

At Arts Centre Melbourne we acknowledge the traditional owners of the land on which we are located, the People of the Kulin Nations, and pay our respects to elders, past, present and future.

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 Melbourne.

For further detail on the Trust's role refer to page 60.

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 2019.

Ian Carson AM

President

Victorian Arts Centre Trust

ABBREVIATIONS USED IN THIS REPORT

"F2019" refers to the 2018–19 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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About us

ARTS CENTRE MELBOURNE

At Arts Centre Melbourne, we bring people together for remarkable experiences.

In the past year, we staged nearly 3,000 performances and public events and welcomed 3.35 million people through our doors.

As a significant cultural and architectural landmark sitting at the gateway to the Melbourne Arts Precinct, we have showcased the best of Australian and international performing arts to millions of Victorians, national and international visitors for almost 40 years.

We are proudly the home of our flagship Resident Companies – The Australian Ballet, Melbourne Symphony Orchestra, Melbourne Theatre Company and Opera Australia – and a range of other presenters who collectively bring our stages and spaces to life. Through these works, together with our own program of performances, events and activities, we offer diverse audiences a distinctly multidimensional approach to participation, education and entertainment.

On our world-renowned stages, in communities across Victoria, online and through outreach programming, our connection to individuals, families and communities traverses generations, and transcends cultural and geographical divides.

Everyone is welcome, and we devise programs and projects that enable our visitors and audiences to experience the arts, both as spectator and creator. Our commitment to participation and education are central to our work, enabling us to inspire a new generation of creatives and makers.

Underpinning everything we do are our four values: Leadership, Creativity, Care More and Community.

The Victorian Government's vision for Melbourne is to advance its position as an internationally recognised cultural and creative destination. The government's commitment to transforming the Melbourne Arts Precinct into a thriving, connected creative and civic space will be crucial to achieving this. As a publicly funded cultural agency sitting at the gateway to the precinct, Arts Centre Melbourne is committed to realising this vision, which will guide our focus over the coming years through the Reimagining Arts Centre Melbourne and broader Melbourne Arts Precinct Transformation redevelopment projects.



OUR STRATEGIC FRAMEWORK

Arts Centre Melbourne's Culture Statement, The Role You Play, outlines our Vision, Purpose, Values and Strategic Priorities. It is at the centre of our organisational culture and strategy and will continue to be so throughout Reimagining Arts Centre Melbourne.

OUR VISION

Arts Centre Melbourne enriches the cultural, educational, social and economic lives of Victorians by bringing people together for remarkable experiences.

By 2027 we will have reimagined Arts Centre Melbourne – physically, creatively and organisationally.

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

Courage and conviction

- We work with courage and conviction to achieve our collective strategy.
- We are honest and accountable.
- We celebrate success and learn from our mistakes.
- We lead an evolving industry through collaboration and advocacy.

Community

Working together

- We work as an ensemble to connect people of all ages and backgrounds to participate in and experience the wonder of the performing arts.
- We take a positive and proactive approach to communication and knowledge sharing.
- We support our industry to collaborate with each other to learn and grow.
- We foster partnerships and inclusivity with integrity.

Care More

A place for everybody

- We create a safe and secure environment where we respect and look after everybody.
- We work with passion, focus and commitment.
- · We look out for one another while we work to a common goal.
- We are "curtain up": always performance-ready.

Creativity

A boundless imagination

- We use our imagination and sense of adventure to stay one idea ahead.
- We are innovative in an evolving cultural environment.
- · We are visionary and pioneering.
- We turn performances into events, and events into memorable stories.

OUR STRATEGIC PRIORITIES

Our Strategic Priorities, outlined in our Strategic Plan: Looking to 2027, are the five most important things we are focused on to ensure we Earn the Encore in everything we do.

People (page 24)

People are the lifeblood of our creativity and capability. The delivery of our strategy depends on attracting the best available team and collaborators. We will be a place where the very best in the industry aspire to work and collaborate.

Performing Arts (page 30)

Passion for the performing arts is one of the foundations of our success that remains critical to who we are today and tomorrow. We will be a contemporary and relevant home for the performing arts that serves the whole of Victoria, including the outer metro and regional community.

Customer Focused (page 46)

Arts Centre Melbourne and the Melbourne Arts Precinct belongs to all Victorians and our welcome must continue to be inclusive of our evolving community. We will be a place where everyone feels welcome and can have remarkable experiences.

Custodianship (page 50)

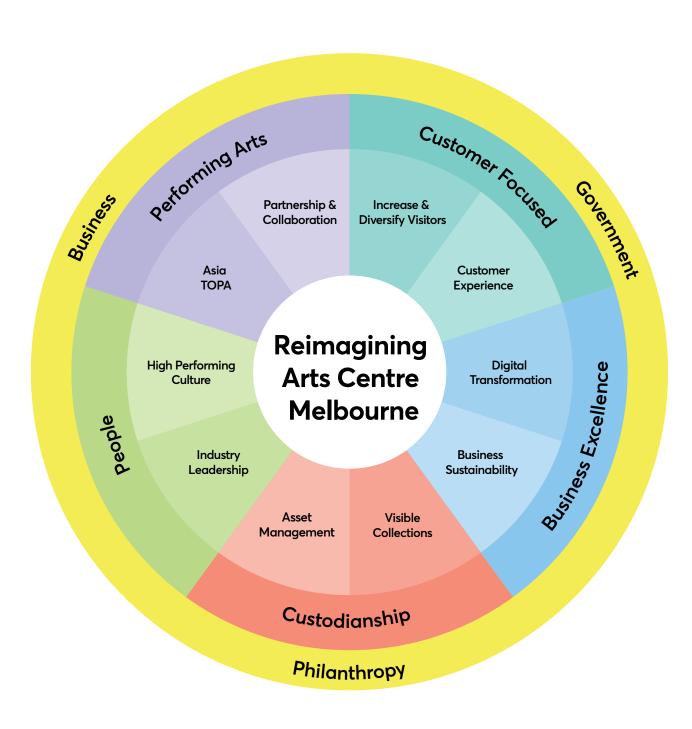
Melbourne aspires to be a global creative city and must leverage its assets and invest in connected and contemporary cultural infrastructure. We will be part of a connected precinct that treasures the past and creates news stories.

Business Excellence (page 56)

Through Business Excellence we will become a stronger and more resilient institution that generates greater value for the Victorian community and the interconnected creative industries. We will continue to be a value-for-money state asset that supports the Victorian Government to achieve its goals.

KEY INITIATIVES AND PROJECTS

ARTS CENTRE MELBOURNE CORPORATE PLAN F2019 - F2021



FOCUS AND OUTCOMES IN F2019

Our key initiatives and projects during F2019 were driven by our *Corporate Plan F2019 – F2021* and focused on mobilisation and design for Reimagining Arts Centre Melbourne, as well as forward planning to ensure business sustainability during the disruption period and beyond.

- Reimagining Arts Centre Melbourne continues apace (see page 12). Key milestones to date include:
 - Tender submission and evaluation process for the State Theatre Flying System
 - Theatres Building 30% Design Development
 - Public Realm Functional Brief completion.

In addition to the above, our program of works has continued as required under the Cultural Facility Maintenance Fund, Capital Maintenance Plan and Critical Asset Renewal Funding.

 Enhancing Arts Centre Melbourne's community and corporate brand to support our philanthropic and strategic partnership objectives (see page 17):

Our five-year fundraising appeals plan is well underway. Key highlights from our Summer Campaign included:

In F2019 we grew our philanthropic revenue through receipt of our largest-ever bequest from Betty Amsden, working with our major donors to identify how their passions align to our philanthropic needs, partnering with Trusts and Foundations and building broader awareness of our Access and Education programs through four fundraising appeals and a front-of-house campaign.

In F2019, we focused on developing the approach, workforce plan and operating model for strategic partnerships (see page 16) while also managing and stewarding existing relationships. The next phase of development has now commenced, with a strong focus on new partnerships. Partnership activity in F2019 included:

- continuing to work with Innovation Partner PwC across shared value initiatives
- confirming MINI Australia as a Vision Partner, supporting new artistic works and commissions with alignment to Supersense: Festival of the Ecstatic (August 2019)
- confirming Singapore Airlines as a Vision Partner, supporting new artistic works and commissions with alignment to Asia TOPA 2020
- forging a strategic alliance with the University of Melbourne, with a focus on collaborating with the Victorian College of the Arts.
- Improving organisational excellence through renewed systems and processes and implementation of efficiency projects:

We implemented business intelligence software to enhance our data analysis capability and support our forecasting and reporting requirements.

Our Digital Strategy commenced (see page 58), implementing key foundation and operational initiatives that are focused on enhancing the customer digital experience and improving systems and processes across the business.

 Continuing to engage with all Victorians through participation and access programs, the Registered Training Organisation's regional training offer, the Arts Wellbeing Collective and broadcast and digital technology:

The pilot program of *Tech Connect*, an Arts Centre Melbourne-initiated regional technical training program, commenced in March 2019 as a result of government and philanthropic support (see page 27). This Registered Training Organisation program has clocked up almost 10,000 kilometres across Victoria in delivering more than 440 individual units of quality training and assessment in regional hub venues, enabling easier access for learners travelling from surrounding regional performing arts centres, theatres, cinemas and community arts and theatre groups.

Completion of this program in June 2019 saw a total of 26 Certificate III level qualifications delivered, greatly boosting technical capacity of venues in regional areas. The additional offer of training in the Registered Training Organisation's one-day Production Safety Induction course saw a further 34 learners from a range of regional arts organisations gain the required skills and knowledge to greatly increase safety standards in their workplaces while gaining nationally recognised accreditation. All *Tech Connect* participants were also invited to attend Arts Wellbeing Collective workshops in the training hubs.

- We continue to receive positive feedback from the industry in response to the Arts Wellbeing Collective, which now includes more than 200 member organisations (see page 28). The Arts Wellbeing Collective's Tour Well resource launched in February 2019 after many months of development. This guide to maintaining great mental and physical health while on tour is a shining example of industry leadership and collaboration.
- Ensuring long-term business sustainability through projects such as the development of a Workforce Capability Plan (see page 24), investment in a range of operational improvement projects and financial model analysis:

A package of Workforce Capability Plan initiatives collectively known as Performance Ready launched in May 2019, compromising:

- a capability framework that calls out the core skills required of all team members
- a capability framework specifically for Arts Centre Melbourne leaders
- an Everyday Leadership program for current leaders
- an Emerging Leader program that will seek applications from team members with leadership aspirations
- Bravo! our new online recognition and reward program.

While Arts Centre Melbourne has a strong focus on continuous investment in efficiency projects and remaining a value for money state asset, a base funding review remains an essential element to allow an independent analysis of Arts Centre Melbourne's ongoing funding needs.

In addition to the above intended F2019 outcomes first tabled in the *Annual Report* 2017 – 2018, other key achievements for F2019 were as follows:

- The inaugural Ovation Gala on 9 August 2018, which exceeded its fundraising target and generated a net profit contribution towards philanthropic endeavours.
- Arts Centre Melbourne team members, including Chief Executive Officer Claire Spencer, presented a number of general and thought leadership sessions and continued to strengthen our international profile at the Tessitura Learning and Community Conference 2018 in Orlando, USA. Claire Spencer delivered an internationally acclaimed keynote address on the Arts Wellbeing Collective as part of the Tessitura Innovator Series.
- The MEL+NYC collaboration with the National Gallery of Victoria and a wider Melbourne consortium concluded with EXO-TECH, RocKwiz Salutes NYC and an extended ("by popular demand") season of The Gallery Workout. This has been an outstanding and celebrated partnership with the National Gallery of Victoria and the Victorian Government.
- Big World, Up Close continued to build in its second year.
 Mojo Juju's new work Native Tongue and Baxter Theatre
 Centre's The Fall both drew great acclaim, terrific reviews
 and strong audience numbers. This series is a great
 example of our commitment to presenting culturally
 diverse content, supporting culturally diverse artists and
 catering to a range of audiences.

- Following the success of last year's inaugural Take Over!
 commissioning program and residency partnership
 with Melbourne Fringe, it returned in F2019 with the
 Stephanie Lake Company for the creation of Colossus, a
 unique large-scale dance work created with fifty dancers
 flooding Fairfax Studio with bodies. Colossus achieved
 critical and audience success, exceeded budget targets
 and set a high standard of excellence for the program.
- Built into our presentation of Song for a Weary Throat was an innovative access program. Working closely with Rawcus Theatre's Director Kate Sulan and with investment from our Sector Development Fund, we commissioned a suite of tools including video resources to help audiences who are deaf and have sensory sensitivities prepare for the show. We also developed and held a pre-show familiarisation experience, where potentially challenging sensory elements (loud sound and lighting) could be experienced pre-show. This innovative approach to inclusionary programming enabled access to a work that could otherwise have been challenging for some audiences.
- We continue to roll out our program of activity directed at strengthening our approach to safe and respectful workplaces. This program was launched to our organisation and wider stakeholders, including Resident Companies, in early July 2018 (see page 59).
 - Our awareness campaign, entitled Know The Line, brings the issue of safe and respectful workplaces to front of mind and takes a multi-pronged approach with clear messaging about the line between acceptable and unacceptable workplace behaviour.
 - We launched a dedicated page on our intranet with Know The Line resources for team members and a similar page on our public website for artists, presenters and other third parties who engage with us and work in our venues.
- On 24 March 2019 we presented Those Who Rock in Hamer Hall as part of the Betty Amsden Participation Program (see page 44). Involving 400 participants from nine community locations ranging from eight to 70 years of age, 42 rehearsal sessions, 80 amps (the largest number of guitar amps ever required at Hamer Hall), five choirs and one ukulele group, this epic program celebrated community and fully embraced Arts Centre Melbourne's Values.
- We celebrated a successful pilot year of Away From Home, our program engaging young Indigenous women attending Victorian boarding schools, and are building on the 2019 program design.
- Opera Australia and The Gordon Frost Organisation's presentation of EVITA broke records to become the highest selling show ever at Arts Centre Melbourne, cementing the success of our summer musical offering.

CONTRIBUTION TO GOVERNMENT POLICY

In F2019 we actively contributed to the Victorian Government's *Creative State* Action Areas:

- Action Area 1 Backing creative talent: with support from our Sector Development Fund, through our commitment to present and develop more culturally diverse and Indigenous arts programming and creative developments, and supporting talent development through our Registered Training Organisation and mentoring relationships. Examples include Big World, Up Close and the Away From Home program.
- Action Area 2 Strengthening the creative industries
 ecosystem: through investment in new work development
 by the small-to-medium and independent sector,
 knowledge sharing through the Arts Wellbeing Collective,
 Know The Line and Your Choice initiatives, and technical
 capacity building through our Registered Training
 Organisation.
- Action Area 3 Delivering wider economic and social impacts: through planning for Reimagining Arts Centre Melbourne, long-term social impact projects in The Channel like Dig Deep and Sisters on the Mic, our focus on building the visitor economy, fostering opportunities for cultural diplomacy and providing targeted cultural offerings for the evolving Culturally and Linguistically Diverse (CALD) community.
- Action Area 4 Increasing participation and access:
 through large-scale public participation projects such
 as Those Who Rock, access initiatives like the First Call
 Fund, innovation in inclusionary programming, relaxed
 performances, audio description, AUSLAN interpretation,
 the implementation of Changing Places at Hamer Hall,
 our audience development program tixatsix, regional
 offerings of the Arts Wellbeing Collective, and the
 Registered Training Organisation regional training
 offering Tech Connect.
- Action Area 5 Building international engagement: through a long-term investment in artistic partnerships and international government and business relationships with Asia and a commitment to attracting more international visitors through our tourism approach.

Our F2019 activities also supported a range of government policy initiatives beyond *Creative State*. The major contributions for F2019 will be continuing activities and initiatives for F2020 as detailed below

EXPECTATIONS FOR F2020

In June 2018, the Premier of Victoria, the Hon. Daniel Andrews MP, announced a transformation of the Melbourne Arts Precinct. The program will transform the Southbank area, reimagine existing facilities and create new amenities for visitors, artists and the community.

Following the Premier's announcement, the program of works commenced immediately in 2018 and will continue until at least 2027, a timeframe corresponding to Arts Centre Melbourne's Strategic Plan: Looking to 2027. The existing program of works for critical asset replacement will continue and be dovetailed into the larger project where appropriate.

This will dramatically expand the focus of Arts Centre Melbourne, its Trustees, and its Executive and Leadership teams.

We have begun viewing the business in three territories:

- Reimagining Arts Centre Melbourne (our big strategic vision)
- Preparing the Business for the Future (transforming it)
- Remarkable Every Day (our "business as usual" for delivering on the Victorian Arts Centre Act 1979).

Flowing directly from the strategy we set ourselves in 2017 (taking us out to 2027) our focus includes the components of the Reimagining Arts Centre Melbourne project (Theatres Building, Public Realm, 1 City Road and the associated philanthropic Capital Campaign) as well as Preparing the Business for the Future (including digital and customer experience transformation) and Remarkable Every Day: a vibrant program of performing arts, participation and inclusion, support to our Resident Companies and hirers, an engaging customer experience and the safe operations of our facilities.

Critical asset maintenance will continue, but planning and reactive maintenance must be viewed through a new lens as the risk of business disruption from failure of ageing assets and infrastructure remains high. The learning and development of our people will continue, but again this must be viewed through the lens of redevelopment – what skills we need to deliver Reimagining Arts Centre Melbourne and what skills we must retain and develop to both run the business through a period of disruption and prepare for a new era post-completion.

It is an exciting time but a complex exercise and F2020 is a continuation of the groundwork being laid for the next 10 years. Critical to our success is government support and the integration of our philanthropic, government and business partnerships across all parts of the organisation, and each of our five Strategic Priorities.

CONTRIBUTION TO GOVERNMENT POLICY

In addition to our ongoing commitment to Creative State, in F2020 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, our exclusive presentations and our broader Tourism Strategy to support the Visitor Economy Strategy.
- Asia TOPA supporting the delivery of the objectives of the China Strategy, India Strategy and ASEAN 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.
- Supporting the objectives of Education State through our Arts Learning Strategy, including the Australian Music Vault Learning Program.
- Participation and access programs, our Registered Training Organisation's regional training offer and broadcast and digital technology, which support government's skills, training and jobs agenda, and priorities in regional Victoria.
- Supporting access and inclusion objectives through relaxed performances, audio description, AUSLAN interpretation and our Hamer Hall Changing Places facility.
- Supporting the government's LGBTQl+ 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 and Measurement 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.



I am thrilled to have been given the opportunity to lead the Victorian Arts Centre Trust through the coming period. My time with the organisation has been brief in this reporting year, however I am excited to work with my fellow trustees, with the team at Arts Centre Melbourne and the Victorian Government to achieve great outcomes for all Victorians

The organisation is in great shape and its reputation as an enabler of remarkable performing arts experiences is well understood locally, nationally and internationally.

Collaboration and teamwork have been essential for the organisation's recent achievements and in this time of significant change these elements will be crucial components moving forward.

It is an extraordinary time to come on board, and I look forward to working closely with the Victorian Government and the Minister for Creative Industries Martin Foley MP and with the representatives from our precinct neighbours as we step through the challenges of Reimagining the Melbourne Arts Precinct.

My predecessor James MacKenzie laid so much of the vital foundation for this Reimagining undertaking and I'd like to acknowledge the time and dedication he gave to the organisation during his tenure.

I am old enough to remember the building of Arts Centre Melbourne and the spirit of its development. Remembering that spirit and its impact on Victoria affords me an important insight into the significant role Arts Centre Melbourne has played at the hearts of the Victorian cultural sector over the past 35 years.

I am confident that the planning for the future of the organisation – the changes to the Theatres Building, the creation of a new facility on the adjacent 1 City Road site, and the considerable improvements to the public realm – will deliver a much enhanced cultural precinct for generations to come.

The passion of the Arts Centre Melbourne team which delivers exceptional experiences for our visitors is steadfast, and while disruption is inevitable in any major redevelopment project I can already appreciate there is a determination to ensure that throughout the Reimagining project presenters, artists and audiences will continue to experience the organisation at its very best.

In the few short weeks since I joined the organisation I have already encountered many of the people who comprise Arts Centre Melbourne's legendary philanthropic community, some who have been with the organisation since its beginnings. Such passion for what we do provides an essential conduit to new visitors from all walks of life, through access programs and creative development opportunities. This contributes to the continued success of the organisation and strengthens our reputation. I strongly acknowledge this continued generosity of the donors and supporters and thank them for their involvement. I look forward to our exciting journey together as the Reimagining project unfolds.

I also acknowledge the time and energy given by Catherine McClements who retired from the Trust during the year. Her passion for the Australian Performing Arts Collection and the Arts Wellbeing Collective contributed greatly to the awareness of these important elements of the business.

I also acknowledge the profound work of the Arts Centre Melbourne Foundation, led by Andrew Myer. Their dedication continues to build a firm foundation for the organisation for the years ahead.

I congratulate Chief Executive Officer Claire Spencer on her leadership and passion and the inspiration she provides her team. Arts Centre Melbourne is a large and complex business with many moving parts. Claire's insistence on the best opportunities for healthy team-wellbeing and her persuasive and inclusive approach to the major task of the Reimagining bodes well for the future for everyone.

Ian Carson AM

President

Victorian Arts Centre Trust



This has been another exciting year for Arts Centre Melbourne, full of challenge and opportunity as we continue to deliver remarkable experiences and plan for the future through the Reimagining of the Melbourne Arts Precinct for generations to come.

Our highly skilled and motivated team is helping shape this future, collaborating with NH Architecture and Norway's Snøhetta on the Theatres Building, and with Hassell and SO-IL on the Public Realm - the latter in partnership with the National Gallery of Victoria - to ensure the outcome of the Reimagining project delivers the best possible result for Melbourne and the people of Victoria.

This project is the largest and most important in the history of the organisation since we opened and we remain inspired by the visionary Melburnians who first conceived the idea of a Cultural Precinct.

We have revisited those original concepts of Sir Roy Grounds and John Truscott and taken the opportunity to engage with several members of their teams to gain important insight into the ground-breaking construction of the Theatres Building and associated components of the design.

This passion has provided an important foundation for the years ahead, and the enthusiasm shown right across the organisation augurs well for the outcomes that we want to achieve through the Reimagining.

The successes through the year have come through collaboration with our presenting partners and precinct stakeholders, enabling Arts Centre Melbourne to continue to strengthen its role as leader in the Victorian community – in both its creative and visitor economies.

We continue to work closely with our Resident Companies (Melbourne Symphony Orchestra, Opera Australia, The Australian Ballet and Melbourne Theatre Company) and major presenter companies (The Production Company, Bangarra Dance Theatre and Bell Shakespeare) to ensure that alongside our own programs, those of the commercial presenters and our Festival partners; diversity remains the hallmark of the performance program on our stages.

Highlights include:

 EVITA, in partnership with Opera Australia and the Gordon Frost Organisation, the biggest selling show in Arts Centre Melbourne's history

- Those Who Rock, the latest in the annual Betty Amsden Participation Program, which this year brought together 400 community participants to celebrate rock music classics with a focus on guitars of all shapes and sizes
- Kylie Minogue's return to the Sidney Myer Music Bowl
- The world premiere of Hannah Gadsby's new show Douglas
- The Australian premiere of David Bowie's Lazarus musical, presented by The Production Company
- The acquisition of 30 costumes from the career of Dame Joan Sutherland to the Australian Performing Arts Collection from Opera Australia.

In addition, several projects established in the previous year continued to grow and connect with the community and the industry sector.

Australian Music Vault

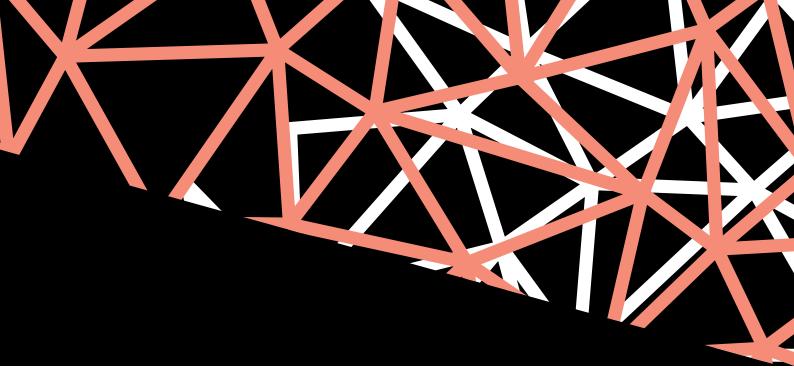
Reinforcing Arts Centre Melbourne's connection with the music industry and and built on the foundation of the Australian Performing Arts Collection, the Australian Music Vault free exhibition continued to entice visitors from all walks of life. More than one million people have now visited the exhibition, taking in changing displays through the year, including more than 50 new artist stories.

Arts Wellbeing Collective

The successful pilot designed to address mental health and wellbeing issues for arts industry workers was expanded to a three-year model, with funding from WorkSafe Victoria. The program now embraces more than 200 member organisations through workshops, online and print collateral. It continues to attract significant national and international interest.

Asia TOPA

Following the inaugural Asia-Pacific Triennial of Performing Arts in 2017, a consortium of 14 leading arts organisations is working towards the second iteration of the festival in 2020. Key focus areas for the festival's return include international curation, local creative and producing partnerships, as well as intercultural commissioning. During F2019 Asia TOPA collaborated across numerous projects supporting artists to connect with a diverse, intergenerational audience through new and exciting contemporary works, performed variously at festivals in Melbourne, Sydney and Perth.



New works

Working in collaboration with independent companies Arts Centre Melbourne continues to support the creative development of new works, acting as both producer and investor. We can only achieve this through partnership with individual donors, trusts and foundations; enabling creative ideas to evolve and bringing artists and audiences together. We thank these partners for their continued passion. Without such support these new works would not have the chance to emerge and begin their journey from page to stage.

Partnerships

As a leader in the Melbourne community, the important collaboration with partners extends beyond those who help deliver remarkable experiences in our performance spaces.

Sharing our values, passion for the performing arts and vision to enrich the lives of all Victorians, our partners provide a strong foundation to our activities. This reinforces our wider community contribution, allowing us to make a difference to arts and culture through the themes of innovation, wellbeing, city shaping, diversity and inclusion, heritage and collections, and learning.

This year we continued to work with our Innovation Partner PwC, and we also welcomed Singapore Airlines and MINI Australia as Vision Partners. We look forward to working closely with these organisations as together we shape our business through the Reimagining project over the coming years.

Support for the industry on key issues

Arts Centre Melbourne continues to support a range of social awareness campaigns reflecting a changing attitude to zero tolerance throughout the industry.

Through our value of Care More, and reinforced by the key priorities of the Arts Wellbeing Collective, we have taken a strong stance through campaigns such as Know the Line; which reinforces the need for safe and respectful workplaces and Your Choice; a music industry founded initiative that aims to reduce antisocial behaviour at music events.

Further to supporting industry workers now and into the future to ensure best practice in a safe workplace, our role as a Registered Training Organisation continues to deliver nationally accredited qualifications for the live entertainment industry. We do this through an in-house production traineeship; while a pilot training program, *Tech Connect*, delivered extensive technical training to regional theatres around Victoria.

Thanks

We continue to work closely with the Victorian Government, particularly Development Victoria, Department of Treasury and Finance, Department of Premier and Cabinet and of course Creative Victoria in the Department of Jobs, Precincts and Regions as we prepare for the fine detail of the Reimagining project.

We also acknowledge the support of the Victorian and Australian Government and the City of Melbourne for major projects including the Asia TOPA and the Arts Wellbeing Collective. We thank them for their continued support.

Advisory Groups for major projects such as the Australian Music Vault and the Arts Wellbeing Collective continue to provide expert insight for these projects. Both have been major innovations for Arts Centre Melbourne and such expertise has been invaluable for their successes. We thank the members of these Advisory Groups for their passion and contribution.

Philanthropic support from individuals, trusts and the business community for Arts Centre Melbourne and our programs has been evident since before we first opened our doors. We thank our donors for their continued passion and interest in what we do.

During the past year we have made major inroads into our future. Throughout these times the Victorian Arts Centre Trust and the Arts Centre Melbourne Foundation have been step-by-step with our goals. In particular I would like to acknowledge the work done by James MacKenzie while he was President of the Trust. He was a key figure in helping us over the starting line in regards to the Reimagining project. I look forward to working with lan Carson AM as he begins his tenure as our new President as we continue through these exciting times.

Going forward, the team at Arts Centre Melbourne continues to demonstrate a true passion for their work and for the organisation. They are the foundation for our successes, and I thank them for their unwavering dedication and enthusiasm.

Claire Spencer

Chief Executive Officer Arts Centre Melbourne

Reimagining Arts Centre Melbourne

AND THE MELBOURNE ARTS PRECINCT TRANSFORMATION

The Melbourne Arts Precinct Transformation will establish the Southbank area as one of the world's great creative and cultural destinations by revitalising existing facilities at Arts Centre Melbourne and create new galleries, performance spaces, and amenities for visitors, artists and the broader community.

Together with the Victorian Government, we are Reimagining Arts Centre Melbourne as a cornerstone of the Melbourne Arts Precinct Transformation. We are committed to the future of the precinct by:

- enhancing the uniquely Melbourne experience of exploring a diversity of art and creative practice in a singular location
- ensuring it continues to be a place where Victorians and visitors can experience the world's best art, music and performance
- ensuring it continues to be a training ground for our next generation of talent.

We are opening the building up to the public, upgrading our theatres, improving accessibility, wayfinding and amenities, expanding our arts learning facilities, and refreshing the production, rehearsal and foyer spaces to meet the expectations of contemporary artists and audiences. Throughout the early planning and design phases, respect for the heritage architecture of Sir Roy Grounds and interiors of John Truscott has been foremost in our minds, while reimagining the Theatres Building for new generations of visitors, presenters and performers.

Many aspects of the audience, presenter and performer experience inside our theatres will be enhanced, including: new seats and aisles; universal access and more wheelchair positions and lifts; upgrades to climate control systems; state-of-the-art audiovisual and lighting systems; new rehearsal spaces and refreshed dressing rooms for artists; and live-theatre broadcast capability.

Our new 1 City Road creative hub will house a new Australian Performing Arts Gallery (creating a permanent home to display items from the Australian Performing Arts Collection), an expanded Australian Music Vault and multi-purpose studios and spaces for Victoria's small-to-medium and independent arts organisations and artists



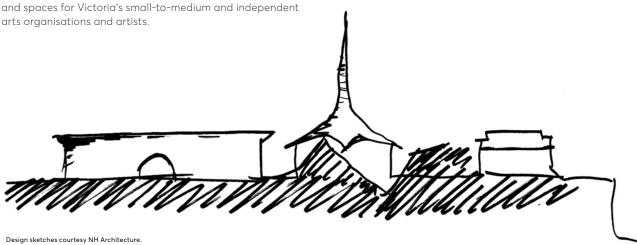


To ensure our plans meet the expectations and needs of our presenters and patrons, we have undertaken extensive stakeholder engagement across the year. We have undertaken general briefings of stakeholder groups to test ideas and concepts, and held multiple focused workshops to inform the design process from Schematic Design through to Detailed Design.

