity level in this category.

Disposal

The Trust complies and is optimising its target maturity level in this category.



AMAF maturity against the 41 mandatory requirements for 30 June 2021 (black line).

As demonstrated in the radar chart above, the Trust complies with the 41 mandatory requirements and continues to mature its Asset Management practices.

I further certify that Arts Centre Melbourne has materially complied with the Ministerial Standing Direction 4.2.3 – Asset Management Accountability Framework system and processes, including a required 3-yearly Maturity Self-Assessment. The Risk Management and Audit Committee has reviewed the Attestation and is satisfied with the process.

This Attestation relates specifically to the Asset Management Accountability Framework mandatory requirements and does not in any way represent that the current condition of the Victorian Arts Centre Trust’s assets is adequate to meet the service delivery objectives of Arts Centre Melbourne.

Ian Carson AM

President
Victorian Arts Centre Trust

Disclosure index

The Annual Report of the Victorian Arts Centre Trust is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the organisation's compliance with statutory disclosure requirements.

Ministerial directions

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FRD 22I	Purpose, functions, powers and duties	52
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FINANCIAL STATEMENTS

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SD 5.2.1(a)	Compliance with Standing Directions	65

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* FRD is a Financial Reporting Direction issued by the Assistant Treasurer pursuant to s8 of the *Financial Management Act 1994*. Compliance with FRDs is mandatory.

** SD is a Standing Direction under the *Financial Management Act 1994*. Compliance with SDs is mandatory.