A key focus of engagement has been our Resident Companies and major presenters. We take enormous pride in the fact that our team works incredibly hard to make the work of our presenters look its best on our stages. Engaging this stakeholder cohort in detailed planning through the Schematic and Detailed Design stages has been crucial in our design team understanding with great detail the needs of presenters, artists and audiences.

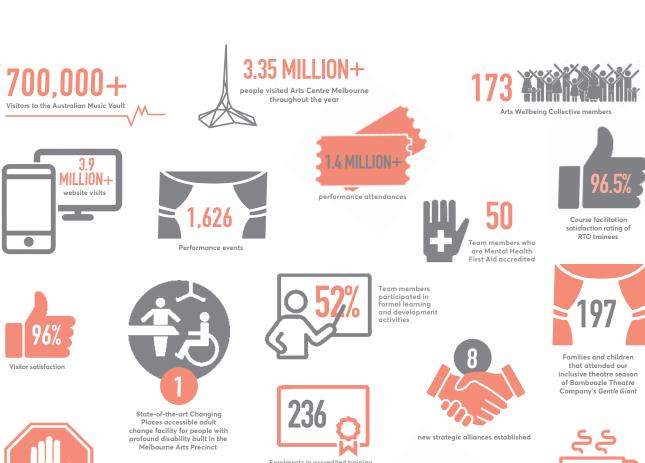
We have also engaged more broadly with key advocacy groups to ensure our new venues, foyers, navigation spaces, amenities and facilities reflect the diversity of our community, and that they will meet the needs of all abilities.

More broadly, the Melbourne Arts Precinct Transformation will complement and connect existing and new cultural institutions and facilities along St Kilda Road and the area behind it with 18,000 square metres of new and renewed pedestrian space including an elevated garden, spaces for performance and events, and restaurants and bars.



Arts Centre Melbourne

BY NUMBERS





WorkSafe penalties



Audiences to relaxed performances





Performances staged by ACM Presents that were newly commissioned, with 1,058 artists and associated creatives engaged, including:

of programs featured Aboriginal and Torres Strait Islander artists

32% featured Culturally Diverse (CALD) artists

48%

Emerging Independent Artists

14%

LGBTIQ+ Communities

11%

People with Disability

28%

19%

Regional Victorian artists





Facilities work orders actioned, with a 55.9% decrease in time taken to respond to emergency work orders

Total philanthropic





new strategic partnerships established



Notices and penalties for asset and facilities management



Collection objects accessed by 134 researchers



239,300

Don't take our word for it

A FEW THOUGHTS FROM THOSE WHO SPENT TIME WITH US LAST YEAR

"The value of having the Arts Wellbeing Collective team here spoke volumes to the Swan Hill team. It said to them that they as arts workers are important, valued and part of a network of peers that include colleagues from Arts Centre Melbourne to every corner of the state. You can't measure the ongoing positive effect of this kind of engagement in regional settings, it is considerable."

SWAN HILL TOWN HALL PERFORMING ARTS AND CONFERENCE CENTRE

"I love tixatsix. It's a fantastic initiative in accessibility. It's great to see Arts Centre Melbourne are investing in experiences by allowing people to see new things and engage with the arts at an accessible price-point for many Melburnians."

TIXATSIX AUDIENCE MEMBER

"Being able to create Colossus with the support of Take Over! was nothing less than brilliant. The commission allowed me to fulfil my dream to create a mass work for 50 dancers and the result has completely exceeded our expectations. I needed the backing of Arts Centre Melbourne and Melbourne Fringe to help realise a work of this scale and ambition, and they supported me 100%. The experience has been profound and I can't wait to see what Take Over! generates next."

CHOREOGRAPHER STEPHANIE LAKE

"Gender Euphoria is a concept whose time has come. What a show like Gender Euphoria does is widen our eyes to the breadth of possibility in being trans – and especially to the distinctive kinds of joy that, because of the steeper path hiked to it, trans people are simply more attuned to."

ANDY CONNOR, THE GUARDIAN

"Today the Arts Centre announced their Winter/Spring program for families and I'm happy to see so many interesting inclusions. As always Arts Centre Melbourne is brilliant with accessibility, scheduling Auslan interpreted performances and relaxed performances suited to visitors with sensory considerations. Wheelchairs are always accommodated easily. There is even a special show called Whoosh! that is an immersive, multi-sensory experience designed specifically for children with access requirements."

MELBOURNE MINOR BLOG POST

"Taha's a completely new level of inspiration. It's hard to sleep after watching the show, so many thoughts, images and ideas! It's also very heartening to see the audiences flocking in and the efforts by Arts Centre Melbourne to involve diverse communities. I hope this work continues through the year and would love to help in any way."

ATTENDEE AT TAHA AS PART OF BIG WORLD, UP CLOSE

"I am so proud this production has resonated with audiences, especially in my home town of Melbourne, breaking records at our amazing Arts Centre Melbourne. Playing Eva Perón has been an exquisite experience for me and sharing it with this beautiful cast and our incredible audiences has truly been one of the most gratifying moments of my career."

TINA ARENA, STAR OF EVITA

"I do hope you enjoy whatever performance you attend. Arts Centre Melbourne is always alive and vital and the staff helpful and friendly. Have fun!"

DONOR VIA THE SUMMER TAX APPEAL 2018

"I was on a solo trip in Melbourne for business from interstate and read about the tixatsix tickets so I arrived at 5.40pm...and was kindly guided by those in the know: what was on offer and where the queue-end was...Even while waiting there was a lovely ambience in the room with display cases, the friendly people in the queue and the lovely lady servicing at the ticket counter. With ticket in hand I checked out the free music exhibition on display upstairs and had a wine and light meal in The Barre. It was a spur-of-the-moment decision to go and what a fantastic night – beat sitting in my hotel room!" VISITOR FEEDBACK VIA TRIPADVISOR

"I used this exhibition as a unit of work on Australian popular music with a group of international students. They loved it!"

AUSTRALIAN MUSIC VAULT VISITOR

"The calibre of professional mentors was awesome...she has an awesome bank of audio knowledge [and] also had helpful, practical advice."

AUSTRALIAN MUSIC VAULT LEARNING PROGRAM PARTICIPANT

"Thank you so much for providing the forum for my daughter and me to connect over music in such an amazing way."

PARTICIPANT, THOSE WHO ROCK

"Just wanted to say a very big THANK
YOU for the Hunting of the Snark tickets.
I've had very positive feedback from the
families that attended and for several
of them it was their first experience
of attending a show at Arts Centre
Melbourne and something they would
not have been able to do without the
generosity of the First Call Fund.
Thanks to the wonderful staff
who were kind and patient (as
always) with the children."

FIRST CALL FUND COMMUNITY PARTNER, EXTENDED FAMILIES ORGANISATION

"It is wonderful that something like this exists (and not at a great cost to families). It was wonderfully run and all the children enjoyed the show the way they wanted to enjoy it. Not a single child was told to 'sit still, be quiet or that they must join in with certain parts'. Great work Sensorium Theatre and also the ushers from Arts Centre Melbourne."

PARENT WHOSE CHILD ATTENDED WHOOSH!

Our stakeholders

STAKEHOLDERS AND PARTNERSHIPS

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 have worked closely with governments at all levels to grow and deepen our partnerships and relationships. Government investment during F2019 has been critical in supporting sector leadership initiatives, building capabilities, innovation and business sustainability. Victorian Government support in particular has been critical in supporting collaborative initiatives including Asia TOPA, the Arts Wellbeing Collective, the Australian Music Vault and *Tech Connect*, a regional-based pilot for technical training hubs at arts centres in Horsham and Shepparton.

Arts Centre Melbourne continues to work with the Australian and Victorian Governments and City of Melbourne to provide an innovative platform for cultural diplomacy including a place to host delegations and events that facilitate people-to-people links.

As part of our approach to Asian engagement we provided a public submission to the Department of Foreign Affairs and Trade's Soft Diplomacy Review articulating the importance of the cultural sector's role in building trusted relationships and positive perceptions of Australia.

Marking the 45th anniversary of the establishment of diplomatic relations between Australia and the People's Republic of China, Arts Centre Melbourne was supported by the Australia-China Council (Department of Foreign Affairs and Trade) to send a senior delegation to Guangzhou and Shenzhen, China, facilitating dialogue and developing professional and institutional networks to enable greater cultural exchange. We look forward to continuing to build new collaborative relationships with our Asian neighbours.

PHILANTHROPY

Arts Centre Melbourne's vision is made possible through the extraordinary support of our philanthropic community, whose belief in the power of the performing arts to change and enhance lives is critical in ensuring we constantly strive to fully realise our mission.

In F2019, philanthropic support from individual donors, trusts, foundations and bequests continued to play a central role in extending the reach and impact of our access, education, commissioning and collections programs. These four key areas remain integral to Arts Centre Melbourne's role in the cultural and social landscape.

Of particular note this year, we were tremendously fortunate to receive the largest-ever bequest in Arts Centre Melbourne's history from Betty Amsden. This generous gift will be used as Betty wished to improve the lives of children and young people under 40 and foster community spirit and participation through the arts.

The bequest builds on the inspiring donation Betty made to Arts Centre Melbourne in 2013 to fund a series of projects aimed at community and public engagement. The Betty Amsden Participation Program was the result of her shining vision to provide opportunities for everyone to experience the joy of participating in a creative process, inspire curious minds through innovative and contemporary art practice and connect to "their" arts centre.

Through the Betty Amsden Participation Program we have engaged with more than one million people in remarkable large-scale public events like *Play Me, I'm Yours, Home, Dominoes* and *Fun Run.* This year's project, *Those Who Rock*, once again celebrated Betty's vision in a truly creative and collaborative way.

A large-format photo of Betty, taken at the *Dominoes* event in 2016, now has pride of place in the Smorgon Family Plaza in our Theatres Building with a plaque acknowledging Betty's contribution to Arts Centre Melbourne.

ACCESS (PAGE 40)

We want everyone to have opportunities to experience the wonder of the performing arts, regardless of gender, age, ability or cultural or socioeconomic background. We thank our donors for their continued generous support, which provided transport for schools in outer metro and regional areas to attend Arts Centre Melbourne, funded inclusive arts programs and relaxed performances and allowed us to give free and subsidised tickets to more than 19,300 school and community groups throughout the year (page 43).

EDUCATION (PAGE 37)

Each year we aim to provide transformative experiences to the next generation of creatives and makers. Thanks to the support of our donors, hundreds of schools and thousands of students, as well as with families, communities and lifelong learners, were able to participate in our active learning programs and exclusive engagement opportunities. We also acknowledge the significant philanthropic support that enabled us to extend our work as a Registered Training Organisation – including taking on more trainees and expanding our offering into regional areas (page 26).

COMMISSIONS (PAGE 31 & 37)

Providing pathways for performing artists at the forefront of contemporary practice to create works and perform in our theatres is integral to our mission. With investment from our Sector Development Fund, we are actively partnering with donors to support the creative development and presentation of new works by Australian and international artists and companies as well as successfully supporting numerous co-productions and collaborations. A standout success in F2019 was Stephanie Lake's mass dance work, *Colossus*, which was funded through the *Take Over!* commissioning program.

COLLECTIONS, PRESERVATION AND EXHIBITIONS (PAGE 50)

We are proud custodians of the Australian Performing Arts Collection, dedicated to the preservation and presentation of Australia's circus, dance, music, opera and theatre heritage. The collection holds more than 690,000 items that have influenced our love of the performing arts, including major acquisitions from Kylie Minogue, Nick Cave, Dame Nellie Melba, The Australian Ballet, Barry Humphries, Paul Kelly and countless others. Philanthropy enables us to fund these acquisitions and their long-term care and presentation, and this year also supported the acquisition of some stunning opera gowns worn by Dame Joan Sutherland. We look forward to engaging more with our Collections supporters in F2020 as we begin to design the Australian Performing Arts Gallery and expanded Australian Music Vault planned for our new 1 City Road creative hub.

"I hope you have a happy, memorable performing arts experience with your family. We are so lucky in Melbourne to have a wonderful, compassionate arts centre. Enjoy!"

DONOR VIA THE SUMMER TAX APPEAL 2018

PARTNERSHIPS

This year we were excited to launch our new approach to partnerships. Our partners are joining us on a journey of exploration, engaging experiences, tangible change, growth and innovation in every step of the relationship. We now have an impact-focused mission to deliver meaningful cultural, educational, social and economic outcomes in the lives of today's and future generations.

We are partnering with organisations that share in our vision and are driven to collaborate with us on initiatives that have measurable impact in the wider community. We believe we can make a difference to arts and culture through the themes of Innovation, Wellbeing, City Shaping, Diversity and Inclusion, Heritage and Collections, and Learning.

Supporting a diverse portfolio of partners, we now offer partnership solutions across four tiers of support: Supporting Partners, Vision Partners, Impact Partners and Premier Partners. We are also focused on growing our partner community of Strategic Alliances and Sponsors.

Our Innovation Partner, PwC, continued to work with us on supporting our City Shaping agenda to create a more vibrant Melbourne Arts Precinct and inspire our city to solve the challenges of tomorrow.

We welcomed Singapore Airlines as Vision Partner, with a commitment to cultural innovation showcased through the signature initiative of Asia TOPA.

MINI Australia joined us as Vision Partner and the Presenting Partner of Supersense. MINI Australia's heritage of invention,

iconic design and inspiring creativity drives a passion to support emerging artists and their unexpectedly original works.

As we grow to the next stage of our partnership journey, we thank Bank of Melbourne, PwC, Mantra Southbank, APN Outdoor and Ticketmaster and welcome new partners Singapore Airlines and MINI Australia.

We also acknowledge and thank our Strategic Alliances and industry partners – the University of Melbourne, APRA AMCOS, ARIA, Spotify, NFSA, CrowdDJ, ABC, Ableton and SYN Media – who support and collaborate with us to build our capabilities, increase reach and diversity, and deliver important work and activities.

With this support, we continue to help nurture a vibrant, creative and liveable city.

THE ARTS CENTRE MELBOURNE FOUNDATION

The Arts Centre Melbourne Foundation ("the Foundation"; page 62) 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 plays a crucial role in supporting the work of Arts Centre Melbourne's team by establishing relationships with existing and prospective individual donors, philanthropic funding bodies and corporate partners so that they can be sufficiently informed, educated and involved in the life of Arts Centre Melbourne, and to maintain and grow their support.

These philanthropic fundraising and sponsorship programs are integral to ensuring that the Trust can sustainably deliver its purpose to contribute to the enrichment of the cultural, educational, social and economic life of the people of Victoria.

In June 2019, the Trust resolved to expand the Foundation membership from 12 to 20 members over the next two years to further grow our fundraising capacity during the Reimagining Arts Centre Melbourne project.

"A successful partnership is a coming together of organisations and teams who may work in very different spaces, but share a common set of values and aspirations. They bring to the table a distinct and unique set of qualities and experiences that creates something much greater than the sum of its parts. It's the magic that happens in a collaboration when you have a common intent and destination in sight, which results in truly remarkable impact for our partnerships and society as a whole."

CLAIRE SPENCER, CEO, ARTS CENTRE MELBOURNE

Philanthropic supporters

THANK YOU

Arts Centre Melbourne extends our heartfelt thanks to all of our supporters, whose generosity, loyalty and commitment play a crucial role in ensuring as many Victorians as possible have the opportunity to experience the joy of the performing arts here in Melbourne.

Philanthropy plays a critical role in extending the reach and impact of Arts Centre Melbourne's four philanthropic pillars: access, education, commissions and collections.

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

Mr Kevin Bamford & Mrs Colleen Bamford

Mr Neville Bertalli & Mrs Di Bertalli

Mr Marc Besen AC & Mrs Eva Besen AO

Ms Robin Campbell

Mrs Krystyna Campbell-Pretty AM & the late Mr Harold Campbell-Pretty

The Fox Family

The Gandel Family

Mrs Ethel Goldin

Mr Rino Grollo & Mrs Diana Ruzzene Grollo Mrs Barbara Haynes OAM

Mr Robert Kirby AO & Mrs Mem Kirby OAM

Mrs Rosie Lew & Family

Mirlex Australia Pty Ltd

Mr Philip Munz & Mrs Sylvia Munz

The late Dame Elisabeth Murdoch AC DBE

Mr Andrew Myer AM & Ms Kerry Gardner AM

Mr Baillieu Myer AC & Mrs Sarah Myer

Mr Bruce Parncutt AO

Playking Foundation

Prescott Family Foundation

Mrs Rae Rothfield

Mr Peter Scanlon AO & Mrs Angie Scanlon

Sidney Myer Fund

Mr Graham Smorgon AM & Mrs Annette Smorgon

Mr Sam Smorgon AO & Mrs Minnie Smorgon

Mr Leon Velik & Mrs Sandra Velik

Mrs Lyn Williams AM

ARTS ANGELS

LEADING LIGHT PATRON - GIFTS OF \$100,000+

Miss Betty Amsden AO, DSJ

Mr Marc Besen AC & Mrs Eva Besen AO Education*

The Ian Potter Foundation

Education*

Mrs Krystyna Campbell-Pretty AM & the late Mr Harold Campbell-Pretty Access*

Sidney Myer Fund Access* Commissions*

LUMINARY PATRON – GIFTS OF \$75.000+

Mrs Jennifer Leaper & Dr John Leaper Access*

Mr Andrew Myer AM &
Ms Kerry Gardner AM
Access*
Commissions*

VISIONARY PATRON – GIFTS OF \$50,000+

Ms Linda Herd
Access*
Commissions*

In memory of Barry John Murnane Collections*

Playking Foundation Commissions*

The Scobie and Claire Mackinnon Trust Access*

BENEFACTOR PATRON - GIFTS OF \$30,000+

Mr Kevin Bamford &
Mrs Colleen Bamford
Access*

Mr Neville Bertalli & Mrs Di Bertalli Access*

Helen Macpherson Smith Trust

Education*

The John & Jennifer Brukner Foundation

Ms Robin Campbell

The Gandel Family

Mirlex Australia Pty Ltd

Prescott Family Foundation

PRINCIPAL PATRON – GIFTS OF \$10.000+

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Ms Roseanne Amarant

Mr Don Argus AC & Mrs Pat Argus

Mr John Barlow & Mrs Mary Barlow

Mrs Adrienne Basser

Mr John Bates & Mrs Lorraine Bates Commissions

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Mr Daniel Besen

Mrs Margaret Bland & Mr John Bland Education*

Mr Daryl Blashki & Ms Lynn Trayer Access*

Mr Barry Bloom & Mrs Lorraine Bloom

Mr Warwick Bray & Mrs Lida Bray

Dr Mark Bryce, Mrs Ann Bryce & Family

Mrs Nancy Butler Access*

Mr Terry Campbell AO & Mrs Christine Campbell

Mr Bernard Carp & Mrs Helen Carp

Dr Leon Carp & Mrs Marlen Carp

Ian Carson AM & Mrs Simone Carson AM

Crown Resorts Foundation Access*

Ms Andy Dinan & Mr Mario Lo Giudice

 $^{^{*}}$ Indicates a gift that has been donated to a specific fund, performance, event or project.

Mr Ron Dobell &
Mrs Margaret Dobell
Access*
Education*

The Fox Family

Mr Colin Golvan AM, QC & Dr Deborah Golvan

Mr Robert Green & Mrs Jan Green Education*

Mr Rino Grollo & Mrs Diana Ruzzene Grollo

Mr John Haddad AO & Mrs Agita Haddad

Mrs Paula Hansky OAM & the late Dr Jack Hansky AM Access*

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Dr Vinay Kumar Education*

Ms Jane Kunstler Education*

Dr Geraldine Lazarus & Mr Greig Gailey Education*

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Mrs Rosie Lew & Family

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Mr Derek Young AM & Mrs Caroline Young Commissions*

Anonymous (2) Access*

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GOLD ASSOCIATE - GIFTS OF \$5,000+

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Mrs Debora Mendelson Access*

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Mr Baillieu Myer AC & Mrs Sarah Myer Access*

Tania Seary & Chris Lynch

Ms Helen Silver AO Access*

Anonymous (1) Access*

SILVER ASSOCIATE - GIFTS OF \$2,000+

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Wisniak Family

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Mrs Anna Xi Access* Education*

Mr Richard Zimmermann Access*

Anonymous (1)
Access*

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Mr William Bowness

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Mr Greg Burns Access*

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Ms Marie McDonald
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Dr Cyril Curtain Access*

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Mr John A. Dorrington
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Mr Tony Ellwood

Commissions*

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Christopher N. Harrop

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Ms Fleur Knowles

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Mrs Silvana Layton & Family Access*

Mrs Verona Lea Access*

Mrs Janet Leckie Access*

^{*} Indicates a gift that has been donated to a specific fund, performance, event or project

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Mr Martin Lukas Access*

Mr Kevin Luscombe AM & Mrs Barbara Luscombe Access*

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Ms Ann Marsh Access*

Mrs Sandra Masel Access*

Mr Noel Maughan Access*

Ms Andrea McCall Collections*

Mr Ian McCall & Mrs Paula McCall Access*

Gavin McGregor Access*

Mr Don Mercer & Mrs Angela Mercer Access*

Mr Ron Minogue & Mrs Carol Minogue Collections*

Mr Trevor Moy Access*

Barbara Murphy

Mr Stephen Newton AO
Access*

Education*
Ms Helen Nixon

Access*

Mrs Janll Norton

Access*

Mr Tom O'Dea & Mrs Ruth O'Dea

Mrs Merryl Officer & Professor Bob Officer AM Mrs Jill Page OAM Collections* Commissions*

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Mr John Pearson & Mrs Carolyn Pearson

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Mrs Cheryl Veith Access*

Dr Sharon Wallace

Julia Washinaton

Mrs Dinanda M. Waterham Access*

Ms Pera Wells Access*

Mrs Angela Wood & Mr Andrew Wood Access*

Mike Yang

Mr Robert Youl Access*

Anonymous (13) Access* Education*

FIRST CALL FUND FOUNDING GIFTS

Giving young disadvantaged Victorians the invaluable opportunity to experience the performing arts at Arts Centre Melbourne

The late Miss Betty Amsden AO, DSJ

Patron of the First Call Fund

Mr Christopher Begg & the late Mrs Patricia Begg OAM

Mr Martin Carlson OAM

Mr Carrillo Gantner AC & Mrs Ziyin Gantner

The late Mrs Neilma Gantner

The late Dr Milan Kantor OAM & Mrs Anne Kantor AO

The Myer Foundation

LEGACY ANGELS

Those who have made the inspirational commitment of recognising Arts Centre Melbourne in their will.

PLANNED GIVERS

Ms Elizabeth Alexandra

Miss Jenny Anderson

Mr Christopher Begg & the late Mrs Patricia Begg OAM

Mr Tony Berry

Mrs Jenny Brukner & the late Mr John Brukner

Mr Ken Bullen

Ms Lyndsey Burton

Mr Douglas Butler

Ms Peggy Cole

Mr Ron Dobell & Mrs Margaret Dobell

Mrs Isabel Edgoose & Mr Graeme Edgoose

The Hon Alan Egan JP

Mr Richard Farrar

Ms Wilma Farrow

Ms Nola Finn

Mr Barrie Follows AM JP & Mrs Gail Follows

Ms Rosemary Forbes & Mr Ian Hocking

Mr Max Frost & Mrs Glenda Frost

Mr Peter Game & Mrs Betty Game

Ms Diane Gardiner

Mr Peter Gassenheimer

Mr Andrew Gemmell

Mrs Mia Hall

Ms Gabriella Havlin

Ms Carol Hay

Mr Richard Heathcote

Ms Denise Hughes

Dr Richard King AM & Mrs Andrea King

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Mr Hugo Leschen

Mr Ieuan Mapperson & Mrs Kathy Mapperson

Ms Barbara Margetts

Ms Caroline Molesworth

Mr Andrew Moon

Mr Jack Moshakis & Ms Gill Tasker

Mr Luke Nestorowicz

Mr Robert Nixey

Mr James Ostroburski & Mr Leo Ostroburski

Mr Kenneth Park

Ms Lyn Payne

Prof Graham Peirson & Mrs Chris Peirson

Mr David Pisterman & Mrs Cheryl Pisterman

Mrs Noelle Robb

Ms Lynne Robertson

Ms Anne Roussac-Hoyne & Mr Neil Roussac

Mr Graham Ryles OAM KSJ & Mrs Judith Ryles OAM

Mr Maurice Scott

Mr John Short

Mr John Stanistreet

Mrs Val Stirling

Mr Graeme Studd

Mrs Pamela Swansson

Ms Margot Vaughan & Ms Bernadette Nicholls

Ms Judy Watt

Mr Ian Watts

Mrs Dinah Whitaker

Mr Benjamin McKenzie White

Mr Owen White

Mrs Pamela Wilson

Anonymous (11)

ESTATES

The late Miss Betty Amsden AO, DSJ

Mr Maxwell Carroll & Mrs Merle Carroll

The Estate of Alexander Maxwell Johnston

The Estate of Mr Donald Matthews

The Estate of the late Kenneth Baillieu Myer AC, DSC

The Estate of Mr Maurice Scott

Anonymous (1)

ARTS WELLBEING COLLECTIVE SUPPORTERS

DONORS

The late Miss Betty Amsden AO. DSJ

Ms Kendra Reid

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Marriner Group

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Sidney Myer Fund

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Our Strategic Priorities

PEOPLE

A place where the very best in the industry aspire to work and collaborate

Our team members are at the heart of everything we do. Their expertise, knowledge and professionalism provide so much of the inspiration, creativity and motivation that makes Arts Centre Melbourne the remarkable place that it is. We take pride in being an employer of choice that recognises, acknowledges and values the vital contribution our team makes to our success.

We take our role as leaders in the sector seriously and our people embrace this through strong and deep engagement with the wider performing arts community. We contribute to the development and progression of performing arts by providing expertise through leading sector initiatives and involvement on influential industry bodies.



ENTERPRISE AGREEMENT

Our Enterprise Agreement (EA) took effect on 31 August 2018. Implementation actions immediately turned to the undertakings provided to the Fair Work Commission, a 3.25% pay increase and a Good Faith in Bargaining payment for team members, who had demonstrated significant patience with a lengthy break between agreements. Following this initial implementation, the more nuanced and dynamic process of transitioning to the new EA commenced. This included a well-attended program of training sessions for managers and information drop-in sessions for team members.

In terms of ongoing engagement and consultation, we established the EA Implementation Group: a forum for nominated team members from across Arts Centre Melbourne to meet regularly for the life of the agreement. The EA Implementation Group is committed to supporting the successful implementation of the agreement, including delivery on the commitments made and recommendations concerning any implementation issues which emerge.

EARNING THE ENCORE: 2018 PULSE SURVEY

In 2017 Arts Centre Melbourne introduced the Earning the Encore Team Engagement Survey to measure and monitor the vital elements of culture and engagement.



A key component of the new approach was to ensure that leaders and team members owned their results, actively discussed them, celebrated what was being done well, addressed areas for improvement and reported on progress.

Based on the results of the 2017 Team Engagement Survey each Arts Centre Melbourne team created specific action plans to address team needs. Action plans were also created at the organisational level to focus on areas that have the most likelihood of shifting culture and engagement across the organisation.

The 2018 Pulse Survey was designed to monitor improvement across the areas identified from the 2017 survey. In contrast to the full 2017 survey, the Pulse Survey was a quick temperature check.

Survey questions that demonstrated the largest upward trend from 2017 to 2018:

- I have seen positive changes taking place based on recent employee survey results (+7%).
- I see myself still working at Arts Centre Melbourne in two years' time (+7%).
- The leaders at Arts Centre Melbourne have communicated a vision that motivates me (+7%).

The upward trend across these areas reflects specific initiatives created in response to the 2017 survey. The impact of action planning, visible outcomes of these plans and regular communication on progress is evidenced in the strong improvement across these elements.

In addition to the three top trending questions, questions relating to learning and development also trended upwards (+5%), indicating a positive response to action and focus in this area since the last survey.

Survey questions that demonstrated the largest downward trend from 2017 to 2018:

- Most of the systems and processes here support us getting our work done effectively.
- Arts Centre Melbourne motivates me to go beyond what I would in a similar role elsewhere.
- My manager gives me useful feedback on how I am performing.

While many teams reported successful action in these areas, results indicate there is still work to be done. Actions to improve engagement will require more than 12 months to have a positive impact, and in particular the impact of improvements to systems and processes.

A number of initiatives within the current Arts Centre Melbourne Workforce Capability Plan will contribute towards an improvement in these areas including:

- a dedicated focus on building leadership capability
- a new approach to reward and recognition
- specific focus on improving engagement with our casual workforce.



"I'm really pleased with the progress Arts Centre Melbourne has made over the last four years both financially and with its internal culture. This is an organisation that supports its people and is setting itself up for continued success. I'm proud to be a part of it."

ARTS CENTRE MELBOURNE TEAM MEMBER SURVEY FEEDBACK

"All in all, this place is great to work at and I feel proud anytime I see a class of school children here to see a play, or walk by The Channel, or see people having a great time here in the foyers. It's rare you get to be reminded why you're working here every morning and afternoon and as you come and go from work. It's a special place."

ARTS CENTRE MELBOURNE TEAM MEMBER SURVEY FEEDBACK

THE ROLE YOU PLAY

In 2015, The Role You Play culture statement united us around a vision for Arts Centre Melbourne. It described how we wanted to work together, how to create a workplace that enabled us to do our very best work and how to build a successful and sustainable organisation. It also clearly described who we were and what we stood for.

Four years later we know how important The Role You Play has been in keeping us focused and aligned. It has helped us build the team we have today and has been fundamental in guiding us on our change journey. We know the critical part The Role You Play has had in ensuring we can successfully deliver outstanding results.

Heading into the Reimagining Arts Centre Melbourne project, and at the same time continuing to be Remarkable Every Day, The Role You Play will be even more critical. This period, while exciting, will also present us with new experiences and situations that we have not had to deal with before. As such, this year was an ideal time to relaunch The Role You Play. At such a critical time we need to be focused on what sits at our heart and to align around a stable core that provides clarity and direction through disruption and change.

At the centre of The Role You Play are our Values. These remain unchanged and are as valid to us today as when we created them. The only difference is that we are now thinking about our Values as a way forward through change and opportunity.

Our Values:

Leadership – Courage and conviction

Community - Working together

Care More – A place for everybody

Creativity – A boundless imagination

"People can feel whether you love your work, and creativity and the performing arts has the power to energise not just your audience but yourself."

CECILIA SALVANTE, SENIOR CHEF DE PARTIE, ARTS CENTRE MELBOURNE'S THE BARRE





LEARNING AND ORGANISATIONAL DEVELOPMENT

The focus of our learning and organisational development activity for F2019 has been to understand our requirements in preparation for Reimagining Arts Centre Melbourne and continue to deliver remarkable experiences every day. As we continue as Australia's busiest performing arts centre we will also be undergoing an extended period of intensive change that will stretch and challenge us. This will require us to be learning, developing and adapting more quickly and more effectively than we have ever had to before.

Our engagement surveys also tell us that we can improve how we do this. We have been working to create the right approach to support the organisation now and prepare us for the future. This culminated in the launch of our Performance Ready framework in May 2019.

Our Performance Ready framework provides clarity and direction for how we grow and develop as individuals and as an organisation. It comprises three elements:

Clarity – outlining our leadership and core capabilities

Growth – the programs and activities designed to build our critical capabilities

Energy – the resources and support to bring out our best and keep us at our best

Performance Ready provides a common view of our aspirations and will be used as a reference point through recruitment, development, recognition and reward. It will enable us to focus on the behaviours and capabilities that align to our Purpose, Values and Strategic Priorities. The Performance Ready framework will also make our approach to learning and development more transparent and more accessible.

PRODUCTION TRAINEESHIP PROGRAM

Since 2010 Arts Centre Melbourne's Registered Training Organisation has been delivering Nationally Accredited Qualifications for the live entertainment industry. During this time we have proudly developed our own yearly, in-house production traineeship program in the core disciplines of lighting, sound and vision, and staging to support those looking to start their careers in the live production industry.

Past graduates of the traineeship program have risen through the ranks to work not only in senior supervisory roles at Arts Centre Melbourne but also in Melbourne's other major theatres and venues and nationally and internationally on some of the world's greatest stages. This year, together with added financial support from The Ian Potter Foundation, we have proudly expanded the program and increased the yearly intake from three to five positions. For the first time, a new traineeship position within the Production Wardrobe team has been made available alongside a Venue Technician opportunity for our Corporate Events team.

"To have been given the opportunity to undertake my traineeship with Arts Centre Melbourne has been a privilege and a great learning experience. My favourite thing about my traineeship is the hands-on education, which has provided me with valuable knowledge and skills that can be applied to many different areas of work."

EMILY SANDERSON, ARTS CENTRE MELBOURNE STAGING DEPARTMENT TRAINEE





SUPPORTING THE INDUSTRY IN REGIONAL VICTORIA

In 2019 Arts Centre Melbourne's pilot training program, *Tech Connect*, delivered extensive technical training to regional theatres around Victoria. Arts Centre Melbourne's training team clocked up just under 10,000 kilometres in delivering more than 440 individual units of training to 60 regional technicians in Shepparton and Horsham hub-venues and reaching out to outlying towns across the state.

This incredible program has been driven by the industry, for the industry. *Tech Connect* is a result of widespread consultations with regional venues to help address skills shortages, create new networks and provide opportunities as never seen before in regional areas. With the combined support of Victorian Government funding via Creative Victoria and generous donations by The Helen McPherson Smith Trust Fund and The Ian Potter Foundation, we have been able to deliver this training on the ground, where it counts, to regional Victorians. The program assists those at the beginning of their careers as well as formally recognising and building on the skills of existing theatre technicians to help them gain nationally accredited qualifications.

"Having a level of qualification such as this one gives me a sense of relief knowing that I have something I can show to a future employer on top of my experience. I've had the opportunity to meet a variety of great people and talk about experiences with other professionals, which really helps."

JAKE BERGER, TECH CONNECT TRAINEE, HAMILTON PERFORMING ARTS CENTRE

ARTS WELLBEING COLLECTIVE

EFFECTING BETTER MENTAL HEALTH AND WELLBEING OUTCOMES FOR PERFORMING ARTS WORKERS

From the welcoming faces that greet our visitors every day to the programmers coordinating magic in our theatres, technical experts working backstage and culinary whizzes cooking up a storm in our kitchens, more than 1,000 passionate and dedicated team members work together to make Arts Centre Melbourne a very special place for so many.

The performing arts is inherently a people-driven business, and working in the arts is often viewed as a glamorous, exciting and sought-after career. But like any industry, there are unique and unusual challenges and pressures that come with the job.

Performers, creatives and arts administrators all work under the intense pressure of completely immoveable deadlines – whether the show is ready to go or not, 2,000 people are walking through the doors at 7.30pm. For many in the industry, a lot of time is spent on tour – away from home, friends and family for weeks, months or even years at a time. Actors specifically undertake the emotional challenge of inhabiting a character every night – perhaps one who is evil, sadistic or manipulative.

A 2016 report released by Entertainment Assist in association with Victoria University found that workers in the Australian entertainment industry skewed above the national averages for anxiety, depression and suicide. This report put numbers to what many in the industry knew anecdotally to be true: the industry was suffering.

In response, Arts Centre Melbourne initiated the Arts Wellbeing Collective, a consortium of arts and cultural organisations whose shared vision is to effect better mental health and wellbeing for performing arts workers.

Arts Centre Melbourne takes its role and responsibility as an industry leader very seriously, and saw a major gap in dedicated, tailored support services for those working in the performing arts. In 2017, Arts Centre Melbourne trialled a Pilot Program, and was overwhelmed by demand, interest and engagement.

Arts Centre Melbourne commissioned an independent external evaluation of the Pilot Program, and also worked with Innovation Partner PwC to examine opportunities to optimise the project deliverables. Informed by these pieces of research, Arts Centre Melbourne developed a three-year strategy to deliver a sector-wide mental health and wellbeing program specifically tailored to performing arts workers.

In August 2018, Arts Centre Melbourne confirmed funding from WorkSafe Victoria's WorkWell Mental Health Improvement Fund, which enables the delivery of the comprehensive three-year strategy in full.

The Arts Wellbeing Collective is working in partnership with peak bodies, organisational psychologists and industry leaders to support the development of mentally healthy creative workplaces, acknowledging the sometimes unusual needs and composition of these spaces.

The new strategy underpins this work, with three tiers of programming deliverables that focus on systemic, cultural change.

The first comprises resources curated by experts, experienced practitioners and best available evidence and research, all tailored to the unique challenges of the performing arts. Since officially launching the new strategy in October 2018, the team has curated, created and distributed:

- 8,500 hard copies of the Tour Well resource, promoting positive mental health and wellbeing while on tour
- 2,000 hard copies of Your Pocket Guide to De-Role, sharing tips and tricks for getting out of character
- 2,000 copies of the Arts Wellbeing Collective magazine, showcasing stories of positive change
- 200 posters promoting positive mental health and wellbeing for back-of-house noticeboards in venues across Victoria

The second program tier features workshops that focus on tips and techniques for improving personal mental health. More than 30 workshops and presentations have been delivered to more than 2,000 performing arts workers worldwide in this year alone.

The third tier involves sector initiatives: large-scale programs aimed at building whole-of-sector capacity. This involves the rollout of tailored, accredited Mental Health First Aid, and already nearly 100 performing arts workers have completed this intensive two-day training, which enables early intervention and help-seeking.

The only program of its kind, the Arts Wellbeing Collective has attracted significant national and international interest. The Arts Centre Melbourne team has had the privilege of presenting on the Arts Wellbeing Collective at the Tessitura Learning and Community Conference in Orlando, USA and the International Society for the Performing Arts Congress in New York.



Since its inception the Arts Wellbeing Collective has grown rapidly to include more than 200 member organisations. Arts Centre Melbourne is thrilled to work cross-industry on this vital initiative with these members, Melbourne Arts Precinct partners and a dynamic Advisory Group:

Claire Spencer (Chair), CEO, Arts Centre Melbourne

Damien Angus, Partner, PwC

Greta Bradman, performing artist and psychologist

Lydia Fairhall, Executive Producer, ILBIJERRI Theatre Company

Linda Fleet, Director, Strategic Marketing and Communications, Creative Victoria

Mark Gogoll, Manager, Mark Gogoll Enterprises

Leanne Lawrence, Executive Director Human Resources, Arts Centre Melbourne

Michael Lynch, Director, Smart Artists Management

Jason Marriner, CEO, Marriner Group

Catherine McClements, performing artist and then-member, Victorian Arts Centre Trust

Kendra Reid, Director, KLR Consulting

Evelyn Richardson, Chief Executive, Live Performance Australia

lan Roberts, arts administrator and member, Victorian Arts Centre Trust "Mental Health First Aid is new to me, but I believe it is necessary to maintain a healthy, happy and pro-active working culture and environment. It benefits all employers and employees."

ARTS WELLBEING COLLECTIVE WORKSHOP PARTICIPANT

"What a wonderfully, thoughtful and valuable presentation.
A superb initiative by Arts Centre Melbourne."

TOUR WELL WORKSHOP PARTICIPANT



Our Strategic Priorities

PERFORMING ARTS

A contemporary and relevant home for the performing arts that serves the whole of Victoria, including the outer metro and regional community

Every day on our stages and in our venues, world-class performing arts entertain, delight, and bring creative inspiration to our audiences. We are constantly working with our Resident Companies, presenting partners, internal programming teams and the small-to-medium and independent arts sector to enliven and expand what the performing arts means to the Victorian community.

PERFORMANCE PROGRAM HIGHLIGHTS



RESIDENT COMPANIES

Our Resident Companies had another impressive year in our venues, with no greater example than Opera Australia's State Theatre presentation of *EVITA* (December 2018 – March 2019) in partnership with The Gordon Frost Organisation.

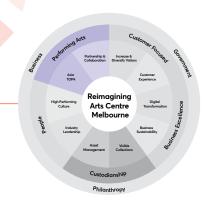
This original West End and Broadway production starring Tina Arena broke the record to become the highest selling show ever at Arts Centre Melbourne with 150,000 tickets sold, surpassing the previous record of 120,000 tickets by *Dream Lover* the previous summer.

Opera Australia also presented West Side Story in partnership GWB Entertainment, which achieved 80% attendance in the State Theatre in April 2019. These big musicals, combined with the company's traditional autumn and spring seasons, led Opera Australia to have its largest-ever footprint in our venues.

The Australian Ballet's program included the iconic romantic ballet *Giselle* (August – September 2018), the gladiatorial *Spartacus* (September 2018) and *Cinderella* (March 2019), choreographed by Alexei Ratmansky. The highly anticipated return of the Helpmann Award-winning *Alice's Adventures in Wonderland* (June 2019) wrapped up F2019 in the State Theatre.

Melbourne Theatre Company featured in both Fairfax Studio and the Playhouse, presenting six seasons and 270 performances and achieving more than 111,000 attendances with standout seasons of *An Ideal Husband* (July – August 2018) and *The Lady in the Van* (February – March 2019).

Melbourne Symphony Orchestra partnered with us to present the hugely popular *Jazz at Lincoln Centre with Wynton Marsalis* (March 2019, Hamer Hall). Other ambitious and contemporary offerings included live performances of musical scores to accompany film



screenings of Final Symphony: Music from FINAL FANTASY®, Harry Potter and the Goblet of Fire™ in Concert and Ghostbusters, along with the company's renowned year-round classical program.



PRESENTER PROGRAMS

Festivals were a significant part of our programming calendar. Notably, Melbourne International Arts Festival (October 2018) attracted more than 57,000 attendees in presenting 16 shows across our venues, including the popular 1000 Doors on our Theatres Building Forecourt and a host of brilliant copresentations such as the sublime three-dimensional graphic novel Flight and critically acclaimed Song for a Weary Throat.



The 32nd Melbourne International Comedy Festival (March – April 2019) was a standout success, with the return of the Famous Spiegeltent and a packed program featuring 19 shows and 149 performances that drew 55,000 people. A highlight was Hannah Gadsby's world premiere of her new show Douglas, presented by Token.

A strong year for The Production Company was capped by an ambitious season of the acclaimed David Bowie musical Lazarus (May – June 2019), which delighted audiences and fans.

Lunchbox Theatrical Productions' *Peter Pan Goes Wrong* (December 2018 – January 2019) and *Swan Lake on Ice* (July 2018) also brought in significant attendances. Other highlights included

events presented by Adrian Bohm Presents, Frontier Touring Company, Live Nation, Secret Sounds, Spiritworks, Andrew Kay and Associates, and the Chugg and Laneway companies.

Unique events of note in Hamer Hall included the sold-out Sohn Hearts & Minds Investment Leaders Conference (November 2018), with 100% of funds raised donated to medical research, and International Jazz Day Global Concert (April 2019), which was live-streamed to Federation Square, live-broadcast on ABC Radio, and webcast by the United Nations and UNESCO to millions of viewers worldwide.

Programming in the Theatres Building Forecourt diversified, notably with a new collaboration established with Melbourne Fashion Week (August – September 2018) to present *The Fashion Capsules* (housing the work of Victorian-based fashion-related installation, digital and video artists, designers and makers), and our collaboration with Melbourne-based Stomping Ground Brewing Company to create the Argentinian-inspired *La Boca* beer garden during *EVITA*, which attracted more than 45,000 customers.

A solid 2018–19 Sidney Myer Music Bowl season kicked off with Norwegian artist Kygo and the momentum continued with notable music concerts by Paul Kelly, Florence and the Machine, Mumford & Sons, Kylie Minogue and Tash Sultana. This varied offering is helping to build audience diversity at the Sidney Myer Music Bowl. Strong annual programming such as Hardware Corporation's *Piknic Électronik* series and one-off dance concerts, Vision Australia's *Carols by Candlelight* and free concerts by Melbourne Symphony Orchestra and Opera Australia is further creating a loyal and growing audience base.

CONTEMPORARY PERFORMANCE

F2019 was launched with a highly celebrated and successful MEL+NYC collaboration with the National Gallery of Victoria and a wider Melbourne consortium. Arts Centre Melbourne's program that heralded our connections with New York included an extended-by-popular-demand season of Monica Bill Barnes & Company's The Gallery Workout and sold-out performances from Regina Spektor, EXO-TECH, RocKwiz Salutes NYC and Broad City's Ilana Glazer.

Since launching in 2017, *Big World, Up Close* has quickly established itself as a fierce and moving series of works from our global community. The F2019 *Big World, Up Close* series continued to feature works that share deeply layered stories of identity and colonisation with powerful and arresting performances. In Mojo Juju's *Native Tongue* (Australia/The Philippines), the artist devised a theatre piece around the lyrics and themes of identity and family on her new album; *The Fall* by Baxter Theatre Centre (South Africa) was a work created by seven students from the University of Cape Town about #RhodesMustFall and subsequent student movements; and *Taha*, written and performed by Amer Hlehel (Palestine), told the lyrical life story of poet Taha Muhammad Ali. This extraordinary performance was rewarded with a Helpmann Award nomination for Best Male Actor.



"What a wonderful time you gave us at Arts Centre Melbourne. I have seldom encountered such caring professionalism and attention in a theatre environment. We felt so 'held' and want to thank you a million times. I feel very stimulated and inspired by the Big World, Up Close initiative and can't stop telling everyone about it."

MEMBER OF BAXTER THEATRE CENTRE'S THE FALL PRODUCTION

As part of our ongoing partnership with Melbourne Fringe, we commissioned a new dance work by local choreographer Stephanie Lake. Developed through our *Take Over!* commissioning program, *Colossus* (September 2018) achieved a rare large-scale dance work comprising 50 dancers flooding the Fairfax Studio stage. The season attracted full houses and critical acclaim.



Our collaboration with Melbourne International Arts Festival continued in F2019, with four co-presented works: My Name is Jimi by Queensland Theatre Company; two subsequent Helpmann Award-nominated works, Song for a Weary Throat by local company Rawcus Ensemble and Dickie Beau: Re-Member Me; and Flight by Vox Motus (UK).

In partnership with Melbourne International Comedy Festival, we presented La Boite's *Single Asian Female* by Michelle Law. The Melbourne premiere of this new Australian work drew large Asian-Australian audiences across generations. Our three-week season drew positive reviews and more than 5,000 attendances and delivered on our commitment to presenting works that represent diversity on our stages and in our audiences.



Over the F2019 summer, Arts Centre Melbourne partnered with Midsumma Festival (January – February 2019) on a suite of performances that presented to rave reviews. *Gender Euphoria*, a work supported by Arts Centre Melbourne in its initial research and development through to presentation, was a special evening of performance by gender diverse and transgender performers led by Mama Alto and Maude Davey. It received a standing ovation and was a thrilling and positive experience for trans performers and audience members.

Other Midsumma offerings included The Legend of Queen Kong; Merciless Gods, based on the work by Christos Tsiolkas; and The Miss Behave Gameshow, which brought a mix of mainstream and alternative audiences to Arts Centre Melbourne and drew much media attention. The Midsumma Extravaganza in Hamer Hall included 30 national and local performers and was a highlight for the LGBTQI+ community.



One of our commissioned works was realised in September 2018 with the presentation of *The Space Between*, starring Emma Matthews, with music direction by Paul Grabowsky and libretto by Steve Vizard. We also presented the world premiere of Speak Percussion's *Polar Force*, an immersive live music performance that combined custom-built instruments in a white inflatable space that transformed the Playhouse Rehearsal Room to a science lab in the fields of Antarctica.



In March 2019, we also presented the infamous circus and boylesque troupe, *Briefs Factory*, who returned with great ambition with its new show Close Encounters in an unusually configured Playhouse.

International works of scale included the presentation of Ballet Preljocaj's *Snow White* (August 2018), complete with costumes by Jean Paul Gaultier and music by Gustav Mahler and 7D, which attracted an audience of more than 10,500. Jacop Alhbom's *Horror* combined precision physical theatre and special effects to terrify audiences during the company's September 2018 Playhouse season.

"Thrilling, frightening and entirely unforgettable. A monumental talent."

TIM BYRNE, TIME OUT, ON COLOSSUS ***

"When I walked out of Colossus, my blood was singing with sheer exhilaration. It's rare to see a work of this scale, and rarer still to see new work of such epic ambition fully realised. Stephanie Lake's latest dance, her largest to date, is a triumph."

ALISON CROGGON, WITNESS PERFORMANCE, ON COLOSSUS

"Song for a Weary Throat is exquisite and ambitious; a rich meditation on our shared humanity and our resilience in the face of disaster."

RICHARD WATTS, TIME OUT ***



FAMILIES AND CHILDREN

We are committed to presenting quality works for young audiences that foster individual and collective imagination, and support families and people aged 12 and under to become a cultural force in our community. Audiences as young as two months old engaged in our F2019 program.

Our program consists of a range of interactive workshops, theatrical performances, intimate experiences, free participatory activities and both school holiday and term-time programs. The program is robust and continues to grow in size, scale and scope. Across F2019 we hosted 19 seasons created by First Nations, Australian and international artists and companies. Over summer/autumn we specifically curated a program celebrating Australian theatre, circus, music puppetry and dance, showcasing the incredible talent and wide variety of work for young audiences made by independent and small-to-medium Australian artists and companies. This 100% Australian program was a testament to the vast repertoire of works Australia has for young audiences, and the investment Arts Centre Melbourne has made in our local sector.



The August 2018 presentation of *Gentle Giant* by Bamboozle Theatre (UK), a work specifically for young people with profound and multiple learning disabilities, highlighted our ongoing commitment to providing relaxing and inclusive theatre experiences for children and their families (see page 41).

We also commissioned *Invisible Orchestra* (January 2019) by Polyglot Theatre, a free giant game of musical chairs where children used their bodies to make music in the most unconventional ways. After attending CIRCA's sold-out Fairfax Studio season of *Wolfgang's Magical Musical Circus* (including a relaxed performance with a beautiful visual story prepared in collaboration with CIRCA), children and families created their own symphonic masterpieces. The *Invisible Orchestra* activation was generously support by Mrs Jennifer Leaper and Dr John Leaper.





The participatory one-on-one summer workshop, A Call to Dance, invited children to collaborate with First Nations choreographer and dancer Amrita Hepi on a signature dance move about cultural ownership and self-expression. This new work was also nominated for a Helpmann Award for Best Presentation for Children and Young People.

We also co-commissioned the mainstage production of A Not So Traditional Story (September 2018, Fairfax Studio) by Nathan Maynard and Terrapin (Tasmania), due on our stages in September 2019, and The Lighthouse from Patch Theatre (Adelaide). We also continued our journey of developing our new commission Charlie and the War Against the Grannies by Alan Brough that will become a mainstage production in 2020.

Our participatory events are a celebrated cornerstone of the Families program, and in F2019 included a range of small and large-scale foyer and outdoor events that extend children's experiences of performance and allow them to explore their own creativity. These included *Kranky Farm*, responding to *George's Marvellous Medicine* (September 2018); and *Feast*, responding to *Billionaire Boy* (April 2019).



Across the March 2019 long weekend, 12,000 non-ticketed attendees participated in *String Symphony*, a giant interactive puppet that appeared on the Theatres Building Forecourt and enticed children and families to seize a rope and become puppeteers.

MUSIC

In April 2019, Arts Centre Melbourne presented *RocKwiz's Really Really Good Friday* in Hamer Hall, which has defined itself as an Easter institution with its irreverent blend of quiz show and music festival.



For the first time during Melbourne Music Week (November 2018), Arts Centre Melbourne collaborated with Hear My Eyes on four sold-out performances of the live score reinterpretation of the Coen Brothers' classic, *No Country for Old Men*, written and performed by Melbourne's Tropical Fuck Storm.

As part of our connection to YIRRAMBOI Festival (May 2019), Australia's premier First Nations arts and cultural event, Arts Centre Melbourne presented *Yothu Yindi and the Treaty Project* in Hamer Hall, featuring many of the original members of Yothu Yindi.

These shows continued our connection with and celebration of Australian contemporary artists through their co-presentation with the Australian Music Vault.

International performance highlights included Goran Bregovic (Bosnia); Maria Pages' *Yo Carmen* (Spain) and Regina Spektor (USA).



ASIAN ARTS HIGHLIGHTS

Following the success of the inaugural Asia TOPA: Asia-Pacific Triennial of Performing Arts in 2017, a clear focus for Arts Centre Melbourne has been extending and strengthening the framework for an even more successful event in 2020.

We are delighted that the Asia TOPA Consortium – 14 leading arts organisations in the Melbourne Arts Precinct and city centre with oversight for the event – has reconstituted, with most planning major Asia-focused activities for public seasons in summer 2020.

Key focus areas for Arts Centre Melbourne's Asia TOPA team has been the integration of: international curation; local creative and producing partnerships; intercultural commissioning; cultural and capacity building reciprocity; and proactive and responsive community engagement strategies targeting program-related diaspora and international student communities.

Alongside these activities we have continued to focus on seeding and developing collaborative works with Program Partners. This includes individual and organisational capacity building and sector development at Arts Centre Melbourne and across the city's arts and cultural producing communities.

In addition to full-scale commissions with local producers, Arts Centre Melbourne has worked with independent arts spaces and small-to-medium sector producers facilitating modest but critical financial support through travel grants, production investment and research and development towards Asia TOPA 2020 programs. This ensures a truly diverse festival program that reflects a chorus of curatorial voices and deep-reaching cultural connections from artists to producers to audiences. These have included:

Arts House (City of Melbourne)

Footscray Community Arts Centre

Abbotsford Convent (including Victorian regional outreach)

La Mama Theatre

Castlemaine State Festival

The SUBSTATION

Dancehouse

Next Wave

Chunky Move

Our engagement strategies simultaneously extend to stakeholders locally and internationally through advocacy, exchanges and dialogue.

In 2020, the newly reconfigured Australian Performing Arts Market (APAM) will be launched during Asia TOPA. APAM hosts and facilitates high numbers of globally influential producers and presenters as participants. The unprecedented concentration of Asia-focused works by Australia's leading artists makes Asia TOPA the perfect showcase for this important Victorian and Australian government initiative. We thank Director Catherine Jones and her team for their insight and support as we plan for this exciting collaboration.

Asia TOPA curates and presents monthly *Think Tanks*, open to all participating individuals and organisations. With attendances regularly topping 200, the popular sessions bring together artists, producers and presenters to candidly explore challenges and opportunities as we grow our cultural awareness, artistic ambitions and industry prospects as a key creative hub in the Asia-Pacific region. We thank the following *Think Tank* speakers and panellists:

Damien Miller, Assistant Secretary, DFAT Soft Power

Gönül Serbest, CEO, Global Victoria

Ruth Barker, Manager, International Engagement, Creative Victoria

Christabel Harvey, Senior Manager, Arts Development, Creative Victoria

Pippa Dickson, Arts Director, AsiaLink

Veronica Pardo, CEO, Multicultural Arts Victoria

Catherine Jones, Director, APAM Office

David Finnigan, Artist

Wang Chong, Artist

Dr Sadiah Boonstra, Curator, Asia TOPA Public Programs

Kate Ben-Tovim, Associate Director, Asia TOPA

Stephen Armstrong, Creative Director, Asia TOPA

Sophie Travers, General Manager, Creative Programs, City of Melbourne

Thea Baumann, Manager, Australia Council International Market Development Operations

Nithya Nagarajan, Australia Council International Market Advisor, South/East Asia

Joanna Bayndrian, Australia Council International Market Adviser, North Asia

Asia TOPA is grateful to our partners at the University of Melbourne for what is a deep and far-reaching partnership that also embraces the Victorian College of the Arts and the University of Melbourne Student Union. Thanks especially to Meredith Martin and Matt Delbridge, Georgie Meagher and Gideon Obarzanek. The partnership not only facilitates connection with the academic and student population – and notably, the large international student community – but also the university's stages at the Martyn Myer Arena and Union Theatre. These stages will be prime presentation sites for Arts Centre Melbourne's Asia TOPA new work program in 2020.

In 2019, Asia TOPA has provided industry mentorship to the Victorian College of the Arts third-year Theatre Makers cohort and in 2020 will provide a range of professional secondment and learning opportunities to give students access to the most dynamic and exciting contemporary Asian artists at the very outset of their careers.

Thanks also to Dr Paul Rae, whose support of Dr Sadiah Boonstra, recipient of the university's Asian Scholar program, has been transformative in the curation of Asia TOPA's 2020 Public Program of free activity, explorations and connecting conversations. Dr Boonstra has travelled widely through the region to meet artists as they create their festival works and brings that immediate context and experience to shaping these conversations in Melbourne.

Led by Arts Centre Melbourne, Asia TOPA remains distinctive among Australia's international arts festivals for its commitment to consortium-based programming, intercultural collaborations and new work creation. During F2019, Arts Centre Melbourne seeded, developed and/or commissioned more than 20 new intercultural collaborations with artists from 15 countries. Australian collaborators are working across the sector with major performing arts companies, independent spaces and the national small-to-medium sector.

This commissions program is vital to bringing the contemporary Asian imagination to both Melbourne's and the world's stages. Since 2017, Asia TOPA commissioned works have performed in more than 50 seasons across Australia, Asia, North America and Europe.





In F2019, Asia TOPA collaborated across Arts Centre Melbourne on numerous projects supporting artists to connect with a diverse, intergenerational audience through new and exciting contemporary works. These included: Nick Powers' Cambodian collaboration, *Between Tiny Cities*, and the hilarious but punchy work of leading Australian playwright Michele Law in *Single Asian Female*.

Further afield, a number of Asia TOPA's 2020 co-commissions with international partners received premiere performances in Hong Kong, Taiwan, Japan, Korea, Indonesia and Singapore.

New work development is at the heart of the Playking Foundation Travel Grant program run in collaboration with Arts Centre Melbourne. In F2019 nine grants were awarded to Australian artists working in music, theatre, curation, dance and community arts to develop projects in China, Japan, Philippines, Indonesia, Thailand, Taiwan and Singapore.

Major financial support and inestimable moral support comes from Asia TOPA's initiating partner, Sidney Myer Fund and the Kenneth Myer KMATS Endowment. The vision of our Myer Family partners continues to challenge and inspire us to imagine a truly global vision for an equally global Australian arts community and society. For this, we offer thanks and respect.

Invaluable project development and commissioning support for the activities above has also been received from the Playking Foundation, the Victorian and Australian governments, the Australia Council for the Arts through the Major Festivals Initiative, the British Council and numerous international colleagues and collaborators.



SECTOR DEVELOPMENT FUND

Longer term funding certainty provided by the Victorian Government in recent years is critical to our ability to effectively manage risk and further support and invest in projects that offer future return on investment.

The Sector Development Fund was established to support meaningful and mutually beneficial partnerships. Supported projects and initiatives vary from those focused on partnerships and initiatives with our Resident Companies and Melbourne Arts Precinct partners, to engagement with the small-to-medium and independent sectors, and supporting outreach, access and community engagement. Highlights of the F2019 projects supported by the Sector Development Fund:

- A successful partnership with Asian audience development specialists Imagikai to bring awareness of various Arts Centre Melbourne seasons to the Asian student population and drive ticket sales. Most notably the engagement drove new audiences to our popular season of Single Asian Female as part of Melbourne International Comedy Festival.
- A partnership with independent producing entity
 Performing Lines to complete the final stages of our
 commissioned work Anthem, by Andrew Bovell, Patricia
 Cornelius, Melissa Reeves, Christos Tsiolkas and Irine
 Vela. Funds supported an open call out for a First Nations
 Assistant Director and an Indigenous Cultural Consultant,
 Bryan Andy, to work alongside Director Susie Dee in the
 final stages of development and pre-production.
- A dedicated sector development program, The Kiln: a
 place for Melbourne's independent arts community to
 explore, hone and develop professional practice across
 a series of talks, workshops, masterclasses and events.
 Programs included a "Safe Theatres for Independents"
 workshop and sessions from Transgender Victoria and
 the Arts Wellbeing Collective.
- A series of staff and public activations and activities around NAIDOC (National Aborigines and Islanders Day Observance Committee) Week.
- The development of an ambitious new suite of artist-led accessible programs at Arts Centre Melbourne for people living with disabilities. Funds supported working with external experts across the accessibility sector to create a framework for the new programming model.
- Support for Polyglot Theatre to collaborate with Oily Cart (UK) to create a new inclusive theatre work specifically for children and young people who have autism and multiple, complex disabilities.
- A series of partnerships and creative developments in the lead-up to Asia TOPA 2020.

PRESENTER MANAGEMENT FRAMEWORK

As our focus on planning for Reimagining Arts Centre Melbourne grows, the support and advocacy of our presenters is as vital as ever, especially from our Resident Companies, who have a major stake in the design and development of our venues and may face a significant impact on their artistic programming.

In response to this, our Resident Company Collaborative Planning initiative is evolving, as evident in the PwC-facilitated engagement we have had with senior leadership from The Australian Ballet and Opera Australia to discuss the designs and impacts of Reimagining Arts Centre Melbourne, and the many relationship management initiatives we engage on with presenters across the year.

In tune with our commitment to our Resident Companies, the overarching plan for how we interact with and support our presenters is being delivered and aligned with corporate planning. This umbrella strategy is the Presenter Management Framework, which is focused on identifying opportunities for service delivery and relationship enhancement, audience and revenue growth, and developing new ideas focused on innovation, co-creation and partnership.

Examples of the successful delivery of the Presenter Management Framework include the doubling in size of our Presenter Engagement and Loyalty Program, the implementation of unique experiences such as food and beverage related event activations and venue policy, and improvements to our presenter analysis and negotiation tools, which enhance our ongoing efforts to optimise venue utilisation and business growth with presenters.

CREATIVE LEARNING

The Creative Learning program gives people of all ages the opportunity to learn about the arts, and through this themselves and the world around them. In F2019 almost 55,000 students engaged with Arts Centre Melbourne learning programs, including world-class performances in our venues, creative workshops in our dedicated learning space, The Channel, and ArtsConnect9, our long-running regional access program. Schools travelled from across Victoria and the country, including Queensland and South Australia, to participate.

This year, two new regional initiatives were rolled out that speak directly to our ambition to be a place for all Victorians: Stories in the Wall and Creative Classrooms.

Stories in the Wall received significant funding through the Victorian Department of Education and Training's Strategic Partnerships Program to take the long-running storytelling program to regional schools such as Ouyen P–12 College and Cardross Primary School. Six scriptwriters visited these schools, along with metro and outer metro schools, to write scripts responding to the statement "What Lies Beneath". The stories were recorded by students and had sound design and composition completed by students from the University of Melbourne's Interactive Composition course.

The completed stories were presented in the foyers of Arts Centre Melbourne, public spaces in regional areas and online, where they have had more than 2,000 listens.

Creative Classrooms is a teaching-artist-in-school program designed as a follow-up for students to creatively explore the performance they saw and to draw independent links with their own experiences. The pilot program launched in February 2019 and more than 70 workshops were conducted by our team of teaching artists. The program is supported generously by Krystyna Campbell-Pretty AM and will continue to develop through 2019 and beyond.

The Channel continued to grow as a place for young creatives, with more than 4,000 people taking part in community meetups, informal learning opportunities and performances that were outcomes from our programs, such as LOL Squad, Small and Loud and New Slang.

"I would like to go back to Arts Centre Melbourne one day as someone who was performing."

STUDENT, 12, AIRLY PRIMARY SCHOOL

"It was an absolutely 'ripping' show and once-in-a-lifetime experience for some of our students...Imagine if that was your first professional theatre experience – OMG!!"

TEACHER, MARY MACKILLOP COLLEGE, LEONGATHA

AUSTRALIAN MUSIC VAULT LEARNING PROGRAM

In the last 12 months the Australian Music Vault Learning Program continued to grow and provide teachers, students, young creatives and the general public the chance to learn about, and contribute to, the contemporary Australian music story.

The Australian Music Vault Choir added another eight classic Australian songs to its library of arrangements for choirs, both experienced and starting out. Arrangements for songs such as "Everyone's Waiting" by Missy Higgins and Emily Wurramara's "Black Boy" were made available for download for free on the Australian Music Vault website. While the projects started out as a schools program, community choirs started using the arrangements, such as Melbourne Indie Voices, who filmed themselves singing Hunters and Collectors hit, "Holy Grail".

Sound Bites, a video series produced in collaboration with The Song Room, launched on the Australian Music Vault website in F2019. The videos feature prominent and emerging Australian musicians such as Olympia, Girl Zone, and Spiderbait's Kram. These artists give insights into their processes, inspiration and tips for creating music. Four videos have been produced, with a further four planned for later in 2019.

The Sound as Ever podcast series on Australian music stories from a young person's perspective continued this year in collaboration with RMIT University's Music Industry, Journalism and Sound Design course. As part of their studies, students wrote and produced audio stories on topics such as a retrospective look at Regurgitator's Band in a Bubble recording project and the impact of Peter Allen's song, "I Still Call Australia Home".

To celebrate the inclusion of hip hop in the Australian Music Vault exhibition, a new schools workshop was created to teach students how to write rap lyrics and remix songs, a process lab with Mo Komba was held for young creatives and teaching resources were developed by MC Mantra to help teachers bring hip hop into their classrooms.

"Definitely I am most proud that this work is my first paid role in media making, especially with the Arts Centre Melbourne name behind it. From doing this project, I feel comfortable applying for jobs that require podcast production."

AUSTRALIAN MUSIC VAULT LEARNING PROGRAM PARTICIPANT

CREATIVE ENGAGEMENT

Our Creative Engagement programs reflect our leading role in creatively engaging with diverse audiences to create, connect, share, learn, experience and participate in transformative creative projects and foster community guardianship of Arts Centre Melbourne. Our programs also reflect Arts Centre Melbourne as a cultural icon across generations and a creative space for all Victorians. The programs build civic engagement by and with artists, communities and others, creating a space to share experiences, knowledge and reflections of intangible and tangible cultural heritage and practice.

These inclusive creative experiences are made with, and increasingly led by, independent artists and small companies, whether emerging, established, local or international. This strengthens creative engagement practices in the Australian cultural sector into the future. Our five focus areas include; commissioning and presenting participative projects in the public realm; Creative Learning programs; Young Connectors (professional development of the next generation of young artist makers); and a raft of initiatives engaging communities through our Access and Inclusion programs.

We build evaluation, legacy and exit strategies into all our programs and initiatives to ensure sustainability and capacity to be responsive to new dynamics and prepare us for a creative future.

YOUNG CONNECTORS PROGRAM

Young Connectors is Arts Centre Melbourne's program of creative engagement for Victorians aged 13 to 30. Among long-running participation programs such as our inclusive hip hop and urban music programs *Dig Deep* and *Sisters on the Mic*, and the dynamic celebration of youth culture and street dance experienced through *Battle Massive*, the F2019 Young Connectors highlights brought focus to our First Peoples and deepening engagement with community, championing young artists and building the capacity of the next generation of creative leaders

In F2019 we piloted Away From Home, a program that supports Indigenous students attending Victorian boarding schools to engage with Arts Centre Melbourne's broad program of live performance. Beyond the experience of attending events, the group met Elders and artists, shared their own stories, developed leadership skills, built networks of peers and found welcome at Arts Centre Melbourne.

We also established a partnership with ILBIJERRI Theatre Company to support an ensemble for young Aboriginal and Torres Strait Islander people. Fortnightly workshops for the ILBIJERRI Ensemble took place at The Channel and a creative development of the Ensemble's first work in F2019 will culminate in its first production premiering in Fairfax Studio in October 2019.







As part of YIRRAMBOI Festival, we were proud to commission and present dis rupt, a one-day, multi-artform, youth-led blak takeover of Hamer Hall. Arts Centre Melbourne opened the doors to emerging curators Kate ten Buuren (Taungurung), Kalyani Mumtaz (Trawlwoolway), Cienan Muir (Yorta Yorta and Ngarrindjeri) and a cohort of young Indigenous artists, who reimagined Hamer Hall's foyers as an "evocative landscape of activism and optimism" (Timmah Ball, ABC Arts). The event showcased the unique talents and perspectives of young First Nations people living in Victoria, and impressed an audience of more than 3,000 in the lead-up to Yothu Yindi and the Treaty Project, our mainstage presentation as part of the festival.

In a new partnership with Dance Massive (March 2019), Arts Centre Melbourne presented *Battle Massive*, an engaging showcase of Melbourne's diverse street dance communities on the Theatres Building Forecourt. Produced by local dancers and emerging event producers, Cypher Culture, the event was a positive celebration of urban dance culture that brought local dance crews together in front of an audience of more than 2,000.

The Dig Deep and Sisters on the Mic programs remain a vital and relevant access point for young people to experience and feel welcome at Arts Centre Melbourne. The participants of both groups have developed new materials and built performance skills, working towards a special live presentation as part of the Emerging Writers Festival (June 2019).

PUBLIC REALM AND PARTICIPATION PROGRAMS

Arts Centre Melbourne has solid history of creating outstanding participatory public realm events for all Victorians, bringing people together to nourish creativity, foster connectedness and deepen engagement with communities.

We support artists to create and produce works of scale to be presented in Australia and internationally, building capacity in our artistic community and delivering compelling participatory experiences for intergenerational audiences.

In March 2019 we presented the sixth project from the Betty Amsden Participation Program, *Those Who Rock*. Following 42 community rehearsal sessions across Victoria for two months, 400 participants, including 200 local guitarists, five community choirs, a marching band, a dance school, a sign language school and a trumpeter, took over the Hamer Hall stage for a free concert in front of a full house. They were joined on stage by Joseph O'Farrell, the lead creative artist, and high-profile Australian musicians including Adalita, Vika and Linda Bull and Yirrmal. The atmosphere was immensely celebratory, and both participants and attendees expressed community pride for those who jammed on stage (see page 44).

"It was quite possibly the best experience I have ever had and to be able to do it with my 12-year-old son really was priceless. I pray for another experience like this. The feel of the community spirit was electric." PARTICIPANT, THOSE WHO ROCK

"This was an incredible experience for an 11 year old. We are so grateful for how encouraging and welcoming you were, making him feel part of something bigger than just our little bubble. Awesome job guys. Peace Betty."

PARTICIPANT, THOSE WHO ROCK

CREATIVE DEVELOPMENTS

During F2019 we continued to invest in and support artists through a number of staged creative developments and commissions.

Developing over F2019 and into F2020 is *Parbin-ata*, meaning "Mother of Earth" or "Mother of Community", a First Nationsled public realm space planned for Hamer Hall's Upper Terrace that encourages connection to the Yarra River and fosters First Nations artistic practice. *Parbin-ata* is envisioned by its Artistic Director N'Arweet Carolyn Briggs as a platform for First Nations stories, celebration and collaborative care for country, culture and community.



The Child of Now, a complex project based on an interactive live and augmented reality spectacle generated from the faces, gestures and hopes for the future of 15,000 Victorians, went through creative development and a feasibility study for a possible further development and presentation in future years. The feasibility brought together a talented group of Victorian artists, digital producers, and production, marketing and performing arts specialists to work with project partners including Google Creative Labs and the University of Melbourne.

In March 2019, five female artists from New South Wales, Victoria and Taiwan came together at Arts Centre Melbourne to develop the initial creative concept for a participatory event entitled *Staging Sites*. This public realm project is based on the East Asian-Australasian Flyway. They were joined by an array of bird experts, including academics, bird watchers, scientists, writers and visual artists, to discuss the flight pattern of shorebirds of the Flyway.

ACCESS AND INCLUSION

ACCESS FOR ALL

We are committed to making our performances, programs and venues accessible for everybody by planning for access up front and by understanding the barriers many Victorian face to participate fully with friends and family. Through an ambitious agenda that reimagines access, we continue our journey to embrace audiences that rarely, if ever, come in our front door despite our best intentions.

At its core, access and inclusion is about our community feeling welcome under our Spire and in our venues. While our ambition to provide arts experiences for everyone is sincere, access takes time and conscious consideration. Arts Centre Melbourne creates opportunities for people with disability to enjoy exceptional art. Throughout F2019 we presented a captivating program of inclusive performances by some of the best Australian and international companies, and continued to present an annual program of relaxed theatre.

WELCOMING OUR COMMUNITY: OUR PLACE

Our Place is a series of programs developed in partnership with artists working with community. Programs include Rainbow Reviews, Away From Home, Re-Kindling and History Salon. These programs strengthen our relationships with communities through creative collaboration with artists, amplifying the voices of Victorians who are marginalised, celebrating cultural connection through inclusion and fostering community connection to Arts Centre Melbourne.

Rainbow Reviews is a collaboration with local artists All The Queens Men where LGBTQI+ elders attend a curated program of performances at Arts Centre Melbourne and review and discuss the shows in relation to their own personal and political experiences. In F2019 the elders' stories were recorded for a podcast series that will tour regional Victoria in F2020.

In partnership with YIRRAMBOI Festival, *History Salon* is a program of dynamic conversations with Indigenous arts Elders and leaders from across Australia. Elders and leaders speak to their life's work, highlighting seminal moments that defined, inspired or transformed a generation of Indigenous arts practice. The sessions are recorded, creating an invaluable archive for anyone to access. Elders and leaders involved in the F2019 series included Uncle Jack Charles, Lillian Crombie, Noel C Tovey AM, Lois Peeler, Dr Gary Foley, Dr Rachael Maza and Tiriki Onus.

Re-Kindling welcomes audiences who have experienced or are experiencing homelessness, creating an opportunity for social connection and feeling part of a community from which they feel excluded.

ACCESSIBLE AND INCLUSIVE THEATRE

Arts Centre Melbourne is proud to lead Victoria in relaxing theatre experiences for children and families, creating an environment that has been carefully adapted, is friendly and informal and embraces different audience reactions. Many in our community can feel overwhelmed by the unfamiliarity of a theatre experience so opt to stay away, while other audience members worry about the reaction of others around them. Relaxed performances are a way we reimagine what a theatre experience can be and inclusion is quickly becoming a lens through which we program. By adapting the theatre environment and relaxing the rules of a regular experience we welcome our diverse community by inviting them to be themselves.

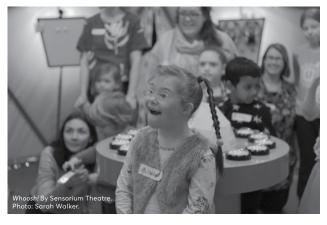
In F2019 we welcomed 5,509 people to 32 relaxed performances, providing an important first experience for many families new to theatre and Arts Centre Melbourne. We supported 10 national and international theatre companies and independent artists to develop their own relaxed performances, including Melbourne Theatre Company, Briefs Factory, Shake & Stir Theatre Co, Melbourne Symphony Orchestra and Victorian Opera. Thirteen artists and theatre makers attended a professional development program exploring inclusive theatre at Arts Centre Melbourne.

As well as adapting performances to welcome a more diverse audience, we present artists with disability and program companies that make work exclusively for young audiences with disability. Our annual program of inclusive theatre (immersive, multi-sensory and developed specifically for children and young people with autism and disabilities) is unique in the Australian context and reflects our commitment to creating new entry points for audiences to experience the performing arts in accessible ways. Alongside every presentation is a professional development program for artists, independent theatre makers and teachers as well as an informal program of shared learnings.



Gentie Glant by Bamboozie Theatre Company. Photo: Jason Lau.

A highlight during the year was UK-based Bamboozle Theatre Company's *Gentle Giant*, made specifically for young people with profound and multiple learning disabilities. Based on Michael Morpurgo's children's book, this immersive and multi-sensory work invited an audience of six children – plus their parent or carer– to witness this enchanting story come to life. Created using Bamboozle's immersive, multi-sensory style of theatre making, *Gentle Giant* incorporated concepts of weight and movement, as well as live music and songs, puppetry, a variety of textures and smells, and even a wild dance in wheelchairs. Every moment in the show was tailored to each child's needs and the immersive performance allowed this young audience – who are so rarely included – to be transformed.



We rounded out F2019 with Sensorium Theatre's *Whoosh!*, another beautiful experience for children with autism and profound and multiple learning, their parents and carers.

"[My daughter] loved being immersed in the experience and was absolutely captivated for the full duration. As a parent it was a real joy to see her so engaged."

PARENT ON ATTENDING GENTLE GIANT

"It was the BEST show I've ever been to (and we go to a lot). It was the essence of love, joy, inclusiveness and FUN! I had tears of joy and gratefulness after the show. Such beautiful people who ran it and performed in it. Perfection. Thank you."

PARENT WHOSE CHILD ATTENDED WHOOSH!

SECTOR LEADERSHIP AND INNOVATION

ACO MOVE

In partnership with the Australian Chamber Orchestra and Back to Back Theatre, Arts Centre Melbourne presented the award-winning ACO Move, a program of music, sound and movement workshops for young adults with disability. ACO Move is a wonderful opportunity for us to work with the Australian Chamber Orchestra and firmly establishes our shared goals and ambitions in disability inclusion.

SOUND EXPRESSION

Music therapy meets technological innovation for Sound Expression, which identifies, modifies and programs new technology for children and young people with disabilities, enabling them to be musical creators as well as participants. Sound Expression extends, supports and informs the work of Arts Centre Melbourne's Accessible Music Program and the music therapy and disability support sectors more broadly.

In F2019 the program broke new ground in access with prototypes that allow children with disability to create sound through movement using motion-sensing accelerometers that support physical control over sound production. Excitingly, we identified an Australian prototype, Airsticks, which converts 360 degrees of movement into sound. Working with its inventor Alon Ilsar, we trialled Airsticks to experiment with its application in our accessible music programs.

INTERNATIONAL CREATIVE EXCHANGE IN INCLUSIVE THEATRE FOR CHILDREN AND YOUNG PEOPLE

We commenced the first stage of a ground-breaking creative development between Oily Cart (UK) and Melbourne's Polyglot Theatre. The three-year international collaboration between these two exemplary companies will be a precursor to making an inclusive theatre work for Australian children with autism and profound disabilities. An Australian first, this investment will directly strengthen Victoria's capacity to make and present inclusive theatre. The exchange will be documented so learnings can be shared widely. The work created will be particularly relevant to our audience as it is informed by our Australian lived experience of disability and familiar cultural references.

PLAN YOUR VISIT

To help our audiences prepare and get excited for their visit to Arts Centre Melbourne, we developed and launched an innovative familiarisation resource called *Plan Your Visit*. These seven videos map a typical Art Centre Melbourne journey and include an introduction to Arts Centre Melbourne, information about getting here by train, tram or car, information about our venues and what to do when you arrive, and what to expect before, during and after a performance.

INDUSTRY ENGAGEMENT AND PARTNERSHIP

BOMNET

In March 2019 we delivered a co-presentation with sector peak body Arts Access Victoria on "How we can make our marketing and customer service more accessible to people with disability". We presented to the Box Office & Marketing Network (BOMNet), a sub-network of the Victorian Association of Performing Arts Centres. This presentation provided an opportunity for Arts Centre Melbourne to share expertise with other venues and collaborate with Arts Access Victoria.

FIRST CALL FUND

Established in 2008, the First Call Fund helps school students and community groups experience Arts Centre Melbourne by removing barriers of access, such as economic disadvantage, disability and life circumstances such as homelessness.

Through the First Call Fund, Arts Centre Melbourne invites schools and community partners to have extraordinary arts experiences by providing fully funded tickets to performances, workshops, programs and tours as well as supporting transport, access requirements, translation and interpretation services. By welcoming our schools and community through these tickets, which are funded by generous donors, provided meaningful arts experiences for audiences who may otherwise be excluded.

FIRST CALL FUND SCHOOLS

As the First Call Fund enters its 11th year, teachers from schools across Victoria are aware of the fund and many plan their students' year around a visit to Arts Centre Melbourne. Teachers who apply to the fund understand the positive effects an arts experience can have on a young person, especially those from low socioeconomic areas, regional areas or communities with complex social issues. In F2019, 16,448 students from suburban and outer metro areas, plus regional towns such as Warragul, Seymour and Lismore, benefited from the First Call Fund – the majority experiencing the performing arts in our venues for the first time.



FIRST CALL FUND COMMUNITY

In F2019 the First Call Fund welcomed 2,871 community members to 427 different performances, workshops and creative events. Our relationships with more than 60 community organisations made this possible. Using their connections, we were able to welcome individuals and families not normally in our venues, including people experiencing disadvantage and homelessness, those living with disability and recently arrived migrants. We partner with community organisations of all sizes that offer support and services to people from a range of backgrounds and circumstances. These organisations and the communities they serve have come from across Melbourne and regional Victoria, including Darnum, Bendigo and Geelong.

Across its 11 years, the First Call Fund has assisted more than 160,000 students and community members. We believe an arts experience can be transformative and our schools and community partners repeatedly feedback the significance of coming to Arts Centre Melbourne – an experience many of us take for granted.

"Everyone had a great time and really enjoyed the show and being in the beautiful State Theatre. One young man that came along has only been in Australia for two weeks and several people had never been to the CBD of Melbourne before so it was a real treat. It's so great that the First Call Fund makes such an amazing opportunity possible."

FIRST CALL FUND COMMUNITY PARTNER

BETTY'S LEGACY ROCKS ON

THE BETTY AMSDEN PARTICIPATION PROGRAM BRINGS MUSICIANS FROM THE SUBURBS TO THE HAMER HALL STAGE.

Arts Centre Melbourne is for all Victorians, and no one was a more strident supporter of this vision than Betty Amsden. A certified "arts angel" and ardent joiner-inner, Betty shared her passion for the arts for more than 30 years until her death in 2017 at age 90.

In 2014 she founded the Betty Amsden Participation Program with Arts Centre Melbourne: an annual community event that inspires people from all over Melbourne and beyond to get involved and tap into their imagination. A passionate advocate for the human rights of creativity, Betty lives on through the projects that she so generously enabled.

"The Betty Amsden Participation Program produces high-calibre, large-scale works that are inclusive, fun and filled with opportunities for creative participation by anyone – no matter their skill level," says Arts Centre Melbourne's Head of Creative Engagement, Angharad Wynne-Jones.

The 2019 iteration of her program was no exception, embracing Melbourne's love of live music culture as well as the joy of learning and performing. Titled *Those Who Rock*, the project saw close to 200 guitarists of all ages from across Melbourne join together in one massive, free community concert. Taking place on the Hamer Hall stage on 24 March, *Those Who Rock* featured community groups from Frankston, Fitzroy, Dandenong, Werribee, Banyule, Broadmeadows, Sunshine, Doncaster and Furlong band together under the banner of rock 'n' roll.

From the Werribee Concert Band (who rehearsed in a garden shed), to the vocalist of all-female tribute band AC/DSHE, the project was an open invitation to anyone who plays the guitar – from literal first-timers to hardened rock-dogs. Each group spent two months rehearsing a different song from the Aussie and international rock canon, as well as a joint finale song – "For Those About to Rock" by AC/DC.

This Melbourne-wide participatory event was the brain-child of internationally acclaimed artist Joseph O'Farrell, who goes by his initials, JOF. Shifting his time between London and Melbourne, JOF creates large-scale installation and theatre works with and for communities. While he doesn't play the guitar, JOF is an enthusiastic drummer and artist whose work engages with communities to celebrate diversity, often in hilarious and unlikely ways.

"What really interests me about an event like this is building bridges between buildings like Arts Centre Melbourne and the people who might not readily access a theatre space, a gallery space or a cultural building," he says. "This project is a really exciting opportunity to engage a whole heap of people, welcome them through these big scary doors and go hey – let's rock out on one of the biggest stages in Melbourne."

Hosted by Brian Nankervis of RocKwiz, *Those Who Rock* featured 175 guitarists, 80 amplifiers (the largest number ever required at Hamer Hall), five community choirs, 16 dancers, 30 ukulele players, a marching band and one trumpeter performing for a full house.

"I have gained so much more confidence, I feel much more connected to the community," says one participant. "We, the participants, got so much out of the event because of your encouragement and enthusiasm. It was an outrageous success!"

On stage, the nine different community groups were joined by Australian music legends Adalita, Vika and Linda Bull, Ella Hooper and Yirrmal, as well as members of the RocKwiz Orkestra and Paul Kelly's band, performing the likes of John Farnham, Queen and Daryl Braithwaite.

For the participants, the youngest of whom was eight years old and the oldest 70, their performance was the culmination of many weeks of rehearsal.

"Essentially, Arts Centre Melbourne and Betty Amsden have provided Melbourne with a three-month artwork which has seen us rehearse music in town halls, schools, community centres and civic buildings all over the city," says JOF. "This project gives the stage to the people, providing an open door for anyone and everyone to be involved and participate in rock 'n' roll glory."

"I played on stage with my brother for the first time even though we've been playing guitar separately for twenty years."

PARTICIPANT, THOSE WHO ROCK

"It was my first major time on stage and it was exhilarating."

PARTICIPANT, THOSE WHO ROCK







Our Strategic Priorities

CUSTOMER FOCUSED

A place where everyone feels welcome and can have remarkable experiences

and attracted more than 45,000 customers; Opera Australia's Rigoletto (May 2019); and The Production Company's season of David Bowie's musical Lazarus (May – June 2019), during which Arts Centre Melbourne's The Barre transformed into "The Bowie Barre" and served Bowie-inspired cocktails.

Reimagining

From the moment anyone enters our doors, our focus is on creating a welcoming, safe and memorable visit. Be it through a world-class performance, an innovative education event, an industry-leading accessible program, a community participation activity or a social catch-up with friends over a meal, we take pride in offering an exceptional visitor experience.



Our customer service team members are the face of Arts Centre Melbourne, championing our commitment to remarkable experiences. Each and every day, we proactively deliver personalised services of value that create the ultimate experience before, during and after each visit. We continue to understand customer expectations and find new, innovative and creative ways to stay ahead and provide a relevant and exemplary level of service.

An example of this is how we continue to improve our online ticket buying experience by implementing functionality that enables wheelchair spaces, carer tickets and companion card tickets to now be purchased online. Customers with specific access requirements and their carers can now book tickets conveniently in the same way as everyone else – a service currently available at only a few Australian venues.

In F2019, we welcomed more than 3.35 million people to Arts Centre Melbourne. Of those surveyed by independent research organisation EY Sweeney:

- 98% were "very satisfied" or "satisfied" with the experience of visiting Arts Centre Melbourne
- 97% were "extremely likely" to return to Arts Centre Melbourne
- 99% were "extremely likely" or "likely" to recommend Arts Centre Melbourne to others
- 91% were "very satisfied" with the booking experience.

Further, 90% considered Arts Centre Melbourne to be central to the cultural scene of Melbourne and 88% agreed that everyone is welcome

FOOD AND BEVERAGE

A visit to Arts Centre Melbourne is not complete without an exceptional food and beverage experience, and we continue to explore new ideas and offers to provide visitors with creative, high-quality and diverse options at outlets across our venues.

Inspired by the stories and themes of some of our varied productions in F2019, our talented in-house kitchen and bar team dreamed up new concoctions and interpretations to continue the narrative journey from stage to plate.

Highlights included a menu to celebrate the festive spirit alongside The Australian Ballet's season, notably *Giselle* (August – September 2018), *Spartacus* (September 2018) and *Alice's Adventures in Wonderland* (June 2019); the pop-up *La Boca beer* garden collaboration with Melbourne's Stomping Ground Brewing Company that brought a slice of Argentina to the Theatres Building Forecourt during Opera Australia's *EVITA*



Corporate and private event planners had the ability to sample and opt for packages based on these mainstage-inspired menus, with many of the bespoke offers featuring in our conferences, meetings and events packages.

Alongside our unique spaces, ranging from hidden rehearsal rooms to theatre stages, these offers added flair to our corporate function offerings and furthered our success in this area in F2019, helping contribute to a 13% increase year on year in the patronage of our corporate events.

Our collaboration with The Australian Ballet grew to include assisting the company with reopening and running its Lisa Bolte Dancers' Lounge in The Australian Ballet building in Southbank, which caters to staff, The Australian Ballet School students and other building tenants and offers a range of healthy food and beverage options year-round.

We also entered our sixth year in partnership with food recycling organisation OzHarvest, through which we donate surplus food from our food and beverage services to help those in our community who are struggling to make ends meet.



CENTO FORCOURT CAFÉ REDESIGN

In May 2018 we invited small and emerging Victorian architectural design practices to participate in a design competition to reimagine our beloved but ageing Theatres Building Forecourt café, Cento, to create a unique and memorable food and beverage experience.

In early 2019, Melbourne's Cumulus Studio was announced as the winner of the design competition. With plans drawn up and builders appointed, the new café is expected to be revealed by late 2019.

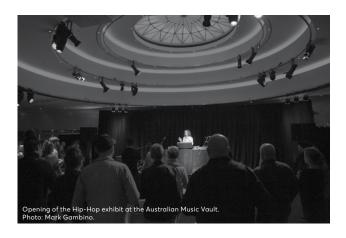
CUSTOMER ENGAGEMENT

Our custom audience segments continue to be instrumental in driving ticket sales and attendance at Arts Centre Melbourne events, while also building ever-evolving profiles of our visitors. Created in-house from a combination of rich and diverse data sources, our audience segments inform the targeting of our email marketing and help us to connect our audiences with experiences most stimulating to them.

As part of our Audience Development Strategy, in F2019 we engaged specialist consultants to advertise on WeChat, the hugely popular Chinese social media app. The results of this were encouraging, with activity reaching a potential audience of 1 million people for the hugely popular season of Single Asian Female (April 2019). Coupled with the ongoing success of events such as Big World, Up Close, our exit survey reported that 12% of visitors speak a language other than English at home. Further, the diversity and breadth of our experiences and promotional activity saw more than 130,000 individuals purchase tickets to an Arts Centre Melbourne event for the first time. In total, our database increased by 10% across F2019.



There have been over 1.1 million visits to the Australian Music Vault since its opening in December 2018. In April 2019 we launched a promotional campaign to support the Australian Hip Hop display in the Australian Music Vault. The display provided a wonderful opportunity to attract a new audience to Arts Centre Melbourne, with advance media coverage writing: "If you're a budding producer, MC or simply just a fan of Australian hip hop, this looks like an unmissable opportunity to dip your toes into the rich culture of our local musical identity". In the first two months of this exhibition and campaign, the Australian Music Vault was visited on more than 110,000 occasions.



Consistent with last year, 92% of the visitors to Arts Centre Melbourne were from Victoria, with 82% of those from the greater Melbourne area.

DIGITAL DEVELOPMENT AND IMPACT

Arts Centre Melbourne's digital platforms remain critical in developing and engaging audiences, generating awareness of our events and programs and driving ticket sales. Our e-newsletters (44%), website (28%) and social media channels (15%) are the three most popular sources of information about Arts Centre Melbourne according to the F2019 mid-year exit survey.

Since the major redevelopment of the Arts Centre Melbourne website in December 2017, we continue to make iterative improvements to optimise both commercial outcomes and the user experience. In F2019, the impacts of these improvements included an increase in conversion rate (+6%) and revenue (+12%).

Further refinements and upgrades have been made to our website's philanthropic modules. The addition of a "sticky header" to the home page significantly augments our ability to generate donations, with over 52% of donations through the portal coming from donors who had not received recent communications about Arts Centre Melbourne's philanthropic efforts. The 2019 Tax Appeal has been the most successful appeal to date – with 32% of responses and 24% of income received via digital channels.

The shift from focusing on fan growth to fan engagement has yielded positive results for our social platforms. On Facebook, we remain well above the non-profit industry standard of 0.13% with a 29% engagement rate. On Instagram and Twitter, our engagement rates of 23% and 7.6% respectively are well above benchmark. The social platforms for the Australian Music Vault also performed strongly in F2019, with a 76% increase in Facebook followers and an engagement rate of 34% on Instagram. In total, we ran 1,731 campaigns on Facebook for Arts Centre Melbourne, Resident Companies and other presenters, resulting in \$1,080,871 or 3.2% of direct ticket sales at an average return on investment of 18.

Key to our evolving Tourism Strategy is a strong ranking on TripAdvisor. In F2019, Arts Centre Melbourne enjoyed a consistent rating of 4.5 out of 5 stars and remains well-ensconced in the platform's overall top 30 things to do in Melbourne.

TIXATSIX

The enduring popularity of Arts Centre Melbourne's accessible ticket program is evident in sales growth of 11%. Of all tixatsix tickets sold in F2019, 10% of purchasers were from interstate and 6% from regional Victoria. The campaign supporting the program again performed strongly, with 377,901 people reached through paid and organic activity.



"tixatsix opens doors to art forms you might not ordinarily attend and breaks down barriers to attend performances. Recently, I went to the opera and had a fantastic time, which I wouldn't have attended if not for the tixatsix program."

TIXATSIX AUDIENCE MEMBER

OUR BRAND STORY

Like many not-for-profit publicly funded cultural institutions, Arts Centre Melbourne has not invested in building its brand, outside of marketing of programs and projects. Despite being nearly 40 years old, recognition of why we exist and what we do is limited largely to a venue for performance. However, our reach and impact goes way beyond the works presented on our stages.

Following the 2015 launch of our workplace culture statement, The Role You Play, the organisation and our team had a clearly defined Vision, Purpose and set of Values and Strategic Priorities. In the years since its launch, it has been embraced as our internal "song book", outlining how we work together as an ensemble to Earn the Encore for everything that we do.

Since that time we have recognised the need to develop a brand position and story that resonate with our many stakeholders: the general public, presenters and hirers, philanthropic donors, corporate sponsors and government. This work commenced in 2016 with external agency, Brands to Life, and resulted in our *Brand Book*, which outlines our brand character, positioning and story and changes to our visual language.

Throughout 2017–19 our brand position "Together Experiences" has been used across owned media channels, most notably social media and onsite video. There are also plans to package events and experiences on our website to further build the narrative of Together Experiences for our audience.

Recognising the value of a cherished and respected brand, in F2019 we committed to an above-the-line brand campaign to effectively bring to life Together Experiences for all stakeholder groups. Working with Brands to Life, we commenced preproduction on a video series that will share compelling stories of our reach and impact. Specifically, these will focus on our support of independent artists and the small-to-medium sector, the power of philanthropy and our commitment to access and inclusion. These videos will be shared through owned and earned channels across F2020, commencing the process of shifting perception of our brand and building awareness.

YOUR CHOICE INITIATIVE

Arts Centre Melbourne was an early adopter of Your Choice, a music industry founded initiative that aims to reduce antisocial behaviour at music events. The goal of Your Choice is to help influence a culture of positive behaviour through shared responsibility, empowering audiences to act with awareness and respect, and create safe, inclusive environments for people of all ages who come into our venues. Your Choice helps to promote patron accountability by asking event goers to call out any antisocial behaviour they witness or experience. It is a collective effort that helps make attending one of our events a safe and fun experience for everyone.

Key initiatives currently in place on our website and at Sidney Myer Music Bowl include:

- a campaign encouraging positive crowd behaviours, including onsite branding and pre-show communications via Ticketmaster and Arts Centre Melbourne social media channels
- increased presence of DanceWize peer educators at all high-risk events
- an Arts Centre Melbourne text line to seek assistance for and/or report antisocial behaviour
- partnership with the Alcohol and Drug Foundation.

We are proud to be part of the campaign across the music and festival industry that asks every person attending live music events to think about their behaviour and their effect on other patrons. In F2020 we will look to adapt this campaign to our other venues and other live performance events, and to increase team member training through partnering with the Alcohol and Drug Foundation on how to identify and engage with intoxicated or drug-affected patrons. We will also continue to encourage our audiences to look out for each other and call out poor behaviour when they see it.

CHANGING PLACES FOR ALL VICTORIANS

OPENING UP THE MELBOURNE ARTS PRECINCT WITH A NEW ACCESS ACHIEVEMENT

The ability to use a toilet when needed is something that many people take for granted. But for thousands of Aussies, simply having access to something as mundane as a bathroom can pose huge logistical and social challenges.

Currently in Victoria there are only a handful of bathroom facilities that cater to the needs of people with severe or profound disability, including those who need the help of a support worker to go to the toilet. Under the existing national building code, basic "accessible" toilets are not required to meet this standard. The lack of access to proper facilities can leave many people without safe or dignified options to relieve themselves, preventing them from even leaving their own home.

In March of this year, a new Changing Places facility designed to combat this problem was officially opened in Arts Centre Melbourne's Hamer Hall by the Victorian Minister for Disability, Ageing and Carers, the Honourable Luke Donnellan MP, alongside Arts Centre Melbourne's Chief Executive Officer, Claire Spencer.

Changing Places are larger-than-standard accessible toilets that have extra features such as a tracking hoist and an adult-sized changing table. Arts Centre Melbourne received \$100,000 from the Victorian Government to build the Hamer Hall facility after being selected through a survey of users on where this service would be best placed.

"Hamer Hall is one of Australia's great concert venues, and this fantastic new facility makes it accessible for the whole Victorian community," said Minister Donnellan at the launch.

Victoria was the first Australian state to launch a Changing Places campaign and continues to lead the way nationally in making public spaces more accessible.

For many people with a disability, the inability to use a standard public toilet can be a critical health issue and cause people with various accessibility requirements to be essentially locked out from areas of public life. Arts Centre Melbourne passionately believes that everyone has the right to experience live performance and is committed to ensuring that its venues and performances are welcoming and accessible for everyone.

The Australian Bureau of Statistics estimates that up to 1.3 million Australians have a profound or severe core limitation and may require some or all of the equipment in a Changing Places toilet. Importantly, Changing Places facilities also support carers and family members by removing the need to physically lift the person with a disability, avoiding injuries and the potential for chronic pain. For both users and carers, services like these also help to remove some of the everyday stress of planning social activities around bathroom usage.

"Changing Places plays an essential role in positive, social inclusion and encouraging the participation of people with a disability, their families and carers in our city's cultural life and in particular in the Melbourne Arts Precinct," says Claire.

Also present at the launch were Colleen Furlanetto, Chair of Victorian Disability Advisory Council, and Francesca Davenport from Architecture & Access Australia, who were important advocates on this project. The construction of services like Changing Places is often due to the support of tireless advocates and industry bodies who are able to support organisations like Arts Centre Melbourne to make change happen.



"I think it's really important and I want to acknowledge Arts Centre Melbourne for making a choice, a human rights choice for people to be active citizens, and do everyday stuff that other people do."

COLLEEN FURLANETTO, CHAIR OF VICTORIAN DISABILITY ADVISORY COUNCIL



Our Strategic Priorities

CUSTODIANSHIP

Part of a connected precinct that treasures the past and creates news stories

Partnership & Cutetonese & Cutetonese & Continuese & Cont

COLLECTIONS

Arts Centre Melbourne commemorates and preserves Australia's performing arts heritage through its highly acclaimed Australian Performing Arts Collection and Art Collection. We are honoured to be the home of the Australian Music Vault, which celebrates the story of our nation's contemporary music – past, present and future. This initiative was developed in partnership with the music industry and is an initiative of the Victorian Government's Music Works Strategy.

As the original home and proud custodian of the Australian Performing Arts Collection, Arts Centre Melbourne is dedicated to collecting, preserving and interpreting Australia's performing arts heritage across five key subject areas: circus, dance, music, opera and theatre. It also continues to care for, and make available through display in its public foyers, one of Australia's most significant public art collections outside of the state galleries. Many Australians will be familiar with the artists we are proud to exhibit: Sidney Nolan, Arthur Boyd, Inge King, John Olsen and Kaapa Tjampitjinpa.

Work continued throughout F2019 to support the development, care and display of these collections.

FOYER DISPLAYS

In F2019, we continued to provide onsite public access to the Australian Performing Arts Collection and Art Collection through informative and engaging displays in our theatre foyers, many of which were linked to programming within the venues. The foyer display program in the Smorgon Family Plaza featured a display of stunning large-format photographs by Daniel Boud in conjunction with Bangarra Dance Theatre's production of Dark Emu in September 2018. This was followed in October 2018 by a display celebrating Australia's circus companies, both past and present, during the Melbourne International Arts Festival. To celebrate the donation of 30 complete costumes we displayed some exquisite and intricate opera costumes and accessories from eight of Dame Joan Sutherland's most famous roles. Spotlighting Musicals (November 2018 - March 2019) coincided with the Melbourne season of EVITA and celebrated the highly successful partnership between Opera Australia and The Gordon Frost Organisation in presenting much-loved musicals.

In Hamer Hall, people admired the artistry and imagination of Mirka Mora's masks, costumes and set designs, which she created for the 1979 Hoopla! production of *Medea*. This display was a tribute to the unbridled creative spirit of this prolific and celebrated artist, who sadly passed away in 2018.

Visitors to the President's Lounge were able to view several special displays from the Australian Performing Arts Collection throughout the year: Tom Lingwood's costume designs from the 1978 Opera Australia production of *La Bohème*; photographs and costume and set designs by Kristian Fredrikson from The Australian Ballet's 1972 production of *Cinderella*, coinciding with the company's 2019 production of the same ballet; and costumes and props from Sydney Dance Company's 1990 production of *King Roger*.

TOURING

Thanks to the generous support of Creative Victoria more than 37,000 audience members visited Arts Centre Melbourne's popular exhibition *Kylie on Stage*. The exhibition toured four regional venues across Victoria from 2017–19: Mildura Arts Centre, Geelong Gallery, Ararat Gallery TAMA and La Trobe Regional Gallery. The exhibition also toured to one interstate venue, the Western Australian Museum in Fremantle, where 24,613 visitors enjoyed the exhibition. In addition to the exhibition, Arts Centre Melbourne offered an online schools program and also public programs including curatorial floor talks.







CONTEMPORARY ART PROJECTS

As well as exhibiting established visual artists, Arts Centre Melbourne displayed artworks by contemporary Australian artists around the Melbourne Arts Precinct. Visitors to Café Vic admired Louise Paramor's Polyphony I-IV and school groups and aspiring musicians entering The Channel enjoyed Jon Campbell's neon work Sing What You Feel. Both of these exhibits were extended by popular demand in 2019 and Sing What You Feel was acquired for the Art Collection.

AUSTRALIAN MUSIC VAULT

In May 2019, the Australian Music Vault welcomed its one millionth visitor. The high rate of visitation in the first 18 months of the Australian Music Vault's operation is a testament to the importance that Australians place on contemporary music. Open daily and featuring a free, permanent exhibition, digital and interactive experiences, an informative website and an extensive learning program, the Australian Music Vault charts the story of contemporary Australian popular music from the 1950s until today.

In 2019, the Australian Music Vault added more than 50 new artist stories to the evolving exhibition narrative, profiling artist such as Human Nature and Deborah Conway. We also threw the spotlight on pioneering Melbourne guitar makers Maton Guitars and celebrated the evolution of hip hop in Australia in two specially curated displays.





In collaboration with our industry partners, we also honoured the lifetime achievements of Kasey Chambers (Australian Recording Industry Association (ARIA) Hall of Fame), Roger Knox (National Indigenous Music Awards (NIMA) Hall of Fame) and Rob Potts, (APRA Ted Albert Award).

A highlight of the year was realising Ian "Molly" Meldrum's dream of conducting an orchestra. This special event saw Molly conducting the Melbourne Symphony Orchestra, with its musicians resplendent in his trademark Stetson hats, to perform a version of "The Real Thing".

MEMBERS OF THE AUSTRALIAN MUSIC VAULT ADVISORY COMMITTEE

Jane Gazzo, broadcaster, journalist and author, Chair

David Anderson, Arts Centre Melbourne

Janine Barrand, Arts Centre Melbourne

Shaad D'Souza, The Push

Jana Gibson, APRA

Sara Glaidous, The Push

Adam Jankie, Illusive Entertainment Group

Marcus Knight, Generation Entertainment Group/Knight Music Publishing

Joel Ma, Multicultural Arts Victoria

Dobe Newton, musician and lecturer

Dan Rosen, ARIA

Matt Ravier, NFSA

Kirsty Rivers, Creative Victoria

Chris Scaddan, ABC

Jane Slingo, Electronic Music Festival

Melanie Smith, Arts Centre Melbourne

Emily Ulman, musician/venue and festival programmer

"Loved using all the interactive and digital platforms, seeing all the iconic objects and learning the history and stories behind each item. Kids aged 10 and 7 also loved the experience."

AUSTRALIAN MUSIC VAULT VISITOR

EXHIBITION PARTNERSHIP

Since Arts Centre Melbourne's exhibition gallery is now the home of the Australian Music Vault, our curators worked with colleagues at the University of Melbourne's Grainger Museum to develop the joint exhibition Objects of Fame: Nellie Melba and Percy Grainger (September 2018 – March 2019). This explored the overlapping stories and international careers of pianist and composer Percy Grainger and opera diva Dame Nellie Melba, two of the most famous Australians of their time. Objects of Fame featured significant Melba objects from the Australian Performing Arts Collection. Approximately 2,850 visitors attended the exhibition and the series of public programs. This collaborative research and interpretation project lives on through the stylishly illustrated exhibition catalogue, which includes four scholarly essays.

COLLECTION TOURS

Arts Centre Melbourne continued to provide back-of-house tours of the Australian Performing Arts Collection to special groups and as part of public events, such as Open House Melbourne. In F2019, 363 visitors took part in 42 tours. As part of a new initiative and partnership with Visit Victoria, we offer tourists exclusive tours of the collection followed by a meal at one of our cafés.

COLLECTION HIGHLIGHTS

The Australian Performing Arts Collection continued to grow, with 24 new acquisitions added in F2019. This included significant items that tell the history of circus, dance, music, opera and theatre in Australia. The additions took the total objects held in the collections to more than 690,000.

Major acquisitions this year:

- Thirty costumes and matching accessories worn by Dame Joan Sutherland in productions presented by Opera Australia and international companies from the 1960s to 1980s. In addition, there was a selection of patterns, costume bibles, programs and a signed photograph relating to her costumes.
- Peter Corrigan, an internationally renowned Australian architect, theatre designer, author and academic, bequeathed his theatre archive of set and costume designs, production archives, posters and four Yves Saint Laurent costume designs.
- The first Australian "gypsy cloak", donated by Kim Bishop on behalf of the Australian music theatre community. Based on a Broadway tradition, this cloak is decorated with handmade show logos from major musicals between 1993 and 2010. At each of these productions the cloak was presented in a special ceremony to the ensemble (chorus) member with the most show credits or longest career in the industry.

- The Beat Magazine photographic archive, which includes in excess of 20,000 photographs, primarily of blackand-white 10 x 8 inch publicity photographs as well as more candid performance and behind-the-scenes photographs, often in colour, featuring both Australian and international musicians, theatre productions, films and general arts-related events.
- Thirty-six costume designs by Australian designer Loudon Sainthill, plus support material, for Canterbury Tales, which played in London, New York, Sydney and Melbourne (1967–70). Sainthill won the Tony Award for Best Costume Design in 1969 for the Broadway production of Canterbury Tales. This was purchased with funds from the David Richards Bequest.
- An engraved gold pocket watch given by Dame Nellie Melba to opera impresario and stage manager Frank Rigo in 1911. It was purchased with funds from the Maxwell & Merle Carroll Bequest.
- Material from the collection of Liza Minnelli including photographs of her with Peter Allen and Dame Edna Everage, and a concert tour itinerary for her 1981 Australian tour. The acquisition of these items was funded by the generous support of The Gordon Frost Organisation.









orelle Wilson creates a temporary photographic studio at Victorian Archives Centre while largot Anderson and Joseph Griffiths prepare a costume from the recently acquired Dame oon Sutherland collection to be photographed. Photo: Megan Williams

COLLECTION LOANS

As the Australian Performing Arts Collection is recognised as the nation's preeminent collection of performing arts heritage, other cultural institutions often request loans from our collection. Sydney's Museum of Applied Arts and Sciences borrowed two costumes worn by principle dancers from the Sydney Dance Company's 1998 production of Salome and designed by Akira Isogawa. The National Gallery of Victoria borrowed artist Alexander Calder's mobile Day and Night for its exhibition Alexander Calder: Radical Inventor. Mildura Arts Centre borrowed four paintings, including a portrait of Kenneth Baillieu Myer AC, for its exhibition Wes Walters: The art of the pre-cursor. Significant items from the collection also featured in films: Singer Helen Reddy's Grammy Award was used in the filming of her biopic I Am Woman and two Toni Lamond Logies and a newspaper cuttings scrapbook featured in the filming of an episode about this cabaret singer and actor for the ABC series The Recording Studio.

RESEARCH CENTRE

Our Research Centre provided 154 local, national and international researchers with access to 21,973 collection items from the Australian Performing Arts Collection in F2019. Notably, Louise Wingrove travelled from the United Kingdom for three weeks in April to research nineteenth century British female actresses who emigrated to Australia. She accessed almost 1,000 items during her visit.

In November 2018 we partnered with Flinders University to deliver the *AusStage* project. The team led by our Research Service Coordinator selected, scanned, photographed, registered, published, imported, mapped and exported 839 records. The resources are now accessible in Trove, which harvests data from the *AusStage* database and makes our collection far more discoverable.

The Research Service Coordinator gave tours for university students of specialist studies: Theatres Design students at the Victorian College of the Arts and Musicology students from the new Southbank campus of the University of Melbourne's Melbourne Conservatorium of Music. The Research Service Coordinator was also invited to present on the Barrie Kosky Collection at the "Theatre Internationalisation and Barrie Kosky Conference" at Macquarie University.

STORAGE AND COLLECTION MANAGEMENT

We continued to document and preserve the Australian Performing Arts Collection and Art Collection to industry best practice standards in F2019. Through the year, we catalogued 7,021 items, made 1,823 records accessible online, digitised 5,905 objects with a total of 12,202 images and rehoused 6,210 objects in appropriate storage containers.

The focused Opera Australia Documentation Project has seen more than 400 items from the Opera Australia and Dame Joan Sutherland Collections be catalogued, conserved, digitised, rehoused and stored to industry best practice standards. The project has also created a partnership with Deakin University's CADET lab and Sinclair Dermatology clinic to test and determine 3D scanning techniques for leading costume documentation, online accessibility and future virtual reality experiences in exhibition spaces.

Storage of the more than 690,000 objects in the Australian Performing Arts Collection remains a major challenge. Work on a Storage Master Plan is well underway, which will see the reconfiguration and optimisation of storage space across Hamer Hall and at our offsite location at the Public Record Office Victoria over the coming years.

Creative Victoria provided another year of funding for the Legacy Data Project. In F2019, 5,256 records were created and a selection of these Australian Performing Arts Collection items are now accessible and discoverable through the Collections portal on our website, which includes images. We thank our dedicated volunteers for assisting team members with this important body of work.

PRESERVATION

With the assistance of six volunteer students from the Grimwade Centre for the Conservation of Cultural Materials at the University of Melbourne, we conducted a preservation audit of 324 works of art on permanent and temporary display within and surrounding the Theatres Building from the Art Collection. The findings of the audit will assist with plans for the ongoing preservation and display of this significant and much-loved collection in the context of the Reimagining Arts Centre Melbourne project.

Significant numbers of objects were preserved and treated for exhibitions and loans throughout F2019, which saw an improvement in the long-term preservation of Arts Centre Melbourne collections.

COLLECTIONS VOLUNTEERS

Every week, five dedicated volunteers come to Arts Centre Melbourne's Hamer Hall collection store to generously contribute to the documentation of the Australian Performing Arts Collection. Maggie Anderson, Liz Balogh, Virginia Boon, Sandy Graham and Barbara Langley each share their time, knowledge and love of the performing arts by helping our team.

Our volunteers assist in cross-checking programs, listing and rehousing music posters, documenting the vast sheet music collection, identifying signatures in autograph books and sorting large photographic collections. All these timeconsuming but necessary activities go towards making the Australian Performing Arts Collection more accessible for use by team members, researchers and the general public.

We also thank Marie-Claire Petrowski, Kate Richie, Mar Cruz, Rachelle Bridges, Katrina Watson and Anastazja Harding from the Grimwade Centre for the Conservation of Cultural Materials at the University of Melbourne for their support on the Art Collection audit.

"It's been a pleasure to take part and get a closer look at the collection, on show and behind the scenes. A big thanks also to everyone we've worked with at Arts Centre Melbourne for being so friendly and approachable. It really made our job much easier."

MARIE-CLAIRE - COLLECTION ART AUDIT VOLUNTEER

"It has been lovely undertaking the art audit at Arts Centre Melbourne. You have all been so welcoming. I have really enjoyed the work that we are undertaking and feel that it has been a great opportunity to develop my skills in conservation."

RACHELLE - COLLECTION ART AUDIT VOLUNTEER



SIMPLY STUPENDOUS

A DONATION FROM OPERA AUSTRALIA PROMPTS ARTS CENTRE MELBOURNE TO LOOK BACK AT AUSTRALIAN OPERA HISTORY.

As a young girl in 1930s Sydney, Joan Sutherland was a good student but too loud for the choir. Nearly 50 years later, she was known as one of the most remarkable female opera singers of the 20th century – Dame Joan Sutherland.

So great was her talent, Sutherland was dubbed "La Stupenda" – the stupendous one – in 1960 while performing in the title role of Handel's Alcina at La Fenice, Venice. She was henceforth known by the nickname on stages across the world for her effortless coloratura, incredible high notes and astonishing vocal technique.

As proud custodian of the Australian Performing Arts Collection, Arts Centre Melbourne was thrilled to welcome a "stupendous" donation of costumes worn by Dame Joan Sutherland, kindly offered by Opera Australia in August 2018.

"We are delighted to be working with our colleagues at Opera Australia to continue to build the significance of the Australian Performing Arts Collection," says Arts Centre Melbourne Chief Executive Officer Claire Spencer. "This donation will help to preserve Dame Joan's legacy for future generations and to share the story of Opera Australia."

Joining more than 690,000 items that span the rich history of Australian performing arts already held in the collection are 30 complete costumes from Sutherland's illustrious career, including gowns, head pieces, jewellery, wigs and shoes from more than three decades on the world stage. The pieces were created by some of Australia's leading designers such as Desmond Digby, Kristian Fredrikson, Kenneth Rowell and John Truscott (who also designed the magnificent interiors for Arts Centre Melbourne's iconic Theatres Building and Hamer Hall).

The costumes donated by Opera Australia include some of her most recognisable roles, such as Violetta in *La Traviata*, Marguerite de Valois in *Les Huguenots* and the title role in *Lucrezia Borgia*.

Speaking at the Opera Australia 2019 Melbourne season launch, CEO Rory Jeffes said, "These costumes are a treasured piece of Australian history and we are thrilled that Arts Centre Melbourne will ensure their continued preservation and share them with the public."

As custodian of the Australian Performing Arts Collection, Arts Centre Melbourne is dedicated to exactly that mission – to make the examples of our dynamic and powerful performing arts history accessible to the public.

"Not only do these costumes represent some of the defining moments of Dame Joan Sutherland's career, they also capture a magnificent decade of opera production in Australia," says Samantha Hamilton, Arts Centre Melbourne's Head of Collections, Preservation and Access.

While the Australian Performing Arts Collection is a publicly owned asset, the vast majority of it is typically only accessible through temporary touring exhibitions and the Australian Music Vault. Items from the collection are periodically on display in Art Centre Melbourne's venues, but the organisation's ambition is to eventually showcase the broader collection in a new, purpose-built Australian Performing Arts Gallery at the neighbouring 1 City Road campus currently envisaged as part of the Melbourne Arts Precinct Transformation.

For these extraordinary objects to have a permanent home, as items that have influenced our love and understanding of the performing arts; well that would be truly stupendous.

"In the nearly forty years I have been performing I have been very fortunate to wear what I feel are some of the most beautiful costumes I have ever seen."

DAME JOAN SUTHERLAND



Costume worn by Dame Joan Sutherland as Elletra in *Idomeneo*, The Australian Opera, 1979. Gift of The Australian Opera 2019. Arts Centre Melbourne, Australian Performing Arts

Our Strategic Priorities

BUSINESS EXCELLENCE

A value-for-money state asset that supports the Victorian Government to achieve its goals



RISK MANAGEMENT

Effective risk management is imperative in ensuring the delivery of Arts Centre Melbourne's strategic, financial, operational and compliance objectives. The incorporation of Reimagining Arts Centre Melbourne into our activities is now being reflected in all risk management practices.

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.

Arts Centre Melbourne has implemented a "three lines of defence" risk management approach. Following a review of our developing risk management needs, particularly as we commence Reimagining Arts Centre Melbourne and digital transformation, we have appointed a dedicated Director, Risk Management to lead our second-line activities and support further development in our risk management maturity.

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

Arts Centre Melbourne created risk appetite statements in F2018 that were further developed in F2019, to guide strategic decision making across the organisation, and alert the Risk Management and Audit Committee and the Trust when business performance is at risk of moving outside agreed parameters. Our risk appetite covers key business areas including customer service, service delivery, information systems and technology, political and reputation, human resources, health and safety, governance and financial.

More broadly, Arts Centre Melbourne embeds 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.

Risk management is incorporated into corporate planning to identify what could impact Arts Centre Melbourne's objectives, including Reimagining Arts Centre Melbourne, providing an opportunity to develop strategies to minimise the impact and supporting decisions on how much risk can be taken to achieve an objective.

ENVIRONMENTAL SUSTAINABILITY

We continued our focus on improving our long-term sustainability and efficiency, with a particular emphasis on reducing our consumption of electricity, gas and water. Our Environmental Performance results (page 133) demonstrate continued improvements in the light of increased visitor numbers and increased utilisation of our venues.

Key outcomes in F2019 included:

- a 3% reduction in electricity usage on prior year (14% reduction per visitor since F2017) resulting from:
 - continued efficiencies from central plant upgrades
 - improvements to our building automation system
 - a rolling program of energy-efficient LED lighting technology
- a 31% decrease in gas consumption since F2017, following the completion of the central plant upgrades
- the continued rollout of Waste Management Strategy initiatives delivering an increase in the recycling of plastics.

We have also taken the opportunity during the year to relaunch the employee-led Green Team, with the establishment of working groups across energy, water, waste and transport sustainability. The team's efforts have been rewarded with the achievement of a recycling percentage of more than 50% of total waste generated across all venues, with opportunity for further improvement under our waste and recycling action plan.

FINANCIAL SUSTAINABILITY

Arts Centre Melbourne continues to focus on enhancing longterm financial sustainability, whilst fulfilling our core purpose and building upon the outcomes that we deliver for the Victorian community and visitors to Melbourne.

Recurrent operating funding from the Victorian Government of \$20.9 million contributed towards costs incurred in operating and maintaining our facilities, preserving the Australian Performing Arts Collection and overheads. For each \$1 of funding invested by the Victorian Government, Arts Centre Melbourne delivers \$4 of revenue. In F2019, Arts Centre Melbourne's self-generated income, inclusive of Collections donations was \$79.2 million.

Maintaining sustainable levels of funding is critical to enable continued investment in the expansion of our service offerings and associated self-generated income, which together with delivery of efficiencies allow us to achieve robust and sustainable financial outcomes. Our Arts Centre Melbourne Presents programming is made possible with the support of our generous donors and funding partners. In addition, our continued strength in the program of events and visitor numbers in F2019 has allowed us to increase theatre services and food and beverage revenues, with total trading income increasing on the prior year to deliver a compound annual growth rate of 6% over the last five years.

As a performing arts centre, Arts Centre Melbourne's operations are highly labour-intensive, with wage growth placing significant pressure on financial performance. The Reimagining of the Melbourne Arts Precinct announced in June 2018 provides for significant renewal works on our Theatres Building,

which will address significant issues relating to our ageing asset infrastructure and enable Arts Centre Melbourne to meet presenter and visitor expectations for future generations. However the long-term, staged nature of the project means that maintenance requirements are expected to continue to rise steeply for several years in order to avoid performance disruption. Arts Centre Melbourne's operations and aged assets mean we are a significant user of energy, and significant increases to energy pricing will continue to drive increased costs pressure. We have escalated the monitoring of these risks to ensure they are effectively mitigated as we look towards replacement as part of the Reimagining of Arts Centre Melbourne.

Funding support from the Victorian Government is vital to enable us to continue to deliver growth in our commercial activities. Our commercial activities provide the means by which we meet the balance of expenses and fulfil our purpose. We continued to offer many free and low-cost experiences throughout the year including education, participation and community events, visible collections through the Australian Music Vault and rotating exhibitions, and support to our sector with initiatives such as the Arts Wellbeing Collective.

We have actively prioritised industry leadership, to assist and add value to the creative industries sector, and are committed to contributing to the skills development and broader support for our creative eco-system. It is vital that we maintain a sustainable operating environment if we are to continue servicing our industry in this way, ensuring accessible creative opportunities for all Victorians.

SECURITY AND EMERGENCY MANAGEMENT

Against the backdrop of the broader community safety and security climate we focused on emergency preparedness, training and further layering our security in order to continue to provide a safe environment for our stakeholders.

In F2019 we further expanded and updated our CCTV coverage and capability within the Theatres Building, Hamer Hall and Sidney Myer Music Bowl, alongside security control room upgrades.



We are proud of having successfully delivered the Sidney Myer Music Bowl 2018–19 season of events, enjoyed by more than 250,000 people with the annual highlight being Vision Australia's *Carols By Candlelight* for Christmas 2018.

We continued our investments in the training of our highly experienced security services and customer service personnel and worked collaboratively with our presenting partners. In addition, we worked closely with our Resident Companies in completing a number of successful and compliant live audience evacuation drills.

HEALTH, SAFETY AND WELLBEING

In F2019 the team focused on improving safety based upon continued review of safety incidents and statistics through a continued improvement process. The range of occupational health and safety improvements had a particular focus on slip-and-trip type hazards, balustrade and hand-rail works and improvements identified through accessibility audit reports. In addition, we completed a comprehensive review of our contractor management system and developed significant improvements that will be delivered and enhanced into F2020.

Our Wellbeing Strategy has focused on four key areas in the development of a healthy workplace: psychological, physical, financial and social wellbeing. Our baseline program incorporated all of these areas and promoted employee engagement to support physical and mental wellbeing.

In addition to the Arts Wellbeing Collective resources and programs available to team members, our programs in F2019 included flu vaccinations, health checks and support for R U OK?DAY. In October 2018, Care More Week provided a packed schedule as well as a resilience workshop, fitness boot camp, and nutritious cooking advice. Weekend activities were offered to ensure an inclusive program for all team members addressing all areas of the Wellbeing Strategy.

ASSET MANAGEMENT AND CAPITAL WORKS PROGRAM

We continue to deal with the growing level of critical maintenance works resulting from the age of our assets.

The Victorian Government's commitment to Reimagining Arts Centre Melbourne will address the majority of these aged asset issues over the coming decade. In the interim we continue to manage the challenge of increased maintenance demands and associated operating cost impacts, and the risk that managing end-of-life assets presents of interruption to performances.

Against this backdrop we made further progress in our maturity under the Asset Management Accountability Framework. Central to this compliance framework is the development of an integrated asset information management system (AIMS) capable of managing all asset information, life cycle and maintenance planning. The system is scheduled to be fully operational in F2020.



In the short-term, the Trust continues to invest in value-formoney essential service works, compliance and safety works that have included:

- high voltage transformer replacement
- upgrades to auditorium life safety systems
- · car park signal enhancements
- accessibility upgrades across all assets, including balustrade and handrail improvements
- acoustic and theatrical mechanical system upgrades.

A range of other smaller-scale projects were also successfully delivered during F2019, all of which aim to improve our operating efficiency and service delivery.

DIGITAL AND TECHNOLOGY

We continued implementing foundational elements of our Digital Strategy, which was developed in partnership with our Innovation Partner, PwC. The strategy supports our vision to engage, connect with and enrich all of our stakeholders through digital innovation. The F2019 focus was on system improvements to provide the foundations, and commencing some operational transformation, with a key driver being preparation for upcoming redevelopment changes being driven through Reimagining Arts Centre Melbourne.

We delivered an upgraded telephony platform, which removed key risks relating to ageing legacy infrastructure which had also posed risks to several emergency communication platforms. The new platform is delivered over internet technology and importantly establishes flexibility to more easily adapt to changes that may arise with Reimagining Arts Centre Melbourne initiatives. Importantly, this new platform allows for future works to support enhanced collaboration activities.

We also acquired and deployed advanced server infrastructure capable of delivering our increasing performance requirements for key systems. Critically, this platform also enhances the redundancy and reliability of these critical systems. Any future change which may be required as part of Reimagining Arts Centre Melbourne is also simplified on this technology.

Enhancements have also been made to the architecture supporting our customer ticketing and web platforms. Additional foundational initiatives including upgrades to our internet services also support our evolving technology ambition.

In supporting operational improvements, F2019 saw the move to a cloud-hosted email platform and associated email filtering and protection service. This move also enabled the integration of all Arts Centre Melbourne team members into one organisation-wide platform for centralised and consistent messaging. This email platform move also facilitated the adoption of a new integrated collaboration tool, which enables the sharing of documents, chat function, task planning and more, and is being progressively rolled out.

Another key project in F2019 was the continued development of the innovative technology project "Importal", which automates import and export of customer and ticket sales data between Arts Centre Melbourne and presenting partners, enabling enhanced customer relationship management functionality for all parties. This will assist with data-driven decision making, with the deployment of this tool commencing in F2020.

We implemented a new business intelligence tool during F2019, providing the basis for a significant improvement in data analysis capability as well as enhanced forecasting and reporting in our complex, highly interconnected operational environment.

Upgrade projects delivered improved functionality, reliability and performance to key platforms including ticketing, customer relationship management, event management, car park and financial operations. Process improvement has also been a focus, including commencing work on our program management methodology and improvements to our service desk management software.

Our IT services manage and support 56 systems that range from ticketing and customer relationship management to our car park and back office systems. In F2019 we resolved 9,962 jobs, implemented 156 major changes and installed 111,684 patches on our infrastructure. We have a continued commitment to a proactive and risk-based approach to our technology and systems, which resulted in an uptime of 99.67% across all of our systems during F2019.

Cyber risk continues to be a key focus for Arts Centre Melbourne, with the safety and integrity of all information critical to our reputation as a world-class performing arts venue. External penetration tests were conducted throughout F2019, testing the capability of the network, as well as social engineering risks presented in such an active and public building.

KNOW THE LINE

OUR COMMITMENT TO CREATING A SAFE AND SECURE ENVIRONMENT FOR EVERYBODY

Arts Centre Melbourne is committed to providing safe and inclusive work spaces for all of our team members, presenters, artists and other people who work with us in and around our venues. In F2019 Arts Centre Melbourne implemented a number of new initiatives to amplify this commitment and to support our approach to safe and respectful workplaces. This program was launched to our team and wider stakeholders, including Resident Companies, in July 2018 and has been built on progressively throughout the year.

A snapshot of the initiatives we launched F2019 is set out below.

CULTURE

We launched a respectful workplaces awareness campaign in our office and back-of-house areas, under the tag line of Know The Line. With inspiration and supporting resources from the Australian Human Rights Commission's Know where the line is campaign, our own Know The Line campaign includes decals on back-of-house lifts, lanyard cards for all team members and posters in areas frequented by team members and other people who work with us.

We launched a dedicated page on our team intranet site with Know The Line resources for team members. A similar page launched on our Arts Centre Melbourne website for artists, presenters and other third parties who work in our venues.

"When we went into the theatre at Arts Centre Melbourne, in the lifts especially and the dressing rooms, there was a lot of signage around... these eye-catching posters. It's just different that it is there...it's a new wave that's come through theatres and it's giving people a bit of comfort."

ELAINE CROMBIE, CAST MEMBER OF MELBOURNE THEATRE COMPANY'S ASTROMAN, THE SYDNEY MORNING HERALD, DECEMBER 2018

PREVENTION

We introduced a Safe Workplace Statement for team members to make our "house rules" clear. This has been provided to all team members and third parties who work with us and is available on our internal and external Know The Line portals.

We developed a video resource to support and complement the Safe Workplace Statement. Again, this makes our house rules clear and now forms part of our safety induction for everyone who works with us. We also updated our induction materials to include more Know The Line information. We are running an education program, working in partnership with the Victorian Equal Opportunity and Human Rights Commission (VEOHRC). As part of this partnership, Arts Centre Melbourne has been a pilot site for the roll out of a new workplace conversation tool kit, to support team members to call out inappropriate behaviour whenever they see it or experience it, so that our commitment to safe and respectful workplaces is a practical reality for us all.

We have updated our contract framework for presenters and other third parties so that we have a means of enforcing safe and respectful work practices for everyone who works here.

REPORTING

We have appointed some of our team members as "contact officers". These team members are champions of our respectful workplace framework and have been provided with special training in this area, again with Arts Centre Melbourne working in collaboration with VEOHRC.

To support this activity, we launched a new independent external reporting service through a third party provider, Your Call. The purpose of this service is to provide another reporting option for team members, in the event that they feel uncomfortable reporting an issue to their manager or to HR.

Finally, we expanded the reach of our Employee Assistance Program so that it may now be accessed by artists and other people working in our venues, regardless of whether they are employed directly by Arts Centre Melbourne.

Our leadership in this important area of workplace safety has been welcomed by Resident Companies and other stakeholders, including Creative Victoria. We are also working through the Arts Wellbeing Collective to look for ways to share the resources we have developed with others in the sector, including the small-to-medium and independent sector.



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.

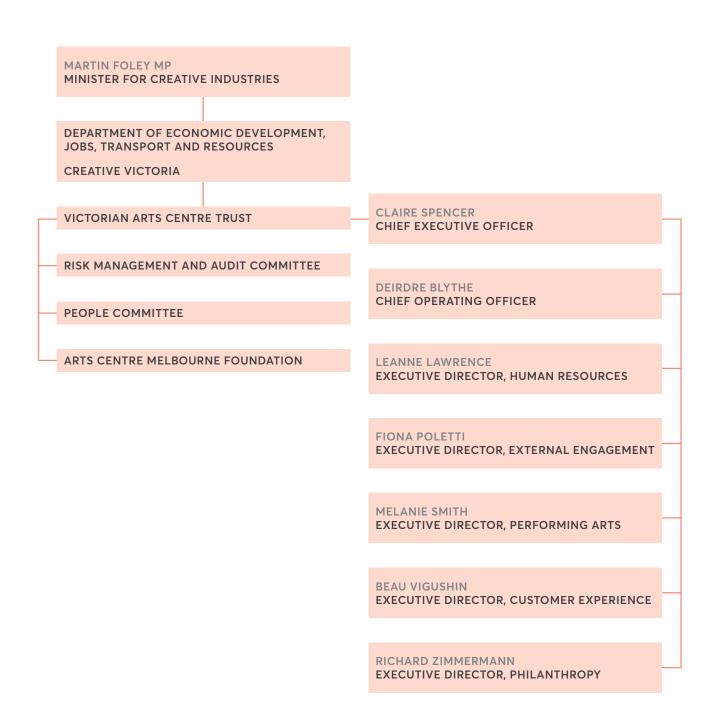
The functions of the Trust are described in section 5(1) of the *Victorian Arts Centre Act 1979* (as amended), which are:

- a) 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
- e) 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
- (fa) to establish, maintain, conserve, develop, promote and exhibit the public art collection; and
- (fb) 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
- h) 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.



TRUST AND COMMITTEE MEETING ATTENDANCE

Figures below indicate the number of meetings attended / the total possible attendances for each Trustee	Ian Carson AM¹ President	James MacKenzie ² President	Frankie Airey	Paul Barker	Warwick Bray	Catherine McClements 3	Andrew Myer AM	lan Roberts	Nora Scheinkestel	Helen Silver AO
The Victorian Arts Centre Trust (the Trust)	2/2	4/4	6/6	6/6	5/6	2/4	6/6	4/6	5/6	6/6
The Trust met six times in F2019.										
Risk Management and Audit Committee	1/1	2/3	-	4/4	4/4	-	3/4	-	-	-

Consistent with the requirements of the Standing Directions of the Minister for Finance, 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 Financial Direction 2.3 of the *Financial Management Act 1994*.

This Committee met four times in F2019.

People Committee - 2/2 - - - 2/2 - 1/2 2/2 2/2

This Committee provides advice to the Trust on Executive remuneration, Executive performance and general remuneration policy matters.

This Committee met twice in F2019.

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 F2019.

Non-Trustee Foundation Members: John Barlow

Krystyna Campbell-Pretty

Andy Dinan

Nicholas Haddad

Lisa Hennessy

Snowe Li

Jennifer Prescott

¹ Term began on 16 April 2019

² Term ended on 16 April 2019

³ Term ended on 25 April 2019

TRUSTEES

lan Carson AM (President) Term began on 16 April 2019

Ian Carson AM is the Chairman of Markets at PwC and the Co-founder of SecondBite. Mr Carson founded PPB Advisory; a consulting firm that merged with PwC in 2018. He was central in building this international firm with offices in Australia and Singapore and employing over 300 staff. It was engaged by Australia's leading corporations and both Federal and State Governments as trusted advisers on complex financial matters, governance reviews and transactions as well as implementation of strategy and process improvement.

Co-founding SecondBite, Mr Carson and his wife 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 45 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 the Chairman of WorkSafe Victoria and of Cricket Victoria. He has held board and committee appointments with the Transport Accident Commission, Victorian WorkCover Authority, Mirvac Funds Management Ltd and Stadium Operations Ltd (Etihad Stadium).

Warwick Brav

Warwick Bray's career encompasses industry, investment banking and consulting in Australia and globally. Warwick's previous roles include Chief Financial Officer at Telstra, Group Managing Director responsible for the mobile business at Telstra, Managing Director and Head of Global Telecommunications Equity Research at JPMorgan (London) and Dresdner Kleinwort Wasserstein (London) and Partner at McKinsey and Co London. Warwick has served on the boards of CSL (Hong Kong mobile business), Foxtel (where he was

Chairman of the Audit and Risk Committee) the Australian Mobile Telecommunications Association (as Chairman) and was a member of the Strategy Committee of the GSMA (the global association of mobile phone companies).

Andrew Myer AM

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'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* and the telemovie *Dangerous Remedy* for the ABC.

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.

lan'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.

Dr Nora Scheinkestel

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 currently Chairperson of Atlas Arteria Ltd and a director of its stapled entity, Atlas Arteria International Ltd. Nora is also a director of Telstra Corporation Ltd, Ausnet Services Ltd and OceanaGold Corporation, and an Associate Professor at the Melbourne Business School.

Helen Silver AO

Helen Silver is Chief General Manager of Allianz Australia. She has held senior positions in both the Victorian and Commonwealth public services and the private sector. Helen served as Secretary of the Department of Premier and Cabinet in Victoria from 2008 to 2013. She is a National Fellow of the Institute of Public Administration Australia, a Director of the Melbourne Symphony Orchestra and a member of the Judicial Commission of Victoria.

OUTGOING TRUSTEES

James MacKenzie (President) Term ended on 16 April 2019

A chartered accountant, James MacKenzie has extensive experience in the private and public sectors with roles across ANZ, Norwich Union, Mirvac Group and Pacific Brands. He has also held a number of public sector roles in Victoria including at the Transport Accident Commission (TAC) and the Victorian Major Events Company (VMEC). James has been a regular visitor to Arts Centre Melbourne over the years.

Catherine McClements Term ended on 25 April 2019

Catherine McClements graduated from the National Institute of Dramatic Art in 1985. She has had a successful and award-winning career in Australian film, television and theatre and received AFI awards for her work in *The Secret Life of Us, Tangle* and *Rush* along with Helpmann Award nominations for her work with theatre companies around the country.

Catherine was WorkSafe Health and Safety Month Ambassador in 2017, and is a member of the Arts Wellbeing Collective Advisory Group.

EXECUTIVE TEAM

Claire Spencer Chief Executive Officer

Claire was appointed Chief Executive Officer of Arts Centre Melbourne in November 2014.

Since that time she has steered the organisation through a major restructure to better position the organisation for the future and to assist with its key role as a leader in the cultural precinct and a major contributor to Victoria's creative economy. Key projects have included: the launch of the ground-breaking Asia-Pacific Triennial of Performing Arts (Asia TOPA), delivered in collaboration with more than 30 Victorian organisations from across the cultural sector; the development of the Australian Music Vault; and the establishment of the Arts Wellbeing Collective, which promotes strong individual wellbeing for those who work in the arts sector.

Claire is leading a major redevelopment of Arts Centre Melbourne, including refurbishment of the Theatres Building and the addition of a new campus featuring workshop, studio and education spaces, an expanded Australian Music Vault gallery, and a major new gallery celebrating Australia's performing arts history. The project is the centrepiece of a \$1 billion transformation of the Melbourne Arts Precinct announced by the Victorian Government in June 2018.

Claire is a Member of Chief Executive Women – the preeminent organisation representing Australia's most senior women leaders from the corporate, public service, academic and not-for-profit sectors; she is on the board of The Pinnacle Foundation, established to provide scholarships and mentoring support to lesbian, gay, bisexual, trans, queer and intersex students who are marginalised or disadvantaged; and is also a member of the Australian Government's Australia–Singapore Arts Group.

Claire is married with three children.

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 Executive Director Human Resources

Leanne leads our Human Resources 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 currently President of a not-for-profit education and support services organisation.

Fiona Poletti

Executive Director, External Engagement

Fiona is responsible for strategic and government relationships and advocacy.

She has held senior advisory positions to a Federal Arts Minister and the Australia Council for the Arts, as well as working at the Australian Embassy Tokyo in public diplomacy. After returning to Melbourne, Fiona took up a position as Director of Planning and Development with Circus Oz, along with being a staff-elected board representative for two years.

Melanie Smith

Executive Director, Performing Arts

Melanie leads the Programming, Presenter Services, Production, Collections and Asian Arts teams to develop and deliver 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, comprising Aotea Centre, Civic Theatre, Auckland Town Hall, Bruce Mason Centre, Aotea Square. Melanie is also 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 is responsible for all customer-focused areas, leading our Customer Service, Ticketing, Marketing, Car Park, Front-of-House, Food and Beverage, and Strategic Communications and Stakeholder Engagement teams.

Beau started with Arts Centre Melbourne as a casual usher in early 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 customer-focused transformation to deliver an enhanced experience and ensuring that our team delivers customer value at every touchpoint.

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 and collections programs, all of which are enabled through the generosity of donors.

With a strong background in film and 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 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, 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.

Since 2006 he has been the Chairman of not-for-profit arts company Tashmadada, which aims to support, nurture and engage in contemporary performing arts practices.

Financial overview

The five-year summary of results is presented on page 68. 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 76. 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

OPERATING ACTIVITIES

Recurrent funding from the Victorian Government was \$20.9 million in F2019 (F2018 \$21.1 million), and non-recurrent funding primarily relates to the operations of the Australian Music Vault and some short term sustainability funding.

Arts Centre Melbourne has continued to grow trading revenues. Theatre services revenue grew by more than \$1 million (5.3%) compared to the prior year, with the venues in the Theatres Building being at their most highly utilised for 12 years. The number of performance events on our permanent stages grew by 10.8% in the year, with associated performance attendance growing by 7.9%. Evita became the highest selling show in Arts Centre Melbourne's history, with over 148,000 tickets sold.

Food and beverage revenue grew by \$0.6 million (3.0%), a compound annual growth rate of 10.1% over the past five years. Trading revenues overall have only marginally increased on the prior year, which is the result of disappointing car park revenues. The City of Melbourne's project to transform Southbank Boulevard and Dodds Street has had a significant disruptive impact on Arts Centre Melbourne's car park operations, and whilst performance attendance in our main stage venues is increased on the prior year, car park revenue has reduced by \$0.9 million (14.3%). Despite this trading revenues overall are 0.6% greater than the prior year – with a compound annual growth rate of 6.1%.

Performing arts centres are highly people-driven, and employee expenses account for almost 53% of total operating expenses. The increase in operating activity drives an increase in our variable labour, and as such Arts Centre Melbourne has grown its contribution to Victoria's employment by a compound annual rate of 7.9% over the last 5 years.

Performance-generated expenses reduced by \$1.4m (10%) in the year. In F2018 Arts Centre Melbourne hosted the Pop-Up Globe, a temporary structure in the grounds of the Sidney Myer Music Bowl which hosted 291 performances, and drove one-off costs in that year. Facilities expenses remain high with growth in recent years as the Trust manages ageing infrastructure and seeks to reduce the risk of asset failure and associated performance cancellation. Arts Centre Melbourne has incurred an increase in utilities cost of \$0.6 million in the year. This is driven by increased utilities charges on expiry of the previous supply contract, the additional energy usage resulting from increased activity in the Theatres Building, offset by the impact of the Trust's investment in energy efficiency projects.

Other operating expenses increased by \$0.3 million (3.0%) due to increased investment in projects to enhance operational efficiency and reduce risk, as well as expenses relating to the ongoing delivery of the Australian Music Vault, and the notional costs of services provided in-kind by corporate partners.

NON-OPERATING ACTIVITIES

Bequests and endowments received in F2019 totalled \$3.5 million, including the generous bequest of the late Betty Amsden AO. Such funds are invested in order to generate income to support programming and allied activity, in line with the philanthropic objectives of donors.

Fundraising continues to be an essential enabler of the Trust fulfilling its core purpose, as is the investment income generated from ACM's Foundation funds. The \$0.7 million growth in interest and investment income equates to a 60% increase and reflects the substantial increase in the Foundation's corpus funds resulting from the year's bequests.

In F2019 \$3.0 million of income from non-operating activities was distributed to support the programming and exhibitions programme in the year.

Donations to the performing arts and works of art collection are recognised as revenue for statutory purposes, whilst being non-cash in nature. Donations to the collections were valued at \$1.1 million in the year, with the most notable items being the Dame Joan Sutherland Costume Collection.

NET RESULT

The net operating result was a deficit of \$0.7 million, consistent with Arts Centre Melbourne's planned result for the year – reflecting the utilities pricing surge.

After allowing for non-operating activities, the net result from transactions before depreciation of the Trust for the year ended 30 June 2019 was a surplus of \$5.5 million (F2018 \$2.6 million). Depreciation and amortisation of \$23.2 million resulted in a net deficit from transactions of \$17.8 million.

Other economic flows incorporate the discounting of longservice leave liabilities and fair value adjustments relating to financial assets, driving a comprehensive result that is a deficit of \$18.5 million.

BALANCE SHEET

Net assets of the Trust amount to \$599 million, of which \$580 million is comprised of property, plant and equipment.

Works relating to the Reimagining of Arts Centre Melbourne valued at \$12.4 million were undertaken in F2019.

A number of other smaller capital projects were undertaken during the year, including:

- creation of a Changing Places facility in Hamer Hall, promoting social inclusion and encouraging the participation of people with a disability;
- investment in infrastructure at the Sidney Myer Music Bowl to reduce the reliance on hired plant and the associated operating costs;
- commencement of work to upgrade Arts Centre Melbourne's forecourt food and beverage outlet.

Overall, property, plant and equipment decreased in value by \$9.5 million. Additions including the works outlined above amounted to \$14.1 million and depreciation charges for the year totalled \$23.2 million.

Financial assets decreased by \$7.6 million to \$47.0 million during F2019. At the commencement of the financial year Arts Centre Melbourne was holding a balance of \$7 million capital funding for the Reimagining project. During F2019 those funds were expended, reducing financial assets accordingly.

Summary of results F2015 – F2019

Financial performance	2019 \$m	2018 \$m	2017 \$m	2016 \$m	2015 \$m
OPERATING REVENUE			21.5	0.17	
Victorian Government grants – recurrent	20.9	21.1	21.5	21.7	14.7
Victorian Government grants – non-recurrent	3.6	3.3	0.9	0.1	7.1
Trading revenue	70.1	68.9	60.9	58.6	52.9
Fundraising – distribution to operating activities	3.0	3.2	6.2	2.1	2.2
Total operating revenue	97.7	96.4	89.5	82.5	76.9
OPERATING EXPENSES					
Employee Expenses	(51.9)	(48.7)	(45.2)	(41.1)	(39.1)
Performance Generated Expenses	(13.0)	(14.4)	(14.5)	(13.1)	(10.4)
Facilities Expenses	(14.5)	(14.1)	(12.0)	(13.1)	(12.7)
Other Operating Expenses	(18.9)	(18.7)	(15.7)	(15.6)	(14.6)
Total operating expenses	(98.4)	(95.9)	(87.3)	(82.9)	(76.7)
Operating result before depreciation and similar charges	(0.7)	0.5	2.1	(0.4)	0.1
NET INCOME FROM NON-OPERATING ACTIVITIES					
Philanthropic Fundraising	2.7	2.9	3.9	2.8	2.4
Other Grants (Federal, International, Local)	0.1	0.1	0.7	0.2	0.0
In-Kind Donations to Performing Arts and Art Collections	1.1	0.3	0.3	0.1	1.2
Interest and Investment Income	1.8	1.1	0.7	0.9	0.8
Bequests and Endowment Funds Received	3.5	1.1	0.1	1.0	0.2
Distribution of Fundraising Income to Operating Activities	(3.0)	(3.2)	(6.2)	(2.1)	(2.2)
Total net income from non-operating activities	6.1	2.2	(0.4)	2.9	2.4
Net result from transactions before depreciation	5.5	2.6	1.8	2.5	2.6
Depreciation and amortisation	(23.2)	(22.5)	(22.0)	(16.0)	(16.0)
Net result from transactions	(17.8)	(19.9)	(20.2)	(13.5)	(13.5)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT	(0.8)	0.0	(0.3)	(0.1)	(1.2)
Net result	(18.5)	(19.9)	(20.5)	(13.6)	(14.7)
Changes in physical asset revaluation surplus	0.0	31.0	0.0	103.7	0.0
Changes to financial assets available-for-sale revaluation surplus/(deficit)	0.0	0.4	0.4	(0.2)	0.0
COMPREHENSIVE RESULT	(18.5)	11.5	(20.1)	90.0	(14.7)

Patronage profile	F2019 '000s	F2018 '000s	F2017 '000s	F2016 '000s	F2015 '000s
Attendances at Performances ¹	1,431	1,535	1,207	1,212	1,186
Attendances at Public Programs	111	497	137	251	227
Attendances at Exhibitions	708	406	494	416	443
Other Visitors & Facility Users ³	1,105	1,324	1,205	1,010	1,032
Total Arts Centre Melbourne Attendances	3,355	3,762	3,043	2,889	2,889
Asia TOPA Consortium/Partner Attendances2	-	-	697	-	-
Total Visitations	3,355	3,762	3,740	2,889	2,889
Events profile	F2019	F2018	F2017	F2016	F2015
Performance Events ⁴	1,626	1,971	1,498	1,468	1,452
Public Program Events	834	1,384	1,920	1,397	1,877
Exhibitions & Displays	15	20	26	25	17
Total Arts Centre Melbourne Events	2,475	3,375	3,444	2,890	3,346
Asia TOPA Consortium/Partner Events	-	-	210	-	-
Total Events	2,475	3,375	3,654	2,890	3,346

Venue utilisation	F2019 %	F2018 %	F2017 %	F2016 %	F2015 %
State Theatre	97	87	93	87	87
Playhouse	95	79	86	94	92
Fairfax Studio	97	92	94	95	92
Hamer Hall	73	84	90	84	85
Average mainstage utilisation	91	86	91	90	89
Sidney Myer Music Bowl	16	23	27	16	36
The Globe⁵	-	51	-	-	-
The Famous Spiegeltent ⁶	52	58	59	67	65

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 Speigeltent utilisation relates to the period when Speigeltent is on ACM's premises.

Victorian Arts Centre Trust

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ACCOUNTABLE OFFICERS' AND CHIEF FINANCIAL OFFICER'S DECLARATION

for the financial year ended 30 June 2019

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 2019 and the financial position of the Trust as at 30 June 2019. 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 16 September 2019.

Ian Carson AM

President

Claire Spencer

Chief Executive Officer

Deirdre Blythe

Chief Operating Officer

INDEPENDENT AUDITOR'S REPORT

for the financial year ended 30 June 2019



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 2019, 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-forprofits Commission Act 2012 in relation to the audit.
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE 18 September 2019 Simone Bohan as delegate for the Auditor-General of Victoria

Level 31 / 35 Collins Street, Melbourne Vic 3000 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

for the financial year ended 30 June 2019

Independent Auditor's Report



To the Trustees of the Victorian Arts Centre Trust

Opinion

I have audited the financial report of the Victorian Arts Centre Trust (the trust) which comprises the:

- balance sheet as at 30 June 2019
- · 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.

In my opinion the financial report is in accordance with Part 7 of the *Financial Management Act* 1994 and Division 60 of the *Australian Charities and Not-for-profits Commission Act* 2012, including:

- presenting fairly, in all material respects, the financial position of the trust as at
 30 June 2019 and of its financial performance and its cash flows for the year then ended
- complying with Australian Accounting Standards and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2013.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the trust in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Trustees' responsibilities for the financial report

The Trustees are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Financial Management Act 1994* and the *Australian Charities and Not-for-profits Commission Act 2012*, 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.

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.

Level 31 / 35 Collins Street, Melbourne Vic 3000 T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

for the financial year ended 30 June 2019

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 18 September 2019 Simone Bohan as delegate for the Auditor-General of Victoria

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COMPREHENSIVE OPERATING STATEMENT

for the financial year ended 30 June 2019

		2019	2018
	Notes	\$'000s	\$'000s
CONTINUING OPERATIONS			
INCOME FROM TRANSACTIONS			
Sales of goods and services	2.2.1	64,757	64,348
Income from fundraising activities	2.2.2	8,852	5,997
Grants	2.2.3	24,624	24,389
Income from financial assets	2.2.4	1,803	1,127
Other income	2.2.5	3,770	2,721
Total income from transactions		103,806	98,582
EXPENSES FROM TRANSACTIONS			
Employee expenses	3.2	(51,900)	(48,661)
Performance generated expenses	3.3	(12,975)	(14,418)
Other commercial expenses	3.4	(8,205)	(8,311)
Facilities expenses	3.5	(14,544)	(14,139)
Other operating expenses	3.6	(10,727)	(10,419)
Total expenses from transactions		(98,351)	(95,948)
Net result from transactions before depreciation		5,455	2,634
Depreciation and amortisation	4.4	(23,234)	(22,516)
Net deficit from transactions		(17,779)	(19,882)
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gain/(loss) on non-financial assets (a)	8.1	2	-
Net gain/(loss) on financial assets ^(b)	8.1	(179)	12
Other gains/(losses) from other economic flows	8.1	(588)	(7)
Total other economic flows included in net result		(765)	5
Net Result		(18,544)	(19,877)
OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME	<u> </u>		
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	-	30,957
Items that may be classified subsequently to net result			
Changes to financial assets available-for-sale revaluation surplus/(deficit)	8.2		449
Total other economic flows – other comprehensive income		-	31,406
Comprehensive result		(18,544)	11,529
he comprehensive operating statement should be read in conjunction with the notes to the financial st	tatements	-	

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

⁽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, except when these are taken through the financial assets at fair value through other comprehensive income revaluation surplus (FY2018: available for sale revaluation surplus).

BALANCE SHEET

as at 30 June 2019

		2019	2018
	Notes	\$'000s	\$'000s
ASSETS			
Financial assets			
Cash and deposits	6.2	10,063	5,906
Receivables	5.1	4,275	6,359
Investments and other financial assets	4.3	32,693	42,409
Total financial assets		47,031	54,674
Non-financial assets			
Inventories	5.3	475	551
Property, plant and equipment	4.1	576,621	586,183
Intangible assets	4.2	664	820
Other non-financial assets	5.4	7,599	1,853
Total non-financial assets		585,359	589,407
Total assets		635,390	644,081
LIABILITIES			
Payables	5.2	22,526	26,880
Provisions	3.2.2	8,074	9,268
Other liabilities	5.5	2,553	2,500
Total liabilities		33,153	38,648
Net assets		599,237	605,433
EQUITY			
Contributed capital	8.2.1	543,558	531,210
Donation and endowment reserve	8.2.2	18,725	13,740
Asset revaluation surplus	8.2.3	296,689	296,689
Financial assets available-for-sale revaluation surplus/(deficit)	8.2.4	-	634
Accumulated deficit	8.2.5	(259,735)	(236,840)
Total equity		599,237	605,433
Commitments for expenditure and operating leases	6.3		
Contingent assets and liabilities	7.2		

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2019

		Contributed capital \$'000s	Donation and endowment reserve \$'000s	Physical asset revaluation surplus \$'000s	Financial assets available- for-sale revaluation surplus \$'000s	Accumulated deficit \$'000s	Total \$'000s
Balance at 1 July 2017		518,387	12,572	265,732	185	(215,795)	581,081
Net result for the year		-	-	-	-	(19,877)	(19,877)
Other comprehensive income for the year		-	-	30,957	449		31,406
Bequests and endowment funds received	(i)	-	1,071	-	-	(1,071)	-
Net donations and investment income received	(i)	-	3,333	-	-	(3,333)	-
Donations and endowment distributions	(i)	-	(3,236)	-	-	3,236	-
Capital appropriations	(ii)	12,823	-	-	-	-	12,823
Balance at 30 June 2018		531,210	13,740	296,689	634	(236,840)	605,433
Net result for the year		-	-	-	-	(18,544)	(18,544)
AASB 9 Adjustment	(iii)	-	-	-	(634)	634	-
Fair value adjustment to financial assets attributed to donation & endowment reserve Other comprehensive income for the year	(iv)	-	602	-	-	(602)	-
Bequests and endowment funds received	(i)	-	3,465	-	-	(3,465)	-
Net donations and investment income received	(i)	-	3,945	-	-	(3,945)	-
Donations and endowment distributions	(i)	-	(3,027)	-	-	3,027	-
Capital appropriations	(ii)	12,348	=	=	-	-	12,348
Balance at 30 June 2019		543,558	18,725	296,689	-	(259,735)	599,237

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

⁽i) During the year \$4.985m (FY2018: \$1.168m) 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 \$0.3m (FY2018: \$0.9m) in relation to the Cultural Facilities Maintenance fund, \$11.5m (FY2018: \$8.6m) for Reimagining, \$0.5m (FY2018: \$0.5m) for minor maintenance and \$Nil (FY2018: \$2.8m) relating to the Australian Music Vault. These transfers are designated as a contribution from the owners (capital appropriations)

⁽iii) Financial assets available-for sale reclassified as financial assets at fair value through net results, as required under AASB 9.

⁽iv) 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

CASH FLOW STATEMENT

for the financial year ended 30 June 2019

	Notes	2019 \$'000s	2018 \$'000s
CASH FLOWS FROM OPERATING ACTIVITIES		+ 0000	, , , , , , , , , , , , , , , , , , ,
Receipts			
Receipts from customers		71,927	65,784
Receipts from fundraising activities		3,607	4,126
Receipts from bequests and endowments		3,465	184
Government grants received		24,693	25,396
Interest and distributions received		1,828	981
Total receipts		105,520	96,471
Payments			
Payments to suppliers		(48,696)	(43,048)
Payments to employees		(53,911)	(47,063)
GST paid to the Australian Taxation Office		(1,557)	(2,343)
Total payments		(104,164)	(92,454)
Net cash from operating activities	6.2.1	1,356	4,017
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(12,250)	(5,464)
Payments for investments		9,575	
Payments for intangible assets		7,070	(22,300)
		(27)	(22,300) (131)
Prepayment for property, plant and equipment		(27) (6,788)	(131)
Prepayment for property, plant and equipment Net cash used in investing activities		(27)	
1 7 1 71		(27) (6,788)	(131)
Net cash used in investing activities		(27) (6,788)	(131)
Net cash used in investing activities CASH FLOWS FROM FINANCING ACTIVITIES		(27) (6,788) (9,490)	(131) - (27,895)
Net cash used in investing activities CASH FLOWS FROM FINANCING ACTIVITIES Owner contributions by State Government		(27) (6,788) (9,490) 12,291	(131) - (27,895)
Net cash used in investing activities CASH FLOWS FROM FINANCING ACTIVITIES Owner contributions by State Government Net cash provided by financing activities		(27) (6,788) (9,490) 12,291 12,291	(131) - (27,895) 12,811 12,811

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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 60 to 64, which does not form part of these financial statements.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

2. FUNDING DELIVERY OF OUR SERVICES

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

Introduction

performing arts.

The Trust is a public entity and as such derives its funding from both Victorian Government grants and commercial

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 income that funds the delivery of our services
- 2.2 Income from Transactions 81

81

2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

		2019	2018
	Notes	\$'000s	\$'000s
Sales of goods and services	2.2.1	64,757	64,348
Income from fundraising activities	2.2.2	8,852	5,997
Grants	2.2.3	24,624	24,389
Income from financial assets classified as available for sale	2.2.4	1,803	1,127
Other income	2.2.5	3,770	2,721
Total income from transactions		103,806	98,582

Income is recognised to the extent it is probable the economic benefits will flow to the Trust and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

2.2 INCOME FROM TRANSACTIONS

2.2.1 SALES OF GOODS AND SERVICES

Total Sales of goods and services	64,757	64,348
Other commercial	354	416
Car park	5,433	6,340
Food and beverage	21,132	20,519
Ticketing	8,366	8,600
Theatre services	21,474	20,324
Arts Centre Melbourne programming	7,998	8,149
	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>

Key income areas are as follows:

- Arts Centre Melbourne programming income comprises ticket sales from Arts Centre Melbourne presented and produced events;
- · Theatre services income consists of the recovery of event production costs and venue rental;
- · Ticketing income comprises commissions on the sale of tickets as well as merchant and transaction fees;
- The food and beverage revenue is earned from the various Arts Centre Melbourne bars and restaurants and from the Conference Meetings and Event business; and
- The car park income is earned from the onsite car parking facilities.

Income from a number of these areas relates to specific performances, and this income is held as unearned revenue on the balance sheet until the performance has occurred and is subsequently recognised as revenue. Details of unearned revenue is disclosed in note 5.5.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Income from the sale of goods and services is recognised when:

- · the Trust no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- the Trust no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, stage of completion and associated costs incurred or to be incurred in respect of the transaction can be reliably measured; and
- · it is probable that the economic benefits associated with the transaction will flow to the Trust.

2.2.2 INCOME FROM FUNDRAISING ACTIVITIES

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Philanthropy	2,696	2,857
Bequests and endowments	3,465	1,071
Membership	494	535
Sponsorships	1,104	1,272
Donations to the Performing Arts and visual art collections	1,093	262
Total income from fundraising activities	8,852	5,997

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.

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.

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

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.

Resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them. 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 received as a donation.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

2.2.3 GRANTS

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Victorian Government appropriation – recurrent	20,937	21,062
Victorian Government grants - Australian Music Vault	1,393	2,565
Other Victorian Government grants – non-recurrent	2,174	689
Federal government grants	94	50
Other grants	26	23
Total grants	24,624	24,389

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Trust without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Trust recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the Trust recognises revenue when the grant is received.

Grants can be received as general purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

2.2.4 INCOME FROM FINANCIAL ASSETS

	2019	2018
	\$'000s	\$'000s
Interest – bank deposits ^(a)	620	594
Dividends and interest – externally managed unitised trusts ^(b)	1,183	533
Total Income from financial assets classified as available for sale	1,803	1,127

(a) Interest includes \$29k (FY2018: \$29k) relating to fundraising activities and \$591k (FY2018: \$565k) relating to operating activities.
(b) Included in dividends is \$1.1m (FY2018: \$488k) relating to fundraising activities and \$83k (FY2018: \$45k) 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 income from transactions, but are reported as unrealised gains and losses from other economic flows included in the net result.

2.2.5 OTHER INCOME

		2019	2018
	Notes	\$'000s	\$'000s
Facilities management ^(a)		300	472
Utilities cost recovery from third parties(b)	3.5	2,403	1,670
Sundry ^(c)		1,067	579
Total other income		3,770	2,721

(a) Facilities income comprises the recovery of facilities management services costs from presenters and hirers.

Sundry income includes recoveries of general expenses incurred on behalf of organisations hiring Arts Centre Melbourne's facilities.

Third parties include National Gallery of Victoria and food and beverage tenancies. National Gallery of Victoria and Arts Centre Melbourne share infrastructure. All recoveries are made at cost.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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

3.1	Summary of expenses incurred in delivery of services	84
3.2	Employee benefit expenses	84
3.3	Performance generated expenses	88
3.4	Other commercial expenses	88
3.5	Facilities expenses	89
36	Other operating expenses	20

3.1 SUMMARY OF EXPENSES INCURRED IN DELIVERY OF SERVICES

		2019	2018
	Notes	\$'000s	\$'000s
Employee benefit expenses	3.2	51,900	48,661
Performance generated expenses	3.3	12,975	14,418
Other commercial expenses	3.4	8,205	8,311
Facilities expenses	3.5	14,544	14,139
Other operating expenses	3.6	10,727	10,419
Total expenses incurred in delivery of services		98,351	95,948

3.2 EMPLOYEE BENEFIT EXPENSES

3.2.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

Other employee expenses	341	378
Taxes	2,452	2,109
Superannuation	4,186	3,642
Salaries and wages	44,921	42,532
	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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.

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Current provisions:	V 4000	7 0 0 0 0
Annual leave		
Unconditional and expected to settle within 12 months	1,981	1,694
Unconditional and expected to settle after 12 months	599	536
Long service leave		
Unconditional and expected to settle within 12 months	278	239
Unconditional and expected to settle after 12 months	3,045	2,440
Other employee entitlements		
Unconditional and expected to settle within 12 months	-	2,328
Provision of on-costs		
Unconditional and expected to settle within 12 months	306	613
Unconditional and expected to settle after 12 months	554	451
Total current provisions for employee benefits	6,763	8,301
Non-current provisions:		·
Employee benefits	1,134	837
On-costs	177	130
Total non-current provisions for employee benefits	1,311	967
Total provisions for employee benefits	8,074	9,268

Reconciliation of movement in on-cost provisions

	2019 <i>\$'000s</i>
Opening balance	1,194
Additional provisions recognised	194
Reductions arising from payments	(380)
Unwind of discount and effect of changes in the discount rate	29
Closing balance	1,037
Current	860
Non-current	177
Total	1,037

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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

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	
	2019 2018 \$'000s \$'000s		2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Defined benefit plans	121	119	9	22
Defined contribution plans	4,169	3,854	393	
Total	4,290	3,973	402	22

(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 9.50% or as per enterprise agreements. The Superannuation Guarantee contribution rate is legislated to progressively increase to 12% by 2025. The Superannuation Guarantee rate will remain at 9.5% for the next 2 years, increasing to 10% from 1 July 2021, and eventually to 12% from 1 July 2025.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

(b) Defined benefit

The Trust makes all of its defined benefit employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund "the Fund". As provided under Paragraph 34 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. 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.

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.

As at 30 June 2018, an interim actuarial investigation was completed. The vested benefit index (VBI) of the defined benefit category of which the Trust is a contributing employer was 106.00%. The financial assumptions used to calculate the VBIs were:

Net investment returns 6.0% pa Salary information 3.5% pa Price inflation (CPI) 2.5% pa

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund's 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 2019, this rate was 9.5% of members' salaries. This will increase in line with the required Superannuation Guarantee contribution rate.

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.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category 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. The Fund monitors its VBI on a quarterly basis and the Fund has set its 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.

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.

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.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

The 2018 interim 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. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017

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

- VBI surplus of \$131.9 million;
- · A total service liability surplus of \$218.3 million; and
- A discounted accrued benefits surplus of \$249.1 million.

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 2018.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2018.

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 2018.

The Trust was notified of the 30 June 2018 VBI during August 2018.

The 2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

3.3 PERFORMANCE GENERATED EXPENSES

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Arts Centre Melbourne programming	7,324	7,677
Theatre services	2,573	3,371
Ticketing	1,113	928
Performance marketing	1,965	2,442
Total performance generated expenses	12,975	14,418

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

Total other commercial expenses	8,205	8,311
Other commercial	101	103
Commercial marketing	386	419
Car park	1,064	1,058
Food and beverage	6,654	6,731
	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

3.5 FACILITIES EXPENSES

		2019	2018
	Notes	\$'000s	\$'000s
Maintenance and renewal		3,229	3,671
Maintenance contracts		2,690	2,498
Equipment		638	1,107
Cleaning, waste and security services		3,518	3,685
Utilities		2,066	1,508
Other utilities costs recovered from third parties ^(a)	2.2.5	2,403	1,670
Total facilities expenses		14,544	14,139

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

3.6 OTHER OPERATING EXPENSES

Total other expenses	10,727	10,419
General	1,173	763
Bad debts	14	5
Staff support	1,013	1,030
Office expenses	782	794
Travel, transportation and freight	1,241	802
Finance costs	283	313
Legal and professional	2,445	2,500
Insurance	565	595
Operating leases	589	531
Information systems and technology	2,111	2,054
Other marketing	511	1,032
	\$'000s	
	2019	2018

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. Legal and professional services provided free of charge in FY2019 were \$0.08m and in FY2018 were \$0.4m.

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.

⁽a) Utilities costs are recovered from National Gallery of Victoria and food and beverage tenancies as they share infrastructure with the Trust. All recoveries are made at cost.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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	90
4.2	Intangible assets	92
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4.4	Depreciation and amortisation	94

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT

		Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018	
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	
Land at fair value	172,310	172,310	-		172,310	172,310	
Buildings at fair value	172,693	172,679	(7,833)	(5,221)	164,860	167,458	
Building fit outs at fair value	196,642	196,322	(45,993)	(30,559)	150,649	165,762	
Work in progress at cost ^(a)	16,491	6,371	-	-	16,491	6,371	
Furniture and equipment at cost	47,343	45,426	(38,142)	(33,138)	9,201	12,288	
Motor vehicles at cost	111	142	(97)	(127)	14	15	
Work of art at fair value	37,177	37,175	-	-	37,177	37,175	
Performing art collection at fair value	25,919	24,804	-	-	25,919	24,804	
Net carrying amount	668,686	655,229	(92,065)	(69,045)	576,621	586,183	

Note

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.

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.

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.

⁽a) Work in progress contains \$15.6m (FY2018: \$3.3m) 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 \$0.9m (FY2018: \$3.0m) relates to miscellaneous work in progress capital projects.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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

2019	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	167,458	165,762	12,288	15	37,175	24,804	6,371	586,183
Additions	-	1	254	225	-	2	1,115	12,516	14,113
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	13	67	1,691	-	-	-	(1,771)	-
Depreciation	-	(2,612)	(15,434)	(5,004)	(1)	-	-	-	(23,051)
Expensed	-		-	-	-	-	-	(625)	(625)
Revaluation of Land and Buildings and Collections	-	-	-	-	-	-	-	-	-
Closing balance	172,310	164,860	150,649	9,201	14	37,177	25,919	16,491	576,621

2018	Land <i>\$'000s</i>	Buildings <i>\$'000s</i>	Building Fit-out <i>\$'000s</i>	Furniture and Equipment <i>\$'000s</i>	Motor vehicles <i>\$'000s</i>	Work of Art <i>\$'000s</i>	Performing Arts Collection \$'000s	Work in Progress <i>\$'000s</i>	Total <i>\$'000s</i>
Opening balance	141,354	170,069	180,309	13,800	16	37,134	24,473	4,440	571,595
Additions	-	-	553	2,455	-	40	330	2,833	6,213
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	281	524	-	-	-	(805)	-
Depreciation	-	(2,611)	(15,381)	(4,491)	(1)	-	-	-	(22,484)
Expensed	-	-	-	-	-	-	-	(97)	(97)
Revaluation of Land and Buildings and Collections	30,956	-	-	-	-	-	-	-	30,956
Closing balance	172,310	167,458	165,762	12,288	15	37,175	24,804	6,371	586,183

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

4.2 INTANGIBLE ASSETS

Net book value at end of financial year	664	820
Closing balance	(5,707)	(5,524)
Amortisation of intangible non-produced assets	(183)	(32)
Opening balance	(5,524)	(5,492)
Accumulated depreciation, amortisation and impairment		
Work in Progress	27	-
Closing balance	6,344	6,344
Additions	-	808
Opening balance	6,344	5,536
Gross carrying amount		
	\$'000s	\$'000s
	2019	2018

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 during FY2019 (FY2018: \$808k).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

4.3 INVESTMENTS AND OTHER FINANCIAL ASSETS

	2019	2018
	\$'000s	\$'000s
Current investments and other financial assets		
Term deposits: (a)		
Australian dollar term deposits > three months – General Funds	8,800	18,300
Australian dollar term deposits > three months – Box Office Funds	6,500	10,000
Total current investments and other financial assets	15,300	28,300
Non-current investments and other financial assets		
Managed investment schemes:		
Managed investment schemes (b)	17,393	14,109
Total non-current investments and other financial assets	17,393	14,109
Total investments and other financial assets	32,693	42,409

Note:

Ageing analysis of investments and other financial assets

All investments and financial assets are not past due and not impaired for FY2019 (FY2018 not past due and not impaired).

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

⁽b) The Trust designated 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

4.4 DEPRECIATION AND AMORTISATION

Charge for the period

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Buildings	2,612	2,611
Building fit-out	15,434	15,381
Furniture and equipment	5,004	4,491
Motor vehicles	1	1
Intangible assets	183	32
Total depreciation and amortisation	23,234	22,516

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	52 to 86
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 has 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

5. OTHER ASSETS AND LIABILITIES

IntroductionStructureThis section sets out those assets and liabilities that arose from the Trust's controlled operations.5.1 Receivables955.2 Payables965.3 Inventories975.4 Other non-financial assets975.5 Other current liabilities97

5.1 RECEIVABLES

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Contractual	7000	, , ,
Sale of goods and services	3,166	5,501
Allowance for impairment losses of contractual receivables	(46)	(8)
Accrued investment income	149	174
Other receivables	1,006	631
Statutory		
Net GST receivable	-	61
Total receivables	4,275	6,359
Represented by:		
Current receivables	4,275	6,359

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

5.2 PAYABLES

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Contractual		
Supplies and services	1,717	3,448
Sundry Creditors and accruals	5,788	5,678
Box Office Creditors	11,661	14,767
Defined pension superannuation call	2,537	2,907
Statutory		
FBT payable	1	31
GST payable	155	-
Other taxes payable	667	49
Total payables	22,526	26,880
Represented by:		_
Current payables	20,149	24,368
Non-current payables	2,377	2,512

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 payables until the performance has occurred.

Maturity analysis of contractual payables (a)

		Maturity dates				
2019	Carrying amount <i>\$'000s</i>	Less than 1 month <i>\$'000s</i>	1 – 3 months <i>\$'000s</i>		1 – 5 years <i>\$'000s</i>	5+ years <i>\$'000s</i>
Supplies and services	1,716	1,716	-	-	-	-
Sundry Creditors and accruals	5,788	5,788	-	-	-	-
Box Office Creditors	11,662	2,477	3,548	5,393	244	-
Defined pension superannuation call	2,537	-	-	404	1,259	874
Total	21,703	9,981	3,548	5,797	1,503	874

		Maturity dates				
2018	Carrying amount <i>\$'000s</i>	Less than 1 month <i>\$'000s</i>	1 – 3 months <i>\$'000s</i>	*	1 – 5 years <i>\$'000s</i>	5+ years <i>\$'000s</i>
Supplies and services	3,448	3,448	-	-	-	-
Sundry Creditors and accruals	5,678	5,678	-	-	-	-
Box Office Creditors	14,767	3,734	5,654	5,379	-	-
Defined pension superannuation call	2,907	-	-	395	1,346	1,166
Total	26,800	12,860	5,654	5,774	1,346	1,166

Note

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

5.3 INVENTORIES

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Current inventories		
Theatre equipment	79	74
Central plant	44	50
Cleaning consumables	7	16
Food and beverage	345	411
Total inventories	475	551

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

Total current other assets	7,599	1,853
Prepayments	7,599	1,853
Current other assets		
	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>

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 \$6.8m paid to Development Victoria as a prepayment for property, plant and equipment.

5.5 OTHER CURRENT LIABILITIES

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Venue hire income received in advance	669	770
Other income received in advance ^(a)	1,884	1,730
Total other current liabilities	2,553	2,500

Note:

(a) Other current liabilities have been deferred in line with the revenue recognition as described in Note 2.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

6. HOW WE FINANCED OUR OPERATIONS

This section provides information on the sources of finance utilised by the Trust during its operations and other

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.

information related to financing activities of the Trust.

Structure

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6.3	Commitments for expenditure	99

6.1 LEASES

Introduction

6.1.1 FINANCE LEASE

The Trust is not party to any finance leases.

6.1.2 OPERATING LEASE LIABILITIES

Operating lease 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 operating lease 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.

In the event that lease incentives are received to enter into operating 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 operating 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.

	2019 \$′000s	2018 <i>\$'000s</i>
Cash on hand and in bank ^(a)	4,777	3,544
Cash held in box office bank account (b)	5,286	2,362
Balance as per cash flow statement ^(c)	10,063	5,906

Note

(a) Cash and deposits include \$2.18m (FY2018: \$0) of Foundation funds.

⁽b) 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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

	2019	2018
	\$'000s	\$'000s
Net result for the period	(18,544)	(19,877)
Non-cash movements		
(Gain)/loss on sale or disposal of non-current assets	(2)	-
(Gain)/loss on financial assets	179	(12)
Depreciation and amortisation of non-current assets	23,234	22,516
Donations of property, plant and equipment	(1,093)	(262)
Movements in assets and liabilities		
(Increase)/decrease in receivables	2,105	(2,438)
(Increase)/decrease in inventories	76	(40)
(Increase)/decrease in other current assets	1,042	(1,216)
Increase/(decrease) in payables	(4,499)	2,421
Increase/(decrease) in provisions including employee benefits	(1,194)	2,384
Increase/(decrease) in other liabilities	52	541
Net cash flows from/(used in) operating activities	1,356	4,017

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.

6.3.1TOTAL COMMITMENTS PAYABLE

Nominal amounts 2019	Less than 1 year <i>\$'000s</i>	1 – 5 years <i>\$'000s</i>	5+ years <i>\$'000s</i>	Total <i>\$'000s</i>
Operating commitments payable	6,678	37	-	6,715
Capital expenditure commitments payable	1,170	=	-	1,170
Operating lease commitments payable (a)	305	34	-	339
Programming commitments payable	772	=	-	772
Total commitments (inclusive of GST)	8,925	71	-	8,996
Less GST recoverable	(663)	(6)	=	(669)
Total commitments (exclusive of GST)	8,262	65	-	8,327

Note:

⁽a) Operating lease commitments 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Nominal amounts 2018	Less than 1 year <i>\$'000s</i>	1 – 5 years <i>\$'000s</i>	5+ years <i>\$'000s</i>	Total <i>\$'000s</i>
Operating commitments payable	3,250	1,996	-	5,246
Capital expenditure commitments payable	8,473	-	-	8,473
Operating lease commitments payable (a)	553	312	-	865
Programming commitments payable	1,155	-	-	1,155
Total commitments (inclusive of GST)	13,431	2,308	-	15,739
Less GST recoverable	(1,202)	(210)	-	(1,412)
Total commitments (exclusive of GST)	12,229	2,098	-	14,327

Note

6.3.2 COMMITMENTS

Total commitments	8,996	15,739
Other commitments: Programming	772	1,155
Lease commitments: Computers and IT equipment	339	865
Capital expenditure commitments: Capital maintenance works	1,170	8,473
Operating expenditure commitments: Facilities and IT maintenance	6,715	5,246
	2019 Nominal value (incl. GST) <i>\$'000s</i>	2018 Nominal value (incl. GST) <i>\$'000s</i>

⁽a) Operating lease commitments 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction Structure The Victorian Arts Centre Trust is exposed to risk from its 7.1 Finance

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.

7.1	Financial instruments specific disclosures	10
7.2	Contingent assets and contingent liabilities	11:
7.3	Fair value determination and impairment	11:

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.

From 1 July 2018, the Trust applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

CATEGORIES OF FINANCIAL ASSETS UNDER AASB 9

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 ASSETS PREVIOUSLY UNDER AASB 139

Loans, receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Trust recognises the following assets in this category:

- · cash and deposits;
- · receivables (excluding statutory receivables);
- · term deposits; and
- · certain debt securities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other comprehensive income' until the investment is disposed. Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to other economic flows in the net result. The Trust recognises investments in managed investment schemes in this category.

Held to maturity financial assets: If the Trust has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The held to maturity category includes certain term deposits for which the Trust intends to hold to maturity.

CATEGORIES OF FINANCIAL LIABILITIES UNDER AASB 9 AND PREVIOUSLY UNDER AASB 139

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 (excluding statutory payables) in this category.

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

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.

Derecognition 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

2019	Financial assets / liabilities designated at fair value through profit/loss (FVTPL) 5'000s	Financial assets at amortised cost (AC)	Contractual financial liabilities at amortised cost \$'000s	Total <i>\$'000s</i>
Contractual financial assets				·
Cash and deposits	-	10,063	-	10,063
Receivables (a)				
Sale of goods and services	-	3,120	-	3,120
Accrued investment income	-	149	-	149
Other receivables	-	1,006	-	1,006
Investments and other contractual financial assets				
Managed investment schemes	17,393	-	-	17,393
Term deposits	-	15,300	-	15,300
Total contractual financial assets	17,393	29,638	-	47,031
Contractual financial liabilities				
Payables (a)				
Supplies and services	-	-	1,717	1,717
Box Office Creditors	-	-	11,661	11,661
Defined Pension superannuation call	-	-	2,537	2,537
Other payables	-		5,788	5,788
Total contractual financial liabilities	-	-	21,703	21,703

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).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

2018	Contractual financial assets – loans and receivables and cash <i>\$'000s</i>	Contractual financial assets – available-for-sale \$'000s	Contractual financial liabilities at amortised cost \$'000s	Total <i>\$'000s</i>
Contractual financial assets				
Cash and deposits	5,906	-	-	5,906
Receivables (a)				
Sale of goods and services	5,493	=	-	5,493
Accrued investment income	174	=	-	174
Other receivables	631	-	-	631
Investments and other contractual financial assets				
Managed investment schemes	-	14,109	-	14,109
Term deposits	28,300	-	-	28,300
Total contractual financial assets	40,504	14,109	-	54,613
Contractual financial liabilities				
Payables ^(a)				
Supplies and services	-	-	3,448	3,448
Box Office Creditors	-	-	14,767	14,767
Defined Pension superannuation call	-	-	2,907	2,907
Other payables	-	-	5,678	5,678
Total contractual financial liabilities	-	-	26,800	26,800

Note:

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

2019	Net holding gain/(loss) \$'000s	Total interest income/ (expense) <i>\$'000s</i>	Total <i>\$'000s</i>
Contractual financial assets			
Financial assets at amortised cost – loans and receivables	(38)	620	582
Financial assets designated at fair value through profit/loss	(141)	1,183	1,042
Total contractual financial assets	(179)	1,803	1,624
Total contractual financial liabilities	-	-	-

⁽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).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

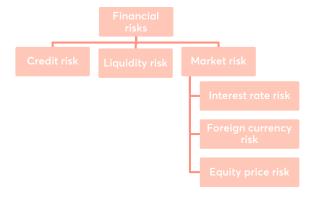
2018	Net holding gain/(loss) \$'000s	Total interest income/ (expense) \$'000s	Total <i>\$'000s</i>
Contractual financial assets			
Financial assets – loans and receivables	12	594	606
Financial assets available-for-sale recognised in net result	-	533	533
Financial assets available-for-sale recognised in other comprehensive result	449	-	449
Total contractual financial assets	461	1,127	1,588
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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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 2018-19.

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

2019	Financial institutions (AA credit rating) \$'000s	agencies (triple-A credit rating)	Other	Total <i>\$'000s</i>
Cash and deposits	3,678	6,300	85	10,063
Receivables (a)	28	640	2,804	3,472
Investments and other financial assets	=	32,693	-	32,693
Total contractual financial assets	3,706	39,633	2,889	46,228

Note:

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

2018	Financial institutions (AA credit rating) <i>\$'000s</i>	agencies (triple-A credit rating)	Other	Total <i>\$'000s</i>
Cash and deposits	1,328	4,501	77	5,906
Receivables (a)	22	281	5,434	5,737
Investments and other financial assets	-	42,409	-	42,409
Total contractual financial assets	1,350	47,191	5,511	54,052

Note:

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, the Trust has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Elements which are 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.

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.

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

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for the financial year ended 30 June 2019

On this basis, the Trust determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

2018	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate	0%	0%	3%	0%	0%	0%
Gross carrying amount of contractual receivables	5,737	338	230	-	-	6,305
Loss allowance	-	1	7	-	-	8

2019	Current	Less than 1 month	1–3 months	3 months –1 year	1–5 years	Total
Expected loss rate	0%	0%	8.5%	0%	0%	1%
Gross carrying amount of contractual receivables	3,472	307	542	-	-	4,321
Loss allowance	-	-	46	-	-	46

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

Balance at end of the year	(46)	(8)
Reversal of unused provision recognised in the net result	8	15
Reversal of provision of receivables written off during the year as uncollectible	-	4
Increase in provision recognised in the net result	(46)	(7)
Opening Loss Allowance	(8)	(20)
Opening retained earnings adjustment on adoption of AASB 9		-
Balance at beginning of the year	(8)	(20)
	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>

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 recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

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

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for the financial year ended 30 June 2019

Maturity analysis of contractual financial liabilities

2019	Carrying amount <i>\$'000s</i>	Less than 1 month <i>\$'000s</i>	1 – 3 months <i>\$'000s</i>	3 months – 1 year <i>\$'000s</i>	Greater than 1 year <i>\$'000s</i>
Payables:					
Trade creditors	1,716	1,716	-	-	-
Box office creditors	11,662	2,477	3,548	5,393	244
Other payables	5,788	5,788	-	-	-
Defined pension superannuation call	2,537	-	-	404	2,133
Total	21,703	9,981	3,548	5,797	2,377

2018	Carrying amount <i>\$'000s</i>	Less than 1 month <i>\$'000s</i>	1 – 3 months <i>\$'000s</i>	3 months – 1 year <i>\$'000s</i>	Greater than 1 year <i>\$'000s</i>
Payables:					
Trade creditors	3,448	3,448	-	-	-
Box office creditors	14,767	3,734	5,654	5,379	-
Other payables	5,678	5,678	-	-	-
Defined pension superannuation call	2,907	-	-	395	2,512
Total	26,800	12,860	5,654	5,774	2,512

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 (FY2018: 100 basis points up and down) in market interest rates (AUD);
- a movement of 15% up and down (FY2018: 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 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Interest rate exposure of financial instruments

	Weighted		Inte	rest rate exposi	ure
2019	average interest rate %	Carrying amount <i>\$'000s</i>	Fixed interest rate \$'000s	Variable interest rate \$'000s	Non-interest bearing \$'000s
Financial assets					
Cash at bank and on hand	1.22	4,777	-	4,777	-
Cash held in box office bank account	1.25	5,286	-	5,286	-
Receivables (a)					
Sale of goods and services		3,120	-	-	3,120
Accrued investment income		149	-	-	149
Other receivables		1,006	-	-	1,006
Investments and other contractual financial assets					
Managed investment schemes		17,393	-	-	17,393
Term deposits	2.14	15,300	-	15,300	-
Total financial assets		47,031	-	25,363	21,668
Financial liabilities					
Payables (a)					
Supplies and services		1,717	-	-	1,717
Box Office Creditors		11,661	-	-	11,661
Defined pension superannuation call	7.5	2,537	2,537	-	-
Other payables		5,788	-	-	5,788
Total financial liabilities		21,703	2,537	-	19,166

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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for the financial year ended 30 June 2019

	Weighted	Inte	Interest rate exposure		
2018	average interest rate %	Carrying amount <i>\$'000s</i>	Fixed interest rate \$'000s	Variable interest rate \$'000s	Non-interest bearing <i>\$'000s</i>
Financial assets					
Cash at bank and on hand	1.35	3,544	-	3,544	-
Cash held in box office bank account	1.37	2,362	-	2,362	-
Receivables (a)					
Sale of goods and services		5,493	-	-	5,493
Accrued investment income		174	-	-	174
Other receivables		631	-	-	631
Investments and other contractual financial assets					
Managed investment schemes		14,109	-	-	14,109
Term deposits	1.95	28,300	28,300	-	-
Total financial assets		54,613	28,300	5,906	20,407
Financial liabilities					
Payables (a)					
Supplies and services		3,448	-	-	3,448
Box Office Creditors		14,767	-	-	14,767
Defined pension superannuation call	7.5	2,907	2,907	-	-
Other payables		5,678	-	-	5,678
Total financial liabilities		26,800	2,907	-	23,893

Interest rate risk sensitivity

		-100 basi		+100 basis points	
2019	Carrying amount <i>\$'000s</i>	Net result <i>\$'000s</i>		Net result <i>\$'000s</i>	Available-for- sale revaluation surplus \$'000s
Contractual financial assets					
Cash and deposits (a)	10,063	(101)	-	101	-
Term Deposits	15,300	(153)	-	153	-
Total impact	25,363	(254)	-	254	_

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

		-100 basis points		+100 basis points	
2018	Carrying amount	Net result <i>\$'000s</i>	•	Net result	
Contractual financial assets		,	,		
Cash and deposits (a)	5,906	(59)	-	59	-
Term Deposits	28,300	(283)	-	283	
Total impact	34,206	(342)	-	342	-

Note:

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

			%	+5%	
2019	Carrying amount \$'000s		Available- for-sale revaluation surplus <i>\$'000s</i>	Net result	Available- for-sale revaluation surplus <i>\$'000s</i>
Contractual financial assets					
Managed investment schemes	17,393	(870)	-	870	-
Total impact	17,393	(870)	-	870	-

		-5'	%	+5%	
			Available-		Available-
2018			for-sale		for-sale
2010			revaluation		revaluation
	Carrying amount	Net result	surplus	Net result	surplus
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Contractual financial assets					
Managed investment schemes	14,109	-	(705)	-	705
Total impact	14,109	-	(705)	-	705

⁽a) Cash and deposits include a deposit of \$10.063m (FY2018: \$5.906m) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:

⁻ FY2019: \$10.063m x (0.01) = (\$101k); and \$10.063m x 0.01 = \$101k; and

⁻ FY2018: \$5.906m x (0.01) = (\$59k); and \$5.906m x 0.01 = \$59k.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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 nonoccurrence 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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 2018-19 reporting period.

These financial instruments include:

Financial assets Cash and deposits Receivables: Sale of goods and services Accrued investment income Other receivables Term deposits Managed investment schemes Financial liabilities Payables: For supplies and services Box office creditors Other payables Other payables Defined benefit superannuation call

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Financial assets measured at fair value

2040	Carrying amount as	Fair value measu	rement at end c period using:	of reporting
2019	at 30 June	Level 1	Level 2	Level 3
	\$'000s	\$'000s	\$'000s	\$'000s
Managed investment schemes	17,393	-	17,393	=
Total	17.393	-	17.393	-

2018	Carrying amount as	Fair value measu	rement at end o period using:	f reporting
	at 30 June <i>\$'000s</i>		Level 2 <i>\$'000s</i>	Level 3 <i>\$'000s</i>
Managed investment schemes	14,109	-	14,109	-
Total	14,109	-	14,109	-

Notes

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.

⁽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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

Fair value measurement hierarchy

	Carrying amount as at		measurement o	
2019	30 June 2019	Level 1 (a), (c), (d)	Level 2 (a), (c)	Level 3 ^{(a), (c)}
	\$'000s	\$'000s	\$'000s	\$'000s
Land at fair value				
Specialised land	172,310	n.a.	-	172,310
Total of land at fair value	172,310	n.a.	-	172,310
Buildings at fair value				
Specialised buildings and building fit-out	315,509	n.a.	-	315,509
Total of buildings at fair value	315,509	n.a.	-	315,509
Furniture, equipment and vehicles at fair value				
Vehicles (b)	14	n.a.	14	-
Furniture and Equipment	9,201	n.a.	9,201	-
Total of Furniture, equipment and vehicles at fair value	9,215	n.a.	9,215	-
Cultural assets at fair value				_
Works of art	37,177	n.a.	37,177	-
Performing Arts Collection	25,919	n.a.	25,919	-
Total of cultural assets at fair value	63,096	n.a.	63,096	-

Classified in accordance with the fair value hierarchy.

- Vehicles are categorised to Level 2 assets as the depreciated replacement cost is used in estimating the fair value.
- 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.

	Carrying amount as at	Fair value measurement at end of reporting period using:			
2018	30 June 2018	Level 1 (a), (c), (d)	Level 2 (a), (c)	Level 3 (a), (c)	
	\$'000s	\$'000s	\$'000s	\$'000s	
Land at fair value					
Specialised land	172,310	n.a.	-	172,310	
Total of land at fair value	172,310	n.a.	-	172,310	
Buildings at fair value					
Specialised buildings and building fit-out	333,220	n.a.	-	333,220	
Total of buildings at fair value	333,220	n.a.	-	333,220	
Furniture, equipment and vehicles at fair value					
Vehicles (b)	14	n.a.	14	-	
Furniture and Equipment	12,289	n.a.	12,289	-	
Total of Furniture, equipment and vehicles at fair value	12,304	n.a.	12,304	-	
Cultural assets at fair value					
Works of art	37,175	n.a.	37,175	-	
Performing Arts Collection	24,804	n.a.	24,804		
Total of cultural assets at fair value	61,978	n.a.	61,978	-	

- (a) Classified in accordance with the fair value hierarchy.
 (b) Vehicles are categorised to Level 2 accordance. Vehicles are categorised to Level 2 assets as the depreciated replacement cost is used in estimating the fair value.
- 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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 2016.

Under Financial Reporting Direction (FRD) 103F the Trust is required to perform a fair value assessment of specialised land and specialised buildings. A cumulative movement, since the last formal revaluation, of greater than 10% requires management to undertake a managerial valuation. The Trust uses Valuer-General Victoria land and building indices to determine the movement.

Indices issued by the Valuer-General Victoria indicate a change less than 10% this area, and as such, don't require a managerial valuation.

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 2016.

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 2019.

For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value movements

	Specialised land	building fit outs	Specialised land	Specialised buildings and building fit outs
	2019 \$'000s	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>	2018 <i>\$'000s</i>
Opening balance	172,310	333,220	141,354	350,378
Purchases (sales)	-	336	-	834
Transfers in (out) of Level 3	-	-	-	-
Gains or losses recognised in net result	-	-	-	-
Depreciation	-	(18,047)	-	(17,992)
Impairment loss	-	-	-	-
Subtotal	-	(17,711)	-	(17,158)
Gains or losses recognised in other economic flows – other comprehensive income				
Revaluation	-	-	30,957	-
Subtotal	-	-	30,957	-
Closing balance	172,310	315,509	172,310	333,220

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for the financial year ended 30 June 2019

Description of significant unobservable inputs to Level 3 valuations

2019 and 2018	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	18-43% (32%) ^(a)	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised	Depreciated	Direct cost per square metre	\$491-\$7,233/m ² (\$5,083)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
buildings	replacement cost ^(b)	Useful life of specialised buildings	30-60 years (45 years)	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note:

Significant unobservable inputs have remained unchanged since June 2018.

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.

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.

⁽a) CSO adjustments ranging from 18% to 43% were applied to reduce the market approach value for the Trust's specialised land, with the weighted average 32% 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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

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:

	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>
Net gain/(loss) on non-financial assets	70003	70003
Net gain on disposal of property plant and equipment	2	-
Total net gain/(loss) on non-financial assets	2	-
Net gain/(loss) on financial instruments		
Impairment of:		
Loans and receivables ^(a)	-	12
Financial assets at amortised cost (a)	(38)	-
Net gain/loss arising from revaluation of financial assets at fair value through net result (b)	(141)	-
Total net gain/(loss) on financial instruments	(179)	12
Other gains/(losses) from other economic flows		
Net gain/(loss) arising from revaluation of long service liability (c)	(588)	(7)
Total other gains/(losses) from other economic flows	(765)	5

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

8.2 RESERVES

		2019	2018
	Note	\$'000s	\$'000s
Donation and endowment reserve	8.2.2		
Balance at beginning of financial year		13,740	12,572
Fair value adjustment to financial assets transferred		602	
Bequests and endowment funds received		3,465	1,071
Net donations and investment income received		3,945	3,333
Donations and endowment distributions		(3,027)	(3,236)
Transfers to accumulated surplus		-	-
Disposal or transferred out		=	-
Balance at end of financial year		18,725	13,740
Asset revaluation surplus (a)	8.2.3		
Balance at beginning of financial year		296,689	265,732
Revaluation increments/(decrements)		-	30,957
Balance at end of financial year		296,689	296,689
Financial assets available-for-sale revaluation surplus (b)	8.2.4		
Balance at beginning of financial year		634	185
Opening balance adjustment on adoption of AASB 9		(634)	-
Valuation gain/(loss) recognised		=	449
Cumulative gain/(loss) transferred to net result on impairment of financial assets		=	-
Disposal or transferred out		-	-
Balance at end of financial year		-	634
Net changes in reserves		315,414	311,063

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 FINANCIAL ASSETS AVAILABLE-FOR-SALE REVALUATION SURPLUS/(DEFICIT)

Represents increments arising from the periodic revaluation of financial assets classified as available-for-sale.

8.2.5 ACCUMULATED DEFICIT

Represents the cumulative net results from current year and all prior years.

b) The financial assets available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, a portion of the revaluation surplus which relates to that financial asset is effectively realised, and is recognised in the net result. Where a revalued financial asset is impaired, that portion of the revaluation surplus which relates to that financial asset is recognised in the net result.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

8.3 CHANGE IN ACCOUNTING POLICIES

The Trust has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- (a) any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- (b) financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

AASB 9 introduces a major change to hedge accounting. However, the Trust does not apply hedge accounting.

This note explains the impact of the adoption of AASB 9 Financial Instruments on the Trust's financial statements.

8.3.1 CHANGES TO CLASSIFICATION AND MEASUREMENT

On initial application of AASB 9 on 1 July 2018, the Trust's management has assessed for all financial assets based on the Trust's business models for managing the assets. The following are changes to the classification of the Trust's financial assets are as follows:

- (a) Managed investment schemes previously classified as available-for-sale under AASB 139 are now classified as at fair value through net result under AASB 9 because their cash flows do not represent solely payments of principal and interest, thus not meeting the AASB 9 criteria for classification at amortised cost.
 - As the result of the above-mentioned changes in classification, the related fair value gain of \$634k was transferred from the available-for-sale revaluation surplus to retained earnings on 1 July 2018.
- (b) Term deposits previously classified as held to maturity under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.
- (c) Contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.

The accounting for financial liabilities remains largely the same as it was under AASB 139, except for the treatment of gains or losses arising from the Trust's own credit risk relating to liabilities designated at fair value through net result. Such movements are presented in other comprehensive income with no subsequent recycle through profit or loss.

The Trust's accounting policies for financial assets and liabilities are set out in note 4 and note 5. The following table summarises the required and elected reclassification upon adoption of AASB 9. The main effects resulting from the reclassification are as follows:

			Α	ASB 9 Measurer	ment Catego	ries
		AASB 139 Measurement Categories	Fair value through net result (designated)	Fair value through net result (mandatory)	Amortised cost	Fair value through other comprehensive income
As at 30 June 2018	Notes	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
AASB 139 Measurement Categoric Loan and receivables	ies					
Sale of goods and services	8.3.1(c)	5,501	-	-	5,501	-
Accrued investment income	8.3.1(c)	174	-	-	174	-
Other receivables	8.3.1(c)	631	-	-	631	-
Held to maturities						
Term deposits	8.3.1(b)	28,300	-	-	28,300	-
Available for sale						
Managed investment schemes	8.3.1(a)	14,109	14,109	-	-	
As at 1 July 2018	·	48,715	14,109	-	34,606	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

8.3.2 CHANGES TO THE IMPAIRMENT OF FINANCIAL ASSETS

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new Expected Credit Loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, the Trust applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method did not result in an increase in the impairment loss allowance of the Trust. Refer to note 7.1.3 for details about the calculation of the allowance.

8.3.3 TRANSITION IMPACT

The transition impact of first-time adoption of AASB 9 on Comprehensive Operating Statement and Balance Sheet has been summarised in the following tables.

Impact on Comprehensive Income Statement as at 1 July 2018 as follows:

		2018
	Notes	\$'000s
Impairment of financial assets	8.3.1(c)	-
Other economic flows included in net result		-
Changes to financial assets available-for-sale revaluation surplus	8.3.1(a)	(634)
Other economic flows – other comprehensive income		(634)
Comprehensive income		(634)

The impact on the Balance Sheet is illustrated with the following reconciliation between the carrying amounts under AASB 139 at 30 June 2018 and the balances reported under AASB 9 at 1 July 2018 for each affected balance sheet line item:

Balance sheet	Notes	Amount at 30/6/2018 \$'000s	Re-classification \$'000s	Remeasurement (ECL) \$'000s	Restated amount at 1/7/2018 \$'000s
Loans and receivables	8.3.1(c)	6,305	(6,305)	\$ 000s	- ÷ 000s
Financial assets held for maturity	8.3.1(b)	28,300	(28,300)	-	-
Available for sale	8.3.1(a)	14,109	(14,109)	-	-
Financial assets at fair value through net result	8.3.1(a)	-	14,109	-	14,109
Financial assets at amortised cost	8.3.1(c)		34,605	-	34,605
Impairment loss allowance	8.3.1(c)	(8)	-	-	(8)
Other assets		595,375	-	-	595,375
Total assets		644,081	-	-	644,081
Total liabilities		38,648	-	-	38,648
Accumulated surplus/(deficit)	8.3.1(a), (c)	(236,841)	634	-	(236,207)
Financial assets available for sale revaluation surplus	8.3.1(a)	634	(634)	-	
Other items in equity		841,640	-	-	841,640
Total equity		605,433	-	-	605,433

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

8.4 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

Responsible Persons

Ian Carson AM (from 16 April 2019)
James MacKenzie (until 16 April 2019)
Frankie Airey
Paul Barker
Warwick Bray
Catherine McClements (until 25 April 2019)
Andrew Myer AM
Ian Roberts
Nora Scheinkestel
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 \$390,000 - \$400,000 (FY2018: \$340,000 - \$350,000).

8.5 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

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.

	Total remune	ration
Remuneration of executive officers	2019	2018
(including Key Management Personnel disclosed in Note 8.6)	\$'000s	\$'000s
Short-term employee benefits	1,317	1,037
Post-employment benefits	110	103
Other long-term benefits	35	(6)
Termination benefits	-	115
Total remuneration (a)	1,462	1,249
Total number of executives	7	6
Total annualised employee equivalents (b)	6.9	5.3

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 8.6).

⁽b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

8.6 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 (from 16 April 2019)	President of the Trust
James MacKenzie (until 16 April 2019)	President of the Trust
Frankie Airey	Trustee
Paul Barker	Trustee
Warwick Bray	Trustee
Catherine McClements (until 25 April 2019)	Trustee
Andrew Myer AM	Trustee
Ian Roberts	Trustee
Nora Scheinkestel	Trustee
Helen Silver AO	Trustee
Claire Spencer	CEO
Deirdre Blythe	Executive
Leanne Lawrence	Executive
Fiona Poletti	Executive
Melanie Smith	Executive
Beau Vigushin	Executive
Richard Zimmermann	Executive
Compensation of KMPs ^(a)	2019

Note:

Total

1.648

130

52

1,830

Short-term employee benefits

Post-employment benefits

Other long-term benefits

Termination benefits

⁽a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.5).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Significant transactions with government-related entities

During the year, the Trust had the following significant transactions with government-related entities:

- The Trust received operating funding of \$24.5m (FY2018: \$24.3m) from the Department of Jobs, Precincts & Regions, formerly known as the Department of Economic Development, Job, Transport and Resources, and capital funding of \$12.3m (FY2018: \$12.8m).
- The Trust shares infrastructure with the National Gallery of Victoria and during the year recovered utilities at cost to the value of \$2.4m (FY2018: \$1.6m).

Transactions and balances with key management personnel and other related parties

Melanie Smith has no related party transactions for FY2019, however her partner Mark Burlace is Head of Programming for Melbourne International Arts Festival (MIAF) with whom related party transactions totalled \$1,186,277 in venue rental and associated services provided by the Trust. \$171,977 was paid by the Trust to MIAF towards co-produced events.

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. Also, all related party transactions have been entered into on an arm's length basis.

8.7 REMUNERATION OF AUDITORS

Total remuneration of auditors	58	57
Other non-audit services ^(a)	-	-
Audit or review of the financial statements	58	57
Victorian Auditor-General's Office		
	2019 <i>\$'000s</i>	2018 <i>\$'000s</i>

Note:

a) The Victorian Auditor-General's Office is not allowed to provide non-audit services

8.8 SUBSEQUENT EVENTS

There are no subsequent events for the financial year ended 30 June 2019.

8.9 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 consolidated comprehensive operating statement and accumulated in a separate component of equity, in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

8.10 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

The following AASs become effective for reporting periods commencing after the operative dates stated:

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2019 reporting period. DTF assesses the impact of all these new standards and advises the Trust of their applicability and early adoption where applicable. Please refer to the table below for the detailed list of the AASs issued but are not yet effective for the 2018-19 reporting period.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017 for Not-for-Profit entities.	1 Jan 2019	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as the performance obligations attached to the grant are satisfied. Management estimates there to be no material impact in the application of this standard.
AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for- Profit Public-Sector Licensors	AASB 2018-4 amends AASB 15 and AASB 16 to provide guidance for revenue recognition in connection with taxes and Non-IP licences for Not-for-Profit entities.	1 Jan 2019	AASB 2018-4 provides additional guidance for not-for-profit public sector licenses, which include: Matters to consider in distinguishing between a tax and a license, with all taxes being accounted for under AASB 1058; IP licenses to be accounted for under AASB 15; and Non-IP, such as casino licenses, are to be accounted for in accordance with the principles of AASB 15 after first having determined whether any part of the arrangement should be accounted for as a lease under AASB 16.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for- Profit Entities	AASB 2016-8 inserts Australian requirements and authoritative implementation guidance for not-for-profit-entities into AASB 9 and AASB 15. This Standard amends AASB 9 and AASB 15 to include requirements to assist not-for-profit entities in applying the respective standards to particular transactions and events.	1 Jan 2019	This standard clarifies the application of AASB 15 and AASB 9 in a not-for-profit context. The areas within these standards that are amended for not-for-profit application include: AASB 9 • Statutory receivables are recognised and measured similarly to financial assets. AASB 15 • The 'customer' does not need to be the recipient of goods and/or services; • The "contract" could include an arrangement entered into under the direction of another party; • Contracts are enforceable if they are enforceable by legal or 'equivalent means'; • Contracts do not have to have commercial substance, only economic substance; and
			Performance obligations need to be 'sufficiently specific' to be able to apply AASB 15 to these transactions.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.
			In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.
			There will be no change for lessors as the classification of operating and finance leases remains unchanged.
			Management estimates there to be no material impact in the application of this standard.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2018-8 Amendments to Australian Accounting Standards – Right of Use Assets of Not-for- Profit entities	This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply the fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly belowmarket terms and conditions principally to enable the entity to further its objectives. This Standard also adds additional disclosure requirements to AASB 16 for not-for-profit entities that elect to apply this option.	1 Jan 2019	Under AASB 1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions. For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB 2018-8 provides a temporary option for Not-for-Profit entities to measure at initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption. The State has elected to apply the temporary option in AASB 2018-8 for not-for-profit entities to not apply the fair value provisions under AASB 1058 for these right-of-use assets. In making this election, the State considered that the methodology of valuing peppercorn leases was still
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions. The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context. AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 Jan 2019	Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 Contributions. The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred. For example, revenue from capital grants for the construction of assets will need to be deferred and recognised progressively as the asset is being constructed. The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement. Management estimates there to be no material impact in the application of this standard.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2020	The standard is not expected to have a significant impact on the public sector.
AASB 1059 Service Concession Arrangements: Grantor	This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. It involves the use of a service concession asset and where the operator manages at least some of the public service at its own direction. An arrangement within the scope of this standard typically involves an operator constructing the asset used to provide the public service or upgrading the assets and operating and maintaining the assets for a specified period of time.	1 Jan 2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 Jan 2019)	For an arrangement to be in scope of AASB 1059 all of the following requirements are to be satisfied: Operator is providing public services using a service concession asset; Operator manages at 'least some' of public services under its own discretion; The State controls / regulates: what services are to be provided; to whom; and at what price State controls any significant residual interest in the asset. If the arrangement does not satisfy all the above requirements the recognition will fall under the requirements of another applicable accounting standard.
AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059	This standard defers the mandatory effective date of AASB 1059 from 1 January 2019 to 1 January 2020.	1 Jan 2020 (The State is intending to early adopt AASB 1059 for annual reporting periods beginning on or after 1 Jan 2019)	This standard defers the mandatory effective date of AASB 1059 for periods beginning on or after 1 January 2019 to 1 January 2020. As the State has elected to early adopt AASB 1059, the financial impact will be reported in the financial year ending 30 June 2019, rather than the following year.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2019

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2018-19 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2017-1 Amendments to Australian Accounting Standards Transfers of Investment Property, Annual Improvements 2014-16 Cycle and Other Amendments
- · AASB 2017-4 Amendments to Australian Accounting Standards Uncertainty over Income Tax Treatments
- AASB 2017-6 Amendments to Australian Accounting Standards Prepayment Features with Negative Compensation
- · AASB 2017-7 Amendments to Australian Accounting Standards Long-term Interests in Associates and Joint Ventures
- AASB 2018-1 Amendments to Australian Accounting Standards Annual Improvements 2015 2017 Cycle
- AASB 2018-2 Amendments to Australian Accounting Standards Plan Amendments, Curtailment or Settlement
- · AASB 2018-3 Amendments to Australian Accounting Standards Reduced Disclosure Requirements
- AASB 2018-6 Amendments to Australian Accounting Standards Definition of a Business

Administrative reporting requirements

WORKFORCE DATA

DETAILS OF EMPLOYMENT LEVELS IN JUNE 2018 AND 2019

					June	2019				
		All employ	ees/		Ongoing		Variable		Fixed ter and casu	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE
	Gender									
	Female	419	282.1	108	20	121.7	42	25.1	249	135.3
	Male	353	248.4	102	3	104.2	56	36.2	192	108.1
date	Self-described ¹	n	n	n	n	n	n	n	n	n
Demographic data	Age									
db	15-24	152	75.6	5	1	5.6	13	7.5	133	62.5
logi	25-34	253	175.0	61	2	62.2	37	23.3	153	89.5
)er	35-44	164	127.0	68	10	75.4	23	14.7	63	36.9
	45-54	127	97.3	48	5	51.4	13	8.2	61	37.7
	55-64	62	48.9	27	1	27.5	10	6.4	24	14.9
	65+	14	6.8	1	4	3.8	2	1.2	7	1.8
	Arts Centre									
	Melbourne 1-5 grades	758	516.8	205	21	219.2	98	61.28	434	236.4
	Administrative, functional and technical support	484	260.6	34	4	36.3	73	45.4	373	178.9
ion data	Supervisory, base- level professional and senior administrative	144	130.3	74	12	81.8	21	13.8	37	34.6
Classification data	Managerial, supervisory and professional	130	125.9	97	5	101.1	4	2.0	24	22.8
O	Senior employees	14	13.7	5	2	6.7	0	0.0	7	7
	Strategic and professional leadership	7	6.8	5	1	5.8	0	0.0	1	1.0
	Executives	7	6.9	0	1	0.9	0	0.0	6	6.0
	Total employees	772	530.5	210	23	225.9	98	61.28	441	243.4

					June	2018				
		All employ	/ees		Ongoing		Variable		Fixed ter and casu	
		Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE
	Gender									
	Female	414	252.0	95	17	106.1	36	20.7	266	125.3
_	Male	320	230.8	107	4	109.7	50	32.6	159	88.4
atc	Self-described ¹	n	n	n	n	n	n	n	n	n
Demographic data	Age									
aph	15-24	132	49.9	1	0	1.0	11	6.5	120	42.4
ogr	25-34	239	159.3	53	3	55.2	31	19.5	152	84.6
em	35-44	161	125.1	68	6	71.7	19	11.8	68	41.6
Δ	45-54	119	88.6	49	6	53.2	13	8.0	51	27.4
	55-64	64	48.1	28	2	29.2	9	5.9	25	13.0
	65+	19	11.8	3	4	5.5	3	1.6	9	4.7
	Arts Centre Melbourne 1-5 grades	724	473.3	200	19	212.3	86	53.3	419	207.7
	Administrative, functional and technical support	465	232.6	37	7	40.6	66	41.4	355	150.5
ion data	Supervisory, base- level professional and senior administrative	127	114.8	71	7	75.9	17	10.7	32	28.3
Classification data	Managerial, supervisory and professional	132	125.9	92	5	95.8	3	1.2	32	28.9
O	Senior employees	10	9.5	2	2	3.5	0	0.0	6	6.0
	Strategic and professional leadership	4	3.6	2	1	2.6	0	0.0	1	1.0
	Executives	6	5.9	0	1	0.9	0	0.0	5	5.0
	Total employees	734	482.8	202	21	215.8	86	53.3	425	213.7

^{1. &}quot;n" in above table means there are no employees who have "self-described" gender.

 $^{2. \}quad \text{Arts Centre Melbourne is upgrading its workforce information collection systems to allow employees to specify their gender in their own terms.} \\$

^{3.} Overall activity at Arts Centre Melbourne has increased on average by 5% in F2019 which has resulted in an increase in the number of casual and variable staff.

ANNUALISED TOTAL SALARY, BY \$20 000 BANDS, FOR EXECUTIVES AND OTHER SENIOR NON-EXECUTIVE STAFF

Income band (salary)	Executives	Senior Employees
< \$180,000	2	3
\$180,000 – \$199,999	2	4
\$200,000 - \$219,999		
\$220,000 – \$239,999		
\$240,000 – \$259,999	2	
\$260,000 - \$279,999		
\$280,000 - \$299,999		
\$300 000 - \$319 999		
\$320 000 - \$339 999		
\$340 000 - \$359 999		
\$360 000 - \$379 999	1	
Total	7	7

Notes: The salaries reported above is for the full financial year, at a 1-FTE rate, and exclude superannuation.

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*. All employees have been correctly classified in workforce data collections as outlined in the above table.

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

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	F2019	F2018	F2017
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
	Number of staff member incidents per 100 full-time equivalent staff members	27.3	29.2	34.2
Incident Reporting	Number of visitor incidents per 100 visitors	0.016	0.014	0.020
	Number of hazards per 100 full-time equivalent staff members	47.6	40.5	42.3
Workers Compensation	No. of standard claims ¹	1.60	2.27	1.29
	No. of lost time standard claims ²	0.37	0.62	0.21
	Average cost per standard claim³	\$10,269	\$10,950	\$9,126
	Number of claims exceeding 13 weeks	1	2	1
	Return to work ⁴	87.5%	88%	100%

¹ Rate of standard claims for the year per 100 full-time equivalent staff members.

² Rate of "lost time" standard claims for the year per 100 full-time equivalent staff members.

Average cost per standard claim for the year (including payments to date and an estimate of outstanding claim costs as advised by WorkSafe).

⁴ Percentage of injured staff members that returned to work in less than 10 days.

ENVIRONMENTAL PERFORMANCE

Key Measures		F2019	F2018	F2017
Electricity Total Consumption	kWh	10,985,324	11,330,391	11,311,213
Electricity Consumption per Visitor	kWh/V	3.3	3.2*	3.8
Natural Gas Total Consumption	Gj	19,945	18,625*	29,095
Water Total Consumption	KL	68,355	57,052*	55,719
Water Consumption per Visitor	L/V	20.4	16.4*	18.6*
Greenhouse Gas Emissions	T CO2-e	15,940	16,261*	16,718*
Greenhouse Gas Emissions per Visitor	KG CO2-e / V	4.8	4.7	5.6*

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.

BUDGET PAPER 3 OUTPUT REPORTING

	F2019	F2018	F2017	F2016	F2015
Access – visitors/users ¹	3,115,240	3,489,047	2,691,062	2,637,075	2,613,744
Access – online visitors to website	3,948,728	4,035,418	4,398,875	3,414,510	2,770,680
Number of members and friends	1,422	1,442	1,546	1,379	1,385
Number of volunteer hours	1,754	1,528	1,313	1,007	898
Number of students participating in education programs	54,949	49,231	56,677	50,977	77,900
% of collections stored to industry standard	73	73	71	68	68
% of visitors satisfied with visit overall	96	96	98	97	94

¹ Access – visitors/users represent number of attendances as well as visitors to Food and Beverage and Sunday Market (this excludes Carpark).

FREEDOM OF INFORMATION

From time to time, ACM receives requests for information from members of the public. These requests are typically in accordance with the law, under the *Freedom of Information Act* 1982 (Vic) ("FOI Act").

The FOI Act gives any person the right, subject to certain exemptions, to access documents relating to the activities of state government agencies. This includes the activities of ACM. In accordance with Part II of the FOI Act, certain information must be published about ACM.

Section 11 of the FOI Act states that a statement of certain documents in possession of agencies must be published in the following prescribed form:

- Statement 1: Organisation and functions
- Statement 2: Categories of documents
- Statement 3: Freedom of information arrangements
- Statement 4: Publications
- Statement 5: Rules, policies and procedures
- Statement 6: Report literature

The statement of documents is often referred to as a "Part II Statement". In accordance with our requirements under the FOI Act, the ACM has drafted a Part II Statement and template application form which are now available on our website at: https://www.artscentremelbourne.com.au/freedom-of-information

As set out in the Part II Statement, interested parties are encouraged to contact ACM's Freedom of Information Officer before submitting a formal FOI Request. In many cases, ACM will be able to provide the requested information more efficiently without the need for an FOI Request.

In the 12 months ending 30 June 2019 ACM received two formal FOI applications – one from an individual, and one from an organisation. These requests were reviewed internally. In the first case, the request related to information not required to be retained by ACM, and was therefore unable to be provided. In the second case, some information was assessed to be exempt from release, and all remaining information was released

^{*}Prior year figures have been updated in accordance with final accounts where required.

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.

NATIONAL COMPETITION POLICY

Competitive Neutrality requires Government businesses to ensure where services compete or potentially compete with the private sector, that any advantages arising from their Government ownership are removed if they are not in the public interest.

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.

STATEMENT OF COMPLIANCE WITH THE BUILDING ACT 1993

The Trust continues to comply with the relevant guidelines, pursuant to Section 220 of 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 construction on works, to certify compliance with building regulations.

During F2019 the following building type activities were undertaken:

- · Twelve Building Permits issued
- Four Final Inspections and Occupancy Certificates issued
- Four Building Related Projects valued more than \$50,000

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 inspection, reporting, scheduling and carrying out of maintenance occurred and that the buildings confirm with building standards.

PROTECTED DISCLOSURE ACT 2012

The Protected Disclosure Act 2012 (the Act) establishes a framework for protecting people who make disclosures about improper conduct in the public sector.

The Trust is committed to the aims and objectives of the Act. In particular, the Trust does not tolerate improper conduct by its staff or the taking of reprisals against those who come forward to disclose such conduct.

COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT 2012

The Trust is not a public body to which disclosures 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

As required by s.58(5) of the Act, procedures of the Trust for protecting people who make protected disclosures from detrimental action by the Trust or its staff are available on its website: www.artscentremelbourne.com.au

COMPLIANCE WITH THE CARERS RECOGNITION ACT 2012

Arts Centre Melbourne seeks to comply with its obligations under the Carers Recognition Act 2012 (the Act) as an organisation funded by the Victorian Government.

- 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.

LOCAL JOBS FIRST

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) 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 or complete any applicable projects during F2019.

SUBSEQUENT EVENTS

There were no subsequent events for the financial year ended 30 June 2019.

ARTS CENTRE MELBOURNE FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I Paul Barker, on behalf of the Responsible Body, certify that the Victorian Arts Centre Trust has complied with the Standing Directions 2018 made under the *Financial Management Act 1994* and Instructions.

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK

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. 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.

Paul Barker

Chair, Risk Management & Audit Committee Victorian Arts Centre Trust 16 September 2019

CONSULTANCIES

In F2019 there were 7 consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during F2019 in relation to these consultancies is \$281k (excluding GST). Details of individual consultancies can be viewed at www.artscentremelbourne.com.au/annualreport. There were 8 consultancy engagements during the year where the total fees payable to the individual consultants was less than \$10,000. The total expenditure incurred during F2019 in relation to these consultancies was \$48k (excl. GST).

DETAILS OF GOVERNMENT ADVERTISING EXPENDITURE (CAMPAIGNS WITH A MEDIA SPEND OF \$100,000 OR GREATER)

Name of	Campaign summary	Start/ End date	Advertising (Media) Expenditure F2019	Creative and campaign development Expenditure F2019	Research and evaluation Expenditure F2019	Print and collateral Expenditure F2019	Other Campaign Expenditure F2019
			(excluding GST) \$'000s	(excluding GST) \$'000s	(excluding GST) \$'000s	(excluding GST) \$'000s	(excluding GST) \$'000s
			0	0	0	0	0

There were no campaigns with a media spend above \$100k during F2019.

DETAILS OF INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the F2019 reporting period, the Trust had a total ICT expenditure of \$5.8m, with the details shown below.

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities				
BAU ICT expenditure \$'000s	Non-BAU ICT expenditure \$'000s	Operational expenditure \$'000s	Capital expenditure \$'000s		
3,670	2,141	2,056	86		
3,670	2,141	2,056	86		

ICT expenditure refers to Arts Centre Melbourne's costs in providing business-enabling ICT services. 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 Arts Centre Melbourne's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

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 is a Financial Reporting Direction issued by the Minister for Finance 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.

